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## Peru's Kuczynski seeks to overcome corruption setback

**Peru's President Pedro Pablo Kuczynski has suffered a political setback as a corruption scandal has forced him to sack Carlos Moreno, his healthcare adviser, and dented his popularity ratings. But Kuczynski is trying to turn the situation to his advantage, announcing a major new crackdown on corruption with eye-catching measures including the concept of punishment by "civic death".**

Not for the first time in Peru, audio recordings of a private conversation have triggered a political scandal. This one centred on Carlos Moreno, the health adviser to President Kuczynski. In the recordings Moreno is heard outlining a scheme which would allow patients insured by the state-owned Servicio Integral de Salud (SIS) to be steered to selected private clinics for their medical treatment. Moreno would apparently have received a commission for each patient referred in this way. Moreno is heard telling an unidentified health centre manager, "This is our gold mine. You have no idea how much money we are going to make".

Following the revelations, Moreno promptly resigned from his post. At the end of last week Kuczynski's prime minister, Fernando Zavala, said the government was formally requesting that Moreno be investigated on charges including collusion, bribery, influence peddling and illicit enrichment.

The affair has been damaging for Kuczynski, who has been in office for less than three months and who had made a strong start to his presidency. It raises questions over his judgement in appointing Moreno, who has served as a health adviser under a number of previous governments and has been associated with dubious schemes before, including an alleged conflict of interest in 2011-12 over his links to Velebit Group, a fishery and food supplier to the health ministry.

Rubbing salt in the wounds, Luis Garreta, the spokesman for the right-wing Fuerza Popular (FP), the party which controls the largest number of seats in congress, commented "It is a shame how quickly the government has problems with its lobbyists". FP is eager to make much of the fact that Moreno mentioned Susana de la Puente, a banker and contributor to Kuczynski's election campaign, as someone who was "opening doors" for him.

Separately another two presidential advisers, Jorge Villacorta (social conflict) and Jose Labán (regional affairs) stepped down after alleged irregularities. They were accused of selling places on the election lists of Kuczynski's ruling party Peruanos por el Cambio (PPK). Both deny the charges and say they have stepped down so as to be free to clear their names.

## Concrete action promised

“My remit is not to make more diagnostic information available but to present very concrete proposals, not necessarily legal reforms...because corruption is combated through concrete action,” Eduardo Vega Luna, the head of the new presidential integrity commission, said this week. “This is not just one more commission,” he promised.

## Popularity plunge

The real damage appears to have been to Kuczynski’s standing in the opinion polls. According to a survey by Ipsos Perú, Kuczynski’s approval rating, which had surged upwards to 63% in September, had crashed back down by eight percentage points to 55% in October. The president of Ipsos, Alfredo Torres, said two out of three respondents thought Kuczynski had reacted appropriately by filing charges against Moreno, but that many questioned why such a person had been appointed in the first place.

## End of honeymoon?

It was widely expected that Kuczynski’s first crisis would involve an impasse with the FP majority in congress but instead it was a second tier official in government, which is not dissimilar to the scandals that have afflicted his recent predecessors. For some detractors this amounts to the end of Kuczynski’s political honeymoon. But Kuczynski, in marked contrast to his immediate predecessor Ollanta Humala (2011-2016), took decisive action quickly and then set about rebuilding his image by launching a counter-offensive.

At the beginning of this week Kuczynski announced a package of five new anti-corruption initiatives. The measure which grabbed the most attention from among these was the concept of “civic death”. On 19 October Zavala confirmed that the council of ministers had approved legislation to ensure that those found guilty of corruption to the detriment of the state (collusion, embezzlement, misappropriation, influence trafficking, international bribery or wrongful receipt of payment, among others) would be permanently barred from working in the public sector. This was one of Kuczynski’s campaign proposals but he would have been hoping that his government could have seen it approved before he would have had any need for it.

Other measures within the package of anti-corruption initiatives include an audit of the presidential office and the process by which advisers are appointed; a similar review of the cabinet ministries; a decision to convene the council of state (whose members comprise the President, the leader of congress, and the head of the judiciary) to coordinate action against corruption; and the appointment of a new presidential integrity commission under Eduardo Vega Luna (a lawyer and former ombudsman), who will have 45 days to report on additional anti-corruption initiatives (*see sidebar*).

It is only a matter of weeks since the Kuczynski administration secured special powers from congress for 90 days to legislate in five different areas, including corruption [[WR-16-39](#)]. It proposed the creation of a national transparency body to ensure access to public information and an autonomous attorney general’s office to help in the fight against corruption. While Zavala was attempting to persuade congress to confer these special powers on the Kuczynski administration, he argued that “We must end corruption and our job starts now; if we don’t forge a common front against corruption it will be very difficult to defeat it”. For his part, Kuczynski used his address to congress during his swearing-in ceremony on 28 July, to speak passionately about creating “a modern country, which means honest not corrupt”, where those found guilty of corruption face justice, before a judiciary which “must undergo a profound reform”.

The reaction of the country’s political parties to Kuczynski’s package of anti-corruption initiatives has been broadly supportive, although reluctantly so in the case of FP, which is revelling in the government’s discomfort. A congressional deputy for Acción Popular (AP), Víctor García, said Kuczynski had reacted in a “serious, strong, and clear way”. But FP’s Garreta said, “The measures proposed seem insufficient to me. We gave him decree powers to fight corruption and he should have enacted the laws the next day... now the ministries are to assess their departments. Where have they been?”

**Another obsese –  
and surreal –  
budget proposal**

President Maduro's proposed 2017 budget, as sent to the supreme court's constitutional chamber for approval, is costed at Bs8.5 trillion.

Depending on the exchange rate used, that varies from US\$8bn to US\$800bn. At the strongest official rate, the Dipro, which trades at about Bs10/US\$1 and is reserved for imports of food and essential goods (and payment of public debt), the budget is valued at US\$800bn. By contrast, at the (illegal) black market rate – currently trading at about Bs1,000/US\$1 – it comes to US\$8bn. In any case, it is a huge nominal increase on the 2016 budget (of just over Bs1trn, which, at the-then strongest official FX rate of Bs6.3/US\$1, was about US\$246bn). Likewise, the 2016 budget was nominally twice the 2015 plan.

## ANDEAN COUNTRIES

### VENEZUELA | POLITICS

#### Capriles unfazed by institutional bullying

In a press conference on 19 October, the state governor of Miranda and twice-former presidential candidate, Henrique Capriles Radonski, sought to rally opposition morale after the latest judicial blows against its attempts to unseat the unpopular government led by President Nicolás Maduro at the ballot box. Dismissing the supreme court's latest efforts to impede the opposition's presidential recall referendum effort, Capriles said he was not worried, citing fresh polls indicating that over three quarters of Venezuelans – 76% – want Maduro out. “Does anyone doubt we don't have 20% [electoral support] in every state?” he declared.

The opposition coalition Mesa de la Unidad Democrática (MUD) won 65% of the overall vote in the legislative elections on 6 December 2015, giving it an unprecedented two-thirds national assembly majority, delivering the government its biggest defeat in 17 years. The MUD won in 17 of the country's 23 states, including the 10 largest, and its weakest share of the vote in any state was 36% (in Delta Amacuro). By contrast, the ruling Partido Socialista Unido de Venezuela (PSUV) was trounced, with its lowest share falling to 29% in the restive western border state of Táchira, a fairly good bellwether for sentiment in the country at large.

Given the even stronger anti-government sentiment now, less than 12 months later, Capriles argues, it does not matter what restrictions and impositions the national electoral council (CNE) and the supreme court puts on the recall referendum. “My nose and experience tell me that the people's answer on 26, 27 and 28 October will be massive. There won't be enough [voting] centres for everyone,” Capriles said, alluding to the fact that the CNE has only assigned the MUD limited resources for its upcoming signature collection round, at which the opposition must gather the support of 20% of the registered electorate so as to proceed to an actual referendum vote.

The supreme court ruled this week that the MUD should in fact obtain the signatures of 20% of the electorate in *each state*, rather than at the national level. There is concern that because of the logistical challenges imposed by the CNE, the MUD will simply be unable to meet that requirement. But Capriles, who has spearheaded the recall referendum campaign all year, is urging a massive turnout by citizens nationwide to give their signatures by way of a de facto referendum on the Maduro government. Regardless of the various dubious legal manoeuvres by the authorities, a huge turnout for the signature round would send a loud signal to the government – and to the international community – as to the public sentiment on the ground in Venezuela.

Citing the most recent national survey by pollsters Datanálisis (released on 29 September), Capriles noted that 67% of respondents who had indicated that they would add their signatures to the MUD's late October collection round. “Why?...because 90.5% of those surveyed said that the country's situation was negative, 64.8% of government supporters agreed, and 76.5% rated Maduro's management as negative,” Capriles continued. “Only 22% think his management is positive, and even that's too much”, he quipped. “The government sees those numbers and it doesn't want a recall...it will do anything possible to avoid one”. And anyone [in government] who thinks that Vladimir Padrino [the defence minister and head of the army] will be the

## Keep the printing presses on

President Maduro announced that 73.6% of budget spending next year would go towards the left-wing government's social welfare schemes known as 'missions', plus health and education. As such, social spending will rise exponentially from 40% of the total budget last year, he said. Elsewhere, state governors and mayoralities will see their annual budget transfers increased by 413% year on year, ahead of the regional elections expected in June. According to the minimal available details, the 2017 plan is based on an average oil price of US\$30/barrel. Only 3.2% of revenues are slated to come from oil exports in 2017, however, with 83% to come from taxes and another 12% from dividends and 'special contributions' from state companies. With the domestic productive sector in tatters and the economy contracting by an estimated 10% year-on-year, it is very unclear that the tax take will be anything like that expected. The same goes for projected income from state companies. Nonetheless, the vice president for planning, Ricardo Menéndez, declared that the new budget represented "a break with the rentier model".

saviour in any transition, forget it...63% rate him negatively and only 19.7% positively. Padrino is not the saviour," Capriles added.

However, the opposition leader went on to suggest that there are moderate sectors within the government that do want the recall, "because they know that any other option would wipe them off the political map". Capriles speculated that these sectors had stopped the supreme court from issuing a ruling to throw out the recall altogether (on the grounds of alleged signature fraud in the first phase), as had been strongly rumoured in the past week. "That sentence has been frozen, but it could come out at any moment," Capriles warned.

Capriles also sought to assuage opposition concerns about the CNE decision to delay the pending regional elections (for state governors and mayors), which were due in December, until early in the second half of next year. While slamming the decision as both cynical and illegal, Capriles said that the MUD would still take part in the polls, and warned that the PSUV was merely delaying the wall of pain coming its way.

### AN warns that debt will be illegitimate

The MUD-controlled national assembly voted on 19 October to roll over the 2016 budget into next year, arguing that President Maduro's move to get the supreme court (rather than the legislature) to approve his 2017 draft budget was illegal. Notably, the second vice-president, Simón Calzadilla, warned that any new debt contracted by the executive (or other government institutions) under the 'illegal' 2017 budget would lack legal validity and as such be uncollectable. These warnings appear to have concerned investors, who continue to balk at a US\$5.3bn bond debt swap offer from the state oil company, Pdvsa.

## ECUADOR | POLITICS

### Election season declared

The national electoral council (CNE) has officially called the 2017 general election, which will take place on 19 February next year. A second presidential round run-off is required if a candidate fails to secure an absolutely majority (50% plus one), or 40% with a 10-percentage-point lead over the second-placed runner. If required, a second round will be held on 2 April, with a new government to be sworn in (for a five-year term) on 24 May. Some 12.8m people are eligible to vote to select the president, vice president, 137 national assembly deputies and five representatives to the Andean parliament.

Voting is obligatory for those over 18; and it is optional for those aged 16-18 (amounting to some 616,000 young people), those over 65, members of the military, and foreigners resident in the country for a minimum of five years. Voting is also optional for the 378,292 registered Ecuadorean voters resident abroad. The official campaign will run from 3 January to 16 February, inclusively, and will be financed exclusively by the state. The CNE regulates and must give prior permission to all party political campaign advertising, across any media.

Candidates now have until 18 November to register with the CNE. As such, various alliances are being finalised, including one newly sealed between the two opposition parties Sociedad Unida Mas Acción (Suma), led by Mauricio Rodas, the mayor of Quito, and Movimiento Creo (Creando Oportunidades), led by Guillermo Lasso, a former banker who was a distant second to President Rafael Correa in the last presidential contest. Suma and Movimiento Creo

## Assange

Julian Assange is wanted in Sweden on sexual assault charges. He denies the charges and claims a larger conspiracy to have him extradited to the US to face justice for his role in leaking confidential documents that US authorities say compromised national security. Assange was granted political asylum by Ecuador in 2012, on the grounds that he had a legitimate fear of political persecution because of his journalistic activities as WikiLeaks editor. But he has been prevented from travelling to Ecuador by British authorities, who say that they will enforce an international warrant for his arrest. Assange has thus been holed up in the embassy for four years, at the expense of Ecuadorean and UK taxpayers.

have agreed to support each other's legislative candidates and to back Lasso, the founder of Movimiento Creo, in his second bid for the presidency.

Rodas, who insisted that Suma will not field a presidential candidate, was coy as to his reasons for breaking with the Unidad alliance, which he had helped found late last year with the long-serving mayor of Guayaquil, Jaime Nebot (Madera de Guerrero) and the prefect of Azuay, Paúl Carrasco (Juntos Podemos). Reportedly, Carrasco is also breaking with Unidad to back Lasso, albeit that has yet to be confirmed. Lasso, however, hinted this week that an announcement was forthcoming.

In a radio interview Nebot said he would prefer not to comment on a matter that he considered "over". "The one who leaves is the one who has to explain, not the one who stays, he is the one changing his opinion," Nebot said tersely. But Unidad has been fracturing between moderates and right-wingers ever since the alliance decided to go with the conservative (and controversial) Cynthia Viteri, of the Partido Social Cristiano (PSC), as its presidential nominee.

On the Left meanwhile, there are also difficulties, with apparent tensions between the Movimiento Centro Democrático, led by the former Quito mayor Paco Moncayo, and the Acuerdo Nacional por el Cambio, which groups the likes of Izquierda Democrática, Unidad Popular and Pachakutik, the political arm of the umbrella indigenous organisation Conaie. The Acuerdo Nacional has positioned itself as an alternative to the ruling Alianza País (AP).

Amidst these fractures on both the Left and the Right, the AP expects to win the presidential race with its 'super slate' of Lenín Moreno and Jorge Glas, the former and current vice presidents. Moreno is ahead in most early presidential polls, but whether he will be able to win in a first round against a crowded field is not yet clear.

### Assange muzzled by Correa

Ecuador's foreign ministry issued a communiqué on 18 October confirming that it had temporarily restricted the Internet access available at its London embassy to Julian Assange, the founder of WikiLeaks, who has had political asylum at the embassy since 2012.

Noting that WikiLeaks has in recent weeks published a wealth of documents impacting on the US election campaign, the communiqué stressed that Ecuador respects the principle of non-intervention in the internal affairs of other states; does not interfere in external electoral processes; and does favour any particular candidate in the US election. The communiqué also stressed that WikiLeaks had acted exclusively.

While the foreign ministry insisted that Ecuador had exercised its sovereign right and does not yield to pressure from other states, WikiLeaks later alleged that the US Secretary of State, John Kerry, had pressured President Rafael Correa. A US State Department spokesman, John Kirby, stoutly denied that.

In its statement, the foreign ministry noted that Ecuador, "in accordance with its tradition of defending human rights and protecting the victims of political persecution, reaffirms the asylum granted to Julian Assange and reiterates its intention to safeguard his life and physical integrity until he reaches a safe place". It also stressed that the imposition of temporary Internet access restrictions, reportedly in place since 15 October, "does not prevent the WikiLeaks organisation from carrying out its journalistic activities".

Reactions to Ecuador's decision were polarised, with some congratulating it for acting in line with the principle of non-interference, but others, including from the US, slating it for muzzling free speech. Correa has long painted himself as a global defender of free speech, including in granting Assange asylum, yet his record in Ecuador, where he has been accused of muzzling critical press outlets, is rather different. The irony of this latest development was lost on no one.

## Drought

On 13 October the deputy minister of civil defence, Oscar Cabrera, announced that 174,000 families in 172 municipalities (out of a total of 339) in eight of the country's nine departments, had been affected by drought between October 2015 and November 2016. He said that the drought was now in its final stage and B\$35m (US\$5.05m) had been spent on aid for 94,000 families. Back in August President Evo Morales approved 12 measures to ensure that the farming and forestry industries can continue to operate. Cabrera declared the drought to be the worst of the last 25 years and said that 206,859 hectares of agricultural land had been affected across the country.

## A new source of tension with the unions

Earlier this month the left-wing Movimiento al Socialismo (MAS) government led by President Evo Morales announced that it would not decree payment of a second annual pay bonus (*aguinaldo*) as a result of insufficient growth. The announcement, which is threatening fresh unrest with the main umbrella union, Central Obrera Boliviana (COB), is the latest sign of the continued domestic economic slowdown, caused in part by the fall in international commodity prices.

Back in November 2013, the MAS government had decreed payment of the second *aguinaldo* for every worker in the country, payable whenever real annual GDP growth exceeds 4.5%, in addition to the existing Christmas bonus. However, on 11 October Economy & Finance Minister Luis Arce announced it would not be decreed this year. He cited the latest figures from the national statistics institute (INE) which showed GDP grew by just 4.43% in the 12-month period to June 2016 with the key sectors of hydrocarbons and mining contracting by 2.69% and 0.03% respectively, while agriculture – which has been affected by drought (*see sidebar*) – grew by just 3.2%.

The announcement was well received by private-sector lobbies such as Instituto Boliviano de Comercio Exterior (IBCE) and the Confederación de Empresarios Privados de Bolivia (CEPB). In a press conference on 13 October, CEPB's acting president Kurt Koenigsfest said that since 2013 the sector had paid out some US\$1bn for the second *aguinaldo*. However, the COB's executive secretary Guido Mitma criticised the decision by Morales, who back in June had said that there would be sufficient growth to enable payment of the second bonus, warning that it was causing considerable discontent among the workers.

Arce, who along with Vice President Alvaro García Linera and Labour Minister Gonzalo Trigo met COB representatives on 15 October, after which government officials reiterated they would not back down, has also sought to deflect ongoing concerns that the country is facing an economic crisis. In a press conference on 11 October, he said that economic growth of 4.7% was forecast for this year.

Arce's assertion that Bolivia is one of the fastest growing countries in the region holds true, but his growth projection is nonetheless at odds with that of the latest forecasts from the Economic Commission for Latin America and the Caribbean (Eclac). Released on 12 October, Eclac is forecasting 4.5% growth for Bolivia in 2016. This is unchanged since the previous (July 2016) Eclac growth projections and down from 4.8% registered for 2015. Yet the figure for Bolivia is still the highest in South America (although Eclac predicts that this will drop to 4.3% in 2017), well above the 1.1% average for Latin America and the Caribbean.

## Foreign trade

The latest foreign trade figures released by the Ibce on 3 October also illustrated the impact of the continued fall in international commodity prices on Bolivia's exports. The figures showed that to August 2016, Bolivia's exports reached US\$4.68bn, a 23% decline in value terms and 4% fall in volume terms, compared with the same period in 2015. The Ibce report showed that Bolivia's traditional export sector – hydrocarbons – which accounted for 32% of total exports, was down 49% in value to reach US\$1.48bn and 8% in volume terms to 14.69bn tonnes (t). Meanwhile mining, which has overtaken hydrocarbons to become the country's leading export, was up 1% in value to reach US\$1.96bn and 9% in volume terms to reach 1.0bn t.

**Buenos Aires governor threatened**

Amid signs that the government's promised crackdown on drug trafficking faces a number of challenges, President Mauricio Macri has expressed support for Buenos Aires governor María Eugenia Vidal, who has received threats presumed to have come from criminal groups.

Argentina's underworld – a range of criminal organisations with suspected political and security service connections – does not seem to be taking the government's proclaimed crackdown on drug trafficking lying down. Concern rose at the end of last week when a court building in San Martín, Buenos Aires province, suffered an arson attack in which a number of case files were destroyed. Amid the burnt-out offices police later discovered a message: "Vidal, leave San Martín" it read, in letters cut out from a newspaper, together with the image of a pistol and the word "drugs". This has widely been interpreted as a threat aimed at Vidal, a member of President Macri's Propuesta Republicana (PRO) party. This is not the first threat Vidal has received. Her offices in La Plata have been broken into, and gun cartridges left in a garage she was using.

Macri and other members of the government have expressed support for Vidal and made it clear that, in their view, the threats may be coming from clandestine groups that operated under the previous administration. Macri said "we are with the governor", adding "In Argentina many people have grown accustomed to thinking they own this country. This is changing. Nobody owns Argentina now."

Some have wondered whether the San Martín court, known as Tribunal Oral Federal No 3 (or TOF 3) was targeted because of a desire to destroy some of the case files stored there. They included paperwork related to a case against Miguel Ángel Villalba, aka 'Mameluco', who in September 2014 was sentenced to 23 years imprisonment for cocaine and marijuana trafficking. Mameluco was politically well connected and had at one stage sought to be elected mayor of San Martín. Elisa Carrió, the campaigning anti-corruption member of the federal lower chamber of congress, has claimed Mameluco was involved in drug trafficking activities that benefited from a degree of protection from the provincial police force, including from its current commander, Pablo Bressi. Despite this allegation, Bressi has the continuing support of Vidal, who appointed him when she took office in December 2015.

The wider issue is that the government will face a number of challenges in its efforts to combat what it sees as a rising crime rate. At the beginning of this week the federal security minister, Patricia Bullrich, opened the first regional criminal intelligence centre, based in La Pampa province, and designed to cover a number of other provinces (including major centres of criminal activity such as Santa Fe and Córdoba). Bullrich said the government aimed to base its approach on "intelligence not numbers" and to anticipate actions taken by organised crime.

A further six regional intelligence centres are to be opened. The government says this will allow more in-depth investigation of criminal networks, and a more coordinated and efficient approach to law enforcement. Federal officials were encouraged by the seizure of 2.5 tonnes of marijuana found on a truck in the northern province of Formosa. Bullrich said this was a step towards "an Argentina without drug trafficking". Detractors are concerned the government may be raising its rhetoric and expectations beyond what it can reasonably deliver: not even the most efficient Latin American (or North American) police forces have been able to make their countries free of drug trafficking.

**Undeterred**

The provincial security minister for Buenos Aires, Cristian Ritondo, described the criminal message for Governor María Eugenia Vidal as "one more threat that is not going to stop us. We knew what we were getting into when we started working against the mafias". Ritondo said he was not ruling out the possibility of involvement by former police officers who were dismissed after the change in government.

## Tangle over education tests

On 18 and 19 October a total of 1.4m school students in over 30,000 schools took a series of multiple-choice assessment tests in language, mathematics, and natural and social sciences. The government hailed the exercise as a key preparatory step needed to tackle educational under-attainment. The teachers' unions, however, urged students and schools to boycott the tests, which were described, in contrast, as the beginning of a move to cut public budgets and privatise educational provision.

The exercise, known as 'Operativo Aprender' (Operation Learn) underlines the level of mistrust between the government led by President Mauricio Macri and most of the teachers' unions. The government says the tests are essential to establish an accurate baseline of educational attainment in Argentina, and to set the stage for improvement. The tests were mainly applied to students in the 6<sup>th</sup> grade of primary education (aged 11) and to the 5<sup>th</sup> and 6<sup>th</sup> grades of secondary education (aged 16-18). Questions were subject-related, but also covered other factors (such as attitudes to teachers and the family and school environment).

The union response was emphatically negative. Many argued that a standardised multiple-choice test was inappropriate as a diagnostic tool, excluding differences in local social and school contexts. Mario Almirón, leader of the Sindicato Argentino de Docentes Privados (Sadop), described the test as "reductionist" and accused the government of seeking to rank schools in a divisive manner, and harbouring a prior intent to favour private education providers.

A small number of schools boycotted the tests. In the Mariano Acosta school in the federal capital, a number of students protested by writing, "I do not agree with this evaluation", while leaving the rest of the test form blank. The headmistress of that school, Raquel Papalardo, while allowing the test to go ahead, said she personally disagreed with it. It might be useful in developed economies, she argued, but was inappropriate for "the reality in Argentina".

The government made a vigorous counter-argument. Elena Duro, the secretary for assessment at the ministry of education, said the test was an information gathering exercise, neither "punitive" nor designed to compile rankings or comparisons. Standardised tests of this type are used elsewhere in Latin America and in Europe. Duro also defended the inclusion of questions on whether a student's family was in receipt of state subsidies or social assistance programmes. This, she insisted, was not designed to "stigmatise" anyone, only to understand the role of family vulnerabilities in the education process.

Perhaps the strongest defence of the exercise came from President Macri himself. In an open letter Macri said only two out of every four children who enter the Argentine school system are currently completing their studies, and of those two, only one can comprehend written texts with ease. The point of the evaluation, he said, was to carry out an accurate diagnosis so as to improve public education. Macri said the federal government had already reached an agreement with the country's 24 provinces to improve education standards, among other things by reinforcing the obligatory nature of school attendance from the age of three; strengthening teaching practices; and improving teacher training.

In a swipe at the previous government Macri said improving education required an accurate diagnosis of the current situation. "There are people today wanting to hide the real situation in education, and that doesn't help, just as it doesn't help to hide the real situation concerning poverty, crime, and the rise in drug trafficking," Macri said. Test results should be released next year.

### Union opposition

Other unions, such as Confederación de Trabajadores de la Educación de la República Argentina (Ctera) and Sindicato Unificado de Trabajadores de la Educación de Buenos Aires (Suteba) also formally opposed the tests, noting they had not been properly consulted on the exercise. The Federación Nacional de Docentes Universitarios de Argentina (Conadu), which represents university lecturers, said education was not just about passing exams.



**Prison breaks**

In addition to riots, Brazil's prison system is also facing an increase in prison breaks. Also on 17 October 55 inmates from a psychiatric correctional facility in Franco da Rocha, São Paulo state, set fire to their cells and managed to escape the facilities. At the time of writing, police have managed to recapture 51 of the prisoners. This incident followed the escape of 200 inmates from a prison in the São Paulo municipality of Jardinópolis. While the police also managed to recapture the majority of the fugitives soon afterwards and rebuilt the security fence they had broken down during their escape, the incident raised concerns about internal security measures in São Paulo's prisons.

**Riots underline urgent need for prison reform**

**Brazil's prisons are notoriously dilapidated and overcrowded, but a dangerous cocktail of poor management, growing violence between rival criminal gangs and a 30% cut to security sector budgets has led to an increase in prison riots. Local human-rights groups have renewed their calls for reform of a broken system.**

In Brazil "we badly put a lot of people in jail", conceded the federal justice minister, Alexandre de Moraes, on 17 October. His remarks came in response to the recent prison riots reported in the northern states of Roraima and Rondônia this week. The riots have been attributed to the emergence of a feud between Brazil's two largest criminal gangs and on the chronic overcrowding of the country's prison system. The proposal by Moraes to deal with the latter issue was to announce the presentation of a new bill which offers alternative sentences to prisoners who have committed less serious crimes. Instead of getting judges to hand out prison sentences to offenders indiscriminately, Moraes advocates the use of other forms of punishment such as community service and probation.

Moraes's proposal comes as another bill that is already in the federal congress could undermine his efforts to free up prison cells. This bill seeks to increase prison sentences for those accused of corruption, an initiative borne out of the recent spate of major corruption scandals that have affected Brazil's political and business leaders. In any event, overcrowding remains a serious problem in Brazil with the majority of its prisons currently at 60% overcapacity, according to a report by the NGO Human Rights Watch published in November 2015.

But overcrowding is only part of the problem facing Brazil's national prison system. This week, two of the country's most notorious criminal organisations, the São Paulo-based Primeiro Comando da Capital (PCC) and Rio de Janeiro's Comando Vermelho (CV), appeared to break their 20-year pact of non-aggression, leading to a blood bath in two different prisons located some 2,000km apart.

After news of the gang war broke out, the authorities sensed danger and warned prison officers to stay on high alert. But officers at Roraima's Penitenciária Agrícola de Monte Cristo prison farm were still shocked when a fight broke out in the afternoon of 16 October, which left 10 inmates dead and six seriously injured. Of those killed, some were burnt to death while others were beheaded. "There's a tradition in the criminal world not to have a riot during visiting hours, unlike what happened yesterday," said Uziel Castro the secretary for justice in Roraima state in a 17 October interview with news site, *G1*. Yet during the height of the riot, 100 visitors were temporarily held hostage until the police's special operations unit (Bope) arrived on the scene, bringing the situation under control and securing the release of the hostages.

The majority of the prisoners killed in the Roraima riot were from the CV. The following day, CV inmates stormed a PCC cell in Rondônia's Ênio Pinheiro state prison in what was interpreted as an act of retaliation. This led to an equally violent fight, where members of the CV set some mattresses on fire and left eight PCC members to burn to death. "What happened yesterday is a reflection of what is happening throughout the country. There was a fight in Rio de Janeiro between the two criminal gangs and one of them sent a message to all the prisons ordering them to kill members of the other gang," Castro said in allusion to the riots.

## Argentine inflation

On 13 October Argentina's national statistics institute (Indec) reported that inflation in September reached 1.1%. An Indec report said that inflation was driven by an increase in the price of food and drink (0.79%) and clothing (0.39%). In contrast, the price of housing and basic services fell (-0.55%) on the month. The inflation rate has remained low due to the decision of the supreme court to declare null the increases in gas tariffs decreed by the government in April. The September inflation figures were hailed by the president of the central bank (BCRA), Federico Sturzenegger, who said that the accumulated inflation for the year is below 20%, and that the government is close to achieving its inflation goals for 2016.

Yet when asked whether similar episodes could be repeated in prisons elsewhere in Brazil, Moraes denied that the Roraima and Rondônia incidents were in any way related. "At this point in time, there is no evidence to support this theory," Moraes told *G1*. The riots were "just a spur of the moment thing," Moraes claimed. Nevertheless, in the aftermath of the incidents the Roraima state government was given R\$2.2m (US\$688,000) in funds by the federal government to repair the walls inside the Penitenciaria Agrícola prison, which prisoners had smashed, and strengthen security.

## TRACKING TRENDS

**URUGUAY | Strengthening commercial ties with China.** On 18 October Uruguay's President Tabaré Vázquez and China's President Xi Jinping, oversaw the signing of 16 bilateral cooperation agreements in the areas of education, culture, defence, tourism, sports, agriculture, forestry, information technology and communications. In addition, the two leaders also agreed to start negotiating a bilateral free trade agreement (FTA) in 2018.

The signing of the agreements and announcement of the FTA negotiations came during Vázquez's current 12-day visit to China, where he is looking to shore up economic relations and attract Chinese investment to Uruguay in order to help boost its flagging domestic economy.

Uruguay's economy & finance minister, Danilo Astori, who formed part of the delegation that accompanied Vázquez to China, said that the new agreements and the prospect of a future FTA should encourage Chinese investors to come to Uruguay. Indeed after signing a bilateral investment promotion agreement with his Chinese counterpart, Astori said that he had also held meetings with Chinese entrepreneurs who expressed an interest in investing in Uruguay. Astori added that the Vázquez government would especially like to attract Chinese investment to road and rail infrastructure in Uruguay, as well as port services.

Meanwhile, in another apparent bid to attract Chinese investment into Uruguay, on 17 October the Uruguayan government issued a decree offering new temporary tax incentives for major civil construction projects. An official statement said that these benefits included the exemption from taxes on the import of equipment, machinery, and materials for civil construction work projects provided that these do not threaten domestic industry. In addition such projects will also be exempt from paying corporate income tax (Irae) depending on the level of investment, with projects valued between US\$15m and US\$25m eligible to claim tax deductions for up to 20% of their value; projects valued between US\$25m and US\$35m eligible to claim tax deductions of up to 25% of their value; and projects valued above US\$35m being eligible to claim deductions of up to 30%. The statement said that these benefits would only apply to projects presented by December 2017 and slated to be completed by 2019.

**ARGENTINA-CHILE | Bilateral agreements come into effect.** On 17 October several government ministers from Chile and Argentina met in Santiago de Chile to announce the launch of a number of new bilateral agreements in double taxation and tax evasion. The finance ministers from both countries announced that the deals would now come into effect on 1 January 2017 following their ratification by the respective national legislatures.

The event was also used by the government officials to announce the launch of the 'Agua Negra' binational tunnel project, which will link Chile's Coquimbo Region to Argentina's San Juan province via two parallel 13.9km tunnels cutting through the Andes. The officials said that the US\$1.41bn project will be financed by the Inter-American Development Bank (IDB).

**BRAZIL | Petrobras sells refinery in Japan.** Brazil's cash-strapped state-owned oil company, Petrobras, has announced the sale of its Nansei Seikyu refinery in Japan. The buyer is a private Japanese firm, Taiyo Oil Company, which has agreed to pay US\$129.2m for the refinery with a capacity to refine 100,000 barrels of crude oil per day. A Petrobras statement said that the operation is part of its 2015-2016 divestment plan, which aims to reduce non-strategic assets to the tune of US\$13.7bn.

## A tale of two extraditions

On 18 October, after the US Supreme Court dismissed his remaining appeals, Mexican-Chinese citizen Zhenli Ye Gon was sent south – extradited from the US, where he has spent most of the last decade in prison, to Mexico, where he faces additional drug trafficking charges. It is possible that another big-name alleged drug trafficker, Joaquín ‘El Chapo’ Guzmán Loera, leader of the Sinaloa drug trafficking organisation (DTO), will soon be heading north, from a Mexican to a US prison. Their cases shed some light on the two countries’ attempt to crack down on drug-related crime.

Of the two men, Guzmán is by far the most notorious and internationally infamous. It is always difficult to present an accurate picture of the state of play concerning the founding member of the Sinaloa DTO, since a lot of media hype – in addition to some deliberate manipulation – is often involved. That said, Mexican government sources have been quoted as saying that Guzmán, who is currently located in a maximum security prison in the border city of Ciudad Juárez, is likely to be extradited to face charges in the US in early 2017 (*see sidebar*).

Guzmán, notorious for two successful prison breaks from Mexican prisons in the last 15 years, was recaptured in January this year in an operation led by Mexican marines. In May a federal judge ruled that extradition to the US could go ahead, after the US authorities guaranteed that Guzmán would not face the death penalty (Mexico opposes the death penalty and will not extradite its citizens to jurisdictions where they could be exposed to it).

Guzmán faces a multitude of charges in the US courts. Despite sensitivity over sovereignty issues, the Mexican government appears to have decided, against the initial inclination of President Enrique Peña Nieto, that it is better to have him serving a long sentence in a secure US prison than in a Mexican one where the possibility of escape is much greater.

### Edomex judge gunned down

There are indeed a number of wild cards affecting Guzmán’s future. One is the assassination of a federal judge, Vicente Antonio Bermúdez Zacarías, who was shot down by a gunman on 16 October while out jogging in the town of Metepec in the Estado de México (Edomex). His death had all the hallmarks of a contract killing.

Despite widespread violence by DTOs in Mexico, high-profile attacks on judges remain something of a rarity in the country. Bermúdez Zacarías was dealing with a number of cases, including Guzmán’s extradition appeals, as well as charges against other rival DTO leaders (such as the leader of Los Cuinis, Abigail González Valencia, and former Los Zetas leader Miguel Treviño, known as ‘Z-40’).

The death of Bermúdez Zacarías may, or may not, have been linked to the Guzmán case. But what is clear is that investigators will want to find any evidence there may be that the Sinaloa DTO ordered his killing. This on its own could delay plans for Guzmán’s extradition.

### Sinaloa DTO weakening

Other developments suggest that the Sinaloa DTO has been weakening in

### Guzmán’s extradition

The national security commissioner, Renato Sales, has said Joaquín Guzmán’s extradition might happen as soon as January or February next year. But Guzmán’s lawyers have dismissed that timescale as improbable, saying that because they have filed many appeals against their client’s extradition, nothing is likely to happen that fast.

## Zhenli Ye Gon

Zhenli Ye Gon, who owned Unimed Pharm Chem, a Mexico-registered pharmaceutical company, was also accused by the US authorities of using it to import precursor chemicals for the manufacture of methamphetamines into the US. That case was eventually dropped for lack of evidence.

recent months. According to the journalist and organised-crime expert Anabel Hernández, the extended Guzmán family's once tightly-knit network of loyalties is beginning to break down.

A number of family members have been targeted by rival DTOs. His sons Iván Archivaldo Guzmán Salazar, 33, and Jesús Alfredo Guzmán Salazar, 29, were briefly kidnapped, having been abducted along with 10 others from a restaurant in Puerto Vallarta, in the state of Jalisco in August [WR-16-32]. The *Cártel Jalisco Nueva Generación* (CJNG) DTO was believed to be behind the abductions.

Guzmán's nephew, Alfredo 'El Mochomito' Beltrán Guzmán, is reportedly working for rival DTOs. Guzmán's brother, Aureliano 'El Guano' Guzmán, is said to be taking on an increased leadership role to try and hold together the Sinaloa DTO. It is not clear how these realignments will affect extradition – if anything, by weakening the organisation and its cash flow they may also weaken the DTO leader's legal defence.

### Zhenli Ye Gon extradited

Meanwhile, the US Supreme Court gave the green light for the extradition of Mexican-Chinese businessman Zhenli Ye Gon, back to Mexico. He faces drug trafficking charges dating back to 2007, when Mexican police raided his luxury home in Mexico City and found US\$205m in cash.

Ye Gon has spent nearly a decade imprisoned in Richmond, Virginia. He had originally been arrested on drug charges in Maryland, in July 2007. He was then found to be involved in a money-laundering scheme involving HSBC, the UK-registered global bank, and Las Vegas Sands, a US entertainment and casino company. As a result of the investigation HSBC admitted that due to lax controls it had helped launder some US\$881m worth of DTO money. The bank had to pay a fine of US\$1.9bn.

The US Supreme Court decision meant Ye Gon had exhausted his appeals against extradition, and he was taken to Mexico this week. His lawyers insist he is a legitimate businessman, and that he will be exposed to torture or even death in any maximum security Mexican penitentiary.

Ye Gon's case also has political ramifications, since he has consistently claimed that he was holding the cash in his Mexico City home at the request of the then labour minister Javier Lozano Alarcón, and on behalf of the Partido Acción Nacional (PAN), the party then in government (and now providing the main opposition).

### Serving time in both countries

One point that emerges from these two cases is that because most large-scale DTOs now operate intensively both north and south of the border, it is more likely that their leaders will be deemed to have committed different crimes in the two countries. There is therefore a significant group of alleged kingpins who, currently imprisoned in either Mexico or the US, face the prospect of extradition to the other country on completion of their sentence, to face additional charges and sentences.

Mexican prisons are widely considered less secure than US ones, but the crime bosses have a range of different reasons for either opposing or welcoming extradition. While the conventional view is that Guzmán wants to stay in Mexico because he has a greater chance of breaking free for a third time, some analysts argue that if the turf war between Mexican cartels gets more intense, he may end up seeing a US prison as a safer place to retire.

## Osorio Chong

The interior minister, Miguel Angel Osorio Chong, was forced to declare this week that running for president in 2018 for the ruling Partido Revolucionario Institucional (PRI) was “not on [his] agenda”. Osorio Chong spoke out after the media seized upon videos he published on social media, which appeared to be an advance launch of his presidential candidacy.

### Hand amputations a new sign of gang warfare

Initial reports linking an attack on seven people who had their hands amputated (six survived the attack while one died) in Tlaquepaque, Jalisco state, to the emergence of a new vigilante group appear to have been inaccurate.

The victims were discovered on 17 October beside a hand-written message, which said ‘this happened to us for being thieves,’ (‘Esto nos pasó por rateros’). They also had the word ‘rata’ (thief, or ‘rat’) painted on various parts of their bodies. The message also contained threats against car and motorbike thieves and muggers.

But on 18 October Jalisco’s attorney general, Jesús Eduardo Almaguer, said the macabre attack had been a “settling of accounts” between rival members of “the same drug cartel that has been operating for various years” in the state, taken as a reference to the Cartel Jalisco Nueva Generación (CJNG).

Almaguer said that two suspects, a man and a woman, had been arrested in relation to the crime, and based on their testimony it appeared the victims had been singled out for failing to pay drug-trafficking debts. All the victims, six men and one woman, had police records for theft, assault, and the retail sale of drugs (known as ‘narcomenudeo’).

## TRACKING TRENDS

**MEXICO | Nestlé opens US\$250m plant in Jalisco.** On 6 October Mexico’s President Enrique Peña Nieto and Heiko Schipper, the global CEO of Nestlé Nutrition, the world’s largest food company, attended the opening of a new Nestlé plant in Ocotlán, Jalisco state.

The US\$245m new plant is part of the US\$1.03bn five-year investment plan for Mexico that Nestlé announced in 2014 and of which US\$800m have already been spent. The plant is expected to generate 250 new direct jobs and 1,250 indirect jobs.

Schipper said that Nestlé chose Mexico because of its long presence there; Mexico’s highly-skilled labour force; and the opportunities offered by the Mexican market, and wider Latin American markets.

Peña Nieto stressed that, during his administration, Mexico has received US\$120bn in foreign direct investment (FDI), which has generated over 2.3m jobs.

**MEXICO | New television channel launched.** A third private national television channel, Imagen Televisión, began broadcasting on 17 October breaking the long-held duopoly of Televisa and TV Azteca. Although there are different measurements, it is broadly acknowledged that Televisa has a 65% share of the existing TV market, with TV Azteca taking around 30%.

Grupo Imagen, the company which now owns the *Excélsior* newspaper and has interests in radio networks and cable TV, won the free-to-air TV concession in 2015. Grupo Imagen, which is owned by the business tycoon, Olegario Vázquez Aldir, says it will pump M\$10bn (US\$540m) into the new project. The new channel will concentrate on the news and fictional content, which together have the highest viewing figures in Mexico.

President Enrique Peña Nieto celebrated the launch of ImagenTV, the first free-to-air channel, as a sign that the telecommunications reform pushed through by his government has succeeded in increasing competition in the sector. There are doubts, however, over the profitability of new free-to-air TV channels. Ratings in broadcast television are on the decline with viewers also using the likes of Netflix, which provides streaming media and video-on-demand.

Detractors argue that the new channel is not actually bringing anything new to the table and that while it will ostensibly compete with the other channels, its primary purpose is likely to be political, namely to influence public opinion. They claim that it is a very bad time for sales and commercial advertising and that it will have to generate additional revenue from government advertising, which will come with political strings attached.

**Repression concerns grow ahead of elections**

In recent weeks, various opposition sectors have denounced growing repression on the part of the Frente Sandinista de Liberación Nacional (FSLN) government led by President Daniel Ortega. The complaints are fuelling democracy-related concerns ahead of general elections on 6 November, in which Ortega is seeking and is expected to win a third re-election.

On 7 October Carlos Fernando Chamorro, the director of the investigative daily *Confidencial*, and current affairs TV programme *Esta Semana* filed complaints before the local human-rights NGO Centro Nicaragüense de Derechos Humanos (Cenidh) regarding intimidation and spying by the military and the FSLN against *Confidencial* employees. According to the complaint, the alleged incidents occurred between 20 and 22 September when two *Confidencial* employees were approached separately by individuals purporting to be from the ruling party and the military, who demanded that they collaborate in spying activities. Both refused.

Chamorro's complaint warns that the reported incidents violate Article 66 of the 1987 constitution, which establishes the right of Nicaraguans to free access to information. He also pointed out that spying by the military, police, and other state institutions is illegal under Article 96 of the constitution.

It is worth recalling that this is not the first time that Chamorro, one of the country's most prominent media figures, has made such claims. Back in October 2013, in a letter sent to the commander of the army, General Julio César Avilés, Chamorro accused the army's intelligence directorate (DID) of spying on, and intimidating, a journalist, Ismael López Ocampo, although the military refused to investigate the allegations.

Last week Francisca Ramírez Torres, the coordinator of the Consejo Nacional para la Defensa de la Tierra, Lago y Soberanía Nacional protest group, which opposes the 'Gran Canal' project linking the country's Caribbean and Pacific coasts – Nicaragua's biggest ever infrastructure project – also denounced threats and intimidation.

On 14 October, the same day that the International Federation for Human Rights (FIDH), a non-governmental federation for human-rights organisations, released a damning report on the possible impact of the Canal, Ramírez told reporters that she had received anonymous threats warning that "up to 6 November" the group was "free to protest" although after that date it would be a different story. Ramírez also said that on 1 October the police had arrested and detained her husband, Migdonio López. He was subsequently released.

**FIDH report**

The FIDH investigation, which was carried out together with the Cenidh and an independent consultant, Mónica López Baltodano, warned that the 'Gran Canal' project could result in "numerous human rights violations". The US\$50bn construction contract for the canal was awarded to Hong Kong Nicaragua Canal Development Company (HKND) in June 2013.

Calling on the Ortega government to revoke the concession for the Canal, which will run through Lake Nicaragua, Central America's largest freshwater lake, the organisations denounced the expropriations process which

**Opinion poll**

President Ortega's ruling FSLN enjoys a massive lead in the latest electoral survey conducted by *M&R Consultores* and released 18 October. The poll found that 64.2% of 2,000 people consulted would vote for the FSLN, with the opposition PLC languishing on just 8.3%. A significant, but far from decisive, amount of respondents to the poll (23.3%) preferred not to reveal their preference.

## Venezuelan financial support falls

Venezuelan cooperation funds to Nicaragua, in the form of foreign direct investment (FDI) and oil loans, fell by 10.9% in the first half of 2016, according to the Nicaraguan central bank (BCN) compared with the same period last year. Total financial support from Venezuela to Nicaragua stood at US\$172.1m in the first half of 2016, the BCN reported, down from US\$193.3m a year earlier. It was a massive US\$661.9m in 2014.

they argued “doesn’t provide for any administrative or judicial recourse, but which does provide for a blatantly insufficient compensation”.

The FIDH report issues a warning that “as it is, between 30,000 and 120,000 peasants would have no way of relocating, or meeting their food requirements. It must be noted that these numbers only concern the canal construction zone, because no information is available regarding the areas affected by the other mega-projects.”

The report goes on to note that despite the fact that Nicaraguan law prohibits water concessions from exceeding 30 years, the concession has been granted for 116 years. It also raises the concern that the Canal’s construction “will surely affect the 80,000 people who use the lake’s water and the 40 different varieties of fish living in it. It will also cause hydrocarbon pollution, salinity and turbidity problems. No element related to sustainable development has been included in the project.”

### Agreement with the OAS?

President Ortega announced on 16 October that he had agreed a “mechanism of conversation and exchange” with the secretary general of the Organization of American States (OAS), Luis Almagro, regarding the electoral process. One of the main democracy-related concerns regarding the elections is Ortega’s refusal to invite international observer missions.

An OAS press release notes that Almagro has sent a report on the electoral process (which has not been made public) to the Ortega government, which has since declared itself prepared to set up a joint working table to analyse related issues.

The private-sector lobby Consejo Superior de la Empresa Privada (Cosep) hailed the OAS announcement as a positive step, but opposition figures like Dora María Téllez of the dissident Movimiento Renovador Sandinista (MRS) are calling for the OAS report to be made public. The presidential candidate of the opposition Partido Liberal Constitucionalista (PLC), Maximino Rodríguez, urged Ortega and the OAS to reach an agreement on the presence of local and international electoral observers in the country to confer legitimacy on the elections.

## TRACKING TRENDS

**COSTA RICA-REGION | Trade deal with South Korea.** Costa Rica’s President Luis Guillermo Solís agreed with his South Korean counterpart Park Geun-hye to drive forward negotiations towards signing a free trade agreement (FTA) with six Central American nations during a visit to Seoul last week.

Solís and Park agreed to “accelerate negotiations” to seal an FTA, which also includes El Salvador, Guatemala, Honduras, Nicaragua and Panama, as soon as possible. Although China has an FTA with Costa Rica, no Asian country has an FTA with all the Central American nations.

Six rounds of talks have been held since formal negotiations began in June last year. The total volume of trade between South Korea and the six Central American countries reached a peak of US\$6.5bn in 2009, but amounted to significantly less, US\$4bn, in 2015.

Two-way trade between Costa Rica and South Korea amounted to some 10% of this total (US\$394m) in 2015. Costa Rica’s exports were comprised primarily of coffee, bananas, pineapple, medical devices and electronic components, while South Korea’s exports were mainly made up of cars, mobile phones, electronic parts and sheet metal.

Solís and Park also signed bilateral cooperation accords in the areas of health-care, security, science and technology, as well as a tax information exchange agreement (TIEA).

## POSTSCRIPT

### Quotes of the week

“Corruption is a structural, historic problem in our country...but those days are over.”

*Peru's President Pedro Pablo Kuczynski boldly responds to a scandal embroiling a junior official in his government.*

“Since taking office President [Mauricio] Macri has been dismantling the Argentine economy...In Argentina the number of poor people has grown like at no other point over the last 20 years.”

*Venezuela's President Nicolás Maduro.*

“It is impossible because of France. There is no time to lose. Business is not in Europe it is in Asia.”

*Uruguay's former president Jorge Batlle argues that there is no chance of the Southern Common Market (Mercosur) and the European Union (EU) signing an inter-bloc trade deal.*

### Colombia's Santos tries to keep pressure on

Colombia's President Juan Manuel Santos is desperately trying to revive the peace process with the Fuerzas Armadas Revolucionarias de Colombia (Farc) by setting a deadline of 20 October for all opponents of the peace accord signed on 26 September to present their proposed revisions. After all sides of the political spectrum expressed their commitment to peace in the wake of the 'no' vote triumphing in the national referendum on the peace accord on 2 October, reality has kicked in and progress has stalled.

President Santos said it was “imperative” to set a deadline for proposals to reform the peace accord so that “the enormous efforts of the last six years are not wasted”. Former president Alvaro Uribe (2002-2010), the leader of the right-wing opposition Centro Democrático (CD), insisted that a ‘national pact’ was necessary for the peace process and that “an ultimatum and blackmail [Uribe accused Santos of trying to ‘buy’ the support of mayors for the peace accord with government funds] will create a lack of confidence”.

Uribe's CD has presented its proposals for revising the peace accord but other opponents of the accord have yet to follow suit. Santos said all the proposals were needed by 20 October so that they could be sent to Cuba for the government and Farc negotiating teams to discuss. As things stand representatives of the government and the 'no' camp are discussing revisions to the peace accord proposed by Uribe, while the Farc is left sitting uncomfortably in Cuba, removed from the process. Uribe urged Santos to approve a new working table comprising representatives of the government and the Farc as well as representatives of the 'no' camp.

The United Nations Special Representative Jean Arnault also stressed this week that speed was of the essence. “We need an agreement fairly quickly because while we are absolutely convinced that the two sides at the highest level have made a decision to end the war, things can start to unravel,” Arnault said, addressing a news conference. “We all know we need to move towards a political agreement as soon as possible,” he added.

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