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## Colombia embarks on major reform agenda for a post-conflict era

The Colombian government led by President Juan Manuel Santos has announced two massive initiatives for politico-electoral and judicial reform to prepare the country for life after the implementation of the peace accords with the Fuerzas Armadas Revolucionarias de Colombia (Farc). Among the most salient features of the proposed reforms are the end of re-election to any public post; combating corruption and the nefarious influence of illegal armed groups on local elections by providing exclusive state campaign financing; cutting the voting age from 18 to 16 in a bid to stimulate greater interest in politics among the younger generation; creating a system of coordinated justice, with a nationwide presence; and inculcating a culture of efficiency, efficacy and speed in the justice system, qualities which are presently more honoured in the breach than the observance.

The last time any Colombian government sought to carry out such a significant overhaul of the domestic political and electoral status quo was when a constituent assembly gathered to draft the country's last constitution, which was promulgated in 1991 replacing the previous constitution of 1886. The purpose in 1991 was not just to adapt to the prevailing political, social and economic conditions over a century later but also to endow Colombia with institutions capable of coping with the tide of violence sweeping the country, while providing greater representation for excluded groups, especially on the left of the political spectrum. The peace process with the Farc undertaken by the government led by Belisario Betancur (1982-1986) had led to the formation of Unión Patriótica (UP), a party set up by primarily by demobilised Farc guerrillas.

The current politico-electoral reform outlined to congress by the interior minister, Juan Fernando Cristo, on 15 February aims to succeed where the architects of the 1991 constitution failed: to provide for the electoral participation of leftist political movements, specifically the future party to be established by the Farc and, if formal talks in Ecuador prosper, Colombia's second-largest guerrilla group, Ejército de Liberación Nacional (ELN). The first commission of the lower chamber approved legislation a day earlier which would allow the Farc's political participation.

Cristo's perverse denial of the existence of paramilitary groups in Colombia might not have provided the Farc with much reassurance. But, in an attempt to allay its concerns that guerrillas demobilising now will face the same fate as thousands of their forebears who joined the UP and were systematically exterminated by paramilitary groups, the government announced that a 1,200-strong security detail (some of which could be filled by demobilising guerrillas themselves) would be assigned to protect members of the Farc's future political party, as well as their families and party headquarters. Announcing the start of the disarmament process on 1 March, starting with explosives, the head of the Farc negotiating team in

## Electoral reform

The government's proposed politico-electoral reform will be amalgamated with the recommendations being drawn up by a special electoral mission and presented to congress. The mission, comprising seven independent experts, is debating measures which, among other things, will seek to improve the autonomy of the electoral authorities; to establish sanctions for political and electoral corruption, focusing on screening in the selection process and registration of candidates by political parties; and to reform the electoral system to give more input to areas where poverty and armed conflict have had the greatest impact while, because of sparser populations, the public has felt unrepresented.

Cuba, 'Iván Márquez' (Luciano Marín Arango), expressed the Farc's commitment to disarming but called for parallel guarantees for the juridical and physical security of demobilising guerrillas.

Under Cristo's proposals presidential re-election would be terminated, along with congressional, gubernatorial and municipal re-election, and that of the country's prosecutor general and attorney general. The current presidential term, however, would be extended from four to five years, while the position of vice-president, created in 1991, would be eliminated. Voting would be obligatory for two consecutive electoral terms. This coincides with the award of a guaranteed five seats in each of the 166-seat lower chamber of congress and the 102-seat senate for the Farc's future political party in the 2018 and 2022 elections. In a further bid to shake up the way politics have traditionally functioned in Colombia, Cristo proposed lowering the voter age to 16 and allowing citizens to propose laws if they can gather 100,000 signatures in support. He said the government would launch a campaign on social networks, REDforma, to inform the public on its greater level of political enfranchisement.

There would be closed lists for congress and the state would progressively assume 100% of campaign financing, which looks like a response to the present bribery scandal surrounding the Brazilian construction firm Odebrecht, which has compromised public officials in Colombia and elsewhere, and an attempt to snuff out candidates financed by drug money. A major electoral reform would see the creation of an electoral court within whose remit would be monitoring and eradicating illicit private campaign financing. Cristo said there would be "strict controls and oversight, giving teeth to the electoral court".

Cristo invited the country's political parties, especially the main right-wing opposition Centro Democrático led by Senator Alvaro Uribe, who, like President Juan Manuel Santos, benefitted from presidential re-election (2002-2010), to take the opportunity to improve Colombia's democracy. The CD is suspicious of an attempt to conflate broader politico-electoral reform with the narrower requirements of the peace accord. The government is keen to use the fast-track mechanism validated by the constitutional court to expedite the passage of any of the reform linked to the peace accords, such as lowering the voting age, but ending re-election, for instance, would have to be approved in ordinary debates.

The Santos administration's proposed reform of the justice system would be no less profound. There has been no shortage of attempts to reform the justice system, but on 24 February Santos presented a 10-year plan (2017-2027) to this effect based on five key planks: improved efficiency and speed combined with better training for those working in the justice system; greater accountability and safeguards for fundamental rights, better conflict management and juridical security; coordinated nationwide justice; technological modernisation; and a post-conflict and peace system. The justice ministry will drive the project with the participation of the superior council of the judicature, the attorney general's office, the comptroller general's office and the prosecutor general.

Santos revealed the reform proposal while appointing his seventh justice minister in as many years. Enrique Gil Botero, a former magistrate and president of the council of state who had been working at the Inter-American Commission on Human Rights (IACHR), would work to consolidate the rights of Colombians "starting with the supreme right...which is the right to peace", Santos said. Gil Botero replaces Jorge Eduardo Londoño, who resigned on 16 February because his party, Alianza Verde, asked him to join the leadership committee in preparation for the May 2018 general elections. And therein lies the challenge for Santos. Jockeying will soon begin ahead of the elections, meaning his government will need to get all of these reforms approved swiftly. The aim is to submit bills to congress by June and obtain approval well before 2018.

**Poverty increases dramatically**

**Just over four-fifths of Venezuelan households (81.8%) were living in conditions of income poverty last year, according to the latest (2016) Encuesta Condiciones de Vida (Encovi) released on 27 February by the private Andrés Bello Catholic University (UCAB). This latest estimate is up from 48% in 2014, suggesting that poverty has increased by more than two-thirds in just two years.**

That this period coincides with the global oil price crash illustrates all too well Venezuela's extreme dependency on oil, a dependency that has only become more reinforced under the left-wing Socialist government in office since 1999. Long since forgotten are the pledges of the late president Hugo Chávez (1999-2013) to beat the resource curse, end the decades of boom-bust and industrialise and diversify the Venezuelan economy. Managed properly, oil wealth is far from a curse, as Norway has shown. Norway, however, is the exception to the rule; and Venezuela is but the most recent acute example of how to blow it all via poor policy planning, continual government mismanagement and, worst of all, massive and pernicious corruption.

According to the UCAB, which produces the Encovi annually in collaboration with the main public Central University of Venezuela (UCV) and the (also-public) Simón Bolívar University, the poverty rate as measured under the Encovi was 45% in 1998, the year before Chávez first came to power. "Far from the government's claims", notes Daniel Fermín Álvarez of the UCAB magazine *PolítiKa*, "this has been a revolution of the miseries, in which thousands of Venezuelan families are facing, as never before, having to live in the most terrible circumstances".

The published Encovi fails to define its poverty line in earnings terms, but it reports that of the 81.8% of households it now categorises as 'poor in income terms', over half (52%) of those are now living in extreme income poverty, up from 23.6% in 2014. It puts cyclical poverty at 49.4% and chronic poverty at 31.1%, and notes that with the economic crisis continuing for a third consecutive year, cyclical household poverty is becoming structural, a pattern set to continue in 2017. Professor Marino González of the Universidad Simón Bolívar has previously warned that households living in extreme poverty "don't have access to food, they don't have the means to buy it, and therefore, they are in a fairly critical food and nutritional situation".

In this context, in its latest edition the Encovi also examined the role of the government's social welfare programmes, known as 'missions'. Encovi included the food mission (Misión Alimentación), which provides subsidised essential food items via state-run supermarkets and other outlets, its health care mission (Barrio Adentro), its housing mission (La Gran Misión Vivienda), and a general category of 'others' (which might include specific welfare programmes to help the very young or the elderly, for example). According to the survey, 8.6m people in Venezuela said they were beneficiaries of at least one mission in 2016. Overall, the Encovi estimated that 11.3m Venezuelans in total were beneficiaries of missions last year. That equates to 38% of the population (of about 30m, excluding recent emigration). Just two of every 10 respondents (or 21%) told researchers that they did not need social assistance last year, down from 36% in 2015.

By far the most important is the Misión Alimentación, with an estimated 6.7m beneficiaries in 2016, up from 6.5m in 2015. Those benefitting from

**Poverty**

As with most other official data, the Venezuelan government has ceased publishing its own poverty estimates. According to the last available figures from the national statistics institute (INE), 33.1% of households were classed as income poor in Q1 2015, of which 9.3% were living in extreme income poverty. On INE data, household income poverty was 42.8% in 1999, rose to a peak of 55% in 2003, and fell to a low of 21.2% in 2012, when the global oil price boom peaked. In September 2016, the World Bank reported that 33% of the Venezuelan population was living below the national poverty line in 2015, up from a little over a quarter (26.4%) in 2009.

## Encovi survey

The Encovi survey also examined nutrition, health, education, work and personal security conditions in Venezuela. Security is a fundamental problem, with young people most affected; 76% of the 28,000-plus people murdered in 2016 were under 35 years old, which may account for the fact that the vast majority of young people want to emigrate. Elsewhere, over 74% of respondents reported losing at least nine kilos in weight in the previous 12 months with 86% eating just once a day. Some 4% of respondents were believed to be suffering from malnutrition, a long way from Hugo Chávez's promises of food sovereignty.

healthcare under Barrio Adentro dropped to 1.8m in 2016, from 2.6m the previous year. With beneficiaries of housing and other missions remaining stable, this suggests that the government has shifted its scarce resources from health to the (more critical) food mission.

Overall, however, total mission coverage was stable in 2016, only up marginally from 11m in 2015 – meaning that the increase in poverty (cyclical and structural) is not being matched by a similar increase in public spending to insulate those affected by the steep recession in the country. Moreover, the Encovi suggested that the missions remain very badly targeted. While 4.2m people classed as 'poor' said that they were not mission beneficiaries last year, a larger number of 'non-poor', 4.4m, said they were beneficiaries. In conclusion, the survey says that current government policies are summarily failing to prevent households slipping into entrenched poverty.

## VENEZUELA | POLITICS

### Elections – to be or not to be?

The secretary general of the Organization of American States (OAS), Luis Almagro, is piling pressure on the government led by President Nicolás Maduro to set a date for the delayed and pending state and municipal elections, holding up the threat of fresh moves to activate the OAS democratic charter against Venezuela otherwise. Almagro claims that elections are the only way out of the entrenched political and socio-economic crisis in the country. Maduro remains impassive, if not insouciant, stating this week that he simply did not know when the (government-controlled) national electoral authority (CNE) would organise the polls. However, he noted, if and when the CNE does set a date, the ruling left-wing Partido Socialista Unido de Venezuela (PSUV) needs to be "in a position to win".

Right now, the PSUV would be trounced in any kind of ballot. The CNE delayed the scheduled December 2016 regional elections when polls suggested that the PSUV would only hold onto three or four of the 23 state governorships, from the 20 it won in 2012.

Although elections have been delayed before, Venezuela has never not held a scheduled vote under the current left-wing Socialist administration. When oil prices were booming and government popularity high, *Chavismo* positively delighted in regularly reinforcing its mandate at the polls. When oil prices dipped, and with that the government's popularity, it used the control it enjoys over the CNE to tilt the electoral playing field in the PSUV's favour, which usually delivered the results it sought.

*Chavismo* has been successful in designing strategies to remain in power. The crisis in the country is now such that the CNE is having to resort to ever-more creative ways of ensuring the PSUV's hold on power; hence the delay in calling the pending regional polls. The aim, it would appear, is to get to have elections with far fewer competitors. The Venezuelan opposition calls this 'a Nicaraguan solution', whereby ostensibly democratic elections are held, but in the almost total absence of a competitive opposition. Maduro's (repeated) comments about the PSUV's need to be "more competitive" in any eventual elections echoes this.

Venezuelan political scientists make comparisons with the Soviet model, whereby the ruling party "takes over all the spaces of power, the public power, the communications media, the education system". "If you analyse Venezuela's legal fabric you will notice the connections, that there is a great deal of clarity to this plan," observes Professor Piero Trepiccione of a local (Jesuit) research foundation, Centro Gumilla.

## Plummeting popularity

President Kuczynski's very favourable press in the US contrasts rather starkly with his flailing popularity at home. On 22 February, the magazine *Americas Quarterly*, published by the New York-based Americas Society/Council of the Americas, ran an article entitled '*Latin America's Trump Whisperer*' suggesting that Kuczynski could help convince Donald Trump of the benefits of positive US engagement with Latin America. Back in Peru, media speculation centres on whether Kuczynski's minority executive will even survive a full term in office, as the fallout of major corruption scandals continues. According to pollsters GFK, Kuczynski's approval rating fell

## Struggling at home, Kuczynski heads abroad

President Pedro Pablo Kuczynski has become the first Latin American president to be received in the White House by the new US president Donald Trump. Kuczynski, struggling at home with a precipitous decline in his popularity ratings, said the meeting was a "great success" ('exitazo'). Critics huffed that 'El Gringo', who renounced his US citizenship last year to compete in the Peruvian presidential race, had only gone to the US to be feted by his alma mater, Princeton University.

Not unlike President Trump's insistence on the size of his inauguration crowd, President Kuczynski insisted that his private audience with Trump in the White House lasted not three minutes, but 15, followed later with "almost" another hour in the company of senior advisers. Trump, he said, had also come out front to receive him. The talks, according to Kuczynski, centred largely on trade and economic development. However, Kuczynski also stressed that he had told Trump that "we prefer bridges to walls", and emphasised that Peruvian migrants in the US – many of them refugees from the country's terrorist violence in the 1980s – were not criminals. Kuczynski has been one of the Latin American leaders most vociferously critical of Trump's proposal for a wall on the US-Mexican border, while he has also consistently argued against Trump's protectionist trade stance.

In one of those awkward joint press conferences becoming typical of the new White House, Trump declared that Peru had been "a fantastic neighbour... We've had great relationships – better now than ever," before proceeding to enquire about Kuczynski's daughters (both US residents, one an occasional *New York Times* journalist who last year profiled Melania Trump for *Harpers' Bazaar*). Trump then said the two were going to talk "some business; I understand they're going to be buying quite a bit of our military – some of our military vehicles. And they are great vehicles. I just looked at it and we're approving it." Trump also said that Venezuela would be on the agenda, noting that "we have a problem with Venezuela. They're doing very poorly" (see box). The more sensitive issue of Peru's extradition request for former president Alejandro Toledo (2001-2006) was broached, it appears, although Kuczynski gave no details.

### Kuczynski on Venezuela

"The US focuses on areas that cause trouble... the Middle East and so on. It doesn't spend much time on Latin America... It's like a nice dog that's sleeping on the carpet there, not causing any problems," President Kuczynski said in his address at his alma mater, where he was awarded the James Madison Medal as a distinguished Princeton graduate.

"But in the case of Venezuela, it's a huge problem," Kuczynski noted, going on to emphasise that the challenge was to make other countries realise that Venezuela is a regional problem. "What's happening right now is that we have to get all the governments to be aware that the problem of one significant country is a problem for everyone... and that's hard to do," he continued, warning of a spillover of Venezuelan migrants into Colombia, Curaçao and "in plane loads" to the US. Notably, the US government's Citizenship and Immigration Services (USCIS) has just reported that 18,155 Venezuelans submitted asylum requests in 2016, a 150% increase over 2015 and six times the number of requests in 2014. In fact, Venezuelans last year led asylum requests to the US for the first time ever, followed in second place by China (with 17,745).

Kuczynski also remarked that at a recent regional summit he had told Venezuela's foreign minister, Delcy Rodríguez, that the Caracas government was "unsustainable" and "had to go". "Obviously, this was not very popular with her," he quipped.

**Manabí**

Guillermo Lasso condemned the release of a recording this week purporting to be the voice of the president of his party Movimiento Creó, César Monge, referring in derogatory terms to the northern coastal province of Manabí. Lasso said it was part of a dirty campaign “by desperate people”. Tins of tuna were hurled at Creó offices and the Banco de Guayaquil Manabí, where Moreno won his most emphatic victory over Lasso in the first round. Lasso insisted that he had Manabí roots (his mother was born there and married in the provincial capital of Portoviejo, before moving to Manta) and “would never dare to insult the province or allow it to be insulted”. President Correa defended the protest action by some supposed inhabitants of Manabí during his Saturday broadcast.

**Lasso moves into pole position**

Just days after Guillermo Lasso managed to squeeze into the second round of Ecuador’s presidential elections by the skin of his teeth he is favourite to succeed President Rafael Correa. Lasso, of the centre-right Movimiento Creó, who finished some 11 percentage points adrift of Lenín Moreno of the ruling left-wing Alianza País (AP) in the elections on 19 February, now enjoys 52.1% of voter intentions to 47.9% for Moreno, according to a survey by the national pollster Cedatos.

Cedatos was the most reliable of the pollsters in the first round. Its exit poll accurately predicted Moreno’s vote of 39.4% to the decimal point and only slightly exaggerated Lasso’s 28.1% result, predicting he would win 30.5% of the vote. The survey of nearly 3,000 respondents was carried out in 15 of the country’s 24 provinces in 23 principally urban centres. A total of 81% of respondents said they had already decided for whom to vote in the run-off.

The result of the survey is disturbing for Moreno because it was in urban centres that he excelled in the first round. Lasso, by contrast, fared well in rural areas, defeating Moreno, for instance, in the country’s six smallest provinces. This suggests that the majority of the voters who backed Cynthia Viteri, of the traditional Partido Social Cristiano (PSC), in the first round have transferred allegiance to Lasso now. Viteri performed strongly in urban areas, especially Ecuador’s largest city of Guayaquil where she soundly defeated Lasso. The long-serving mayor of Guayaquil, Jaime Nebot, President Correa’s most credible political opponent of the last decade, backed Viteri in the first round. Nebot said he would now vote for Lasso “despite the insults heaped on me by [some of his backers]”. Nebot added: “We have to save Ecuador from the socialist plague that would make of it another Venezuela”.

There is a direct parallel between the current sequence of events in Ecuador and what happened in Peru in April last year when Pedro Pablo Kuczynski just crept into the second round a long way behind Keiko Fujimori. Just like Lasso, Kuczynski swallowed all of Fujimori’s lead in an early poll after the first round before the run-off campaign even got going as the anti-Fujimori vote coalesced around him. Lasso might want to bear in mind that Fujimori clawed back the five-percentage-point deficit from that particular poll and eventually the two were separated by fractions in the second-round contest.

The parallel between Lasso and Kuczynski goes beyond the presidential elections. Fujimori’s Fuerza Popular (FP) had an absolute majority of 73 of the 120 seats in congress after the concurrent legislative elections in Peru. Ecuador’s national electoral council (CNE) published the results of the country’s legislative elections on 1 March. Moreno’s AP will not only be the largest single bloc by some distance in the 137-seat national assembly but it will also retain an absolute majority, with which it could approve, reform or annul laws, providing a major obstacle for a Lasso administration, though it has lost its two-thirds majority required to carry out constitutional reforms.

One of the biggest political problems in Ecuador’s history has been the recurrent tension between the executive and the legislative branch of government. Even Correa did not secure a coveted two-thirds majority in the national assembly until 2013. If Lasso wins he will face a large hostile AP bloc. Speaking on his weekend broadcast, Correa expressed his confidence that the AP would win an absolute majority and threatened to resort to the mechanism of ‘muerte cruzada’ (dissolving the national assembly and the

## **Nespresso to sell Caquetá coffee**

On 20 February gourmet coffee brand Nestlé Nespresso announced that it would soon offer a limited-edition coffee grown in Colombia's southern Caquetá department. Caquetá is one of the areas most affected by Colombia's internal armed conflict. However, Nespresso said that following the peace deal reached with the Fuerzas Armadas Revolucionarias de Colombia (Farc) last year it decided to launch the 'Aurora de la Paz' project under which 1,045 small-scale Caquetá coffee producers are to grow coffee for the firm. Although the project initially aims to support producers in Caquetá, there are plans to expand it to other areas long affected by the conflict. The Aurora por la Paz coffee range will be exported to Europe, Australia, Mexico, and New Zealand.

presidency to force fresh elections) if Lasso were elected and sought "to pursue us" or "destroy what we have achieved".

The constitution allows the national assembly, with a two-thirds majority, to call fresh presidential and congressional elections. "The best way to keep me far away is to behave well," said Correa, who is expected to head to Belgium with his wife Anne Malherbe after his term ends in May. "If they behave badly we will see them in a year and beat them again," Correa added.

## **Lasso tries to forge united opposition bloc**

Before that point of course Lasso needs to defeat Moreno in the second round. While he has secured the public backing of Viteri and Nebot and, the Cedatos survey suggests, many of their supporters, Lasso faces a sterner challenge to win over the other opposition candidates, who will want something in return for endorsing his candidacy.

Paco Moncayo, who finished fourth in the first round for the left-wing Acuerdo Nacional por el Cambio, has called for a national dialogue with Lasso. Pachakutik, the political arm of the umbrella indigenous organisation Conaie and the mainstay of Moncayo's coalition, was bitterly opposed to Ecuador's successive 'neo-liberal' governments prior to Correa, and Lasso's policy proposals puts him squarely in that bracket. That said Pachakutik has been even more stridently critical of the Correa administration. The president of Ecuarrunari, Carlos Pérez Guartambel, was clear that Lasso was the lesser of two evils: "a banker is preferable to a dictatorship that has stripped away our land, declared a state of exception, and locked us up in jail."

The state of exception declared by the Correa administration in the southernmost province of Zamora Chinchipe in response to the murder of a police officer seeking to evict indigenous protesters from an open-pit copper mine, contributed in no small part to Moreno's thumping defeat at the hands of Lasso in the province in the first round.

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## **TRACKING TRENDS**

**COLOMBIA | Lowest growth since 2009.** On 22 February, the director of Colombia's national statistics department (Dane), Mauricio Perfetti, reported that Colombia's economy grew by 2% in 2016, compared to 3.1% in 2015.

The 2016 year-end growth rate is the lowest posted by Colombia since 2009 (1.7%), and far from the peak of 4.9% observed in 2013. Even though economic activity increased by 1.6% during the last quarter of 2016, compared to 1.2% during the previous quarter, this was well behind the growth of the last quarter of 2015 (3.4%). Yet despite the disappointing 2016 result, President Juan Manuel Santos stressed that the economy managed to grow under difficult circumstances, including the reigning global economic uncertainty, low international oil prices, and the serious negative effects produced last year by the 'El Niño' climatic phenomenon, which produced severe droughts in Colombia.

According to Dane figures, the sectors that grew the most in 2016 were finance and real estate (5%); construction (4.1%); and manufacturing (3%). The finance sector was the main driver of growth accounting for 51.2% of the total. On the negative side was the mining and extractives sector, in which activity fell by 6.5%, marking six consecutive quarters with negative growth on the back of persistently low oil prices.

Oil extraction fell by 11.1% compared to 2015 whereas coal and metal extractions increased by 5.8% and 4.3% respectively. The poor performance by the extractive industries had a sharp impact on Colombia's exports, which fell by 13% in 2016.

Analysts estimate that Colombia's economy will grow by between 2.2% and 2.5% this year, as the country is likely to experience continued low demand for its exports, with its main trading partners expected to post moderate growth this year.

**Temer names new justice minister**

President Michel Temer has appointed Osmar Serraglio, from the ruling Partido do Movimento Democrático Brasileiro (PMDB) party, as his new justice minister. Like Temer, Serraglio has strong legal credentials and made a name for himself at Brazil's federal chamber of deputies. Moreover, Temer once taught Serraglio when he was studying for an MA in law at the University of Curitiba.

Serraglio replaces Alexandre de Moraes, who left the government earlier this month to become a justice for Brazil's supreme court. As justice minister Serraglio's main responsibilities include managing Brazil's police force, enforcing drugs policies, and controlling Brazil's prisons. Owing to the sensitive nature of the departure of Moraes, who left the government in the middle of a lethal police strike in the state of Espírito Santo, the handover could have been smoother.

So far, Serraglio has been tight-lipped about how he intends to run the justice ministry. The only thing he has confirmed since accepting the job on 23 February is that he will collaborate with the police and not interfere with the anti-corruption probe 'Operation Car Wash'. "[Temer's] order is to keep a safe distance [from Car Wash] because everyone knows that whatever you touch may get contaminated so it's best for you to leave it alone," he said in an interview with daily news site *Folha de São Paulo*.

Serraglio's newfound support for anti-corruption initiatives appears to contradict his stance on such matters during the 19 years he spent in the chamber of deputies. Last year, Serraglio publicly defended a 'political amnesty' bill, making it more difficult to accuse corrupt officials. His past ties to former speaker of the lower chamber Eduardo Cunha, who was impeached for corruption and money laundering, has also been widely derided by columnists. "If Osmar Serraglio shows the same competence in the justice ministry as he did defending his former ally Eduardo Cunha, Michel Temer is doomed," writes Pedro Ladeira in an opinion piece for *Folha de São Paulo*. "Cunha lost the presidency [of the chamber of deputies], his mandate and his freedom."

Earlier this year, Serraglio attracted controversy when he pushed forward a bill, PEC 215, to change the way indigenous lands are demarcated. Indigenous leaders interpreted the bill as an infringement of their rights, calling it the "PEC of death" and claiming it favoured the interests of agricultural groups over their own land rights. As justice minister, Serraglio will now control the government indigenous rights agency Funai, in what could become a rather rocky relationship.

**Temer's cabinet depleted**

Temer lost two ministers in as many days to ill health last week. On 22 February, the foreign minister, José Serra, handed in his resignation having previously complained of back pain. It is rumoured that Serra was unhappy in the job and felt snubbed when Temer rejected his initial application for finance minister. Serra's successor is also likely to come from centre-right party Partido da Social Democracia Brasileira (PSDB) as Temer moves to solidify the party's support in congress.

Then on 24 February, Brazil's chief-of-staff Eliseu Padilha went on temporary leave to undergo surgery. His absence comes at a critical time for Temer as he

**Temer seeks new foreign minister**

A vacancy has arisen for Brazilian foreign minister following the surprise resignation of José Serra. PSDB senator Aloysio

Nunes, Brazil's US ambassador Sérgio Amaral and former ambassador to the UK Rubens Barbosa

are all touted as potential successors.

If Nunes is successful, this could worsen diplomatic relations between Brazil and Venezuela.

In June 2015, Nunes went on an abortive trip to Venezuela to visit political prisoners, angering the Bolivarian government.



### **33 injured in sambadrome accident**

Carnival got off to a bumpy start this year. On the opening night of Brazil's world-famous samba parades, staged in the Rio de Janeiro, a parade run by the Paraíso do Tuiuti samba school veered off course, injuring 20 revellers as the float bashed into a barrier. Two days later, more chaos ensued when the roof of a float manned by rival samba school Unidos de Tijuca collapsed, crushing 15. Both parades took place in the Sapucaí sambadrome, owned by the municipal government. Despite these safety concerns a statement on the official carnival website sponsored by the tourism ministry (Embratur) last accessed on 1 March reads "During parade days, the Sambadrome is considered the safest place in all of South America. There is a high concentration of international celebrities, politicians and members of the royal family among the crowds. The Sambadrome is surrounded by huge barriers...for safety reasons."

moves to forge ahead with a social reforms bill. In an unorthodox move, Temer will be taking personal responsibility for dealing with congress, signalling the stakes for his upcoming pensions reform are high.

### **Carnival loaded with political overtones**

On 24 February, Temer took a break from the Planalto palace to experience carnival, with his wife Marcela and son Michelzinho in Salvador, the capital of the north-eastern state of Bahia. But any hopes Temer may have harboured about leaving politics behind were soon crushed. That evening, a surprise performance of *Alegria Alegria* by songwriter Caetano Veloso being held in the historic quarter of Pelourinho was cut short after the crowd started calling for Temer's resignation.

The following day, in Recife, the state capital of Pernambuco, Russo Passapusso, lead singer of electronic trio *Baianasytem*, also staged an anti-government intervention. From the peaks of the hilly artistic district, Olinda, he shouted "Out Temer!" and "fascists shall not pass". The president of the local carnival committee (Comcar) Pedro Costa then retaliated by threatening to ban the group from future carnivals. Mixing music and politics violated the carnival's code of ethics, he argued. However, Bahian governor Rui Costa, from the left-wing opposition Partido dos Trabalhadores (PT), later overruled this decision and defended the singer's right to protest. "We live in a country which respects democratic rights...he [Passapusso] had the right to voice his opinions and was backed by the crowd," argued Costa during a press conference on 26 February.

Elsewhere, carnival goers in the city of São Paulo staged anti-government parades dressed as vampires, likening Temer to Dracula for imposing strict austerity measures. Further south in the city of Rio de Janeiro, an estimated 20,000 people took part in various political protests against the Temer administration. In one such demonstration, a satirical samba group wrote a 'homage' to Temer canvassing all his campaign defeats so far from not becoming president of the student committee in his 20s to an unsuccessful candidacy to become PMDB leader later in life; in a not-so-subtle reference to his status as unelected president. Others called for new elections. Despite the scale of these protests, they did not receive coverage on most Brazilian TV channels, prompting concerns about government censorship.

Far from targeting the PMDB in particular, Temer was just one in a long line of public figures to be ridiculed this carnival. Over the past weekend, the familiar cardboard cut-outs of former president Lula da Silva (2003-2011) donning a prisoner's uniform which filled the streets in the run-up to the impeachment of former president Dilma Rousseff (2011-2016) was once again ubiquitous.

Others capitalised on the opportunity to lampoon businessmen and politicians shamed by 'Operation Car Wash'. This inspired a series of political ditties by lawyer-turned-songwriter Thiago de Souza by the *Marcheiros* band, all of which are available on *YouTube*. One of their catchiest tunes, called 'Hotel Bangu', ironically alludes to the prison where former Rio de Janeiro governors Sérgio Cabral and Anthony Garotinho plus ex-billionaire Eike Batista are being held. "It's all the rage / in all of Zona Sul / for VIPs to stay at Hotel Bangu," goes the refrain.

Far from being uncharacteristically subversive, satire is deeply embedded in the carnival tradition. Drawing on the Brazilian proverb "it's better to laugh so you don't cry", activists, artists and musicians channelled a growing sense of public disenchantment to make carnival goers more politically aware. More than just expensive samba parades (*see sidebar*), the ability for Brazilians to occupy open spaces and stand up for their democratic rights through music underpins the essence of carnival, argued the weekly magazine *Brasil de Fato*.

**Llano and Lugo**

The PLRA delegates voted by 319-235 against presidential re-election at the party convention. It was not an overwhelming victory, and Senator Blas Llano, whose faction of the party favours re-election, suggested he might force another convention if he felt he had the backing of PLRA supporters. The convention was a setback, however, for Llano and former president Fernando Lugo (2008-2012) of the leftist Frente Guasú. Delegates approved a motion allowing the PLRA to forge alliances with other parties for the general elections in 2018 but only behind a PLRA presidential candidate. This rules out a repeat of the experiment in 2008, favoured by Llano, when the PLRA supplied a vice-presidential candidate, Federico Franco, on a slate headed by Lugo, who is hoping to stand for election again.

**Re-election debate takes centre stage**

Paraguay's congress returns from recess on 2 March with one word on everyone's lips: re-election. President Horacio Cartes is determined to seek re-election in 2018. Domestic politics is dominated by the imminent prospect of the principal faction of the ruling Asociación Nacional Republicana-Partido Colorado (ANR-PC) tabling a new motion in congress to remove the current constitutional bar on re-election. The largest faction of the main opposition Partido Liberal Radical Auténtico (PLRA), and the dissident wing of the ANR-PC, has denounced Cartes as a latter-day General Alfredo Stroessner, the dictator who ruled the country with an iron fist from 1954 until 1989, and will try and thwart him.

In early January the ANR-PC presented a petition to the supreme electoral court (TSJE) containing 366,000 signatures calling for a referendum on whether to allow presidential re-election. The main faction of the PLRA led by party president Efraín Alegre began a signature-collection campaign of its own in favour of impeaching President Cartes for seeking re-election. The PLRA argues that the senate rejected a constitutional amendment proposal last August to allow re-election and that by law discussion of the same issue should be prohibited for one year, which would preclude a re-election bid by Cartes in the 2018 general elections. The ANR-PC is undeterred, insisting that there had been no proper debate and maintaining that there is public appetite for presidential re-election.

Violence erupted in the PLRA party convention on 25 February in Coronel Oviedo, the capital of the east-central department of Caaguazú, where a majority of delegates voted to block re-election. Delegates approved a motion adjuring PLRA legislators to leave both the lower chamber and senate without quorum if the ANR-PC moves to debate re-election. The convention also agreed to bar PLRA senators and deputies for standing for the party in future elections for 10 years if they vote in favour of presidential re-election in congress. Fierce exchanges took place between the faction led by Alegre, and those loyal to Senator Blas Llano, a former congressional president who favours re-election. As tempers frayed chairs and punches were thrown, prompting the intervention of the police. The convention was punctuated by booing and whistling.

**EPP: obstacle to re-election**

Should the ANR-PC manage to overcome the various obstacles in its path to enable Cartes to stand for re-election, his hopes of actually winning will be damaged by his failure to deliver on a promise to bring the small guerrilla group Ejército del Pueblo Paraguayo (EPP) to its knees swiftly. On 25 February the EPP released an 18-year-old Mennonite boy, Franz Wiebe, it had taken hostage in July last year. Cartes celebrated Wiebe's release, and the interior minister, Tadeo Rojas, who has only been in the post for four months, congratulated the military-police task force (FTC), for "never giving up" and "redoubling its efforts" to disband the EPP. But the opposition slammed the FTC's failure to land any blows on the EPP (sentiments that were echoed by the public on social media). It pointed out that Wiebe was only released because his family delivered food and other basic goods worth some US\$50,000 to landless farmers as demanded by the EPP.

The EPP had initially demanded a US\$700,000 ransom but changed this after realising that Wiebe's family were small farmers and not estate owners and did not possess this sum of money. The EPP is holding another Mennonite, Abraham Fehr, taken hostage in August 2015, from a wealthier family, for whom it is demanding a US\$500,000 ransom, as well as a non-commissioned police officer, Edelio Morínigo, abducted in July 2014.

## Attempting to build new working relationship with the US

Last week marked the start of a new era of Mexico-US relations. On 23 February US Secretary of State Rex Tillerson and US Secretary of Homeland Security John Kelly became the first officials from the new government led by President Donald Trump to conduct an official visit to Mexico. Given that throughout his electoral campaign, and since taking office in January, Trump has advocated 'America first' policy measures, considered by many to be anti-Mexican, relations have become strained between the two 'strategic partners'. The visit was the first major effort to develop a working bilateral relationship after President Enrique Peña Nieto decided to cancel his scheduled official visit to Washington DC on 27 January.

That the Trump administration decided to send two top officials to Mexico at the same time (an unusual occurrence) was probably intended to show that for all of Trump's rhetoric and bravado, the US government is keen to maintain good relations with its southern neighbour. Prior to the visit Trump himself told US media that he had warned Tillerson that it would be "tough" given the recent friction between him and President Peña Nieto.

"[It's] going to be a tough trip. Because we have to be treated fairly by Mexico... But he is over there with General Kelly, who has been unbelievable at the border," Trump said alluding to Secretary Kelly's visit to the US-Mexico border to oversee the plans to build a border wall and expedite the deportation of undocumented migrants prior to his arrival in Mexico City.

Trump went on to say that his administration was looking to have a positive relation with Mexico but that it would not go out of its way to attain this. "We are going to have a good relationship with Mexico... [but] if we don't, we don't," Trump said. However, Tillerson and Kelly appeared to adopt a suitably conciliatory stance during the official visit despite Trump's comments and the frosty reception they received from the Mexican public and media (see sidebar). The two US officials first held a series of working meetings with members of Peña Nieto's cabinet led by Foreign Minister Luis Videgaray, in which they went over the bilateral agenda (a task that Peña Nieto and Trump were expected to undertake during January's cancelled visit).

After the meetings officials from both countries gave a joint press conference. Videgaray said that he and his colleagues had expressed their "concern" and "irritation" at the policy measures on migration and border security adopted by Trump, which "can be harmful for Mexicans"; and voiced their dissatisfaction with a country like the US taking unilateral decisions that directly affect the rights of individuals from other countries. According to Videgaray, all of these concerns were well received by the US officials, who agreed that the best course of action to address the concerns was to work closely together with all countries involved to protect migrant rights – in this case the Central American nations supplying the majority of migrants trying to cross the US border illegally from Mexico.

For their part, Tillerson and Kelly reiterated that the US government's intention is to maintain a working relationship with Mexico and continue to cooperate on issues that interest both nations. "We are in agreement that both countries need to take advantage of this opportunity to modernise and

### Frosty reception

After Tillerson and Kelly arrived in Mexico City on 22 February local civil-society groups, including groups of US expatriates living in Mexico, staged small but colourful demonstrations outside the US embassy in rejection of President Trump's anti-Mexican policy stances. Ralston Darlington, the leader of the US Democratic Party in Mexico, said that "we want to offer our support because Mexico and the US are allies, not enemies". In larger demonstrations in central Mexico, demonstrators held up banners declaring the US officials to be persona non grata. Meanwhile senators from Mexico's left-wing opposition Partido de la Revolución Democrática (PRD) said that Kelly and Tillerson were "not welcome" because they "represent a threat to world order and the coexistence of our nations".

## Peña Nieto meeting

The meeting between President Peña Nieto and Tillerson and Kelly lasted 40 minutes. Afterwards Peña Nieto's office released a statement saying that discussions had focused on maintaining open bilateral dialogue, with Peña Nieto highlighting "the will of both governments to follow this path, always respecting the sovereignty of each country". But the statement added that "the president also pointed out that Mexico will adopt a firm position of defence of its national interests in any negotiations with the US" – an allusion not just to changes in US migration policy but also to the upcoming renegotiation of the North American Free Trade Agreement (Nafta).

overhaul our relationship," Tillerson said. He added that the officials had agreed to maintain "law and order" along the shared border to combat transnational crimes such as the trafficking of drugs, firearms, and people.

Meanwhile, Kelly offered assurances that despite Trump's vows to deport millions of undocumented migrants and suggestions that the US armed forces could be drafted in to do this, the US government intends to fully respect foreign nationals' rights. Trump's remarks heightened concerns in Mexico that the US authorities were planning to round up thousands of undocumented migrants from Mexico and Central America and summarily deport them, saddling the Peña Nieto administration with the problem.

But Kelly was clear that the US was not planning "mass deportations" of undocumented migrants and there would not be any "military operations" against them. He added that the US plans to "maintain close collaboration with the Mexican government" when it comes to controlling migration including of those seeking to enter the US illegally from Central America via Mexico. The assurances offered by Tillerson and Kelly were well enough received that they were invited to hold a private meeting with Peña Nieto.

Upon the arrival of the US officials, the prospect of such a meeting looked distant, with Mexican cabinet members saying that this would depend on the outcome of the working meetings. But after the joint press conference, Videgaray announced that the officials would be holding a closed-door meeting with Peña Nieto at the Los Pinos presidential residence (see *sidebar*). Despite this positive development, significant challenges lied ahead. Economic relations, for one thing, could prove to be a sore issue with Trump recently backing a proposal to introduce a 20% 'border adjustment tax' on imports from Mexico to protect US producers. As Videgaray noted, although the Tillerson and Kelly visit served to find "common ground" between the Peña Nieto and Trump administrations, reaching a general consensus will be a "long" and "complex" process.

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## TRACKING TRENDS

**MEXICO | Respectable GDP growth.** The Mexican economy grew by 2.3% in 2016, down from 2.6% in the previous year, according to the national statistics institute (Inegi). GDP growth was driven by the primary sector (4.1%) and the tertiary services sector (3.4%). Services account for nearly two-thirds of Mexico's GDP. The secondary sector (industrial output), which accounts for 18% of the country's GDP, saw no growth in 2016.

The overall economic expansion was sustained by the resilient domestic demand for goods and services. But the lower GDP growth could be attributed to three factors: the 6.4% decline in the mining sector; the contraction of public spending; and the fall in external demand from the US. Despite the uncertainty caused by the electoral triumph of Donald Trump in the US last November, the Mexican economy still managed to expand by 2.4% year-on-year in the final quarter of 2016 in real terms. The real impact of Trump's victory will not be discernible until the first quarter of this year, however, and when the imminent renegotiation of the North American Free Trade Agreement (Nafta) gets underway.

The other dark cloud on the horizon is inflation. This stayed low, at just 3.36% in 2016, according to Inegi. But annualised inflation jumped to 4.72% in January, primarily because of the increase in petrol prices carried out by the government led by President Enrique Peña Nieto. The relentless fall of the Mexican peso against the US dollar is increasing the inflationary pressure. Higher inflation would impact domestic household consumption, which would take a further knock if the Trump administration decides to tax all-important remittances sent home by Mexican expatriates living in the US to help fund his promised border wall.

### Combating corruption in education sector

The education minister, Andrés Navarro, and the president of the ADP teachers' union, Eduardo Hidalgo, agreed that teacher wage increases would be financed out of a fund for performance incentives. They also agreed to set up a commission to conduct a review of teacher benefits, including pension improvements, health insurance and housing. Navarro approved a major shake-up of the contracting process for the construction of schools. This will now fall under the remit of the public works ministry as opposed to the national public works agency (Oficina de Ingenieros Supervisores de Obras del Estado, Oisoe) in order to try and improve efficiency and stamp out corruption through cost overruns; and improve transparency of the public contract process, and sourcing of materials. The education ministry will select and purchase the land where the schools are to be built.

### Medina addresses Odebrecht scandal

President Danilo Medina delivered his annual state-of-the-nation address to the legislative assembly on 27 February, Dominican independence day. Medina preferred to devote the majority of his speech to his government's achievements rather than its travails, but it was most noteworthy for his decision to break his silence over the massive bribery scheme involving Brazil's construction giant Odebrecht, a scandal which he conceded had "raised the justifiable indignation" of Dominicans.

During his two-hour address, President Medina extolled the 6.6% GDP growth registered in 2016, the fastest in the region, driven in no small part by a 10% increase in tourism revenue, which reached US\$6.72bn last year. Medina said that during his first (four-year) term 1.07m people had been lifted out of poverty and 480,000 out of extreme poverty, with his government creating 450,000 jobs. He also pointed to salary increases in the health, education and public security sectors. Thousands of teachers marched to the education ministry in Santo Domingo on 10 February to demand a wage increase and other benefits. The government agreed to the demands, putting an end to protests and strike action by the Asociación Dominicana de Profesores (ADP), benefiting some 90,000 teachers, and promised to stamp out corruption in the contracting process for the construction of schools (*see sidebar*).

Corruption was a major theme of Medina's address. Medina has come in for fierce criticism for failing to address the Odebrecht scandal publicly since it broke last December with the revelation that the firm paid out some US\$92m in bribes to various public officials in the Dominican Republic to secure public infrastructure contracts between 2001 and 2014. Despite the fact that the attorney general's office reached an agreement with Odebrecht to pay US\$184m in compensation, double what it paid in bribes, Medina insisted the case would not now be swept under the carpet. He said the attorney general's office faced no restrictions in the case "whoever falls": "there are no sacred cows in this government and there will be none while I am president".

The main opposition Partido Revolucionario Moderno (PRM) derided Medina's speech as "fantastical and demagogic", adding that there was a lack of credible responses to the issue of corruption and impunity. The social organisation 'Marcha Verde', which orchestrated a march on 22 January against corruption, dismissed Medina's claim that there would be no impunity as hot air. It argued that the ruling Partido de la Liberación Dominicana (PLD) had full control over the judiciary and would ensure that nobody linked with the party was affected.

On 22 February 'Marcha Verde' presented a petition to the national palace containing 300,000 signatures gathered nationwide to demand the creation of a commission of independent prosecutors, accompanied by the United Nations, to investigate the Odebrecht bribery case. It contended that Medina's refusal to establish such a commission had demonstrated that he was "part of the structure of impunity and corruption oppressing the Dominican Republic", and called for "permanent citizen mobilisation on the streets". The executive director of the national daily *Diario Libre* offered a lacerating critique of Medina's announcement that his government would still work with Odebrecht to construct the 770MW Punta Catalina power plants in the south-western province of Azua: "It is as if you, dear reader, hire a bricklayer for a job in your house, and in the middle of the work discover that the guy is stealing from you but he confesses this and you say 'pay what you say you stole and keep working'".

## Political unknown tapped for PM

### Deal

Under the deal struck on 23 February between the health workers' union, Fenatras, and the presidential commission, the latter agreed to facilitate the payment of salaries to public hospital workers, some of whom were complaining that they had not received them since November – when the strike began. The deal also provides for a special commission to be set up, comprising representatives from the public health ministry and the economy & finance ministry, to discuss other salary-related demands.

Haiti's new president Jovenel Moïse last week officially presented Dr Jack Guy Lafontant, a gastroenterologist and reportedly a close personal friend, as his choice for prime minister. Like Moïse (himself a political neophyte, handpicked by former president Michel Martelly [2011-2016] as his successor), Lafontant lacks political experience and his appointment appeared to take the establishment by surprise. Doubts persist as to whether the national legislature, in which the ruling Parti Haïtien Tèt Kale (PHTK) has a majority, will approve Lafontant's political programme – the next stage of the process of installing a new government.

A professor at the Hospital of the State University of Haiti (HUEH), the largest public hospital in Port-au-Prince, little is known about Lafontant other than the fact that he heads up the Pétion-Ville Rotary Club and is a member of the American College of Gastroenterology, and Haiti's medical association. The local and international media is also reporting that he heads up a small political party, Mouvement Démocratique pour la libération d'Haïti ou Parti du Rassemblement Démocratique d'Haïti (MODELH-PRDH), registered since 1987, although beyond that has no political experience in office.

While other names floated for the post included the head of the chamber of deputies, Cholzer Chancy (of Ayiti An Aksyon, a PHTK-allied party), Moïse said ultimately that he was seeking a politically neutral choice. However, Lafontant's lack of political ties with the legislature (which comprises the 119-member lower chamber and 30-member senate) has raised doubts as to whether he will secure the majority needed in both houses – 60 votes in the lower chamber and 16 votes in the senate – to approve his government plan.

### Moïse claims first victory

Lafontant's medical background is perhaps significant given that Moïse last week trumpeted as his first victory an end to the strike in the health sector. This had been going on for more than two months over salary demands. On 23 February Milot Félix, the president of the health workers' union Fenatras, confirmed the strike had been called off following a deal struck between Fenatras and a presidential commission after two days of negotiations (see *sidebar*). Félix's announcement also followed the surprise visit by Moïse to HUEH earlier that month where he handed over a 60KW dialysis machine – another health sector demand.

This is a step forward given the health sector staged a lengthy strike last year (from March until October) over demands for better salaries and conditions as well as the provision of medicine, supplies and equipment. While the strike was called off in October 2016, some health care workers returned to the picket line the following month complaining that promises were not being met. The new government is also under pressure to resolve the health sector crisis in the wake of the damage inflicted by 'Hurricane Matthew' which struck in October 2016. The hurricane left at least 546 dead, affected 2.1m people across the country and caused some US\$2.6bn in losses – about 30% of Haiti's GDP.

A press release by the World Health Organization (WHO) dated 26 January warns that nearly four months after the hurricane struck "the challenges to meet the long-term health care needs of the hard-hit communities in Grande Anse and South Departments are significant and wide-ranging". The press release notes that the impact of the storm resulted in the loss of lives, massive infrastructure damage, and flooding, affecting many health institutions.

### El Salvador remittances

On 22 February El Salvador's central bank (BCR) released the latest figures on remittance inflows to the country which showed these reached US\$345m in January 2017 – up 12.8% compared with the same month in 2016. Remittances in 2016 reached US\$4.58bn, up 7.2% on the previous year – the highest growth of the last 10 years.

**PANAMA | Strong growth.** On 20 February Panama's economy & finance ministry (MEF) reported that it expects the economy to grow by 5.8% this year, up from 5.2% in 2016. The MEF press release attributes this projected growth to dynamism in the sectors of construction, mining & quarrying; financial services; and electricity, gas & water supply.

The MEF points out that this forecast is in line with the International Monetary Fund (IMF), while the World Bank is forecasting GDP growth of 5.4%, and the Economic Commission for Latin America and the Caribbean (Eclac) 5.9% growth.

The same press release says that its estimate is also based on Panama Canal activity, following the inauguration of the expansion project in June 2016 [[WR-16-25](#)], along with substantial investment in both the public and private sectors. As regards public investment projects, these include the Atlantic Bridge (US\$570m) over the north entrance to the Canal, and the Ciudad Esperanza construction project (US\$137m), located near the village of Vista Alegre in the Arraiján district, which, once finished will provide over 2,200 new houses alongside schools, sport facilities and a new road.

It also notes the construction of Metro Line 2 (US\$1.86bn) to the east of the capital. The Metro Line 2, expected to be operational by December 2018, will connect Panama City at the San Miguelito station with Tocumen international airport.

In terms of investment projects in the private sector, the MEF highlights the construction of Panama's first liquid natural gas power plant in Colón province with a US\$1.15bn investment. A subsidiary of US company AES, AES Panamá began work on the plant in May 2016.

The MEF press release also highlighted another private-sector investment project: US\$5.9bn by Minera Panamá, a subsidiary of Canada's First Quantum Minerals (FQM) in Cobre Panamá, a large open-pit copper development project in the district of Donoso, Colón province.

**GUATEMALA | TCQ resumes operations.** In February the container terminal at Puerto Quetzal (TCQ) in Escuintla department, on the Pacific coast, resumed operations.

The announcement made headlines given that TCQ was at the heart of one of the corruption cases uncovered by the United Nations-backed anti-impunity commission in Guatemala (Cicig) and the attorney general's office (AG), involving disgraced former president Otto Pérez Molina (Partido Patriota, 2012-2015) who was ultimately forced to resign.

The case, which came to light in April 2016, involved claims that Pérez Molina and his vice president Roxana Baldetti (who also stepped down over corruption) had allegedly appointed a number of associates to leading positions in Empresa Portuaria Quetzal (EPQ), a government entity responsible for the port.

In 2012 EPQ awarded a US\$255m contract to TCQ, then a subsidiary of Terminal de Contenedores de Barcelona (TCB), to build and operate a container terminal over a 25-year concession period. Cicig and AG allege that some US\$25m was paid in bribes to Pérez Molina and other senior government officials between 2013 and 2015 in exchange for the awarding of the TCQ contract. The issue was further complicated by the fact that before the bribery was discovered, TCB sold TCQ to Netherlands-based APM Terminals.

While in June last year a local court declared the concession null and void and ordered the confiscation of TCQ assets, the local media reported that in January, EPQ's board of directors had approved the start of operations at the facility, despite the fact that a new contract has yet to be awarded.

On 20 February Orlando Blanco, the head of the main opposition Unidad Nacional de la Esperanza (UNE) announced he was filing a criminal complaint against the EPQ auditor Alexander Aizenstatd and other public officials for acting illegally by allowing the company to operate while it is under investigation for corruption.

### Quotes of the week

“The time has come to carry out a peaceful revolution in Colombian politics. It is not sufficient to disarm the Farc with a peace accord. We have to take advantage of this historic moment to carry out reforms that we have not done in the last 26 years.”

*Colombia's interior minister, Juan Fernando Cristo.*

“We don't feel represented by the political forms that we see. The PRI is no longer just a party. It is a political culture that permeates all of the others. To escape this crisis, we need more democracy.”

*Mexico's new independent presidential candidate, Emilio Álvarez Icaza.*

“[The PLRA] is fighting the real and present danger of the return of dictatorship in Paraguay.”

*Paraguay's Efraín Alegre, president of the main opposition PLRA, on the current push by the ruling ANR-PC to allow President Horacio Cartes to seek re-election.*

### Mexican wildcard for the presidency

Mexico's presidential elections in 2018 will feature at least one independent candidate. Andrés Manuel López Obrador, the early frontrunner and leader of the radical left-wing Movimiento Regeneración Nacional (Morena), will no longer be the sole anti-system candidate. Emilio Álvarez Icaza, a prominent human-rights activist, declared his presidential candidacy while presenting a new political movement called Ahora on 26 February.

Álvarez Icaza formed part of the 'Caravan for peace with justice and dignity', which staged marches across Mexico in 2011 and 2012 condemning the intensification of the drug war by former president Felipe Calderón (2006-2012). The 'Caravan' was the brainchild of Javier Sicilia, the famous poet and activist who attended the launch of Ahora, along with the academic and human-rights activist Sergio Aguayo, and youths from #Yosoy132 who opposed the presidential election of Enrique Peña Nieto in 2012.

“Now we [Ahora] want the end of imperial presidency; for powers to function in favour of the people,” Álvarez Icaza said from Tlatelolco square, a symbolic spot to launch his political movement. Perhaps the most infamous violent crime against Mexico's youth since the 1968 Tlatelolco student massacre is the abduction and presumed murder of 43 students from Iguala, Guerrero, in September 2014. Until last August Álvarez Icaza was the executive secretary of the Inter-American Commission on Human Rights (IACHR), which led a parallel investigation into the case that exposed fundamental flaws in the Mexican government's investigations.

“Watching Mexico in flames from your armchair is not an option. The system needs a fierce jolt,” Álvarez Icaza said. He promised a non-violent revolution “to recover what was stolen from us: democracy”. His plan of governance will be produced in consultation with the public over the course of the next seven months as Ahora seeks to gather the 80,000 signatures nationwide required to register as a party but Álvarez Icaza spelt out several key proposals: ending monopolies and supporting micro, small and medium-sized enterprises; eradicating crony capitalism; changing the security paradigm by putting the citizen at the centre of 'public security'; and overhauling state institutions.

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