

ATREVIATM



LATIN AMERICAN KEY HIGHLIGHTS

AUGUST 2024

Economic results in Latin America showed greater divergence between countries, and the issue of insecurity is becoming widespread

Economic data in the region have been mixed over the past month, with some countries showing positive indicators, both high and moderate, while others face some stagnation. However, a common pattern has been the increasing public concern about insecurity.

In Uruguay, a referendum was approved to expand the authorities' powers in the fight against crime, coinciding with elections where the left leads the polls. Meanwhile, the Ecuadorian government has imposed a curfew in certain areas of the country heavily affected by violence, while concerns grow over a potential new energy crisis and low GDP growth.

To stimulate an economy facing various challenges, the central bank of Colombia has cut interest rates again amid high public disapproval of President Gustavo Petro's management. Peru's counterpart, President Dina Boluarte, also suffers from low popularity, despite the country reporting very strong data in GDP, inflation, unemployment, and trade.

Argentina recorded its best inflation figure of the year, continuing the downward trend, but the labor market and economic conditions for workers have worsened. In this line of mixed results, inflation and unemployment data were less positive in Mexico, but the local currency appreciated against the dollar, and the public deficit is within forecasts.

Chile's indicators showed no significant changes from the previous month, but the minimum wage increased, marking the third rise in the past year. Finally, on the international stage, Brazil leads diplomatic efforts to resolve the political crisis in Venezuela, despite the sometimes-ambiguous stance of President Lula da Silva and his government on the matter.



Peru's President, Dina Boluarte, delivered a message to the nation announcing a major mining project and the creation and merger of several ministries. However, 52% of citizens expressed dissatisfaction with the speech, and her disapproval rating is high, reaching 88%. The economy is showing dynamism, with a 5.04% growth in May compared to the same period last year, inflation decreased, employment in Metropolitan Lima increased, and the trade balance has a notable surplus.

Relations between Ecuadorian President Daniel Noboa and Vice President Verónica Abad continue to deteriorate, to the point where Abad has filed a complaint with the Electoral Controversies Tribunal seeking the president's removal. The country's drought could trigger a new energy crisis, and economic growth has been modest in the first quarter of 2024. The government has reimposed a curfew in several areas due to insecurity.

Colombia's third legislative session has begun, focusing on key reforms for Gustavo Petro's government, such as those related to health, pensions, and labor. However, division in Congress and corruption cases are hindering progress. The economy faces challenges due to a significant fiscal deficit and low budget execution, while the central bank has cut interest rates to stimulate growth. Achieving "Total Peace" becomes more complicated following the end of the ceasefire with the ELN.

The minimum wage in Chile increased to 500,000 pesos per month (USD ≈535), and the government implemented a subsidy to mitigate its impact on small and medium-sized enterprises. The Central Bank of Chile announced that it would maintain the interest rate at 5.75%, while the annual CPI variation in June was 3.8%. According to citizens, the main issues facing the country are security, immigration, and healthcare, and President Boric's approval rating has dropped to 31%.

The signing of the May Pact in Argentina, a commitment to advance key policies deemed essential by the government, has consolidated the positions of both the ruling party and the opposition for upcoming negotiations. Inflation continues its downward trend, reaching its lowest level of the year. However, employment data and economic conditions for workers are worsening. Javier Milei's approval saw a slight recovery, likely due to media coverage of the Venezuelan elections and allegations of gender violence against former President Alberto Fernández.

Brazil leads the diplomatic initiative to have Nicolás Maduro hand over the election records, thanks to Lula da Silva's ability to mediate between the Chavista government and the opposition. Annual inflation reached 4.50%, driven by rising fuel costs, approaching the Central Bank's target limit. An airplane crash resulted in 61 fatalities, and Brazil won 20 medals at the Paris 2024 Olympics, its second-best historical result.



Claudia Sheinbaum has been accredited as the President-elect of Mexico and will take office on October 1st. She announced members of her future cabinet, including Arturo Zaldívar and Zoé Robledo, who will head the Presidency Office and the Mexican Social Security Institute, respectively. Inflation continues to rise and there were poor labor market data, but the Mexican peso has appreciated in recent weeks and the public deficit remains within forecasts.

The Partido Nacional, currently in government in Uruguay, is affected by a corruption case that could impact its performance in the October elections, with the left leading the polls. Alongside the elections, a plebiscite on nighttime raids, driven by rising violence linked to drug trafficking, will be held. The Executive Branch authorized Google to build a data center that will employ around 800 people.



| PERU

POLITICAL CONTEXT

President Dina Boluarte's national address was the longest in the country's history, lasting 5 hours. She provided a detailed review of her administration and announced actions such as merging the Ministry of Women with Social Inclusion, creating a new Ministry of Infrastructure, and replacing the Ministry of the Interior with the Public Security.

Boluarte confirmed that the Tía María mining project will proceed, creating 9,000 jobs during construction and 4,800 permanent jobs, both direct and indirect. The investment is estimated at around USD 1.4 billion and will produce 120,000 metric tons of refined copper annually.

Eduardo Salhuana, a legislator from Alianza Para el Progreso, was elected President of Congress for the 2024-2025 term. He will be joined by Patricia Juárez, Waldemar Cerrón, and Alejandro Cavero as vice presidents. Salhuana faces allegations from the Attorney General's Office, which in May requested the National Prosecutor's Office investigate him and his advisor Saby Meza Malqui for alleged irregularities benefiting mining entrepreneur Saxi Arapa.

ECONOMIC CONTEXT

The report from the Central Reserve Bank of Peru (BCRP) indicated that the accumulated trade balance for the last twelve months reached a surplus of USD 18.737 billion in June, reflecting a 38.06% increase compared to the same period in 2023. For June alone, the trade surplus was USD 2.455 billion, USD 977 million more than in the same month of the previous year.

The twelve-month inflation rate decreased from 2.3% in June to 2.1% in July, while the core inflation rate, excluding food and energy, decreased from 3.1% to 3.0% over the same period. With these figures and the expectation that inflation will remain below the 3.0% target, the BCRP decided to cut the reference interest rate by 25 basis points to 5.50%.

Additionally, the Peruvian economy expanded by 5.04% in May compared to the same month the previous year, according to the National Institute of Statistics and Informatics. This marks the second month of high growth, following April's 5.28%, with strong performance in national production, particularly driven by the fishing sector, which increased by 329.16%, and the manufacturing sector, which grew by 18.59%.

SOCIAL CONTEXT

In Lima Metropolitana, the workforce grew by 4.7% in the second quarter compared to the same period last year, according to the National Permanent Employment Survey (EPEN). Over 5.46 million individuals are currently active in the urban area of the capital, with the unemployment rate at 6%.

The EPEN report notes that female workforce increased by 6.4%, while male employment grew by 3.3%. However, the average salary for men stands at 2,295.8 soles (USD ≈614), up by 6.5%, while for women it is 1,642.5 soles (USD ≈439), reflecting a 0.4% decrease.

A recent survey by the Peruvian Institute of Economics (IPE) reveals that 88% of Peruvians disapprove of Dina Boluarte's management, a slight improvement from 90% in May and July. Her approval rating remains at a mere 6%. The prevailing sentiments towards her administration are disappointment, sadness, and anger, similar to those towards Congress, where 69% of respondents lack confidence. Additionally, 52% of citizens who followed Boluarte's address felt dissatisfied with the topics covered.



| ECUADOR

POLITICAL CONTEXT

Ecuador is gearing up for the general elections scheduled for February 2025. Political parties are in the process of selecting candidates and have until August 30 to finalize alliances and define presidential tickets. The National Electoral Council has approved the voter registry, which includes over 13.7 million voters, highlighting the presence of young people and migrants. If necessary, a runoff election will be held on April 13, 2025.

Relations between President Daniel Noboa and Vice President Verónica Abad continue to deteriorate. From Israel, Abad denied receiving funds for the 2023 campaign, rejecting accusations from the president's circle. After being moved to the Ecuadorian Embassy in Ankara due to the Middle Eastern conflict, she filed a complaint with the Electoral Controversy Tribunal for gender political violence, seeking the removal of Noboa and three close officials.

The government has established the Interinstitutional Financial Stability Committee (CIEF) to address risks in the financial system and appointed General Víctor Zárate as General Commander of the Police.

The National Assembly approved two impeachment trials against Interior Minister Mónica Palencia and shelved the trial against Foreign Minister Gabriela Sommerfeld. Finally, the Legislature began its recess from August 19 to September 2.

ECONOMIC CONTEXT

Ecuador is facing an energy crisis due to a shortfall of 500 megawatts, of which only 341 have been secured so far. The situation has worsened due to drought, which has reduced river flows feeding major hydroelectric plants. In response, President Noboa declared a state of emergency in the electrical sector, allowing for resource allocation and urgent measures.

Finance Minister Juan Vega stated that the country is not in recession, following a 1% GDP growth in the first quarter of 2024. Regarding the closure of the ITT field, the government aims to minimize environmental risks and proposes an economic model with increased private investment to offset the decline in oil production. The VAT increase to 15% and reduction in gasoline subsidies have had a minor impact, generating an additional USD 3 billion annually.

Under the new monthly fluctuation band system, the prices for Extra and Ecopaís gasoline have risen to USD 2.766 per gallon, and Super gasoline to USD 4 per gallon.

Ecuador and the United Kingdom have signed an agreement to eliminate double taxation on income and capital gains, promoting British investments and facilitating more efficient tax planning.

SOCIAL CONTEXT

The Constitutional Court partially validated the state of exception declared by President Noboa on July 2, 2024, which covered six provinces and one municipality with high violence rates. Although the measure was broadly approved, the Court deemed the restriction on the right to free association unconstitutional and criticized the government's lack of justification for invoking the state of exception for the fifth time. Furthermore, the report from the WJA organization presented by the presidency did not comply with national regulations and could be seen as an inappropriate external interference.

In response to the security situation, President Noboa has imposed a curfew in 20 cantons and parishes in the provinces of Azuay, Guayas, Los Ríos, and Orellana. This measure, part of the reform of Executive Decree No. 318, aims to enhance security in affected areas.

Meanwhile, the World Health Organization (WHO) has declared an international health emergency due to the rise in monkeypox cases, which have exceeded 14,000 with 524 reported deaths. In response, the Ministry of Public Health announced the acquisition of a new batch of vaccines against the virus, intended for at-risk groups to prevent potential infections.



| COLOMBIA

POLITICAL CONTEXT

The third legislative session has begun, concentrating on reforms in health, pensions, and labor, which are crucial for President Gustavo Petro's administration. The new health reform, presented by Health Minister Guillermo Jaramillo, will target specific changes and will consist of fewer than 50 articles, in contrast to the previous, broader proposal that was rejected.

However, these reforms face a divided Congress, with factions like 'la U' and Alianza Verde being fragmented, making it challenging to secure the necessary consensus for approval. The new Interior Minister, Juan Fernando Cristo, is working to mediate and build support, but his efforts have been hindered by recent scandals, such as the corruption case involving the UNGRD, which includes bribery and irregular contracts with high-ranking government officials. This situation has weakened the internal cohesion of the Executive, which is essential for advancing the legislative agenda.

Petro's response to the Venezuelan elections has sparked criticism, particularly due to his silence on fraud allegations, raising concerns within the international community and potentially impacting his political image in the region.

ECONOMIC CONTEXT

The 2025 budget reveals a deficit of COP 700 billion, allocated for energy subsidies, reflecting the government's struggle to maintain financial stability. Furthermore, halfway through the year, general budget execution has been low, with only 46.4% of commitments made and 21.9% of investment payments completed, raising concerns about the government's ability to meet its goals.

Imports increased by 2.2% in May compared to the same month last year, driven mainly by the energy sector and extractive industries. However, total imports fell by 3.3% in the first five months of the year compared to the same period in 2023.

The 17% decline in tax revenue from the previous year exacerbates fiscal management issues, and although the Ministry of Finance projects a 3% growth for 2025, the situation remains complex.

The exchange rate of the Colombian peso has been volatile, influenced by remittances and the decision of the Bank of the Republic to lower interest rates to 10.75% to stimulate the economy. Additionally, the 2025 budget of COP 523 billion, which prioritizes social programs, has faced criticism due to reduced public investment.

SOCIAL CONTEXT

President Gustavo Petro is facing growing social discontent, with a 62% disapproval rating, the highest since he took office.

The "Total Peace" policy, one of the main initiatives of his government, is at risk due to a lack of concrete progress. After 360 days of a ceasefire with the Military Forces, the longest in the history of the ELN, it ended without an agreement on an extension, complicating peace negotiations. Violence remains a critical issue in Colombia, with a 90% increase in the number of kidnappings during Petro's first year in office and high levels of homicides of social leaders.

These insecurity indicators, along with recent incidents such as the kidnapping of 18 people in Arauca, have raised doubts about the ELN's willingness to achieve peace. Additionally, they have undermined the government's position in resolving the conflict and affected public confidence in the process.



| CHILE

POLITICAL CONTEXT

The minimum wage increased to 500,000 pesos (USD ≈535) per month starting July 1, benefiting over 800,000 workers. To mitigate the impact on small and medium-sized enterprises, the government is providing a subsidy that currently supports over 150,000 businesses, with amounts varying by size. Electricity rates rose by up to 47% after the price freeze ended, and further increases are anticipated towards the end of the year.

The Senate approved the protocol proposed by the government for pension reform, allowing the project to be discussed and voted on both generally and specifically by the Labor Committee. This measure accelerates the process and facilitates completing the second stage by January 2025.

The Senate endorsed the creation of the Ministry of Public Security to combat organized crime. This aims to specialize the functions of the government department, with any disputes to be resolved by a Mixed Committee before the final vote.

On August 1, the Karin Law came into effect, redefining workplace and sexual harassment, and incorporating a gender perspective. It now mandates that companies and government entities implement preventive protocols against harassment and workplace violence.

ECONOMIC CONTEXT

The Monthly Economic Activity Index (Imacec) for June increased marginally by 0.1%, below expectations. Growth was driven by the mining sector, although trade fell by 2% year-on-year due to lower sales of cars and wholesale goods. Meanwhile, services experienced a slight seasonally adjusted contraction of 0.2%.

The government implemented the Electric Subsidy, though applications have been fewer than anticipated. The Fiscal Pact made progress with agreements to combat tax evasion and modernize the Internal Revenue Service.

The Central Bank of Chile decided to maintain the monetary policy interest rate at 5.75% during its July 31 meeting.

It also reported that the unemployment rate for the moving quarter ending in June remained at 8.3%, showing a slight recent improvement. June's inflation aligned with projections in the latest Monetary Policy Report (IPoM), with an annual CPI variation of 3.8%. Two-year inflation expectations remain around 3%.

The labor market shows signs of recovery, though the gender pay gap persists.

SOCIAL CONTEXT

Security, immigration, and healthcare are the top priorities for Chileans, with crime and drug trafficking remaining their greatest concerns. This ongoing anxiety reflects the growing sense of insecurity and the impact of crime on daily life, creating an urgent demand for effective solutions.

Illegal immigration is the second major concern for citizens according to various surveys, seen as a challenge for security, employment, and public services, with current legislation deemed insufficient.

Regarding healthcare, Chileans express dissatisfaction with a system perceived as inefficient due to personal experiences and issues such as access to treatments, long wait times, and quality of care.

According to the polling firm Cadem, President Boric's approval rating has dropped to 31%, while disapproval stands at 61%. Regarding the cabinet, Interior Minister Carolina Tohá has seen a significant decrease in approval to 42%, and Undersecretary Manuel Monsalve to 50%. In contrast, Sports Minister Jaime Pizarro and Finance Minister Mario Marcel have the highest approval ratings, at 76% and 60%, respectively.



| ARGENTINA

POLITICAL CONTEXT

President Javier Milei led the signing of the Pact of May in Tucumán on July 9, Independence Day. This pact represents a commitment with governors and other authorities, including opposition figures, to advance key policies for the country's future. Following the signing, both opposition and government-aligned positions solidified in the Senate and the Chamber of Deputies, preparing for political negotiations.

Among the prominent critics is Axel Kicillof, governor of Buenos Aires province. In a press conference, he condemned the La Libertad Avanza administration, stating, "We have regressed nearly 20 years in a few months. Salaries have returned to April 2006 levels," referring to the erosion of Argentiniens' purchasing power.

Former President Alberto Fernández was accused of gender-based violence by former First Lady Fabiola Yañez. This situation has gained significant public attention and further damaged the former president's reputation. Various figures from the Peronist party, to which Fernández belongs, have expressed their condemnation, but the party's image has taken a considerable hit.

ECONOMIC CONTEXT

Inflation in July is estimated to be the lowest of the year at 3.7%, according to projections from the Central Bank. If confirmed, this would solidify the downward trend that began in December. According to EcoGo consulting, "After a June where tariff updates accelerated nominality, July's focus returned to inflation, with tariff updates being sidelined and the fuel tax increased by a lesser amount than initially planned."

Consulting firm Alyc Facimex highlighted positive signs for production and car sales compared to the previous month, predicting a good performance for this key industry sector. A favorable performance is also anticipated for cement supply and the construction sector.

However, the Argentine Confederation of Medium Enterprises (CAME) reported a 15.7% decline in retail sales for SMEs in July compared to the previous year. Sales remain far from recovering November 2023 levels, with a cumulative drop of 17% over the first seven months of 2024.

SOCIAL CONTEXT

The National Institute of Statistics and Censuses (INDEC) reported that unemployment rose to 7.7% in the first quarter of 2024, with nearly a quarter of the labor force seeking work. A study from the University of Buenos Aires (UBA) indicates that unemployment has increased by 32.4% since Javier Milei took office, affecting over 1.08 million people. The report highlights a "significant deterioration" in social conditions, with figures comparable to September 2021, after emerging from the pandemic. In fact, 35% of current workers live in poverty.

Ongoing increases in energy, transportation, and telecommunications tariffs continue to be major concerns on both media and social agendas. Additionally, the dismantling of public agencies is progressing intensively, leading to the closure of some institutions.

Javier Milei's approval rating, which had been declining and nearing 40 points, shows a slight recovery. A D'Alessio IROL Berensztein poll places the president in third place in terms of public approval, behind Vice President Victoria Villarroel and Security Minister Patricia Bullrich. Analysts suggest this resurgence is due to media coverage of the Venezuelan elections and the gender violence allegations against Alberto Fernández.



| BRAZIL

POLITICAL CONTEXT

President Lula da Silva is leading international diplomatic efforts to resolve the political crisis in Venezuela. He has requested the release of election records to seek a negotiated solution. This call has been supported by 30 former presidents, mostly Latin Americans, in an open letter urging him to defend democracy in Venezuela. Lula is also spearheading a trilateral initiative with the presidents of Mexico and Colombia, who are expected to mediate the crisis with a roadmap focused on institutionalizing the conflict, disclosing the records, and engaging in dialogue, in line with the requests of the United States and the European Union.

Meanwhile, Brazilian diplomats in Caracas have taken on the representation of the embassies of Peru and Argentina, whose members were expelled by the Venezuelan government.

The Venezuelan crisis is also stirring domestic politics in Brazil. The president's sometimes ambiguous stance, which initially downplayed the tensions in Venezuela, along with the decision of some of his party members to recognize Maduro's victory, is not being well received by his allies in the Planalto Palace.

ECONOMIC CONTEXT

Inflation accelerated by 0.38% in July, reaching a rate of 4.50% over the past 12 months, largely due to rising fuel prices. This puts it at the upper limit of the Central Bank's target, which is 3% with a 1.5 percentage point tolerance margin. Gasoline prices increased by 3.15%, ethanol by 5.9%, and airline fares by 19.39%, affecting the transport sector, where prices rose by 1.82%.

G20 finance ministers met in Rio de Janeiro and agreed to work towards ensuring that the super-rich pay effective taxes, although no specific global agreement was reached. Brazil's proposal for a 2% minimum tax on billionaires is a key aspect of its G20 presidency, but it has generated divisions among members.

The country is moving towards legalizing and regulating gambling, both in physical and virtual spaces, with new laws published by the Ministry of Economy. These regulations, which some groups consider insufficient, will come into effect in 2025 and aim to control the sports betting and online gaming market, imposing penalties and promoting responsible gambling.

SOCIAL CONTEXT

A Brazilian Voepass aircraft, flying from Cascavel to São Paulo, crashed in Vinhedo, killing all 61 people on board. Authorities are still investigating the causes of the accident, with the theory of ice accumulation on the wings being considered the most likely.

Brazil led the Latin American medal tally at the Paris 2024 Olympics with 20 medals, its second-best result in history, ranking 20th worldwide. For the first time, women won more medals than men, with artistic gymnast Rebeca Andrade emerging as Brazil's greatest Olympic medalist, securing four in Paris and a total of six.

The country is advancing its vaccination campaign and has exited the list of the 20 countries with the highest number of unvaccinated children. A new WHO/UNICEF report showed that the number of Brazilian children who did not receive any doses of the DTP vaccine, which protects against diphtheria, tetanus, and pertussis, decreased from 418,000 in 2022 to 103,000 in 2023.



| MEXICO

POLITICAL CONTEXT

The Electoral Tribunal of the Federal Judiciary (TEPJF) has granted Claudia Sheinbaum Pardo the certification as Mexico's elected president. She will take office on October 1, following the resolution of appeals and the issuance of final election results.

The cabinet will include Arturo Zaldívar as Coordinator of Policy and Government of the Presidency; Marath Baruch and Zoé Robledo will continue leading the Ministry of Labor and Social Welfare (STPS) and the Mexican Social Security Institute (IMSS), respectively; Emilia Calleja will head the Federal Electricity Commission (CFE); and Josefina Rodríguez will be the Secretary of Tourism (SECTUR).

Starting August 28, the National Electoral Institute (INE) will allocate proportional representation seats in accordance with Article 54 of the Constitution, which sets an 8% overrepresentation limit for each political party, regardless of coalitions. This mechanism could enable the ruling party to secure a qualified majority in the Chamber of Deputies, meaning two-thirds of the votes required to pass constitutional reforms without opposition support.

Before the start of the next ordinary session of Congress, scheduled for September 1, Morena legislators might approve several controversial reforms, such as those concerning the election of judges and magistrates of the Judiciary or the elimination of autonomous bodies.

ECONOMIC CONTEXT

Raquel Buenrostro, Secretary of Economy, confirmed that Mexico has moved from 15th to 12th place in the global economy rankings. One of the main challenges for the incoming administration will be to consolidate investment through nearshoring and review the trade agreement between Mexico, the United States, and Canada (USMCA).

The Ministry of Finance (SHCP) has ruled out the possibility of an economic recession in the country for 2025. The projected public deficit for the next year, representing 3.5% of GDP, aligns with established forecasts.

The National Institute of Statistics and Geography (INEGI) reported that inflation reached 5.57% in July, marking the fifth consecutive month of increase. This rise has particularly affected basic food items, such as tomatoes, onions, chayote, and avocados.

According to the Bank of Mexico (BANXICO), the exchange rate reached 19.60 pesos per dollar at the beginning of August, representing a 20.5% depreciation compared to April 9, when the rate was 16.26 units, its lowest level in almost nine years. However, the local currency has appreciated in recent weeks.

SOCIAL CONTEXT

Before taking office as president of Mexico, Claudia Sheinbaum announced that her administration plans to invest approximately 300 billion pesos in infrastructure projects and social programs. So far, the current administration has allocated around 2.9 trillion pesos to social programs, including pensions for the elderly and scholarships for youth, among others.

As of the end of June, the labor market had lost 863,862 registered jobs with the Mexican Social Security Institute (IMSS), equivalent to 2.8% of the total population, the highest percentage of the year. These losses were concentrated in the industrial, construction, and service sectors.

Following the capture of Ismael "El Mayo" Zambada and Joaquín Guzmán López, alleged leaders of the Sinaloa Cartel in El Paso, Texas, relations between Mexico and the United States on security matters have been tense. President López Obrador warned of possible American interference in Mexico due to agreements with the detainees.

According to the polling firm Mitofsky, by the end of July, Andrés Manuel López Obrador had a 64.4% approval rating and a 35.4% disapproval. This rating may be related to his party's victory in the June 2 elections.



| URUGUAY

POLITICAL CONTEXT

The ruling Partido Nacional has been rocked by a new scandal. The former mayor of Artigas, Pablo Caram, along with several officials, has been convicted of irregularities in overtime payments at the municipality. This case could negatively impact the party in the upcoming national elections in October, where the leftist Frente Amplio is currently leading in the polls.

In the Partido Colorado, Pedro Bordaberry, a former senator, minister, and presidential candidate, has announced his return to politics, creating a split within the party between his faction and that of presidential candidate Andrés Ojeda.

Uruguay has recognized Edmundo González as the winner of the Venezuelan elections and has signed a joint statement calling for Nicolás Maduro's regime to respect the electoral process. The Uruguayan ambassador to Venezuela, Silvana Montes de Oca, has returned to Uruguay following her expulsion by the Maduro government.

Parliament has approved a media law regulating audiovisual content services. However, a controversial article concerning information impartiality, proposed by the right-wing party Cabildo Abierto, was vetoed by President Luis Lacalle Pou hours later for being "incompatible with freedom of expression."

ECONOMIC CONTEXT

Year-on-year inflation increased to 5.45% in July, surpassing the annual average of 4.5%, but remains within the government's target range of 3% to 6%. The Consumer Price Index (CPI) moderated to 2.8% year-on-year, largely due to a reduction in electricity costs. Food and beverage prices decreased by 0.56%, mainly due to lower prices for meat, fruits, and vegetables.

After several months of negotiations, the Executive Branch has authorized multinational Google to build its data center in the Parque de las Ciencias in Canelones. This project, which will employ around 800 people, is subject to meeting several requirements, most related to the environmental impact of the construction.

The House of Representatives has approved the latest Budget Execution and Accountability Report for 2023, with differing views on the deficit and social spending. While the government highlights economic recovery post-pandemic, the opposition warns of a persistent "unaccounted" fiscal deficit, accusing the government of leaving a country with increased inequality, poverty, and "mediocre" economic development.

SOCIAL CONTEXT

Concerns about rising violence, particularly related to drug trafficking, are increasing. The upcoming national elections will feature a plebiscite allowing citizens to decide on the authorization of night-time raids, an initiative supported by senators and deputies from all parties except the Frente Amplio.

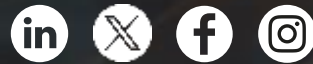
New human remains have been discovered at Infantry Battalion No. 14, a National Army unit during the dictatorship (1973-1985), near where the remains of communist activist Amelia Sanjurjo were found in 2023. This reinforces the hypothesis that the site was a detention and torture center concealing more victims. To date, only 35 of the 197 disappeared detainees have been found. The organization Mothers and Relatives of the Disappeared claims that the Uruguayan Armed Forces are lying about the whereabouts of the disappeared.

Gianina García, wife of Uruguayan Sebastián Marset, considered one of the most powerful drug traffickers in the Southern Cone, was arrested in Spain. García is suspected of being part of the criminal organization led by her husband. Marset, currently on the run, was arrested in Dubai in 2021 and released after obtaining a Uruguayan passport in an expedited process that led to the resignation of high-ranking officials in Lacalle Pou's government.

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