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CONTENTS

LEADER	1
López Obrador presents bold but balanced budget	
ANDEAN COUNTRIES	
ECUADOR	3
Deputies pass reform to contentious media law	
PERU	4
Vizcarra branded a dictator	
VENEZUELA	5
Opposition proposes plans for next steps	
VENEZUELA-COLOMBIA	6
Maduro accuses Duque of military plans	
BOLIVIA	6
Morales celebrates 13 years in power	
COLOMBIA	7
Political reform proposal survives senate vote	
TRACKING TRENDS	
BRAZIL & SOUTHERN CONE	
ARGENTINA	9
Macri endures economic and legal setbacks	
BRAZIL	10
Unclear agenda ahead of Bolsonaro's inauguration	
TRACKING TRENDS	
CENTRAL AMERICA & CARIBBEAN	
NICARAGUA	13
Concerns mount as Ortega targets another sector	
HONDURAS	14
Government seeks to downplay dialogue defeat	
TRACKING TRENDS	
POSTSCRIPT	16
Peruvian football chief imprisoned in corruption probe	
Quotes of the Year	

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López Obrador presents bold but balanced budget

Mexico's President Andrés Manuel López Obrador stuck to his word by tabling a balanced draft budget for 2019. His government's commitment to fiscal stability allayed the concerns of the markets and was broadly well-received by the private sector. But in order to finance a major increase in social spending, certain areas received a smaller slice of the pie than in the 2018 budget. The political opposition fastened on to this. López Obrador also came under fire for reneging on a campaign commitment to deliver 4% GDP growth in 2019, while some of the figures upon which the budget is based look optimistic, albeit it does not rely on vast sums materialising from the promise to expunge official corruption.

The draft budget of M\$5.8tn (US\$286.4bn) presented to the federal lower chamber of congress by the finance minister Carlos Urzúa on 15 December is 6.3% larger than the 2018 budget. Urzúa said that in keeping with the government's pledge to uphold 'Republican austerity' and fiscal prudence it would deliver a primary budget surplus (excluding interest payments on debt) of 1% of GDP (up from 0.7% estimated for this year).

The budget fulfils many of López Obrador's campaign promises. It contains no new taxes or increases to existing taxes. Two major social welfare programmes are included: M\$100bn (US\$4.93bn) for pensions for Mexicans over the age of 68, some 13m people of whom around 70% do not have any retirement income; and M\$44.3bn for a youth apprenticeship programme, 'Jóvenes Construyendo el Futuro', which carries the slogan 'becarios sí, sicarios no' ('yes to grants, no to hitmen'), designed to provide opportunities for 2m young Mexicans looking for a way into work rather than leaving them prey to organised criminal groups. In addition to this preventive approach to reducing violence in Mexico, significant funds are also set aside to expand the current repressive approach, with an 11.3% increase in the defence budget to help fund the new national guard, comprising members of the military and the federal police (PF).

Transport infrastructure spending will also increase, with the budget assigning M\$30.4bn (US\$1.5bn) for this purpose, 20% of this total to fund the start of construction of the Tren Maya railway line in south-eastern Mexico, which López Obrador inaugurated on 16 December during an indigenous ceremony in Palenque in the southernmost state of Chiapas from where it will eventually run 1,525km to Cancún in Quintana Roo. "This is neither a caprice nor an imposition. The south-east has been the [country's] most abandoned region; its time has come," he said. The project has moved from the drawing board to reality swiftly. Rather like Brazil's president-elect Jair Bolsonaro, López Obrador has elevated the importance of development over environmental concerns. No environmental impact assessment has been published

Opposition

Opposition governors and federal legislators protested against the budget. “The nation’s money does not belong to the federal government,” Javier Corral Jurado, the governor of Chihuahua for the right-wing Partido Acción Nacional (PAN), said, while addressing an international business congress, attended by some 1,500 businessmen, in the northern state. Corral accused the López Obrador administration of ignoring all of the infrastructure, education, and health projects for which his state government had sought federal resources. Federal deputies from the PAN and the Partido Revolucionario Institucional (PRI), meanwhile, held up poster boards highlighting areas the budget neglected. Morena’s federal deputies responded by chanting “PRI and PAN, national disgrace”.

for the Tren Maya, and the environment ministry was one of the big losers in the budget, with funding slashed by M\$11.1bn on the 2018 budget.

The 2019 draft budget also sees a huge increase in funding for the state-run oil company Pemex, by 18% to M\$465bn, as the López Obrador administration seeks to reverse the decline in crude production, targeting 1.8m barrels per day (bpd) next year from 1.7m bpd now, in an ambitious energy self-sufficiency drive. There were also slight increases to the health and education budgets, although a sharp cut in funding for public universities provoked such fierce criticism, spearheaded by the Universidad Nacional Autónoma de México (UNAM), that López Obrador was compelled to backtrack days later.

The private sector support for the budget was tempered by concern that it is predicated on various assumptions that look hopeful given external volatility, such as an average price of US\$55 per barrel and an exchange rate of M\$20/US\$1. The influential umbrella business lobby Consejo Coordinador Empresarial (CCE), also complained that the GDP growth forecast of 1.5%-2.5% was a far cry from the 4% growth López Obrador promised to deliver in 2019 during his electoral campaign.

Annual inflation of 3.4% could also be optimistic, especially after the government followed up on the budget presentation with the biggest increase in the minimum wage for 25 years after striking a deal with trade unions and business sectors. The minimum wage will jump by 16.2% from M\$88.36 (US\$4.39) per day to M\$102.68 (US\$5.11) from 1 January 2019. Along Mexico’s northern border, where the majority of maquila plants supplying the US are based, the minimum wage will rise to M\$176.72 (US\$8.79). The government sought to offset the burden on employers in the border zone (but only here) by cutting value-added tax (VAT) in half from 16% to 8%.

López Obrador said the increase in the minimum wage would mean that “people do not have to emigrate, and migration becomes optional”. The move has the support of the US government led by President Donald Trump which, the following day, announced US\$10.6bn in funding for a bilateral assistance programme designed to curb migration from Central America. This figure is less impressive than it sounds as US\$6.1bn of the total being allocated comes from existing aid programmes, and the remaining US\$4.5bn constitutes a loan from the US Overseas Private Investment Corporation (Opic). But as a symbolic gesture of support for López Obrador it was important.

López Obrador takes axe to Peña Nieto’s legacy

The budgetary spat with Mexico’s public universities took some of the gloss from President López Obrador’s announcement on 12 December that he had sent an initiative to congress to annul the education reform undertaken by his predecessor Enrique Peña Nieto (2006-2012). This was widely perceived to be the most lasting achievement of Peña Nieto’s term in office, ending anachronistic practices, such as lifetime, and even hereditary, posts (which could also be sold), which had conspired to make the education system inefficient and corrupt, and requiring performance tests for teachers to raise low standards. But it was staunchly resisted by the country’s second largest teachers’ union Coordinadora Nacional de Trabajadores de la Educación (CNTE) which supported López Obrador’s campaign and he its protest actions.

“The teachers are not against evaluation but the idea that it should be punitive,” the education minister, Esteban Moctezuma, said, adding that an estimated 1,000 teachers who were dismissed for refusing to sit the performance tests set by the Instituto Nacional para la Evaluación de la Educación (INEE) would be reinstated. The INEE will be eliminated and replaced by a teacher training centre. Moctezuma said the government would work with teachers and parents to improve the quality of education, and root out any corrupt practices, but whether union power allows for the requisite reforms is a moot point.

Deputies pass reform to contentious media law

Ecuador's national assembly voted on 18 December in favour of a series of reforms to the controversial communications law introduced by former president Rafael Correa (2007-2017) in 2013. After eight hours of debate, the assembly passed the reform project with 75 votes for, 25 against, and seven abstentions. It will now be passed on to President Lenín Moreno, who can either grant his approval or return it to the assembly with his objections.

The communications law has been described by both the Ecuadorean media and international groups concerned with freedom of expression as a 'gagging law'. The focus of criticism was the role of the superintendence of information and communications (Supercom), which has been accused of systematically suppressing content produced by media outlets critical of the government. In particular, there were concerns about the power of Supercom to impose fines on journalists and media outlets, and demand so-called corrections to published articles.

Until March 2018, the head of Supercom was Carlos Ochoa (*see sidebar*). At the time of Ochoa's appointment in 2013, there had been concerns about his lack of independence from the executive branch of the government, given the nature of his role at the head of a supposedly independent oversight body. The reforms would transfer this oversight role to the ombudsman.

Early in 2018, President Moreno announced his intention to reform the communications law, and to bring it in line with international norms, with a focus on protecting the freedom of the press and human rights. Jorge Corozco, chair of the national assembly's commission for collective rights, which was tasked with drawing up the reform proposals, explained that the primary aims of the reformed law would be to enshrine in law the role of the state in protecting journalists, to ensure the professionalism of the media, and to support the rights of indigenous, Afro-Ecuadorean and Montubio communities to produce media in their own language.

Key to the proposals, according to Corozco, is the recognition that communication is a right and not a public service, and thus the role of the state and public officials in censoring the media must be eliminated, and a fair distribution of communications outlets between public and private sectors, and community groups, must be ensured.

The reform proposals were drawn up after consultation with 76 interest groups and with contributions submitted by 91 representatives of journalists' unions, communications outlets, and government agencies. The national assembly published a tweet saying that the reforms would modify 76% of the existing communications law.

Moreno, who welcomed the passage of the reform proposals in a statement issued on 20 December, has previously been criticised for maintaining the communications law passed under Correa, with his opponents claiming that despite his claims to be a very different type of leader to his predecessor, his actions show little evidence of real change. The national assembly's approval of the reform will thus offer an opportunity for Moreno to vaunt his reformist credentials.

Supercom

The head of Supercom, Carlos Ochoa, a close supporter of former president Rafael Correa, was dismissed by the transitional Consejo de Participación Ciudadana y Control Social (Cpccs-t), one of the bodies reconceived in the referendum in February this year.

Party financing bill

Jorge Meléndez, the spokesperson for the ruling PPK, stated that President Vizcarra had given clear indications of having a democratic vocation, and added that the reason for the party's initial support of the political party financing bill was down to a lack of internal coordination. Meléndez stated that the change in laws relating to party finance should not be rushed, an opinion shared by fellow PPK members who called for a full debate on the subject.

Ecuador announces reduction in oil subsidies

The government led by President Moreno announced a series of budgetary measures on 18 December aimed at freeing up revenue to finance social projects and reducing the fiscal deficit by US\$700m.

Chief among the measures is a reduction in the oil subsidy, which will mean that the price of petrol for consumers increases by 37 cents per gallon, or, according to Finance Minister Richard Martínez, an additional cost of US\$3 to fill up the tank of a car.

Martínez said that the measures would not affect taxis, and that the price of diesel would remain unaffected so as not to penalise poorer citizens reliant on public transport. The government hopes that this reduction in the subsidy will translate into a saving of US\$400m per year for state coffers.

Other measures proposed in the latest belt-tightening announcement include a further 10% reduction in ministerial salaries – announced by Labour Minister Raúl Ledesma – and a 5% cut in the salaries of the highest-paid civil servants. The number of ministerial advisers will also be reduced from 30 to four, except in extreme circumstances. Ledesma said this would reduce running costs by US\$300m, meaning that together the two measures would not only save the state US\$700m but would also contribute to increasing the efficiency of the state.

The anticipated savings are being earmarked for a special fund designated for four purposes: protecting dollarisation; guaranteeing health services; providing pensions; and granting credit and easing debt pressures for the middle class.

It is expected that President Moreno will sign the measures into effect on 20 or 21 December, but the dissident faction of deputies loyal to former president Rafael Correa (2007-2017) as well as trade union organisations, and other protest groups are planning to stage demonstrations at the same time. They are accusing Moreno of the sort of fiscal austerity and spending cuts more reminiscent of a neo-liberal government, pointing to the fact that the right-wing opposition in the national assembly is supportive of the measures.

PERU | POLITICS

Vizcarra branded a dictator

Members of the ruling Peruanos por el Cambio (PPK) party issued a statement on 18 December in which they affirmed their support of President Martín Vizcarra and asserted that they had never doubted his commitment to democratic values. This came after Carlos Tubino, the spokesperson for the main right-wing opposition Fuerza Popular (FP, Fujimoristas), described Vizcarra as dictatorial.

Tubino's criticism was a reaction to President Vizcarra's expressed disapproval of the law on political party financing approved by FP and its ally Partido Aprista Peruano (PAP) in congress. The PPK was initially supportive of the law, which some members of congress and legal experts have argued would favour those currently being investigated for involvement in the bribery scandal implicating the Brazilian construction firm Odebrecht, including FP's leader Keiko Fujimori, former president Alan García (1985-1990; 2006-2011) of the PAP, and Vizcarra's predecessor and PPK founder Pedro Pablo Kuczynski (2016-2018).

Tubino initially accused Vizcarra of acting like "a dictator", claiming in a radio interview that he acts as if he has no need for congress or his own party, and that he perceives congress to be his enemy and an obstacle to his own governance of the country. Tubino then backtracked slightly, claiming that he did not mean to say that the president was a dictator as such, but rather that he was poorly advised. Tubino did maintain, however, that the political party financing law is consistent with the results of the referendum held on 9 December, and added that Vizcarra must offer some valid reason for his rejection of the legislation.

Deflecting blame

Government party members in Venezuela's national constituent assembly continue to claim that the disastrous economic situation in the country is the result of the war being waged by its enemies, whilst expressing their pride in a budget devised by Venezuelans rather than the International Monetary Fund (IMF).

In response, Juan Sheput of the PPK claimed that the accusations of dictatorship are being levelled by the supporters of Fujimori and García, so that they can argue that they are being subjected to political persecution rather than fair judicial process. He added that Tubino's comments showed that FP is unwilling to allow for scrutiny of the bill at committee level.

New council of magistrates

This debate comes as Vizcarra announced on 18 December that he had submitted the proposal for the new law that would bring into being the Junta Nacional de Justicia (JNJ), which will replace the disgraced Consejo Nacional de la Magistratura (CNM), the council of magistrates, as approved in the referendum. Vizcarra expressed his hope that the proposal would be debated in the emergency legislative session convoked until 30 January.

Justice Minister Vicente Zaballos added his support for Vizcarra's proposal and requested that congress accord it priority, calling it a response to the major crisis in the justice system. Both Vizcarra and Zaballos called upon congress to act swiftly to reach an agreement on the subject.

The ongoing argument about Vizcarra's powers and the ever-widening divide between his supporters and opponents – as evidenced by the party finance bill – suggests that this agreement will be hard to come by. FP could well hold out on offering its support until it is granted concessions in return.

VENEZUELA | POLITICS

Opposition proposes plans for next steps

On 19 December, representatives of the Venezuelan opposition, the business sector, students, oil experts, and trade unionists met in the Chacao Cultural Centre in Caracas to draw up a macroeconomic and social action plan, which they have described as an initiative to restore democracy, bring about economic recovery, and overcome the country's humanitarian crisis. There is a large dose of wishful thinking about the so-called 'Plan País: El Día Después', or 'Country Plan: The Next Day'. Its proponents are hoping in part to influence government policy, but also to have in place an agreed set of next steps should the administration led by President Nicolás Maduro collapse.

In this first meeting, the focus, according to Gerardo Blyde of the umbrella opposition coalition Frente Amplio Venezuela Libre (FAVL), was on the humanitarian crisis, the stabilisation of the economy, and the supply of electricity. Proposals for a second meeting to be held in January, include security, ensuring adequate supplies of food and medicine, restoring public services, and bolstering the justice system. However, the speakers asserted that their plans could only be carried out with financial donations and support from multilateral organisations.

The first meeting followed the announcement, on 18 December, by the president of the opposition-controlled national assembly (AN), Omar Barboza, that he and his colleagues would seek to agree upon a bank of laws that would support an eventual new government. This is despite the fact that President Maduro is due to be sworn in for a further six years in office on 10 January 2019 following his disputed victory in this year's presidential elections. The AN has adopted a strategy of agreeing upon legislation, but choosing not to send it to the president for promulgation, as it is sure to be rejected.

The entirely government-controlled national constituent assembly (ANC), which has usurped the powers of the AN, meanwhile unanimously approved an increased budget of BS1.5tn (a mere US\$3.86bn according to the official exchange rate) for 2019, with 75% of that being destined to support social protection, or respond to the ongoing crisis.

Maduro-Duque spat

President Maduro accused President Duque of being too immature and inexperienced to govern Colombia, claiming that the Colombian population had already realised this. In response to Maduro's claims of external military intervention, Duque issued a statement reaffirming Colombia's commitment to international law and multilateral organisations.

Acknowledging that the government cannot continue to finance major works, the ANC has nonetheless claimed that services such as pensions for the elderly and free education provision will continue to be expanded across the country.

The ANC has projected an aim of extracting 2m barrels per day (bpd) of crude in 2019. This is wildly optimistic. The Organization of the Petroleum Exporting Countries (Opec) has released a succession of reports showing that Venezuelan crude production continues to fall, and is currently averaging around 1.137m bpd.

VENEZUELA-COLOMBIA | POLITICS

Maduro accuses Duque of military plans

Venezuela's President Nicolás Maduro has accused his Colombian counterpart Iván Duque of plotting a military attack against his Bolivarian Revolution, and announced on 17 December that he had ordered the country's armed forces to prepare for an attack on Venezuela. Maduro was speaking at an event with representatives of the armed forces in Caracas, in which he claimed to want to improve relations with his country's neighbours, but warned once again of a conspiracy being drawn up between Colombia, Brazil, and the US.

President Maduro called upon the Bolivarian armed forces (FANB) to carry out both defensive measures – particularly against any infiltration by Colombian paramilitary groups – and preparations for an offensive against any enemy that “dares to strike at Venezuelan soil”. Earlier in the week, Maduro claimed to have evidence that 700 mercenaries are being trained in Colombia to simulate an attack on that country, in order to provide justification for a military intervention in Venezuela.

Although President Duque's predecessor Juan Manuel Santos (2010-2018) took a stance for the majority of his mandate of trying to avoid direct confrontation with Maduro, Duque's criticism of Santos's foreign policy in this regard – as well as Duque's decision for Colombia to spearhead the unprecedented move to petition the International Criminal Court (ICC) to investigate potential crimes against humanity in Venezuela – makes the prospect of a direct confrontation more likely, although sabre-rattling remains far more likely. Indeed, it seems as though Maduro is deliberately trying to provoke a reaction, or to see how far Duque can be pushed.

BOLIVIA | POLITICS

Morales celebrates 13 years in power

Bolivia's president Evo Morales celebrated the 13th anniversary of his electoral triumph in 2005 on 18 December with a gathering of his party, Movimiento al Socialismo (MAS) in a sports arena in Quillacollo, near the central city of Cochabamba. Morales announced to his supporters his aim to win 70% of the vote in the 2019 presidential elections, and called upon them to entice back those who have distanced themselves from the MAS. The celebration was another iteration of the gatherings that have become familiar during Morales's time in office, with large blue banners emblazoned with the MAS logo, representatives of the social movements affiliated with the party, traditional music, and indigenous people in traditional dress.

If President Morales is re-elected in 2019, he will be in power in 2025, the bicentenary of Bolivia's independence, a symbolic achievement that would add to his claims to have made Bolivia a reference worldwide for inclusive development (*see page 7 sidebar*).

Morales re-election

In Quillacollo, President Morales impressed upon his supporters the need not to cede any ground to his opponents, but to continue the ruling MAS's project under his leadership for a fourth term in office. Morales is already the longest-serving president in the country's turbulent history.

Meanwhile, opposition members of congress presented a complaint on 17 December against the members of the electoral tribunal who voted to allow Morales to contest the 2019 elections. In the complaint, presented to the attorney general's office, Wilson Santamaría and Rafael Quispe of Unión Democrática and Yesenia Yarhui of the Partido Demócrata Cristiano (PDC) accuse four members of the tribunal, including its president, María Eugenia Choque, of displaying a lack of transparency and independence. More concretely, they maintain that the decision to allow Morales to stand for re-election was made illegally, in a clandestine vote held at night outside the normal headquarters of the tribunal.

COLOMBIA | POLITICS

Political reform proposal survives senate vote

Colombia's senate voted on 16 December on the much-maligned political reform bill which will now be carried forward to a further four debates after the Christmas break. If it had not been voted through before midnight, that would have been the end of the bill; the proposals to change to a closed list electoral system, seen as the backbone of the government's reforms, had already been voted down, and so the survival of this weakened bill was crucial for President Iván Duque.

Although the political reform bill was eventually passed with 59 votes in favour (out of 108 senators), this seemed increasingly unlikely as at one point in the evening opposition senators, including members of Cambio Radical (CR), walked out, leaving the senate without a quorum and thus unable to pass anything.

While the left-wing opposition was simply signalling its disapproval of the reform proposals, senators from the right-of-centre opposition Cambio Radical (CR) were protesting the decision to relegate their proposal to introduce a second round into the mayoral elections for Bogotá to a later slot in the timetable. In the end, some members of the Partido de la Unidad (PU) returned to the meeting, thus ensuring the quorum was reached, the bill was passed, and it returns for a second reading in March.

Among the proposals that remain after the failure of the closed list system are a requirement that political campaigns be largely state-financed from 2019, as well as allowing the possibility that members of congress could resign their seats in order to take up ministerial positions immediately. In addition, it is proposed that congress be allowed to determine how 20% of the budget for regional investment is spent. This is significant given the commitment (albeit lukewarm under the Duque administration) to implement the peace accord with the Fuerzas Armadas Revolucionarias de Colombia (Farc).

Following the debate over the reform proposals, the senate unanimously approved a proposal to create a ministry of science, technology, and innovation. This is crucial to Duque's determination to stimulate the 'orange economy', which comprises the creative and cultural economic sector such as the arts, media and other creative industries (*see page 8 sidebar*).

Orange economy
President Duque co-authored a book about the orange economy during his time at the Inter-American Development Bank (IDB) and promoting the sector in Colombia is one of his main economic objectives.

ELN announces Christmas ceasefire

In a statement released via its Twitter account, the Ejército de Liberación Nacional (ELN) announced on 18 December that it would be implementing a unilateral ceasefire over the festive period, from 23 December to 3 January. The ELN confirmed, however, that this ceasefire would not include a release of prisoners, which is among the conditions imposed by President Iván Duque for the resumption of peace talks.

The ELN statement placed the blame for its continued activity squarely on the shoulders of the government, which it accuses of being responsible for breaking off the dialogue after Duque came to power in August 2018.

TRACKING TRENDS

COLOMBIA | Shock plan. Colombia's President Iván Duque announced the launch of a Col\$480bn (US\$150m) 'shock plan' last week for the country's mixed public-private national health system.

Speaking at a public event in Bogotá, Duque said that his government will invest this sum in the national health system by the end of the year to ensure that it is properly funded over the Christmas season and that the salaries of all health sector workers are paid. Duque explained that the cash injection would be made available for public hospitals as well as to private health care providers to help them finance their books by offering credit lines, by paying off and purchasing outstanding sector debt, and by reimbursing the sector for unpaid dues.

Duque was also clear that these investments are separate from the additional Col\$780bn budget allocation that the government has awarded to the health ministry for the end of the year and the Col\$32.3trn that it has been allocated in the 2019 draft budget. Breaking down the investment plan, Duque said that Col\$80bn from the general social security service resources fund (Adres) will be used to purchase sector debt; Col\$63bn will be used to pay for outstanding sector debt; Col\$225bn will be destined for reimbursing healthcare providers for the provision of services; Col\$20bn will be assigned for the attention of migrants in public hospitals; and that the state-run lender Financiera de Desarrollo Territorial SA (Findeter) will open a Col\$100bn credit line available to healthcare providers.

ECUADOR | Looking for foreign investment. Ecuador's President Lenín Moreno concluded a tour of China and Qatar on 16 December in which he sought to secure loans for his government and to drum up investment. Following his arrival back in Quito, Moreno said his trip had been successful, noting that he had secured a US\$900m loan from China that will help finance debt payments in 2019.

Ecuador's communications secretariat (Secom) highlighted that the six-year loan was secured without having to offer any future oil deliveries in exchange and at the "the lowest ever" interest rate of 6.5%. A Secom statement added that Moreno also obtained a commitment from the Chinese government that it would open a new US\$3.5bn credit line from its development banks to help finance potential investments in Ecuador.

In Qatar, Moreno held a meeting with Sheikh Tamin bin Hamad al Thani, with whom he also discussed attracting Qatari investments to Ecuador.

Moreno concluded that he hoped that his tour would help to attract more investment than the US\$1.15bn in foreign direct investment (FDI) that the central bank forecast will flow in to the country this year.

Macri endures economic and legal setbacks**Poverty**

On the same day as November's inflation data was published, equally politically damaging figures for the Macri administration were revealed. The Universidad Católica Argentina (UCA) published a report showing that 33.6% of Argentines were living beneath the poverty line in the third quarter of this year, up by 5.3 percentage points on the same period in 2017. This means that 2.1m people slipped beneath the poverty line over this period, bringing the total to 13.6m. This is the highest figure since the UCA started taking measurements in 2008. Indigence was up by four decimals to 6.1%, or 2.47m people.

President Mauricio Macri will be keen to see the back of 2018. At the start of the year, the economy was showing signs of picking up pace, albeit inflation remained untamed, and he looked a strong bet to win re-election in October 2019. At the end of it, he is struggling to correct a listing economy, with inflation having scaled a 27-year high, according to figures published by the national statistics institute (Indec) on 13 December. To top it off his government's attempts to get the economy on an even keel by erasing the fiscal deficit in 2019, as part of its unpopular credit agreement with the International Monetary Fund (IMF), were dealt a blow when the supreme court issued an adverse ruling on state pension payments which could end up draining state coffers of some US\$3bn.

Upon taking office in December 2015 President Macri had promised that by this stage of his mandate inflation would be down to a single digit. But this remains a distant prospect and inflation for 2018 is set to more than triple the revised annual target of 15%. Argentina's consumer price index (CPI) rose by 3.2% in November, bringing accumulated inflation for the first 11 months of the year to 43.9%. Not since 1991, early in the first presidential term of Carlos Menem (1989-1999), who inherited hyperinflation of 84% from his predecessor Raúl Alfonsín (1983-1989) has inflation been as high as this. Even in 2002, when the economic and financial crisis that had brought down the government led by Fernando de la Rúa (1999-2001) was at its peak, inflation was 'only' 40.9%.

It is worth highlighting, as Macri often does, that Indec inflation data and other statistics were manipulated during the three Kirchnerista governments that preceded him (2003-2015) making them untrustworthy. There was also a crumb of comfort in November's CPI of 3.2%, being down on the 5.4% recorded in October and 6.5% in September. This will enable the Argentine central bank (BCRA) to reduce the stratospherically high benchmark interest rate of 59% and gradually improve consumer purchasing power, boosting economic growth. But the president of the BCRA, Guido Sandleris, stressed during a conference last week that "we are still going through very difficult months," adding that inflation would not come down overnight and required "perseverance" and "extreme caution" in a context of domestic and international uncertainty.

"Three years sufficed for all the promises to be broken and to destroy the people: mounting debt, inflation, poverty, and pain for families," José Luis Gioja, the president of the main opposition Partido Justicialista (PJ, Peronists) said. But the PJ lacks a viable alternative to Macri at the moment with no amount of internal renewal disguising the fact that former president Cristina Fernández (2007-2015) is the most popular (if divisive) political figurehead in the party, and the least popular among moderate Peronist factions.

The concern for Macri, however, is that another vicious cycle of currency depreciation and inflation would put paid to his electoral hopes, allowing even a disunited PJ to consign him to defeat. And further pressure was brought to bear on his government's target of erasing the fiscal deficit when, on 18 December, the supreme court ruled against the national social security administration (Anses) in its case against a pensioner, Lucio Orlando Blanco, over state pension payments. Blanco, who had retired in 2003, refused to accept the 'Reparación Histórica', a law approved in 2016 by the federal congress, recognising that pensioners had been underpaid for years, and sought legal redress.

Cesare Battisti

Cesare Battisti, a former member of a left-wing Italian militant and terrorist group who has lived in Brazil for a decade, is wanted in Italy on four counts of murder. In 2010 an extradition request was denied by then president Lula da Silva (2003-2011), leaving Battisti free to remain in the country. President-elect Bolsonaro has criticised this decision and said he would help extradite Battisti to Italy. On 13 December, Brazil's supreme court issued an arrest warrant against Battisti, and President Michel Temer signed an extradition order the next day.

Blanco argued that pensions should be adjusted for inflation by using the index of basic salaries in industry and construction (Isbic) rather than the index of average taxable earnings received by workers in stable employment (Ripte), as he would receive 59% of his final salary under the former and just 46% under the latter. The ruling will benefit between 100,000 and 150,000 pensioners who decided to pursue legal action.

Thousands of pensioners demonstrated outside the headquarters of the supreme court in Buenos Aires ahead of the ruling. The protest was attended by Pablo Moyano, the leader of the powerful truck drivers' union. "Justice has been served," Moyano said after news of the ruling filtered out, arguing that an average pension of Ar\$8,000 (US\$209) is insufficient. The Macri administration set aside Ar\$34.54bn (US\$909m) for an adverse ruling, but this might only cover a third of the required funds and it could try to delay payments until after the elections.

BRAZIL | POLITICS

Unclear agenda ahead of Bolsonaro's inauguration

In just a week and a half from now, on 1 January 2019, Jair Bolsonaro will become the 38th president of Brazil. His supporters see him as heralding positive change and the end of corruption; businesses hope he will bring about a market-friendly turn in Brazil; human rights defenders fear the erosion of civil liberties; and the international community is unsure what to expect from a man who has made the defence of Brazil's national sovereignty his main cause, at the expense of environmental protection, existing diplomatic ties, and most international commitments.

Incumbent President Michel Temer has been broadly optimistic about his successor. In an interview in which he defended his own (unpopular) government's economic achievements, Temer said that the new government has indicated its commitment to maintaining and expanding most of the existing package of economic reforms, aimed at stimulating growth and reducing the country's fiscal deficit. He was perhaps less convincing when he assured fellow heads of state at a Southern Common Market (Mercosur) summit in Uruguay this week that Bolsonaro would remain equally committed to the regional trade bloc. Although Bolsonaro has mitigated earlier comments which led to believe he might look at leaving Mercosur, the bloc will most likely not be a priority for his incoming government.

It remains unclear what exactly will be a priority, as Bolsonaro often chooses to embrace a socially conservative populist rhetoric over tangible proposals. Rather than presenting a concrete agenda in a *Facebook Live* broadcast on 18 December, the president-elect simply repeated previous remarks and responded to recent controversies. He confirmed that he will take Brazil out of the recently agreed United Nations (UN) global compact for safe, orderly and regular migration, citing France as an example of immigration gone wrong and a model to be avoided; he celebrated Temer's decision to order the extradition of Cesare Battisti, an Italian who is wanted on murder charges in his home country (*see sidebar*); and he repeated his wish to help Brazil's indigenous populations stop living in the "stone age" by allowing the exploitation of protected areas such as the mineral-rich Raposa Serra do Sol indigenous territory in the northern state of Roraima, and giving the local population a cut of the royalties.

Weekly live broadcasts on social media are part of Bolsonaro's announced communication strategy, which has always centred on his social media accounts. After saying that he needs no intermediary to speak with the Brazilian population and celebrating the wonders of social media in a speech

New Year's Day

New presidents are inaugurated on 1 January in Brazil, a date which can be used to excuse the absence of notable leaders who choose to see in the new year elsewhere. Invitations to Jair Bolsonaro's investiture have already been declined by Argentina's President Mauricio Macri and US President Donald Trump, who will be represented by Secretary of State Mike Pompeo. Israel's Prime Minister Benjamin Netanyahu has confirmed his attendance, as have Chile's President Sebastián Piñera and Bolivia's President Evo Morales.

before the electoral court (TSE) last week, on 12 December Bolsonaro delivered his first live broadcast since the election. The delivery and contents of this 10-minute speech were slammed by Marina Silva, a former environment minister (2003-2008) and defeated presidential candidate, in an opinion piece published this week on independent news website *Poder360*. Silva criticised the live broadcast for being a convenient way of avoiding responses to uncomfortable questions, under the guise of spontaneous direct communication. She also denounced most of Bolsonaro's statements on environmental issues as factually incorrect.

Silva's point about the manipulative nature of social media is valid, but that has not deterred those around Bolsonaro from following his lead, and a number of his designated cabinet ministers have joined *Twitter* since being appointed. This is the case of Ernesto Araújo, the future foreign minister, who celebrated passing the 100,000-follower mark with a tweet on 17 December. "This attention to international relations brings the population closer to Itamaraty [the foreign ministry] – a radical novelty to be celebrated!" he wrote.

Venezuela

The surge in Araújo's *Twitter* following may have been in no small part due to comments made about Venezuela the previous day. Araújo has made no secret of his ideological crusade against the political Left [WR-18-47], and on 16 December he called on the countries of the world to unite to "set Venezuela free", saying that President Nicolás Maduro was not invited to Bolsonaro's inauguration, "out of respect for the Venezuelan people". Bolsonaro backed this, saying that governments that violate the freedom of their people and are ideologically opposed to the incoming Brazilian government were not welcome at his inauguration.

Venezuela's foreign minister replied immediately, tweeting pictures of official invitations to the inauguration, and of its reply declining Maduro's attendance. It later emerged that Brazil's foreign ministry had invited heads of state from all the countries with which Brazil maintains diplomatic relations. At Bolsonaro's request, Maduro and Cuba's President Miguel Díaz-Canel have since been uninvited, perhaps foreshadowing the breakdown of diplomatic relations with these two countries under the incoming government.

While describing Maduro's regime in Venezuela as undemocratic is hardly controversial, Bolsonaro's criticisms lose potency as they remain indissociable from attacks against Brazil's Partido dos Trabalhadores (PT), whose left-wing politics he lumps together with Chavismo. This latest spat makes it look increasingly unlikely that Brazil will lead the charge on a regional response to the Venezuelan crisis – while Bolsonaro has said that he favours an international diplomatic solution over military intervention, *Twitter* arguments between members of his government and their Venezuelan counterparts hardly lay the groundwork for successful diplomacy.

A government of trial-and-error

The one assurance that Bolsonaro has given is that his administration will mark a U-turn from the policies of past governments. There is also consensus that the incoming government will be one of trial-and-error, a reflection of the constantly shifting positions and lack of certainty that have characterised the transition process overall.

Despite Bolsonaro recently backing statements by his appointed ministers, such as Araújo's announcement that Brazil will pull out of the UN global compact on migration, he is known to frequently contradict his team. He has once again had to refute a declaration from his outspoken son Eduardo, who was re-elected federal deputy for the state of São Paulo and is frequently the object of controversy.

Land rights and conflicts

Brazil's incoming government will include an inter-ministerial council focused on resolving conflicts relating to land rights and the demarcation of territories. This new council will have a notable security angle as it will include members from the defence ministry and the presidential cabinet for institutional security, as well as from the agriculture, environment, and human rights ministries. President-elect Bolsonaro is critical of land rights activists and in favour of reversing the demarcation of protected territories.

In an interview with national paper *O Globo*, published on 16 December, Eduardo floated the idea of a referendum to reinstate the death penalty in certain cases, such as for drug traffickers, despite it being prohibited under the constitution. His father responded to the comment that same day, saying that the discussion of the death penalty had never been a part of his campaign, and was a "closed matter". Whether the frequent denial of controversial statements is a brilliant communication strategy designed to make Bolsonaro appear moderate by comparison or simply proof of the new administration's lack of internal cohesion is up for debate.

Boeing-Embraer deal

On 17 December, Brazil's aerospace company Embraer and the US planemaker Boeing reached an agreement on the terms of a joint venture worth US\$5.26bn, which has been under discussion for almost a year. Under the terms of the proposed partnership, Boeing will hold an 80% stake in Embraer's commercial aircraft and services operations, while Embraer will maintain ownership of the remaining 20%. Boeing will acquire its controlling stake for US\$4.2bn. Embraer's shares were up 3.3% on the São Paulo stock exchange (Bovespa) in the afternoon following the announcement.

The as-of-yet unnamed new company formed by the Embraer-Boeing joint venture will remain in Brazil in the immediate aftermath of the transaction, with a Brazil-based management. Boeing will have operational and management control of the new company, but Embraer retains a right to veto decisions regarding its future, including the transfer of operations from Brazil. Fears that the joint venture would lead to the loss of tens of thousands of jobs in Brazil had been one of the obstacles to the agreement, slowing down the process with legal challenges.

Although Embraer was privatised in 1994, the Brazilian government retained a minority 5% shareholding in the company, including a 'golden share' which gave it the right to veto key decisions. Brazil's armed forces were opposed to the sale of Embraer's military and executive divisions, which were accordingly excluded from the deal with Boeing. The activities of the 'old' Embraer that remains separate from the new venture will therefore focus on military products, executive aviation, and services. According to a statement by Embraer and Boeing, the two companies have also agreed to the terms of another joint venture which will focus on developing the production and sale of the KC-390 aircraft, the only military product that does not remain under the control of the 'old' Embraer. Embraer will own a 51% stake in this venture and Boeing, 49%.

The agreement must now be approved by the Brazilian government for the transaction to go ahead. This is likely to happen under the new administration of President-elect Jair Bolsonaro, who takes office on 1 January 2019, as both he and his vice-president-elect, Hamilton Mourão, have indicated that they are in favour of closing the deal.

TRACKING TRENDS

URUGUAY | Stagnating growth. Uruguay's GDP grew by 2.1% year-on-year in the third quarter of 2018, according to a report released by the central bank (BCU) last week. Growth in the third quarter was driven by a positive performance in most economic sectors led by the agricultural sector (6.4%) and the manufacturing sector (4.6%). However, there was a fall in activity in the key construction (-0.7%) and retail, restaurants and hotels (-0.9%) sectors. Similarly, there was a 10.4% decline in the level of goods and services exported by Uruguay in the third quarter compared to the same period last year.

The contrasting performance of the economic sectors led local economists to warn that the economy could now be stagnating. They point out that economic activity in the third quarter of 2017 was uncharacteristically low given that the country's main refinery was shut down for maintenance work and it was expected that, with the refinery fully operational, activity in the third quarter of this year would have been substantially higher. They argued that growth appeared to be mainly driven by domestic demand, which could start to fall as a result of the continued depreciation of the peso against the US dollar.

Further press**freedom concerns**

As well as targeting civil society groups, the Ortega government has also cracked down further on the independent media. Following existing concerns about the threats to press freedom [WR-18-49], in recent days there have been reports that Nicaragua's national police (PNN) kicked and beat several journalists working for the news website *Confidencial*, which is directed by prominent journalist Carlos Fernando Chamorro. According to local press reports, PNN officers stormed the office premises on 13 December, seizing laptops and computers, and reportedly returned the following day to occupy the premises. On 15 December, *Reuters* cited a witness who said that at least seven journalists from international and national media were grabbed and kicked by PNN officers.

Concerns mount as Ortega targets another sector

"A very sad day for the defence of human rights in the region." This was the response by Erika Guevara Rosas, the Americas director for Amnesty International (AI), to the decision by Nicaragua's legislative assembly, controlled by the ruling Frente Sandinista de Liberación Nacional (FSLN), to cancel nine NGOs, including the country's leading human rights organisation Centro Nicaragüense de Derechos Humanos (Cenidh) which was founded in 1990. The moves against civil society groups – which were backed by renewed attacks against the press – have further subjected President Daniel Ortega to international criticism. Just days earlier the US House of Representatives had approved the latest version of the Nicaraguan Investment Conditionality Act (Nica Act) – the most decisive move by the US so far against the Ortega government in response to the country's political crisis.

The 92-member legislature cancelled the legal status of health NGO Cisas (dedicated to health education and HIV/AIDS prevention) on 29 November. Less than two weeks later, on 11 December the think tank Instituto de Estudios Estratégicos y Políticas Públicas (Iepp) similarly lost its legal status. Cenidh; the pro-democracy organisation Asociación Hagamos Democracia (Hademos); and think tanks Centro de Investigación de la Comunicación (Cinco); Instituto para el Desarrollo de la Democracia (Ipade), were among others to face a similar fate over the next two days.

The reasons given by the legislature were varied. They ranged from allegations that the organisations had failed to provide up-to-date accounts to claims that they were linked to efforts to promote a coup d'état – an accusation which President Ortega has often levelled at his opponents.

Local and international human rights groups were quick to respond. AI was joined by the Inter-American Commission on Human Rights (IACHR), the Office of the United Nations High Commissioner for Human Rights (OHCHR), and the think tank Human Rights Watch (HRW) in condemning the moves. In a 13 December statement, the IACHR cautioned that the "true intention [is] to restrict the ability of the organisations and of human rights defenders to carry out their legitimate work in defending human rights". It noted that the "forced dissolution of civil society organisations... constitutes one of the most severe forms of restriction of the right to freedom of association". HRW's Americas director José Miguel Vivanco said that by attacking such well-known organisations Ortega was making clear his intention "to rule by terror and intimidation".

Nica Act approved

With human rights organisations and think tanks the latest target for the government, on 11 December the US House of Representatives approved the Nica Act, which seeks to condition US approval for loans from international financial institutions to the Nicaraguan government. The first version of the initiative was ratified shortly after the November 2016 general election, which President Ortega won in a highly questioned process.

The latest version of the Nica Act, which is now merged with the Nicaragua Human Rights and Anticorruption Act, also imposes targeted sanctions on "Nicaraguan government officials responsible for human rights violations", and calls for "a negotiated solution to the country's ongoing crisis".

It follows other recent US moves against the Ortega administration. In late November the US Department of the Treasury's Office of Foreign Assets Control (OFAC) slapped economic sanctions on Vice President and First Lady Rosario Murillo, and Néstor Moncada, Ortega's national security adviser – two of his closest associates, while three other leading Ortega allies, including Police Chief Francisco Díaz [WR-18-27], were targeted with US Treasury sanctions back in July.

HONDURAS | POLITICS

Government seeks to downplay dialogue defeat

The Partido Nacional (PN) government led by President Juan Orlando Hernández boasted last week that it had sent to the legislature 169 areas of “consensus” reached in the political dialogue brokered by the United Nations (UN). The dialogue was aimed at addressing the post-electoral crisis stemming from claims by the November 2017 presidential opposition candidate Salvador Nasralla that widespread fraud had taken place in the vote which produced Hernández's re-election victory. The UN representative in Honduras, Igor Garafulic, however, cast doubt on these claims of progress, telling reporters on 11 December – the date that the dialogue ended – that the 169 areas of “consensus” had failed to translate into formal political agreements. With Nasralla and his supporters continuing to call for Hernández's departure, prospects for reconciliation remain dim.

The dialogue had included the PN, Nasralla's political outfit (now renamed as the Partido Salvador de Honduras), and the traditional opposition Partido Liberal (PL), which fractured last month [WR-18-47]. Under the dialogue, four working tables were set up to address human rights, constitutional reforms & strengthening the rule of law, electoral reforms, and presidential re-election. The latter issue was particularly sensitive as President Hernández had only been able to seek an unprecedented second term after the supreme court (CSJ) issued a contentious ruling in April 2015 lifting the constitutional ban on presidential re-election.

With representatives from PL and Nasralla's political grouping having all denounced a lack of will on the part of the PN to dialogue, efforts to force Hernández to step down have now taken a more legal bent. The same day that the dialogue ended, Nasralla and a group of leaders from different political parties who have formed a platform known as ‘Acción Ciudadana contra el Continuidismo’, which is calling for Hernández to resign, presented the attorney general's office (AG) with a request for the head of state to be investigated (*see sidebar*).

Another corruption case

As well as the continued focus on the ‘Pandora case’, the issue of official corruption has again made the headlines after the Mission to Support the Fight against Corruption and Impunity in Honduras (Maccih), sponsored by the Organization of American States (OAS), unveiled the eighth case of integrated criminal investigation by the team formed of Maccih and the special prosecutor's unit against corruption and impunity (Ufecic-MP) which was set up in September 2017.

According to Maccih, on 11 December Ufecic-MP presented indictments against five national deputies (all from the PN) among other defendants, before the supreme court (CSJ) for the alleged crime of embezzlement of public funds. According to Maccih, the defendants deposited L21.1m (just over US\$879,000) in a bank account in the name of the Planeta Verde Association. The money came from the presidential palace (L2m), congress (L3m), and the finance ministry (L16.1m).

‘Pandora case’

The request to investigate President Hernández is linked to the accusation made by Fernando Suárez, who has been charged along with 37 others, in the so-called ‘Pandora case’ [WR-18-45]. Suárez accuses Hernández of directing “a criminal organisation” through his late sister Hilda, who served as agriculture minister until January 2017 when she resigned to work on his re-election campaign.

The Maccih press release cited evidence which showed that the funds were transferred to the personal accounts of proprietary and alternate deputies, as well as to their relatives and third parties. As well as the latest case (known as 'Open Ark'), the Maccih press release lists as the other seven cases "Network of Deputies, Petty Cash of the Lady, Impunity Pact, Pandora, Asset Insurance, Petty Cash of the Brother, and Fraudulent Social Security Bidding".

El Salvador's former attorney general jailed

El Salvador's presidential frontrunner, Nayib Bukele, has backed the idea of an international commission against impunity (Cicies), along the lines of Maccih, without providing any details. The attorney general's office under Douglas Meléndez has made notable progress without Cicies, successfully prosecuting a former president (Antonio Saca [2004-2009]). And former attorney general Luis Martínez (2012-2015) was sentenced to five years in prison last week. Martínez is the first attorney general in El Salvador's history to be convicted.

Martínez was found guilty of revealing the content of private telephone conversations recorded with Antonio Rodríguez, better known as Padre Toño, a Spanish priest who acted as an intermediary with mara gangs during the dialogue process in 2012, to the archbishop of San Salvador, José Luis Escobar Alas, the papal nuncio in El Salvador, León Kalenga Badkibele, and others. These conversations were later used as evidence in a legal case against Rodríguez in 2014 when he was imprisoned accused of bringing illegal objects (such as mobile phones) into El Salvador's prisons, illicit association, and influence trafficking.

Martínez, who was also ordered to pay US\$125,000 in compensation to Rodríguez, faces other charges, such as accepting inducements to delay the progress of corruption cases against government officials and business leaders.

TRACKING TRENDS

DOMINICAN REPUBLIC | Port expansion. Dominican President Danilo Medina announced plans last week to expand the DP World Caucedo maritime port and free trade zone. The DP World Caucedo located in the town of Boca Chica, Santo Domingo province, is already one of the largest maritime ports in the Dominican Republic but Medina said that the plan is to expand the complex by building a new 400m berth that can accommodate ships with a draft of 17m; as well as expanding the container yard, and purchasing three new portico cranes. In a speech Medina said that the works, which are due to start in January, are expected to be completed by 2020, and will help to increase the port's operating capacity by 45% from being able to handle 1.4m twenty-foot equivalent unit containers (TEUs) to 2.2m TEUs.

GUATEMALA | Slowing growth. Guatemala's central bank (Banguat) is forecasting that GDP will increase by 3% this year. Banguat noted that the new projection is 0.2 percentage points higher than the 2.8% GDP growth registered in 2017 but that it is still below the 3.1% growth posted in 2016, the first year of President Jimmy Morales's four-year term. Nevertheless, Banguat president Sergio Recinos celebrated the fact that Guatemala's economy has maintained an average growth rate of 3.4% in the past six years. According to Recinos, this growth has been driven by increases in public spending and household spending boosted by remittances, which have helped to spur increased activity in the local construction sector. Notably, Recinos said that remittance inflows this year had reached US\$8.4bn to November and are expected to break US\$9bn before the end of year, up on the record US\$8.19bn figure recorded in 2017. Recinos noted that there has been a marked increase in remittance inflows since 2015 as a result of the fears that the election of Donald Trump in the US could lead to restrictions on remittances, which prompted migrants working in the US "to send a large part of their savings to economies like Guatemala".

Quotes of the Year

“It is the right decision. Imperialism and the Right were plotting to take over the economy.”

Venezuela's President Nicolás Maduro justifies bringing presidential elections forwards by eight months.

“Antofagasta was, is, and will be Bolivian territory.”

Bolivia's President Evo Morales.

“Antofagasta has been, is, and will continue to be Chilean.”

Chile's President Sebastián Piñera.

“I would say that over the course of the last 20 days in Argentina viewing figures for Netflix have gone down like never before because this is better than watching Netflix.”

Argentina's President Mauricio Macri.

“I am not a human being. I am an idea.”

Brazil's former president Lula da Silva.

“The defence of democracy is not interventionist, it is an obligation that countries assume when signing up to the Democratic Charter.”

OAS Secretary General Luis Almagro responding to complaints by the Nicaraguan government that the OAS working group on Nicaragua was “interventionist”.

“I have a legitimate ambition: to go down in history as one of Mexico's greatest presidents.”

Mexico's presidential frontrunner Andrés Manuel López Obrador.

Peruvian football chief imprisoned in corruption probe

Corruption cases implicating prominent Peruvian officials past and present continue to come thick and fast. On 20 December a local court is expected to accept a request by Peru's attorney general's office to place the former president of the Federación Peruana de Fútbol (FPF), Edwin Oviedo, in preventive detention for 36 months. This while Oviedo is investigated for links to the disgraced former supreme court justice César Hinostroza, who is at the centre of the judicial corruption network Cuellos Blancos del Puerto uncovered in July. Oviedo was already ordered to be placed in preventive detention for 18 months last week in connection with a different case.

The attorney general's office alleges that Oviedo offered various inducements to Hinostroza, whose extradition from Spain is underway, in exchange for legal 'assistance'. Oviedo stands accused of bribery and influence trafficking. He allegedly provided two free tickets for Hinostroza and his wife to attend the Fifa World Cup in Russia in 2018, for which Peru qualified after an absence of 36 years, and gave the supreme court justice free use of the FPF's physiotherapy services. Hinostroza, meanwhile, allegedly ensured that Oviedo dodged being investigated for involvement in a criminal organisation known as Los Wachiturros de Tumán from 2007 to 2015.

Oviedo's links to Hinostroza have emerged as the Los Wachiturros de Tumán case has finally progressed. A court in the north-western region of Lambayeque ordered on 7 December that Oviedo be placed under preventive detention for 18 months for ordering the murder of two trade union leaders, Manuel Rimarachin Cascos and Percy Valdemar Farro, in 2012 and 2015 respectively, at a sugar firm, Tumán, he controlled.

Oviedo's demise does not mean, however, that the stewardship of Peruvian football is in safe hands. He was replaced at the helm of the FPF on 7 December on an interim basis by his vice president Agustín Lozano, a close associate and current director of the Lambayeque football club Juan Aurich which Oviedo presided over previously.

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