



Political Analysis Regulatory Information Service





EXECUTIVE SUMMARY

The second round of presidential elections in the Republic of Guatemala 11. Alejandro held August was Giammattei (Vamos - center-right) announced the winner receiving 57.9% of the votes. compared with 42.1% for Sandra **Torres** (Unidad Nacional Esperanza - center-left). Giammattei is thus set to be President of Guatemala for the period 2020-2024.

The main challenges for Giammattei's administration, which will be sworn in on January 14, 2020, will be fighting corruption and tackling malnutrition. The new President will also be under pressure to improve overall life-quality for ordinary Guatemalans, amid the signing of a migration agreement with the United States that could see the entry to the country of thousands of Central American migrants.

Giammattei faces little choice but to **build alliances** with various other Congressional parties in order to push through his agenda. An obstacle in that respect will be the 52 Deputies of Sandra Torres's UNE party.



Who was being voted for?

This was the second round of the elections, held on Sunday, August 11, to determine the next President and Vice President for the period 2020-2024.

How were candidates voted in?

By free, universal and secret suffrage.

Who were the candidates?

There were two candidates for the Presidency: Sandra Torres (Unidad Nacional de Esperanza - center-left) and Alejandro Giammattei (Vamos - center-right).

When does the next government take office?

Alejandro Giammattei's administration is set to be sworn in on January 14, 2020.



Electoral calendar

The <u>Political Constitution</u> of Guatemala dictates that the President shall hold office for four years (Sec. 184). According to the <u>Electoral and Political Parties Law</u>, elections shall be held on "a Sunday in the month of June of the same year in which they are called" (Sec. 196)

In line with the Constitution, if none of the candidates secures an outright majority a second round is to be held between 45 and 60 days later, also on a Sunday. This would then be a run-off between the two most voted-for candidates from the first round (Sec.184).

In the first round, which took place June 16, Sandra Torres won the election with 22% of the votes. Alejandro Giammattei came second with 12%. As a result, and in accordance with the electoral law, both candidates went on to compete in the ballotage.

On June 16, 160 deputies were also elected to Congress for the period 2020-2024.



Preliminary results

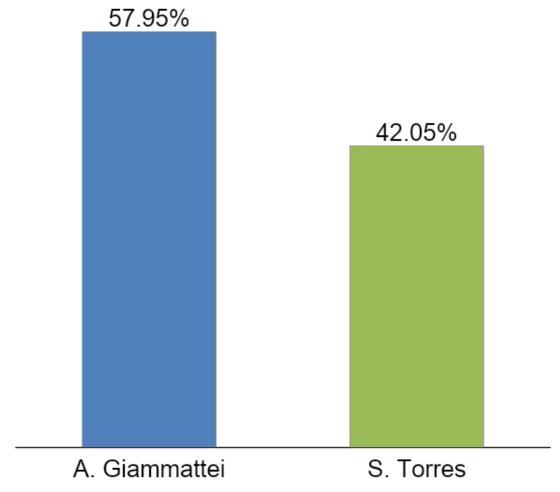


Alejandro Giammattei Vamos



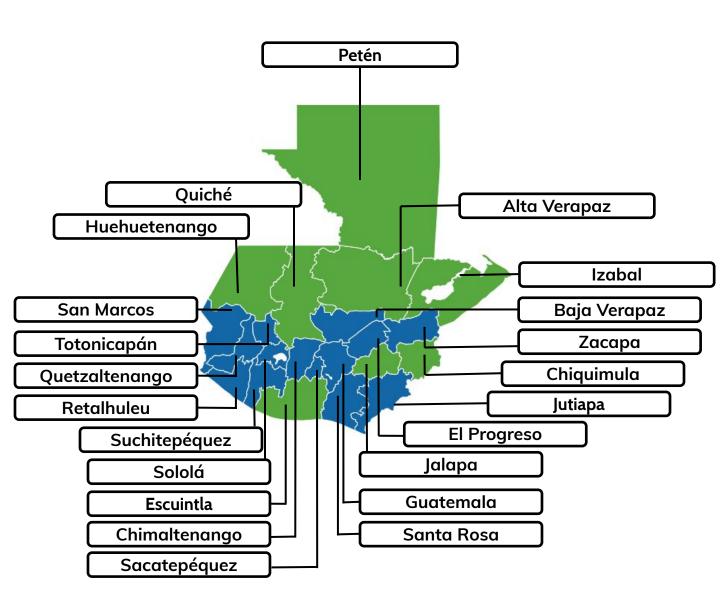
Sandra Torres Unidad Nacional de la Esperanza

Ballots counted: 99,78%*



*Source: self-made graphic based on preliminary results published by the Supreme Electoral Tribunal.

Key takeaways from the elections



Giammattei's did well in opposition districts. Vamos's candidate
won the support of twelve districts that in the first round had backed
Sandra Torres, among them Quetzaltenango and San Marcos to the
west of the country. As a result, Giammattei tripled his voter support
compared with the first round and to the detriment of the UNE
candidate.



Key takeaways from the elections

- Low turnout. According to provisional TSE figures, only 42.7% of the over 8 million Guatemalans eligible to vote participated in the elections. The voter turnout rate was down almost 20% on the first round, when 61.8% voters cast their ballot. This largely reflects citizens' disaffection with the Guatemalan political class following numerous corruption scandals in recent years.
- Accurate poll forecasts. Polls had rightly predicted a victory for Alejandro Giammattei over Sandra Torres. However, the actual difference between the two candidates (approximately 16%) was about three percentage points higher than expected.
- **Abstention from abroad.** Guatemalans living outside the country could vote for the first time, following changes to the Electoral and Political Parties Law (LEPP). In the United States, about 63,000 citizens were eligible to vote. However, only 521 participated. That is, 0.008% of eligible voters. Of these Giammattei obtained 411 votes and Torres 87.
- Giammattei's fourth attempt. Vamos's candidate had tried running for the president on three previous occasions: in 2007, 2011 and 2015. His best performance came in 2007 when he came third with 17% of votes. He finished ninth in 2011 and fourth in 2015.



Who is Alejandro Giammattei?



A qualified surgeon, Giammattei (age 63) holds a degree in Medicine from the University of San Carlos de Guatemala.

During his professional career, Giammattei was Director of Cedros Hospital Lebanon from 1981 to 1983. Between 1983 and 1985 he led the General Directorate of Health Services of the Ministry of Public Health.

He has worked in business since 1991, with assorted companies including banks and automobiles.

In the public sector, Giammattei, who represents the Vamos Guatemala party, served as General Coordinator at the Supreme Electoral Tribunal at the time of the elections of 1985, 1988 1990 and 1991. He also acted as Director of the Department of Urban Public Transport of the Municipality of Guatemala (1985).

Giammattei was Private Secretary of the Vice Presidency in 1993. In 2005, he became Director of the Penitentiary System, from where he successfully backed reforms to the Penitentiary System.



Government Plan



• **Finance.** Create a Financial Stability Commission and update the Money Laundering Act in accordance with the international standards of the Financial Action Task Force (FATF).

Propose credit card, stock market and investment law initiatives.

Promote financial education programs.

• **Food.** Establish communal markets to encourage local food production and marketing.

Strengthen the Food and Nutritional Security Program through the provision of quality food.

Disseminate information regarding the food in the basic consumer basket including nutritional data to promote changes in eating habits.

• **Transparency.** Promote access to public information for state officials.

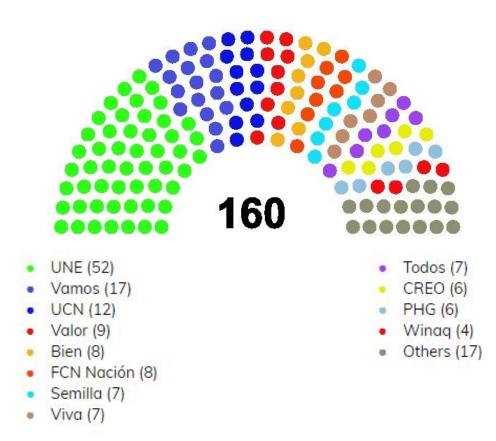
Separate the activities of the Public Prosecutor's Office from those of CICIG, so that Guatemalan institutions can resolve the country's problems independently.

To see the complete government plan <u>click here</u>

Congress under the future president

No majority. Alejandro Giammattei (Vamos) will lack a majority of his own in Congress (i.e. 81 lawmakers or more). As of January 14, 2020, his party will enter Congress for the first time since it was created in 2017, with 17 deputies. Giammattei will thus be forced to build legislative alliances with several Congressional parties in order to push through his government agenda. A major obstacle in this will be Sandra Torres' UNE 52 deputies in Congress.

Waning influence of the ruling party. In the legislative elections, the current ruling party Frente de Convergencia Nacional of President Jimmy Morales lost 27 seats. That is to say, in the period 2020-2024 there will be 8 FCN-Nación deputies as opposed to 35.



*Source: Own graphic based on the results of the legislative elections of June 16, 2019 published by the Electoral Tribunal.

Statements by the two candidates after the elections



Alejandro Giammattei

57.95% votes cast*

"It wasn't easy, but the objective was achieved. It is going to be an immense honor to be the president of this country that I love so much. We are going to rebuild Guatemala".

Sandra Torres

42.05% votes cast*

"I sincerely thank all Guatemalans who voted for a Guatemala of well-being and progress for all and their confidence in our project. Today, it is time for unity. Count on me".



*Preliminary results published by the Electoral Tribunal.

Statements by presidents of the region



Jimmy Morales

President of Guatemala

"Allow me to congratulate the presidential binomial (...) for having obtained the majority of votes in this second round of elections. From this moment on, I inform the people of Guatemala and the international community that our administration is prepared to officially begin a transparent and orderly transition process".



"I congratulate Alejandro Giammattei for his victory as president in the democratic elections in Guatemala; I recently spoke with him via telephone about the great benefits and continuity of the Customs Union and about the advances in the Northern Triangle of Central America".

Juan Hernandez
President of Honduras



"I congratulate the president-elect of Guatemala Giammattei. My best wishes to his administration and warm greetings to the Guatemalan people. I highlight the work of former President Luis Guillermo Solis in serving as the head of the OAS Electoral Observation Mission".

Carlos Quesada
President of Costa Rica

Political context

Corruption

The battle on graft looms large in the elections, following the implication of numerous public officials from across the political divide in various corruption scandals in recent years. This has sparked angry protests across the country against the Guatemalan political class.

The incumbent President of Guatemala, Jimmy Morales, was accused in September 2018 of illicitly financing his electoral campaign. Behind that accusation was the International Commission against Impunity in Guatemala (CICIG), a UN agency.

CICIG sought to lift Morales's immunity from prosecution and have him answer for his alleged crimes. However, Congress vetoed the move and Morales kept his immunity. In response,

Morales attempted to bring to an early end CICIG's mandate in Guatemala (which officially expires on September 3 this year), on the grounds that its activities "disturbed"

public order and national security". Before that he had sought CICIG's immediate expulsion from country, defying a ruling to the contrary from the country's highest The standoff aained court. international when profile high-level officials, notably UN **Antonio** General Secretary Guterres, spoke of the matter as violating Guatemala's democracy.

The accusation against Morales reignited calls for further investigations especially into those of public officials who came to in 2015. prominence when then-President Otto Pérez Molina resigned following alleged involvement in crimes of illicit association and bribery. It was once again CICIG, along with the Guatemalan Public Ministry, who leveled those allegations. Other officials accused of corruption are the current Minister of Economy Acisclo Valladares and the deputy and former candidate for president for the ruling Frente de Convergencia Nacional (FCN), Estuardo Gáldamez.

Political context

Migratory Agreement with the United States

On July 26, the governments of Guatemala and the United States signed an agreement to transform Guatemala into a "safe third country".

Under the measure, Central American migrants seeking asylum in the U.S. can instead be sent to Guatemala where, in theory, they would enjoy similar living conditions.

The measure was criticized by many Guatemalan politicians and citizens because they believe that the reception of migrants would put added pressure on Guatemala's economy. According to President limmy Morales, accepting the avoids agreement possible sanctions Donald Trump's by as administration, such imposition of tariffs and the ban on travel to Guatemala.

Giammattei said he will review the agreement "to remove things that are not convenient for Guatemala". In any case, it is thought that his government must negotiate carefully to dissuade Trump from applying economic sanctions.

Limited lawmaking

In the first ordinary session of Guatemala's Congress, from January 14 to May 15, lawmakers passed only four bills, markedly fewer than for the same period in 2017 (eight) and in 2018 (13). The lack of progress in Congress was largely down to three factors:

o Several legislators frequently missed sessions preferring to focus on campaigning in their districts, often leading to a lack of quorum.

Political context

o The Congressional Board of Directors is made up of **political parties whose interests vary**, **which has made it difficult to reach consensus**.

o Considerable attention was placed on meetings with the Ministers of Social Development and Communications, in which they were held to account for their current administrations as Ministers.

Because of the lack of a quorum, sessions were repeatedly adjourned, delaying interpellations and preventing deputies from moving forward with the legislative agenda.

As a result, bills on <u>competition</u>, <u>promotion of healthy eating</u>, <u>family agriculture</u>, <u>reform of the Law on Banks and Financial Groups</u> and <u>reform of the Law on Non-Governmental Organizations for Development</u>, among others, remain pending.



Projections

- Giammattei to become president of Guatemala. Although official confirmation from the Supreme Electoral Tribunal (TSE) is still pending, this is largely academic. With 99.78% of votes counted, 57.9% have gone to the Vamos candidate making himf the new President of Guatemala. In this way, Vamos is set to be ruling party for the first time in its history.
- **Fight against corruption.** This was one of the cross-cutting issues throughout the campaign. The discontent of Guatemalans towards the political class after the corruption scandals in recent years will oblige Giammattei to pursue policies that promote transparency and accountability in the public administration.
- Improving citizens' quality of life. Although the incumbent president is leaving behind an economy that has grown 3% over the year, almost 60% of Guatemalans are below the poverty line. Meanwhile, chronic malnutrition affects more than 49% of children, according to UNICEF. Giammattei must address these imperatives to prevent citizens from migrating to the United States in search of better living conditions, which also deepens the regional immigration crisis.
- Review of the immigration agreement with the United States.
 Giammattei's government will seek to renegotiate the "safe third country" agreement signed with Donald Trump's administration to prevent a massive influx of Central American migrants from settling in Guatemala, which would increase unemployment and poverty.
- Progress on this year's legislative agenda. Once the elections are over, deputies will have less cause to absent themselves from congressional sessions. So there is reason to expect a loosening up of the legislative agenda as ordinary sessions resume in early August, and hence progress on hitherto languishing bills such as on the promotion of healthy eating and reforms of the Banking Law.





