



# SPOTLIGHT

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## Chile's Withdrawal from Hosting APEC and COP-25 Summits

**Marek Wąsiński, Damian Wnukowski, Bartłomiej Znojek**

On 30 October, President Sebastián Piñera announced Chile's withdrawal from hosting the Asia-Pacific Economic Forum (APEC) in November and the COP25 climate summit in December. This decision results from his government's failure to tackle the internal crisis caused by violent social protests. Chile's withdrawal will cause delay in global climate negotiations and in the anticipated trade deal between the U.S. and China. It also means Poland will continue its presidency of COP24.

### **Why did the president withdraw from the summits?**

For the past two weeks, the authorities in Chile have been trying unsuccessfully to counter anti-government protests. Peaceful protests were accompanied by violent riots, in which 23 people died, most of them during vandalism and looting. The trigger for the conflict was the government decision in early October to raise prices for metro tickets. However, the main reason for the escalation of tensions is the dissatisfaction of most citizens about living conditions, which are influenced by wide social inequality. Frustration is fuelled by the high cost of living and of access to good-quality education and healthcare. In withdrawing from the summits, Piñera cited safety reasons and the need to restore order. Holding two costly events could be a pretext for another wave of protests.

### **How did the authorities try to resolve the conflict?**

The government initially downplayed the protests, but in response to the outbreak of the riots on 18 October it decided to introduce a state of emergency and send troops to suppress the demonstrations. The antagonistic rhetoric of the president against protesters and the use of force has only exacerbated the situation. Piñera has gradually given way to the protesters, proposing changes in social policy. He reversed the ticket price increase on October 20, and five days later he declared the state of emergency over. At the beginning of the week, he replaced some government ministers. Despite that, the protests did not lose their strength. Piñera's latest attempt to calm them down (apart from annulling the summits) was his declaration that he will focus on solving internal affairs and is open to dialogue and responding to the protester's demands.

### **What does withdrawal from hosting APEC and COP25 mean for Chile?**

The decision hindered hitherto ambitious and successful efforts by the government to strengthen Chile in the region and as a member of various multilateral forums. Since 2017, Chile has been active in the Lima Group, which cooperates to restore democratic order in Venezuela. In August this year, Chile was the only Latin American state invited to the G7 summit in Biarritz. However, Piñera's decision is a blow to his international credibility, because a year ago he took over the preparation of COP25 after then President-elect Jair Bolsonaro decided that Brazil would not be the host. That's why, when announcing the withdrawal, Piñera underlined the high priority Chile attaches to economic cooperation within APEC and his country's commitment to climate change policy obligations.

### **What are the consequences of withdrawal from hosting the APEC summit?**

The most important event expected to take place during the next APEC summit was that President Donald Trump and President Xi Jinping would sign a limited agreement (the "first phase") scaling down trade dispute between the U.S. and China. The document, details of which are still under negotiation, is intended to regulate such issues as intellectual property protection, manipulation of the exchange rate and China's commitment to import more agricultural products from the United States. The agreement could persuade the U.S. to refrain from imposing new tariffs on imports from China. Cancellation of the APEC summit may complicate the plans to sign the agreement in the near future. Prolonged negotiations would add uncertainty about the future of trade relations between the U.S. and China.

### **What's next for COP25?**

Chile's withdrawal as host of COP25 is likely to delay climate negotiations, which were supposed to focus in December on finalising the "Katowice rulebook" implementing the Paris Agreement. The summit was also meant to establish rules of international trade on mitigation outcomes, intended as an important tool to finance climate action and motivate higher ambitions. As a result of Chile's withdrawal, Poland will continue to preside over COP24, which is why environment vice-minister Michał Kurtyka is being consulted on possible solutions. Formally, COP25 must be held. It might be organised as a negotiating session in Bonn, the seat of the United Nations Framework Convention, (or in another UN agency seat), or in one of the countries ready to organise the conference at a later date.