

latin american weekly report

27 April 2017, WR-17-16

ISSN 0143-5280

CONTENTS

LEADER	1
Trouble in Santa Cruz puts Kirchneristas on back foot	
ANDEAN COUNTRIES	
VENEZUELA	3
'Vexit'	
ECUADOR	4
Jubilant Moreno plays to the base	
PERU	6
Debating Fujimori's release	
BOLIVIA	7
Preparations under way for key vote	
TRACKING TRENDS	
BRAZIL & SOUTHERN CONE	
BRAZIL	9
Lula down but not out?	
TRACKING TRENDS	
MEXICO & NAFTA	
MEXICO	11
Good week, bad week for Morena	
MEXICO	12
The Wall: more funding twists and turns	
TRACKING TRENDS	
CENTRAL AMERICA & CARIBBEAN	
CUBA	14
Reaching out	
NICARAGUA	15
Police deployment fans repression concerns	
POSTSCRIPT	16
Santos squares up to Maduro	
Quotes of the week	

This edition of *Latin American Weekly Report* has been produced for Canning House Corporate Members by LatinNews (www.latinnews.com).

Latin American Newsletters since 1967

Trouble in Santa Cruz puts Kirchneristas on back foot

Violent protests outside the home of Santa Cruz governor Alicia Kirchner in the far south of Argentina on 21 April have triggered an angry set of accusations and counter-accusations between the Frente para la Victoria (FPV, Kirchneristas) faction of the Main opposition Partido Justicialista (PJ, Peronist) and Cambiemos, the ruling centre-right coalition that backs President Mauricio Macri.

The Patagonian province of Santa Cruz is small but politically significant. It was the home of the late Néstor Kirchner, who rose from provincial obscurity to lead the Peronists and become President (2003-2007). It also supplied a generation of leaders, known as the *pingüinos*, who joined the national administration with Néstor and continued in office during the presidency of his wife, Cristina Fernández (2007-2015).

Although their fortunes have now ebbed – the Kirchneristas lost the 2015 presidential elections – they still control the province of Santa Cruz. Alicia Kirchner, Néstor's sister, won the October 2015 elections in the province taking office as the new governor in December of that year, having served for much of the previous 12 years as social development minister for the federal government. While there are other Peronist governors, Santa Cruz is the only one in the country still controlled by Kirchneristas. One way or the other, the Kirchner family has been running Santa Cruz for 25 years.

And it is not going well. The new governor says she inherited a major financial crisis. The province has a population of 300,000, of whom around 86,000 are public sector employees. The state has fallen into arrears on wage payments, and the province has seen a wave of protests. The most violent took place on 21 April when hundreds of demonstrators protested outside the governor's house.

Inside were Governor Alicia Kirchner, former president Fernández, three members of their staff, and the former president's baby granddaughter. The demonstrators threw missiles and almost broke into the house, with police reinforcements rushed in to disperse them by firing riot gas and rubber bullets. At least four people were injured in clashes outside the house and in other parts of the city.

After the incidents, the media war began almost instantly. Fernández recorded a 24-minute video showing the damage to her sister-in-law's house, claiming that their lives had been at risk. What had happened was not a political demonstration, she said, but "an organised attack" that had been "approved" by the national government, as part of a political operation to gain advantage ahead of the October mid-term federal congressional elec-

José López

Former president

Cristina Fernández's
public works minister,

José López, was

arrested in the

middle of the night

on 14 June last year

at the 'Nuestra

Señora del Rosario

de Fátima' convent

for allegedly trying to

smuggle around 160

suitcases and bags

containing cash in

several different

currencies, totalling

some US\$8.9m, over

a wall into the garden

of the building [[WR-](#)

[16-24](#)].

tions. The government of President Macri was seeking "to cut off Alicia's head like a trophy" and as a warning to other governors.

Fernández acknowledged the financial crisis in the province but said it was the federal government's responsibility to step in and help resolve it. The provincial authorities have subsequently claimed that media outlets, some of which had deployed mobile broadcasting units to offer live coverage of the demonstrations outside the governor's home, had been tipped off beforehand. They have also claimed that the demonstrations were "an attempt to overthrow the democratically elected provincial authorities".

The government was not slow to respond. President Macri tweeted that the attack on the governor's house was "serious", and said his government repudiated "all forms of violence". Interior Minister Rogelio Frigerio denied any official involvement in the violence and suggested that Fernández should back her claims with proof, if she had any.

Frigerio acknowledged that the governor had inherited a difficult financial situation in Santa Cruz, but added "We too inherited a country with financial difficulties, but the reality is that we are making a change, while that province has been governed for 25 years by the same family". He said the federal government was continuing to remit the province's agreed share of national taxes and had in fact paid an advance of Ar\$1.5bn (US\$97.4m) to help it pay public sector wages.

Frigerio was referring indirectly to corruption by the family dynasty. In June last year images surfaced in the local media showing Alicia Kirchner alongside the controversial former public works deputy minister, José López (see *sidebar*), who has been arrested on corruption charges, and Bishop Rubén Di Monte in the 'Nuestra Señora del Rosario de Fátima' convent in the municipality of General Rodríguez in the province of Buenos Aires. The convent's caretaker said that Alicia Kirchner "often called" at the building. Fernández, meanwhile, appeared in court last month accused, along with her immediate family, of money laundering through their jointly owned real estate company Los Sauces, established in 2006 in Santa Cruz.

While both sides will continue to polemicise over events in Santa Cruz, it is clear that they have put the Kirchneristas in a politically difficult position. Party leaders are supporting national protests and wage demands in the name of 'the people', while at the same time vigorously opposing them in Santa Cruz.

The Kirchneristas are used to 'controlling the street' so finding themselves on the receiving end now of angry protests is a new development. This is in fact the first so-called *escrache* (the name given for violent personally directed protests) suffered by Fernández, who is much more accustomed to being feted by loyal supporters.

Fernández's party is, meanwhile, exposed to claims of double standards. It is backing striking teachers in Buenos Aires province (controlled by Cambiemos) who want an 18%-plus wage increase, while offering no more than a 3% raise to teachers in Santa Cruz.

According to Eduardo Costa, a Cambiemos federal deputy elected for Santa Cruz, one reason why the province's finances are in such poor state is that the Kirchneristas have been diverting funds to help their electoral campaign in Buenos Aires. Political analyst Jorge Fernández Díaz has said that it would be an exaggeration to call Santa Cruz a "little Venezuela" in southern Argentina, but that the province was chaotic, with a vastly over-staffed bureaucracy and, as such, a "good advertisement" for the ruling coalition ahead of the mid-term elections.

'Vexit'

Venezuela is quitting the Organization of the American States (OAS). Or so it says.

The OAS has already met four times in the past year to discuss Venezuela, and the Permanent Council has latterly held two extraordinary meetings in response to the unfolding crisis in the country. The OAS secretary general, Luis Almagro, has prepared two extensive reports evidencing in detail the rupture of the constitutional democratic order in the country. He now says that President Nicolás Maduro is imposing a dictatorship, and argues that nothing less than an early general election will suffice, so as to allow Venezuelan people to restore democracy to their country. The Caracas government, determined to delay its reckoning at the ballot box, is playing for time, but at very high cost.

On 26 April, 19 of the 34 active OAS members voted for a foreign ministers' summit to discuss the situation in Venezuela. "The OAS Council approves a resolution to convene Meeting of Consultation of Foreign Ministers on Situation in Venezuela," ran a brief statement on the OAS website. The meeting was approved by a roll-call vote, it noted. As threatened, Venezuela's foreign minister, Delcy Rodríguez, responded that the country would withdraw from the OAS in protest at its "interventionism"

The withdrawal of a member state is unprecedented in the seven decades of the OAS. It has prompted some fears of solidarity actions by Venezuela's allies, potentially precipitating the break-up of the Western Hemisphere's oldest political and diplomatic forum (founded in April 1948). The Bahamas, Barbados, Brazil, Canada, Chile, Colombia, Costa Rica, United States, Honduras, Jamaica, Guatemala, Guyana, Mexico, Panama, Paraguay, Peru, Saint Lucia and Uruguay voted in favour of the meeting, which has yet to be scheduled. Antigua and Barbuda, Bolivia, Dominica, Ecuador, Haiti, Nicaragua, Saint Kitts and Nevis, Saint Vincent and the Grenadines, Suriname and Venezuela voted against. Belize, El Salvador, the Dominican Republic, and Trinidad and Tobago abstained, while Grenada was absent. The OAS is now splintered in two, with Venezuela's oil clients in the Caribbean acting as a sort of a 'praetorian guard' for the Caracas government.

Yet fears of the break-up of the OAS – long a strategic policy aim of Venezuela, and backed loudly by the likes of Bolivia and Ecuador – may be pre-emptive. For one, Venezuela's withdrawal process is slated to take two years. Realistically, the current government is unlikely to be in office beyond the next scheduled general election in late 2018. Meanwhile, 'alternative' regional forums like the Community of Latin American and Caribbean States (Celac), which exclude the US and Canada and have been heavily promoted by Venezuela, Cuba and the regional 'Bolivarian Alliance', exist rather metaphorically, for the most part. Elsewhere, the political swing from the Left to the Right in Brazil and Argentina appears to have considerably weakened momentum in the Union of South American Nations (Unasur), another largely 'Bolivarian' project.

Julio Borges, head of Venezuela's opposition controlled national assembly, said the move was "the worst decision Maduro could have taken" and was "confirmation of a coup d'état in Venezuela". The government is "terrified of the Venezuelan people, and of the vote". "It's lost," he declared.

Vexit costs

In an echo of the warnings issued to the UK pending its withdrawal from the European Union ('Brexit'), the head of legal affairs for the OAS, Jean Michel Arrighi, pointed out that until its withdrawal is complete, Venezuela's financial obligations as an OAS member state remain. This includes the payment of accumulated dues owing for 2015-2017. These total about US\$10.6m so far, he said.

Dictatorship

Servando Carbone compared this year's Labour Day march to the Venezuelan workers' fight for democracy under the country's military leader Marcos Pérez Jiménez (1952-1958). The late Hugo Chávez (1999-2013) might turn in his grave to hear the Bolivarian Revolution being cast alongside the Jiménez fascist dictatorship.

Trade unions to march for democracy on Labour Day

Venezuelan trade union leaders have declared that they will march with the political opposition and civil society on 1 May in support of "restitution of the constitutional order". Labour leaders were dismissive of Maduro's pledge of "a major announcement for workers" on 1 May, which is typically marked with a minimum wage increase.

"Maduro's announcements don't matter, the people are tired of listening. The majority of Venezuelans want the country to recover democracy and freedom, and the government denies them that," declared Servando Carbone, general coordinator of the Unión Nacional de Trabajadores (UNT), stressing that the unions would march on 1 May alongside "democratic citizens, demanding change". "Our demands and the political are amalgamated," he added.

"The government of Nicolas Maduro destroyed the economy and is causing the high inflation that has eroded salaries to unbearable levels, impoverishing workers and the population. A change in this situation depends on overcoming the political crisis also caused by Maduro," stated Carlos Navarro, leader of the Central del Movimiento de la Alianza Sindical Independiente. Igor Lira, head of the Federación Nacional de Trabajadores de las Telecomunicaciones, emphasised that the political-social agenda could not be separated from the labour agenda. "All this is part of the cocktail of problems for workers, who are dealing with the violence of inflation and insufficient incomes, while the anti-democratic regime is oppressing the population for demanding their fundamental rights." Lira added that it was "fundamental" to recover public and private sector production so as to put an end to business closures, low salaries, unemployment and food and medicine shortages.

While pro-government syndicates like the Central Bolivariana de Trabajadores will turn out as usual for Maduro, the loss of trade union support should be of concern to those in the ruling Partido Unido Socialista de Venezuela (PSUV) still committed to the Socialist ideal. This includes the Marea Socialista faction, led by Nicmer Evans, which has broken with Maduro and aims for the 'restoration' of the PSUV. Polls suggest that there is still potential support of between 20% and 33% for the PSUV as a left-wing workers party.

ECUADOR | POLITICS

Jubilant Moreno plays to the base

President-elect Lenín Moreno, who will take office on 24 May, celebrated confirmation of his second-round victory with a rally in the name of "peace, happiness and the defence of democracy". In a speech to his supporters, who he praised as 'champions of peace and life', Moreno said that the outgoing President Rafael Correa had left the path "well sign-posted" and the bar "set high". Correa purred that he was delighted to be handing Moreno "a stable and growing economy". Focusing on his immediate audience, Moreno pledged that his new government would work first and foremost for the most vulnerable in society.

The poorest sectors "know perfectly well" that they are represented by the Citizen's Revolution led by the ruling left-wing Alianza País (AP), Moreno declared. "The moneyed people, people with social and economic power, they have representatives to defend them. The media, national and foreign, the powers-that-be, they are always there for them," he declared, in an echo of President Correa's well-worn gripe with the mainstream media. "The people no. The people have no-one to defend them if they don't elect honest leaders, committed to transforming their condition," he continued.

The incoming vice president, Jorge Glas (who was notable by his absence in the second round, amid fears that his reputation as 'the face' of the recent corruption scandals in the Correa administration would taint Moreno's 'clean slate'), was also on hand at the rally. Perhaps a little ill-advisedly given

GDP growth in Ecuador

In its latest forecast update, the UN Economic Commission for Latin America & the Caribbean has forecast real GDP growth of +0.6% in Ecuador for 2017. This is below Ecuador's central bank (BCE) projection of 1.42%, but better than the International Monetary Fund (IMF) forecast contraction of -1.6%.

the scandals surrounding him, Glas emphasised the major infrastructure projects delivered under Correa (some of which are among those under suspicion for corruption), promising "much more to be built". As per economist Correa's plans to diversify and upgrade Ecuador's productive matrix away from its longstanding reliance on oil and primary commodity exports, Glas emphasised the country's rapidly expanding hydro electricity sector, declaring that Ecuador aimed to export energy throughout the region. "We will be the energy heart of all of South America, and probably Central America," he declared.

Missing in all of this was any attention to the almost 50% of the population that did not vote for Moreno but for his conservative rival, Guillermo Lasso, whose party, Movimiento Creo, will be the second force in the new national assembly. Lasso and Creo are still refusing to accept the second-round election result, which does not augur well for executive-legislative relations. This 50% includes most of the private sector, which has endured Correa's negative attacks, political and policy-based, for a decade. While Moreno might be forgiven for celebrating his victory with the AP's core left-wing base, he has also sold himself as a more moderate, pragmatic and business-friendly figure than Correa. Despite Correa's topspin on the latest GDP figures (see *sidebar*), the still-oil-reliant local economy has some way to go before a broad-based recovery can be declared; and the private sector, which typically accounts for nine of every 10 jobs created in Ecuador, will be critical to this.

Having heavily canvassed the rural poor in the second round, Moreno now has to deliver on his many pledges to this constituency. To this end, he flagged up his planned 'Toda una vida' scheme, which pledges cradle-to-grave measures in support of the poorest, under the rubric of six new welfare missions.

- 1. Misión Casa para Todos:** The delivery of 325,000 decent new homes, of which 191,000 will be made available free of cost to vulnerable women and poor families; with the creation of 136,000 new jobs a year in the construction phase.
- 2. Misión Ternura:** A scheme to expand pre- and post-natal care for mothers and children in their first 1,000 days, focusing on health, nutrition and social care, including early-years education. Aims to eradicate childhood malnutrition in four years.
- 3. Misión Menos Pobreza, Más Desarrollo:** The Human Development Bond (a welfare payment for the very poorest) will be tripled to US\$150/month for some families. A new 'Human Development Credit' will be offered to help small, poor entrepreneurs get started. Moreno wants to eradicate extreme poverty within four years.
- 4. Misión Trabajo Joven:** A US\$241m scheme to generate 200m new jobs and apprenticeships for young people from poorer backgrounds. Credits of up to US\$15,000 for studies.
- 5. Misión Mis Mejores Años:** Expansion of state welfare payments to cover 560,000 elderly poor, and a doubling of these payments from US\$50 to US\$100/month, along with free medical and geriatric care, plus education and recreation services.
- 6. Misión Juntos Transformamos el Agro:** Proposes various legal, financial and technical measures in support of small farmers.

Also missing was any explanation of how Moreno intends to pay for his new missions – not mentioned was the fact the Correa is also bequeathing his successor a fiscal deficit of over 5% of GDP and a hefty short-term debt burden.

The outgoing finance minister, Patricio Rivera, has been in the UK and the US this week in search of financing. Edwin Gutiérrez, head of emerging market sovereign debt for Aberdeen Asset Management, told the daily *El Comercio* that Rivera mooted financing needs of US\$12.5bn for this year, no small amount.

Debating Fujimori's release

The government led by President Pedro Pablo Kuczynski seems to be edging closer to releasing imprisoned former president Alberto Fujimori (1990-2000). His release would help smooth the government's difficult relationship with Fuerza Popular (FP), the populist right-wing party led by his daughter Keiko Fujimori which has a majority in congress. But the how and the why is politically tricky.

Alberto Fujimori remains a deeply divisive figure in Peru – his government is remembered both for its economic success and for its political repression. Fujimori *père* has been in prison since 2005, sentenced to 25 years' incarceration for crimes against humanity (including responsibility for the murder of 25 people at the hands of the security forces) and for acts of corruption. He is 78 and in frail health.

President Kuczynski took a step towards debating some kind of release this week. On 24 April he said the government was studying the issue. On 26 April, at a ceremony to commemorate the 20th anniversary of Operación Chavín de Huántar (a successful 1997 military operation to re-take the Japanese embassy from guerrillas and release 72 hostages) Kuczynski welcomed Keiko's presence (this was the first official event the leader of the opposition had attended since last year's election) and spoke of the need to "turn a new page" and seek reconciliation in Peru. Keiko later tweeted her agreement with Kuczynski's words, adding, "Peruvians should build a common agenda supported by everyone".

But how to release the former president poses some tricky questions. The government has ruled out issuing a pardon or passing any legislation that could be seen as tailor made to benefit one individual. FP has for long favoured a presidential pardon. It prefers any release to be part of a wider agreement on reconciliation.

Other parties and human rights groups remain potentially very hostile to any release. So a debate has begun, with various proposals starting to be discussed. Carlos Bruce, the official spokesman for the ruling Peruanos Por el Kambio (PPK) party said "If anyone asked me, I'd free Alberto Fujimori". Bruce has suggested that a modification of the penal code might be appropriate to allow prisoners of a certain age and in certain states of health to complete their sentences at home.

Bruce's idea was welcomed by Luis Galarreta, the FP's congressional spokesman. However, Galarreta continues to argue that the simplest route to a release is for Kuczynski to pardon the elder Fujimori. Roberto Vieira, an independent member of congress who was expelled from the PPK, has already tabled a bill that would allow prisoners aged over 75 who have completed one third of their sentences and are in ill health to be released.

However, some of his former colleagues oppose the bill, noting it allows full release, rather than just house arrest which they would prefer; there are also differences of opinion over Fujimori's real state of health. Juan Sheput, another PPK member of congress, has argued that any release should be part of a wider debate in which Fujimori's victims take part.

Sheput also said that legislation should not benefit another aging prisoner: Abimael Guzmán, the notorious leader of the Sendero Luminoso guerrilla movement who is serving a life sentence, is 83 years old, and is in ill health. Finding a formula that allows Fujimori, but not Guzmán to be released could be challenging.

CGTP opposition
The Confederación General de Trabajadores del Perú (CGTP) said former president Alberto Fujimori should not benefit from a pardon or from an amnesty; neither should he be assisted by a general law designed to help specific categories of prisoners, as being currently discussed.

International assistance

On 10 April Justice & Transparency Minister Héctor Zaconeta announced that a team of international jurists would accompany the process of judicial reform. A justice ministry press release notes that this high-level team includes Spanish judge Baltasar Garzón Real, Argentina's Eugenio Raul Zafaroni and Carlos Alberto Binder, and Spanish constitutional expert Roberto Viciano Pastor. Arce made the announcement after meeting Binder in Argentina's capital, Buenos Aires.

The government will also have to consider those who oppose the whole idea of releasing the elder Fujimori. One of them is the country's main trade union organisation, the Confederación General de Trabajadores del Perú (CGTP), which has issued a statement describing the former President as the leader of a "corrupt and repressive" government responsible among other things for the assassination of Pedro Huilca, the CGTP general secretary, in 1992 (see page 6 sidebar).

BOLIVIA | POLITICS

Preparations under way for key vote

Bolivia's national lower chamber last week approved modifications to various pieces of legislation including the law of the constitutional court; the law of the judiciary and the electoral law. The changes are part of preparations ahead of the October 2017 judicial elections for the supreme court (TSJ), constitutional court (TCP), council of magistrates, and the environmental court (TA).

The election, the second popular vote of its kind, continues to attract scrutiny: the Movimiento al Socialismo (MAS) government led by President Evo Morales itself has widely acknowledged the need to address the state of the justice system – long denounced by the opposition as politicised – and the fact that the previous 2011 vote was a failure.

Among other things, the changes, which were approved on 21 April, increase the number of TCP magistrates to nine, up from the current seven, reduce the number of judges assigned to the TA and council of magistrates to five and three respectively (down from seven in both cases), while the TSJ will continue to have nine justices.

The changes also establish that – as is the case for the TCJ – each of Bolivia's nine departments (La Paz, Santa Cruz, Potosí, Beni, Pando, Cochabamba, Chuquisaca, Tarija and Oruro) will now elect a TCP judge and alternate from a list of four candidates preselected by the national assembly, in a process which will guarantee gender equity and include at least one indigenous person.

In the 2011 vote, the TCP candidates were selected from national lists. As in 2011, the TA and council of magistrates will continue to be chosen from a national list for which the national legislature will present a shortlist of 14 and 10 candidates, respectively. In both cases, at least 50% of candidates must be women and the lists must include indigenous candidates.

As part of steps taken to improve the election process, the Morales government has also pledged to strengthen the criteria for selecting candidates. Along with a lack of public interest and information – with nearly 60% of voters' ballots spoilt or left blank despite the fact that voting was made compulsory – the poor quality of the candidates was widely cited as a reason for considering the elections a failure.

Back in January, Vice-president Alvaro García Linera acknowledged that the criteria influencing the previous pre-selection of judicial candidates included "friendships and pressures or quotas from one or another...social organisation". García Linera has now stressed that this practice has "ended".

Accordingly, on 18 April the senate president, José Alberto Gonzales (MAS), announced that representatives from the Universidad Boliviana's executive committee (CEUB) would accompany the legislature in drawing up the rules and evaluation process for the judicial candidates' selection process, telling

Peruvian copper boom

Peru is currently enjoying a copper boom as commodity prices have begun to increase again in line with growing demand from China. Energy and Mines Minister Gonzalo Tamayo attributed the expansion of mining projects in Peru to the favourable international environment and Peru's increasingly lucrative trade relationship with China. Copper exports currently account for 51.3% of Peru's overall mining exports, and are up almost 70% from the same month last year.

reporters that “we are proposing that the role of the university will be fundamental in the pre-selection process.

Nonetheless, while the government has enlisted international help for the overall judicial reform process (*see sidebar*), the senate president rejected demands by the opposition for foreign observers to oversee the election process itself.

Costas

On 28 March, Bolivia's attorney general's office presented a formal accusation against Rubén Costas, the opposition governor of Santa Cruz department, for the alleged crimes of dereliction of duty, anti-economic conduct, and resolutions in breach of the constitution.

The state news agency, *Abi*, reports that Costas, who is leader of the Movimiento Demócrata Social (MDS, comprising the rump of the former regional opposition governors' bloc, Consejo Nacional Democrático, Conalde), is among 11 accused in relation to departmental decrees he issued between 2008 and 2010.

Abi claims that the decrees issued by Costas lacked “formal recognition within legal parameters governing the national territory” and so were in breach of the constitution. The accusations follow other recent legal actions against MDS members like Ernesto Suárez, the former governor of Beni department (2006-2012), and Suárez's successor Carmelo Lens (2013-2015).

TRACKING TRENDS

COLOMBIA | Economy on an upward curve. The director of the Colombian central bank, Juan Pablo Zárte, revealed in an interview on 20 April that he expected the economy to maintain its solid recovery after a poor performance in 2016. Inflation and low growth has been a major worry throughout the year, in addition to a substantial fiscal deficit. However, Zárte was keen to point out the progress that has been made in addressing these concerns, demonstrating that prudent monetary policy had reined in surging inflation and expected it to decrease to 4% by the end of 2017. Mid-2016 had seen inflation rise as high as 9%, however the central bank responded by increasing interest rates and, as inflation has fallen away, the bank has subsequently implemented a gradual reduction in the interest rate, currently at 7%. Zárte indicated that this trend would continue until inflation reaches its target rate of 3%, whereupon the central bank would continue to decrease the interest rate to around 1.5%, in line with International Monetary Fund (IMF) recommendations.

Similarly, the fiscal deficit, expected to be less than 4% of GDP at the end of the year, has also decreased rapidly due to a significant tax reform which increased the value added tax (VAT) rate and expanded the tax base. GDP growth had stalled last year but is expected to bounce back strongly, with the IMF projecting it to increase to 2.6% in 2017 and 3.5% in 2018. Zárte explained that, in part due to the lowering of interest rates and tax reform incentives, there would be a considerable increase in investment over the next few years. In addition to increased economic growth, the gradual reduction in interest rates should help tackle the high unemployment rate in the country, at 11.7% in January.

PERU | Copper keeps Peru growing. On 20 April Peru's national statistics institute (Inei) announced that national copper production increased by more than 5.9% in February over the same month in 2016. On a regional breakdown, Apurímac displayed the highest increase in growth, at 225.2%, due to the coming on stream of the new major 'Las Bambas' mine. The mine is operated by the Chinese-Australian MMG Limited consortium and produced 73,644 fine metric tonnes (FMT) of copper in February.

Lula down but not out?

On the surface, it is hard to imagine that former Brazilian president Lula da Silva (2003-2011) could make a comeback as a candidate for a third presidential term in next year's elections. His own reputation and that of his party – the Partido dos Trabalhadores (PT) – has taken a battering as a result of seemingly never-ending corruption scandals, and he faces five separate court cases. Yet this week Lula was sounding like a candidate once again, claiming that Brazil is “misgoverned” and that he is “wanting to fight”.

Speaking at a PT rally on 24 April Lula accused incumbent President Michel Temer, who he did not name directly, of misgoverning the country, of being deeply unpopular, and of being over-dependent on ruling through an otherwise out-of-touch congressional majority.

“This country cannot be governed solely from a legalistic point of view,” Lula said, adding “this country has to be governed by someone who knows how to look after 204 million people, who need to be cared for and respected”. That person, it was implied, was of course none other than Lula himself.

The former president went on to speak of the PT's role offering “development, sovereignty, inclusion”, and of the need for credibility based on direct elections (another dig at Temer who came to the presidency indirectly last year on the impeachment of Lula's PT successor, Dilma Rousseff.)

Does Lula stand any chance at all of making a comeback? At first blush his return looks improbable. His presidency, highly successful in many other respects, saw the germination and growth of two major corruption schemes, the *mensalão* and the giant *Lava Jato* kickback case, the latter now in its third year of investigation.

The PT's political credibility has been shaken by the poor record of Rousseff's presidency (2001-2016) and her impeachment on charges of budget mismanagement. In the October 2016 municipal elections the party was decimated. And perhaps most importantly, Lula now faces five court investigations, all related to allegations that he, his family, or his foundation received kickbacks of different kinds.

One of the latest claims was made by Leo Pinheiro, former president of construction company OAS, who said this week that when president, Lula had asked him to destroy evidence of the company's illegal donations to PT campaign funds.

Lula has dismissed this, saying that “there is so much pressure on Leo, who is sentenced to 26 years' imprisonment, that he'd incriminate his own mother in order to serve less time”. The imprisoned former finance minister Antonio Palocci, a former close confidant of Lula's, has also come out with incriminating claims.

The key point is that if Lula is convicted in any of the five existing cases, and if that conviction is upheld on appeal, then he will automatically be banned from running for elected office, which would put him out of contention in the 2018 race.

Despite this sword of Damocles hanging over his political future, there are still reasons not to write Lula off as a political operator. One is that he continues to lead the opinion poll ratings. The last relevant poll was carried

Tourism flourishes in Uruguay

One of the reasons why the Uruguayan government believes the country's economic performance this year will be solid is the continued activity of its tourism sector. The tourism ministry has reported that in the first quarter of 2017, the country received almost 1.4m of visitors, 18.4% more than in the same period of 2016. Meanwhile on 19 April, the government announced the extension of the current value-added tax (VAT) exemption offered to tourists until October. According to the government, the initiative launched in December last year and due to end in April has had a positive and significant impact in attracting more visitors to Uruguay, mainly from Brazil, Argentina and Chile – with official figures showing that tourist inflows from these countries increased by 41%.

out in February by CNT/MDA and showed Lula as the most popular candidate for the 2018 elections with 16.6% of survey respondents backing him against 6.5% for far right candidate Jair Bolsonaro, in second place.

Other traditional Brazilian politicians – also battered by corruption allegations – languished with less than 3% support each. Admittedly, these are still very early days – the elections are still 18 months away and a massive 57.1% of respondents said they were undecided. Lula may have also been helped because that survey was conducted shortly after the death of his wife, which would have generated something of a sympathy vote.

A further factor to consider is that the former president may be able to mount a good legal defence. Judge Sergio Moro – considered a hero by many for his investigation of the *Lava Jato* case – is presiding over all the cases against Lula. There are legal arguments to suggest Moro overstepped his powers at particular points in proceedings (for example in March last year when unauthorised phone taps were used to incriminate Lula), and has shown signs of bias.

This could yet deflect or delay some of the cases. Moro has just postponed Lula's in-person testimony in one of the cases (involving the allegation that OAS helped refurbish a luxury department used by the former president in the resort of Guarujá) from 3 to 10 May.

According to reports the hearing was delayed because the federal police said as many as 50,000 followers might turn out to show their support, and they needed more time to set up security arrangements.

TRACKING TRENDS

ARGENTINA | Expecting a bumper grain harvest. On 19 April Argentina's agroindustry ministry said that it expects that the country's grain harvest this year will exceed 130m tonnes (t). The ministry's positive projections come despite the fact that heavy rains in January and February produced significant flooding in some of the country's crop growing areas such as Córdoba, Santa Fe, and Buenos Aires provinces. This sparked concerns that this year's harvest could prove to be poor, to the detriment of Argentina's domestic economy, given that the country is one of the world's main grain producers and exporters. But after conducting technical evaluations, including the analysis of satellite pictures, the agroindustry ministry said that while 1m hectares (ha) of crops – 750,000ha of soya and 250,000ha of maize – had been lost as a result of the flooding, this reduced production would be offset by increased projected grain production in areas not affected by the rains. Evidence of this has also been provided by the Buenos Aires grain exchange, which has reported that 5.5m ha of land has been sown with wheat in the country this year, 7.8% more than in the 2016/2017 harvest season and the highest total wheat planted area in Argentina in a decade. The grain exchange therefore forecasts that the 2017/2018 wheat harvest could yield 17.5m t. The agroindustry ministry goes further and forecasts that the 2017/2018 harvest would produce 18.39m t of wheat.

URUGUAY | Boost from the IMF. On 19 April, the International Monetary Fund (IMF) released the latest instalment of its *Fiscal Monitor* report on fiscal results of all its member states. In the case of Uruguay, the IMF forecasts a reduction of the yearly deficit from 4% to 3.4% of GDP in 2017. More significantly, the IMF report notes that this downward trend is expected to continue, with Uruguay's fiscal deficit expected to reach the government's target of 2.5% in 2018. The forecast is a boon for the government led by President Tabaré Vázquez and its recent fiscal reform, which came into effect in January. However, the IMF's new economic growth forecasts for Uruguay of 1.6% this year will have been viewed negatively by the Vázquez administration, with Economy & Finance Minister Danilo Astori saying that he expects year-end growth to be "well above the IMF's forecast".

Good week, bad week for Morena

The Movimiento de Regeneración Nacional (Morena), led by serial left-wing nationalist presidential candidate Andrés Manuel López Obrador, has been looking like the leader in the race towards the June 2018 presidential elections. It has just had a mixed week, with one candidate facing disgrace over corruption and another pushing ahead in the gubernatorial race in Estado de México (Edomex) this June.

One factor in López Obrador's recognised electoral appeal has been his promise of radical "zero tolerance" action against corruption. So it was deeply embarrassing when the national newspaper *El Universal* produced a video showing Eva Cadena, one of the party's deputies in the state of Veracruz, receiving M\$500,000 (US\$26,500) in cash from unidentified donors, which she said she would pass on directly to López Obrador himself.

Cadena later apologised, saying she had been unaware that cash donations are illegal under Mexican electoral regulations. Cadena claimed she had been the victim of a set-up; the video had been maliciously edited; once she had realised her mistake she had given the money back, in the same hotel in which the original transaction had been filmed. Cadena also stood down – she had been running for mayor of Las Choapas in Veracruz in this June's state and municipal elections. Keen to minimise the damage, Morena officials were quick to say she had been expelled from the party.

Morena's opponents reacted with glee. The ruling Partido Revolucionario Institucional (PRI) issued a statement saying the incident was "clear and decisive" proof that López Obrador was a corrupt politician. Enrique Ochoa Reza, the party president of the PRI, said he was asking for a formal investigation to be conducted by the federal prosecutor's office for electoral crimes (Fiscalía Especializada para la Atención de los Delitos Electorales – Fepade).

Josefina Vázquez Mota, the gubernatorial candidate for the right-wing opposition Partido Acción Nacional (PAN) in Edomex said the incident showed that for López Obrador, honesty was only "a matter of rhetoric". The Morena leader retorted that the affair had been a "sting" operation mounted because his party was doing so well in the polls. Referring to his presidential candidacies in 2006 and 2012 he said, "They can rob me of the presidency, they can take away all my triumphs, but they cannot steal my dignity and honesty".

Gómez takes lead in Edomex

The good news for Morena is that its candidate in the important Edomex gubernatorial elections due on 4 June, Delfina Gómez, is narrowly leading in the latest opinion poll, with 24.4% support, putting her ahead of Alfredo del Mazo Maza of the PRI, on 23.6% and the PAN's Vázquez Mota in third place, on 14.9%, according to Consultora Mitofsky.

Edomex, with an electorate of just over 11m, is the largest single constituency in the country and a traditional PRI stronghold. Before taking office President Enrique Peña Nieto was governor of Edomex, and showcased his administration there to gain the exposure needed to fight the national presidential campaign in 2012. Del Mazo, the current PRI candidate, is the president's cousin. Inevitably, therefore, if either Morena or the PAN can

snatch victory away from the PRI, it will serve to give them added momentum as the 2018 presidential race begins to gather speed.

The first televised debate between the Edomex candidates was held on 25 April, with a largely inconclusive discussion centring on corruption, security, and social development.

For the PAN Vázquez Mota insisted it was time to end nearly 90 years of PRI dominance in the state, controlled, she said, by a political clique based in the region of Atlacomulco. The PRI, she said, was glossing over the role of organised crime and corruption in the state. But she also accused Delfina Gómez, the Morena candidate, of misusing funds when she was mayor of Texcoco. Gómez, predictably, was attacked on all sides for the revelations concerning Eva Cadena in Veracruz.

Del Mazo used the opportunity to promise that the state's existing social programmes would be continued. A second debate has also been agreed between the main candidates.

MEXICO | SECURITY

The Wall: more funding twists and turns

US President Donald Trump appears to have backed down over his battle to fund the border wall with Mexico, at least for the moment, although the story is far from over. Trump has so far been unable to achieve two key objectives: first, to persuade Mexico to pay for the wall, and second, pending resolution of that battle, to persuade the US Congress to pay for it in the interim.

This week presidential adviser Kellyanne Conway said paying for the wall would be left out of an emergency short-term funding measure needed to avoid a US government shut-down. President Trump was nevertheless reported to have told conservative media representatives that he might try and raise the funds later this year. Also during the week normally softly-spoken Mexican foreign minister Luis Videgaray was unusually frank over the US President's plans.

Speaking to a commission of the Mexican federal chamber of deputies, Videgaray said the wall was "unfriendly", a "hostile act" and unlikely to achieve its publicly outlined objectives of stopping the flow of immigrants and illegal drugs. He reiterated Mexico's oft-stated position that it will not pay for the wall, a project that he said was "an absolute waste of money".

Meanwhile, US Republican Senator Ted Cruz, a onetime Trump rival for the presidential nomination, has proposed a possible alternative approach. On 25 April Cruz tabled a so-called 'El Chapo Act', a piece of draft legislation that would allow funds seized from Mexican cartels trafficking drugs into the US to be channelled into building the wall. It is named after Joaquín 'El Chapo' Guzmán, the leader of the Sinaloa cartel who was extradited to the US in January.

US prosecutors are seeking to seize US\$14bn worth of El Chapo's assets built up from illicit drug sales, which on paper at least is over half what the wall might cost to build, according to various rough estimates. But many have pointed out that the US\$14bn is no more than a court estimate, and that there is no guarantee that the US courts might be able to track down and seize anywhere near that amount.

WTO sides with Mexico in tuna dispute

On 25 April, the World Trade Organization (WTO) ruled in favour of Mexico in its long-running dispute with the US over bilateral tuna trade. The dispute dates back to 2008 and involves US tuna tins labelling regulations, which Mexico argued discriminated against Mexican fished tuna considered by the US authorities not to be 'dolphin safe'. The WTO has given Mexico permission to impose up to US\$163.23m in annual trade sanctions against the US. Mexico's economy ministry has said that it will seek to impose trade sanctions immediately, with high-fructose corn syrup imports from the US previously identified as a likely target. Mexico has long complained that the US has been dumping corn syrup into its market, affecting Mexican producers.

MEXICO | Economy proves Trump-proof for now. On 26 April, the White House issued a statement saying that US President Donald Trump has agreed not to "terminate" the North American Free Trade Agreement (Nafta) for the time being but instead work with the governments from the other Nafta members, Mexico and Canada, to update and renegotiate the terms of agreement. The announcement is major boon for the Mexican economy.

Ever since Trump threatened to take the US out of Nafta if no new terms of trade more favourable for the US could be agreed, Mexico has insisted that the abandoning of Nafta would be detrimental for the economies of both Mexico and the US. Trump's decision to back down from this option and to focus instead on trying to establish new trade terms that are beneficial for all Nafta parties, should ease some of the uncertainty regarding Nafta's future and the shape that Mexico's economic relations with the US will take. These uncertainties had produced a so-called 'Trump effect' which caused analysts to dampen their economic forecasts for Mexico amid fears that the economic relationship between the two countries would be severely affected by Trump's protectionist economic policy stances. This led to the Mexican peso losing 15% of its value against the US dollar since Trump's election last year as well as the cancellation of planned investment projects in Mexico by US firms. However, as Trump's presidency approaches its 100-day milestone, Mexico's economy has performed better than expected, with preliminary official figures suggesting solid GDP growth in the first quarter of the year (of around 2.5%) and the peso steadily recovering. Other economic indicators also show positive signs with the unemployment rate in March down to nine-year low of 3.2%.

Meanwhile, Mexico's automobile manufacturing sector is also having its strongest year since 2011, with car production reaching a record high figure of 943,704 light vehicles produced in the first quarter. This despite Trump's threat to adopt policies to protect US automobile manufacturing, which as yet have failed to materialise.

Unfulfilled threats are becoming something of a theme of the Trump administration so far, demonstrated by the latest decision not to unilaterally abandon the Nafta agreement and instead concentrate on striking a deal that is beneficial to all its members. This too appears to be the case for the much reviled 'border wall' that Trump has promised to build along the US-Mexico border and vowed to make Mexico pay for. After failing to come up with a convincing way in which to force Mexico to pay for the wall, Trump has decided to remove his request for funding for the wall in this year's US budget after this was rejected by a cross-party group of US legislators. But while Mexico may hope that the realities of government continue to constraint Trump, this may not always be enough to prevent his administration from pursuing economic policies that could be detrimental to Mexico. Indeed, the decision not to abandon Nafta and to renegotiate its terms in good faith does not mean that the Nafta renegotiations will produce a favourable deal for Mexico.

In addition, the decision by Trump to present a tax reform proposal that calls for a reduction of the US business tax from 35% to 15% and the adoption of a "territorial tax system to level the playing field for American companies" could prove to be harmful for Mexico. The aim of Trump's proposal clearly is to attract more investment by business in the US, potentially at the expense of investments in Mexico.

MEXICO | Boosting ties with Poland. Poland's President Andrzej Duda concluded a three-day official state visit to Mexico on 25 April. The landmark visit of a Polish head of state to Latin America follows Mexico's new strategy of expanding economic opportunities outside of North America, following the election of US President Donald Trump and the impending renegotiations of the terms of the North American Free Trade Agreement (Nafta). After meeting with President Enrique Peña Nieto, the Mexican and Polish governments signed several bilateral trade and investment agreements designed to boost "strategic relations" between the two countries. Duda pointed out that Poland sees Mexico as one of the top five markets outside of Europe to invest in, while bilateral trade between the two countries has increased ten-fold since 2004, from US\$109m to US\$1.04bn in 2016.

GDP growth

The Economic Commission for Latin America and the Caribbean (Eclac) in its latest update projects real GDP growth of 1.5% in Cuba this year, half a point lower than the official Cuban government forecast of 2%. However, some Cuban economists expect another contraction this year, following a decline of 0.9% in 2016. While tourism arrivals continue to rise, life for ordinary Cubans is currently difficult; petrol shortages are becoming commonplace at gas stations, for example, suggesting difficulties with Venezuelan oil supplies. The government last year imposed electricity rationing in the public sector.

Reaching out

Cuba is living under a cloud of uncertainty. On the political front, the succession plans for President Raúl Castro in 2018 remain under lock and key. On the economic front, the roiling crisis in Venezuela is having a sharp effect on Cuba, obliging belt tightening and returning the tentative reform process to the freezer. On the external front, there is no clear idea of future US policy towards Cuba, which risks cooling investor sentiment towards the island. As a result, and despite a continuing tourism boom, economy forecasts are subdued for a second year running.

Cuba's foreign minister, Bruno Rodríguez, was in Europe last week, where he re-stated that the Cuban government was ready to continue mutually respectful talks with the US. His statements appeared to confirm that there has been little or no official contact between Havana and the new administration led by President Donald Trump. "The current government of the United States has said it is reviewing its policy towards Cuba. We reiterate our readiness for dialogue and cooperation on the basis of the absolute respect for our sovereignty," Rodríguez stated in Spain, echoing the offer made by President Castro after Trump's inauguration in January.

In reply to questions about contact with the new White House, Rodríguez was evasive. "There has been a significant increase in travellers. Cooperation agreements signed during the last period are being implemented, and there are contacts at the level of the US government agencies and its Cuban counterparts on that basis," he noted. Rodríguez refused to comment on the performance of the new Trump administration, now marking 100 days in office. "Trump is the president of the United States, I don't vote in that country," he stated. But he expressed hope that Cuba and the US could maintain "a civilised relationship, despite the profound differences known to exist between the two governments."

Meanwhile, 16 retired senior military officers on 20 April sent a public letter to the US National Security Adviser, Lt. Gen. H.R. McMaster, asking the Trump government to continue the process of normalisation with Cuba for the sake of US national security and stability in the Caribbean. "The location of Cuba...and proximity to the US make it a natural and strategically valuable partner on issues of immediate concern, including terrorism, border control, drug interdiction, environmental protections, and emergency preparedness," the letter states. "We acknowledge the current regime must do more to open its political system and dialogue with the Cuban people. But, if we fail to engage economically and politically, it is certain that China, Russia, and other entities whose interests are contrary to the United States' will rush into the vacuum.... We have an opportunity now to shape and fill a strategic void."

The *Miami Herald* later reported that six of the 16 had gone to Havana on 14-17 March "at the invitation of the Cuban government" and met with officials from the foreign, energy, agriculture and external trade ministries. The group, reportedly, also met 12 Cuban interior ministry officials, who gave "a significant hour and a half Power Point brief on their security concerns and their thoughts on cooperation with the United States".

In terms of the domestic political scene, Rodríguez was reluctant to be drawn. He said there would be elections in 2018. "Municipal and provincial representatives will be elected, and also deputies to the National Assembly, and they will elect the President of the State Council and Council of Ministers," he stated, without directly referring to Castro's stated pledge to step down in February next year.

Police deployment fans repression concerns

“A betrayal of the people, the country and the Constitution”. This was the response of Francisca Ramírez, the leader of the Consejo Nacional por la Tierra, Lago y Soberanía protest group (‘Consejo Nacional’), to the recent deployment of police (PNN) officials. This ultimately meant that a proposed march, scheduled for 21-22 April against the US\$50bn ‘Gran Canal’ project to link the country’s Caribbean and Pacific coasts, was unable to go ahead. Previously one of the country’s most respected institutions, the PNN’s response has again triggered concerns regarding its lack of independence from President Daniel Ortega and his Frente Sandinista de Liberación Nacional (FSLN) government.

A PNN statement published in the state mouthpiece *el19digital* on 22 April justified the deployment of officials on the grounds that individuals identified as ‘Consejo Nacional members’ had “caused serious alterations to the public order, blocking the constitutional right to the free circulation of traffic”. The PNN statement claimed that groups of people had gathered with “a hostile attitude...armed with sticks, machetes, stones and firearms causing insecurity among the population”. According to the police statement, there were “incidents” in various places, including El Zapote municipality and Nueva Guinea department, El Tule town, Rio San Juan departments among other places.

The ‘Gran Canal’ project – for which the construction contract was awarded in June 2013 to Hong Kong Nicaragua Canal Development Company (HKND) – remains controversial amid complaints regarding the lack of transparency surrounding its approval, environmental concerns, and complaints that communities affected have not been properly consulted. The PNN’s response to what would have been the 87th such march follows an operation launched in late November/early December 2016, also in response to protests against the initiative, reportedly attended by thousands of people – both in the capital and around the country. At the time the Frente Amplio por la Democracia (FAD) opposition coalition accused the government of deploying a “gigantic operation” of PNN and army officers, leaving the country in a “virtual state of siege”.

Human rights concerns

Ramírez was one of four leaders flagged up by the World Organisation Against Torture (OMCT) and the International Federation for Human Rights (Fidh) which, on 28 March, requested urgent intervention in Nicaragua. The call was made in light of “worrying reports” from the local human rights centre, Centro Nicaragüense de Derechos Humanos (Cenidh), regarding defamatory acts and threats against Ramírez, along with Cenidh’s director Vilma Núñez de Escorcia; Lottie Cunningham, founder of the centre for justice and human rights on the Atlantic coast (Cejudhcan); and its director Juana Bilbano. The OMCT-Fidh press release cites a message received by Cejudhcan on 17 March “replete with...infamy and serious threats” against the four women.

Nica act relaunched

US legislators announced this month that they were reactivating a bill known as the Nicaraguan Investment Conditionality Act (NICA). It is the latest version of the initiative approved by US House of Representatives in September 2016 which would prevent the Ortega government from accessing international financing until reforms are implemented that “promote democracy, strengthen the rule of law, respect human rights, and until Nicaragua holds free, fair, and transparent elections overseen by electoral observers”. The initial NICA was drawn up in response to concerns surrounding the November 2016 general elections in which Ortega was re-elected in a highly questioned process.

One step further

A 5 April press release by US Representatives Ileana Ros-Lehtinen (R-FL) and Albio Sires (D-NJ) notes that the latest version of the NICA “goes one step further than the previous version” by calling for the Ortega government “to actively combat corruption and take significant steps to protect human rights defenders and activists”.

Quotes of the week

“Colombia is a failed state, 70 years of war, they signed a peace accord thanks to [Hugo] Chávez and me.”

Venezuela's President Nicolás Maduro.

“This government and this country fortunately has a solid democracy where the independence of state powers is respected, and freedoms are respected.”

Colombia's President Juan Manuel Santos.

“Cuba is changing all the time.... There is no revolution that is not permanently undergoing renewal.”

Cuba's foreign minister, Bruno Rodríguez Rodríguez, asked about change on the island.

POSTSCRIPT

Santos squares up to Maduro

Colombia's President Juan Manuel Santos has to-date handled his Venezuelan peer Nicolás Maduro with kid gloves. While ideological allies such as Argentina's President Mauricio Macri have criticised the undemocratic treatment of Venezuela's political opposition, Santos has refrained from being drawn. But over the course of the last week, Santos abandoned the diplomatic tact over Venezuela that has prevailed since he took office in 2010. Maduro wasted little time in responding.

President Santos expressed his “serious concern” last week about a Venezuelan government plan to expand the armed Bolivarian militia, a civilian force complementing the Fuerza Armada Nacional Bolivariana (FANB), to half a million. Colombia's foreign minister, María Angela Holguín, duly denounced “the worrying militarisation of Venezuelan society” to the secretary-general of the United Nations (UN), António Guterres. Separately, on 20 April, after hundreds of thousands of Venezuelans marched against the Maduro administration, Santos wrote on *Twitter* that he had warned the late president Hugo Chávez (1999-2013) some six years ago that “the Bolivarian Revolution failed”.

President Maduro responded in a radio and television broadcast by saying, “Everything is privatised in Colombia for the benefit of the oligarchy [which is why] 100,000 Colombians came [to Venezuela] last year, and 35,000 in the first three months of this year, fleeing from poverty, hunger, paramilitaries, the oligarchy and the lack of freedom and true democracy”. Maduro said that his government had recently been rebuffed by the “crazy” Santos administration when offering humanitarian assistance in the wake of a fatal landslide.

Why did Santos decide that now was the time to break his silence? Aside from genuine concern about the militias, while Venezuela was involved in the peace process in Cuba, Santos had to keep a studied silence. Santos has also been goaded by the leader of the right-wing Centro Democrático (CD) Senator Alvaro Uribe (former president 2002-2010) who has compared him directly to Maduro. He is worried that Uribe's CD is stealing a march in the polls ahead of presidential elections in May next year. While Santos cannot stand for re-election he will want to prevent Uribe coming to power at all costs for fear that he will seek to roll back the peace process.

LatinNews Daily

LatinNews Daily is an essential briefing tool for anyone with a serious interest in Latin or Central America and the Caribbean and is relied upon by thousands of LatAm professionals world-wide.

It is the definitive English language resource delivered via email at 0800 EST outlining all key developments throughout the region with expert analysis on the likely impact of each development.

LatinNews Daily costs just \$1,785 USD or £1,100 GBP for the year. For a 10-day free trial register at www.LatinNews.com, or for further information please contact Maria Isotalo via our online form at: www.latinnews.com/contact-us.

LATIN AMERICAN WEEKLY REPORT is published weekly (50 issues a year) by **Latin American Newsletters**, Hamilton House, Fourth Floor, Mabledon Place, London, WC1H 9BB, England. Telephone +44 (0)203 695 2790, Email: subs@latinnews.com or visit our website at: <http://www.latinnews.com>

EDITOR: JON FARMER. Subscription rates will be sent on request. Overseas subscription sent by airmail. Printed by Quorum Print Services Limited, Unit 3, Lansdown Industrial Estate, Gloucester Road, Cheltenham, Glos. GL51 8PL **COPYRIGHT © 2017** in all countries. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, electrical, chemical, mechanical, optical, photocopying, recording or otherwise, without the prior written permission of the publishers. Registered as a newspaper by Royal Mail. **REFERENCES:** Back references and cross-references in the current series will be made thus: WR-17-01 will indicate Weekly Report, 2017, issue 1.