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## Brazil shifts to the right in municipal elections

**In the final round of Brazil's municipal elections, left-leaning parties were roundly defeated by their right-wing rivals. As Brazil remains entrenched in one of the country's worst recessions since the 1930s, the pink tide of populism which presided over the boom period is firmly retreating, prompting speculation that Brazil's next head of state after the 2018 presidential elections will also be a right-winger.**

The leftist Partido dos Trabalhadores (PT) performed particularly miserably in the run-off elections, held on 30 October, and lost the only state capital it had contested in the second round. Meanwhile, the centre-right Partido da Social Democracia Brasileira (PSDB) emerged victorious and won seven of Brazil's 26 state capitals; the most of any party. The right-of-centre Partido do Movimento Democrático Brasileiro (PMDB) gained four state capitals and won a similar number of mayoralties as it had done in the previous municipal elections in 2012.

While right-wing candidates fared best overall, the political landscape for this year's municipal elections was rather more mixed. Many Brazilians, tired of corruption scandals and irresponsible public spending, opted to reject candidates from better-known parties and opt for 'wild card' candidates from diverse parties and backgrounds. There was also a greater level of political fragmentation than in 2012. When successful mayoral candidates take office in January 2017, Brazil's state capitals will be governed by representatives from 13 different parties from various ideologies. Meanwhile, almost a third of voters across the country abstained or spoiled their ballots, according to the supreme electoral court (TSE). This means successful candidates, especially those from little known parties, may suffer from governability problems in future.

### Evangelical candidate triumphs in Rio

Even the city of Rio de Janeiro, which has traditionally been perceived as liberal, will join the rest of the country in shifting to the right. Contrary to stereotypes which depict Rio as one of the hedonistic capitals of the world, the city will soon enter a new era of austerity under the leadership of evangelical candidate Marcelo Crivella from the Partido Republicano Brasileiro (PRB) party. Crivella won a convincing victory, 59%-41%, against his progressive rival Marcelo Freixo from the left-wing Partido Socialismo e Liberdade (PSOL) party.

Crivella celebrated his victory by staging a huge samba show then thanking God at least five times during his eight-minute speech and bursting into song. Later, Crivella dampened the mood by announcing that he intended to fire half of the municipal administration in Rio de Janeiro in a bid to reduce the fiscal deficit. Crivella inherits some depleted municipal coffers from the

## **PT struggles to reinvent itself**

With former president Lula facing a trio of corruption allegations and Dilma Rousseff firmly out of the running since her impeachment, it is unclear who can raise the embattled PT from the ashes. Possible contenders to replace current PT president Rui Falcão include: the former governor of Bahia, Jaques Wagner, the leader of the PT in the federal senate, Lindbergh Farias, and the defeated former mayor of São Paulo, Fernando Haddad. In a statement on Twitter, PT Vice President Alberto Cantalice said the election results would “hasten” the PT’s need to reinvent itself, but whether any of the aforementioned candidates have the backing or charisma to undertake this challenge is a moot point.

outgoing administration under the PT’s Eduardo Paes, who declared a “public calamity” over the state of Rio’s finances in June. During his victory parade, Crivella was magnanimous in blessing his rival Freixo. The feelings do not appear to be mutual, and in an interview with *G1 Globo* published on 31 October, Freixo said he would continue to oppose his rival’s policies and warned Crivella not to treat Rio like a “temple”.

## **PT performs poorly**

Freixo was not the only left-leaning candidate to be disappointed by the recent election results. The PT gave its worst performance in the electoral run-offs since 1985, losing all of the seven big cities it had competed for, including Recife, the capital of the north-eastern state of Pernambuco. Corruption allegations which continue to plague key PT figures including former president Lula da Silva (2003-2011) have left the party in a tailspin. Following the impeachment of Dilma Rousseff (2011-2016) in August for budget irregularities, many Brazilians also blame the PT for the recession the country is currently facing.

The PT lost re-election in many of their former strongholds, including the commercial strip surrounding São Paulo city, encompassing the ‘ABC’ municipalities of Santo André, São Bernardo do Campo and São Caetano do Sul, among others. Formerly dubbed the ‘red belt’, local media sites have rechristened this area the ‘blue belt’, referencing the party colours of the PSDB, who appear to have outstripped their populist peers in these areas.

In the first round of the municipal elections on 2 October, the PSDB also took over the city of São Paulo from incumbent PT mayor Fernando Haddad when business candidate João Doria beat him outright [[WR-16-39](#)]. In another blow to the PT, voters in Brazil’s impoverished north-eastern region also rejected the party. Again, the PSDB capitalised on the PT’s losses, winning the state capitals of Maceió (Alagoas) and Teresina (Piauí).

However, in the rest of the north-eastern region, left-wing sympathies for parties other than the PT remain strong. In Recife (Pernambuco) incumbent mayor Geraldo Julio from the left-wing Partido Socialista Brasileiro (PSB) won his bid for re-election against PT challenger João Paulo Lima with 61.3% of the votes. Candidates from centre-left Partido Democrático Trabalhista (PDT) claimed the state capitals of Natal (Rio Grande do Norte) in the first round then São Luis (Maranhão) and Fortaleza (Ceará) in the second. While candidates from the PT scramble to find a leader before the 2018 presidential elections, PDT candidate and former finance minister (1994-1995) Ciro Gomes, who backed the winning candidates in these three states, has emerged as a possible left-wing presidential candidate.

## **PSDB candidates eye presidential elections**

Now this year’s municipal election results are in, the PSDB will soon govern almost a quarter of the country, marking the biggest victory for the party since 2000. Many analysts are now casting their eye to three different candidates for the presidential elections in 2018: Senator Aécio Neves, São Paulo state governor Geraldo Alckmin, and Foreign Minister José Serra. Based on the results of this year’s municipal elections, Alckmin appears to be the strongest candidate in the running having backed Doria’s successful bid to win São Paulo, the party’s most important municipal seat.

By contrast, the results have not played in Neves’ favour. In Belo Horizonte (Minas Gerais), the PSDB candidate backed by Neves, João Leite, lost out by a small margin to centre-right frontrunner Alexandre Kalil from the Partido Humanista da Solidaridade (PHS). Capitalising on the wave of public anger against corruption, Kalil had been running a campaign to improve transparency in governance and break away from “old politics.” In his first speech as elected mayor, Kalil snubbed Neves even further by saying he was not willing to talk to the “enemy” but would happily speak to Alckmin instead.

**Fernández plays the Ecuadorean defence**

This week former president Cristina Fernández (2007-2015) appeared before a judge once more, this time in a case relating to alleged corruption in the awarding of government contracts during her time in office. Fernández, a leading member of the Frente para la Victoria (FPV, Kirchneristas) faction of the main opposition Partido Justicialista (PJ, Peronists), had travelled to Buenos Aires in April, summoned by a judge looking into potential wrongdoing in the sale of peso futures contracts through the central bank (BCRA). She also faces other investigations into alleged money laundering. An important point at issue is whether, irrespective of these investigations, she will stand for election in next year's mid-term elections.

There is now something of a ritual surrounding the appearances of Fernández before investigating judges in offices at Comodoro Py, the street that houses the main federal courts in the city of Buenos Aires. As in April Fernández travelled up from her home in Santa Cruz province, listened with her lawyers to a detailed list of charges against her presented by the prosecutors, refused to answer questions, referred the judge to past or future written statements and then left. Thousands of militant Kirchnerista supporters cheered her as she emerged, amid pushing and shoving with police. Yet the turnout was lower than it had been in April.

The charges this time, presented before federal judge Julián Ercolini, are that between 2003 and 2015 Fernández took part in a criminal conspiracy to channel the vast majority of public works contracts in Santa Cruz to a single bidder, a company controlled by Lázaro Báez, a businessman close to the former president and her late husband and predecessor Néstor Kirchner (2003-2007). Báez is currently imprisoned on money laundering charges.

According to the prosecutors, Santa Cruz was the recipient of 11% of total national public works contracts awarded during the period under consideration. Of that amount, 80%, equivalent to Ar\$16bn (US\$1.06bn), went to Austral Construcciones, the company controlled by Báez. Much of this money was for roads and other projects that were never built. Austral Construcciones is now in bankruptcy hearings.

According to Carlos Pagni, a columnist for the national daily *La Nación*, Fernández and her supporters are deploying an "Ecuadorean defence". Pagni was referring to a speech in which Ecuadorean President Rafael Correa said that anti-corruption investigations and trials are being used by conservatives across Latin America to persecute prominent left-wing leaders: Correa mentioned Fernández in Argentina and former presidents Lula da Silva (2003-2011) and Dilma Rousseff (2011-2016) in Brazil. Facing various investigations of possible involvement in the *petrolão* scandal involving the state oil company Petrobras, Lula has in fact filed a complaint over his treatment with the Inter-American Commission on Human Rights (IACHR).

Fernández and her close supporters refuse to accept that judges in Argentina and Brazil may be acting independently to uphold the rule of law. What is going on, they claim, is a right-wing political conspiracy. Fernández described the case against her as "a formidable manoeuvre, a political persecution" orchestrated by a government "which wants to conceal the economic and social disaster currently taking place in Argentina". She added: "they want to hide what we all know, what is going on in the supermarkets, the fact that salaries can't keep up with inflation."

**Frigerio strikes back**

"It is the justice system, independent in Argentina at least since 10 December last year [when President Macri took office] which will determine responsibility and culpability of the various officials being investigated," the interior minister, Rogelio Frigerio, said in response to the criticism levelled at the government by former president Fernández. "It is not the executive. It is not Macri or his team. It is the judiciary as befits a republic with separation of powers."

## Support for Fernández

According to pollsters Management & Fit, at the end of her presidency last December, 35.2% of respondents had a positive image of Cristina Fernández, while 34.7% viewed her negatively, giving an overall “negative balance” of -0.5 percentage points. Ten months later in September, 36.8% rated her positively against 44.1% who viewed her negatively, giving her a larger “negative balance” of -7.3 points.

Fernández and her supporters suggest that the courts are being selective and are failing to investigate others who benefited from public works contracts, such as, for instance, businessman Angelo Calcaterra, a cousin of President Mauricio Macri.

### Congressional elections

A key issue is how the court cases may affect the mid-term congressional elections due in October next year. While Fernández has neither confirmed nor denied her interest, it is widely believed that she is considering whether to run, perhaps for a seat in the federal senate. It is not inconceivable that she might face arrest and imprisonment over the next year and therefore be excluded from that race – a development which would likely trigger protests by her supporters. It is also possible that investigations could drag on inconclusively, allowing Fernández to take part in the electoral race, but perhaps continuing to erode her popularity.

According to a national pollster, Jorge Giacobbe, Fernández is currently attracting 27% support as a potential senatorial candidate in the province of Buenos Aires, which he describes as “not enough, but too much”, meaning that it is not enough to win, but more than enough to split the opposition.

Ironically, while many of Fernández’s supporters believe there is a government conspiracy to imprison her, at least some analysts are arguing that President Macri’s ruling Cambiemos coalition would benefit much more if Fernández were to stay out of jail and remain politically active. This would help to further fragment and weaken the Peronist opposition and avoid making Fernández a martyr figure enjoying more support than she would have done if she were at liberty.

## PARAGUAY | POLITICS

### Cartes puts re-election cards on the table

President Horacio Cartes has finally revealed his intentions to introduce presidential re-election in Paraguay’s national constitution so that he may benefit from it in the 2018 general elections. After months of playing coy about his intentions, Cartes has said that he and the ruling Asociación Nacional Republicana-Partido Colorado (ANR-PC) will formally seek to accomplish this via the drafting of a new constitution. Whether this plan will be successful or lead to an irreparable split within the ANR-PC is unclear.

President Cartes decided to end all speculation on 31 October when he publicly announced that his government and the ANR-PC would seek to introduce presidential re-election via a full constitutional reform to be approved by a constituent assembly rather than via a constitutional amendment to be approved by the national congress. The issue of whether to allow presidential re-election, which is currently barred under the 1992 constitution, and by what means this could be carried out, has been debated in Paraguay ever since Cartistas began floating the idea in order to make Cartes eligible to seek re-election after his current single five-year term ends in 2018.

Cartistas (including some government officials) have been clear about their intentions, but Cartes had kept his own counsel. This answered to the fact that the proposal was controversial, with the idea not just long resisted by the political opposition but also by many members of the ANR-PC itself, including the growing number of dissident party members that have fallen out with Cartes since the independent-minded president returned the party to power in 2013. The ANR-PC dissidents have since complained about the

## De Vargas dismissed

During the ANR-PC national party convention President Cartes announced the dismissal of his long-questioned interior minister, Francisco de Vargas, a PLRA party affiliate, as a sign of his willingness to abide by the resolutions approved by the convention. “I will obey the delegates...we have two ministers from other parties, one of them has already asked to join the ANR-PC, the other one will be removed,” Cartes said in reference to De Vargas and Finance Minister Santiago Peña, who moments later publicly announced his decision to abandon the PLRA to join the ANR-PC. This sparked speculation that Peña was pressured into joining the ANR-PC or losing his job; and that other non-ANR-PC cabinet members also now face the same choice.

lack of party representation in Cartes’ technocratic cabinet and his failure to consult party bigwigs about government policy stances.

The growing rift between ANR-PC Cartistas and anti-Cartistas has resulted in increasing confrontation between the Cartes government and the majority ANR-PC bench in congress, with dissidents often working in conjunction with the opposition to defeat government initiatives. Indeed, the resistance to the idea of allowing Cartes to seek re-election was such that back in August ANR-PC dissidents joined forces with the opposition in the senate in an attempt to thwart any attempt to advance the issue of re-election via constitutional amendment [WR-16-34]. The ANR-PC dissidents and the opposition thought that this had put paid to re-election issue for the time being. But it seems to have spurred on the Cartistas, who began agitating for the ANR-PC to hold an extraordinary national party convention to set a definitive party political line on the re-election issue and reinforce party unity.

This convention took place on 29 October. It was widely seen as the last opportunity to unify the party behind the efforts by Cartistas to introduce presidential re-election before the 2018 general elections. After heated debates, the Cartistas appeared to succeed in doing just that. A majority of the ANR-PC’s 1,137 delegates voted in favour of establishing the official party line in favour of pursuing a constitutional change allowing for presidential re-election. This after calls by dissidents to elect new members of the party disciplinary tribunal, and for increased party representation in the cabinet (*see sidebar*), were also approved.

Cartes celebrated the convention’s resolutions and said that he would abide by them. The next day, after meeting ANR-PC leaders in congress, he announced how the constitutional change will be achieved. “As a society we have seen that the [constitutional] amendment projects have not achieved consensus. Its different interpretations do not provide clarity as to the legal viability and consequently they could divide Paraguayan society and the Partido Colorado,” Cartes said, before announcing that any change to the constitution must be the result of “broad consensus between all political parties and social movements”, in allusion to the drafting of a new constitution by a constituent assembly. Cartes went on to say that his government would now seek to promote “all the political measures and constitutional and legal mechanisms” necessary to do this, and introduce re-election for the president, vice-president and departmental governors.

Cartes did not provide any further details or a timeframe for this process. But what is clear is that with the 2018 elections looming closer time is short, and that securing broad-based support for the initiative will not be easy. Many ANR-PC delegates left the party’s convention early in protest at the resolutions approved. Since then ANR-PC dissident leaders have said that they will challenge the resolutions taken at the convention before the party’s executive committee, and warned that their members in the national congress will defy the resolutions and continue to block any attempt to introduce presidential re-election. This has led some to speculate about a definitive split within the ANR-PC.

Meanwhile the main opposition Partido Liberal Radical Auténtico (PLRA) has accused Cartes of seeking to perpetuate himself in power in the manner of ANR-PC former dictator Alfredo Stroessner (1954-1989). Noting that the ban on presidential re-election was introduced by the constituent assembly called after Stroessner’s ouster precisely to prevent this, the PLRA party leadership says it will also seek to stop any attempt to introduce this constitutional change.

## The dictator's new suit

The statement by Peru's foreign ministry accusing the Venezuelan government of breaching the constitutional order has set off a fierce war of words across the Andes.

Venezuela's foreign minister Delcy Rodríguez suggested that Peru's President Pedro Pablo Kuczynski "take off his American businessman's suit" and "see the reality of Latin American people". In a stinging editorial entitled '*The dictator's new suit*', Peru's national daily *El Comercio* suggested that Peru's unprecedented statement had "denuded the tyrannical entrails of the Maduro regime". The Maduro government had "reacted virulently", it continued, "because the complacency of the rest of Latin America was indispensable to its effort to prolong its illegitimate exercise of power". Peru, it argued, had called out the emperor with no clothes.

## ANDEAN COUNTRIES

### VENEZUELA | POLITICS

#### Back to the drawing board

**"Dialogue is the only way to solve every conflict. I wholeheartedly support dialogue", Pope Francis stated on 1 November, adding that he hoped "with all my heart" for successful dialogue in Venezuela. But having played a key role in bringing to an end the Cold War in the Western Hemisphere with his involvement in the restoration of diplomatic ties between the US and Cuba, the Pope to date has been stumped by Venezuela.**

The Vatican first sought to mediate in the bitter political situation in Venezuela in March 2014, after the deaths of 43 people in anti-government protests. That dialogue was over before it began, after the opposition coalition Mesa de la Unidad Democrática (MUD) claimed that the government led by President Nicolás Maduro had baldly failed to follow through on any of the commitments made at the negotiating table. Subsequent efforts, mediated (at Maduro's invitation) by the Union of South American Nations (Unasur), and with the vocal backing of the Vatican and the US government, have similarly come to nothing, with the MUD accusing the Unasur mediators of bias and refusing the government's various demands, including that it drop its efforts to secure the early removal of the unpopular Maduro via presidential recall referendum.

Two years down the line, and with the situation having deteriorated to the point where the Venezuelan military appeared to be on the brink of stepping in, Pope Francis is bringing all his considerable diplomatic weight to bear on the two sides. And while Maduro may feel he has won something of a 'moral victory' over the MUD thanks to his meeting with the Pope at the Vatican on 24 October, that victory may prove short-lived if the government fails to make concrete gestures in support of an electoral solution to the crisis. The Peruvian government, for example, has declared that the Maduro administration is overseeing a constitutional coup (*see sidebar*). The secretary general of the Organization of American States (OAS), Luis Almagro, has said he believes "a democratic rupture" has taken place. Argentina's President Mauricio Macri continues to criticise the Venezuelan government for failing its own people and for the abuse of its institutional power.

Meanwhile, the MUD continues to struggle with its positioning. On 1 November, only hours after it was insisting that it would go ahead the MUD cancelled a planned march on the Miraflores presidential palace, and also suspended a 'political trial' of Maduro in the MUD-controlled national assembly. The decision was announced by the head of the assembly, Henry Ramos Allup, in support of the new dialogue. "If the Vatican says we must sit down at the dialogue table to resolve conflicts, it must be done. We can't refuse", Ramos Allup stated.

Maduro later praised Ramos Allup for his "bravery". However, the radical opposition party Voluntad Popular (VP), led by the imprisoned Leopoldo López, expressed dismay at the decision, with some VP deputies accusing Ramos Allup and the MUD of treachery and betrayal.

The MUD has a long history of self-destruction, which suits Maduro perfectly. Forgetting his recent presidential magnanimity, Maduro was quick to revert to his usual divisive tactics. Sticking the knife in on his television show, he declared VP to be "terrorists" and called on public prosecutors and "all state powers" to do something about it. He branded VP's national coordinator,

## Opposition detainees freed

Five opposition detainees were released from prison on 30 October. The US government, which has expressed its support for the new dialogue process, acknowledged the move and called for the release of all other political detainees. The US State Department's Secretary of State for Political Affairs, Tom Shannon, is currently in Caracas meeting government and opposition officials.

Deputy Fredy Guevara, "a criminal" and warned him that his parliamentary immunity would not save him from "a long jailing" ('carcelazo').

Maduro's aggressive comments followed an official statement by VP registering its objection to the MUD decision and declaring that if Maduro had not "returned to the constitutional line" by 12 November (i.e. after the next round of the new dialogue, due the previous day), then VP would take to the streets and march on Miraflores. The party also reiterated that its condition for joining the new dialogue was the release of López and other detained VP officials.

In taking this position, VP plays right into the government's hands. Conscious of this, party deputy Luis Florido emphasised that VP was not breaking from the MUD coalition, but was simply registering its objection to a decision it could not support at this moment. Florido stressed that VP was not against the new dialogue per se, but wanted more concrete gestures from the Maduro government first, before joining. So far the government has released five opposition detainees (*see sidebar*).

The MUD's secretary general, Jesus 'Chúo' Torrealba, who is leading the new dialogue effort, came out strongly in defence of VP and Guevara, blasting Maduro's "aggression" as "an attack on the dialogue, and a mockery of the Pope". Torrealba stressed that the MUD as a whole expects tangible progress towards an electoral solution to Venezuela's political crisis by 12 November, or it will walk away from the talks.

With the recall referendum looking scuttled, there appears to be a shift towards the idea of early presidential and legislative elections next year. On the one hand, an early election might be easier for Maduro, as it would save him the personal embarrassment of a recall referendum (which polls suggest he would lose resoundingly). But, on the other, it might be a more difficult sell for the ruling Partido Socialista Unido de Venezuela (PSUV), its only ambition being to stay in power at any cost.

Moreover, the MUD is not fully decided itself as to the best course of action. Local commentators suggest that while VP and Ramos Allup's Acción Democrática (AD) still want a recall referendum, Primero Justicia (PJ), led by Henrique Capriles Radonski, has now pivoted towards the idea of an early general election. This would require a constitutional amendment, which Capriles has suggested be ratified (and copper-fastened) via public referendum.

### Pdvsas pays off 2016 bond

On 28 October the state oil company Pdvsas said that it had paid US\$1.6bn to settle an expiring 2016 bond, plus interest payments on a 2022 bond. Another US\$600m was also due on 31 October to the Canadian mining company Gold Reserve in compensation for the expropriation of its assets. The funds for these latest payments appear to have come mostly from central bank (BCV) reserves. The BCV's international reserves stood at US\$10.9bn as of 1 November, from US\$12bn at the start of October. Reserves are now at their lowest level in 20 years.

Pdvsas made the latest payment just days after announcing completion of a US\$2.8bn bond debt swap, as part of efforts to alleviate a very lumpy payment schedule in 2017, when some US\$6.1bn in principal and interest is due. Bondholders agreed to swap US\$2.8bn-worth of 2017 bonds for US\$3.4bn payable in 2020 instead, with a 50% share in Pdvsas's US subsidiary Citgo offered as collateral, an unprecedented move of some questionable legal validity, according to the Venezuelan opposition. Pdvsas thereby kicks about 40% of its 2017 obligations down the line, but at some cost to the company and also on the assumption of higher oil prices by 2020. Two of the big three international rating agencies rated the swap 'a distressed exchange' and downgraded Pdvsas into default territory.

## Post-conflict Colombia

Prime Minister May promised to grant a further £7.5m (US\$9.3m) for efforts to clear landmines and the international monitoring mission in Colombia. British Minister of State for Industry and Climate Change Nick Hurd also signed an agreement for a new £20m 'Colombia Bio' scientific research programme to develop new drugs, medicines, fertilisers and pollution-combating products. Hurd hailed "a significant moment in our relationship giving our world-leading researchers and scientists the opportunity to work closely with Colombian counterparts tackling global challenges, addressing developmental issues and unlocking the full potential of Colombia's biodiverse geography [in conflict areas]". The UK has already pledged to provide £45m to tackle deforestation in Colombia.

## Santos state visit solidifies UK ties

President Juan Manuel Santos became the first Colombian head of state to conduct a state visit to the United Kingdom this week. Santos used the visit to entrench trade and economic ties with the UK, which has been the third-largest foreign investor in Colombia over the last decade. He thanked the UK for supporting peace in Colombia, while stressing that the peace accord with the Fuerzas Armadas Revolucionarias de Colombia (Farc) must be approved before the end of the year, and that revisions proposed by opponents of the accord who supported the triumphant 'no' vote in the national referendum on 2 October would have to be realistic.

"This state visit represents the consolidation of a strategic relationship between Colombia and the United Kingdom," President Santos said during a joint press conference with the British prime minister Theresa May on 2 November. Santos thanked the UK for being "a strong supporter of the search for peace in Colombia: by sharing its experience of the Northern Ireland peace process, by exercising its leadership in the UN Security Council". Santos culminated his three-day stay on 3 November with a trip to Northern Ireland where he visited a reconciliation centre and discussed the peace accord with First Minister Arlene Foster and Deputy First Minister Martin McGuinness.

Speaking at a state banquet hosted by the Lord Mayor of London, Alderman The Lord Mountevans, the previous night, Santos, a self-confessed Anglophile, said that he had been inspired to pursue peace with the Farc by the UK's "determination to discuss and bring the conflict in Northern Ireland to an end". Santos also said that he was undeterred by the "surprising" result of the referendum, saying that his government had "embraced it as an opportunity...listened to all sectors of society" who had voted 'yes' and 'no'. "I am certain...the vast majority of us will unite to implement the peace agreement," he added.

Santos said that his government had received more than 500 proposals for revisions to the accord from the 'no' camp and was discussing these with the Farc in the hope of having a new agreement approved by the optimistic deadline of Christmas. He said that some of the proposals were practical and should be accepted by the Farc, while insisting that he would not allow approval of the peace accord to be held up by anyone, including its chief critic, former president Alvaro Uribe (2002-2010). Santos said that "once a new peace accord is reached", taking into account the concerns of opposition groups, he would decide on whether to stage a new referendum. But he insisted there were "various alternatives", such as implementing it directly through congress, which would be far less risky given the overwhelming support for the accord from his ruling coalition and left-wing opposition, or by "asking our municipalities – we have more than 1,100 – in a sort of open discussion".

Santos went on to emphasise that "without armed confrontation we will be a more appealing country for investing and doing business, and so-called country risk will reduce even more, thus reducing debt costs, increasing interest rates...and foreign investment will triple". Questioned in the joint press conference with May about the UK's own divisive referendum on membership of the European Union (EU) in June, which resulted in a victory for the 'Brexit' camp, Santos said he liked to "see the positive side of things" and viewed this as an "enormous opportunity to enlarge our relations with the UK, both in trade and investment".

## Oil cooperation

The UK and Colombia forged a new oil and gas partnership between the cities of Aberdeen and Barranquilla to share best practice in regulation, supply chain development and training, and to assist development of Colombia's offshore oil and gas operations – and enhanced oil recovery. The Lord Mayor of London also highlighted the role of the UK oil company Amerisur which “is investing millions in the development of new oil fields, and creation of the Putumayo oil pipeline; the first bi-national project between Colombia and Ecuador – which became operational just this weekend”.

May reiterated his comments, emphasising that “As the UK prepares to leave the EU, I am determined that Britain should become the champions of free trade, and that means boosting trade with fast-growing economies like Colombia”.

May said that the UK would “help to rebuild [Colombia] by investing up to £25m [US\$31.1m] in urban development, agriculture, services and transport – improving the lives of 3m people affected by the conflict and creating export opportunities worth around £6bn for 2,500 British businesses”. The Lord Mayor of London said that the UK's ‘prosperity programming’ aimed “to unlock opportunities” in areas most affected by poverty and conflict, “building on the foundations – the tracks – laid in Colombia by Victorian industrialists; we want to fuel a new age of industry...partnering to deliver your eight-year, US\$100bn national infrastructure plan...transforming the rail network, uniting rural and urban areas, generating jobs and growth, funding vital post-conflict projects to deliver healthcare”.

Liam Fox, Britain's international trade minister, also signed a double taxation agreement (DTA) with Colombia's finance minister, Mauricio Cárdenas, to ensure “income earned in one country is only taxed once, rather than twice”, giving greater certainty to employees and businesses operating between the UK and Colombia, reducing the barriers to cross-border trade and investment. Cárdenas added that the DTA would “allow us to fight evasion and bad practices by some companies that use tax havens to avoid or differ tax payments in Colombia”.

## ECUADOR | POLITICS

### All to play for with half of voters undecided

Not since Ecuador's return to democracy in 1978 have so many voters been so unsure about who to back in presidential elections in the country. With under four months to go until the elections, 52% of 2,200 respondents to a survey carried out by the national pollster Cedatos between 5 and 15 October in 23 of the country's 24 provinces, excepting Galápagos, said they were undecided about who to vote for, and this is down from as much as 63% in September.

The uncertainty reflects the vacuum left by President Rafael Correa who is stepping aside after 10 years at the helm, making him the longest-serving head of state in Ecuador's history. Just before the Cedatos survey was conducted, the ruling Alianza País (AP) selected former vice-president Lenín Moreno as the party's presidential candidate [[WR-16-39](#)], which will provide some greater clarity.

Moreno topped the Cedatos poll with 37% support, followed by Guillermo Lasso, the former banker and leader of Movimiento Creo (Creando Oportunidades), on 20%; Cynthia Viteri of Partido Social Cristiano-Madera de Guerrero (PSC-MG), who is backed by Jaime Nebot, the long-serving mayor of Guayaquil, Ecuador's second city and business hub, on 10%; and retired General Paco Moncayo, who is running for the Acuerdo Nacional por el Cambio, a coalition of left-wing parties hostile to the Correa administration, including Pachakutik, the political arm of the country's largest indigenous organisation Conaie, on 7%.

With so many undecided voters, there is significant scope for these respective levels of support to fluctuate in the weeks ahead, although it is worth pointing out that 46% of respondents expressed little or no interest in the elections. Despite the fact that 63% of respondents felt the country was on the wrong path and 73% that economic policies were “incorrect”, Moreno appears to be establishing a healthy early advantage. As things stand

## Colombian trade deficit

While the reduction in the trade deficit is generally positive for the Colombian economy, the fact that the fall in imports this year has been driven by fewer imports of machinery and other intermediate goods is a cause for concern. The Dane figures show that the main driver behind the fall in imports this year was a 23% year-on-year fall in the value of manufactured imports, which was primarily explained by a 29.9% fall in transport machinery exports. This suggests that Colombia's industrial sector and in particular the industrial transport sector is experiencing a slump.

Moreno would be forced to contest a second round on 2 April, however, when the coalitions behind Lasso and Viteri would be natural allies.

On 30 October Lasso's new coalition, Alianza por el Cambio, held a national convention for the first time in Guayaquil. This comprises Creo; Sociedad Unida Mas Acción (Suma), the party led by the mayor of Quito, Mauricio Rodas; Juntos Podemos, the party of the prefect (governor) of the province of Azuay, Paúl Carrasco; and various provincial parties.

### What happened to opposition unity?

The decision by Rodas and Carrasco to throw their weight behind the coalition backing Lasso suggests that they feel he is the best bet to defeat the AP. Carrasco, Rodas and Nebot had forged a triple alliance to oppose the Correa administration in early 2015, and Carrasco was the driving force behind the launch of an informal opposition coalition, Frente por la Unidad, modelled (even in name) on Venezuela's Mesa de la Unidad Democrática (MUD). Correa presciently predicted at the time that "when it comes to choosing candidates it will break apart" – and so it did. While Rodas and Carrasco are backing Lasso, Nebot is supporting Viteri.

### Leftist kingmakers

If the final results next February are consistent with the latest Cedatos poll then Moncayo's Acuerdo Nacional por el Cambio could play a decisive role. But Pachakutik in particular will be deeply sceptical of an alliance with any incoming government, having felt betrayed by former president Lucio Gutiérrez, a retired colonel who it helped bring to power in 2003 (and then to topple in 2005) and then Correa in 2007.

Another important ally for Lasso, Viteri, or even Moncayo, to court should one of them force Moreno to a second round next April, would be Ramiro González, the leader of the left-wing party Avanza. González, who served as industries and productivity minister in Correa's cabinet until last April, formed Avanza shortly before the 2014 municipal elections, when it won an impressive haul of 37 out of 221 municipalities (second only to the AP's 68).

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## TRACKING TRENDS

**BOLIVIA | Poverty rates.** Poverty rates fell in rural areas of Bolivia between 2014 and 2015 but increased in urban areas, according to a report by Bolivia's national statistics institute (INE). The poverty rate in rural areas fell from 57.5% in 2014 to 55% last year, INE reported, but marginally increased in urban areas from 30.5% in 2014 to 31% last year. The extreme poverty rate in rural areas fell from 36.1% in 2014 to 33.3% in 2015 but increased in urban areas from 8.3% in 2014 to 9.3% in 2015.

The INE report noted that overall poverty rate has fallen from 59.6% in 2005 before the government led by President Evo Morales came to power to 38.6% last year; and that the extreme poverty rate has fallen from 36.7% to 16.8% over the same period. Hailing the overall fall in the poverty rate, Morales reiterated his government's commitment to reducing poverty through its various social programmes.

**COLOMBIA | Falling trade deficit.** Colombia's national statistics department (Dane) reported that the country posted a trade deficit of US\$1.03bn in August, 28% less than in the same month of last year. A Dane report said that the fall in the trade deficit was primarily explained by a decline in the value of imports in the month, which fell by 4.5% year-on-year to US\$4.03bn. Meanwhile exports increased in the month by 7% year-on-year to US\$3.0bn.

The August trade figures resulted in an accumulated trade deficit for the year of US\$8.27bn, 16% less than in the comparable period of 2015. The accumulated value of exports for the year so far, comes to a total of US\$19.52bn, 22.2% less than last year. However, largely offsetting this, the total value of imports so far this year reached US\$27.8bn, 20.5% less than last year (see sidebar).

## Pressure growing on Sinaloa cartel

The Sinaloa/Pacífico drug trafficking organisation (DTO) continues to face pressure on various fronts. The security forces have captured one of the DTO's top enforcers, as well as a man reputed to be its main operator in Baja California Sur state. But even more than from the government, the Sinaloa DTO appears to be under threat from rival cartels.

At times in recent years the Sinaloa DTO has appeared invincible, and its leader, Joaquín 'El Chapo' Guzmán Loera, unstoppable. But the myth around what has sometimes been described as the most powerful criminal organisation in the western hemisphere is beginning to dissipate. The organisation could be in some trouble.

Ever since Guzmán was re-arrested and held under tight security at the beginning of this year, it has been assumed that the DTO has continued to operate relatively efficiently under the day-to-day collegiate command of various senior leaders, including Ismael 'El Mayo' Zambada. Unlike his boss, Zambada has never been captured: described as cunning and careful, he is believed to be at large somewhere in the mountains of northern Mexico.

But the security forces are getting close. At 4am on 30 October in Culiacán, in the state of Sinaloa, army special forces intercepted a station wagon. In an ensuing gunfight they killed three men, wounding and capturing a further three. One of the captured survivors was Zambada's main military commander (known as his *jefe de sicarios*), José Carlos 'El Calí' López. López led a group of killers known as Los Ántrax, notorious for settling scores on behalf of the organisation, but more recently used by Zambada in defensive action against attacks from rival cartels such as the Beltrán Leyva Organisation (BLO) and the Cartel Jalisco Nueva Generación (CJNG).

### Threats facing Sinaloa DTO

There is no single blueprint for how Mexican DTOs react when their top leaders are killed or captured. In some cases, such as that of the now weakened Los Zetas, the fall of kingpins has led to vicious internecine battles as different factions struggle for control. In the case of Sinaloa there has been no open split, although Guzmán's nephew, Alfredo Beltrán Guzmán, is known to have lined himself up with the Beltrán Leyva Organisation, with whom he has much closer family ties: he is after all the son of imprisoned BLO leader Alfredo Beltrán Leyva.

The big threat for the Sinaloa DTO seems to come from the outside: a combined attack on its territories and drug smuggling routes by both the BLO and the CJNG. The CJNG, now considered to be challenging Sinaloa's nationwide predominance, is reputed to have been behind the brief kidnapping of one of Guzmán's sons in August: he was later released following negotiations between the two clans [[WR-16-32](#)].

From the government's point of view the struggle against organised crime remains a volatile and fundamentally difficult business. Should another kingpin such as Zambada be captured, it will be hailed as a victory for law enforcement and pacification. But such a strike might intensify the chances that the struggle for control of the drug smuggling business on the Pacific Coast and in the north of Mexico will create a new spike in drug-related violence, at a time of increased uncertainty over the outcome of the US presidential elections and its implications for security and migration issues.

### Net closing

Days before José Carlos 'El Calí' López was seized, and also in Culiacán, navy marines captured a man identified as 'Rey David N', believed to be the head of the Sinaloa DTO in the state of Baja California Sur. The capture of López and 'Rey David N' came amid rumours that Ismael Zambada himself, or one of his children, may have narrowly escaped arrest.

## Financial black hole in Veracruz

Political transitions can be difficult. The one coming up in the state of Veracruz on 1 December, when after 86 years of uninterrupted rule the Partido Revolucionario Institucional (PRI) hands over to an incoming governor representing an alliance between two opposition parties, the Partido Acción Nacional (PAN) and the Partido de la Revolución Democrática (PRD), is going to be fraught. After allegations of massive fraud and corruption, the state is nearly bankrupt and essential services may be under threat.

In his successful campaign to win the June 2016 gubernatorial elections in Veracruz, Mexico's third largest state, Miguel Ángel Yunes was heavily critical of the incumbent PRI governor, Javier Duarte, holding him responsible for low levels of security and high levels of corruption. Nearly six months later, as Yunes gets ready to be officially sworn in on 1 December, he may not have imagined how bad things could really get.

Just ahead of formal corruption charges being laid against him, Duarte stepped down on 12 October, 48 days before his term was due to end, and is now on the run, presumed to have left Mexico. Another PRI official, Flavino Ríos, was appointed interim governor, and it falls to him to negotiate the terms of the handover to Yunes.

But the process is being made much more difficult by the realisation that Veracruz has been financially sacked. A report approved by the state congress says that in fiscal year 2015 the state suffered a net loss of assets totalling M\$16.349bn (US\$860m) through a number of different mechanisms such as payments to paper companies for non-existent services.

Mayors representing the state's municipalities say that for years they were receiving less funds than they were entitled to from the state, with payments typically running up to three months late. Much of the money originated in budget transfers from the federal ministry of finance which were being skimmed or diverted by the state administration.

Interim governor Ríos may not have helped calm the situation: he promised PRI mayors they would be paid by early November, leading PAN and PRD mayors to conclude that they were being discriminated against. The PAN-PRD mayors have been leading demonstrations in the state capital and threatening a complete shutdown of municipal operations unless funding backlogs are cleared.

Not surprisingly perhaps, a meeting between outgoing and incoming state administration teams broke down without agreement. The Yunes team said it would refuse to sign off the transition arrangements until the outgoing PRI officials settle outstanding debts owed to the municipalities, the University of Veracruz, and to teachers and students.

Outgoing state finance minister Antonio Gómez said he was unable to make that commitment; Humberto Alonso Morelli of the incoming team responded by accusing him of "complicity" with the former governor's fraudulent operations. The incoming team has already filed official accusations against 10 named officials in the courts. The federal finance ministry, meanwhile, has intervened in an attempt to break the deadlock, saying it is prepared to advance funds directly to municipalities.

### Veracruz mayors protest

"There are some basic services for which we just haven't got any money," Lorenzo Pozos, PRD mayor of the municipality of Xico in Veracruz, said. "Public lighting, refuse collection, petrol for the municipal police cars are all affected. We are on the verge of a social crisis," he added.

**Saca arrest puts spotlight on Arena****Saca**

Former president Saca was arrested as he left the celebration of his son's wedding. His assets, along with nine personal bank accounts, were frozen in March. Allegations against Saca have circulated ever since the whistleblowing website *Wikileaks* published a telegram from the US embassy in El Salvador in October 2009 which argued that "while the Salvadoran public may be inured to self-serving behavior by politicians...the brazen manner in which Saca and his people are widely perceived to have used their positions for personal enrichment went beyond the pale".

The arrest of El Salvador's former president Tony Saca (2004-2009) on 30 October, along with six officials who served in his cabinet, is being seen as a major test of the independence of the country's justice system, which has never before put a former head of state on trial. But the scale of the brazen embezzlement and money laundering charges being levelled at Saca et al could also deliver a serious blow to the credibility of the now-opposition right-wing *Alianza Republicana Nacionalista (Arena)*, on whose ticket Saca came to power even though he became estranged from the party and was expelled in 2009.

The supreme court of justice (CSJ) was on the verge of putting former president Francisco Flores (Arena, 1999-2004) on trial for embezzling US\$15m of donations provided by Taiwan for victims of the devastating 2001 earthquake before he died in January of a brain haemorrhage. Another former president, Mauricio Funes (2009-2014), who was elected for the left-wing *Frente Farabundo Martí para la Liberación Nacional (FMLN)*, fled to Nicaragua, where he was recently granted asylum, to avoid standing trial for alleged embezzlement; some US\$700,000 of unexplained personal income in Funes' name, the majority of which was accumulated during his term in office [[WR-16-36](#)]. But the charges against Saca are far more serious.

The attorney general, Douglas Meléndez, accused Saca on 31 October of presiding over an "immense [criminal] operation" which saw US\$246m embezzled from state coffers during his five-year term. This money was paid into 14 personal accounts in the names of Elmer Charlaix, who served as Saca's private secretary, Francisco Rodríguez Arteaga and Pablo Gómez, who served in the Saca administration and are now working for the government led by President Salvador Sánchez Cerén (the former as head of the institutional financial unit of the presidential palace; the latter as the accountant for the presidential private secretary). In an attempt to conceal its origin some US\$116m of these funds was subsequently taken out in cash, Meléndez said.

All three of these current and former officials have been arrested, along with César Funes, former president of the water management agency (Anda); Julio Rank, Saca's former secretary of communications; and Jorge Alberto Herrera, who served under Saca and is now institutional treasurer of the government.

Charlaix has US\$18.7m in private bank accounts which he has been unable to explain. This allegedly came from a "secret part" of the budget, which constituted discretionary funds ostensibly used to finance state intelligence. Charlaix allegedly made out some US\$15m worth of cheques to Saca and other Arena officials; one cheque for US\$400,000 was made out directly to Arena. Charlaix was also involved in the transference of US\$10m of Taiwanese donations during the Flores administration to fund Saca's presidential campaign in 2004 and to about a dozen Arena party officials.

The arrest of Saca and other former Arena officials comes just as Arena is digging in its heels over the approval of a US\$1.2bn bond emission sought by the ruling FMLN in the legislative assembly to avert a default. Arena has agreed to approve just US\$500m of bonds, accusing the government of profligacy and waste. Somewhat ironically, Arena says its legislative backing for any bonds is conditional upon the approval of a fiscal responsibility law.

## Zelaya preps Libre for 2017

While the final results were still pending as we went to press, former president Manuel Zelaya (2006-2009) was poised to be ratified at the helm of his radical left-wing party, *Libertad y Refundación (Libre)*, following internal elections on 30 October.

Zelaya is 'general coordinator' of the party he help found in 2011, having parted ways with the conservative traditional Partido Liberal (PL) in the wake of the June 2009 supreme court order to remove him from the presidency. Zelaya's wife, Xiomara Castro, was Libre's presidential candidate in the 2013 general election and came second, as Libre and another new political group, Partido Anti-Corrupción (PAC), took advantage of voter discontent to break the country's long-entrenched duopoly, whereby power alternated between the PL and its rival, Partido Nacional (PN).

In its first-ever electoral outing in 2013, and running at a sizeable financial disadvantage to the established traditional parties, Libre picked up a respectable 37 of the 128 congressional seats, thereby becoming the second-largest bench in the legislature to the winning PN. The novice Castro, effectively running as a proxy for her husband, managed to secure almost 900,000 votes, or 29% of the valid toll, compared to 37% (1.15m) for Juan Orlando Hernández of the PN, elected president. Zelaya, elected a national deputy, took the helm of Libre in congress, from where he has worked to re-establish his political profile.

### Zelaya – a second tilt at the presidency?

Following a controversial supreme court ruling in April this year to remove a longstanding ban on presidential re-election, there is an expectation that Hernández will seek a second term in the November 2017 general election.

Given that Zelaya was removed for his perceived attempt at 'continuismo' (he had been pushing for a constituent assembly to reform the 1982 constitution), he and Libre cried foul. The PL and the PAC also rejected the supreme court decision; after all, the ban on re-election under the constitution was considered immutable. Nonetheless, the supreme electoral court (TSE) has said that it will abide by the upper court's ruling – albeit there is a continuing row as to whether congress needs to approve enabling legislation to give the reform effect. The PN argues not; Libre and its allies take issue with that.

Castro has already been 'declared' Libre's presidential nominee for next year (primary season is in March, albeit primaries are non-obligatory). However, Zelaya has vowed that if Hernández runs, then he too will throw his hat into the ring (with Castro apparently amenable to stepping aside for her husband). Libre, which has some nine factions, is not wholly united around this Castro 'nomination' – with rival presidential aspirants suspecting a pre-planned strategy to allow Zelaya to take over the slate next year once Hernández, as expected, is confirmed for the PN. Notably, in the internal elections, party members were asked whether they would support a future constituent assembly (which Castro has promised if elected) and, if Hernández stands for re-election, whether they would support Zelaya to run against him.

Party members were also asked to vote to select coordinators for the country's 18 departments, along with 298 municipal representatives, 596 delegates for the party's national assembly and a national youth co-ordinator. The party set up 3,570 voting tables nationwide and turnout exceeded expectations of 150,000, according to Libre spokesperson Rixi Moncada, with an estimated tally of 239,000 votes cast.

### Zelaya

Manuel Zelaya announced an internal reform so that Libre will retain the seats of deputies that cross the floor, declaring that "traitors" must not be allowed to take their seats elsewhere to "attack the people that voted for them". While Libre won 37 seats in the 2013 general elections, seven deputies (and six of their alternates) later defected. Under the new reform, the seat will remain the property of the party.

**Police raid claims high-profile fatality**

Pavel Centeno, who served as finance minister in the government of disgraced former president Otto Pérez Molina (2012-2015), died during a police operation on 28 October at a house where he was staying in the municipality of Mixco adjacent to Guatemala City. Police had raided the house along with agents of the specialised unit against impunity (Feci) of the attorney general's office as part of an investigation into money laundering in the Banco de los Trabajadores (Bantrab).

One police officer and one Feci agent were injured during the raid, apparently from shots fired by Centeno, according to preliminary reports. Centeno, a co-founder of Pérez Molina's Partido Patriota (PP), sustained a bullet wound to the arm and a fatal one to the head, according to a report by the national institute of forensic science (Inacif).

The local press speculated that Centeno had committed suicide, but the whole incident is confused and, indeed, confusing. Centeno was apparently renting the house from Ronald García, the director of Bantrab. García, for whom an arrest warrant has been issued, is one of 10 people implicated in the money-laundering case in connection with Bantrab. Five of these people have been arrested so far.

**TRACKING TRENDS**

**COSTA RICA | Poverty declines.** Poverty fell to its lowest level in seven years, the national statistics institute (Inec) revealed last week after releasing the results of the 2016 national household survey. A total of 20.5% of Costa Rican households are living in poverty, Inec found. Not since 2009, when 18.5% of households were living in poverty, has the figure been as low as this. When President Luis Guillermo Solís took office in 2014, a total of 22.4% of households were living in poverty, a figure which fell to 21.7% last year, before declining to 20.5% this year (*see sidebar*).

Solís hailed what he described as "a lasting achievement", although he acknowledged that "a lot remains to be done". Solís attributed the reduction in poverty to his government's focus on channelling resources to the most vulnerable sectors of society. This has principally been the result of a national poverty alleviation strategy, 'Puente al Desarrollo' ('Bridge to Development'), designed to improve targeting and to make more efficient and transparent use of resources in a sustainable way.

**PANAMA | Budget approved.** Panama's legislative assembly approved the draft budget for 2017 in a third and final debate on 27 October. At US\$21.68bn, the 2017 budget is 7.7% larger than this year's version. The budget is predicated on GDP growth of 6%, which even by Panama's standards is high; a fiscal deficit of 1% (US\$586m); inflation of 1.1%; and a tax take of US\$5.88bn.

"It is an ambitious project that is being financed by [the country's] growth, principally by means of US\$550m of additional revenue from the Panama Canal next year, and an increase of US\$500m in the tax take from the revenue and customs authority," the finance minister, Dulcideo de la Guardia, said. He singled out the 6.7% increase in the budget next year for the health sector, coming to US\$3.86bn, as well as a US\$632m investment in the expansion of the Panama City metro, US\$170m for universal grants, and US\$122m for urban regeneration of Panama's second-largest city and sea port of Colón.

The political opposition questioned the fact that US\$1.51bn had been allocated to the ministry of the presidency, whose role is purely political, and just US\$205m to the agricultural development ministry (Mida).

**Costa Rican poverty**

In absolute terms a total of 307,270 households are living beneath the poverty line in Costa Rica, meaning that 10,390 families were lifted out of poverty over the course of the last year. A total of 95,004 families are living in conditions of extreme poverty. This equates to 6.3% of national households and is down from 7.2% last year. Rural poverty fell from 35.4% in 2015 to 25.7% this year, although this was partially offset by an increase in urban poverty from 16.6% to 18.6%.

## POSTSCRIPT

### Quotes of the week

“The government [led by President Rafael Correa] tells us that everything has changed, that there are roads, as if we should all eat asphalt. In our government we are going to end the waste.”

*Ecuador's Guillermo Lasso, presidential candidate for the opposition Movimiento Creo (Creando Oportunidades).*

“If we don't end the dictatorship today, we will have to wait 120 years.”

*Maximino Rodríguez, the presidential candidate for Nicaragua's opposition Partido Liberal Constitucionalista (PLC), warns about a dynastic succession if President Ortega and his wife Rosario Murillo win election, although this length of time would put the Somoza family dictatorship (a mere 40 years) in the shade.*

“There is no desire [on our part] to interfere or any ideological motivation, simply a desire that all Latin American countries should advance rather than go backwards.”

*Peru's President Pedro Pablo Kuczynski calls, to no avail, for Venezuela's crisis to be made the centre of discussions at the Ibero-American summit in Cartagena, Colombia, on 28 October.*

### Nicaraguan protesters denounce Ortega's dynastic pretensions

A series of protests against the legitimacy of Nicaragua's general elections, being staged on 6 November, took place in several places around the country this week. Supporters of the ruling Frente Sandinista de Liberación Nacional (FSLN) prevented some of the protest marches from being carried out as planned.

Opposition movements urged voters to boycott the elections in a tacit acknowledgement that there is next to nothing to stop President Daniel Ortega from coasting to victory for a third consecutive term on a joint ticket alongside his politically influential wife Rosario Murillo. Ortega has systematically emasculated the opposition and barred credible candidates from running in the presidential elections. Opposition parties see a low turnout as the only way to land a blow on Ortega.

Two separate recently formed opposition coalitions, Frente Amplio por la Democracia (FAD) and Ciudadanos por la Libertad (CxL), staged the protest marches, which took place as far afield as San José de Bocay, in the north-central department of Jinotega; Los Chiles in the southern department of Río San Juan; Jalapa in the far northern department of Nueva Segovia bordering Honduras; and Nueva Guinea in the south-eastern South Atlantic autonomous region (Raas).

The FAD calculated that some 4,000 people took part in the San José de Bocay march amid a tense atmosphere between protesters from opposition political parties and campesinos demanding transparent elections and FSLN supporters who, with police protection, occupied the sports centre where the protesters were meant to meet. Another 3,000 people protested against “an electoral farce” in Jalapa; 1,000 demonstrated in Los Chiles, according to CxL; and several hundred in Nueva Guinea.

A poll by M&R Consultores published this week gave Ortega a 69.8%-8.1% lead over Maximino Rodríguez, the presidential candidate for the Partido Liberal Constitucionalista (PLC), who warned about a dynastic succession in Nicaragua. Rodríguez said that if he won he would return tanks bought from Russia, and reform the current constitution “which is one of a caudillo, a dynasty”, if the opposition won sufficient seats in the national assembly, to reduce the number of magistrates on the supreme court from 16 to three and deputies from 92 to 60 (the number of magistrates was actually increased from 12 to 16 in 2000 under the PLC's head of state Arnoldo Alemán [1997-2002]). This is a pipe dream.

But the reality facing the opposition if supporters heed its call to boycott the elections could be zero presence in the national assembly and no influence at all.

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