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Deep scars in Brazil will take time – and leadership – to heal

Brazil's political environment is febrile and bitterly polarised in the aftermath of the impeachment of the suspended president Dilma Rousseff this week. The new government led by Michel Temer, which has legality but lacks legitimacy in the eyes of millions of Brazilian voters, will have to prove itself fast.

The imposing federal senate vote to remove Rousseff (61 of 81 senators, well above the required two-thirds majority) was a gift for Temer, who swiftly assumed formal presidential office, gave a pre-scripted televised national address pledging "a new era", and promptly departed for a G-20 summit in China on a mission to demonstrate to the international community that Brazil is "back on track". His immediate plane-hop out of the country meant that Brazil had three presidents in the space of 24 hours on 31 August, as the head of the federal lower chamber of congress, Rodrigo Maia, took over as acting president in Temer's stead. An appropriate metaphor indeed for the state of the country, local commentators dryly observed.

Rousseff, Brazil's first female president, is the second of the four elected presidents since the return to democracy in 1985 to face impeachment proceedings and to leave office, hardly a strong record. Indeed, just two of the last eight directly-elected presidents have completed their terms. In addition to two being impeached, one suffered a military coup, one committed suicide, one resigned, and one died before taking office.

Rousseff and her left-wing Partido dos Trabalhadores (PT) have argued from the start of the impeachment process that it was a double conspiracy by the entitled political and business elite to frustrate the country's biggest-ever corruption investigations, in which the vast majority (including Temer himself) have been implicated; and simultaneously, a manoeuvre to oust the PT from office forcibly when, for the fourth consecutive time, the same elite failed to defeat it at the ballot box in October 2014. The economic crisis in Brazil, and Rousseff's growing unpopularity in and out of Brasilia, lent added 'weight' to this legal conspiracy, her supporters say. Formally, Rousseff was impeached for the deliberate breach of fiscal rules set down in the constitution.

Rousseff was defiant upon her departure from the presidential palace, where she had been holed up since her suspension in May, directly accusing Temer of a "putsch" and promising to fight on. Accusing congress of "tearing down the constitution", she declared a "parliamentary coup" and a severe setback for Brazil and its citizens. "This is a coup against the people and against the nation," she declared. "It is a misogynist coup, a homophobic coup, a racist coup — it is the imposition of a culture of intolerance, prejudice and violence."

The future for Rousseff

Assuming that she is not convicted of separate obstruction of justice charges against her, Dilma Rousseff may well be free to make her avowed political comeback. In an unexpected turn of events, the federal senate voted not to strip her of her political rights – meaning that in theory she could be free to seek elected office again at some future point. Her home-town supporters are already talking about a senate bid in 2018.

“I am now replaced by a group of corrupt politicians who are under investigation,” Rousseff declared. This indeed is true; almost 60% of federal representatives have either faced or are facing judicial proceedings, according to the watchdog Congresso em Foco, but it rather neglects the fact that several senior members of the PT, as well as Rousseff herself, and her predecessor and mentor Lula da Silva (2003-2011), are also under investigation as part of the current corruption scandal, which is centred on the state oil company Petrobras and relates to illicit practices that were ongoing even when Rousseff was company chair. Temer was quick to push back, declaring, “it was you that led the putsch, you that broke the constitution”.

In such a polarised atmosphere, Temer and his controversially all-white, all-male cabinet will have to deliver fast, starting with a return to economic stability, followed by movement on the political and structural reforms demanded with increasing vigour by Brazilian voters in recent years. Any sign of interference in the Petrobras corruption investigations and/or the judiciary is guaranteed to cause public uproar, for example. Temer will be conscious of the unprecedented 2013 protests across the country, when Rousseff, then in her first term, was still relatively popular.

One thing is clear. Rousseff’s departure, whatever its legal merits, does absolutely nothing to solve Brazil’s chief and longstanding structural problem - the entrenched, deeply systemic reliance on crony coalition politics to secure governance. The big question now is whether Brazil’s new but veteran president has the political ambition and vision – and the political talent – to meet the complex and competing demands now before him. In this context (and as his predecessors discovered), Brazil’s unmanageable federal congress, with its insatiable demand for pork barrel favours, may ultimately represent Temer’s biggest challenge.

External reaction

The external reaction to the impeachment was as polarised as the internal. In Buenos Aires, the moderate government led by President Mauricio Macri issued a statement saying that Argentina “respects the institutional process”. It added that Argentina “reaffirms its willingness to continue down the road of a real and effective integration, within the framework of absolute respect for human rights, democratic institutions and international law”, emphasising also that it would continue working with Brazil “to strengthen Mercosur”, the troubled Southern Common Market (also comprising Paraguay, Uruguay, and Venezuela).

The US government said likewise. “We are confident we will continue our strong bilateral relationship. This was a decision made by the Brazilian people and obviously we respect that. Brazilian democratic institutions have acted within its constitutional framework,” State Department Spokesperson John Kirby noted. The Colombian government echoed the US, saying that it trusted in “the preservation of democratic institutionality and stability”.

The reaction by the regional left-wing Bolivarian movement could hardly have been more different. Venezuela immediately broke off political and diplomatic relations with Brazil and recalled its ambassador in protest at the “parliamentary coup”. Brazil later recalled its ambassador from Caracas for consultations, likely the prelude to a reciprocal move. Ecuador and Bolivia likewise condemned the “coup” and summoned their chief representatives. El Salvador, Nicaragua, and Cuba suggested that they would not recognise the Temer government.

Over in Santiago, the moderate leftist government led by the (also deeply unpopular) President Michelle Bachelet, expressed some concern, describing Rousseff as “a friend of the Chilean government”. It worried aloud about the “uncertainty” caused by the impeachment process, but did not explicitly reject it. Uruguay took a similar stance, expressing concern about the situation and hope for a solution “in accordance with democratic and institutional canons”.

Paes sets sights on higher office**Paes**

In the 2012 municipal elections, Eduardo Paes, then popular, was comfortably re-elected in the first round, defeating Marcelo Freixo of the left-wing PSOL by 64%-28%. He has been a trenchant critic of the left-wing federal governments led by Lula da Silva (2003-2011) and Dilma Rousseff (2011-2016) but worked with both to deliver the 2014-2016 Games in Rio. He is reasonably well known abroad (including for TED talks on smart cities, in which Rio has been a pioneer), but domestic critics now argue that he is also leaving Rio with a legacy of increased social segregation and higher inequality.

The mayor of Rio de Janeiro, Eduardo Paes, is looking to build his political career on the success of the 2016 Olympic Games. The main Games closed in a carnival atmosphere on 21 August, amid a general consensus that they had gone off much better than expected, with the Rio spirit wowing the athletes, international visitors and global audiences in equal measure. Brazil put in its best Olympic performance ever, ranking 12th alongside The Netherlands in the medals table, having secured the all-important football gold medal in a penalty shootout against Germany, for a total tally of 19.

With the party over, the hangover begins. As ever for Olympic hosts, there will be a protracted post mortem about costs and legacy. On the legacy front, Rio de Janeiro is unlikely to meet its ambitions for urban redevelopment, particularly when compared to 2012 host, London. The Games themselves cost well in excess of their initial US\$13bn budget (final figures are still pending), and while Rio's transport infrastructure has been improved to some extent, the city is effectively bankrupt, and its social problems as entrenched as ever, with intense international media focus on these issues throughout the Games.

Nevertheless the city's mayor, Eduardo Paes, who can now boast that he helped to stage South America's first Olympics, is seeking to use the Games to pole vault his career. Paes is currently on his second mayoral term and cannot run in October's municipal elections. But he has his sights firmly trained on the governorship of the state of Rio de Janeiro in the scheduled general election in 2018. In his favour is the fact that he hails from the Partido do Movimento Democrático Brasileiro (PMDB), now at the helm of the federal government led by President Michel Temer. Temer, who was booed at the opening of the Olympics, failed to turn up to the closing ceremony, leaving Paes to look after Japan's Prime Minister Shinzo Abe and the Tokyo mayor, Yuriko Koike, to whom Paes handed over the Olympic flag as host of the 2020 Games. But with Temer confirmed in office following the impeachment of Dilma Rousseff, Paes and other PMDB politicians could be well placed ahead of the 2018 elections.

Paes was also booed at the closing ceremony and it is unclear how Cariocas will vote in October's municipal elections. Paes took advantage of the presence at the closing ceremony of Temer's investment minister, Moreira Franco, and the president of the federal lower chamber of congress, Rodrigo Maia, another Carioca and a political ally (his prominent father, César Maia, was thrice Rio's mayor), to push for strong PMDB support for his preferred candidate to succeed him as mayor, federal deputy Pedro Paulo.

It may be something of an Olympian challenge, however, to get Paulo elected. His reputation has been badly damaged by allegations earlier this year that he beat his wife, and his subsequent effort to look for a female running mate was met with scorn. He has polled badly, stagnating at only 6% in a recent Ibope poll. Paes, however, is confident that he can engineer a post-Olympic boost for Paulo that will propel him up the polls and get him into a run-off in late October. Leading the Rio mayoral race is the evangelical Marcelo Crivella, of the Partido Republicano Brasileiro (PRB), who was well ahead of the field with 27% of voting intentions in the Ibope poll. Trailing in second place was Marcelo Freixo, of the left-wing Partido Socialismo e Liberdade (PSOL), followed on 11% by Flávio Bolsonaro of the Partido Social Cristão (PSC); with Jandira Feghali, of the Partido Comunista do Brasil (PCdoB), sitting alongside Paulo on 6%.

A winnable war on drugs?

In the light of recent experience, politicians should be wary of declaring a 'war on drugs': after all, few have emerged from such confrontations undisputedly victorious. While President Mauricio Macri has wisely stopped short of triumphalist rhetoric, he is nevertheless promising an "Argentina free from drug trafficking". Delivering on that promise will be far from risk-free.

On 30 August, President Macri made it clear he intends that a campaign against drugs will be a central, maybe even a defining, aspect of his presidency. At a meeting attended by provincial governors, government ministers, and the president of the supreme court, Ricardo Lorenzetti, Macri promised a road map which would allow the three powers of state to work together to deliver a country free of drug trafficking.

It is easy to see the political attractions of such an initiative. There is widespread popular concern over drug-related crime. Last week an extra 3,000 gendarmes were sent in to reinforce local police in Rosario in the north-western province of Santa Fe. Argentina's third largest city, Rosario has seen a new wave of drug-related killings.

There is also a widespread perception that the hard core of officials and supporters of the government of former president Cristina Fernández (2007-2015), drawn from the formerly ruling Frente para la Victoria (FPV, Kirchneristas) faction of the Partido Justicialista (PJ, Peronists) who are now Macri's main political opponents, at best ignored the drug problem or at worst were directly complicit with it (*see sidebar*). In his most explicit attack on Fernández, in January this year, Macri blamed her administration for a surge in drug trafficking over the last decade through "inaction, incapacity, or complicity" [WR-16-01].

Against this, more moderate members of the FPV and the wider Peronist movement appear ready to work with the government against drugs and crime. Sergio Massa, a federal deputy and leader of the dissident Peronist Frente Renovador (FR), was present at the launch. Gerardo Milman, the federal domestic security secretary, emphasised that those supporting the initiative against trafficking come from a wide political spectrum, ranging from some FPV governors through Macri's ruling *Cambiamos* coalition to the incumbent Partido Socialista (PS) in the province of Santa Fe. A wide coalition against drug trafficking that succeeds in its endeavours would be a major political feather in the president's cap.

But setting achievable targets and carefully defining the nature of 'success' is critical. Experience elsewhere (and particularly in Mexico) shows that over-ambitious hard-line anti-drugs policies can be counter-productive, and paradoxically lead to escalating violence. New gangs can spring up where old ones are defeated (worryingly, this is not the first time the gendarmes have been sent in to Rosario: they were deployed there in 2014/15 by the previous government, temporarily reducing the crime rate, which nevertheless surged up again once they had left).

While Macri spoke of a more balanced approach, including not just law enforcement but also public health work to reduce addiction, and "inclusive social and labour policies", there is a danger that he may raise expectations too far, and find it difficult to deliver real change.

Low turnout

Hebe de Bonafini, the leader of the Madres de Plaza de Mayo human rights group, said that Macri would have sleepless nights because the opposition "is filling the streets and plazas". That was, however, a rather unhappy turn of phrase: on a cold and rainy day at best 3,000 people turned out for the protest. The Plaza de Mayo, which can hold over 100,000, looked decidedly empty.

Macri seeks wider coalition

A 24-hour protest known as the 'resistance march', organised by President Mauricio Macri's most die-hard opponents, went off like a damp squib last week. But the government still believes that because of economic difficulties it needs to build a wider political support coalition.

Former president Cristina Fernández (2007-2015) and her supporters want to fight a war against the government led by President Macri. To this end they organised an aggressively named 'resistance march' on 26 and 27 August, designed as a 24-hour protest in the Plaza de Mayo in front of government house in Buenos Aires. Fernández's son Máximo, a member of the militant youth organisation La Campora, said it was only a "media bombardment" of lies that had brought Macri into office, and he criticised what he described as an economic model "as icy and cold as the eyes of the president". Banners proclaimed 'not a step backwards'.

Kirchnerista threat

There is a real sense in which, nine months after the new government took office, the *Kirchnerista* threat to governability is turning out to be hollow. Too many top leaders of the movement, from Fernández downwards (and including Hebe de Bonafini, the leader of the Madres de Plaza de Mayo human rights group) are facing investigation in the courts on charges of corruption and money laundering. Public opinion has noticed. According to one survey (Hugo Haime y Asociados), 69% of respondents hold Fernández guilty of corruption, while only 17% deem her to be innocent. Another poll (Aresco) shows that 49% attribute the country's current problems to the previous government, while a lower 31.1% say it is the current government that is responsible (16.8% blame both).

In day-to-day politics the Frente para la Victoria (FPV, Kirchneristas), the faction of the Partido Justicialista (PJ, Peronists) which was once the all-powerful party of the previous government, is becoming increasingly marginalised. The FPV itself is no longer monolithic. More leaders in the wider Peronist movement, particularly at provincial level, are willing to break ranks and do deals with the current government.

This does not mean it is all plain sailing for Cambiemos, the ruling centre-right coalition. It still lacks a majority in the federal congress. Recession and inflation have eroded its popularity and eaten away at its political honeymoon period: the government itself estimates GDP will fall by 1% this year before hopefully bouncing back by 4% to 5% in 2017. The recent supreme court decision to reverse unpopular gas tariff increases (ranging up to 400%) was a big blow [WR-16-33]. Although still significant, Macri's popularity has fallen, with 46% describing his image as 'positive' in August, down from 50% in July (Poliarquía Consultores).

Macri's overtures

Macri is now trying to shore up his position by building bridges in two directions: to the non-*Kirchnerista* Peronists and to the trade union movement.

Among the pro-dialogue Peronists, both Juan Manuel Urtubey, the governor of Salta, and Miguel Angel Pichetto, the (FPV) president of the federal senate, criticised the 'march of resistance'. Macri has been generous with the governors on budget matters, and he will continue to consult them on a range of issues in an attempt to keep them onside.

Dealing with the recently re-unified labour movement, the Confederación General del Trabajo (CGT), may be more difficult. The CGT recently released a document condemning "higher utility tariffs, inflation, job losses, and

Drug allegations

In July this year Ibar Pérez Corradi, a suspect wanted for gangland murders linked to ephedrine trafficking, was extradited from Paraguay. There are allegations that Aníbal Fernández, a cabinet chief under former president Cristina Fernández, was directly involved in the ephedrine trade. Other officials in the formerly ruling Frente para la Victoria (FPV, Kirchneristas) faction of the Partido Justicialista (PJ, Peronists) face court investigations linking them to drug trafficking and to organised crime.

Dictatorship victims identified

Paraguayan human rights groups say that they have identified the remains of an Italian woman and a Paraguayan man who were seized during a crackdown on suspected leftist activists during the dictatorship of General Alfredo Stroessner (1954-1989) during the 1970s. Rafaelli Filipazzi, an Italian socialist living in Argentina who 'disappeared' in 1977, and Miguel Angel Soler, the secretary general of Paraguay's Communist party when he was arrested in Asunción in 1975, were identified by DNA tests. Their remains were found at a former police base in Asunción.

increasing imports". The government had earlier increased the income tax threshold on salaries (thereby meeting a longstanding union demand), but it is now making more concessions. Under new plans for the public health system, the government recognised a "historic" debt of AR\$30bn (US\$2.2bn) to the trade unions for the prior funding of social welfare programmes, which will be paid through interest-bearing treasury bills.

Some analysts, such as *La Nación* columnist Joaquín Morales Solá, suggest that with this new money in their hands "it is almost impossible" that the larger unions will endorse industrial action in the immediate future. Macri may have bought himself some more time.

PARAGUAY | POLITICS

Opposition spoils re-election hopes for Cartes

The political opponents of Paraguay's President Horacio Cartes have orchestrated a masterstroke in the national congress designed to scupper any hopes he and his supporters held of amending the constitution to allow him to seek re-election in 2018. In an unexpected move opposition legislators decided to present and swiftly defeat a constitutional amendment proposal to introduce presidential re-election in the senate. Under congressional rules, no new such proposal can be put to the legislature for the next 12 months. Opponents of Cartes believe that the move makes it virtually impossible for any such constitutional change to be approved and put into effect before the 2018 general elections.

Paraguay's 1992 constitution sets a five-year presidential term and prohibits presidential re-election under all circumstances. This provision was included in the constitution drafted following the 1989 ouster of the dictator General Alfredo Stroessner (1954-1989) as a way of preventing presidents from perpetuating themselves in power as Stroessner was able to do for so many years through rigged elections. At the time Paraguay's entire political class, including the traditional Asociación Nacional Republicana-Partido Colorado (ANR-PC), which Stroessner had adopted, agreed that this provision was a necessary safeguard for democracy in the country.

This position remained largely unchanged for decades until the idea of presidential re-election was floated by former president Fernando Lugo (2008-2012), who now leads the Frente Guasú (FG) leftist opposition coalition. Both the ANR-PC and the country's other traditional party, the Partido Liberal Radical Auténtico (PLRA), were staunchly opposed to the idea and refused to contemplate discussing it in congress during Lugo's term. However, things appeared to change for a faction of the ANR-PC after Cartes returned the party to power in 2013. By 2014 supporters of Cartes within the ANR-PC began floating the idea of allowing presidential re-election so that he could seek to remain in power in 2018.

Opposing re-election

But introducing presidential re-election continues to be resisted not just by most in the PLRA but also by the many detractors of Cartes within the ANR-PC. They all agree that while a debate on the issue is valid, this is not a priority and that, in any event, Cartes should not be able to benefit from re-election. With supporters of Cartes, including government officials, continuing to demand a re-election debate and elections looming closer, the opposition moved decisively on this front on 25 August.

During the senate's ordinary session, a group of opposition and dissident ANR-PC senators requested that the new senate president, the PLRA's Robert Acevedo, extend the session to discuss a proposal to introduce presidential re-

Mexico visit

President Cartes embarked on a five-day official visit to Mexico on 25 August. Paraguay's foreign ministry said that the visit, the first by a Paraguayan head of state to Mexico in eight years, would serve to boost bilateral trade relations. During the visit Cartes and President Enrique Peña Nieto oversaw the signing of 12 bilateral cooperation agreements in the areas of labour and social security rights, tourism, diplomacy, natural disaster management, and bilateral trade promotion. Improving trade relations with Mexico is part of the Cartes government's efforts for Paraguay, a member of the Southern Common Market (Mercosur) trade bloc, to forge closer links with the Pacific Alliance trade bloc, of which Mexico is a member, and to sign a free trade agreement with Mexico.

election via a constitutional amendment (a separate but similar proposal has also been presented by supporters of Cartes in the lower chamber).

Acevedo duly obliged and the proposal was immediately defeated by 23 votes in the 45-seat chamber. The PLRA, FG, and dissident ANR-PC benches voted as a block against their own proposal, which was backed by the main ANR-PC bench. The result was celebrated by the opposition and ANR-PC dissidents, who quickly pointed out that it rules out the possibility of amending the constitution via this pathway until August 2017. The implication of this is that the chance of introducing presidential re-election before the 2018 general elections is now minimal.

Untempting final option

The only ostensible option open to supporters of Cartes now is to introduce this change by convening a constituent assembly to draft a new constitution. Yet this is a drastic measure that also requires the support of the opposition in congress. In addition, the prospect of convening a constituent assembly is risky as it opens the door for all kinds of changes to be introduced, providing the opposition (and in particular the Left, which has long-called for the drafting of a new constitution) with an opportunity to push its own demands, of which the ANR-PC would be very wary.

PARAGUAY | SECURITY

Deadly EPP attack puts Cartes on the back foot

President Horacio Cartes suffered a serious blow this week following a deadly attack on a military-police task force (FTC) patrol deployed in the north of the country to combat the self-proclaimed Ejército del Pueblo Paraguayo (EPP) insurgent armed group. The incident took place when a FTC patrol vehicle was hit by a roadside bomb as it travelled on a back road in the Arroyito area of the municipality of Horqueta, Concepción department, in the so-called EPP 'area of influence'. Eight soldiers were killed in the attack, with those surviving the blast being shot dead by hidden gunmen.

The FTC immediately attributed the 'ambush' to the EPP, making it the deadliest attack perpetrated by the group against the security forces to date. This prompted President Cartes to travel to Concepción on 28 August, immediately after returning from an official visit to Mexico (*see sidebar*) to get a first-hand report on the situation. In Horqueta, Cartes assumed any responsibility that the government may have in failing to protect the soldiers, and he said that his administration would redouble its efforts to defeat the EPP, promising "clear results" before the end of his term in 2018.

The political opposition decried that despite the promises made by Cartes when he assumed office in 2013 that he would defeat the EPP, his administration has not even managed to reduce the threat posed by the group. Indeed, on 29 August detractors of Cartes in the senate (including dissidents from the ruling ANR-PC) promoted and approved a declaration calling on the president to make urgent changes to the national public security structure.

The declaration urged Cartes to remove the interior minister, Francisco de Vargas, and the FTC commanders, as well as to "reformulate" the government's strategy, including the complete revision or dissolution of the FTC, which is widely considered to be a failure, plagued by incompetence and corruption. Government detractors have long complained that, since its creation by Cartes in 2013, millions of dollars have been spent on the FTC but it has failed to produce the expected results.

Caracas 1-S march last chance to push for timely recall

Zapatero shows up

Several external observers have reiterated that Venezuela simply cannot resolve its problems by itself, yet no-one, not even the Vatican, has been able to bring the two sides to the table.

One man who managed to get into Caracas this week

was the former Spanish prime

minister, José Luis Rodríguez Zapatero (2004-2011), one of the trio of

internationally-backed mediators that has sought – and

failed – to encourage dialogue. Zapatero, who stayed for just 24 hours, is

dismissed by the MUD as biased in favour of the government. His agenda in Caracas was unclear.

The government led by President Nicolás Maduro made clear before the opposition ‘Takeover of Caracas’ on 1 September – a planned 1m-strong march on the capital in demand of a presidential recall referendum – that it anticipated violence. From Maduro on down, government officials, using aggressive and threatening language, slammed the demonstration in advance as a US-backed opposition coup attempt. The interior minister, Néstor Reverol, warned that the right to march was “not absolute”. And the cynicism with which Diosdado Cabello, number two in the ruling Partido Socialista Unido de Venezuela (PSUV), openly baited opposition supporters to cross the line only served to emphasise how high the stakes are for both sides.

Ahead of the march, Jesús ‘Chuo’ Torrealba, the executive secretary of the main opposition coalition, Mesa de la Unidad Democrática (MUD), announced it would commence at 8am local time from six or seven gathering points and then proceed towards three central avenues “refusing all forms of provocation”. People were asked to dress in white. The march was scheduled to end at 2pm. “We don’t want a coup or street violence, what we want is a recall,” Torrealba declared, asking the security forces to guarantee the safety of the marchers. “We are going to fight for you too,” he said, addressing the police and the military.

The MUD’s repeated public insistences that it wanted a disciplined and peaceful march contrasted starkly and deliberately with the government’s menacing rhetoric and aggressive moves in the run-up to the event. These included the arbitrary detention of some 25 opposition figures – most from the “golpista” party Voluntad Popular (VP), whose leader, Leopoldo López, is Venezuela’s most high-profile imprisoned politician. The US state department condemned in unusually strong words the 3am seizure and return to prison of Daniel Ceballos (VP), former mayor of San Cristóbal, the capital of the western state of Táchira, who was forcibly removed from his Caracas residence where he has been living under house arrest on health grounds since 2015, saying it was “deeply disturbed” by the move.

Other extreme new security measures include a temporary ban on all drones in Venezuelan airspace, a clear effort to prevent overhead images of the march from being broadcast in and outside the country. Several foreign journalists, including from *Al Jazeera*, were refused entry to the country in the days leading up to the march, while a *Miami Herald* correspondent was detained and forced to leave the country.

Keeping up the threatening tone ahead of the march, Interior Minister Reverol also made a point of noting that under Article 55 of the constitution, acts of violence can be repelled by police using “arms or toxic substances”, as deemed necessary and proportional, and he warned that “we have people equipped to deal with any event that leads to a serious alteration of public order”. A heavy security force presence in Caracas prompted most retailers to close for the day, and, as on previous occasions, the military stationed armoured vehicles and steel barriers at key tunnels connecting the outer neighbourhoods to the centre.

At the time of writing, the march had not yet begun, but public fears that there might be violence, which have deterred turnout at recent MUD demonstrations, were founded on experience. The left-wing government

Regional efficiency

Notably, Peru's finance ministry will bring forward to the month of March the deadline for transfers to regional authorities, in a bid to improve their efficiency. There will be question marks about the ability of decentralised authorities to deliver. Many smaller municipalities simply lack the capacity to plan and execute budgets. And preventing corruption and mismanagement, often entrenched at the regional level, will be another major challenge for the technocrats in central government.

has plenty of form in allowing its own militant supporters to stir up trouble, while it also routinely alleges a presence in the country of right-wing *agents provocateurs*, including former Colombian paramilitaries and other paid mercenaries. The government also ordered a counter march of its supporters for the day, with local union members suggesting that public sector workers were obliged, on pain of a day's salary, to attend.

Last best chance

However events unfold, the march looks like the last best chance for the MUD to secure a recall referendum against Maduro this year. Torrealba and others, including the twice former presidential candidate Henrique Capriles Radonski, maintain that there is still time to stage a referendum this year, which if successful before 10 January 2017 would trigger fresh elections, meaning the probable end of the PSUV's 17 years in power.

If the march fails in its aims, and the government manages to delay a recall vote until early next year (whereupon the vice-president would step in to replace Maduro, leaving the PSUV in office for two more years), the risk of violent social unrest, and potentially a military intervention, rise considerably. Indeed, the creeping militarisation of the Maduro administration has already been compared to a 'slow-motion coup'.

PERU | POLITICS & ECONOMY

Thorne sets out his stall

Peru's finance minister, Alfredo Thorne, delivered his first draft budget to congress on schedule on 30 August. Since taking up his post on 28 July, Thorne, a former senior World Bank economist, has taken a cautious stance, noting that he had inherited a "worrying" fiscal deficit that could make it difficult to initiate some of President Pedro Pablo Kuczynski's priority projects. In an appearance before congress on 19 August, Thorne reported that the government had inherited a deficit of 3.3% of GDP to end July, well above the 2.5% that the previous government led by Ollanta Humala (2011-2016) had pledged to bequeath.

Thorne took an early decision to adjust his targets. He still aims to trim the budget overhang to 1% of GDP by 2021, but now intends to do so more gradually, so as not to choke off the nascent domestic recovery or force excessive austerity on the new administration. In another bonus point for novice prime minister Fernando Zavala, congress, controlled by the opposition *Fujimorista* Fuerza Popular (FP), agreed to this. Thus, after an expected deficit of about 3% this year, the 2017 target will be 2.5% of GDP (out from 1.8% previously), falling to 2% in 2018, 1.8% in 2019, 1.5% in 2020, and 1% in 2021.

This additional leeway (amounting to about US\$1.5bn in 2017) may help cushion the revenue impact of the government's planned tax reforms (including a phased reduction in value added tax [VAT] from 18% to 15%), and it will also allow more room for its spending and investment plans, which aim to lift real GDP growth to 5% from 2018 onwards.

Thorne nonetheless emphasised that he aims to "maintain fiscal management that guarantees fiscal sustainability". While expected fiscal revenues are expected to come in under expectations at 18.9% of GDP this year, Thorne expects them to rebound to 19.4% next year, amid stronger economic growth, the normalisation of tax refunds, and a broadening of the tax base, as well as a planned increase in corporate income tax for larger companies. To secure its financing needs, the government also intends to

Legislative powers

Prime Minister

Zavala's next task is to convince congress to award temporary legislative powers to President Kuczynski for a period of 30-days, non-renewable. Among other things, these powers would include a faculty for the president to reduce the rate of VAT to 17% from 18%, as of 1 January 2017, which the government believes will support its planned expansion of the tax base, while also shifting the burden of tax towards wealthier Peruvians.

issue up to US\$2.5bn in bonds next year and re-structure some debt. The country also has access to a US\$2.5bn World Bank credit line.

The 2017 proposal is costed at PEN142.5bn (US\$42.2bn), the equivalent of 20% of GDP and a nominal increase of 4.7% over this year's budget. It is based on projected real annual GDP of 4% this year and 4.8% in 2017, as headline growth bounces on surging copper output at the now fully operational multi-billion dollar 'Las Bambas' mine in the south-central region of Apurímac. Thorne also expects a rebound of up to 5% in private sector activity next year, which will also stimulate domestic growth. His 2017 growth projection is a little higher than the latest central bank forecast, released on 31 August, which anticipates a result of 4.6%.

The budget is closely centred around Kuczynski's declared priorities: universal access to clean water and sanitation; improved public security; additional anti-corruption measures; the provision of quality public education and patient-focused healthcare; and infrastructure improvement aimed at boosting economic productivity and development.

Education sector gets a major boost

A sizeable PEN26.2bn (US\$7.75bn) goes towards education, an annual increase of 5.2%. Education spending will thus account for 18.4% of the total budget. As part of its bid for quality, the government wants to see a full school day implemented in 400 more schools by 2017, to include 31% of all urban secondary schools. The basic curriculum will also be expanded to include technology, art, and 'citizen formation'.

Security was the main issue in this year's general election, and voters largely supported the hard-line proposals of the FP presidential candidate, Keiko Fujimori, who lost the 5 June run-off to Kuczynski by a hair's breadth. Kuczynski is thus under immediate pressure to deliver. The public order and security budget is PEN9.36bn (US\$2.76bn), an increase of PEN1.0bn (US\$295m) over 2016. Of this, PEN4.76bn (US\$1.4bn) will go towards the dismantlement of criminal gangs, a crackdown on illicit drug sales and continuing police 'mega operations', with a particular focus on the 15-20 districts responsible for 60% of national crime statistics.

Kuczynski also aims to strengthen the public prosecutor's office, purge the police of 'dead wood', recruit 8,000 new trainee police, update equipment, and consolidate salaries for over 124,000 existing officers. In addition, there will be investment in the construction/improvement of 25 prisons. A huge new penitentiary in the city of Ica, the capital of the eponymous region, will go ahead.

Water and sanitation, which Kuczynski is personally very focused on, will receive PEN6bn (US\$1.78bn), of which PEN\$2bn (US\$590m) will be used to launch a new fund for public investment projects in the area. The housing ministry will manage this fund.

The health sector budget is PEN1.74bn (US\$515m), with 32 hospitals and 265 health centres targeted for investment to improve information technology and internal communications networks (including the roll out of electronic patient records) so as to enhance efficiency nationwide. Hospital waiting times are to be reduced gradually. There will be a specific focus on the treatment of tuberculosis in the country, including in prisons.

Finally, PEN15.4bn (US\$4.6bn) will go towards capital investment in transport & communications, urban housing & development, fisheries, and energy & mines. The aim is to improve economic links between remote areas of Peru and the larger provincial cities in order to foster more integrated markets and value chains.

Referendum approved as campaigning starts

“Do you support the final accord to end the conflict and the construction of a stable and durable peace?” This will be the question to which Colombian voters will have to respond ‘yes’ or ‘no’ on 2 October when the referendum on the peace deal sealed last week between their government and the Fuerzas Armadas Revolucionarias de Colombia (Farc) is held. On 29 August, Colombia’s lower chamber of congress and senate approved the staging of the referendum after receiving the accords from President Juan Manuel Santos four days earlier.

President Santos declared a definitive ceasefire on 25 August. This was reciprocated three days later from Cuba by the maximum leader of the Farc, ‘Timochenko’ (Rodrigo Londoño Echeverri), who ordered “every one of our combatants to cease hostilities definitively against the Colombian state”. Timochenko added: “Rivalries and resentment must remain in the past; today more than ever we regret so much death and grief because of the war; the war is over, let’s live together like brothers and sisters”.

The Farc’s 10th conference, to discuss the peace and the guerrilla group’s future as a political party, will take place between 13 and 19 September in San Vicente del Caguán, the municipality in the southern department of Caquetá at the centre of the demilitarised zone created for the guerrillas during the failed peace process between the government of former president Andrés Pastrana (1998-2002) and the Farc. Timochenko will later sign the accords with Santos.

Former president Alvaro Uribe (2002-2010), now a senator for the right-wing Centro Democrático (CD) orchestrating the ‘no’ campaign (which Pastrana is also behind), savaged the peace accord. Singling out several articles while waving a copy of the final accord in one hand, Uribe said it would “convert the Farc into a paramilitary group, at the service of the state”. He argued that the Farc had amassed enough illicit funds “to replace all the weapons it surrenders” and would be in a position “to buy votes”. Uribe insisted that “nothing justifies allowing Timochenko to be elected to the senate or even the presidency”. He also claimed that “the impunity” being offered to the Farc “would never have been accepted for the paramilitaries” who demobilised under his government in 2006 even though the massacres they carried out “are no different”.

If ‘no’ triumphs, it will create enormous uncertainty, although it would not necessarily spell the end for the peace deal. The constitutional court established that the referendum would only be binding for Santos, which means that congress, where the ruling coalition has a thumping majority, could ride to the rescue, although it is not clear precisely how as Santos stressed that the final accord could not be revised.

Semantic controversy

Former president Alvaro Uribe took issue with the question in the referendum selected by the government. The constitutional court had urged the government to create a “clear and precise” question for voters in the referendum that could not be confused. Uribe insisted the question should not contain the word ‘peace’ at all, as nobody was opposed to peace per se, and should be “neutral”, relating specifically to the accord reached in Cuba.

TRACKING TRENDS

PERU | Joining the OECD. Peru’s new deputy economy minister, Claudia Cooper, says that the government led by President Pedro Pablo Kuczynski will seek to implement all of the recent recommendations made by the Organisation for Economic Co-operation and Development (OECD) aimed at helping improve the country’s internal regulations and energise its economic growth. The OECD’s recommendations are based on best international practices in regulatory policy, which are expected to help combat corruption. The Kuczynski administration’s commitment to implementing these recommendations will reaffirm Peru’s stated aim of joining the OECD by 2021, joining its fellow Pacific Alliance members Mexico and Chile, with Colombia expected to complete its OECD incorporation process by next year.

Debt concerns

Concerns about Mexico's debt burden rest on the fact that while it remains moderate, it is higher than the government's revenue. According to a recent report by the Organization for Economic Cooperation and Development (OECD) and the United Nations Economic Commission for Latin America and the Caribbean (Eclac), Mexican government revenues currently stand at 19.5% of GDP, relatively low despite the recent fiscal reforms. In the past few years Mexico has sought to exercise fiscal responsibility by reducing public sector borrowing in an effort to maintain the confidence of international markets. But the economic slowdown appears to have frustrated these efforts. With its revision, S&P now considers that there is a one-in-three chance of a downgrade in Mexico's rating in the next 24 months.

Downbeat outlook as GDP contracts

Mexico's economy contracted by 0.3% quarter-on-quarter in the second quarter of 2016, the national statistics institute (Inegi) reported last week. This is the first quarterly contraction posted by Mexico's economy in the past three years and it has been widely taken as a sign that the tentative economic recovery of Latin America's second largest economy is now faltering, and that Mexico could once again be entering a period of slowing growth. On the back of Inegi's latest GDP figures, the finance ministry (SHCP) announced that it was revising down its economic growth forecast for the year from 2.2%-3.2% to 2.0%-2.6%, the second downward revision this year. This comes despite the fact that Inegi's figures showed that the economy posted 2.5% year-on-year growth in the second quarter.

According to Inegi the subdued second quarter growth came on the back of a fall in activity in the industrial sector due to lower demand for Mexican goods in the US, as well as the persistently low levels of domestic oil production resulting from the low price of oil in international markets. Industrial production in Mexico shrank by 1.5% quarter-on-quarter in the second quarter, the sharpest quarterly fall registered by the sector since 2009 when the global economy was still suffering the effects of 2007-2009 global financial crisis. Meanwhile the service sector, the largest contributor to Mexico's GDP, posted negligible 0.1% quarter-on-quarter growth in the second quarter on the back of reduced domestic demand.

The consensus among economists is that these internal (low domestic demand) and external (low demand in the US and persistently low international oil prices) factors will remain unchanged in the medium term, and this explains the SHCP's downward revision of growth. Benito Berber of Nomura Securities, a local analyst, warned that "it is very likely that this is the start of softer growth for Mexico", adding that the "probability of a recession is increasing".

This downbeat outlook is shared by international rating agencies. The day after the release of Inegi's second quarter GDP figures, Standard and Poor's (S&P) revised down its rating on Mexico's sovereign debt from 'BBB+' with a 'stable' outlook to 'BBB+' with a 'negative' outlook. S&P explained that the decision answered to the fact that despite the implementation of structural economic reforms, Mexico's economic growth has been "disappointing" in recent years; that it expected Mexico's economy to grow by "little more than 2% this year"; and that as a result of this the Mexican government would be unable to meet its ambitious objectives of reducing its debt, thus "increasing the vulnerability of public finances to adverse shocks".

Moody's responded to the second quarter Inegi figures by revising down its outlook on Mexico's banking sector from 'stable' to 'negative', citing a combination of factors weighing down on the domestic economy, including low international oil prices, the strong depreciation of the peso against the US dollar, and lower-than-expected growth in the US, as well as the recent increase in interest rates by the central bank (Banxico). Back in June Banxico sharply increased its benchmark interest rate in its latest attempt to prop up the peso.

The rating agencies are clearly concerned that lower economic growth combined with steady increases in the size of the public debt relative to GDP could affect Mexico's financial position. S&P noted that Mexico's public debt

Peña Nieto's miscalculation

Already struggling with low opinion poll ratings, the Donald Trump episode may further erode President Peña Nieto's standing at home. Even members of the ruling Partido Revolucionario Institucional (PRI) expressed their shock. "I haven't the faintest idea what Peña Nieto gets out of this, it is an historic error," said Luz Lajous, a former PRI federal congresswoman.

has increased from 34.3% of GDP in 2012 to a projected 48.5% of GDP for 2016. While this is still a moderate-sized debt, S&P forecasts that this is set to continue increasing at a rate of 4% per year over the next few years. This is higher than the SHCP target of reducing public sector borrowing to 3%-3.5% of GDP in 2016. Despite these downbeat forecasts, a recession is unlikely in the short term, but warning lights are flashing regarding the government's ability to service the public debt in the event of a major shock.

MEXICO | POLITICS & DIPLOMACY

Trump's daytrip to Mexico

US Republican Party presidential candidate Donald Trump had a busy day on 31 August, flying to Mexico City for a private meeting with President Enrique Peña Nieto in the morning, and then delivering a major campaign speech on immigration in Phoenix, Arizona in the evening. It was classic Trump showmanship – and it may set off a serious domestic political backlash against the Mexican President.

The unexpected Trump–Peña Nieto meeting, arranged at the last moment, could be justified from two points of view. For the Trump camp, with their candidate trailing in the race against the Democratic presidential candidate Hillary Clinton, it was a chance to seize the initiative, show their man in a statesmanlike role, and build media interest in the Arizona speech.

For Peña Nieto's advisers, the story was that the president was committed to defending Mexico's interests and because of that had invited both US presidential candidates to private meetings. Although Peña Nieto, many of his cabinet ministers, and most Mexicans had found Trump's campaign statements offensive, here he could be shown taking the opportunity to put Mexico's point of view on key issues such as trade and migration.

Many would conclude that the meeting was much more useful to Trump than it was to Peña Nieto. Indeed, for Peña Nieto it may have been quite the reverse: seriously politically damaging. The initial Mexican account was that the two men had "open and constructive" talks. Although there was no apology from Trump (among other things for characterising Mexicans as "rapists" and "criminals") he did speak of Mexican-Americans as "extraordinary workers who I respect". |

But the sting came in the tail: at his speech in Phoenix, Trump returned to full Mexican-bashing mode, stating: "We will build a great wall along the southern border. And Mexico will pay for the wall, 100%. They don't know it yet, but they're going to pay for it." In the same speech Trump said that, if elected, he would deport the 11m undocumented (and mainly Mexican) workers living in the US.

An angry Peña Nieto later protested he had told Trump that Mexico would not pay for any wall, adding: "His policy stances could represent a huge threat to Mexico...I told him that is not the way to build a mutually beneficial relationship."

The real danger for Peña Nieto is domestic: many Mexicans feel their president foolishly let himself be used by Trump. Ricardo Anaya, the president of the right-of-centre opposition Partido Acción Nacional (PAN) said, "Instead of making him apologise the government allowed Trump to complete the humiliation of the Mexicans". Carlos Loret de Mola, a presenter on the powerful Televisa TV network, concurred: "Trump can leave satisfied: the humiliation is complete".

The Zelayas divide again

The move by the ousted former president Manuel Zelaya (2006-2009) to put forward his wife, for a second time, as presidential candidate for the Partido Libertad y Refundación (Libre) has exposed divisions within the party. Zelaya has been accused of egoism and a very personalist agenda that in reality has little to do with the party's left-wing, trade union-based ideology.

Zelaya made his announcement on 25 August via Twitter. The Libre primaries are in March 2017, with the general election scheduled for November next year. However, Zelaya conditioned his announcement by declaring that if presidential re-election – which he publicly claims to oppose – is not permitted next year then he will back his wife's candidacy. But if presidential re-election is newly allowed for the 2017 contest, and the incumbent president Juan Orlando Hernández decides to run, then he too will throw his hat in the ring.

The thorny question of presidential re-election dates back to the June 2009 coup, when Zelaya was deposed by the military, on the orders of congress, after the supreme court ruled that he was trying to push through irregular constitutional changes allowing for presidential re-election. Seven years later, in April 2015, the supreme court suddenly ruled to suspend those articles of the constitution that ban it. Government opponents declared the unexpected ruling an attempt by Hernández's cronies in the ruling Partido Nacional (PN) to pave the way for his re-election in 2017, giving Hernández, in essence, exactly what Zelaya had been accused of seeking in 2009.

Although the supreme court has confirmed its ruling as definitive, the national congress has yet to pass enabling legislation to implement the reform. It is unclear yet whether the PN can muster the support of the other traditional party, Partido Liberal (PL), Zelaya's former party, which still has some residual internal elements loyal to him. Libre, the main opposition bench in congress, has vowed to block it. With the support of smaller allied parties, Libre has 40 votes. The PN and its allies have 54, while a crossbench comprising the PL and independents make up another 34 of the 128 seats.

In accepting her nomination as pre-candidate at a rally outside the supreme electoral court, Xiomara Zelaya declared herself a social democrat and promised that if elected president she would immediately convene a constituent assembly to reform the 1982 constitution, bound up in knots by a retreating military government, so as to make it more representative of the demands of Honduran citizens for social justice and inclusion. This was also her husband's stated ambition prior to his ouster in 2009. Xiomara lost the November 2013 election to Hernández by a margin of nine percentage points, taking 28.8% of the valid vote to his 36.9%. Still, she won just shy of 897,000 votes with a brand new and underfunded political vehicle, while Hernández, with the full weight of the PN's long-established electoral machinery behind him, took just under 1.15m. The splintered PL's Mauricio Villeda, meanwhile, was a distant third on just 20%.

Xiomara's candidacy is backed by the Frente Nacional de Resistencia Popular (FNRP), a radical left-wing faction of Libre controlled by union leader Juan Barahona, who declared that seven of the nine factions in Libre backed her. However, Libre Deputy Rasel Tomé, a rival pre candidate, has declared Xiomara's bid a front, paid for by "briefcase factions" (in order words paid temporary supporters) for her husband's presidential ambitions. If Xiomara secures the Libre nomination in March, he warned, the plan is for her to step aside a month or so later, allowing her alternate – Zelaya – to take her place.

Police reform

The police reform commission has asked the public ministry to investigate 20 senior national police officials, including three generals, on suspicion of "involvement in illicit activities". Also among the 20 are three commissioners whose statements of accounts showed "incongruities" ranging between US\$150,000 and US\$5.9m. Another 10 senior officials are suspected of abuse of authority, violation of duty, coercion, illegal detention, falsification of documents and fraud, among other crimes. The commission, set up by President Hernández in April in response to revelations of ongoing serious corruption and criminality in the force, has evaluated 946 officials since then, with 313 suspended, a third of the total. Previous police purges have been piecemeal at best.

Yoro municipalities under renewed scrutiny

On 30 August the public ministry intervened in the municipal offices of El Progreso and Yoro, the latter the capital of the eponymous department, in the north of the country, for suspected corruption, including the misuse of public funds and abuse of authority. The offices were raided by agents from the technical agency for criminal investigation and the special prosecutor for transparency and the fight against public corruption, with the support of the military police and the navy. The public ministry recently requested a six-month extension of an expiring two-year preventative detention order against the former mayor of Yoro, Arnaldo Urbino (of the nationally-ruling Partido Nacional), who was detained in July 2014 (along with two brothers) on suspicion of murder, drug trafficking, money laundering, and car theft.

This suspicion has also been voiced by Víctor Cubas, head of the PL, who described Xiomara as a “dummy candidate” for her husband. A well-known local political commentator, Raúl Pineda, agreed, suggesting that Zelaya has in fact been in backroom talks with the PN to accept re-election but is first fielding his wife so as to cover his tracks with an antipathetic public.

Aside from Tomé (of the Movimiento Renovación del Partido faction), other potential Libre aspirants for the party nomination include David Romero (Fuerza y Esperanza) and Jari Dixon (of the Avancemos faction). Romero, a journalist, was Xiomara’s campaign adviser in 2013, but latterly he has broken with the couple. Ahead of the March primaries, Libre is scheduled to hold internal elections on 30 October. Members will be asked whether they support a future constituent assembly and, if Hernández stands for re-election, whether they support Zelaya to run against him.

Black gold discovery nixed

Hopes were raised and dashed in the small community of El Guayabo (outside the town of Cucuyagua, in the northern department of Copán), after tests suggested that black liquid found on a housing site by a local construction worker was not oil, but most probably used industrial fuel. The disappointing news was delivered by a specialist engineer from the ministry for energy, natural resources, environment, and mining. Days earlier, the ministry had suggested it might send a sample of the liquid to the United Kingdom for analysis and verification, although it cautioned that the area was not among the six identified as potential oil sites in Honduras.

In 2013, the Honduran government awarded an exploration & production contract to BG Group (now owned by Royal Dutch Shell) in the Caribbean waters off La Mosquitia, a remote region located on the north-eastern Mosquito Coast, in the south of which the Rio Coco forges the border with Nicaragua. The 10-year deal gave BG Group exclusive exploration rights to 35,246km² of maritime territory, covering the Patuca and Mosquitia sedimentary basins (and amounting to 15% of the total potential hydrocarbons area in the country), with a condition that BG Group return 50% of the area to Honduras within four years, so as to allow the government to tender it to other interested parties.

In February this year, BG Group said it would issue a report in August on its exploration efforts. On 15 August, the deputy energy minister, Carlos Pineda, told local media that the company had 90% completed its mapping and analysis of the area, with a view to some exploratory drilling to ascertain the presence or not of viable commercial oil. The results of exploratory drilling at three potential well sites would be known by August 2017, he said. Each exploratory well will cost US\$60m, with the outlay assumed by BG Group (for recovery from any eventual commercial oil sales).

In its sub-marine analysis, BG Group had discovered a pristine coral reef, which despite lying within the exploration area would not be touched for environmental reasons, Pineda revealed. He also added that the ministry has received three other requests for exploratory licences for the land area of Mosquitia. As these lands are protected indigenous territories, the government would legally have to consult with local communities first, the minister stressed.

Honduran indigenous activists and environmentalists might take that assurance with a degree of scepticism. The country has a patchy record on protecting indigenous and environmental rights and one of its leading activists, Berta Cáceres (and subsequently one of her colleagues), was murdered just four months ago, almost certainly for her work against the construction of hydro-electric plants in remote rural indigenous areas.

Finally, Pineda noted that while there is no doubt that there is oil in Honduras, citing exploratory efforts dating back to 1966, whether this is commercially viable or not is another question. At current low global prices, he added, the Mosquito Coast area would have to produce 30,000 barrels a day to be economically feasible. Honduras has long been dependent on oil imports for its fuel and energy needs, which explains its structural balance of payments deficit.

Quotes of the week

“From today on, the expectations are much higher for the government. I hope that in these two years and four months, we do what we have declared – put Brazil back on track.”

Brazil's President Michel Temer reacts to the impeachment of Dilma Rousseff.

“I will be tougher than [Turkey's President Recep Tayyip] Erdoğan if they try and stage a coup in Venezuela.”

Venezuela's President Nicolás Maduro.

“Mexicans in the United States are honest, hard-working people. They are people that respect family, they respect the life in community, and they are respectful of the law. As such, Mexicans deserve everyone's respect.”

Mexico's President Enrique Peña Nieto while hosting US presidential aspirant Donald Trump.

POSTSCRIPT

Mexican federal police shaken up

Mexico's federal police commissioner Enrique Galindo was dismissed on 29 August. An official press statement from the interior minister, Miguel Ángel Osorio Chong, said Galindo had been removed on the instructions of President Enrique Peña Nieto “in the light of recent events...and to allow the relevant authorities to carry out an agile and transparent investigation”. No details were given on precisely what “recent events” were being referred to, but 11 days previously the national human rights commission (CNDH) had presented a damning indictment of federal police involvement in a May 2015 armed clash at the Rancho del Sol in Tanhuato, in the western state of Michoacán, in which 42 alleged members of the Cartel Jalisco Nueva Generación (CJNG) drug trafficking organisation (DTO) were killed.

Contrary to the federal police (PF) claim that all the deaths had occurred in combat, the CNDH report into the Tanhuato episode said at least 22 were the victims of arbitrary executions at the hands of PF; at least two were tortured while another suffered “cruel, inhumane, and degrading” treatment; and the police were also deemed guilty of destroying evidence and manipulating the crime scene.

This is not the only accusation against the police; a number of other investigations are in progress, including one into the deaths of at least eight activists demonstrating for the teachers' union Coordinadora Nacional de Trabajadores de la Educación (CNTE) in the municipality of Asunción Nochixtlán, in the southern state of Oaxaca, last June.

Galindo's departure was interpreted by some as a blow for Osorio Chong, who was his immediate boss, and a victory for Osorio's rivals, the finance and education ministers Luis Videgaray and Aurelio Nuño. It came as President Peña Nieto faces increasing pressure to show improvements in security and law enforcement across the country. Galindo's replacement, Manelich Castilla Craviotto, who had been head of the PF's recently created gendarmerie division, was quick to insist that human rights violations by the police were still “a very, very small percentage compared to the majority of operations which go well”. Osorio Chong challenged Castilla to provide better training for PF officers in human rights matters, as solicited by the CNDH in its report.

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