

Daily





MAX - Americas Region Daily Summary - December 8, 2024

Highlights of the Day

- **Bolivia:** Bus drivers to stage indefinite strike, road blockades in Santa Cruz de la Sierra from December 9; maintain heightened vigilance
- **Colombia:** Explosive-laden motorcycle detonates at police checkpoint in Jamundi, VdC on December 7; reflects deteriorating security landscape
- **Peru & USA:** USA interested in financing mega-port construction in Arequipa, as per December 7 reports; reflects effort to counter China
- **South America & EU:** FTA finalized on December 6 with provisions on duty removal, environmental clauses; implementation to be likely delayed

Actionable Items

Bolivia: Bus drivers to stage indefinite strike, road blockades in Santa Cruz de la Sierra from December 9; maintain heightened vigilance

Current Situation: Reports indicate that bus drivers will begin an indefinite strike coupled with vehicle blockades across Santa Cruz de la Sierra, Santa Cruz, starting December 9. The move is aimed at demanding a 0.5 BOB (0.07 USD) increase in city bus fares, following a similar action held between December 2-4. During those recent protests, instances of transportation worker activists slashing the tires of workers who defied the strike and attempted to provide service were reported.

Assessments & Forecast: Based on the December 2-4 precedent, the upcoming strike can be expected to be widely adhered to, causing significant disruptions to urban bus services in Santa Cruz de la Sierra. Associated blockades are likely to be staged along the city's main thoroughfares, including ring roads encircling the city. With the December 4 failure of negotiations further escalating tensions, clashes between protesters and security forces are likely if attempts are made to disperse them, or with passersby should drivers try to circumvent blockades. Hence, a bolstered security presence is expected at each point of protest to monitor proceedings. Additionally, traffic disruptions are anticipated throughout the day.

Recommendations: Those operating or residing in Santa Cruz de la Sierra from December 9 are advised to maintain heightened vigilance near road blockades due to the possibility of unrest. Allot for disruption to travel due to the slated strike and blockades.

Source: La Razon

Ecuador: CNEL-EP announces power outages in multiple provinces, cities nationwide on December 9-15; allot for disruptions

Current Situation: The Corporacion Nacional de Electricidad (CNEL EP) has announced power cuts in the provinces of Bolivar, El Oro, Esmeraldas, Guayaquil, Guayas, Los Rios, Manabi, Milagro, Santa Elena, Santo Domingo, and Sucumbios and the cities of Quito, Cuenca, Daule, Duran and Samborondon, from December 9 to 15. CNEL EP has also announced that power cuts will be reduced to three hours due to improved river water levels supplying hydroelectric plants, increased electricity imports from Colombia, and enhanced thermoelectric generation. More information regarding the scheduled power outages in the affected areas of Quito can be found here (in Spanish). Details for Guayaquil can be found here (in Spanish). Information regarding other affected areas can be found here.

Recommendations: Those operating or residing in the aforementioned provinces and cities in Ecuador from December 9-15 are advised to allot for service disruptions due to the slated power outages.

Source: CNEL EP

Peru: ATU announced adjusted schedules for public transport services for Battle of Ayacucho on December 9; allot for disruptions

Current Situation: On December 9, which commemorates the Batalla de Ayacucho (Battle of Ayacucho), Lima's public transportation authority, Autoridad de Transporte Urbano para Lima y Callao (ATU). The regular public transportation services will operate from 04:30-23:59 (local time). The Metropolitano bus rapid transit system (BRT) A, B, and C will operate from 05:00-22:00. Line 1 of the metro will operate between 05:30-22:00 and Line 2 from 06:00-23:00. Further details can be found here.

Recommendations: Those operating or residing in Lima on December 9 are advised to allot for disruptions to travel due to adjusted schedules of the city's public transportation services.

Source: Government Site

Notable Events

South America & EU: FTA finalized on December 6 with provisions on duty removal, environmental clauses; implementation to be likely delayed

Current Situation: On December 6, the Mercosur bloc and the European Union agreed to finalize a Free Trade Agreement (FTA). The deal, currently pending ratification by EU member states, includes provisions to gradually eliminate duties on all industrial goods over 10 years, liberalize 82 percent of Mercosur agricultural imports, establish zero taxes on critical mineral exports, including lithium, and integration of the Paris Climate Agreement as a core requirement.

Assessments & Forecast: This marks a major milestone in EU-Mercosur FTA negotiations, which began in 1999 but faced repeated setbacks. A preliminary agreement reached in 2019 collapsed after the EU demanded stronger environmental commitments, particularly from Brazil. However, the deal is expected to encounter resistance during the EU member states' ratification process. France and the Netherlands are likely to oppose it, citing potential losses and unfair competition for farmers in the beef, poultry, and dairy sectors. To advance the agreement, EU leaders will likely intensify efforts to reassure member states that the FTA includes safeguards for European farmers. Given these, the ratification process is expected to remain lengthy and contentious, thereby protracting the FTA's implementation.

Source: European Union

Colombia: Explosive-laden motorcycle detonates at police checkpoint in Jamundi, VdC on December 7; reflects deteriorating security landscape

Current Situation: According to December 7 reports, an explosive-laden motorcycle detonated at a police checkpoint in Jamundi, Valle del Cauca. The motorcycle driver died

while seven civilians and seven police officers were injured. The suspect detonated the device after being called to the checkpoint.

Assessments & Forecast: The latest explosive detonation was likely perpetrated by the Jamie Martinez front of the Fuerzas Armadas Revolucionarias de Colombia (FARC) dissidents, aligned with the larger FARC-Estado Mayor Central (EMC) faction and has a considerable presence in Jamundi. It was likely planned in retaliation to the increased security operations and measures in the southwestern region, which is known for its fertile coca cultivation and consists of drug trafficking routes leading toward the Pacific Ocean, Colombia-Venezuela border, and southern Colombia. As such, the incident highlights the overall deteriorating security situation in southwestern Colombia, particularly in rural areas of Valle del Cauca, Cali, and Narino, where criminal groups have a significant presence. This is buttressed by violent incidents perpetrated by EMC-FARC and its allies, particularly explosive detonations, notably increasing since April after EMC-FARC withdrew from the ceasefire.

Source: El Colombiano

Peru & USA: USA interested in financing mega-port construction in Arequipa, as per December 7 reports; reflects effort to counter China

Current Situation: According to December 7 news reports, the USA has shown interest in financing the construction of the Megapuerto de las Americas in Corio, Arequipa. The 7 billion USD mega-port project has a projected capacity to handle 100 million metric tons annually, surpassing the Chinese-built Chancay mega-port's annual 30 million metric ton capacity. Additionally, it will feature a 28-meter depth, compared to Chancay's 17.9 meter depth, for large-draft vessels and a multimodal transport system.

Assessments & Forecast: The development reflects US' strategic interest in countering Chinese influence in Latin America and efforts to directly compete with China's investment in the construction of the Chancay mega-port, which was inaugurated on November 14. However, based on a September 9 press release by the Peruvian government, the country is exploring financing options from private companies from China, South Korea, and Portugal, in addition to the USA. This means that the US financing bid could face competition from other international players, especially from China, which will likely continue its efforts to consolidate its foothold of maritime logistic hubs across the South American Pacific coast.

Source: La Republica

USA: California Governor pushes for friendly trade with Mexico, per December 6 reports; counters Trump's protectionist policies

Current Situation: According to December 6 reports, California Governor Gavin Newsom held a press conference near the US-Mexico border in San Diego on the importance of

immigrant labor and liberal trade policies. Additionally, Newsom emphasized on the competition of Otay Mesa East port project, a planned crossing between San Diego and Tijuana, Mexico by 2027.

Assessments & Forecast: Governor Newsom's statements counter President-elect Donald Trump's agenda, which include protectionist policies, like 25 percent tariffs on Mexican goods and immigration crackdowns, which can plausibly threaten California's economy by raising import costs and inflation. That Mexico, as California's top export market, receives over 30 billion USD in goods annually further lends credence to this. Similarly, California's agricultural sector, heavily reliant on immigrant labor, could be impacted by Trump's mass deportation policies, exacerbating labor shortages and marginally impacting food security. Further, Newsom's efforts to complete the Otay Mesa East port, which has been delayed since its inception in 2022, could face additional setbacks as Trump's focus on border measures like building a wall under the "Remain in Mexico" policy could divert federal funding from new infrastructure projects.

Source: Governor of California

USA: Massachusetts congresswoman receives bomb threats according to December 7 statement; reflects increasing hoax bomb threat frequency

Current Situation: Massachusetts Democratic congresswoman Lori Trahan announced via social media that she and her family were targeted with bomb threats on December 7. No explosives have been discovered as of writing.

Assessments & Forecast: Although there appears to be no imminent threat given the absence of any explosive devices at Trahan's residence, the recent incident nonetheless highlights the recurring frequency of hoax bomb threats targeting officials belonging to both the Democrat and Republican parties. Threats reported on November 29 include five Democratic members of Congress from Connecticut, Rhode Island, and Massachusetts, all of which were signed 'MAGA' (Make America Great Again), in addition to Trump-appointed cabinet members receiving hoax bomb threats and swatting incidents. Although there are no reports indicating that the recent threats bore any signature, given recent incidents, the recurrence of such incidents suggests they may be politically motivated. That said, it is possible that the threats originated from foreign actors seeking to intensify the already heightened domestic political environment. Consequently, similar incidents are likely to recur ahead of the January 6 election's certification January 20 Inauguration Day.

Source: Congresswoman Lori Trahan

Other Developments

• According to December 7 reports, **Argentina**'s Foreign Ministry has formally appealed to **Venezuelan** President Nicolas Maduro and intergovernmental organizations to intervene on behalf of Venezuelan opposition members seeking refugee at the Argentine Embassy in Caracas.

- **Chile**'s Interior Ministry and police destroyed 7.2 tons of drugs between January 1-December 1 in 2024, marking a 34 percent rise compared to the same period in 2023.
- On December 7, Carlos Gomez alias "Bobby", the main leader of Tren de Aragua (TdA) was reportedly arrested in a joint operation by **Colombian** and **Chilean** law enforcement in Los Patios, Norte de Santander, Colombia.
- In Lima province, **Peru**, Mayors of Los Olivos, Felipe Castillo, and El Rimac, Nestor de la Rosa, have proposed a compulsory military service as a measure to strengthen citizen security.
- The **US** Joe Biden-led government has announced a new military aid package worth nearly one billion USD for Ukraine on December 7.
- On December 6, a **US** federal appeals court upheld the ban on a law that would ban a popular Chinese social media platform TikTok nationwide if its owner doesn't sell it to an American company by January 19, 2025.

Notable Dates

9 Argentina Protest: 36-hour Nationwide General Strike, Protest
11 Costa Rica Holiday: Juan Santamaria Day
14 Costa Rica, Honduras, & Venezuela Holiday: Holy Week Day
17 Americas Holiday: Maundy Thursday
18 Americas Holiday: Good Friday
18 Honduras Holiday: Panamerican day