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What Mexico's electoral results mean for 2018 presidential contest

How quickly things change. This time last year Mexico's right-wing Partido Acción Nacional (PAN) appeared to have been vaulted into contention for the presidency in 2018 after winning seven state governorships and reducing the federally ruling Partido Revolucionario Institucional (PRI) to fewer than half of the country's 32 federal entities for the first time in its history. The PAN's new young president, Ricardo Anaya, was hailed as the mastermind of the success. Fast-forward a year and the PAN has been thumped in the gubernatorial contest in Mexico's most populous state, Estado de México (Edomex), despite fielding one of its biggest hitters, and plunged into disunity, with calls for Anaya to go. The PRI's hegemony in Edomex endured but it was a Pyrrhic victory, where the biggest winner, paradoxically, suffered the most painful loss: Andrés Manuel López Obrador.

The size of the biggest prize on offer in the gubernatorial elections on 4 June should not be underestimated. More than 13% of Mexico's total electorate is concentrated in Edomex, around 11.3m voters. "We have just won the biggest state in the country," the education minister, Aurelio Nuño, a possible PRI presidential candidate, said after the provisional electoral count (Prep) suggested a narrow victory for the party's candidate for governor, Alfredo del Mazo Maza. "The Estado de Mexico is a country in itself, it is bigger than practically all of the countries in Central America put together; its population is the same as a country like Chile," Nuño argued.

While the victory in its main electoral stronghold will be a huge relief for the PRI, which it will try and capitalise on by moving swiftly to select a presidential candidate, the party lost significant ground. The PRI won only one-third of the vote, or 1.95m, some 1m fewer votes than it received in the previous Edomex election in 2011. Del Mazo won 33.72% to 30.81% for his nearest challenger, Delfina Gómez of López Obrador's radical leftist Movimiento Regeneración Nacional (Morena). The PRI won two-thirds of the vote in Edomex in 2011. Ultimately, a divided opposition allowed the PRI's core support to reassert its dominance, but this is fragile. Del Mazo, who benefitted from the biggest war chest, still had by far the largest rejection rate of any of the candidates competing.

The PAN was the biggest loser in Edomex. Josefina Vázquez Mota, who ran for the presidency for the party in 2012, was rolled out as the PAN sought to deliver a body blow to the PRI in Edomex ahead of next year's presidential elections. Instead, she garnered just 11.57%, finishing in a distant fourth. To add insult to injury this was nearly seven percentage points behind Juan Zepeda, who the left-wing Partido de la Revolución Democrática (PRD) had hastily selected as its candidate after an alliance with the PAN fell through.

Morena demands Edomex recount

Andrés Manuel López Obrador has demanded a vote by vote recount and a revision of the whole process in Edomex. “The supposed lead of the PRI is smaller than the number of void votes,” López Obrador said, calling for a full recount to establish why. The Edomex electoral institute (IEEM) rejected Morena’s demands for a full recount and approved the revision of results from 4,019 of the 18,605 polling stations, 21.6% of the total, because the difference between the top two candidates is under 1%, and null votes were greater than this. Morena claims there were irregularities in 85% of the polling stations.

Margarita Zavala, the wife of former president Felipe Calderón (2006-2012) and the PAN’s most prominent presidential aspirant, launched a ferocious attack on the PAN party leadership in a column in the national daily *El Universal* directly after the first results showed Vázquez Mota well adrift. “Ricardo Anaya is directly responsible for the PAN’s defeat in Edomex,” Zavala wrote. “He sacrificed the party’s chances of success thinking only of himself and his ambitions.... We cannot minimise the defeat in Edomex: the largest electorate in the country with 11m voters. What happened here was a failure and a serious defeat for the PAN, specifically the leadership.”

As if this were not enough, Zavala went on to argue that under Anaya “the PAN is renouncing its position as the real opposition”. She concluded that “[Anaya’s] style of politics weakens us considerably as an option for change in 2018 [due to] the proliferation of practices that we despise in the PRI: lying, cheating, simulating...threatening those who support me, and attacking me through third parties.”

Zavala insisted that the PAN needed to rediscover its principles (“Enough old politics, corrupt politics...and accords that nobody explains”) and choose a presidential candidate in “a clean and fair manner” within a month. She has launched a national tour (as we go to press on 8 June) “to listen to voters and work closely with the people”. It is noteworthy that Vázquez Mota, for her part, blamed the lack of “an electoral arbiter and impartial authorities” for her defeat in a press conference alongside Anaya, who has so far resisted the temptation to respond to Zavala.

Internal discord within the PAN, festering for a year, could sabotage the party’s presidential prospects, not least because the PRI traditionally avoids party infighting by handpicking its presidential candidate by ‘dedazo’. Zavala is convinced that Anaya harbours presidential ambitions himself and is (mis)using party resources to advance them. Zavala also views the proposed formation of a grand coalition, led by the PAN and PRD to compete in the 2018 presidential elections, which was announced by Anaya and PRD party president Alejandra Barrales on 20 May [WR-17-20], with profound suspicion, denouncing the “striking of pacts...[with other] parties behind the backs of the [PAN] membership”.

If anything, however, it was the lack of an alliance with the PRD in Edomex that led to the PAN’s resounding defeat. In the one state where the PAN and PRD were able to seal an electoral alliance on 4 June, Nayarit, they won comfortably: Antonio Echevarría, the PAN-PRD candidate for state governor, won 41% of the vote to 28% for the PRI’s Humberto Cota, according to provisional results. The PAN-PRD also won more than half (113) out of the 212 mayoralities in Veracruz, where concurrent municipal elections were held, winning a host of mayoralities previously held by the PRI, which finished with just 35.

The mooted PAN-PRD alliance in Edomex foundered over which party should supply the candidate for governor. This could also provide an insurmountable obstacle for a grand coalition in 2018. By contrast, Morena will have no such trouble. Failing to win Edomex for Morena was a blow for López Obrador, one which he has characteristically not accepted (see *sidebar*), but to push the PRI so close in its main bastion confirms that he will be a formidable force in his third bid for the presidency in 2018.

AMLO or Anaya?

Barrales, barely a fortnight after striking an alliance with Anaya, reacted to the Edomex result by suggesting that a PRD-Morena alliance could be decisive in 2018. But while there is internal support within the PRD for an alliance with Morena there is also considerable opposition. An alliance

PAN demands Coahuila recount

The PAN party president Ricardo Anaya announced in a press conference on 7 June that his party will challenge the results in the gubernatorial elections in Coahuila. Anaya said the provisional electoral count (Prep) stopped computing votes at just under 72% and was suspended to give the PRI 72 hours to commit electoral fraud. He said that in the rapid count the PAN's candidate Guillermo Anaya had a slight lead. When the count was frozen the PRI candidate Miguel Ángel Riquelme had a small lead. The PAN claimed that the Coahuila state electoral institute was under the control of the PRI governor Rubén Moreira.

with López Obrador would require subordination; an acceptance of his proposals and his abrasive style of politics. Compromise is not part of López Obrador's political vernacular, and so far there is no evidence that he is prepared to alter that approach.

In summary, the Edomex contest suggests that an electoral alliance with the PRD could potentially be decisive in winning the presidential elections for either the PAN or Morena but by competing separately the opposition parties would play into the hands of the PRI, which will present a unified and disciplined front behind whatever presidential candidate is eventually selected.

Corruption and insecurity

While there was plenty of mudslinging over corruption between the principal candidates, an opinion poll conducted by the daily *El Financiero* in Edomex showed that more than three times as many voters see security, or the lack of it, rather than corruption as the biggest issue facing the incoming governor (52%-16%). Even in Coahuila, the third state to hold gubernatorial elections on 4 June, the PRI looks like clinging onto power (albeit with a significantly reduced margin of victory) despite the incumbent governor Rubén Moreira and his brother and predecessor Humberto being accused of misappropriating billions of pesos of state funds.

Rubén Moreira defeated the PAN's Guillermo Anaya by 62%-35% in the 2011 state elections. The PRI's Miguel Riquelme looks set to defeat Anaya this time around but by a whisker, with the PAN set to challenge the result (*see sidebar*). Morena's Armando Guadiana, who finished a distant third, acknowledged defeat but called for a transparent recount for the sake of the public who had endured "12 years of nightmare under the Moreiras". Interestingly, Humberto Moreira, who was recently expelled from the PRI not on the grounds of corruption but because he chose to seek a seat in the state legislature for the small Partido Joven (PJ) in order to gain immunity from prosecution, accused the PRI of "stealing [the elections] in the most outrageously blatant way...I've seen in my life, sons of bitches".

PRI top corruption fighters?

"[Corruption] is a cancer which is not new but needs to be combated firmly," the PRI party president Enrique Ochoa Reza said this week. "The corrupt need to be arrested, charged and imprisoned." Ochoa claimed that the PRI was doing more to tackle corruption than any of the other political parties. The PRI's legacy on corruption, however, is heavy.

Just this week Roberto Borge, the former (PRI) governor of the state of Quintana Roo (2011-2016), was arrested in Panama City trying to catch a flight to France from the Panamanian capital's Tocumen international airport. A Mexican judge issued a warrant for Borge's arrest on 31 May, and extradition will now be sought.

The PAN-PRD governor of Quintana Roo, Carlos Joaquín, who succeeded Borge last September, praised the arrest saying it was the result of eight months of close cooperation with federal authorities. Borge is accused of selling state-owned land totalling 9,500 hectares, at well beneath its commercial value, to relatives, especially his mother, Rosa Yolanda Angulo Castilla.

Omar Hamid García Harfuch, the head of the criminal investigations agency (AIC) at Mexico's federal attorney general's office (PGR), said Borge had been staying in rented apartments and hotel rooms in Miami, Florida; Havana, Cuba; and Nassau, Bahamas, before taking a room in Panama City's Trump Tower on 25 May; Borge's use of Uber helped track him.

The former (PRI) governor of Veracruz, Javier Duarte, also accused of corruption on a massive scale, was captured in Guatemala in April. The Mexican government formally requested Duarte's extradition on 7 June. Another former PRI governor, César Duarte [Chihuahua, 2010-2016], wanted for corruption is still on the run.

Draining the swamp

Newly elected politicians like to ‘house clean’, ‘clear the decks’ or, in the case of the US President Donald Trump, ‘drain the swamp’. Barely two weeks in office, Ecuador’s new president Lenín Moreno has got off to an energetic start, declaring an all-out war on corruption in the country, “whoever may fall”.

Moreno, whose election campaign for the ruling left-wing Alianza País (AP) was damaged by corruption scandals implicating senior officials in the two successive administrations led by his former boss and predecessor Rafael Correa (2007-2017), clearly wants to prioritise the issue immediately. On the one hand, Moreno may be intent on clearing the slate at the very outset of his term, so he can get on with the business of running the country and getting the economy back on its feet against a backdrop of still-low oil prices and weak investment. On the other hand, this could be an effort to stay one step ahead of the corruption issue, amid ongoing investigations into various scandals – which could yet become rather uncomfortable for the AP.

Nonetheless, it came as something of a surprise when Moreno, on 5 June, launched a new ad-hoc anti-corruption initiative (known as the Frente de Transparencia y Lucha contra la Corrupción) and said that his new administration would seek cooperation from the United Nations (UN) to deal with the issue. Underlining the need to prevent “the plague” from “infecting” the public and private sector, Moreno said that it needed to be tackled quickly.

This new anti-corruption front will comprise cabinet officials including the foreign minister, María Fernanda Espinosa, the justice minister, Rosana Alvarado, and the planning & development minister, Andrés Mideros; as well as local government officials, lawyers, activists, social scientists, and civil-society and private-sector representatives. With a working motto of ‘zero tolerance’, Moreno said the commission would propose new anti-corruption and education policies for both the public and private sector, along with measures to help improve judicial procedures in the country (which are slow and unwieldy, creating impunity).

Espinosa thereafter was dispatched to New York on 7 June to meet the UN Secretary General, António Guterres, to discuss an agenda for cooperation against corruption. The UN already cooperates with other regional countries on anti-corruption efforts, most notably in Guatemala, where it administers the International Commission against Impunity in Guatemala (Cicig). There is no suggestion that Moreno is contemplating introducing a similar scheme for Ecuador, but Espinosa noted that the UN could assist in the design of prevention and education mechanisms to avoid corruption, as well as the elaboration of indices to strengthen these new mechanisms.

On 6 June, the (AP) president of Ecuador’s national assembly, José Serrano, also created a stir when he announced a series of congressional actions initiated by the AP bench relating to the bribery case involving the Brazilian construction firm Odebrecht. Most controversially, Serrano declared the launch of impeachment proceedings against the comptroller general, Carlos Pólit.

Flanked by his AP colleagues, Serrano said a case was being put together against Pólit on the grounds of dereliction of duty. Serrano also announced that the attorney general, Carlos Baca Mancheno, would be asked to appear

Odebrecht investigation

According to local media, prosecutors are now focusing on five ‘mega projects’ awarded to Odebrecht between 2011 and 2015, worth US\$1.4bn in all. These are the Pascuales-Cuenca multipurpose pipeline (poliduct); the Manduriacu hydroelectric project; the La Esperanza aqueduct; the Daule-Vinces water transfer system; and the troubled Pacific refinery scheme.

Ricardo Rivera

The vice president's uncle Ricardo Rivera, being held under house arrest on the grounds of his age (68), was provisionally charged with receiving payments to the tune of US\$13m for using his government ties to 'facilitate' the award of public sector contracts to Odebrecht. Jorge Glas says he rarely saw or spoke to his uncle, insinuating that Rivera was peddling false influence. Five others were also arrested in the raid on 3 June, in which police reportedly seized US\$170,000 in cash, luxury cars and jewellery and – rather astoundingly – a cheque issued by Odebrecht for US\$1m.

before the congressional audit commission to give an update on the Odebrecht investigations. The attorney general, he said, would be asked for "celerity" in the Odebrecht case, including the launch of procedures against prominent figures implicated in the case, as well as the expulsion of Odebrecht from the country.

Serrano also said that the national assembly would debate additional reforms to prevent and punish government corruption, including the figure of 'civil death' for corrupt public-sector officials, and a ban from public-sector contracts for companies with a prior conviction for illicit activity. Finally, he said that a cross-party legislative commission would shortly travel to Brazil and the US in search of information about the Odebrecht case.

The very next day, the national assembly's citizens' participation commission summoned Vice-President Jorge Glas to appear to explain the nature of his relationship with those caught up in the Odebrecht scandal, including his uncle, Ricardo Rivera, arrested days earlier following a police raid in Guayaquil (*see sidebar*).

Glas has been accused by former officials of being the point man for illicit activities in the Correa administration, alleging his knowledge of embezzlement at the state-run oil company Petroecuador and contract irregularities in works given to Odebrecht and potentially other companies. Glas, who denies any involvement in or knowledge of corruption under the Correa government, had previously declared that he was willing to testify to anyone to that effect. The citizens' participation commission, which is opposition controlled, was lightning quick to take him up on his word. The plenary later voted that Glas could not be called for 'lack of grounds' albeit Serrano subsequently did not rule it out.

The national assembly, controlled by the AP for the past decade, never sought to tackle corruption so forcefully under Correa. Certainly, it never once reached for the instrument of impeachment. Critics of the ruling party are sceptical that this latest effort is nothing more than smoke and mirrors.

Representatives of the opposition parties Unidad Popular (UP), Movimiento Creo and Concertación protested outside the attorney general's office at the start of the week, demanding that Attorney General Carlos Baca publicly reveal the names of all those implicated in the Odebrecht scandal. Geovanni Atarihuana of UP alleged that Glas, as well as Correa (nothing if not a micro manager), could not but have been aware of the dodgy deals going on.

Correa criticises

Former president Correa penned an editorial in the pro-government daily *El Telégrafo* on 7 June expressing concern about the new anti-corruption front, including the move by President Moreno to seek UN advice.

Correa warned about "compromising the advances of recent years in institutionalism and sovereignty". Defending the official procedures already in place to deal with corruption, Correa also suggested that "media pressure" would force such "ad hoc commissions" to be "against the Citizens' Revolution".

Correa said he intended to take a career break in Europe with his Belgian wife after leaving office. He came down with a bout of pneumonia the very day of Moreno's inauguration and was briefly hospitalised. It is unclear if he has packed his bags for Europe yet.

What is clear is that Correa may not do his successor the traditional political courtesy of keeping his mouth shut and his opinions to himself as the new government beds in. Of course, there are those who believe that Moreno is nothing more than a place-holder for four years until the next general election in 2021.

Ministers to moonlight in constituent assembly?

Amidst all the noise in Venezuela, it barely went noticed that President Nicolás Maduro reshuffled his cabinet. In most countries, even a mini-reshuffle tends to be a breaking-news item. Maduro has changed three ministers in the past week.

According to the state channel VTV, Mervin Maldonado has replaced Pedro Infante at the helm of the youth and sports ministry. Freddy Bernal has replaced Érika Farías as the minister for urban agriculture (Bernal has been secretary general of the local food supply committees known as the CLAP; it was unclear if he will hold both posts). Finally, Miguel Pérez Abad replaced Jesús Farías as minister for external trade and international investment (Abad formerly served as minister for industry, before moving to head up a state bank.)

All three of the departing ministers are seeking election to the constituent assembly on 30 July. So too is the number two in the ruling Partido Socialista Unido de Venezuela (PSUV), Diosdado Cabello, who has stepped down from his post as national deputy. The former vice president, Aristóbulo Istúriz, is also said to be running, as are – reportedly – Foreign Minister Delcy Rodríguez, the president of the state-run oil company Pdvsa, Eulogio Del Pino, and several other senior government officials. Rumours about Del Pino's departure from Pdvsa have been rife for months. The high-profile Rodríguez, however, has yet to give any sign of stepping down.

As expected, the supreme court's constitutional chamber has rejected the request filed by the attorney general for clarification of the chamber's prior ruling that the constituent assembly process could proceed without prior public assent by referendum. On 7 June, the chamber ruled that, coming from the attorney general, the request was 'illegitimate' as the attorney general, technically, does not represent the general interest, or the public security interest. It cited article 252 of the civil procedures code in support of this (rather abstruse) argument.

Attorney General Luisa Ortega Díaz did not immediately respond to the constitutional chamber's decision, but the sole independent rector on the national electoral council (CNE), Luis Emilio Rondón, reiterated his rejection of a constituent assembly without prior public consent. Rondón said that the CNE's decision (earlier this week) to go ahead and schedule the elections for the constituent assembly members (for 30 July) was "spurious". He accused the CNE of committing "an assault on the Venezuelan people" and of "turning its back on popular sovereignty and participative democracy", as well as being in breach of the constitutional guarantee to universal direct suffrage (in reference to the proposed election of 'sectoral representatives' to the constituent assembly).

Regardless of the recent imposition by the US of sanctions on each of its magistrates (plus the TSJ president), the constitutional chamber remains undeterred. In a separate ruling on 7 June, it summoned two opposition mayors to 'a public hearing' to determine their compliance with a TSJ order that they ensure that public protests do not interfere with the right to free circulation.

The TSJ has issued the same order to 12 other opposition mayors, plus the governor of the populous Miranda state (surrounding Caracas), Henrique Capriles Radonski. In 2014, several opposition mayors were stripped of their posts and jailed on similar grounds. The opposition mayor of the Caracas municipality of El Hatillo, David Smolansky (among those to have received the TSJ order to guarantee free circulation), was due to lead a nocturnal march on 8 June in protest at violent repression by the security forces of anti-government demonstrations the previous day when a 17-year-old boy was killed.

Cabello vs Ortega

On his weekly television show, *Con el Mazo Dando*, Diosdado Cabello warned that "that woman", in reference to Attorney General Luisa Ortega Díaz, had "53 days, and not one more" left in office. Cabello also warned that the new constituent assembly, due to sit immediately after its members are elected on 30 July, could strip parliamentary immunity from "everyone". Indeed, there are fears that the constituent assembly could move to dissolve the national legislature altogether as part of its 'transformation of the State'.

Restrepo calls for firm hand against the ELN

In the wake of the persistent armed attacks carried out by the Ejército de Liberación Nacional (ELN) against the Colombian security forces in recent weeks despite ongoing peace negotiations between the government and the ELN, the head of the government's peace negotiation team, Juan Camilo Restrepo, has called for a step-up in military action against the guerrilla group. "We need to be much tougher and less trusting [with the ELN]...military action against that group must be intensified in the coming months if it continues to fail to uphold the peace negotiation conditions," Restrepo said in a 6 June interview with Colombian media.

Setback to Farc disarmament process

The ongoing formal disarmament and demobilisation process of the Fuerzas Armadas Revolucionarias de Colombia (Farc), suffered a major setback this week. The Farc leadership threatened to suspend the process over what it perceived to be a failure by the government led by President Juan Manuel Santos to uphold some of the commitments undertaken as part of the historic peace deal it signed with the guerrilla group last year.

The Farc leadership issued its threat to suspend the disarmament process in the wake of the 4 June arrest of a Farc member by the Colombian police. 'Yimmy Ríos' was detained by the police in Colombia's capital, Bogotá, after he was stopped at a routine road check point. Police officers asked Ríos to identify himself and when they ran his name through their computer system they found that there were various outstanding arrest warrants against his name. Ríos told the police that he formed part of the group of Farc members authorised by the guerrilla leadership and the government to help with the implementation of the peace process and that consequently all arrest warrants against him should have been suspended. But the police ignored Ríos's explanations and brought him into custody.

Within hours, the Farc's maximum leader, 'Timochenko' (Rodrigo Londoño Echeverri), took to *Twitter* to demand Ríos's immediate release. Confirming that Ríos had been designated to assist with the implementation of the peace deal and had travelled to Bogotá to this effect, Timochenko said that Ríos's arrest went counter to the pledges made by the government as part of the peace deal. And after complaining that two other Farc members had reportedly also been arrested by the police in Guaviare and Huila departments, Timochenko said that the Farc was considering suspending the current disarmament process until the government fulfils all the commitments it made in the peace deal. He added that "in the face of the government's continued failure to comply with the peace deal, the Farc demands international monitoring".

The threats elicited a quick response from the Santos government. The office of the high commissioner for peace confirmed in a statement that Ríos had been accredited as a Farc representative aiding in the implementation of the peace deal and that all arrest warrants against him should have been suspended. It went on to say that the arrest could have taken place due to "an identity issue", noting that the orders suspending the arrest warrants against Ríos were made in his real name and not his guerrilla alias, which he may have provided to police. The office of the high commissioner added that it would now intervene and provide all the necessary documentation to the police to secure Ríos's release. Santos said that the Ríos arrest had been an honest mistake that would soon be resolved by the authorities and that Ríos would be released soon (Ríos was duly released on 5 June).

However, the Ríos case produced questions about how effective the Santos government has been in implementing the peace deal. This is not only a problem for the peace process with the Farc but also with the separate but linked peace process with the Ejército de Liberación Nacional (ELN), the country's second largest guerrilla group.

The government hopes to expedite peace negotiations with the ELN by showing that the deal it reached with the Farc can be successful. But the questions about the government's ability to uphold the commitments it undertook in the Farc peace accord could make the already distrustful ELN leadership even more apprehensive about its negotiations with the government.

President Bachelet delivers final balance sheet

President Michelle Bachelet has presented her fourth and final state-of-the-nation address. Despite her leftist Nueva Mayoría coalition government being damaged by corruption scandals and slowing domestic economic growth (due to the fall in international commodity prices), Bachelet pointed to some signs of progress – not least with regard to her flagship pledge to introduce universal free higher education. With her popularity gradually creeping back up (see sidebar), Bachelet also unveiled some proposals aimed at regaining the initiative ahead of November's general elections, for which former president Sebastián Piñera (2010-2014), of the centre-right Chile Vamos opposition coalition, remains the frontrunner.

In her 1 June balance sheet, President Bachelet announced that free university, technical and professional higher education would extend to the 60% most vulnerable students in 2018. She also revealed that bills would be sent to congress which among other things would establish a new regulatory framework to strengthen state-run universities and put an end to the state-guaranteed loan (Crédito con Aval del Estado, CAE). In what she described as “a historical milestone for technical education”, she also highlighted that the implementation of the first five state-run technical training centres (CFTs), would begin in 2017 in Tarapacá, Coquimbo, Maule, Araucanía and Los Lagos regions, with the first students to be received in March 2018.

Bachelet also pointed to other evidence of her declared commitment to social spending and combating inequality. She boasted that, compared with that invested between 2010 and 2013, her government had boosted investment in the health sector by 40% in real terms, with 21 new hospitals to be built by March 2018. She also said that in July she would be sending a bill to congress to strengthen the contributory pillar of the pensions system by establishing a new contribution of 5% to be paid by employers. The bill will also propose establishing a constitutionally autonomous public entity to oversee the correct management of these resources. She claimed that once operational, these changes “will enable an immediate 20% increase in AFP old age pensions [administered by private pension fund administrators]. And, as the system matures, these pensions will increase by an average of 50%”. Bachelet also highlighted that her government's social policies had brought down the poverty rate from 14.4% in 2013 to 11.7% in 2015, meaning more than 400,000 people had left poverty behind.

Bachelet's claims of progress, however, met with a mixed response from those who continue to complain that these moves do not go far enough. The same day that she delivered her balance sheet, the main students' organisation, Confederación de Estudiantes de Chile (Confech), staged another national day of protest – the third this year – calling for the government to waive debts owed under CAE and, more generally, in rejection of the current education reform that the executive is seeking to push through the national legislature.

Meanwhile, Bachelet's latest proposed pensions initiative falls far short of calls by protest groups such as the 'Coordinadora No + AFP' ('No More AFP') for the overhaul of the entire national pensions system, which dates back to the military dictatorship led by General Augusto Pinochet (1973-1990). Coordinadora No + AFP criticises the fact that the AFP system remains the basis of the pensions model.

Popularity

The most recent survey by local pollster Adimark, released on 1 June, showed President Bachelet with a 31% approval rating in May – the best approval rating of her last two years of government. This was up by three percentage points on the previous month.

Sofofa

Bernardo Larraín Matte was elected as the new president of the manufacturers' association Sociedad de Fomento Fabril (Sofofa) on 31 May replacing Hermann von Mühlenbrock. Larraín Matte was a controversial choice. He has come in for serious criticism for having served as director of CMPC Tissue, one of the country's two largest toilet paper manufacturers along with SCA Chile. In October 2015 the national economic crimes prosecutor's office (FNE) accused the two firms of colluding to divide up the local market and arbitrarily set the prices of their products. Larraín Matte said he had learnt from his mistakes.

Future plans

Bachelet also unveiled new initiatives. These include a "comprehensive plan" for the country's southern Araucanía area – where the indigenous Mapuche lay claim to ancestral lands and which has been the site of repeated unrest and arson attacks in recent years, fuelling calls for the government to declare a state of emergency there.

With the most recent (1 June) survey by local pollster Adimark ranking the Nueva Mayoría administration's handling of the Mapuche issue as the third worst area of government (with just 16% approval) – third only to delinquency (12%) and tackling corruption in state institutions (11%) – Bachelet said the plan would comprise three components. These are constitutional recognition of indigenous peoples (to be included in more general efforts to overhaul the 1980 constitution that dates back to the Pinochet dictatorship – another of Bachelet's electoral pledges); productive regional and territorial development; and plans to extend a reparations scheme to all victims of violence in the area. The plan is in line with the 11 recommendations of a special advisory panel which was made public in January this year. Among other things, the panel also called for special political representation of indigenous groups in the national congress; the urgent strengthening of the ministry for indigenous people (established in January 2016); and changes to rules on land acquisition.

As well as plans to push on with constitutional reform, a process which is already under way [\[WR-17-14\]](#), Bachelet announced plans to send down a bill in the second half of 2017 which would legalise same-sex marriage. Same-sex couples have been able to enter into civil unions in Chile since 2015. Local civil-rights groups like the lesbian, gay, bisexual and transgender movement (Movilh) have hailed the move, pointing to a survey released on 4 June by local think-tank Centro de Estudios Públicos (CEP), which showed that 39% of respondents were in favour of it, up from 27% in 2011. However, it is worth pointing out that the same poll also showed that 40% of respondents opposed it.

Sofofa scandal embroils Piñera

The frontrunner in this November's presidential race, former president Sebastián Piñera, received criticism this week from Chile Vamos, the opposition coalition backing his candidacy, after he waded into a scandal involving one of Chile's most influential private sector lobbies, the manufacturers' association Sociedad de Fomento Fabril (Sofofa).

Chile's attorney general's office requested on 5 June that Piñera put flesh on the bones of comments he made on national television about Sofofa, whose president Hermann von Mühlenbrock called in private investigators last month to look into a series of irregularities related to confidential information. They discovered microphones covered in dust (suggesting they had been there for some time), hidden cameras and sophisticated audio equipment in Von Mühlenbrock's office as well as that of his deputy José Juan Llugany, the director of the food manufacturer Empresas Carozzi. Piñera said he had the impression that the case would be "turned on its head" and relate to a love affair rather than "political or industrial espionage".

"It clearly wasn't a good thing to say; it was a mistake," the secretary general of the centre-right Renovación Nacional (RN), Mario Desbordes, said in response to Piñera's comments, while his counterpart in the ultra-conservative Unión Democrática Independiente (UDI), Pablo Terrazas, said it would have been better if Piñera had kept his thoughts to himself and left the case in the hands of the attorney general's office.

Sofofa had previously released a statement describing the episode as "unprecedented [in the association], immensely damaging for our institution, for the business sector, for public credibility, and for the country". The government spokeswoman, Paula Narváez, described it as "exceptionally serious".

Macri gets early electoral fillip

President Mauricio Macri was quick to congratulate Eduardo Tassano, the candidate from the ruling centre-right Cambiemos coalition after he won the mayoralty of Corrientes defeating the Partido Justicialista (PJ, Peronists) in elections on 4 June. Macri is keen to take the momentum from this victory, which is being dubbed 'the Corrientes effect', into the remaining electoral challenges of the year, culminating in October's mid-term federal legislative elections when the PJ will pose the most serious threat to the hopes of Cambiemos expanding its congressional presence.

Tassano, who belongs to the centre-left Unión Cívica Radical (UCR), one of the three constituent parties in the ruling Cambiemos, narrowly defeated the PJ incumbent Fabián Ríos, ending the party's eight-year grip on Corrientes, the capital of the north-eastern province bearing the same name. The Macri administration was buoyed by the unexpected win in Corrientes, and claimed that it demonstrated that honest governance had struck a chord with voters. The result is significant because the province of Corrientes is holding gubernatorial elections this year.

It is worth noting that the province of Corrientes is not really a PJ stronghold. There has not been a PJ governor of Corrientes since 1973 (the present incumbent, Ricardo Colombi, belongs to the UCR). And Cambiemos could not make an impression in two other provinces which held elections on the same day: La Rioja and Chaco (the former, in particular, a PJ bastion).

In provincial legislative elections in La Rioja, the PJ won 14 of 18 provincial seats (out of 36) up for grabs. As La Rioja is one of the provinces renewing its federal senators in October this year this result was a bit of a disappointment. Chaco, meanwhile, held primary elections ahead of the mid-terms. Cambiemos took 34% of the vote behind the PJ with 48%.

Cambiemos has fastened on to the Corrientes result, and is hoping to deliver other shock blows to the PJ in the central province of San Luis and, above all, the southern province of Santa Cruz, which would be the sweetest of victories as the present governor is Alicia Kirchner, the sister of former president Néstor Kirchner (2003-2007). A total of 24 of the 72 federal senate seats will be renewed in October; 15 of these 24 are currently in the hands of the Frente para la Victoria (FPV, Kirchneristas) faction of the PJ, including two in Santa Cruz.

Alicia Kirchner met President Macri in the presidential palace Casa Rosada last week to receive a US\$750m federal bailout for the province of Santa Cruz (*see sidebar*).

TRACKING TRENDS

PARAGUAY | New finance minister appointed. President Horacio Cartes swore-in Lea Giménez as Paraguay's first-ever female finance minister on 6 June. Giménez replaced Santiago Peña, who resigned in order to pursue the presidential candidacy of the ruling Asociación Nacional Republicana-Partido Colorado (ANR-PC) for the 2018 elections.

Giménez, who had been serving as Peña's deputy, said she would continue the policies of her predecessor, especially as regards issuing more debt to bankroll public investment. The ANR-PC will hold party primaries this December when internal factions opposed to Cartes retaining his influence over the party will seek to rally behind a candidate to defeat Peña.

Santa Cruz

The US\$750m federal bailout for Santa Cruz will be split into three tranches of US\$250m. In return Governor Alicia Kirchner was compelled to commit to meet monthly goals to reduce the Arg\$6.7bn (US\$419m) provincial deficit between now and 2019. The federal government also called for Kirchner to approve a law improving access to public information and strengthening transparency.

Trial over electoral wrongdoing resumes

“Choosing money over power is a mistake almost everyone makes,” read a Netflix billboard spotted in Brasília airport earlier this week. The quote comes from US political drama *House of Cards*, but aptly describes the predicament of President Michel Temer and his predecessor Dilma Rousseff (2011-2016), who are currently on trial for receiving illicit donations. The twists and turns of Brazilian politics make it difficult for script writers to keep up, joked Netflix on their Brazilian *Twitter* account. But in the absence of an official timetable for when a ruling will come, no one knows how Brazil’s latest political drama will play out.

Divided they stand

On 6 June, Brazil’s top electoral court (TSE) resumed a long-awaited trial into irregularities in Rousseff and Temer’s joint 2014 electoral campaign. The prospect of both leaders working together now seems like a distant memory after Rousseff accused Temer of being a coup monger for engineering her impeachment last year. Ironically, Temer could potentially meet the same fate if the TSE finds him guilty. Given their differences, Temer’s defence team asked if the President could be tried separately from Rousseff, a request the court denied. “That which the constitution united cannot be broken on the vice president’s whim,” quipped Flávio Caetano, Rousseff’s lawyer.

Rousseff and Temer stand accused of committing economic and political abuses during their successful 2014 electoral campaign. The duo allegedly received under-the-table donations from leading Brazilian businesses, pressured public institutions, and spread false propaganda to win votes. For example, the much-cited figure that Rousseff’s party, the left-wing Partido dos Trabalhadores (PT), helped lift 40m Brazilians out of poverty has since been discredited. “The campaign was built on lies,” said prosecuting lawyer Flávio Henrique Costa Perreira.

The strength of the prosecution’s case largely rests on whether or not the justices can use plea bargaining testimonies as evidence. Since the case was first brought to the TSE’s attention in 2014, numerous plea bargaining testimonies from officials at the construction firm Odebrecht, and former PT campaign manager João Sanatana and his wife Mônica Moura, have added weight to illicit-financing allegations.

Rousseff and Temer’s joint political legacy was once again called into question following the demise of their former tourism minister Henrique Alves (2015-2016) earlier this week. He was detained for overcharging the government to build a football stadium in Natal, the capital of the north-eastern state of Rio Grande do Norte, for the 2014 World Cup.

While recent events have once again tarnished the ruling Partido do Movimento Democrático Brasileiro (PMDB) and the PT, other political parties have not escaped the fray. The inquiry into the winning Rousseff-Temer ticket was originally launched by centre-right party Partido da Social Democracia Brasileira (PSDB) after presidential candidate Aécio Neves narrowly lost out in the 2014 election. Embarrassingly, Neves is now under investigation for receiving illegal campaign donations, among other charges.

Justices take centre stage

What happens next depends on the seven justices at Brazil’s electoral court. The TSE could rule on the case as early as 9 June – but this is far from certain. Any justice could interrupt proceedings to ask for more time and postpone

Economy grows in first quarter

On 2 June, Brazil’s economy grew by 1%, the first positive figure in the past two years. President Temer was quick to claim this was proof that his fiscal reforms were working. However, analysts warn that record harvests from Brazil’s agricultural sector have temporarily boosted Brazil’s GDP, and that the country’s long-term economic prospects remain uncertain.

Students mock Brazil's President

On 5 June, President Temer asked for an extension after he failed to complete a series of questions from federal police concerning a corruption investigation within 24 hours. This sparked a fierce backlash on social media from students who claimed the time pressures they faced for public exams, Enem, were far greater. "Lucky him. Anyone who completes Enem must answer 95 questions in just four hours," tweeted an indignant Ingrid Souza.

proceedings, meaning there is no clear endpoint in sight. Even if they do reach a verdict, Temer could appeal the verdict before Brazil's supreme court (STF).

So far, Hernan Benjamin and Gilmar Mendes have been the most outspoken TSE justices and could influence the way their peers vote. Benjamin, who is leading the charge against Rousseff and Temer, said the TSE had a duty to challenge impunity and keep Brazil's political class in check. "We should understand that without an all-encompassing and courageous electoral reform...the errors and problematic temptations of electoral disputes will play in future elections. At its core, the accusations we are judging are the fruit of a failed political-electoral system," he declared.

Mendes, seen as a stooge of Temer, urged justices to be more cautious before deciding on a final ruling. If Temer's mandate is invalidated and his economic reforms are crushed, this would bring about even greater uncertainty and instability to Brazil. News that Brazil's economy grew by 1% following two years of contractions could support his theory that Temer's reforms have been working.

Ousting a second president after Rousseff was impeached last year could set a dangerous precedent, Mendes went on to argue. He compared Brazil's high-impeachment rate to coups enacted during Brazil's military dictatorship. Benjamin hit back that the role of Brazil's judiciary had changed since the military dictatorship. "Dictators ousted people who defend democracy. But this court impeaches those who are against democracy," he said.

Spotlight still on Temer

The TSE court case is just one of many battles Temer has been fighting this week. Previously, the STF ordered Temer to answer more than 80 questions from federal police within 24 hours. Temer missed the deadline and was granted an extension after his defence team argued that it would be "absolutely impossible" to turn around the document in so little time (*see sidebar*).

The police questionnaire could shed further light on the hidden relationship between Temer and former deputy Rodrigo Rocha Loures, who was arrested on 3 June as part of a probe into the giant meatpacker JBS. Loures was filmed taking a bag containing R\$500,000 (US\$154,000) in cash from a JBS executive. He allegedly used that money to silence one of Temer's political enemies, the jailed former speaker of the federal lower chamber of congress Eduardo Cunha.

If Loures signs a plea bargaining testimony this could trigger further judicial action against Temer. Given that Loures recently lost his job and his wife is eight months pregnant, he seems likely to cooperate with prosecutors in exchange for a more lenient sentence. However, Temer has denied Loures would denounce him, has defended his reputation, and argued he may have been framed.

No signs of a speedy exit

Over the last few weeks, Temer's approval levels have sunk to around 5% according to a poll conducted by the daily *Folha de São Paulo*. But the president, who was never popular, insists he will not bow to public pressure to step down.

Fortunately for Temer, he can still bank on some support in congress, boosting his chances of remaining in office. For now at least, members of the government's largest allied parties, Democratas (DEM) and the PSDB, have remained loyal to Temer, although this may change if the TSE rules against him. Only smaller parties, such as the leftist Partido Socialista Brasileiro (PSB) and the Partido Trabalhista Nacional (PTN), have abandoned the government coalition.

Sánchez cherry-picks statistics for annual speech

President Salvador Sánchez Cerén delivered his state-of-the-nation address to the legislative assembly on 1 June to mark the completion of the third of his five years in power. He painted a picture of a secure country, with strong economic growth, social investment and falling poverty. The reality is rather different.

The statistics President Sánchez Cerén used to highlight improvements to public security, the economy, and poverty made by his government sounded impressive but they were somewhat misleading. The most obvious example is the number of homicides in the country. “We are on the right path; since last year we carried out changes in security policy and now we can see the good results and say with certainty that the population has recovered the hope of being able to live in peace and tranquillity,” President Sánchez Cerén said, adding that homicides had fallen by 53% and extortion by 49%. The percentages are meaningless, however, without a base of comparison, which he did not provide.

Between June 2016 and May 2017 compared to a year earlier homicides did fall significantly, albeit by the slightly lower level of 44.9% from 7,193 to 3,959. But in the first year of Sánchez Cerén’s mandate there were ‘only’ 4,632 homicides so the figure for the third year of his term is only 14.5% down on the first year; sandwiched between them is the second year when El Salvador became the most violent country in the world. It is also noteworthy that during the first three years in power of his predecessor Mauricio Funes (when Sánchez Cerén was vice-president) there were 12,351 homicides, 21.7% fewer than the 15,780 over the same timespan under Sánchez Cerén.

Sánchez Cerén also praised the work of the national police force (PNC) and the armed forces (FAES) in obtaining this improved outlook for public security, especially “their effectiveness and commitment to respect human rights”. This is not borne out by statistics released by El Salvador’s Office for the Defence of Human Rights (PDDH) which has identified 47 cases of extra-judicial killings since Sánchez Cerén took office allegedly carried out by the PNC or FAES: three in 2014, seven in 2015 and 34 in 2016. In 2014, 49 police officers and 10 soldiers were investigated for murder but this rose to 357 and 72 respectively in 2016, according to the PDDH, a 630% increase between Sánchez Cerén’s first and third year in power.

Then there is the economy. Sánchez Cerén said it would grow by 2.4% in 2017 following on from GDP growth of 2.5% and 2.2% in 2015 and 2016 respectively. This looks reasonably impressive when compared with El Salvador’s average annual growth over the last decade but it is the lowest in Central America. The average growth of Central America, including Panama and the Dominican Republic, was 4.5% last year, more than twice that of El Salvador.

Sánchez Cerén’s claim that poverty “fell 2.1%” to 32.7% between 2016 and 2015 also raised some eyebrows. The figure has not been published anywhere. Even if confirmed it is worth pointing out that the poverty rate is still higher than the 31.9% reported in 2014 when he took power.

Pensions

President Sánchez Cerén said that a key challenge for his fourth year in power would be to resolve El Salvador’s pensions crisis. Sánchez Cerén said the current system “has collapsed and an in-depth reform is necessary”. He added that it was essential that the legislative assembly approved a reform that “ensures the payment of pensioners”.

Two new parties approved

Last month Nicaragua's supreme electoral court (CSE) granted legal status to two new political parties, Ciudadanos por la Libertad (CxL) and Partido de Restauración Democrática (PRD), which will be able to compete in the upcoming 5 November municipal elections. Launched as a political movement in September 2016 ahead of November's general elections, CxL was formed of the Coalición Nacional por la Democracia (CND) coalition of opposition parties, led by long-time Ortega opponent Eduardo Montealegre. It is currently headed up by Kitty Monterrey, a Montealegre ally. The PRD's leader is Saturnino Cerrato, an evangelical pastor who ran in the November 2016 presidential election for the small opposition Alianza Liberal Nicaragüense (ALN) party, taking 4.3% of the vote.

Finally, while Sánchez Cerén hailed "historic investment of US\$7bn", he did not provide details of where this had been assigned. It has not gone to education. During his electoral campaign, Sánchez Cerén promised to prioritise education through a programme entitled 'El Salvador Adelante', raising investment in education to 6% of GDP. If the government had invested 6% of GDP in education in the 2017 budget it would have assigned US\$1.68bn to the education ministry. In reality it invested US\$944.4m in education (before a US\$5.6m cut in April), the equivalent of 3.34% of GDP.

Health and education unions staged protests outside the labour ministry, accusing Sánchez Cerén of lying: "he says we have made great advances...[but] the reality is very different", the secretary general of the Sindicato de Trabajadores y Trabajadoras de Salud, Silvia Navarrete, said. She said hospitals were enduring "a serious crisis in the supply of medicines and wage promises have not been delivered".

These protesters were not among the 2,000 people that Sánchez Cerén addressed outside the legislative assembly building after his speech as part of his government's commitment to bringing politics closer to the people. Instead, it was more of a party event with supporters of the ruling left-wing Frente Farabundo Martí para la Liberación Nacional (FMLN) attending, along with participants from state institutions, such as the health and public works ministries.

NICARAGUA | POLITICS

OAS departure sparks speculation

Calls are mounting from various sectors for an explanation as to the abrupt departure of an Organization of American States (OAS) mission from Nicaragua. The mission had arrived in Managua on 23 May, where it was due to discuss a three-year plan with the Frente Sandinista de Liberación Nacional (FSLN) government led by President Daniel Ortega and meet representatives from political opposition parties and civil-society groups.

The visit of the OAS mission was in line with a Memorandum of Understanding (MOU) inked at the end of February with the FSLN government as part of efforts to assuage long-running democracy-related concerns. These have intensified since the November 2016 general elections which produced a landslide victory for President Ortega, albeit in a highly questioned process. A key provision of this agreement had been that the OAS would deploy an electoral observation mission to oversee November's municipal elections. The opaqueness surrounding the mission's departure has consequently reignited transparency concerns ahead of the election.

According to Nicaraguan state media *El19digital*, under the three-year action plan agreed as per the MOU, the OAS was due to deploy a 120-member electoral observation mission, at a reported cost of US\$19m, to oversee the municipal elections in all 15 of Nicaragua's departments, along with the North Atlantic autonomous region (Raán) and the South Atlantic autonomous region (RAAS) on the Caribbean coast. The MOU itself had been announced back in January 2017 as part of a joint document signed by the two sides after a three-month period of talks. These in turn followed an October 2016 agreement to establish a mechanism of "conversation and exchange".

The OAS's premature departure from the country, however, raised eyebrows. Political opposition groups like Ciudadanos por la Libertad (CxL) and Frente Amplio por la Democracia (FAD), which had already slammed the MOU as an attempt to whitewash the questioned 2016 elec-

New airport master plan

President Luis Guillermo Solís recently unveiled the official master plan for a new US\$2.94bn international airport to service Costa Rica's capital, San José. The Solís government hopes that the new airport will begin operations in 2027, with an initial capacity to accommodate 7.8m passengers, generating 80,000 jobs (directly and indirectly) and contributing an additional US\$1.6bn annually to GDP.

toral process, had already complained that a meeting scheduled to take place on 24 May had been cancelled.

As well as CxL and FAD, the mission, which was headed up by Gonzalo Koncke, the OAS Secretary General's chief of staff, had also been due to meet representatives from the opposition parties Partido Liberal Constitucionalista (PLC) and Alianza por la República (Apré), along with the civil-society group Movimiento por Nicaragua, and human rights NGO Centro Nicaragüense de Derechos Humanos (Cenidh). Koncke failed to provide a full explanation for why the meeting was cancelled, beyond stating that it was due to reasons of "force majeure".

The local investigative news outlet *Confidencial* cited anonymous sources who suggested that the OAS's move could stem from a dispute with the FSLN administration over the former's possible remit as regards observing the election. *Confidencial* reported that this disagreement had arisen after the Ortega administration attempted to lay down rules regarding who the OAS mission was permitted to meet and that, while initially it was envisaged that the mission would meet all political actors in the country, including those excluded from the electoral process and civil-society organisations, the FSLN was now reportedly insisting that the OAS mission meet only registered political parties.

Proposal to slash US cooperation

As well as the ongoing movement of the Nicaraguan Investment Conditionality Act (NICA) through the US Congress [[WR-17-20](#)], the doubts over OAS cooperation with Nicaragua come amid growing uncertainty regarding the future of US aid to the country.

On 23 May, the US administration led by President Donald Trump submitted its 2018 draft budget to congress which reduces economic, humanitarian, and security assistance to Nicaragua by 98% – from US\$10m in 2016 to US\$200,000 by 2018.

TRACKING TRENDS

COSTA RICA | First pineapple exports to China. On 1 June four Costa Rican companies – Upala Agrícola, Productos Agropecuarios Visa, Agromonte, and Acón – became the first companies to begin exporting Costa Rican pineapples to China after the move was authorised in March 2017. The world's biggest exporter of pineapples, Costa Rica is currently the only country in Central America to have established diplomatic relations with mainland China, having made the switch from Taiwan in 2007.

According to Costa Rica's national chamber of pineapple producers and exporters (Canapep), the Chinese government has so far authorised a total of 20 Costa Rican companies to export pineapples to China. The two countries have had a free trade agreement (FTA) in place since 2011. According to the most recent figures from Costa Rica's foreign trade ministry (Comex), bilateral trade with China reached US\$2bn in 2015, out of Costa Rica's total trade of US\$25bn. Of this US\$2bn, (down 1.2% on 2014), Costa Rican exports amounted to US\$81m.

A press release by Comex from March 2017 notes that as well as bananas, Costa Rica is also currently authorised to export cow hide, beef, shrimp, and dairy products to China while talks are also under way with a view to opening up the Chinese market for Costa Rica to export pork, chicken, seafood, beef offal, and melons.

PANAMA | Rapid growth. According to a report released on 31 May by Panama's national statistics institute (Inec), the country's GDP grew by 6.2% in the first quarter of 2017 compared with the same period in 2016. An April 2017 report by the Economic Commission for Latin America & the Caribbean (Eclac) is forecasting 5.2% GDP growth for 2017 for Panama – the highest in Central America.

Quotes of the week

“Stop interfering in the elections in the Estado de México. Stop operating from [the presidential palace] Los Pinos. We’re not going to recognise anybody who emerges from an electoral fraud.”

Mexico’s Andrés Manuel López Obrador accuses President Enrique Peña Nieto of interference in the Edomex elections narrowly lost by his radical leftist party Morena.

“The PAN had a massive opportunity and an obligation to win...and it failed...We face not just one more [electoral] struggle between politicians...but a struggle between ways of seeing, practising and living politics, and we all have to decide, which side we’re on.”

Margarita Zavala, a presidential aspirant for Mexico’s opposition PAN.

“This process is being manipulated by the attorney general’s office and President [Danilo] Medina to blacken the image of the PRM and its leaders with the intention of destroying all opposition to Medina’s insatiable ambition to retain power.”

The Dominican Republic’s main opposition PRM reacts to members of the party being charged in the Odebrecht corruption case.

Dominican Republic takes action over Odebrecht scandal

Dominican President Danilo Medina promulgated a new law on 1 June which stiffens penalties for asset laundering. The minister of the presidency, Gustavo Montalvo, said the new law, recently approved by the legislative assembly, constituted “a severe blow against corruption and impunity”, and would punish public officials found guilty of illicit enrichment with a minimum sentence of 10 years in prison, as well as doubling the financial penalty. The law comes into force just as the attorney general’s office announced that 14 men, including government officials and opposition politicians, will go on trial for links to the bribery scheme run by Brazilian construction firm Odebrecht.

The attorney general Jean Alain Rodríguez announced on 29 May that his office was charging 14 people with asset laundering, bribery, association, illicit enrichment, embezzlement, and perversion of justice. This after Odebrecht provided details of US\$92m in bribes paid to Dominican officials to secure public works contracts between 2001 and 2014. Those facing trial are not just junior officials. Among them are Temístocles Montás, the industry and trade minister (and economy minister from 2010-2016), a former public works minister (2007-2012), Víctor Díaz Rúa, and the president of the main opposition Partido Revolucionario Moderno (PRM), Andrés Bautista. Two senators belonging to the ruling Partido de la Liberación Dominicana (PLD), Julio César Valentín and Tommy Galán, and one PRM deputy, Alfredo Pacheco, were also charged but they can only be arrested if congress votes to lift their immunity from prosecution. On 7 June Dominican Judge Francisco Ortega ruled that eight of the 10 men arrested should be held in preventive detention pending trial and two under house arrest.

President Medina has kept a studied silence, but speaking on 5 June former president Hipólito Mejía (2000-2004), who belongs to the PRM, called for “transparency”, accusing the attorney general’s office of acting “erratically and inconsistently”. In a press conference the PRM claimed to be “the victim of abuse of power with which Medina is trying to discredit and destroy the political opposition”. The social organisation Marcha Verde, which has staged protests the length and breadth of the country against official corruption in recent months, was unimpressed: “Dominicans are not fools. We know the list is incomplete. These are not the only people involved in the case.” It is planning another protest march against impunity, in the south-eastern province of San Pedro de Macorís, on 11 June.

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