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## G-20 summit success affords Macri short-lived respite

“Receiving the most important leaders in the world altogether at the same time in the same place is something that has never happened in our country,” Argentina’s President Mauricio Macri said on the eve of the G-20 summit which Buenos Aires hosted on 30 November and 1 December. Macri said the summit ended “decades of isolation” for Argentina. He secured the signing of a final declaration, despite some irreconcilable differences between some attendees over global trade and climate change, and sealed a series of major bilateral trade, investment, and cooperation accords, notably with China. But as the world leaders packed up and left, Macri was soon reminded of his domestic political difficulties, after his maverick ally Elisa Carrió exposed some serious differences with his government.

Macri revelled in the opportunity to shed the image of besieged president and play the role of international statesman. Russia’s President Vladimir Putin praised Macri for the “friendly atmosphere” he created which contributed to “very positive results” at the summit. The biggest achievement for Macri was ensuring that world leaders signed a final declaration (which could not be said of the recent Asia-Pacific Economic Cooperation [Apec] summit hosted by Papua New Guinea), but this papered over some large cracks especially over global trade and climate change.

US President Donald Trump and China’s President Xi Jinping agreed to suspend the imposition of higher trade tariffs for 90 days, but the threat of an escalating global trade war remains. On the plus side, Trump, the prime minister of Canada, Justin Trudeau, and Mexico’s President Enrique Peña Nieto, signed the USMCA trade deal (T-MEC in the Spanish acronym) to supersede the North American Free Trade Agreement (Nafta). But Trump also ensured that one of the 31 points inserted in the final declaration explicitly reiterated the US decision to withdraw from the Paris Agreement. Elsewhere platitudinous statements abounded in the declaration, such as recognising that “large movements of refugees are a global concern with humanitarian, political, social and economic consequences”, requiring “shared actions”.

The real boon for Macri was the 17 bilateral meetings he held on the sidelines of the summit, in particular with Xi. Macri sealed 30 bilateral accords with Xi (half of the total he signed with all attendees). The accords with China represent US\$5bn in investment in railways, road infrastructure, and thermal, solar, and wind energy. In a US\$1.09bn project, China Railway Construction Corporation (CRCC) will renovate a 1,020km stretch of the San Martín Cargas railway linking the Cuyo region (comprising the central-western provinces of Mendoza, San Juan, San Luis, and La Rioja) to the port of Rosario, the largest city in Santa Fe province. The project, which will create 3,800 jobs, aims to double the volume of freight between Mendoza and

## Russia and Japan

President Macri agreed with his Russian peer Vladimir Putin to broaden and diversify bilateral ties, not just trade but also fighting organised crime, drug trafficking, and cybercrime. Argentina is a reliable supplier of food to Russia, which accounted for the majority of the US\$506m of Argentine exports to Russia in 2017 (imports totalled US\$341m). Putin said two-way trade would be close to US\$1bn this year. During a meeting with Japan's prime minister Shinzo Abe Macri signed a bilateral investment treaty (BIT), and discussed negotiations to open the Japanese market to Argentine beef exports.

Rosario over seven years from 1.5m tonnes (t) to 3m t, reducing logistical costs, and encouraging farmers, for instance, to use rail rather than road to transport crops to the port.

Macri and Xi also signed a sanitary accord for Argentina to export cherries to China for the first time. China imported US\$771m worth of cherries (31% of global imports of the fruit) in 2017, mainly from Chile and the US. China will also import horses (Xi was gifted a polo horse), and lamb. They signed a five-year joint action plan, including a memorandum of understanding on fiscal and financial cooperation, and agreed on a 60bn yuan (US\$8.62bn) currency swap deal, bringing the total to 130bn yuan, boosting Argentina's foreign exchange reserves.

Argentina also signed letters of interest with the US government agency Overseas Private Investment Corporation (OPIC) for US\$3bn of investment in six infrastructure, renewable energy, and logistical projects, including US\$350m financing to Tecpetrol and Transportadora de Gas del Sur to construct a natural gas pipeline from the Vaca Muerta shale field across Argentina, as well as loans for wind and solar power plants.

Macri met with a favourable response from South Korea's President Moon Jae-in and India's prime minister Narendra Modi to invest in further lithium extraction projects during bilateral meetings. Macri said there was significant scope to deepen trade and investment ties with both countries. He encouraged South Korean companies to invest in the country through public private partnerships to develop essential infrastructure, such as bridges, motorways, and power lines. Moon said South Korea's Export-Import Bank would promote projects in Argentina. Two-way trade between Argentina and South Korea stood at US\$1.75bn in 2016, split almost equally.

Modi and Macri, who will visit India in January, discussed cooperation in various sectors including agriculture, nuclear energy, space research, mining, and automobiles. Two-way trade between Argentina and India amounted to US\$2.9bn in 2016. Argentina enjoys a bilateral trade surplus of US\$1.5bn. Soybean oil made up 90% of Argentina's US\$2.2bn of exports to India, however, leaving significant potential for diversification.

### Internal differences

Macri said that the G20 summit, and concomitant accords, had helped Argentina to recover its "self-esteem" after a tumultuous year of economic challenges. After the global glamour, however, Macri was swiftly brought back to domestic reality. On 4 December Elisa Carrió, the leader of the Coalición Cívica-Afirmación para una República Igualitaria (CC-ARI), part of Macri's ruling centre-right coalition Cambiemos, took to *Twitter* to launch a fierce attack on Patricia Bullrich, the security minister, over a new security protocol published in the official gazette a day earlier. Carrió said the protocol, which significantly relaxes the restrictions on the use of firearms by all federal security forces, "violates human rights", adding that "we will not go towards fascism". It would authorise the use of firearms, for instance, in self-defence, the prevention of a crime, or to stop criminals, without the need for a warning.

Carrió also said she would vote against a bill loosening restrictions on business donations to political parties (outlawed in CC-ARI's founding charter). Her opposition is likely to sink the initiative which requires an absolute majority of 129 in the federal lower chamber of congress. Carrió's latest criticism follows a serious clash with the justice minister, Germán Garavano, in October. Carrió is Macri's attack dog: she can savage the political opposition, but she can also turn on the government. Any attempt to muzzle her is not an option, not least because she will be an invaluable asset to Macri when campaigning gets underway ahead of next October's presidential elections. Macri acknowledged that "there will always be disagreements" but insisted that "the coalition is solid".

**Corruption charges topple vice president**

When Ecuador's President Lenín Moreno carried out a cabinet reshuffle this week he had not anticipated reassigning the functions of the vice presidency. But this he did after Vice President María Alejandra Vicuña relinquished her position. Barely one year earlier, Vicuña had assumed the vice presidency after the previous incumbent Jorge Glas was imprisoned for accepting bribes from the Brazilian construction firm Odebrecht. Vicuña, who had been critical of Glas, lost Moreno's confidence after charges were levelled against her for corruption, albeit of a lesser order.

Vicuña was accused by a former adviser, Ángel Sagbay, of demanding 'diezmos' (lit. 'tithes', collected by the Spanish empire), monthly payments of between US\$300 and US\$1,400 into her bank account between 2011 and 2013, in order to secure and retain his job when she was a deputy in the national assembly for the ruling Alianza País (AP). Sagbay revealed in an interview with Ecuador's *Teleamazonas* that he had given a sworn statement to a notary to this effect. The money was ostensibly to finance her party Alianza Bolivariana Alfarista (ABA), which was subsumed by AP. Vicuña's father, Leonardo Vicuña, the leader of the ABA, said "10 to 12 comrades who have worked with [her] for eight years as a deputy contributed support, and to AP too". The attorney general's office has opened an investigation to ascertain what happened to the contributions.

Vicuña claimed to be the victim of an unscrupulous attack by Sagbay, lashing out variously at the political opposition, elements within the government, and the dissident AP faction loyal to former president Rafael Correa (2007-2017), because of her gender, ideology, or to destabilise the Moreno administration. Beneath this inconsistent conjecture there is a real question about the timing of the accusation by Sagby and the motivation. But while the AP released a statement defending Vicuña's long record of community service, and struggle for social change, and branding her a victim of "political lynching", a total of 77 deputies demanded her resignation or threatened impeachment proceedings.

Moreno, crucially, did not leap to his stricken vice president's aid. Instead, he "relieved" her of her duties on 3 December so that she could mount her legal defence without any interference, and (left unspoken) so that he could avoid any damage to his government's image. Vicuña initially tweeted that she had requested unpaid leave of absence until the end of the month but, shorn of Moreno's support, she resigned the following day. Moreno will send legislators a shortlist of nominees to replace Vicuña within 15 days of their accepting her resignation. In the meantime, José Augusto Briones has assumed her position.

Moreno appointed Briones, the minister of national planning and development (Senplades), as secretary general to the presidency, replacing Eduardo Jurado, also tainted by corruption allegations in recent weeks, in a ministerial reshuffle which Correístas claimed was designed to purge the cabinet of the last vestiges of support for the former president. Senplades, a big deal when created by Correa in 2004, will be incorporated into a new public administration ministry under Briones.

Moreno also created a new government ministry, a process that could take three months, fusing the interior ministry and the national policy ministry (SGP) in the interest of "state austerity and efficiency" to optimise the use of public resources. María Paula Romo, the interior minister, will assume the new post, while Paúl Granda, mayor of Ecuador's third-most populous city of

**Wider reshuffle**

Marlon Brito replaces Jorge Costa, the director general of the Centro de Inteligencia Estratégica (Cies) intelligence agency, which recently acquired ministerial rank, and Rosa Prado succeeds Enrique Ponce de León as tourism minister. Marcelo Mata takes over as environment minister from Humberto Cholango, an indigenous leader opposed to the expansion of drilling in Ishpingo, one of the three ITT fields which overlap the Yasuní national park in north-eastern Ecuador, who resigned on 8 November. Mata, an environmental consultant who previously worked for Spanish oil firm Repsol, is expected to speed up the approval of environmental permits to develop Ishpingo.

## García returns to work

After abandoning the Uruguayan embassy, Alan García released a statement saying that he had sought asylum “in the face of an imminent arrest warrant”, but that he now stood ready to defend himself from the “false accusations” against him. On 5 December García said he had gone back to political work, saying it was “important to trust” the Vizcarra administration that “there is judicial independence and no persecution” in Peru.

Cuenca for four years during Correa’s presidency, will move from the SGP to become presidential delegate to the directorate of Ecuador’s social security institute (IESS). Correa tweeted that concentrating internal security matters in one ministry would have “very serious consequences for public security”.

Moreno replaced Fander Falconí, the education minister, with Milton Luna. Falconí, a long-serving minister under Correa, had already resigned, denouncing education cuts in the 2019 budget (which he tweeted would “destroy the country’s future”) that have triggered protests by university students. Correístas argue that the budget is “neo-liberal”, with the social welfare element slashed.

## PERU | POLITICS & DIPLOMACY

### Uruguay denies García asylum

Peru’s former president Alan García (1985-1990; 2006-2011) was forced to vacate the Uruguayan embassy in Lima on 3 December after his asylum request was rejected. After various delegations had visited Montevideo in recent weeks to make the case for and against asylum, Uruguay’s President Tabaré Vázquez set aside any personal friendship with García to announce that there was no evidence that he was the victim of political persecution; that the three branches of Peru’s government were functioning autonomously and freely, especially the judiciary; and that Uruguay did not offer asylum to individuals seeking to avoid legal cases. The decision was a firm endorsement of the government led by President Martín Vizcarra, who said it “strengthens democracy” in Peru and the fight against corruption.

García sought refuge in the Uruguayan embassy on 17 November, when a judge barred him from leaving Peru for 18 months, upholding a request by the prosecutor José Domingo Pérez who cited new evidence linking him to the bribery scheme orchestrated by the Brazilian construction firm Odebrecht. Initial indications suggested that Uruguay’s left-wing Frente Amplio (FA) government was going to grant his asylum request but a combination of domestic politics and widespread opposition in Peru conspired against García.

President Vizcarra said that he had held a “very formal conversation” with his Uruguayan peer on 18 November adumbrating his government’s stance, stressing the separation of powers in Peru, and respect for due process. Peru’s foreign minister Néstor Popolizio furnished the Uruguayan government with a detailed report, as did García’s lawyer.

A delegation of five deputies from Peru’s left-wing opposition Frente Amplio (FA) travelled to Montevideo, meanwhile, to meet politicians from the party that provided the inspiration for their own party’s baptism in 2013, including the president of Uruguay’s FA, Javier Miranda, and president of its international relations commission José Bayardi, to urge them not to grant asylum to García. A delegation from García’s Partido Aprista Peruano (PAP) met former president Julio María Sanguinetti whose first term in power (1985-1990) coincided with García’s first term. On 29 November, a third delegation, comprising representatives of Peruvian human rights organisations, visited Montevideo, to lobby against García winning asylum.

Uruguay’s foreign minister Rodolfo Nin Novoa said that the decision had been hard, but his government had concluded that the judicial investigations against García did not constitute political persecution. Vázquez later echoed his words. While the Vázquez administration stressed that the asylum request was judged on its own merits, it cannot have been oblivious to the danger of a major diplomatic fallout with Peru and the domestic political debate raging over the matter. It would have been damaging for Uruguay’s FA ahead of presidential and congressional elections next October to have been seen to be sheltering someone implicated in one of the biggest corrup-

## Maduro poised to start another term

President Maduro looks set to serve another six-year presidential term from January after he won re-election in May's general election called by his government but mostly boycotted by the political opposition. The opposition has not recognised the election result along with the majority of the international community. The opposition maintains that the election was illegitimate, and that Maduro will no longer have a constitutional mandate after 10 January 2019 when the term to which he was originally elected in 2013 ends. It has called for a protest campaign against the Maduro government after 10 January, and also asked the international community to cease to recognise Maduro as Venezuela's legitimate president at this point.

tion scandals in the region's history. The right-of-centre opposition Partido Nacional (PN) and Partido Colorado (PC) would have accused the FA government of being soft on corruption. As it is senior Uruguayan opposition politicians applauded the decision to deny García asylum on *Twitter*.

The verdict on Peru's political and judicial imbroglio from a respected neutral bystander ended up being a boon for Vizcarra. By denying asylum, the Uruguayan government indirectly vindicated Vizcarra by rejecting the narrative of political persecution put out by García and Peru's main right-wing opposition Fuerza Popular (FP); the argument that there are no legal guarantees in Peru; and the allegation that the Vizcarra administration is guilty of interference in the judiciary.

## VENEZUELA | ECONOMY & POLITICS

### Turkey offers rhetorical support

**"We will cover most of Venezuela's needs...we have that capacity." With these words Turkey's President Recep Tayyip Erdoğan pledged his country's economic and political support for the government led by President Nicolás Maduro during an official visit to Venezuela this week. Much like Venezuela, Turkey is also currently wrestling with an economic crisis marked by rampant inflation and a loss of confidence in the domestic currency. But both Maduro and Erdoğan were keen to project that bilateral economic cooperation could help overcome their problems. Whether either will be in a position to bail out the other is a moot point and cooperation could be designed to give each leader a little more breathing space.**

Erdoğan became the first Turkish head of state to visit Venezuela when he arrived in Caracas on 2 December for a two-day official visit following his participation in the G-20 summit in Argentina. No official agenda for the visit was published before Erdoğan's arrival but the speculation was that he and Maduro would seek to seal a series of economic agreements that could help their respective governments overcome the sanctions imposed on them by the US. After holding a private meeting, Maduro and Erdoğan announced the signing of eight economic cooperation agreements covering the areas of oil and mining.

No details of the agreements have been provided but at an ensuing forum attended by businessmen from both countries on 3 December, Maduro and Erdoğan said that they wanted to boost bilateral trade and investments, with €4.5bn (US\$5.1bn) in investments in Venezuela. Noting that Turkey is the world's fifteenth-largest economy, Erdoğan said that his country could satisfy Venezuelan demand for industrial, manufactured, and food products. However, he called for an improvement in the business environment in Venezuela to help attract more Turkish investments. He also blamed US economic sanctions on Venezuela and Turkey for creating instability.

For his part, Maduro offered "full institutional and security guarantees" for Turkish investments in Venezuela, flagging up the attractions of the national mining sector. Last month the US government issued sanctions targeting Venezuela's gold mining sector, which it claims is being exploited by the Maduro government to make illicit transactions, with Turkey believed to be one of the main buyers of illicit Venezuelan gold. But Maduro said there was scope for Turkey to invest in gold mining in Venezuela, and in the extraction of other minerals including cobalt, diamonds, and iron ore. "We could partner up on mining development, not just gold trading...but direct exploitation," Maduro said. However, in a sign that the pledges made by Erdoğan are not sufficient to ease the problems faced by the Maduro administration ahead of the start of another presidential term, following the visit, Maduro announced that he was embarking on a trip to Russia to hold a "necessary" meeting with President Vladimir Putin on 5 December.

## Fiscal deficit

Venezuelan economist Miguel Valverde expressed concern that the salary increases, as well as the increase in end of year bonuses for workers and other benefits that the Maduro government has pledged to provide, will only produce a fiscal deficit betraying President Maduro's pledge that his economic package will be based on a zero deficit. "The bonuses, the toys for children, clothes, 'perniles' [a type of ham that is traditionally eaten over the Christmas period in Venezuela]...all represent spending at a time when [government] income is falling due to the decline in oil production," Valverde said.

## Another salary increase

President Nicolás Maduro decreed a 150% increase to the national minimum salary on 29 November. This is the sixth salary increase decreed by Maduro this year but the first since he launched a new economic package in August that included the freezing of foodstuff prices, the adoption of a new currency, and other measures aimed at tackling Venezuela's hyperinflation.

Maduro said that the latest salary increase was another "correction factor" that formed part of the economic package that would help to combat the loss of workers' purchasing power in Venezuela. The new minimum salary now stands at BS4,500 per month, which is equivalent to just US\$52 per month at the official exchange and to around US\$10 per month at the black-market exchange rate that is more accessible to ordinary Venezuelans.

Maduro emphasised that the minimum salary increase would ensure that workers have a good end of the year, and was adamant that the economic package implemented by his government was helping to bring hyperinflation under control. He failed to provide any supporting evidence of this, however, while there is ample evidence, in Venezuela and elsewhere, that sharp salary increases stoke inflation rather than taming it.

"It will simply push prices higher, which is what we will now see, and it is going to affect people's purchasing power directly," Miguel Valverde, a local economist, said. "Anytime that a salary increase is higher than a country's increase in productivity it translates into higher inflation, and Venezuela's productivity levels are very low," he added (*see sidebar*).

## COLOMBIA | POLITICS

### Odebrecht probe raises questions

Colombia's President Iván Duque has presented the supreme court (CSJ) with a shortlist of candidates for the role of ad hoc prosecutor in the investigations into the government corruption scandal centred around the Brazilian construction firm Odebrecht. The appointment of an ad hoc prosecutor is meant to provide assurances that the investigations will be exhaustive and transparent after Colombia's attorney general himself was implicated in the scandal [WR-18-46]. But detractors have questioned the impartiality of some of the proposed names on the shortlist.

President Duque submitted his shortlist to the CSJ on 4 December. It includes three names: CSJ Justice Margarita Cabello; presidential legal adviser Clara María González; and Leonardo Espinosa, the dean of the faculty of law at the Universidad Sergio Arboleda. In a *Twitter* post announcing the shortlist, Duque said that his three nominees offered "guarantees of transparency and professionalism" and that any of them would make a good ad hoc prosecutor. However, no sooner were the names made public than objections began to arise.

Some jurists argue that sitting public officials should not be eligible for the shortlist given the nature of the case, which would rule out both Cabello and González. Others maintain that the eligibility requirements to be appointed ad hoc prosecutor should be the same as those for the position of attorney general, which include not having served as a magistrate in the last 10 years. Again, this would affect Cabello. CSJ justices have also expressed concern that Cabello and González may be ineligible due to potential conflicts of interest. González has a dual role as a sitting government official and ad hoc prosecutor tasked with investigating potential corruption by her colleagues and/or superiors.

Meanwhile in the case of Cabello, the conflict lies in the fact that as a senior CSJ magistrate she was involved in appointing her fellow justices, which would make her selection by the other CSJ justices open to criticism of bias. Notably, while CSJ justices have said that the conflict of interest affecting

### Unclear origin

Gustavo Petro initially said that the money in the video was a contribution made by the well-known local architect Simón Vélez. After Vélez denied this, Petro said that the money had been loaned to Montes by Vélez and that Montes offered to use it to pay for the party election. But Vélez has also denied this. Meanwhile Abelardo de la Espriella, a local lawyer, claims that a confidential source has told him that the money received by Petro came from drug kingpin Daniel 'El Loco' Barrera, who was arrested in 2012 and extradited to the US where he is currently serving a 35-year prison sentence. De la Espriella has said that he will present evidence of this to investigators.

González can be easily resolved by her resigning her government post, justices have reportedly asked Duque to replace Cabello's name in the shortlist to avoid any suspicions of bias. At the political level, opposition figures such as Senator Antonio Sanguino of the centre-left Alianza Verde (AV) have complained that the nominees have clear political affinity with Duque and the main leader of the ruling Centro Democrático (CD), former president Alvaro Uribe (2002-2010).

The Odebrecht investigations extend all the way back to Uribe's presidency and could embroil the incumbent senator. Pointing out that Cabello was appointed by Uribe; that González was part of Uribe's electoral campaign team; and that Espinosa is a well-known Uribista sympathiser; Sanguino asked rhetorically "Is it possible to know the truth about Odebrecht with a shortlist of ad hoc prosecutors from the bowels of Uribismo?" Duque reacted by arguing that all of those shortlisted have impeccable reputations, while denying that there are any impediments to any of them assuming the position of ad hoc prosecutor.

### Petro tries to save his reputation

On 3 December Senator Gustavo Petro, the defeated 2018 presidential candidate of the Colombia Humana centre-left opposition coalition, publicly apologised to all his supporters for his "imprudence" after he was filmed receiving and counting wads of cash from one of his political allies. The video emerged on 28 November when Senator Paloma Valencia of the right-wing Centro Democrático (CD) showed it to the senate plenary. Valencia claimed that the video dates back to 2009, showing Petro receiving irregular campaign contributions for the 2010 general election, and demanded an investigation.

Petro, who regularly denounces government corruption, denied the allegations in a 40-minute video posted on his *Facebook* page. He admits that the recording is legitimate and shows him counting money (some US\$6,300) collected by his campaign manager, Juan Carlos Montes, to help pay for the internal party elections of the Polo Democrático Alternativo (PDA) in 2005. "I need to ask for forgiveness to those that have voted for me for receiving cash in the past. Although it was not a crime, I should have been more prudent... I'm now paying the consequences," Petro said, before adding that the emergence of his video with Montes "is not a coincidence but an attempt to cover up the biggest corruption case in Colombia" in reference to the Odebrecht investigation.

Petro denies any wrongdoing, pointing out that receiving cash donations was not illegal at the time. But his explanations have failed to wash, with some of his Colombia Humana allies calling for him to fully clear up the incident, including the provenance of the funds (*see sidebar*). "This deserves a social sanction and maybe even a legal sanction...this hurts Colombia's political process. The explanations provided are not satisfactory," Senator Antanas Mockus of the Alianza Verde (AV) said.

### TRACKING TRENDS

**COLOMBIA | Exports up.** Colombia's exports increased by 15.8% year-on-year to reach US\$3.79bn in October, according to figures released by the national statistics agency (Dane) on 3 December. The October export result brings the accumulated total export figure for the first 10 months of the year to US\$35.1bn, a 14% year-on-year increase.

According to the Dane report, the increase in exports in October was driven by the sales of hydrocarbon fuels and minerals, which increased by 27% year-on-year over this period on the back of the increase in international oil prices. Nevertheless, the report also notes that the export of manufactured goods posted double-digit growth (10.5%) in October and that this also contributed to boosting overall export levels.

The trade, industry & tourism minister, José Manuel Restrepo, hailed the October export results noting that they show that Colombia's export offer is becoming more diversified, "which will allow us to compete in the world and take advantage of the opportunities offered by [international] trade agreements".

**Piñera under pressure to reform Carabineros****Carabineros**

Chile's attorney general, Jorge Abbott, who visited La Araucanía in late November to meet prosecutors investigating crimes linked to the Carabineros, said it was "very disappointing" that in the space of very little time there were two cases involving the Carabineros, the other being 'Operación Huracán', in which various Mapuche were accused of carrying out arson attacks based on evidence presented by the Carabineros which was found to be false.

President Sebastián Piñera last week celebrated a fall in crime in Chile. But this largely fell on deaf ears as his government has been beset by calls for a wholesale reform of the Carabineros in the wake of the killing of a Mapuche youth in the southern region of La Araucanía. The government is standing by the director of the Carabineros, Hermes Soto, but his position could become untenable after one of the four members of the militarised police's special operations unit (Gope) arrested last week in connection with the case alleged that they had been told to lie about the manner in which Camilo Catrillanca was killed.

"The commitment to public order, peace, security, and the rule of law is total and absolute," President Piñera said while addressing the X Semana de la Seguridad Ciudadana, gathering experts from different countries across Latin America and the Caribbean, which concluded on 30 November. Piñera highlighted figures in a survey carried out by the NGO Fundación Paz Ciudadana showing that the number of victims of crime by household had fallen from 39.5% last year to 36.4% this year, while the perception of serious insecurity had fallen from 16.6% to 10.4 %.

In another week this might have won Piñera some plaudits but the growing scandal around the Carabineros ensured that it received minimal media coverage. On 30 November a Chilean judge ordered the four Carabineros in the case to be placed under preventive detention because they constituted "a danger to society". Two have been charged with homicide, the other two with obstruction of justice for denying they had a video camera at the time of the incident (it later emerged they wiped the memory card).

The prosecution presented videos which sought to demonstrate that the four Carabineros had not been responding to an attack, discrediting their version of events; that Catrillanca had been shot in the head; and that the tractor which he had been driving had been struck by a further five bullets.

Piñera acknowledged that "without doubt confidence in the Carabineros has diminished" and promised that his government was developing "a profound reform". But pressure is building on the government to take immediate action and dismiss Soto, with Mapuche groups also demanding the head of the interior minister, Andrés Chadwick. One of the four arrested Carabineros claimed, in a (leaked) video sent to a colleague, that they had all been instructed to lie in the case and were now pariahs. Mapuche leaders announced a month of protest actions on 25 November over the killing of Catrillanca and conditioned an eventual dialogue process with the government on the withdrawal of the 80-strong Comando Jungla unit from the region, and the resignations of Chadwick and Soto [[WR-18-47](#)].

Piñera has already replaced two senior Carabineros and the intendant (governor) of La Araucanía in connection with the case. The new intendant, Jorge Atton, has said that recovering confidence is crucial and dialogue fundamental, with both achievable through Plan Araucanía, the government initiative to promote the socio-economic development of the region. But the social development minister, Alfredo Moreno, has admitted that Catrillanca's killing would complicate the application of the plan, saying "this is exactly what we were trying to avoid happening".



## The end of pork barrel politics?

### Renewal of congress leadership

Senator-elect Flávio Bolsonaro, son of President-elect Jair Bolsonaro, has said that the government will not support Renan Calheiros and Rodrigo Maia in their bid to retain the presidency of the senate and chamber of deputies respectively in the new congress. Calheiros belongs to the incumbent Movimento Democrático Brasileiro (MDB), while Maia is a member of Democratas (Dem), a party that is formally allied with the Bolsonaros' Partido Social Liberal (PSL). The incoming government does not yet appear to have chosen candidates to back.

With President-elect Jair Bolsonaro's cabinet almost complete, attention is now turning to the level of support he can expect to have in the incoming federal congress. Bolsonaro has promised not to engage in the pork barrel politics that have traditionally characterised the relationship between government and congress in Brazil. While his rejection of the 'toma-lá-dá-cá' (literally, 'take there, give here') system of distributing ministerial positions and other favours to political parties in exchange for support can, arguably, be but a good a thing, some believe that Bolsonaro's disregard for the traditional politics game will cost him a solid support base in the legislature.

Bolsonaro will assume the presidency on 1 January 2019 with an agenda that is both ambitious and controversial. Many of his proposed policies will need the support of the legislature to be passed into law; some will require a constitutional amendment, which needs a three-fifths majority approval in both chambers of the federal congress. This will for example be the case for the much-needed (and much-opposed) pension reform, a flagship measure in Bolsonaro's economic agenda. While even Bolsonaro's critics praise him for wanting to rid the legislature of its corrupt practices, few believe he will succeed in governing without resorting to the old underhand ways.

The outcome of the legislative elections in October, which saw high renewal and a shift to the Right in the federal chamber of deputies and the senate, seemed to be strongly in Bolsonaro's favour. However, he may be working with a weaker and more volatile governing coalition in congress than initially predicted. The national daily *Folha de São Paulo* cited sources this week revealing that some of the traditional centrist and right-of-centre political parties are unhappy with Bolsonaro's methods of government-making thus far. His own Partido Social Liberal (PSL) has felt side-lined, as it is less represented than Democratas (Dem) in the cabinet.

Onyx Lorenzoni, currently a federal deputy for Dem and designated chief-of-staff, repeated this week Bolsonaro's assurances that the new government will prioritise looking for congressional support amongst cross-party regional groups and thematic caucuses, rather than political parties.

Lorenzoni says that the government could "easily" attain a support base of upwards of 320 representatives in the federal chamber of deputies. How he considers this possible is not exactly clear. Bolsonaro's PSL will be the second-largest party in the 513-member chamber of deputies, but with only 52 elected representatives. The Partido da República (PR), which has 33 deputies, has announced its official support for the government. Bolsonaro can probably count on the support of another two parties out of the 15 that have 10 or more deputies (a total of 35 parties will be represented in the chamber): Dem and the Partido Trabalhista Brasileiro (PTB). This would give the government a support base of 124 deputies.

Five centre-right parties, including the formerly influential Movimento Democrático Brasileiro (MDB) and Partido da Social Democracia Brasileira (PSDB), will align with and support the government on many issues, but are reluctant to be a formal part of the governing coalition. Even if they were to be, that would bring the government's base up to 262 deputies, well below the 308 needed for a three-fifths majority, and the 320 suggested by Lorenzoni.

The incoming government's preference for forging alliances with thematic caucuses over political parties is evidenced in Bolsonaro's ministerial appointments. The future agriculture minister, Tereza Cristina Corrêa da Costa Dias, was suggested by the powerful agricultural (or 'beef') caucus,

## Campaign accounts cleared

The supreme electoral court (TSE) has approved the campaign accounts for President-elect Bolsonaro and his vice-president Hamilton Mourão, in spite of minor inconsistencies. Questions had been raised about possible illegal funding [WR-18-45], but the responses provided to the TSE were deemed adequate. The approval of the accounts was the final formality ahead of Bolsonaro's investiture on 1 January.

which she currently leads. The public health caucus was consulted before Luiz Henrique Mandetta's appointment as health minister. The appointment of Ricardo Vélez Rodríguez as education minister was influenced by the evangelical 'Bible' caucus [WR-18-47], another powerful bloc which was instrumental in helping Bolsonaro get elected.

Bolsonaro cannot, however, rely exclusively on these thematic caucuses to govern successfully. While they do pull together on matters that concern them (such as environmental protection laws for the 'beef caucus' or education reforms for the 'Bible caucus'), there is no guarantee that they will rally on issues such as the pension reform. The leaders of the influential caucuses themselves reportedly look upon Bolsonaro's strategy to govern without depending on party alliances with scepticism.

Bolsonaro now appears to be slightly changing tack. This week, for the first time since the beginning of the government transition process, he met congressional representatives from political parties. These included the PSDB and MDB, as well as the PR and the Partido Republicano Brasileiro (PRB). Bolsonaro reportedly told MDB deputies that he hoped he could count on their support, either as a group or individually, for matters such as pension and labour reforms. The MDB reiterated its intention to be an independent party in congress.

The incoming government's relationship with congress will be managed overall by General Carlos Alberto dos Santos Cruz, in his role as head of the secretary of government. Dos Santos Cruz is known for being a front-line army general more than for his communication skills. Some see his appointment to this role as a sign that Bolsonaro will be tough on congress and stand by his promise to change the model of governance in Brazil. Others lament the incoming government's lack of political experience and remain dubious about change.

## BRAZIL | POLITICS

### Environmental commitments at risk

Last week, the international heads of state who were gathered in Argentina for the G-20 summit reiterated their commitment to the "irreversible" Paris Agreement on climate action. US President Donald Trump continues to stand alone in his decision to withdraw from it, although he might have found an ally in his condemnation of the agreement had Brazil's President-elect Jair Bolsonaro been in attendance.

Bolsonaro is not a climate change denier, although members of his future government appear to be – his designated foreign minister has called climate change a Marxist plot. He is, however, a vocal critic of the Paris Agreement; of the rules that come with international commitment to sustainability; and of the environmental protection laws in place in Brazil.

While incumbent President Michel Temer, under whom Brazil's environmental record has worsened, was in Buenos Aires reaffirming his commitment to implementing the Paris Agreement, Bolsonaro was criticising the country's "radical environmentalism" and "industry of environmental fines". Bolsonaro's principal grievance with environmental policies is that they have prevented Brazil from developing and reaching its full economic potential, by turning swathes of land into protected areas and penalising the agricultural industry.

As with many of his policy areas, it is unclear what exactly Bolsonaro proposes to do. He will likely cut the dwindling budget of the environment ministry (MMA) further still; try and diminish the influence of Ibama and

## Mystery environment minister

After going back on his decision to merge the agriculture and environment ministries, President-elect Bolsonaro is struggling to choose his minister for the environment. The appointment has been expected and repeatedly pushed back for weeks now, with reports of internal disagreements on the matter within the government transition team. Half a dozen names are reportedly under consideration, and the agriculture lobby is expected to have a say in the final appointment.

ICMBio (the MMA's environmental protection and conservation agencies) in favour of the agriculture ministry; and open up protected areas to agriculture and infrastructure projects. Brazil's decision to rescind its offer to host the 25th Conference of the Parties (COP25) climate talks next year, pushed for by Bolsonaro, gives a further indication of where he will stand on the international stage.

The global environmental outlook is grim, and turning back on international commitments to mitigate climate change would have devastating socio-environmental effects. Deforestation in Brazil, by far the country's biggest source of greenhouse gas emissions, is on the rise again. Brazil is already the world's deadliest country for environmental defenders, and the Catholic Church's land commission (CPT) notes that rural violence and attacks on indigenous people as well as Ibama and ICMBio teams increased in October and November this year, during and right after the electoral period.

Beyond the environment and human rights, other areas will be negatively affected if Bolsonaro pursues an agenda indifferent to fighting climate change. Over the past decades, Brazil has successfully built up a reputation as a global leader on environmental issues and sustainable development, as Temer pointed out when the country had offered to host the COP25. Bolsonaro's approach is already tarnishing Brazil's international image and diminishing its influence, in the only area in which the country can credibly claim global leadership. This could also risk harming agriculture, the very industry Bolsonaro aims to support.

The agribusiness sector fears that its exports could be punished on the international market if the country rolls back its environmental protection commitments. Yet agriculture and sustainability do not have to be mutually exclusive, as shown in a report by a Brazilian group of environmentalists, academics and agribusiness representatives, released this week to coincide with the COP24. The report defends the development of agricultural activity in Brazil in line with efforts for environmental protection and emissions reduction.

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## TRACKING TRENDS

**PARAGUAY | Economic cooperation with Japan.** On 2 December Paraguay's President Mario Abdo Benítez and Japan's Prime Minister Shinzo Abe signed a series of bilateral economic cooperation accords. The agreements were signed during Abe's official visit to Paraguay, the first by a Japanese head of state. Among the agreements signed, the two leaders highlighted the one under which the Japanese government will donate US\$4.4m to develop a healthcare programme in Paraguay, and another that will see the Japan International Cooperation Agency (Jica) donate US\$23.5m to Paraguay's national navigation and ports administration (ANNP) to pay for the construction of a dredger that will allow the ANNP to dredge the River Paraguay, the country's main waterway, regularly.

President Abdo Benítez noted that the building of the new dredger with Japanese technology would mean Paraguay would not have to depend on hiring dredgers from other countries to ensure the navigability of the River Paraguay. Meanwhile Abe, whose whistle-stop appearance in Paraguay came after he attended the G-20 summit in Argentina, and after a short visit to Uruguay, noted that bilateral trade and investments have been consistently increasing in recent years and that he hoped that his visit and the new cooperation agreements would "give this a further boost".

Abe's visit to Paraguay was preceded by that of Turkey's President Recep Tayyip Erdoğan, who became Turkey's first head of state to visit Paraguay on 1 December following his participation in the G-20 summit and ahead of a visit to Venezuela. During his brief stop in Paraguay, Erdoğan inaugurated Turkey's first embassy in the country and pledged to work with Abdo Benítez to promote bilateral trade.

**López Obrador swings into action**

The long wait is over. Andrés Manuel López Obrador was sworn in as Mexico's 58<sup>th</sup> president on 1 December. After enduring one of the world's most protracted transition periods, López Obrador seemed to want to make up for lost time, issuing daily reports on progress being made to deliver his campaign promises. The presidential plane is up for sale; presidential pensions have gone; a truth commission is up and running to get to the bottom of the infamous abduction of 43 trainee students in 2014. But López Obrador's salary cut has already seen thousands of public sector officials, especially in the judiciary, take legal action, while his announcement that private companies would have three years to achieve results in oil exploration, or no new contracts would be offered, increased uncertainty about his energy policy.

López Obrador was formally sworn in before the federal congress, amid some vocal protests led by the right-wing opposition Partido Acción Nacional (PAN). He then addressed some 130,000 people gathered in the Zócalo square in Mexico City for his inauguration. "The change in Mexico will be ordered but profound and radical," López Obrador promised, while spelling out 100 proposals, which would live up to the hyperbole if delivered. There were plenty of contenders for most eye-catching proposal, although arguably a promise to create a health system "like the Nordic countries" took the prize.

There were some familiar promises from López Obrador's electoral campaign related to his 'Republican austerity' plans, and some less familiar, such as ensuring that the United Nations (UN) supervises public works contracts and auctions to increase transparency and help combat corruption. There were social welfare promises, such as the transformation of the health system, building 100 universities, doubling pensions for the elderly, and putting indigenous Mexicans at the heart of all state social programmes; environmental promises, such as no fracking, and no genetically modified crops; nationalist promises, such as "recovering our oil like General [Lázaro] Cárdenas [president from 1934-1940 who expropriated foreign oil holdings]; and ideological promises, principally moving to end the neoliberal economic model.

Delivering 'Republican austerity' alongside a major increase in social spending is the big imponderable. Even if López Obrador were able to expunge corruption, as he has promised to do, the vast sums he expects to swell state coffers will not appear overnight, meaning that some financial ingenuity will be required if he is to balance the 2019 budget (due to be presented by mid-December) as promised.

Reconciling all of López Obrador's promises with the policy positions he has taken is challenging. On the one hand, he says he will erase corruption, but on the other hand, he says he will not pursue former government officials suspected of corruption. "No persecution of past officials," he said, while simultaneously arguing that "nothing has damaged Mexico more than the dishonesty of its rulers".

While López Obrador has taken a strong stance with foreign oil companies, he is not exactly emulating Cárdenas and "recovering our oil": the contracts given to foreign companies will be honoured, he said on 5 December, "so there won't be a loss of confidence", and he even suggested further contracts would be offered if they successfully speed up drilling for oil. López Obrador also condemned "the neoliberal regime", promising to do "everything in our

**State security**

The new government launched its 2018-2024 'peace and security plan' on 3 December, and President López Obrador is holding daily cabinet security meetings. He revealed this week that 35,745 members of the federal police, navy and military police had been deployed to 150 areas in Mexico, "voluntarily" supported by state and municipal police forces. State governors have been up in arms about the alleged usurpation of their responsibility for security matters, but López Obrador sought to reassure them during a meeting this week saying that the 'super delegates' he is appointing to each state would not intervene in state security.

## Negative reception in Mexico

Venezuela's President Nicolás Maduro was invited to attend the inauguration ceremony on 1 December despite calls from some political quarters in Mexico for his invitation to be withdrawn due to the accusations of human rights violations hanging over his government. Maduro did not attend the ceremony in Mexico's national congress where some opposition legislators held up a banner saying he was not welcome, and there were public protests in Mexico City with demonstrators branding him a "dictator" and a "murderer". In the event, Maduro attended the celebratory lunch in the national palace.

power to abolish it", arguing that "it is synonymous with corruption [and] has been a disaster, a calamity for public life in this country", leading to soaring public debt. But, conversely, he has endeavoured to allay the concerns of the banking and financial sector by ruling out imposing restrictions, moving to rein in members of his leftist Movimiento Regeneración Nacional (Morena) in congress who had sought to advance a bill to eliminate 12 bank charges on customers, and appointed a business advisory council packed with tycoons [WR-18-47].

Some aspects of López Obrador's security plan are also difficult to reconcile. On the one hand, he has moved to enshrine the militarisation of public security in the constitution, while on the other hand he has stressed the pre-eminent importance of defending human rights. He reached out to the armed forces for a second time this week to embrace his government's proposal for a national guard. He praised Mexico's military as almost unique in Latin America: "Here the generals and admirals are not part of the oligarchy as usually happens in other countries." Separately, on 3 December, he invited relatives of the 43 trainee students abducted in Iguala, Guerrero, in September 2014 to the national palace to witness him sign the first decree of his presidency, creating a truth commission for the case that delivered a mortal blow to the popularity of his predecessor Enrique Peña Nieto. They sat alongside his interior, defence, and navy ministers.

López Obrador promised his government's full cooperation with the truth commission, insisting that there would be no impunity. The truth commission will comprise representatives of relatives of the students as well as cabinet ministries, and international organisations like the United Nations Office of the High Commissioner for Human Rights (OHCHR). The commission will supervise an official investigation by a special unit in the attorney general's office in an effort to get to the truth once and for all. Alejandro Encinas, the human rights secretary within the interior ministry (Segob) who will lead the commission, said it was the start of a policy placing the victims at the centre of the case. He insisted that the truth would "strengthen institutions not weaken them".

### Salary cut causes uproar

The symbolic gesture by President López Obrador which has stirred up the most controversy is the 40% salary cut he took, alongside a decree outlawing any public sector worker from earning more than his monthly wage of M\$108,000 (US\$5,300). "The wages of those at the top to boost the wages of those at the bottom: labour justice," López Obrador said.

In late October Sinaloa Judge Sonia Rojas filed an appeal against her salary being cut from January 2019 when the new budget takes effect. Since then 660 judges and magistrates have followed suit, as well as over 2,000 secretaries, actuaries, and other officials from different government bodies. There has also been a rush of top-earning public sector workers seeking early retirement, among them Miguel Ángel Solís, the executive director of the national electoral institute (INE) for more than two decades. The case is before the constitutional tribunal.

Judges argue that the judicial branch of government is autonomous and should make its own decisions (although the council of magistrates has moved to impose more self-regulation, eradicating nepotism, and promoting meritocracy in the hope of avoiding a showdown with the executive).

Judges also contend that the impact of the new law would be the opposite of that intended: the risk of opening the doors to corruption. López Obrador dismissed this argument out of hand. "I think it's dishonest when a public official agrees to receive up to M\$600,000 per month. This is corruption in a country with so much poverty," he said. "There is always the private sector," he added pointedly. There is a genuine concern that the public sector could struggle to attract talented individuals in the long term, but the more pressing short-term problem is that key state institutions could be left leaderless.

**Alvarado claims major victory**

President Carlos Alvarado this week was able to point to a historic victory after Costa Rica's 57-member unicameral legislature approved his government's tax reform proposal. Addressing the country's widening fiscal deficit (which closed at 6.2% of GDP in 2017) had been the main priority for Alvarado's centre-left Partido Acción Ciudadana (PAC) government since he took office in May given mounting domestic and international concern over Costa Rica's precarious financial situation. His predecessors, Luis Guillermo Solís (PAC, 2014-2018) and Laura Chinchilla (Partido Liberación Nacional [PLN], 2010-2014), had notably both tried and failed to pass a comprehensive tax reform.

On 3 December 34 deputies in the legislature voted in favour of the initiative which, among other things, would replace the current 13% sales tax with a 13% value-added tax (VAT) and increase the number of products and services to be taxed; 17 deputies voted against it and six abstained. The votes in favour included all 10 from the PAC; 14 from the main opposition PLN (while two voted against); eight from the Partido Unidad Social Cristiana (PUSC) (while one voted against); one from the Partido de Integración Nacional (PIN); and an independent, Erick Rodríguez.

The legislature had already approved a preliminary version of the initiative last month [[WR-18-40](#)]. However, the plenary of the supreme court (CSJ) had rejected it on the grounds that it could affect the operation and independence of the judiciary and called for various points to be corrected. These included the stipulation that the civil service review the performance of judicial officials, and measures which (according to the CSJ) would reduce resources available for witness protection and to fight organised crime.

After legislators made the amendments, the CSJ's constitutional chamber (SC) then ruled in favour of the reform on 23 November. This paved the way for its approval by a simple majority in the legislative assembly.

The latest figures by the finance ministry released on 20 November show the fiscal deficit reached 5.09% of GDP in the first 10 months of 2018, up from 4.66% in the same period the previous year. Multilateral organisations such as the World Bank, the Inter-American Development Bank (IDB), and the Organisation for Economic Co-operation and Development (OECD) had all raised concerns about the mounting fiscal deficit, while on 15 November the international credit ratings agency Fitch warned that Costa Rica would be "close to a sovereign rating downgrade" if it did not resolve its public finances within 90 days.

A further boost for the government following the approval of the fiscal reform came unexpectedly from the Asociación Nacional de Empleados Públicos y Privados (Anep), Costa Rica's leading trade union. Anep, which launched weeks of protests against the bill in September, citing concerns that it would hurt the poorest sectors of society, said that it would call off any further strikes. In spite of this, Anep's secretary general Albino Vargas told reporters that the "battle would continue".

**PRN splits**

President Alvarado's position has been bolstered by the break-up of the conservative Partido Restauración Nacional (PRN) which fielded his second-round run-off rival, the evangelical pastor Fabricio Alvarado Muñoz, in this year's elections. On 23 October Alvarado Muñoz announced his resignation from the PRN, which won 14 seats in the legislative elections, to become the second-biggest bench. Following a dispute with PRN party president Carlos Avendaño over complaints such as that the party did not invest enough in his presidential campaign, Alvarado Muñoz announced that he was founding a new party, Nueva República. He has since been accompanied by seven other PRN deputies.

### Closer ties

President Xi's visit to Panama follows President Varela's trip to China from 5-9 November where he attended the China International Import Expo (CIIE) in Shanghai, having previously travelled to China in November 2017 for the first meeting between the two heads of state. As well as Panama, the Dominican Republic and El Salvador in Central America have severed ties with Taiwan in favour of mainland China (both over the last year) while Costa Rica made the switch back in 2007.

### Priorities

Following the bill's approval, Alvarado highlighted among his new priorities employment, social inclusion, and education. He added that he had sent a series of investment initiatives to the legislative assembly for approval. These include a C\$56m (US\$93,330) sewerage and flood control programme for Limón province; an initiative to strengthen the Universidad Técnica Nacional for C\$50m; and a C\$425m water programme for Guanacaste province, among other things.

Alvarado said he would strengthen the concessions council, which serves as adviser to the public works ministry. He also mentioned plans to move on key road infrastructure projects, such as the expansion of 'Highway 32', which connects the provinces of Limón and San José.

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### TRACKING TRENDS

**PANAMA | Xi pays historic visit.** From 2-3 December China's President Xi Jinping paid his first visit to Panama since the two countries forged diplomatic ties in June 2017, following the country's rupture of diplomatic relations with Taiwan.

According to a joint press release by both governments, the Chinese delegation included Ding Xuexiang, the general secretary of China's Communist party; the foreign minister Wang Yi; and the trade minister Zhong Shan.

Xi and Panama's President Juan Carlos Varela signed 19 agreements in "the fields of electronic commerce, trade in services, trade, maritime, financial, agricultural, justice, culture, education, science and technology, among others".

The statement also highlights that both countries are working on a Free Trade Agreement (FTA) (for which the fourth round of negotiations was recently concluded); that the Panamanian government "welcomes Chinese companies to carry out investment projects in Panama and establish regional headquarters to be projected throughout Latin America and the Caribbean"; and "appreciates the Feasibility Studies carried out by both Parties on the construction of the train line from Panama City to the province of Chiriquí".

**GUATEMALA | Budget approved.** On 27 November Guatemala's 158-member unicameral legislature approved the 2019 state budget for Q87.72bn (US\$11.36bn), with 116 votes. This was down from the Q89.75bn requested by the executive led by President Jimmy Morales, although an increase on the Q76.9bn approved for 2018.

While the government's proposed budget for 2019 was based on GDP growth forecasts of 3.4% in 2018, 3.6% in 2019, and 3.7% in 2020, national legislator Rudy Castañeda (Unión del Cambio Nacional), vice president of the congressional finance commission, explained that one of the reasons for reducing the budget was that, after analysing "macroeconomic variables" from the central bank (Banguat), the tax take was likely to be Q1.18bn less than estimated.

The original government proposal forecasts a tax take of Q65.2bn (10.2% of GDP). Castañeda said that most of the ministries would face cuts to their budgets except for education and public health, in order to privilege social spending.

With the final budget yet to be published in its approved form, the government's original proposal had assigned Q16.67bn to education, up from Q13.93bn for 2018, while health received Q7.85bn up from Q6.89bn in 2018.

Think tanks such as the Guatemala-based Central American institute of fiscal studies (Icefi), however, have raised concerns about corruption, citing as an example resources assigned to the military engineers' corps for the improvement of roads which, according to Icefi expert Ricardo Barrientos, is not part of the responsibilities of the engineers' corps.

Also flagged up as a cause for concern by local news site *Nomada* is an amendment introduced which reportedly permits local governments to make use of public funds without specifying how it will assign the spending.

## Quotes of the week

“We were up to the challenge and we exceeded expectations. Aside from the relevance at a global level for the country, over these days we also signed 60 important bilateral accords that are going to benefit everyone.”

*Argentina's President Mauricio Macri after the G-20 summit.*

“What is needed is a modernity forged from below and for everyone; what we want is the purification of public life in Mexico.”

*Mexico's President Andrés Manuel López Obrador during his inaugural address.*

“As president, I have done everything within my power to protect the country from a fiscal crisis like the one we lived through in the 1980s. Today Costa Rica took a step towards stability and confidence.”

*Costa Rica's President Carlos Alvarado on final approval of his government's fiscal reform.*

## POSTSCRIPT

### Bolivian opposition fractures ahead of registration deadline

Hours ahead of the deadline to register line-ups for Bolivia's general election next October, Samuel Doria Medina, the leader of the main opposition Unidad Nacional (UN), announced he was breaking his alliance with Santa Cruz Governor Rubén Costas of the Partido Demócrata Social (PDS). The evidence of continued divisions within the opposition strengthens the hand of President Evo Morales who is seeking a further re-election for the ruling Movimiento al Socialismo (MAS) despite controversy over his eligibility to run.

In October Doria Medina and Costas had announced the 'Bolivia Dice No' (Bolivia Says No) alliance – the latest incarnation of an alliance struck ahead of the 2014 general election in which Doria Medina ran as the candidate, coming second (with 24.23% of the vote to 61.4% for Morales). However, on 28 November, the UN leader announced he was breaking with the alliance, the name of which alludes to the February 2016 popular referendum which rejected the idea of amending the 2009 constitution to allow Morales a further term. Without providing further details Doria Medina cited “differences of strategy”. The electoral authorities (TSE) have since said that the alliance, which is fielding Senator Oscar Ortiz as its presidential candidate, will remain on the ballot.

Doria Medina says he will back the opposition candidate with most support in the polls, currently former president Carlos Mesa (2003-2005) who is running for the Comunidad Ciudadana alliance comprising the Frente Revolucionario de Izquierda (FRI) and La Paz Mayor Luis Revilla's Soberanía y Libertad (Sol.bo). Like Bolivia Dice No, Comunidad Ciudadana is running on a pro-democracy platform, seeking support from those concerned about Morales' decision to seek a further term among more general doubts about the independence of the country's institutions.

The latest electoral surveys offer contradictory messages. A survey published by opposition media *Página Siete* on 2 December, which interviewed 800 people and had a 3.5% error margin, showed Mesa on 34% of voting intentions to 29% for Morales. Another pre-electoral poll by Ipsos, published at the end of October, showed Morales ahead on 39% of voting intentions, followed by Mesa on 25%. The survey interviewed 1,000 people and had a 3.1% margin of error.

### Presidential candidates

six other presidential candidates are Virginio Lema (Movimiento Nacionalista Revolucionario); former president (1989-1993) Jaime Paz (Partido Demócrata Cristiano); former vice president (1993-1997) Víctor Hugo Cárdenas (Unidad Cívica Solidaridad); Ruth Nina (Partido Acción Nacional Boliviano); Félix Patzi (Movimiento Tercer Sistema); and Israel Rodríguez (Frente Para la Victoria).

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