CENTER FOR THE STUDY OF DEMOCRACY

COUNTERING KREMLIN'S GLOBAL INFLUENCE IN LATIN AMERICA

Policy Brief No. 153, December 2024

Following its unprovoked aggression in Ukraine, Russia has sought a safe haven for its extensive networks of companies and investments parked in the West, facing increasing pressure from international sanctions. Russia has shifted its focus to Asia, Africa and Latin America, where the Kremlin has cultivated its influence since the Soviet period and has expanded its economic footprint in the past decade, seeking also to sway governments and public opinion in its favor in the standoff with the West. *The Kremlin Playbook in Latin America*[1] has increasingly sought to bring together the **hard power** approach linked to defense sector engagement, large state-driven projects and economic coercion, and the deployment of **sharp power** instruments based on the massive production and spread of anti-Western, anti-liberal and anti-colonial narratives.

The Kremlin has sought to use strategic supply agreements and large-scale infrastructure projects to position Russia as a key economic player in the region that is then leveraged to influence the foreign and strategic policy choices of Latin American countries. Russia's economic footprint in Latin America is relatively small. Yet the Kremlin has sought to lock in many countries in the region in **asymmetric dependencies**, particularly in strategic sectors such as **energy** and **agriculture**, typically controlled by well-connected small local elites, which provide venues for **state capture** and political leverage. Russian companies have taken advantage of the growing instability of global commodity markets, partially the result of Kremlin stoked wars, to increase their share of petroleum products and fertilizers markets.

KEY POINTS

- Russia has reengaged with Latin America, offering state-sponsored projects and using tools of economic coercion, sharp power, and information warfare, often **exploiting governance deficits** and **reinforcing state capture**.
- Russia's largest **oil and gas** companies have gained significant footprint in Latin America, bringing in around **$14 billion in revenues** from selling petroleum products to the region since 2022.
- Moscow has expanded its portfolio of **nuclear projects** and has tapped into the region's **vast lithium reserves**.
- Russian fertilizer suppliers have invested billions in setting up manufacturing facilities in the region on the back of a **skyrocketing increase of Russian fertilizer exports** to Latin America. Brazil now accounts for 25% of Russia's global fertilizer sales.
- Some of the 100 largest Russian companies, including many sanctioned by the West, have expanded the stock of their financial assets **held in Caribbean offshore hubs to $70 billion**.
- Russia has deployed **sharp power instruments** to co-opt political elites, civil society organizations, cultural and academic networks, and media outlets to promote narratives that undermine the region's social and political cohesion.
- The implementation of **governance and accountability reforms**, economic diversification measures, and international cooperation is imperative to counter Kremlin-linked state capture tactics in the region.

---

[1] Vladimirov, M., Rueda, G., and Osipova, D., *Global Reach: The Kremlin Playbook in Latin America*, Sofia: Center for the Study of Democracy, 2024.

To amplify the impact of the Russian economic footprint in the region, Russia has deployed sharp power instruments to **co-opt political elites**, civil society organizations, cultural and academic networks, and media outlets to promote narratives that undermine the region's social and political cohesion. Cash-strapped traditional **media** in Latin America has been susceptible to uncritically allowing on their platforms the free local language content Sputnik and RT offer inadvertently amplifying the reach and impact of Kremlin's false narratives. At the same time, the lack of control over content algorithms of social media platforms in the local media space, has allowed free reign of Kremlin's troll factories.

Understanding the Kremlin Playbook in Latin America

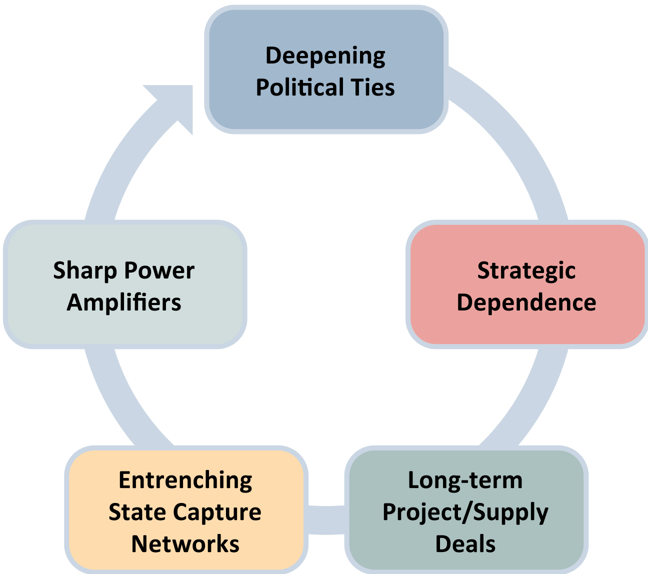
State capture forms the core of the Kremlin Playbook, reflecting the nature of the regime in Moscow and its approach to influencing the political and economic landscapes of targeted countries. **State capture** refers to the infiltration and subversion of a nation's democratic governance and market economy checks and balances through corruption, manipulation, and the establishment of overt and covert ties with local elites and political leaders.[2] Russia has successfully employed this tactic globally and in Latin America, by seeking to create relationships of dependence with political leaders and factions with strong authoritarian and reactionary, anti-Western interests.

The state capture networks weaved by the Kremlin rely on exploiting governance gaps, such as corruption, lack of transparency, and weak rule of law. These vulnerabilities provide fertile ground for Russian influence operations, allowing Moscow leverage that would not possible in countries with stronger institutions and regulatory frameworks.

Latin America is especially susceptible to these state capture tactics. Despite having competitive electoral systems, powerful political factions have traditionally controlled the key levers of the decision-making process, favoring specific regional, ethnic, or private interests. Moscow has offered unlimited targeted support to these domestic political forces opening a **window of opportunity** for the broader Russian geopolitical objective of undermining the U.S. influence in the region. This backing can take the form of financial assistance, conspicuous state to state economic deals, strategic advice, military training and intelligence cooperation.

The Kremlin has successfully used the state capture tactics to engage with existing or aspiring private or state-controlled captors in targeted countries to try to dominate strategic markets such as energy, infrastructure and agriculture. Russia has been surprisingly adept at leveraging modest resources to advance its objectives in the region and has utilized its **informal oligarchic networks** to establish a stronghold in strategic regional markets. Large-scale infrastructure projects are favored as an opportunity to lock the target countries into a long-term, asymmetrical economic relationship that can be leveraged for future political influence. These projects similarly exploit and further entrench existing state-capture practices in key local institutions.

Figure 1. The Unvirtuous Cycle of the Kremlin's State Capture Strategy



Source: *CSD.*

Although Latin America has not been the largest recipient of Russian financial flows, the region has become vulnerable to politically driven penetration through targeted and timely investments, as well as **growing structural trade dependencies**. The Kremlin has effectively capitalized on the global shift in commodity trade following its large-scale invasion of Ukraine in 2022 to secure a strategic position in the oil, fertilizer, and natural resource markets.

[2] Vladimirov, Rueda, and Osipova, *Global Reach*, Sofia: CSD, 2024. The Kremlin Playbook assessment focuses on five of the most vulnerable countries to foreign authoritarian meddling in the region: Venezuela, Bolivia, Brazil, Argentina and Panamá.

Russia, similarly to China, often sponsors intergovernmental or commercial loans that mimic development assistance but feature nontransparent negotiations and hidden terms. The loans are channeled in ways that support state capture. For example, funds may be directed to specific companies with guaranteed high profit margins, which then support the reelection campaign of the incumbent political leadership.

In many cases the Kremlin seeks to enjoy credible deniability by operating through state-owned companies and (networks of) private suppliers, subcontractors and corporate entities based in offshore tax havens with unclear ownership structures. These entities, which typically are ultimately linked to a state company or a Kremlin or local oligarchs, seek out sectors with high entry barriers like state licensing requirements, natural monopolies or those that are highly dependent on state subsidies.

Mapping the Russian Economic Footprint in Latin America

After Vladimir Putin came to power in 2000, Russia has reengaged economically with Latin America, **aiming to gain new markets in strategic sectors** such as energy, metals and minerals, agriculture, defense and infrastructure. Moscow has combined this state and oligarch-concentrated economic power with Cold War–era security networks and increasing resurgence in military engagement in the region.

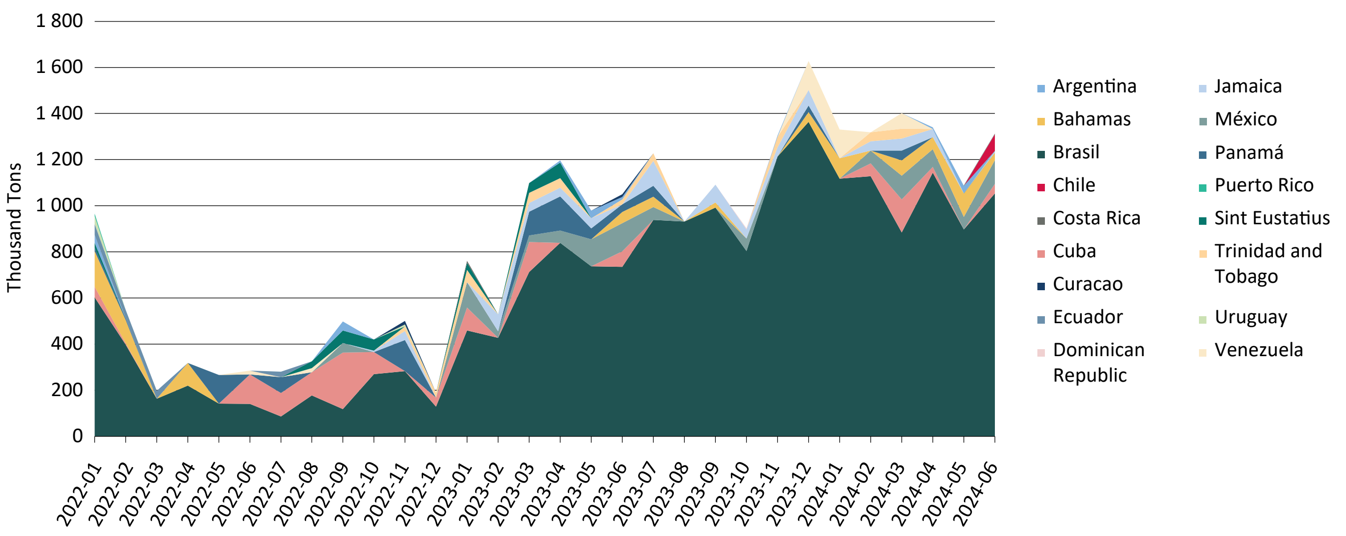
The pinnacle (so far) of the Kremlin playbook in Latin America was achieved in Venezuela where Russia has become the de-facto. Russia has **helped Venezuela avoid economic isolation** during the period of U.S. and EU sanctions against the country and has mobilized a coalition of like-minded states including China, Iran, Cuba and Turkey to provide international legitimacy of the regime. This has so far proven enough to help Maduro cling to power despite persisting massive presidential election fraud.

Despite the publicly announced intentions to strengthen its trade cooperation with Latin American countries through multiple bilateral agreements, Latin America is still not a major trading partner for Russia. Yet, this is changing as bilateral trade with Russia has seen an exponential growth on the back of the enormous growth of Russian exports of petroleum products and fertilizers to the region. Looking closer at the structure of the Russian economic footprint, the **Kremlin's most important trading partners** in Latin America have become Brazil, Mexico, Argentina, Chile and Ecuador.

Trade Dependencies

Following the onset of the invasion of Ukraine and the subsequent sanctions imposed on Russia, Russian oil export prices plummeted. Several Latin American

Figure 2. Imports of Russian Petroleum Products by Recipient Country in Latin America (2022-2024)



Source: *CSD based on KPLER data.*

countries, such as Argentina, Brazil, and Mexico, took advantage of the market shift to surge their imports from Russia. Russian **oil sales to Latin America have grown sevenfold since the start of the war in Ukraine**, reaching a peak of between 300,000 and 330,000 barrels per day (bpd), about 5% of the total daily Russian oil sales abroad.[3] Based on the average Russian diesel price on the global market, Russia has generated at least **$13.5 billion in revenues** from its oil business in Latin America.

The Russian invasion of Ukraine also caused **fertilizer prices** to skyrocket as agricultural producers worldwide rushed to secure supplies. Russia has taken advantage of the market instability to boost exports and capture a bigger market share by offering discounts of between 20% and 30%.[4]

Latin American countries are particularly vulnerable to the **fertilizer market crisis**, as food exports represent a significant share of their GDP. They have seized the opportunity to obtain Russian fertilizers at lower cost. The most vivid example is **Brazil**, which has become **the world's largest market for Russian fertilizers**, accounting for 25% of Russia's global sales.[5] Given this dependency, market fluctuations or potential future sanctions on fertilizer exports could severely impact the Brazilian agricultural production, with profound economic consequences for global food prices. This structural dependence parallels Russia's historical use of natural gas supplies to **influence Europe's foreign and strategic policy towards the Kremlin**.

Capital Inflows

In the past two decades, Russian companies have increased their foreign direct investments (FDI) worldwide by over 200%, reaching approximately $350 billion on the eve of the full-scale invasion of Ukraine in 2022. It overall Russian FDI stock in Latin America remains small[6]. If the FDI stocks coming through the Caribbean Islands tax havens were excluded from the calculation, Russian investment in the region would have been marginal.

Determining the true extent of Russian capital inflows into Latin America **is challenging.** In many countries, data on Russian investments is confidential, and investments are often channeled through networks of shell companies to **obfuscate the ultimate beneficial ownership** of capital flows, including those directed to other Latin American economies. For example, over the last 20 years, the Russian government and state-owned companies have invested no less than $17 billion, mainly in the form of **loans to the Venezuelan oil industry**[7]. These capital inflows have not been registered by neither the Venezuelan nor the Russian central bank, which classifies investments to the Caribbean country as confidential.

There are also often discrepancies between the investment data from the Russian central bank and from national authorities. The **Russian central bank tracks all investment flows, originating from final beneficial owners in the country**, even if they are channeled through third countries, though public access to this data was discontinued in 2019. For example, according to the Brazilian statistical authority, Russian FDI stocks stand at only $3 million, unlike the official Russian FDI figures where investment stocks in Brazil reached $2 billion in 2022[8]. At the same time, Latin American countries are receiving large volumes of FDI from the Netherlands, Luxembourg and Switzerland that are hosting the trade and investment subsidiaries of some of the largest Russian multinationals operating outside of Russia. Hence, it is likely that **the true size of the Russian FDI stocks in the region is much greater**.

In terms of sectoral distribution, most investments are concentrated in the **energy, natural resources, agriculture and information and technology** sectors. Western sanctions may push more Russian companies to explore opportunities in Latin America. Yet given the historical backlog and competitive pressures, this is unlikely to significantly change Russia's economic footprint in the region, pushing the Kremlin to continue pursuing non-market tactics for gaining leverage.

Corporate Footprint

The Russian corporate footprint in Latin America is also limited**.** Still there are around **270 large and medium-scale Russian enterprises** operating roughly 280 subsidiaries across the region. Some of

[3] Soldatkin, V., and Kobzeva, O., "Russia extends oil exports cuts of 300,000 barrels per day until year-end, deputy PM Novak says," *Reuters*, September 5, 2023.

[4] Gurkan, E., "Russia profits from coal exports despite discounted prices," *Anadolu Agency*, October 20, 2022.

[5] Helou, T., "Brazil's Reliance on Russian Fertilisers: A Vulnerability Turned Geopolitical?," *United Nations University*, Institute on Comparative Regional Integration Studies, June 15, 2022.

[6] Kuznetsov, A.V., "Russian Direct Investment in Countries of Latin America," *Russian Academy of Sciences*, 2022, 92 Suppl 9: S859–64.

[7] Parraga, M., and Ulmer, A., "Special Report – Vladimir's Venezuela: Leveraging loans to Caracas, Moscow snaps up oil assets," *Reuters*, August 11, 2017.

[8] Kuznetsov, "Russian Direct Investment in Countries of Latin America," 2022.

Russia's biggest state-owned and private entities are active in Latin America even though their business activities are limited, making up a fraction of their global revenues and/or labor force**.** Companies with ultimate Russian ownership in Latin America have recorded around **$10 billion in sales in the region**, accounting for less than 5% of the global revenues of their parent companies. However, in terms of financial assets, Russia has a significant presence **in the Caribbean's offshore centers**, where some of the **125 largest Russian companies** have their parent companies registered.

Around 80% of these firms are under one or another sanction regime in Europe or the U.S., making them an easy target for legal action. Offshore **shell companies control close to $70 billion in Russian assets** at the end of 2023 up more than 10% since the Russian invasion in Ukraine. The British Virgin Islands (BVI), Panama, Curacao and the Cayman Islands are some of the biggest holders of Russian financial assets providing a key safe haven for Russian entities.

Russia's use of offshore financial hubs in Latin America, particularly in Panama, also serves as a **key mechanism for evading international sanctions**. These hubs not only launder Russian money but also facilitate the circumvention of sanctions against authoritarian regimes in Latin America. For instance, Russian firms use Panama to reflag oil tankers, allowing Venezuela to continue exporting oil despite U.S. and EU sanctions. **Panama flags the biggest share of the Russian shadow fleet** aiming to breach the G7 oil price cap regime.

The Russian corporate footprint in Latin America focuses on **energy, natural resources extraction, and fertilizers**. While Russia's energy sector investments have garnered most of the attention surrounding the Kremlin's corporate footprint, Russian companies have expanded their presence in other structurally important areas of the Latin American economy.

A key example is the growing role of Russian companies in supplying **fertilizers** to the region. Brazil concentrates over 75% of the Latin American revenues of Russian fertilizer companies. The region contributes 14% to the global agricultural production and 23% to agricultural exports.[9] Such production could not be sustained without the massive use of chemical fertilizers, in which Russia holds a significant market share in both production and marketing, providing **an ideal tool for influence** in the region.

Russian companies have also actively participated in **major infrastructure projects for** building railways, ports, and other strategic transport and energy **infrastructure** in Argentina, Brazil, and Bolivia. However, in most cases, the bilateral economic ties with Russia are limited to the announcements of intentions, or strategic agreements with the government or a large, private local company, which then rarely turn into actual investments on the ground. Nonetheless, the Kremlin has managed to leverage these preliminary agreements to position itself as an important economic player in the country and condition its actual implementation based on the geopolitical orientation of the government.

Vulnerable Strategic Sectors

Following its global strategy, the Kremlin prioritizes the oil and gas sectors in Latin America too, where Russian companies have a lot of experience and knowhow. The Russian presence in oil and gas in the region include key players such as Gazprom, Rosneft, Lukoil, and Surgutneftegas, alongside other affiliated enterprises. Venezuela stands out as a focal point for Russian oil and gas presence, with approximately 23% of the bilateral agreements between Russia and Venezuela from 2004 to 2023 focused specifically on the oil and gas sector. These deals encompass joint ventures, acquisitions, investments, loans, debt renegotiations, oil field allocations, crude oil trading, and cooperation agreements.

Energy and Critical Resources

The Russian energy alliance with Venezuela has been the crown jewel of the Kremlin's re-entry strategy in Latin America. Rosneft has enjoyed considerable leverage over the country's state-owned oil and gas company, PDVSA. Prior to the lifting of the sanctions imposed on Maduro's regime by the United States, **Rosneft managed 75% of Venezuelan oil exports** through its commercial and shipping intermediaries. The lifting of the U.S. sanctions on PDVSA, resulted in the sharp increase in crude exports to American refineries in the Gulf of Mexico (up to 250,000 bpd)[10], which may have opened the way for Rosneft to sell

9 Hebebrand, C., and Glauber, J.,"The Russia-Ukraine war after a year: Impacts on fertilizer production, prices, and trade flows," *International Food Policy Research Institute Blog*, March 9, 2023.

10 Portal Portuario, "Venezuela: Exportaciones de petróleo aumentan en 2023 ante alivio de sanciones de EEUU," January 4, 2024.

small volumes of crude oil into the U.S. market in violation of the G7 ban on Russian oil imports.

Russian influence in the energy sector extends beyond Venezuela to other oil and gas-producing countries in Latin America, albeit to a lesser extent. In Argentina, Russia has expressed interest in various projects, including the building of hydro dams, LNG plants, the development of conventional and shale gas fields, and the takeover of oil and gas transportation and storage infrastructure. Most of these attempts at oil and gas investments have come to nothing so far, yet provide a **glimpse into Kremlin's ambition**.

Gazprom and Lukoil have tried, on a number of occasions, between 2014 and 2024 to obtain access to Argentina's oil and gas sector in partnership with the state-owned company, YPF. Lukoil worked in close tandem with a network of businesses and politicians with close ties to the governments of the Kirchner family to enter the country's wholesale and retail refined petroleum products market.

Gazprom, Russia's energy giant, has aimed to expand Russia's presence in Latin American natural gas production, particularly in Bolivia. Although exploration activities have yet to yield commercially viable reserves, Gazprom's involvement reflects Russia's strategy of **creating energy dependencies** even before resources are fully developed.

In Bolivia, Russian natural gas deals have come under scrutiny, with some agreements reportedly **bypassing due diligence standards**.[11] By deepening ties with gas-rich countries, Russia positions itself to influence the region's energy security landscape, leveraging its expertise and offering alternative financing to countries with limited access to Western markets.

Russia has also tried to develop **nuclear energy projects** throughout Latin America. Although only Argentina, Brazil and Mexico have an advanced nuclear energy sector, there are 16 **research reactors** in operation (five in Argentina, four in Brazil, two in Mexico, two in Peru, one in Chile, one in Colombia, and one in Jamaica), in which the Russian state-owned nuclear company, Rosatom has shown direct interest.

Russia and Argentina have been discussing potential collaboration in further developing the country's nuclear industry. Russia has been determined to build a new nuclear power plant in Argentina over the past 15 years yet talks have not produced results yet, partially because of strong **competition from China**.

It is in Bolivia where Russia has achieved a much greater influence over the country's nascent nuclear industry. An intergovernmental agreement from 2016 authorized the Russian state-owned nuclear energy firm Rosatom to **construct a $300 million Nuclear Research and Technology Center (NRTC)** in the town of El Alto.[12] In March 2023, the facility supplied the first radiopharmaceuticals that can provide treatment to around 5 000 patients a year.[13]

Sergey Kiriyenko, the former president of Rosatom and current deputy head of the Russian presidential administration, has closely **coordinated the nuclear company's business strategy with the Kremlin**'s objective to increase its political influence in Bolivia. Because the Kremlin's business and political interests in Bolivia were so closely intertwined with Morales's presidency, Moscow did not hesitate to lend support as the Bolivian leader faced a difficult reelection bid in 2019. Rosatom **dispatched political strategists** in January of that year in an effort to boost the incumbent's fading popularity. These spin doctors, trained in managing local political campaigns in Russia, focused on social media and the blogosphere, amplifying Morales's campaign messages and attempting to smear or discredit his opponents.[14]

Like in many countries where Rosatom has become active in the years, the company has been very skillful in **locking countries into long-term nuclear energy infrastructure deals** with questionable economic feasibility. The company's success in developing a nuclear research facility in Bolivia is a vivid example of this strategy, which comes straight out of the Kremlin playbook in Central and Eastern Europe.[15] There, Russia has exploited structural market deficits, the lack of independence of regulators, and widespread deficits in the management of local state-owned enterprises to lure host countries into costly and unnecessary energy infrastructure projects. Moscow has facilitated

[11] Los Tiempos, "Evo posesiona al cuarto presidente de Yacimientos," March 24, 2007.

[12] Sputnik., "Bolívia inaugura 2ª etapa do centro de pesquisa nuclear mais alto do mundo, com apoio da Rosatom," October 25, 2023.

[13] Associação Brasileira de Energia Nuclear, "Bolvía produz primeiros radiofármacos," March 15, 2023.

[14] Badanin, R., et al., "How Russia Secretly Helps Evo Morales to Win the Fourth Election," *Proekt*, October 23, 2019.

[15] Shentov, O., Stefanov, R., Vladimirov, M. (eds.), *The Kremlin Playbook in Europe*, Sofia: Center for the Study of Democracy, 2020.

these types of projects by recruiting **local power brokers** with offers of government-sponsored business opportunities and premium returns. Cultivating these networks of influence not only advances the Kremlin's strategic business interests, but also contributes to its foreign policy goals.

Rosatom has also shown interest in joining the development of Latin America's **lithium reserves**, especially in Bolivia. The Russian firm, through its Uranium One subsidiary, signed a $450 million agreement with Bolivia's Yacimientos de Litio Bolivianos (YLB) in 2023 to construct a lithium extraction plant in the Uyuni salt flats. This project, planned to start production by 2025, is set to reach a capacity of 25,000 tons by 2027.[16] Uranium One Group is one of the two international companies chosen by YLB; the other company is CITIC Guoan of **China**, which will build another pilot plant with the capacity to produce 1,000 tons of lithium carbonate per year in the Uyuni and Pastos Grande salt flats.[17]

Both companies were selected in a process that **lacked transparency**, as no qualification and selection report had been made public. Nor has it been possible to obtain copies of the agreements signed with the aforementioned companies. As such, both the scope and specific terms of the said agreements remain unclear.

Agriculture and Fertilizers

Latin America's agricultural sector relies heavily on Russian fertilizers, a dependency Russia has nurtured to achieve **leverage over countries' foreign policy**. Brazil's 2022 effort to lobby the international community to exclude fertilizers from the sanctions regime against Russia underscored this leverage, as Brazil feared disruptions in supply could impact food security and the vitality of its enormous agricultural industry. Russia can continue growing its global market share in fertilizers, as it is the leading producer of natural gas, a raw material for fertilizer production, and controls approximately 20% of the world's potash reserves.[18]

Russian firms such as Uralkali and EuroChem have grown their presence in Brazil through strategic acquisitions. EuroChem alone **invested over $2 billion** in projects that could meet 15% of Brazilian fertilizer demand by 2024.[19] In Bolivia, Russian fertilizer imports account for over half of the nation's total, with Acron entering agreements to market fertilizers produced in collaboration with local gas companies. In Argentina, agricultural trade with Russia has strengthened, with Russia becoming a major market for Argentine beef and other agricultural products.[20]

Russia's strategy in agriculture and fertilizers mirrors its approach in other sectors, **blending commercial activity with political leverage**. By controlling critical supplies and maintaining a strong presence in regional food production, Russia can subtly shape Latin American nations' policy decisions, aligning them more closely with Moscow's global strategy. Russia seeks to establish itself as a key market for Latin American food products and as the main supplier of fertilizers, thereby taking the U.S. market share.

Finance

The strengthening of Latin America's integration in global financial markets has spurred growth of the relocation of activities towards **offshore financial hubs**. Characterized by favorable tax regimes, lenient regulations, and high levels of financial secrecy, they have served as conduits for capital flows into and out of Latin America. This is especially true for Russia, which has been able to move **camouflage funds movements** and avoid scrutiny using corporate service providers and banks located in the Caribbean. Panama has become a focal point for Russian companies, including major banks and state entities, to establish subsidiaries. The Panama Papers leak in 2016 exposed numerous Russia-linked firms using offshore jurisdictions to **avoid taxation and safeguard assets**. Despite ongoing regulatory reforms in Panama, the country remains a preferred destination for Russian financial flows.

Latin American offshore jurisdictions provide Moscow with a cloak against sanctions and an alternative to Western financial networks. The process of financial obfuscation extends beyond just moving capital; it also involves the **registration of Russia's vast oil and gas shadow tanker fleet** under Latin American flags. By re-flagging these vessels, Russia can evade international sanctions aimed at curbing its energy exports, thereby maintaining cash flows necessary to sustain its war

16 Agencia Boliviana de Información., "Uranium One Group invertirá $us 450 millones en la planta piloto de litio con tecnología EDL en Uyuni," December 13, 2023.

17 Los Tiempos, "Gobierno firma convenios con empresas de China y Rusia para explotar el litio," June 29, 2023.

18 Gielow, I., "NUCLEAR – Lula retoma agenda nuclear com a Rússia, ponto de atrito com os EUA," *Defesanet*, April 19, 2023.

19 InfraRoi., "EuroChem obtém licença ambiental para produzir fertilizantes em MG," January 10, 2024.

20 Instituto de Promoción de la Carne Vacuna, "La carne argentina pisa fuerte en Rusia," 2019.

effort in Ukraine. Moreover, Russia's integration into the Latin American financial system has provided it with a secure base from which to manage its economic interests globally. This includes securing investments in critical sectors such as energy and mining.

Russian corporate records reveal that there are 726 Russian companies with Panamanian owners. 624 out of those were terminated between 2002 and 2024, with over 60% of the terminations happening after 2016, when the Panama Papers were leaked. Notably, despite the leak and the subsequent massive company registration terminations, there have been not a single related criminal case filed in Russia. Russia's Prosecutor General's office explained this with Panama's unwillingness to cooperate.[21]

Military

Russia's military partnerships in Latin America underscore its strategic interest in shaping the region's policies. The multitude of military deals has allowed Russia to establish a footprint in Latin America, which may influence the region's stance on security issues and international conflicts, creating potential geopolitical leverage for Moscow. In one of the more recent examples of this strategy, in early February 2024, Russia banned the import of bananas from Ecuador (allegedly for sanitary reasons), clearly in retribution for the latter's decision to transfer arms, including Soviet-era helicopters, rocket launchers, grenade launchers, and anti-aircraft missile systems, to Ukraine.[22]

The Kremlin-controlled military contractors and arms dealers have established cooperation with Venezuela, Cuba, and Nicaragua.[23] Russia has continued to supply the Venezuelan military with equipment and provides technical support despite the logistical challenges posed by the war in Ukraine. In Bolivia, military agreements have sparked concerns over transparency, as they have been negotiated outside of the public or parliamentary oversight. Russia has also forged security ties with Brazil, granting it access to the GLONASS satellite navigation system, which is directly controlled by the Russian Aerospace Defense Forces. Although Russia's efforts to sell arms to Argentina in 2010 were largely unsuccessful, recent cooperation agreements for the supply of army helicopters indicate that Moscow continues to pursue military partnerships across the region even in a more constrained geopolitical environment.

Elite Capture

The Russian influence in Latin America relies on exploiting governance gaps, such as corruption, lack of transparency, and the weak rule of law. By providing support to **political elites** and factions that are sympathetic to its interests, Russia has embedded itself within the political systems of Latin American countries. This support can take the form of financial assistance, strategic advice, military training and intelligence cooperation.

The economic influence, which often underpins the Russian strategy as the product of the confluence of oligarchic and political interests, is amplified by a number of **sharp power instruments**. These include the use of targeted disinformation campaigns, the financing of civil society and cultural organizations aiming to change the public discourse in Russia's strategic favor and the coopting of political movements that could become intermediaries to ruling elites. The success of sharp power instruments relies heavily on the cooperation of local enablers— key figures who can become instruments of the Kremlin's agenda.

Russia's exploitation of governance gaps also extends to the **media and civil society** sectors. In countries with weak media regulations and low levels of press freedom, Russian media outlets and **propaganda campaigns** can operate with relative impunity, spreading disinformation and promoting pro-Russian narratives. Similarly, in countries where civil society organizations lack resources and independence, Russia can use cultural and academic exchanges to build influence and cultivate local allies.

Russian **state-controlled media outlets**, such as RT and Sputnik, play a crucial role in shaping public perception by promoting narratives that align with Russian interests while undermining confidence in Western democracies. These outlets operate in Spanish and Portuguese, ensuring that their content reaches a broad audience across the region.

The Kremlin's media strategy focuses on promoting narratives that resonate with existing sentiments in Latin America, such as **anti-Americanism, anti-imperialism, and skepticism toward liberal democracy**.

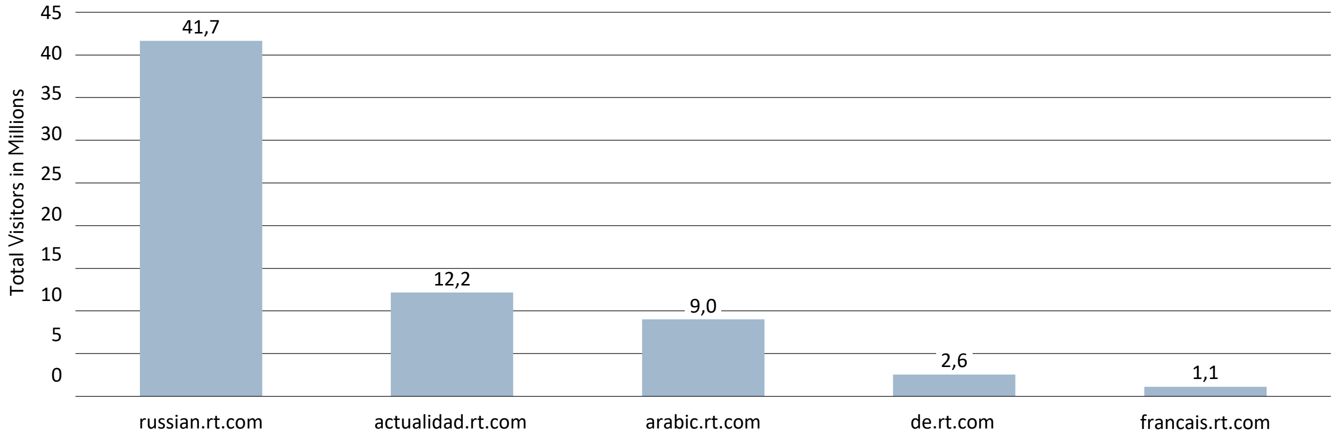
---

[21] Shleynov, R., "С Панамы выдачи нет" [There is no extradition from Panama], *Novaya Gazeta*, May 28, 2019.

[22] The Moscow Times, "Russia Stops Ecuador Banana Imports After U.S. Arms Deal," February 6, 2024.

[23] Dall'Agnol, A., Zabolotsky, B., Mielniczuk, F., "The Return of the Bear? Russian Military Engagement in Latin America: The Case of Brazil," *Military Review*, March 2019, 99(2):128-139.

Figure 3. Total visits per RT subdomain (Aug 2024)



Source: *CSD based on data from SEMRUSH.*

Russian media coverage portrays the United States as a hegemonic power that seeks to impose its will on other countries, echoing historical grievances in the region. Similarly, narratives that criticize Western interventions in the Middle East or highlight the failures of neoliberal economic policies are tailored to appeal to left-leaning audiences in Latin America.

In addition to traditional media, Russia employs **digital platforms to amplify its disinformation campaigns**. Social media networks such as Facebook, X, and Telegram are used to disseminate content that is designed to sow discord, create confusion, and polarize public opinion. By exploiting social and political divisions within Latin American societies, Russian disinformation campaigns aim to weaken democratic institutions and erode trust in the political process.

The impact of these sharp power tools varies across the region. In countries like Venezuela and Bolivia, where governments are already aligned with Russian interests, these narratives find a receptive audience. However, in more democratic and media-literate countries like Chile and Argentina, the influence of Russian disinformation is more limited. Nonetheless, the overall effect of these campaigns is to create an alternative narrative of global events that challenges the viewpoint of Western media and promotes a more favorable image of Russia.

The use of sharp power is not limited to the media. Russia also engages in **cultural diplomacy and academic exchanges** to shape perceptions. Institutions like the Russkiy Mir Foundation and Rossotrudnichestvo promote Russian language and culture in Latin America through various programs and partnerships with local universities and cultural organizations. These initiatives aim to foster a positive image of Russia and cultivate a network of local influencers who can advocate for Russian interests.

By shaping public perception and manipulating information, Russia seeks to create an environment in which its actions are seen as legitimate, and its geopolitical goals are supported. This **manipulation of the information space** is a key element of Russia's strategy to expand its influence in Latin America and counter Western narratives.

Capture Proofing Latin America

By establishing strategic partnerships, leveraging informal networks, and making high-profile investments, Moscow seeks not only to consolidate its economic footprint but to also **create long-term dependencies** that align Latin America's policies more closely with Russian interests. Many countries in Latin America lack strong legal safeguards and public institutions that could ensure transparency and independent oversight and could expose and counter Russia's nefarious strategy. Hence, civil society has an important role to play in shining a light on the Kremlin playbook.

National actors and international partners could counter Russian-driven authoritarian influence and strengthen democratic practices in Latin America by implementing a series of interventions that include **economic security**, **governance and accountability reforms**, and **international cooperation and support**:

- **Design strategies to counter state capture:** Latin American governments, in coalition with civil society and international partners, need to design, implement and act upon regular state capture assessment diagnostics, identifying critical governance deficits and excessive market concentration.

- **Flag high-risk deals**: Civil society, with international support, should identify state capture risks in sensitive industries such as energy, health, and media. Public procurement and large infrastructure projects are specific points of concern.

- **Strengthen ultimate beneficial ownership transparency**: Authorities must identify the ultimate ownership of foreign direct investments (FDI) to avoid market concentration, counter money laundering risks, and prevent the acquisition of critical assets by companies from authoritarian states.

- **Counter money laundering and sanctions evasion**: International partners should pressure offshore financial hubs in the Caribbean to block the continued transfer of financial assets of Russian companies under sanctions. Western sanctions authorities should cooperate with Panama officials on **designating Russia-controlled shipping companies**, registered in the country, that are operating the largest fleet of shadow tankers shipping Russian crude around the world. The United States should use more aggressively the *Foreign Corrupt Practices Act* as well as expand the scope of the *Global Magnitsky Act* to investigate high-level corruption in Latin America, in particular such that furthers Russian strategic interests. OECD should also engage its anti-corruption tools in the region.

- **Diversification of supply sources and foreign capital flows**: Latin American governments must diversify investments, reduce dependence on Russian products, and minimize exposure to capital from authoritarian states. Central banks and regulators must periodically assess the impact of corrosive capital, illicit financial flows.

- **Boost positive economic statecraft**: As Latin America is still struggling to establish a sustainable economic development path, the weaponization of trade and capital by authoritarian states must be combated through a stronger policy of strategic investments by the United States, the European Union and G7 economies, which carry with them the introduction of more competition and business transparency.

- **Build regional cooperation**: It is vital to establish regional approaches to monitor vulnerabilities to state capture and institutionalize democratic governance standards through with the participation of civil society and the business sector.

- **Counter disinformation**: Governments should curtail the dissemination of harmful state-sponsored foreign propaganda and strengthen responses against media capture and disinformation. It is particularly important for civil society and public institutions in Latin America to develop a **public-private partnership** approach to cracking down on the abuse of social media for political ends, including abuse by foreign powers.

Democratic backsliding, **economic uncertainty**, and shifting geopolitical priorities affect the independence of nongovernmental organizations (NGOs), media, and academia in Latin America, undermining their ability to act as a strong voice for civil society. They could benefit from a more global and regional approach, augmenting their capacity by strengthening mutual links across Latin America and with international peers. There is a need for the creation of **regional NGO networks** focused on recurring state-capture vulnerabilities in Latin America. As resources are limited, it is important to **enlist the support of the domestic private sector**.