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Continuing unrest in Mexico points beyond the incidents in Iguala

Unrest in Mexico over the Iguala mass abduction and almost certain massacre continued into the last week of November. While President Enrique Peña Nieto has sought to dismiss the protests as "violent" and aimed at "destabilising" his government, despite outbreaks of vandalism the majority of these have been peaceful and they have touched a raw nerve: the public's perception of a government that has done little about epidemic-level forced disappearances or the impunity that has allowed it to flourish. There are also signs that the insecurity exemplified by the Iguala case is beginning to threaten the country's economic prospects.

Many leftwing groups have indeed been among those who have taken to the streets in sympathy with the parents of the disappeared Iguala students. Some of those with a more radical outlook, like former or dormant armed organisations, have taken actions on their own:

- The Ejército Zapatista de Liberación Nacional (EZLN) has ostensibly mobilised Zapatista communities in Chiapas to take part in demonstrations on the issue.
- The Ejército Revolucionario del Pueblo Insurgente (ERPI) has gone further, announcing the creation of a 'Brigada de Ajusticiamiento 26 de Septiembre' ('26 September execution brigade') for the purpose of avenging the students. It has called on its cadres and sympathisers to collect "all available information on the members, assets and other interests of Guerreros Unidos" and to pass this on "by either public or secret means". The ERPI, believed to have its largest following in Guerrero, broke away from the Ejército Popular Revolucionario (EPR) in 1998, but has long confined its activities to issuing statements in the media, though the federal intelligence agency, Cisen, still considers it an armed organisation.
- On 4 November a new organisation emerged, under the name Grupos Autónomos Armados – Guerrillas Negras ('Autonomous Armed Groups – Black Guerrillas'), issuing through the anarchist site *Contra Info* a call to "a frontal fight against repressors and enemies by all possible means: direct actions, sabotage, strikes, stoppages, arson, assassination of members of the police and military, torching banks and violating the spaces of the bourgeoisie." Among its enemies it lists the State, the Nueva Izquierda leading faction of the left-wing Partido de la Revolución Democrática (PRD) and organisations such as the EPR and ERPI which it dismisses as "pacifist negotiators with the powers that be".

“The private-sector analysts regularly surveyed by the central bank have lowered this year’s GDP growth estimate from 2.47% to 2.3% (well below the government’s projected 2.7%). Also, 26% of those consulted identified public insecurity as the greatest risk factor for the economy. This was the highest level since the 28% recorded in May 2011.”

Small groups of masked youths have engaged in vandalism and arson attacks, becoming the focus of attention in TV news coverage abroad, but the majority of peaceful demonstrators either vocally disowned them or kept their distance. In the ‘mega march’ that attracted tens of thousands to central Mexico City on 20 November, the police made only 31 arrests for acts of violence. For its part the Cisen has said that it has not so far detected activities by any armed organisation in Guerrero or elsewhere in the country.

The broader issue

When the Inter-American Commission on Human Rights (IACHR) adopted “precautionary measures” the day after the mass abduction in Iguala, it emphasised that the Mexican government “must also adopt the legal, institutional, and administrative measures necessary to ensure that these acts are not repeated.” Days later the Peña Nieto government applied jointly with “the non-governmental organisations that represent the student victims of forced disappearance in Iguala and their families” for the IACHR to provide “technical assistance for the search, the investigation, and the support to the families.” The IACHR agreed to oversee the creation of an interdisciplinary group of independent experts for that purpose, which will include verifying the government’s plans to find the disappeared.

When this agreement was formalised on 18 November, IACHR executive secretary, Emilio Álvarez Icaza Longoria, noted, “Regrettably the events of Ayotzinapa are not new. They have taken place in many parts of the country, and what makes it worse is the fact that not only have they been repeated but that on occasion there remains a mantle of impunity. The Commission is sending a powerful message that it is not a matter of attending only to this case, but also the structural aspect — that Mexico should develop the capabilities to prevent the phenomenon of forced disappearances.”

A new set of figures drawn up by the Peña Nieto administration showed that 22,324 people were reported ‘missing’ between December 2001 and July 2014, and 13,444 cases of people found, leaving 9,790 still being sought. Of this cumulative total 9,822 are cases of people reported missing since December 2012, when President Peña Nieto took office.

The federal attorney general’s office (PGR) has reported 419 bodies found interred in ‘clandestine pits’ countrywide in 2013, up from 232 in 2012. Data from media reports suggest that at least 535 bodies were found so far this year alone.

The economic outlook

On 5 November finance minister, Luis Videgaray Caso, insisted that he had yet to see any “concrete sign of an impact” on the country’s economic growth from the recent widespread protest actions. A few days earlier, however, the central bank’s monetary policy outlook included an unusual warning about “the possibility of a less dynamic evolution of economic activity than had been foreseen in the case that the recent social developments in the country should affect the expectations of the economic agents.”

The head of the International Monetary Fund (IMF)’s mission in Mexico, Robert Rennhack, said that what was happening was serious, and that though the authorities were working on confronting the problem, it was one of their most important challenges.

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'Biggest organised crime web since Montesinos'

What started as an investigation into corruption in the regional government of Áncash, the coastal region just north of Lima, has led to the uncovering of what is being described as the biggest organised crime network in Peru since the days of Vladimiro Montesinos, the head of intelligence under the disgraced former president, Alberto Fujimori (1990-2000). It involves government officials and members of the police and the judiciary, in large-scale corruption, money laundering and the drugs trade.

The Áncash corruption case became widely known as the *La Centralita* ('little telephone exchange') case, so named after the store in Chimbote believed to be a front for a wiretapping operation against politicians, prosecutors and journalists critical of regional president César Álvarez Aguilar — one of the many things for which Álvarez was being investigated. Since he took office in 2007 Álvarez was accused of hiring gunmen to kill nine of his political enemies, but was able to deflect them thanks to his connections in the judiciary until 14 March this year, when a former regional councillor, Ezequiel Nolasco, was murdered. Nolasco's death came only days after Modesto Julca, a legislator of the opposition Perú Posible (PP) party, had sent the interior ministry a list of politicians, prosecutors and journalists killed by hitmen since 2010 as well as those who had received death threats for having denounced or investigated irregularities in the Álvarez administration. After Nolasco's assassination the national congress set up a special commission to investigate the situation in Áncash. Álvarez was arrested in mid-May and is being held awaiting indictment.

The inquiry into Nolasco's murder has been running in tandem with another by the office of the anti-corruption prosecutor who is looking into allegations that Álvarez was the head of a network that included national congressmen, businessmen and a number of people involved in shady public contracts, shielded by a number of corrupt magistrates. These investigations suggested connections between the Áncash network and former police officer Benedicto Jiménez, implicated in the attempts to silence Álvarez's enemies, and his business associate Rodolfo Orellana. [WR-14-14; 20].

Álvarez's Áncash-based network was no small affair. Mesías Guevara, president of the congressional investigating commission, has said that it is known to have amassed more than PEN329m (US\$113m) and that efforts were being made to determine what had happened to about PEN8bn (US\$2.7bn) distributed to the region's municipal governments and PEN1.4bn (US\$480m) of mining contributions (a central-government mechanism that redistributes 50% of income and other taxes paid by extractive industries to the localities from which resources are mined) paid by two firms.

A broader web

A 1 July police raid, unpublicised at the time, on the premises of the magazine *Juez Justo*, edited by Jiménez, yielded a trove of documents naming more than 10 police officers from the service's anti-money laundering unit, and the police's anti-drugs directorate (Dirandro); public prosecutor Magno Quispe Nestares (who is due to lead one of the investigations into Orellana's activities), the assistant of the public prosecutor Jorge Chávez Cotrina, who was leading the investigation into the corruption ring in Áncash, two congressmen suspected of connections with Orellana, and the wife of Lucio Tijero, currently jailed for drug trafficking. Jiménez's magazine had been used to discredit and intimidate those involved in the

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“By mid-October the Áncash commission investigating *La Centralita* had formally requested access to the bank accounts of the chief national prosecutor Carlos Ramos Heredia; his predecessor, José Peláez Bardales; the former general manager of the public prosecution service, Fernando Lazo; former senior adviser to the chief national prosecutor Daniel Ramsey; former manager of fiscal records Artemio Bardales Ríos; and the former chairman of the board of prosecutors in the Santa province, Hugo Dante Farro Murillo — plus another 112 people.”

investigations into the affairs of Jiménez and Orellana (among them prosecutor Julia Príncipe). Warrants were issued in June for the arrest of Orellana and Jiménez, to answer charges of criminal conspiracy and money laundering. Both went into hiding.

In August congress established a special commission to look into Orellana's connections with government officials and members of the judiciary, including Attorney General (AG) Carlos Ramos Heredia, who once granted Orellana an audience when accusations against him had begun to fly. Commission president Vicente Zeballos said that at least three national legislators were believed to have been associated with the Orellana ring.

On 15 September, after news of the July raid had been made public, the interior ministry announced that some 200 police officers had been suspended from duty and placed under investigation on suspicion of links with a ring involved in money laundering, people trafficking, prostitution and illegal real estate dealings, led by Orellana and Jiménez.

Jiménez was captured on 25 October in Arequipa, capital of the southern coastal eponymous region. A retired police colonel who later became a lawyer, Jiménez had enjoyed fame as the leader in 1992 of the special intelligence unit of the police's antiterrorist directorate, Dircote, that tracked down and captured Abimael Guzmán, leader of Sendero Luminoso (SL).

The hunt for Orellana was secretly entrusted to a Dirando special unit, sidelining the investigators suspected of connections with the ring. Orellana was tracked, with the assistance of Interpol, the US Drug Enforcement Administration (DEA) and Colombia's criminal investigations directorate, to Cali. There — according to the Colombian presidency — he was being harboured by “friends and relatives of a now deceased drug trafficker from Valle del Cauca”, who was not named.

According to the Peruvian newsmagazine *Caretas* it was the DEA that identified the owner of the house where Orellana was staying: a man who was married to the sister of Orellana's first wife. Peruvian prosecutor Marita Barreto said later that the DEA's cooperation was due to “information that there could be links to illicit drug trafficking [which] we are corroborating.” On 13 November Orellana was arrested by the Colombian police and was expeditiously expelled back to Peru. The same day his sister Ludith was arrested by Peruvian police in Huaral.

A widening scope

According to the prosecutor Príncipe, Orellana had built up, with his brothers, a fortune of about PEN150m (US\$51m) through his interests in real estate, publishing, logging, illegal mining and drug trafficking, and about 30 ‘straw men’ in whose names he illegally registered properties. Interior Minister Daniel Urresti said that the network had amassed about US\$500m and that Ludith “was Orellana's operational and executive right-hand aide; she ran the entire network of lawyers and notaries who ‘washed’ all of the illegal acquisitions.”

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Two soldiers released, a general to go

The Fuerzas Armadas Revolucionarias de Colombia (Farc) guerrillas have safely delivered the two soldiers it captured on 9 November, and have said that they would turn their attention to releasing General Rubén Darío Alzate — possibly by this weekend. After this, once the government's peace negotiating team returns to Havana, Cuba, both sides face a race against the clock, set by Colombia's forthcoming regional elections.

On 25 November in Tame, a locality in the department of Arauca which borders on Venezuela, the Farc delivered the two soldiers to representatives of the International Committee of the Red Cross (ICRC), in the presence of observers from Cuba and Norway, guarantors of the peace process. President Juan Manuel Santos said, "This is an important step which demonstrates the maturity of the peace process and the gestures of peace that all Colombians demand." In Havana the Farc issued a communiqué stating that they had fulfilled "the aims of the first phase of the special humanitarian agreement" and that they would now "focus their efforts" on the release of General Alzate and his two companions.

Precisely when that will take place is unclear. In an interview published by the newspaper *El Colombiano* on 25 November, former senator Piedad Córdoba, who has been involved in earlier releases of Farc hostages, said she was "totally sure that [Alzate's release] will be between tomorrow and Thursday [27 November]." Farc spokesman 'Pablo Catatumbo' (Jorge Torres Victoria) told the media, "I think that this weekend we will be able to say that the General has returned home."

The usual pattern is for the Farc to set the coordinates for the point where the handover will take place 48 hours before the event, which should give enough time for the military to suspend activities in the area so that ICRC representatives can enter safely. The Farc had said that the General's release had been held up because the government had not called off the deployment of 1,000 soldiers in Chocó department in an operation to rescue Alzate. This was refuted by the military, who said the operation had been put on hold and orders had been given to refrain from any interference — which was in turn denied by locals who reported continuing skirmishes in the area.

One development that could complicate matters was the announcement on 26 November by the guerrillas of the Ejército de Liberación Nacional (ELN), Colombia's second largest guerrilla group, that they would be launching an 'armed strike' across Chocó. The governor of Chocó, Efrén Palacios, said that in response "the security forces have taken up positions in roads, rivers and ports across the department to ensure the free flow of traffic."

The government has said that its negotiators will return to Havana to resume talks once Alzate is freed. When this happens they and their Farc counterparts will be pressed to conclude a peace agreement by next February, so there is the enough time for the national congress to draft and attach a referendum on the agreement to the regional elections scheduled for 25 October 2015.

Casting a shadow over this was the claim made in an open letter by the Farc's paramount leader, 'Timochenko' (Rodrigo Londoño Echeverri), the day before the two soldiers were freed, that President Santos had "destroyed confidence" by suspending the Havana talks. Two important questions regarding this episode remain unanswered: what was General Alzate doing in civilian clothes and without an escort inside a recognised 'hot zone' of guerrilla activity, and how far up the Farc's line of command was the decision taken to seize him and his party?

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Machado facing jail time too**Oil prices**

Ahead of the critical meeting of the Organization of the Petroleum Exporting Countries (Opec) in Vienna on 27 November, Brent crude futures for January 2015 delivery fell to US\$75.5 per barrel (b), while West Texas Intermediate (WTI), the reference oil price for Ecuador and Venezuela, tumbled to a four year low of US\$72/b, as Saudi officials have indicated that production cuts are not in the pipeline. The *Financial Times* noted International Energy Agency estimates that if October's record 30.6m barrels per day (b/d) level of Opec production continues into next year, global supply will exceed demand by 1.0m-1.5m b/d.

On 26 November Venezuela's attorney general, Luisa Ortega Díaz, announced that the deposed opposition deputy María Corina Machado will be charged next week with involvement in an alleged plot to murder President Nicolás Maduro.

In a statement, Ortega's office said that Machado had been summoned to appear at 10am on 3 December before a Caracas-based prosecutor (Katherine Harrington). Machado later told local and international media that she had been presented with a summons by representatives of the Bolivarian Intelligence Service (Sebin). She said she would present herself, in the knowledge that she has done nothing wrong. She denies all the charges and has previously accused the government of "infamy".

Machado, along with the now-imprisoned leader of the radical opposition party Voluntad Popular (VP) Leopoldo López, was at the helm of the 'La Salida' movement, which led mass protests in Caracas and western border cities in February-April. La Salida (meaning 'The Exit') demanded President Maduro's resignation, to be followed by early elections (the next general elections are not due until 2018) and a constituent assembly to reform the 1999 constitution promulgated by the late president Hugo Chávez (1999-2013). Over 40 people died in violent clashes with the security forces over the course of the three months, and the protest actions split the main opposition umbrella group, Mesa de la Unidad Democrática (MUD) between moderate and radical factions.

Machado and López insisted that La Salida had only ever called for peaceful public demonstrations. However, the government from the outset accused the pair of instigating violence and seeking to destabilise the country, allegedly with help from far right-wing supporters in Colombia and the US.

On 18 March, the majority ruling Partido Socialista Unido de Venezuela (PSUV) bench in the unicameral national assembly voted in favour of potentially stripping Machado's parliamentary immunity so that she might face charges of "instigating violence, treason, terrorism and homicide". A week later, the national assembly president, Diosdado Cabello, simply deposed Machado from her post as national deputy, after she accepted a Panamanian invitation to speak at the Organization of American States (OAS).

In May, senior leaders from the PSUV, led by the powerful mayor of the central Libertador district, Jorge Rodríguez, accused a group of opposition activists of planning an assassination to pave the way for a coup, claiming to have email evidence of correspondence between the conspirators. The US envoy to Colombia, Kevin Whitaker, was also accused of being involved in the conspiracy.

At the time, Machado was called as a witness in the case and told not to leave the country. Detention orders were issued against a former presidential candidate Henrique Salas Römer, a well-known former ambassador, Diego Arria, a Venezuelan lawyer, Ricardo Koesling, along with Gustavo Tarre Briceño, Pedro Mario Burelli Briceño and Robert Alonso Bustillo.

Meanwhile López and two opposition mayors remain in solitary confinement in a military jail outside Caracas pending trial. López's proceedings have been delayed and postponed on spurious administrative grounds several times, prompting criticism from the US State Department about a lack of due process and "opaque justice procedures".

Courts give the opposition the run around

On 26 November Ecuador's national electoral council (CNE) rejected a request by the opposition Partido Sociedad Patriótica (PSP) to initiate a procedure to hold a referendum on the package of constitutional amendments currently before the unicameral national assembly.

Included among 16 proposed amendments proposed by the ruling Alianza País (AP) is one allowing for the indefinite re-election of all popularly elected posts, which the opposition says is an attempt by President Rafael Correa to perpetuate himself in power.

The CNE said that its decision was based on the PSP's failure to follow procedure. The PSP, led by former president Lucio Gutiérrez (2003-2005), on 29 October submitted its request to the CNE for forms for use to gather signatures in support of a referendum on the proposed constitutional changes. The party then launched a nation-wide campaign in support of its request.

The CNE argued that the PSP's failure to follow procedure owed to the fact that any petition on constitutional matters (whether emanating from the president, the national assembly or the public) must go first to the constitutional court (CC) for consideration as to the appropriateness of the request. It added that any campaign to collect signatures could only follow afterwards (upon CC approval)

Yet the CNE has already ruled, in response to a request by the national assembly, that the reforms proposed are not 'structural' in nature and so can be processed by the legislature, without need for a referendum.

The CNE's argument looks entirely circular and designed to give the opposition the run around. Undeterred, the PSP's Gilmar Gutiérrez (brother of Lucio), told reporters that the party would go ahead and submit a new referendum request to the CC.

The CNE, which earlier this year turned down a request for a referendum on President Correa's controversial decision to exploit the 1bn-barrel oil reserve located in the vicinity of the Yasuní national park and indigenous territory, has yet to rule on a second referendum request on the proposed constitutional changes submitted earlier this month by Guillermo Lasso, the 2013 presidential candidate and leader of the also-opposition Creando Oportunidades (Creo).

Almost certainly, the CNE will reject it on the same grounds. In fact, Lasso's referendum request has already been challenged on precisely this point in a court in Guayaquil.

Meanwhile the first debate in the legislature on the reform package is scheduled for 1 December. Given the AP's dominance in the chamber (it has 100 of the 137 seats), it likely will be approved (in spite of polls showing that a strong majority of Ecuadoreans wants a referendum). A second debate can only be held one year and one day after the first, so on 2 December 2015 at the earliest. The reform on indefinite re-election needs to be in place by February 2016, one year ahead of the next scheduled general election in February 2017.

CREO response

Spokesperson for
Creando

Oportunidades
(Creo), César Monge,
rejected the ruling by
the national electoral
council (CNE). "We
don't know if Mr. Pino
Carlier obeyed orders
from some political
camp, but we can
see on his Facebook
profile that he works,
or worked, as head of
operations for Alianza
PAIS".

Arequipa in top ten recommended tourist destinations

A ranking of recommended tourist destinations compiled by hotel price comparison website, Trivago, published on 17 November, placed Peru's city of Arequipa in the top ten of its 100 most recommended cities to visit in 2015. Arequipa, a United Nations Educational, Scientific and Cultural Organization (Unesco) world heritage site and capital of the eponymous southern region, was ranked 9th -the top ranked city in Latin America. Among Arequipa's attractions, Trivago cites its astonishing colonial architecture and its cheap hotel prices. According to Trivago, the average hotel price per night in Arequipa is around €53 (US\$66.14), which compares favourably with the average price of €49 (US\$61.15) for spending a night in Mostar, Bosnia-Herzegovina, its top ranked destination

COLOMBIA | Tax reform bill formally enters congress. On 24 November Colombia's national congress announced that it would start debating a proposed tax reform bill presented by the government led by President Juan Manuel Santos. The proposed tax reform, first unveiled by Finance Minister Mauricio Cárdenas last month, is proving highly controversial. Not least because after President Santos ratified Cárdenas in his post following his re-election in June, Cárdenas said that there was no need for a comprehensive tax reform ahead of the start of a new four-year presidential term but only for "minor adjustments". However, after the Santos government presented a Col\$216.2trn (US\$99bn) draft 2015 budget to congress, Cárdenas announced that the government would have to find an additional Col\$12.5trn (US\$5.72bn) in tax revenues next year in order to finance the budget. that assigns significant funds to the various social and economic development programmes promoted by the Santos government in support of the peace negotiations that it is currently conducting with the country's leftist guerrillas. Cárdenas said that as well as extending the highly unpopular '4 por mil' financial transactions tax (a temporary measure first introduced in 1998) for another four years [WR-13-50], the government would also look at introducing a new form of 'wealth tax' (applicable to individuals or firms that have over Col\$1bn [US\$479.00] in liquid assets). All of this was heavily criticised by the local private sector, which complained that the Santos government was renegeing on its promises to eliminate the '4 por mil' and not to increase the tax burden on the sector, affecting its competitiveness. Such were the private sector complaints that Cárdenas met various sector representatives to discuss the proposals before submitting them to congress. After weeks of discussions, by mid-November Cárdenas announced changes to the original proposal which would make the new wealth tax a temporary measure to be replaced with gradual and progressive increases to the 'business income tax for equality' (CREE, paid on top of the 25% normal income tax rate) over the next four years. However the private sector has also rejected the new proposal, arguing that the increased tax burden (which according to its calculations will rise from 1.35% of GDP to 1.51% on the sector will deter investment and affect productivity levels at a time of economic uncertainty in the region. As Javier Díaz, the president of the Consejo Gremial Nacional (CGN), a private sector lobby group, has said "We are concerned because as we increase taxes, Peru is lowering them to around 26% for income tax; while in Colombia we are looking at 43%".

PERU | Ilo energy pole project EIA approved. On 25 November Peru's energy & mining ministry (MEM) announced the approval of the environmental impact assessment (EIA) presented by local consulting firm, Walsh Perú S.A. for the 'energy pole project' for the port city of Ilo in the southern region of Moquegua. The Ilo energy pole project, which is being developed by a local firm Enersur, involves the construction of a new 500 Megawatt (MW) combined cycle diesel and natural gas fuelled thermoelectric power plant. It forms parts of the plans by the government led by President Ollanta Humala to establish an industrial and petrochemical hub in Ilo that is to be serviced by the Gaseoducto del Sur Peruano (GSP) 1,080km gas pipeline that is currently being built to bring natural gas from the Camisea gas fields located in central Peru to the country's south-western coast [WR-14-26]. The GSP project is one of the most ambitious energy infrastructure projects in Peru, which once complete, President Humala has said will help to significantly reduce energy costs in southern Peru, aiding its economic development. The approval of the energy pole project's EIA comes after the Humala government introduced a series of economic stimulus packages, which among other things seek to streamline the environmental approvals process for major investment projects, as part of its bid to shore up the slowing domestic economy. Such measures are controversial, with some sectors warning of negative environmental and social repercussions. But the government has defended its measures, arguing that they will reinvigorate the flagging economy. The latest figures from the national statistics institute (Inei) showed that year-on-year GDP growth in the third quarter was only 1.76%, much lower than the 5.2% registered in the third quarter of 2013.

Government stalls in fallout from Operation Car Wash

After Brazil's President Dilma Rousseff's election victory at the end of October, she indicated that she would appoint a new economic team "soon". Presidential advisers briefed that this would happen before her trip to Australia for the G-20 summit on 15 November. But the summit came and went with no announcement. Then, 21 November was billed as decision day. Once again, reporters left the presidential palace empty-handed and with the impression that the increasingly devastating revelations about the nature of the corruption scandal at Petrobras, the state-owned oil company, are limiting the government's capacity to act, before Rousseff has even been sworn-in for a second term.

New tack on the economy

Rousseff's search for a replacement for the outgoing finance minister, Guido Mantega, did not start promisingly. Luiz Carlos Trabuco, the president of Bradesco Bank, was approached for the role in mid-November, but surprisingly turned it down. So far, he has been tight-lipped about his decision. Now Joaquim Levy, the former treasury secretary in the Lula da Silva administration (2003-2011) is almost certain to take up the post.

The delay in making his nomination official stems from Rousseff's increasingly strained relationship with her own party, the Partido dos Trabalhadores (PT), which has been grumbling over its lack of influence in government. Levy, who was first appointed to a government position by former president Fernando Henrique Cardoso (1995-2003) of the Partido da Social Democracia Brasileira (PSDB), is widely distrusted by the PT's more leftist wing. Indeed, Mantega, the man whose job Levy would take, once described him as having a "conservative vision, not in keeping with the social policies of the Lula administration".

Mantega's criticism followed Levy's publication of a study showing that the major rise in the government's spending in 2005 came from increases to the minimum wage. Nevertheless, Levy's promotion will be welcomed by investors in Brazil whose approval Rousseff desperately needs to avoid a downgrade in Brazil's credit rating. If the price of his appointment is limited to mere grumbles within the PT, the President seems willing to pay it.

The new planning minister looks set to be Nelson Barbosa, the former executive secretary at the finance ministry. He also represents a nod towards economic orthodoxy. Barbosa fell out with Mantega while at the finance ministry. Given the low regard in which Mantega is held by investors, due to his creative accounting, that in itself represents something of a badge of honour. Alexandre Tombini, the central bank president, is expected to keep his job. Charitably speaking, the renewal of Tombini's mandate suggests some continuity amid the change; harshly, it is whispered that he tends to do what Rousseff tells him to do.

Operation Car Wash

Elsewhere trouble abounds for the government. Operation Car Wash, the official investigation into the corruption scandal at the heart of Petrobras, continues to widen. Some R\$59bn (US\$23bn) worth of contracts are now under investigation, with the two men at the heart of the scandal, Alberto Yousseff, a black market money dealer, and Paulo Roberto Costa, the former director of supply at Petrobras, testifying that the company routinely overcharged its contractors by 3%, with the surplus cash diverted to the campaign funds of the PT and its allies, the Partido do Movimento Democrático Brasileiro (PMDB) and the Partido Progressista (PP).

US involvement

The US phase of the investigation into

Petrobras is also moving up a gear.

With Petrobras listed on the New York Stock Exchange, the US Securities and Exchange

Commission (SEC)

has now issued a subpoena for

documents relating to the investigation.

Petrobras has said it will send the required documents after their

perusal by Brazilian

and US law firms it

has hired to conduct

an internal inquiry.

Plunging value

A study by the consultancy, Economática, published on 24 November, showed that the market value of Petrobras has fallen from R\$380bn(US\$149bn) to R\$181bn(US\$71bn) in the period from 31 December 2010 to 21 November 2014. Other Brazilian firms that have also seen massive losses during the first administration of President Dilma Rousseff include the mining giant, Vale, and Eike Batista's oil and gas company, OGX.

Seven of Brazil's biggest construction companies are now under investigation. It is clear that the impact of the scandal will not be limited to Brazil's political arena; it is likely to have a significant economic impact too.

Testimony as to how the scheme worked is becoming increasingly clear. Erton Medeiros Fonseca, a director from construction firm Galvão Engenharia, told police that the money meant for Petrobras went straight into political parties' *Caixa One* accounts. These funds are the official registered donations rather than the off-the-books *Caixa Dois* accounts which were believed to be one of the main sources of political corruption. "The money from the overpayment to Petrobras was deposited in the accounts indicated by the party operatives and we did not have access to these funds", Fonseca said. "They just told us how much we should declare to the electoral authorities."

On 24 November, a judge in Porto Alegre ordered that IESA Oil and Gas, a Petrobras contractor, put aside R\$30m (US\$12m) for possible pay-out settlements to the 1,000 workers it is likely to fire, following the cancellation of its contract with Petrobras. IESA had structural problems unrelated to the current scandal at Petrobras, but the detention of its director and the loss of its Petrobras contract resulted in a full-blown crisis. The worry for investors is that IESA's case may not be unique.

So far, judges have not sought massive asset freezes on the companies involved, mindful of the wider economic impact of such a move. Still, that option is still open, and regardless of the judges' decision, the Brazil's comptroller general could still blacklist guilty companies, meaning that they could no longer do business with the Brazilian government.

Foreign infrastructure companies, which usually have to partner with Brazilian firms to win government contracts, may find it increasingly difficult to find a partner. When the offices of Brazil's leading construction companies were raided on 14 November, the federal police and representatives from the public ministry sought to freeze 5% of their assets. Judge Sérgio Moro, the Harvard-educated and media-shy judge leading the investigation, said that such a move could result in the businesses failing.

Petrobras has already announced it has been forced to delay the release of its audited third-quarter financial results after its auditor, Pricewaterhouse Coopers (PwC), refused to sign off on them. Investment Bank Morgan Stanley has warned of creditors calling in loans if Petrobras fails to raise funds due to its inability to publish earnings figures. A delay until after 30 April 2015 could trigger its creditors to call in its US\$57bn in bonds and US\$66bn in bank loans, the bank said.

Will there be a second term?

As the scandal widens, Brazilian media have begun to consider a doomsday scenario for the President. It is theoretically possible that the supreme electoral court (TSE) could consider invalidating Rousseff's election victory due to irregularities in her election campaign funding. On 25 November the government sent the details of her campaign funding to the TSE. The President received R\$2m (US\$789m) from OAS, a further R\$2m (US\$789m) from Odebrecht and another R\$1m (US\$394m) from UTC; all construction companies under scrutiny.

Usually, the approval is a mere formality, but the new TSE head, Gilmar Mendes, is renowned for his antipathy to the PT. Some in the party are nervous he could try to derail Rousseff's inauguration. Also, for the first time, the PSDB is talking, albeit in a very roundabout way, about the possibility of impeachment. At first, such demands were limited to the extreme fringe that took to the streets of the city of São Paulo in the days following Rousseff's victory; many of those protesters have also called for the intervention of the military.

'Malvinas are Argentine'

All Argentine public transport must include the logo "Malvinas are Argentine", according to the latest bill approved by the lower chamber of the national congress, following an initiative from Senator Teresita Luna from the ruling Frente para la Victoria (FPV) faction of the Partido Justicialista (PJ, Peronists). The rule applies to all forms of public transport of passengers, including those moving along streets, avenues, highways, railways, fluvial and maritime transport, as well as air travel.

Now, however, in an interview with *IstoÉ*, the PSDB leader in congress, Antonio Imbassahy, did not rule out an attempt to start impeachment proceedings. Criticising the government's bill altering the law of budgetary responsibility in order to loosen its fiscal target, Imbassahy said "if she [Rousseff] does not govern well, she will have to pay the price". He also tried to link Rousseff more directly with the Petrobras scandal. "This happened under her nose. She was mines and energy minister, cabinet chief and president of the board of Petrobras while this was going on. [...] To believe she knew nothing of what was going on, give me strength."

ARGENTINA | JUSTICE

Government restarts war with the judiciary

Relations between the government of President Cristina Fernández and the Argentine judiciary are rarely cordial but this week they took a significant turn for the worse. Jorge Capitanich, the cabinet chief, accused the judiciary of "active coup-mongering" following the decision of a federal judge to investigate a company belonging to Fernández.

The case centres around Hotesur, a hotel company. One of its properties is Hotel Alto Calafate, located in the Patagonian tourist resort of El Calafate. The opposition congresswoman, Margarita Stolbizer (Frente Amplio Progresista), has long alleged that the hotel is merely a front for money-laundering activities. Stolbizer also claims, so far without proof, that the hotel is one of the links between the Fernández family and the businessman, Lázaro Báez, who currently faces a separate money laundering investigation.

Last week, Claudio Bonadio, a federal judge, launched a raid on Hotesur's administrative headquarters: they turned out to be empty. The judge also revealed that the company had not filed company accounts or a tax return since 2010. Hotesur initially denied any wrong-doing, but later admitted some "formal failings" and delays in filing papers, such as the minutes of board meetings.

The government reacted with its customary lack of restraint. Capitanich questioned why Bonadio was not "authorising raids in the commercial companies being investigated over tax evasion?" He went on to describe the judiciary as "a corporation that colludes with corporate groups and political opposition executing a deliberate strategy".

Meanwhile, the justice secretary, Julián Alvarez, sought to downplay the wrongdoing at Hotesur. He argued that the irregularities committed by the company were "milder than failing to stop at a red traffic light". While omitting the broad-brush criticism of Capitanich, Alvarez accused Bonadio of attempting to 'blackmail' the Fernández government.

Bonadio is due to face a number of disciplinary complaints at the council of magistrates meeting on 27 November. Although many members of the council of magistrates are considered to be pro-government, sources say the government lacks the votes that would be necessary to dismiss Bonadio. In her first interview on taking office, the new president of the council of magistrates, Judge Gabriela Vázquez criticised Capitanich for his claims of "coup-mongering" in the judiciary. "Those words when uttered by a top official from the executive branch are seen as breaching judicial independence," Vázquez said. "We judges must do our job. The executive cannot make such statements to obstruct our job."

Chile taxi strike

The president of the Confederación Nacional de Taxis Colectivos (CNTC), Héctor Sandoval, said that the national strike carried out by Chile's taxi collective drivers was a last resort. "This demonstration took place because they [the government] don't tell the truth; it's very sad that we had to reach the point of staging a nationwide strike," Sandoval said.

Fernández returns after sick leave

After 26 days of medically-enforced leave, President Cristina Fernández gave her first public speech on 25 November. In a typically bullish speech the President vowed that "no vulture funds or trouble makers" would blackmail her government. While the vulture fund dispute rumbles on, of more pressing concern for the government is the possibility of serious social unrest in December, a month often characterised by trouble in Argentina.

Last year, the police went on strike in several provinces, leading to a breakdown in law and order in some cities. This year the government has already increased the security budget, by Ar\$5.5bn (US\$645m) in an attempt to head off trouble. Anti-government union leaders are already agitating for a cut in income tax for their members.

In her speech, Fernández sought to reason with workers considering industrial action. "Argentine workers continue to be the best paid in the whole of Latin America," she said. "Not just in nominal terms but also in terms of purchasing power parity. The workers must have some understanding. In the two most important economies in Europe, France and Germany, they are freezing salaries. I ask my colleagues to [look at] what we have achieved," she said.

TRACKING TRENDS

CHILE | Second transport crisis in as many weeks. Taxi collectives went on strike in Chile on 20 November bringing traffic on many of the major roads in the capital Santiago, and other cities in Chile, such as Valparaíso, Viña del Mar, Rancagua, Concepción and Temuco, to a standstill. Just six days earlier the transport network in Santiago was plunged into chaos as the Metro suffered a massive power failure, paralysing three of the five lines for the whole working day [WR-14-46]. On that occasion, the taxi collectives to some extent came to the rescue, picking up stranded commuters; on this occasion, commuters headed for the Metro.

Taxi collective drivers, who collect several passengers and charge a fixed fare instead of running a meter, made a series of demands. They want to be exempt from having to pay a fuel duty; to be able to use the exclusive lanes reserved for buses; to receive a 'bonus' from the State to maintain their vehicles; and, in the capital, they want some of the subsidies currently enjoyed by Transantiago, the metropolitan public bus rapid transit system.

The authorities had granted authorisation for the strike but not for collective drivers to abandon their vehicles on the streets, causing huge traffic jams during the morning rush hour. The transport ministry reported that about 30%-40% of taxi collectives took part in the strike nationwide - this was much higher in some cities, such as Valparaíso (90%) - but that only a small minority of drivers had caused the traffic jams by ditching their cars. The ministry said that they would feel the full weight of the law. There were some clashes on the day between taxi drivers and the police, who tried to clear routes, and in the process made at least a dozen arrests.

The transport minister, Andrés Gómez-Lobo, pretty much flew under the radar during his first few months since President Michelle Bachelet took office last March, but he now has one of the highest disapproval ratings of any cabinet minister (up at 54% in a survey by the local pollster Adimark - and that was carried out before the latest strike).

Gómez-Lobo might be prepared to meet some of the demands of the collective drivers but his ministry made it clear that there was absolutely no chance that taxi collectives would be permitted to use lanes reserved for buses as in rush hour a bus carries 100 people compared with four in a taxi collective.

Separately, Gómez-Lobo handed his report into the Metro chaos last week to President Bachelet, revealing that the principal cause of the power failure, which left hundreds of thousands of commuters high and dry, was an accumulation of rubbish on the lines.

Ruling FMLN ramps up budget to combat insecurity

The government of President Salvador Sánchez Cerén has served notice of its intent to tackle insecurity in El Salvador by pushing through a budget for 2015 with a huge increase in funds for the justice and public security ministry, as well as significant boosts for the education and health ministries.

On 20 November the 84-seat unicameral legislative assembly approved the US\$4.82bn budget for 2015, US\$143.4m, or 3%, more than this year's budget. The health ministry will receive US\$615.1m, up by US\$28.8m or 4.9% on this year's budget, while education gets US\$29.4m more, up by 3.3% to US\$914.3m. But it is the justice and public security ministry which will see both the biggest absolute and percentage increase on this year's budget, climbing by a massive 18.7%, or US\$66.6m, to US\$422.7m, as the Sánchez Cerén administration seeks to roll out its holistic strategy for reducing violence in El Salvador to improve public security and the investment climate to help boost anaemic economic growth.

Arena cries foul

The budget won the support of 56 of the 84 deputies in the assembly, with just the 28 deputies from the main right-wing opposition Alianza Republicana Nacionalista (Arena) rejecting it. Arena argued that the budget was predicated on economic growth that El Salvador would not come close to posting next year and that there were procedural irregularities in the bill's passage through the legislative assembly.

"We don't want to approve an unconstitutional budget," Arena Deputy Ana Vilma de Escobar said, arguing that it had not been debated in the congressional finance and special budget commission as required by law, and that it was based on unrealistic GDP growth of 2.6% next year when, in her view, the country would see 1.7% growth at best.

The country's powerful private sector lobbies also maintained that the government was conveying a false sense of El Salvador's financial resources, and that it would be forced to issue debt or raise taxes in order to balance the budget next year.

Jorge Daboub, the president of the powerful private business association (Anep); Luis Cardenal, president of the Cámara de Comercio e Industria de El Salvador (CCIES); and Javier Simán, president of the Asociación Salvadoreña de Industriales (ASI), all rallied behind Arena, arguing that it was imperative the budget should have been balanced.

Daboub claimed that the government had overestimated earnings and underestimated costs. He predicted that there would be a budget shortfall of between US\$1bn and US\$1.2bn next year, meaning that the government would either be forced to further indebt the country or increase the tax burden. "Either scenario is unsustainable for public finances," Daboub said.

The finance minister, Carlos Cáceres, rejected the criticism. He said the budget was balanced, and that he had presented the draft proposal to the legislative assembly on 29 September allowing plenty of time for all the parties to debate and modify it. He also denied that there was any plan to lift value added tax (VAT) at any point over the next five years.

“The budget is going to create serious problems for society either for the lack of investment or the lack of resources and therefore it raises the possibility of poor services for society or having the need to burden the public with more taxes.”

Jorge Danoub, the president of the powerful private business association (Anep).

Solís seeks to address a pressing public concern

Earlier this month Costa Rica's President Luis Guillermo Solís unveiled his national development plan (PND) for 2015-2018. Announced six months after Solís's centre-left Partido Acción Ciudadana (PAC) government took office, the plan – which pledges to cut extreme poverty by 55% - was eagerly awaited, given that addressing social inequality was one of Solís's main campaign pledges.

Social inequality had been a major voter complaint ahead of the February general elections and a leading criticism of the previous Partido Liberación Nacional (PLN) government led by President Laura Chinchilla (2010-2014). The 2013 national household survey (Enaho), released in November 2013 by the national statistics institute (Inec), showed that there was little change in poverty and extreme poverty rates in 2013 compared with 2012. Enaho draws the poverty line at per capita household income of C\$100,943(US\$203) in urban areas and C\$77,401(US\$155) in rural areas and the extreme poverty line at per capita household income of C\$45,368(US\$91) in urban areas and C\$37,566(US\$75) in rural areas. The last Enaho survey put poverty and extreme poverty at 20.7% and 6.4% of households respectively, compared with 20.6% and 6.3% respectively in 2012. Yet despite real annual GDP growth of 5.1% in 2012 (slowing to 3.5% in 2013), the Enaho survey showed inequality was on the rise: it found a worsening of the Gini coefficient that measures income inequality (where 0 is perfect equality and 1 perfect inequality), with Costa Rica exhibiting a Gini coefficient of 0.524 in 2013, up from 0.518 in 2012.

The Solís government is pledging to tackle rising inequality – which the Enaho report attributes to factors like employment and education levels – through a range of policies. Planning Minister Olga Marta Sánchez, who unveiled the PND on 17 November, highlighted that it includes some 164 programmes spanning various sectors. As well as general plans to improve health and education, strengthen the small and medium sized enterprises (SMEs) sector and improve infrastructure through projects such as the US\$524m upgrade and expansion of the San José-San Ramón national highway; Sánchez said that the government would prioritise food security over food production for export and guarantee the supply of products like coffee, beans, corn and beef in the domestic market.

Specifically, the PND is aiming to cut the number of households in extreme poverty from the current 94,810 to 42,000 by 2018 and reduce the Gini co-efficient to 0.492 by 2018. It also aims to boost GDP growth to 6% by 2018 and create 217,000 new jobs in 2015-2018, cutting the unemployment rate from the current 8.5% to 7.0% by 2018.

Solís receives budget boost

With the PAC government still under pressure to address another key priority – reducing the rising fiscal deficit (projected to reach 6% of GDP this year) – President Solís received a boost after various legislative motions to cut the draft 2015 national budget (initially put at C\$9.7trn [US\$14.5bn]) were rejected on 20 November. At the end of September Solís had announced plans to cut the budget by 2.8% (*see sidebar*) in response to concerns from private sector organisations like the Unión Costarricense de Cámaras y Asociaciones del Sector Empresarial Privado (UCCAEP) over the deficit, which under the original budget proposal was projected to reach 6.7% of GDP in 2015. Yet on 16 October the legislative finance committee cut the proposal by a further 1%. This provoked protests from Costa Rica's main umbrella union, Asociación Nacional de Empleados Públicos y Privados (Anep), four days later; while President Solís himself delivered an address to

Savings

Following the announcement of plans to cut the initial budget proposal by 2.8%, Costa Rica's finance minister, Helio Fallas, told reporters that the savings (of C\$221bn [US\$409m]) would be made by, among other things: postponing payment of public debt and cutting spending in State institutions by reducing the level overtime, travel, and other expenses paid to staff.

Port strikers end unrest

On 5 November dock workers in Costa Rica's Caribbean port city of Limón ended a 15-day strike at the Puerto Limón/Moín complex, which handles around 80% of the country's maritime trade. The port workers went on strike after the supreme court ratified a decision to grant a US\$1bn concession to the Dutch firm, APM Terminals, for the construction and operation of a new terminal at the complex [WR-14-43]. The Sindicato de Trabajadores de Japdeva (Sintrajap), the Limón/Moín complex workers' union, called off its strike after reaching a deal with the government to find a negotiated solution to the conflict, with the ombudsman to act as mediator. As per the deal port authorities will also not seek reprisals against the strikers who will not lose their pay for the period they were on strike.

the nation urging legislators not to make further budget cuts. Although acknowledging the need to tackle the deficit – which he is proposing to do by clamping down on tax evasion and various other tax reform initiatives – Solís emphasised the need to protect essential public services in the areas of health, education and security. The budget must be approved by the legislature by 30 November.

Costa Rica has the highest proportion of migrants

A report released on 11 November by the United Nations Economic Commission for Latin America and The Caribbean (Eclac) on migration found that Costa Rica was the country with the highest proportion of immigrants in Latin America. According to the 'Trends and Patterns in Latin American and Caribbean Migration in 2010 and Challenges for a Regional Agenda' survey, immigrants account for 9% of Costa Rica's total population (4.3m). This is higher than in Argentina (4.5%) – which has the highest absolute number of immigrants (1.8m) - Venezuela (4.2%), the Dominican Republic (4.2%) and Panama (3.5).

The Eclac survey puts the immigrant population in Latin America and the Caribbean at an estimated 7.6m, which is the equivalent of just 1.1 % of the region's total population. Of those, a majority were born in other countries of the region. The same report also notes that migratory flows within the region rose at an annual rate of nearly 3.5 % between 2000 and 2010, higher than the rate registered in the previous 20 years, when it grew at a pace of roughly 1%.

TRACKING TRENDS

PANAMA | Inching towards a debt deal with Venezuela. The Panamanian government led by President Juan Carlos Varela has announced a preliminary deal with Venezuela over the latter's outstanding debt to Panamanian businesses, which reportedly totals some US\$2bn owed to companies operating in Panama's Colón Free Trade Zone (FTZ). The previous Panamanian government led by former president Ricardo Martinelli government (2009-2014) attributed the mounting debt to Venezuela's official foreign currency controls that restrict the supply of US dollars available to Venezuelan companies for trading purposes. On 18 November Panama's trade & industry ministry (Mici) issued a press release announcing that a preliminary pay arrangement had been reached with Venezuela. This came more than two weeks after meetings took place in Venezuela between Panama's trade & industry minister, Melitón Arrocha, and Venezuela's finance minister, Rodolfo Marco Torres. According to the Mici press release, the two ministers agreed to establish working tables to address the issue. Back in March, Panama's then trade & industry minister, Ricardo Quijano, had said that Panama had presented "various protest notes" before the World Trade Organisation (WTO). Discussions regarding Venezuela's debt with Panama were interrupted in March following a breakdown of diplomatic relations under the Martinelli government although these were fully restored in July after President Varela took office. At the start of the year, Panamanian media cited official figures which suggested that trade in the Colón FTZ reached US\$28.9bn in 2013, down 9.4% on 2012. According to a report by Panama's economy & finance ministry (MEF), re-exports to Venezuela from the FTZ were down 43.3% in 2013 compared with the same period in 2012, from US\$3bn to US\$1.7bn. The MEF report noted that on average, in 2009-2012 re-exports to Venezuela accounted for 17% of the total sales at the Colón FTZ, second only to Puerto Rico (19%).

REGION | Lower tax takes. The latest report by the Guatemala City-based think-tank, Central American institute of fiscal studies (Icefi), released this month estimates that the average tax take as a percentage of GDP for the six Central American countries (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama) will reach 13.4% this year, slightly down from 13.5% registered in 2013. The individual forecasts for 2014 are as follows: Costa Rica, 12.8% (down from 13.3%); El Salvador, 15.1% (down from 15.8%); Guatemala, 10.9% (down from 11.0%); Honduras, 15.9% (up from 14.7%); Nicaragua, 14.5% (down from 14.6%); and Panama, 10.9% (down from 11.4%).

Quotes of the week

“In other countries, similar traumatic events led to a re-forging of their destinies; Mexico cannot ignore this powerful call to attention.”

Juan Francisco Torres Landa, the secretary general of Mexican NGO México Unido contra la Delincuencia, on the Iguala disappearances.

“We are going to cover with a green mantle this entire area that used to be a desert. This project is no small thing.”

Peru's President Ollanta Humala during the launch of a 43,400 hectare agricultural land irrigation project in the country's northern Lambayeque region.

“We know that [the Southern Common Market] Mercosur and the Pacific Alliance are separate integration schemes based on very different principles... [but] we must once and for all do away with the prejudice that they are two opposing blocs that cannot dialogue.”

Chile's President Michelle Bachelet calls for greater dialogue and cooperation between Latin America's two main economic blocs at the opening of regional integration forum held in Chile's capital, Santiago.

Bouterse bids to boost ruling coalition ahead of elections

Suriname's President Desi Bouterse is ramping up public spending ahead of general elections in May 2015. In addition to public works and infrastructure spending, Bouterse plans to implement an increase to pensions for the elderly and child benefits before next January.

President Bouterse, who in May 2010 joined an elite group of former dictators to be elected by the ballot box, has instructed his Nationale Democratische Partij (NDP), the principal force in the ruling Mega Combinatie (MC) coalition, to slip into election mode with less than six months to go until elections. MC fell 11 seats short of a two-thirds majority in the 51-seat unicameral national assembly in the last elections and had to persuade A-Combinatie (A-C), an amalgam of parties drawn from the Maroon communities near French Guiana, and Volks Alliantie, which represents the Javanese communities, to enter a coalition.

A few populist measures like raising pensions and child benefits as the electoral campaign gets underway will clearly do no harm to Bouterse's bid to propel the MC to a two-thirds majority on its own this time around. But Bouterse insists that he has delivered on his promise during his election campaign in 2010 to attract foreign direct investment (FDI) to spur the national economic and social development that he maintained, and the public concurred, was never delivered by his long-serving predecessor Ronald Venetiaan (2000-2010).

Just earlier this month, the Bouterse government announced a US\$162m project to develop a new railway system over the course of the next 18 months. The Dutch railway systems contractor, Strukton Systems, is likely to be awarded the contract to carry out the construction of a 29-km dual railway track which will run southwards from the capital Paramaribo, where a central station will be built, to Onverwacht, the capital town of Para District, and supply five diesel trains. A second phase of the project would extend the line to the Johan Adolf Pengel international airport.

Last week the government announced that the State-owned firm Staatsolie Maatschappij would acquire a 25% stake in the US\$1bn Merian gold project in which Newmont Mining has a 75% stake. The mine is set to start production in late 2016. Newmont expects average annual production of between 400,000 and 500,000 ounces of gold.



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