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CONTENTS

LEADER	1
Trump's new Cuba policy: tough	
talk, soft substance	
ANDEAN COUNTRIES	
VENEZUELA	3
End in sight for Ortega	
PERU	5
Economy minister resigns	
ECUADOR	6
Moreno's new style comes to the	
fore	
COLOMBIA	7
Centro Andino attack raises serious	
questions	
BRAZIL & SOUTHERN CONE	
ARGENTINA	8
Fernández launches new political	
vehicle	
BRAZIL	10
New pressure on Temer	
TRACKING TRENDS	
MEXICO & NAFTA	
MEXICO	12
Government in a twist over Pegasus	3
TRACKING TRENDS	
CENTRAL AMERICA & CARIBBEAN	
DOMINICAN REPUBLIC	14
Medina urged to resign to forge	
new democracy TRACKING TRENDS	
	10
POSTSCRIPT	16
Piñera plunged into polemic	
Quotes of the week	
This edition of Latin American	
Weekly Report has been	

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Trump's new Cuba policy: tough talk, soft substance

US President Donald Trump presented an eagerly anticipated foreign policy speech on Cuba on 16 June in Miami. Trump sought to ratchet up the pressure on the Cuban government led by President Raúl Castro, and rhetorically he did just that. His scathing attack on the Cuban Revolution was reminiscent of the previous Republican administration under President George W Bush in style, which played well to Cuban-American hardliners, but in substance it was different. Despite his assertion that he was ending the "terrible and misguided" policy of his predecessor Barack Obama, Trump is only unpicking certain aspects of it. Much of it will remain unchanged. But style matters, and the Cuban government's combative response suggests the diplomatic rapprochement is on hold, although there was probably considerable relief in Havana that Trump did not go further.

President Obama made history, and sought to cast his legacy, by becoming the first US head of state to make a decisive move to end the last Cold War anachronism in the Americas in December 2014 by announcing the establishment of diplomatic relations with Cuba, arguing that "50 years have shown that isolation has not worked". President Trump's Cuba policy was steeped in Cold War rhetoric. "America will expose the crimes of the Castro regime and stand with the Cuban people in their struggle for freedom," he said. "Cuba is ruled by the same people who kill tens of thousands of their own citizens, who sought to spread their repressive and failed ideology throughout our hemisphere, and who once tried to host enemy nuclear weapons 90 miles from our shores". Trump vowed that his administration would "not hide from it, excuse it, or glamorise…we know what's going on and we remember what happened".

Trump promised "principled realism", arguing that "it's hard to think of a policy that makes less sense than [Obama's]...with the Castro regime", for which he won lengthy applause. Trump signed a decree then and there "cancelling the last administration's completely one-sided deal with Cuba". In reality, 'amending' is the mot juste. Trump is retaining many of the features, and singular achievements, of the policy he claims to revile. The US embassy in Cuba will remain: there will be no return to a US Interests Section. Trump will not revive restrictions on remittances. The 'wet foot dry foot policy' for Cuban migrants will not be reinstated. There was no mention of putting Cuba back on the US Department of State's list of countries supporting terrorism despite Trump's assertion that "[the Cuban government] has harboured cop killers, hijackers, and terrorists". Cuban-Americans will still enjoy unlimited travel to the island. Neither commercial flights nor cruise ships will be prohibited from visiting.

Human rights

Extracting concessions from the Cuban government by means of pressure, such as forcing an improvement in human rights, has never borne fruit. The worst crackdown on Cuban dissidents took place in 2003 [when George W Bush was in power and the embargo was rigidly enforced] when 75 activists and journalists were summarily arrested and imprisoned. In its statement responding to President Trump, the Cuban government also slammed the US for "manipulation of the issue of human rights for political purposes, and double standards in addressing it". It went on to express "serious concerns about respect for and protection of human rights [in the US]", providing myriad examples including "the building of walls that belittle neighbours", and the abandonment of "international commitments to protect the environment and confront climate change".

So what will change? What are "the cards" which Trump insisted "we now hold"? The one by which he held most store was designed to prevent US dollars from "prop[ping] up a military monopoly that exploits and abuses the citizens of Cuba". He promised to take "concrete steps to ensure that investments flow directly to the people...bypass[ing] the military and the government". In essence this policy is designed to target the holding company Grupo de Administración Empresarial (Gaesa), the business arm of the Cuban armed forces, barring US companies from doing business with it.

In practice this will be very difficult. Gaesa controls around 65% of the economy, including much of the tourism industry through the Gaviota hotel chain (which serves around 40% of Cuba's foreign tourism); the container terminal in the port of Mariel through Almacenes Universales; currency generating businesses and remittance services; clothing stores; import and export firms; supermarkets and restaurants; and much more. Untangling this skein to establish exactly who US companies will be able to work with in future is a task left to the US State Department, which will have to provide details in due course.

The next proposed change is to tighten restrictions on personal travel to Cuba. The US embassy in Cuba provided a synthesis of the new measures from the Treasury's Office of Foreign Assets Control (Ofac). When the department issues its regulatory amendments in the coming months it will end individual people-to-people travel. This is educational travel that does not involve academic study towards a degree, which was deemed to be at "the highest risk of potential abuse of the statutory ban on tourism". But group people-topeople travel will be permitted: this must take place under the auspices of an organisation subject to US jurisdiction sponsoring such exchanges. The new travel restriction could impede Trump's stated objective of "help[ing] the Cuban people themselves form businesses and pursue much better lives", especially Airbnb and restaurants: in just the first five months of this year, 285,000 US citizens travelled to Cuba, the same as in the whole of 2016.

Cuban government response

The Cuban government released a statement in the Communist party mouthpiece Granma describing Trump's speech as "replete with hostile rhetoric" and providing "a setback in relations". It accused him of resorting to "the coercive methods of the past, adopting measures to tighten the blockade [embargo]...which not only causes harm and deprivation to the Cuban people but constitutes an undeniable obstacle to our economy's development". It said Trump had ignored "the majority support of the US public, including the Cuban émigré community in the country, for...normal relations". It argued that the new measures were "destined to failure, as has been repeatedly demonstrated in the past".

Cuba's foreign minister Bruno Rodríguez condemned the "grotesque Cold War-era spectacle" and the "return to a failed policy" which he said would be counter-productive as Cuba would never "negotiate under pressure or threats". Rodríguez did express Cuba's willingness, however, to continue "respectful dialogue and cooperation [with the US] in areas of mutual interest".

The response from the select group of Cuba's dissident movement who got to meet Obama during his Cuba visit in March 2016 was mixed. The leader of the Damas de Blanco, Berta Soler, expressed "satisfaction". José Daniel Ferrer, a former political prisoner and leader of Unión Patriótica de Cuba (Unpacu), said Obama had done the right thing but "the Castro regime bit the hand extended to it", with repression increasing in the last 20 months. But other Cuban dissidents were less impressed. Manuel Cuesta Morúa, the spokesman for #Otro18, argued that "reverting to failed policies is the best way to guarantee failure", and would encourage the Cuban government to be more repressive. Miriam Celaya, an independent blogger, argued that "however much they [the Miami audience] laughed at [Trump's] jokes, the changes will not be as promising as they thought".

Military shake-up

President Maduro has shaken up the military leadership, following an outcry over images of national guard (GNB) officers using pistols to fire on protesters in Caracas, killing a 17-year old. The incident prompted the interior minister, Néstor Reverol, to admit to the 'possibility' of the disproportionate use of force. The most prominent departure was that of José **Benavides Torres** from the GNB, accused by the opposition of overseeing increasingly fierce repression.

ANDEAN COUNTRIES

VENEZUELA | POLITICS

End in sight for Ortega

Venezuela's supreme court (TSJ) ruled on 20 June that there were grounds to consider prosecution of Attorney General Luisa Ortega Díaz for 'grave errors' in her actions, including a failure to respect the TSJ's decisions.

The TSJ took its decision following a string of petitions filed by Deputy Pedro Carreño of the ruling Partido Socialista Unido de Venezuela (PSUV). Arguing that Ortega was in serious breach of her office, Carreño requested the appointment of a medical board to examine her mental health. He also requested precautionary measures to freeze Ortega's assets and to prevent her from leaving the country. Finally, he suggested the TSJ remove the attorney general's protection from prosecution. The TSJ, in an extraordinary session called by the court's president Maikel Moreno (recently subjected to US government sanctions), decided to hold a public hearing, to which both Carreño and Ortega will be called to appear as plaintiff and defendant, respectively.

Technically, as per Article 22 of the Organic Law of the Public Ministry, the attorney general can only be removed with the majority support of the national assembly, currently opposition-controlled, following prior dictum by the TSJ plenary. However, the TSJ last year ruled the national assembly in contempt, and all its actions null and void. Since then, the TSJ's constitutional chamber (also under US sanction) has sought to usurp the powers and duties of the legislature. It is not too much of a stretch to imagine that the TSJ will find legal reasons to assign itself the full authority to remove Ortega, who, to all-round surprise, has become the single biggest challenger to the authority of the government led by President Nicolás Maduro.

Ortega refused to be cowed, warning of "a dark outlook" for the country. "The state can be understood as 'dissolved', and it is saddening to have to say that," she told journalist Nelson Bocaranda on his radio show. "Venezuela is currently facing the biggest danger in its republican history," Ortega continued, accusing the TSJ of "wanting to eliminate any political dissidence that appears". Taking another swipe at the TSJ itself, she said some magistrates were illegitimate, with neither the correct credentials nor the requisite qualifications to be on the bench. Among the lawsuits filed by the attorney general in recent weeks was a request for removal of some of over 30 magistrates and alternates on the grounds of irregularities in their fast-track approval by the formerly PSUV-controlled national assembly in 2015. These same judges have gone on to act as legal scribes for the government. Their partiality, Ortega complained, was "grotesque".

"The violation of human rights in Venezuela is serious.... The rule of law is being dismantled," Ortega continued, in reference to allegations of human rights abuses by security forces, whose behaviour she is also seeking to prosecute. "I will go as far as I can, legally. But perhaps the last door on democracy, the public ministry, is now being closed," she warned.

Ortega also quipped that Venezuela's file at the International Criminal Court "must surely need a measuring tape". But behind that quip may lie a more serious threat. In a separate move, Ortega called on public prosecutors on 19 June to investigate the provenance of funding for the elaborate pro-government demonstrations (she suggested the money might better be used for food), and demanded that government officials engaged in corruption, drug trafficking, and other crimes be sanctioned. That call came after a natural gas tanker truck registered to the state-owned oil company Pdvsa ran off the road

Rodríguez moves on

Confirming weeks of rumours, President Maduro announced that Delcy Rodríguez would step down as foreign minister to seek election to the constituent assembly on 30 July. She will be replaced by Samuel Moncada, a veteran diplomat and latterly Venezuela's permanent representative to the OAS. Maduro said Rodríguez had "fought like a tigress" for Venezuela's sovereignty, peace and independence.

with almost 800kgs of cocaine stashed inside, as it headed for Trujillo state (on the Caribbean Sea). Some commentators suggest that in filing her successive legal complaints against the government, the judiciary, and the security forces since March, Ortega has been consciously amassing evidence, which could potentially be used at a future date – not necessarily to prosecute, but as leverage within a political transition and transitional justice process.

The move against Ortega re-galvanised the main opposition coalition Mesa de la Unidad Democrática (MUD), which convened 'permanent national protests' and civil disobedience. Invoking Article 350 of the constitution, national assembly president Julio Borges called on citizens to disown both the Maduro government and his constituent assembly initiative. Article 350 states that "The people of Venezuela, true to their Republican tradition and their struggle for independence, peace and freedom, shall disown any regime, legislation or authority that violates democratic values, principles and guarantees or encroaches upon human rights." Borges called on all Venezuelans "to stand up in defence of democracy".

The international position

The Organization of American States (OAS) failed yet again this week to agree a resolution on Venezuela at its General Assembly in Cancún, Mexico, to the obvious frustration of regional heavyweights including Mexico, Brazil, Chile and Argentina, which could barely conceal their anger at small Caribbean island states – and Venezuelan oil clients – refusing to ink any resolution critical of the Venezuelan government.

With the OAS at an impasse, there are continuing rumours that Canada, Peru, and others (with the tacit backing of the US) are trying to leverage a smaller regional 'contact group' to engage the Maduro government and the MUD in talks. This comes after the stop-start mediation effort led by the Union of South American Nations (Unasur), which had Vatican support, collapsed.

Both Venezuela's Catholic hierarchy and Maduro latterly have (separately) asked Pope Francis for fresh assistance. The Vatican, which in late 2016 withdrew its representatives from the mediation effort expressing open frustration at the obduracy of the Maduro government, has appeared reluctant to be drawn back into the process in any official capacity. Nonetheless, Pope Francis (who has just confirmed a trip to Peru and Chile in 2018), is presumed to be working behind the scenes.

On 21 June, the Vatican's permanent representative to the OAS (and chief diplomat to the United Nations), Apostolic Nuncio Archbishop Bernardito Auza (who attended the OAS assembly in Cancún), issued a statement expressing disquiet at Maduro's constituent assembly initiative and backing the idea of a contact group. The decision to call an assembly "instead of helping to solve the problem, presents the risk of causing further complications, and jeopardises the democratic future of the country", Auza wrote. He suggested that a regional group of countries (or even an intercontinental group) could "accompany" and "act as guarantors" for negotiations.

Auza also emphasised that "direct, free, and transparent" elections should go ahead as scheduled. This echoes a recent missive by the Vatican Secretary of State Pietro Parolín in reply to a letter of concern from six former Latin American presidents, in which Parolín said the Vatican believed that "only serious and sincere negotiations among the parties, based on very clear conditions", beginning with the holding of the constitutionally scheduled elections, could "solve the grave situation of Venezuela". These conditions include a humanitarian corridor, recognition of the national assembly, the release of political dissidents, and resumption of the electoral calendar. The Pope, Parolín wrote, was "trying to help find a solution amidst the grave difficulties the country is experiencing".

PERU | POLITICS

Replacement

A new marketfriendly economy minister will be found, but with local business and consumer sentiment flat, and domestic economic activity trundling along at bottom, investor confidence in Peru is being tested. Coming up for a year in office, President Kuczynski has yet to deliver on his ambitious reform and investment pledges, and 2017 looks like being another year of stagnancy. Real GDP forecasts are now hovering at about 2.5%, a full percentage point down on initial expectations.

Economy minister resigns

Peru's market-friendly economy minister, Alfredo Thorne, has resigned after failing to secure a confidence vote in the Fujimorista opposition-controlled congress. In the first time in decades that congress has forced out an economy minister, Thorne's departure is a major blow for the minority government led by President Pedro Pablo Kuczynski, which has been struggling to get Peru back on its feet following a recent economic downturn, a heavy local fallout from the Odebrecht bribery scandal, and devastating floods affecting half the country earlier this year.

Thorne quit over allegations that he had leaned on the comptroller general, Edgar Alarcón, to approve government revisions to a public-private contract for construction of a new international airport (Chinchero) to serve the tourist hub of Cusco. The congressional bench of Fuerza Popular (FP, Fujimorista) summoned the economy minister after an audio recording surfaced of a meeting between him and Alarcón – a pattern all too familiar. In the recording, Thorne seemed to suggest that budget funding for the comptroller general's office would depend on the 'acceleration of investments'. Alarcón, appointed by the last also-FP-controlled congress, has denounced Thorne. Thorne insists that the audio was spliced to de-contextualise his words. He says he was not doing anything untoward and was merely stressing that the government wanted to get investment in the country up and running. Thorne said he would quit if congress lacked confidence in him; it voted 88-11 against him.

Thorne is the fourth member of President Kuczynski's 'all-star' cabinet to be forced out in the past nine months; and the interior minister, Carlos Basombrío, also pending a congressional appearance, may shortly follow on his heels. In November last year, Kuczynski's first defence minister, Mariano González, quit after he apparently promoted a female staffer with whom he was involved. In December, Kuczynski's (publicly popular) education minister, Jaime Saavedra, a hold-over from the previous administration, was forced out in a row over alleged corruption in public contracts on his watch. His supporters spied Fujimorista tricks. And, in April, Martín Vizcarra relinquished his post as transport minister. He too was obliged to step down over the Chinchero airport revisions (Vizcarra remains in his elected post of first vice president).

Prime Minister Fernando Zavala, who in April reacted with barely contained fury to Vizcarra's departure, appeared more resigned to this latest defeat, and said the Kuczynski administration would continue to work in the national interest. The cold truth is that it risks becoming a permanent hostage to the whims of the FP, by far the largest congressional party following a strong performance in the April 2016 general election. Still smarting from party leader Keiko Fujimori's hair-thin presidential run-off loss to Kuczynski in June last year, the FP, having initially pledged to be "a responsible opposition", has quickly lapsed back into political brinkmanship, apparently bent on making life almost impossible for Kuczynski. The cost of this to Peru – economically and politically – threatens to be high.

The FP is seeking the presidency in 2021, with Fujimori the presumptive candidate. Yet polls suggest that the public is not impressed by the party's current showing. In a GfK poll taken in May, perceptions of the FP's congressional bench were considerably more negative than in September 2016. For example, just 16% of respondents said the FP bench wanted the best for Peru, down from 31%. Just 9% said the FP had a clear development plan for Peru, down from 22% previously, while only 12% thought the FP was acting in a united way, from 23% previously. Support for Fujimori herself remains stable at 40%-42%, indicating that while voters may have some empathy with her, the FP's obstructive behaviour in congress is costing the party politically.

ECUADOR | POLITICS

An alternative constituent assembly?

The national dialogue initiative, which will be coordinated by Paola Pabón, the secretary of policy management, will comprise representatives of government and civil society. President Moreno said that the accords arising from the dialogue process would be transformed into legislative bills and resources assigned to them accordingly. In its ambitious scope it is not dissimilar to the discussions held within Ecuador's constituent assembly (2007-2008) without going to the time and expense of electing delegates or drafting a new constitution.

Moreno's new style comes to the fore

President Lenín Moreno made a clear attempt this week to employ a more consensual approach to government in stark contrast to the confrontational style employed by his predecessor Rafael Correa (2007-2017). Speaking at an event in the coastal city of Guayaquil, Moreno extended a public invitation to all sectors of society to participate in 'a national dialogue initiative' covering issues ranging from indigenous rights and agricultural development to enhancing production and combating corruption.

"This is a magnificent opportunity to bring together all sectors of society which for different reasons feel distanced from the national project," President Moreno said after institutionalising the national dialogue process by means of an executive decree. Moreno said it was time to set aside what are deemed to be "absolute truths" and accept that "truth is relative" and that "exchanging opinions" is essential. Moreno said that "every voice will be heard with respect in this country", insisting that the dialogue process was not a sign of weakness but rather one of wisdom because it was time for reconciliation in the national interest.

Moreno explained that the national dialogue process would consist of seven 'politico-strategic working tables': a plurinational table to enable indigenous organisations to discuss their priorities, demands, and proposals; a table to discuss developing agriculture to add value to national products, as well as working within the overarching goal of reducing poverty; more inclusive education, with students, teachers and professors to take part in discussions; a business consultation table to discuss issues such as production, exports and job creation; an information and communications table; a 'unity table'; and an anti-corruption table.

The opposition has been caught off guard by the tolerance and openness shown by Moreno. It suspected that his administration would only pay lip service to combating corruption, for instance, but it has already taken some significant steps, forging an anti-corruption front and announcing impeachment proceedings in the national assembly against the long-serving comptroller general, Carlos Pólit [WR-17-23]. And on 20 June Pólit, who left the country on 26 May accused of dereliction of duty and allegedly accepting bribes from the Brazilian construction firm Odebrecht, tendered his resignation from the US. Pólit had been summoned to appear before the assembly's accountability commission on 27 June. The process against him will continue in absentia.

Moreno made a further signal of intent by meeting the opposition mayors of Quito and Guayaquil, respectively Mauricio Rodas and Jamie Nebot, the latter an inveterate rival of Correa's. Rodas even attended the launch of the national dialogue initiative, expressing his optimism about the process, saying that it was "what the country requires, what the country needs".

The principal indigenous organisation Confederación de Nacionalidades Indígenas (Conaie) has placed conditions on its participation in the dialogue process. Conaie is demanding a response from the government to its request for 20 pardons and 177 amnesties for activists charged with violent protests over the course of recent years, as well as solutions to address the risks of large-scale mining and the expansion of the oil industry into what it considers to be ancestral lands. Conaie did not explicitly reject the offer of dialogue but wants to see concrete evidence of Moreno's new modus operandi. Moreno said that amnesties would be one of 22 issues discussed within the seven dialogue tables.

COLOMBIA | SECURITY

Leading by example

On 18 June President Santos made a point of going to the Centro Andino shopping centre, 24 hours after the bomb attack, to have a Father's Day lunch there. Speaking to journalists, Santos said that "Last night I told Bogotanos, Colombians, that the best way to respond to these terrorist attacks is to carry on with our normal lives, to celebrate Father's Day with our families, and this is what we are doing. My son invited me to lunch. He asked me where I would like to go. Let's go to the Centro Andino I responded." The president added that "terrorism will never subjugate the Colombian people".

Centro Andino attack raises serious questions

Bogotá was rocked by a deadly bomb attack at the upmarket Centro Andino shopping centre this week. The authorities are treating the incident as a terrorist attack and have linked it to an attempt to undermine and destabilise the ongoing peace process that the government led by President Juan Manuel Santos is currently engaged in with Colombia's guerrilla groups. But so far the authorities have failed to identify the perpetrators. This has raised questions about the state of public security in the country and whether this will improve as a result of the peace process.

The attack took place on the evening of 17 June, when the Centro Andino, located in the upmarket 'Zona Rosa' area in the north of the capital was full of shoppers. Three women, including a French national, were killed when an explosive device planted in the ladies' toilet on the second floor of the centre went off; nine other people were seriously wounded and hundreds of others had to be evacuated from the area.

Attacks in such a buzzing area of Bogotá may have been common back in the 1990s, during one of the most intense periods of the internal armed conflict. But they had become practically unheard of in recent years as the security forces succeeded in getting the upper hand over the various insurgent and armed criminal groups operating in the country. As such, the attack stung the nation and prompted intense speculation as to who could be behind it and what could have been the motive. This forced President Santos, who was in the northern city of Barranquilla at the time of the attack, to cancel a scheduled trip to Portugal and return to Bogotá to hold an emergency security meeting and to deal with the aftermath of the attack.

After chairing the meeting, Santos gave a press conference in which he condemned the attack as "vile, cruel, and cowardly", and vowed that the authorities would not rest until all those responsible were identified and captured. Santos also said that if the attack was an attempt to destabilise the peace process "the enemies of peace" would not succeed. But Santos was careful not to link the attack to any particular group even though there was intense speculation that it could have been perpetrated by members of the Ejército de Liberación (ELN) guerrillas opposed to the group's ongoing peace negotiations.

Notably, the ELN leadership was quick to deny any involvement, to condemn the attack targeting innocent civilians as "execrable", and to demand a thorough investigation by the authorities to identify all those responsible, which it said were intent on "destroying" the peace process. All of this was echoed by the leadership of the Fuerzas Armadas Revolucionarias de Colombia (Farc), which is currently concluding a formal demobilisation process.

The denials of responsibility for the attack by the ELN and the Farc have left the authorities under pressure to find out what group was behind it. Santos said on 18 June that anti-terrorism prosecutors investigating the incident were currently working on three hypotheses. Santos did not reveal these so as not to hamper the investigations. But the local media has reported that the three suspect groups are ELN dissidents, the ELN-linked Movimiento Revolucionario del Pueblo (MRP) urban guerrilla group, and the Clan del Golfo criminal organisation founded by former members of right-wing paramilitary groups. This only shows that despite the significant advances made in the peace process with the Farc and the ELN, there are still numerous threats to national security in Colombia that will not dissipate any time soon.

BRAZIL & SOUTHERN CONE

ARGENTINA | POLITICS

Fernández launches new political vehicle

Former president Cristina Fernández (2007-2015) was this week still trying to keep everyone guessing as to whether she will stand in the mid-term congressional elections due in October. But by launching a new party – the Frente de Unidad Ciudadana – at a mass rally on 20 June at a football stadium in the south of the city of Buenos Aires, she made the answer pretty clear. The government led by President Mauricio Macri, the target of her strongest criticism, will be delighted.

There are two important points to bear in mind when analysing current political developments in Argentina. First, when it is in opposition as at present, the Partido Justicialista (PJ, Peronists) tends to be a loose, confusing, and argumentative collection of rival factions apparently constantly breaking up and re-forming different internal alliances. The late Antonio Cafiero, a former Peronist governor of Buenos Aires province, once famously remarked that the movement was like hissing cats in the night – everyone thought they were fighting, he claimed, while in reality they were making love and procreating. Whether such a miraculous 'multiplier effect' is on the cards now remains to be seen. It may depend on how the factions deal with the second point: the fact that electoral deadlines eventually force some kind of resolution.

In fact, like other parties the PJ has been facing no fewer than four electoral deadlines. The first has just passed: the need to officially register party names and coalitions to take part in the mid-term elections. The second deadline is on 24 June – the need to register the names of individual candidates ahead of party primaries (known as the Primarias Abiertas, Simultáneas y Obligatrorias (Paso). The third deadline is the primaries themselves, which will be held on 13 August. The fourth and final deadline this year is the midterm elections which are due on 22 October, at which one-third of the federal senate (24 seats) and half the lower chamber (127 seats) is up for renewal.

Already the first of these hurdles has forced Fernández to abandon her long-term political vehicle, the Frente para la Victoria (FPV, Kirchneristas), the party within the wider PJ movement that was created by her late husband and which she subsequently led to victory in her two consecutive presidential terms. The key problem within the FPV has turned out to be the strength of her former interior and transport minister Florencio Randazzo.

Randazzo, who had sought but not received her endorsement to stand as the FPV candidate in the 2015 presidential elections (Fernández instead supported the nomination of his ultimately unsuccessful rival, Carlos Scioli) has emerged as a comparatively strong figure within Peronism. If they both had chosen to remain within the PJ, the logic is that they would have had to fight it out in the August primaries. But Fernández blinked first. Apparently concerned that she might lose such a contest, Fernández opted instead to create her new political outfit, Unidad Ciudadana. While formally outside the PJ, it will clearly continue to advocate some kind of Peronist-style mix of nationalism and populism.

A glimpse of what that might look like was given by the party's inaugural rally at the Julio Grondona football stadium in Sarandí in the southern suburbs of Buenos Aires, home of Arsenal football club. The area is part of the Greater Buenos Aires industrial belt. The place is significant – this is the traditional heartland of Peronist support. It is arguably now a rust-belt – an area

Fernández's new style

Analysts suggested former president Fernández is seeking to steal one or two ideas from the government's own political playbook. Jaime Durán Barba, the Ecuadorean political strategist who advises President Macri's Cambiemos coalition, has long recommended telling "personal stories" that appeal directly to voters' sense of empathy.

Massa's new alliance

Sergio Massa took his Frente Renovador party into the 1País alliance with the progressive socialist Movimiento Libres del Sur led by Victoria Donda, which has three seats in the federal lower chamber of congress, and the centre-left Generación para un **Encuentro Nacional** (GEN) of Margarita Stolbizer, which has one seat in the lower chamber and one in the senate.

that has seen prolonged recession and high unemployment. It is a working class district where the centre-right Macri administration's much-heralded economic recovery has yet to make itself felt.

For this audience Fernández opted for a pared-down and austere approach. The estimated 25,000 to 50,000 supporters who attended (as usual attendance numbers are hotly debated) were asked to take only Argentine flags with them, not divisive party banners, and to sing the national rather than the Peronist anthem. Speaking from a small stand in the playing field, Fernández said the important thing was to fight against the current government's "neoliberal aggression".

Fernández invited a selected group of voters to join her on the stand to introduce themselves and to tell their stories of hardship – they included an academic who had lost her scholarship, a woman from Quilmes who was struggling to run a canteen for poor children, and various small traders in difficulty. The message, according to Fernández, was "we must place limits on this government…with these people in power we have no future".

But Fernández also sought to tone down her usual combative style. She would not be drawn on whether she would run for the senate. She good-humouredly chided the crowd for chanting insults against President Macri; it was better to remain polite, she said, because "we are trying to build unity among citizens". There was some recognition that to be successful, Fernández must reach out beyond her hard core of *Kirchnerista* supporters to appeal to the less committed.

Joy in Macri camp

That said, the government is deeply heartened by this latest turn of events. Its calculation is that the main Peronist opposition it faces in October has now potentially split three ways. Fernández has left the PJ to create her new party. Randazzo may emerge as the main official PJ candidate. And late last month the long-standing PJ dissident Sergio Massa forged a coalition of his own outside of the Peronist movement (see sidebar).

Macri's ruling Cambiemos coalition has registered to take part in the midterms in 23 out of Argentina's 24 main electoral districts, while the other parties or alliances appear to have only regional, not national strength. The *Kirchneristas* with their new party seem to have shrunk their appeal to Buenos Aires province, splitting themselves off from more traditional PJ leaders in the other provinces. Analysts say the net result is that Fernández will be able to present a credible challenge to Cambiemos in Buenos Aires province, admittedly the single most important electoral district in the country, but not enough on its own to offer any kind of national alternative.

Of critical importance for Cambiemos strategists is their sense that the narrative of the October election campaign may now change. They had been expecting the entire political debate to hinge on whether the economy is recovering or not. The recovery is developing much more slowly than Macri had hoped, meaning that Cambiemos may not be in a position to do well in that debate.

But if Fernández does stand for the senate, there is a chance that Cambiemos can seize the opportunity to re-frame the narrative, casting it as a contest between a modernising and reforming government, on the one hand, and a group of backward-looking and corrupt politicians on the other. Fernández, of course, is still under investigation on various corruption charges, and will be open to the accusation that she is only seeking election as a way of gaining parliamentary immunity. In private, government officials believe that because of her divisive qualities, it is better for Fernández to be free and politically active than locked up in prison on corruption charges.

BRAZIL | POLITICS

New pressure on Temer

No sooner has one threat to unseat President Michel Temer receded (the 9 June decision by the supreme electoral tribunal [TSE] to dismiss charges of electoral fraud) than another has followed hard on its heels. On 20 June the supreme court (STF) released federal police files claiming "irrefutable evidence" that Temer had been involved in "passive corruption". To make matters worse for the embattled president, his proposed labour reforms have received an unexpected setback in the federal senate.

The main legal challenge to President Temer's attempt to serve out the remaining 18 months of his term in office is now coming from allegations of misconduct in his relationship with JBS, the food and meatpacking conglomerate accused of making widespread corrupt payments. Temer has been incriminated by testimony from chief executive Joesley Batista, given as part of a plea-bargaining deal. This includes the claim that Temer condoned hushmoney payments as part of a cover-up.

The federal police's preliminary report examined wire-taps and other evidence, including secretly recorded video showing Rodrigo Rocha Loures, a former special aide to Temer, taking delivery of a suitcase from JBS containing R\$500,000 (US\$150,000) in cash. After taking the money Loures is reported to have helped J&F Investments (the JBS holding company) resolve problems it was having with the supply of gas to one if its power plants from the state-owned energy company Petrobras.

In total, JBS executives say they paid around US\$154m in bribes to nearly 1,900 Brazilian politicians over the last decade, a period in which the company grew to be the world's largest meat exporter. They say that included around US\$4.6m paid to Temer since 2010 to secure government contracts, favourable tax rulings, and cheap loans from state-controlled banks.

The federal police report comments: "Faced with silence from the president and his former assistant, there is irrefutable evidence...showing strongly that passive corruption took place." Temer and Batista, onetime friends, have exchanged bitter insults publicly. In an interview published by the magazine $\acute{E}poca$, Batista described Temer as being "the boss of a criminal organisation" while Temer retorted that Batista was "the most notorious bandit in Brazil's history".

What next?

What happens next depends on various legal and political moves. One involves the wider STF considering whether to ratify the terms of the plea bargaining deal with JBS endorsed by one of its members, Justice Edson Fachin, who has been leading the case. The deal has been criticised by Temer supporters as being too generous, allowing Batista to escape jail time and giving him easy terms to refund defrauded monies.

Meanwhile, if he accepts the final police report, federal prosecutor Rodrigo Janot is expected to formally indict Temer by the end of June. Temer would then face the prospect of trial by the STF and ultimate removal from office – but only if two-thirds of the federal lower chamber votes to lift his immunity to allow that to happen.

Much will therefore revolve on whether Temer can hold together his twothirds- plus centre-right congressional majority. That majority was in full evidence last December when the Temer administration successfully passed

Temer and Batista

An attempt by
President Temer to
sue Joesley Batista
for libel and
defamation has been
turned down by a
judge who argued
that the pleabargaining
allegations and their
resolution are already
subject to the
jurisdiction of another
court.

a constitutional amendment freezing government spending in real terms – one part of a package of various key economic reforms. But that was before the political erosion caused by the latest allegations against Temer.

With Temer away this week on state visits to Russia and Norway, there was further sign of the possible fragility of that majority. The government's labour reform bill, already approved in the lower chamber last April, was nevertheless narrowly defeated in a 10-9 vote in the senate's social affairs committee. Temer was quick to point out that the bill will still go to a full vote in a senate plenary session, where it needs a simple majority. He was confident it would pass.

Juan Jensen of São Paulo-based consultancy 4E Consultoria has pointed out that it is possible for the labour reform to be passed, but for the government to still fall short of the two-thirds congressional majority it needs for the next big element in the reform programme: pension reform. Falling short of the support needed on pensions would raise further doubt about Temer's ability to muster two-thirds to defend his immunity from prosecution.

The outlook is becoming increasingly uncertain. Brazil's business community originally showed itself prepared to support an unpopular president who, nevertheless, had the ability to push through key reforms, and who could engineer an economic recovery. But if further allegations of corruption emerge and the reforms get deadlocked, business lobbies may withdraw support.

While some political parties – themselves tainted by corruption – may feel self-preservation requires them to rally round the embattled president, others are hesitating. The Partido da Social Democracia Brasileira (PSDB) was almost evenly split on whether to stay in or leave the ruling coalition (it has four cabinet ministries). It eventually voted by a narrow majority on 12 June to stay in. However, that issue could be re-opened, posing a new set of difficulties for Temer.

TRACKING TRENDS

ARGENTINA | **Historic bond issue.** The government led by President Mauricio Macri announced on 19 June that it had successfully placed US\$2.75bn in US-dollar-denominated sovereign bonds with a 100-year maturity in international markets. This is the first time that Argentina has been able to issue a bond with such a long maturity, sparking optimism that international financial markets now feel confident about the country's economic prospects. This represents a major boon for the Macri administration, which succeed in reintegrating Argentina into the global economy after years of ostracism following its 2001 sovereign debt default, which it finally settled last year.

The successful placement of the 'Global 2117' bonds was announced by Argentina's finance ministry. It said that the bonds, offering a yield of 7.9%, were oversubscribed. Noting that only a handful of countries in the world are currently able to issue bonds maturing in 100 years, Finance Minister Luis Caputo said that the "historic" bond issue was made possible because the Macri administration succeed in "recovering the world's confidence and credibility in Argentina and the future of our economy". Caputo went on to explain that the objective of the issue was to ensure medium-term financing for the government's plans and would help to ensure that the government can continue to "promote economic growth and job creation".

The news of the successful placement of the new bond was positively received by financial markets in Argentina, with the country's main Merval stock exchange rising 1.7% on the back of it. The Macri administration will be hoping that this market confidence will now translate into much-needed private sector investment in Argentina's still stalling domestic economy.

MEXICO & NAFTA

MEXICO | POLITICS

Government in a twist over Pegasus

The government led by President Enrique Peña Nieto has flatly denied allegations that it is using sophisticated electronic systems to spy on journalists and human rights activists. But there is evidence suggesting the contrary.

Jorge Santiago Aguirre, a human rights lawyer at the Mexico City-based Centro de Derechos Humanos Miguel Agustín Pro Juárez, received a text message last year. It seemed genuine – a text from someone asking for help because his brother had been kidnapped by police. It included a hyperlink, which Aguirre clicked on – although nothing then came up.

The lawyer, whose clients include relatives of the 43 trainee teachers who, in an infamous and still unresolved case, were kidnapped and presumed murdered in Iguala, Guerrero state, in September 2014, did not immediately suspect something untoward had happened. But, only days later, the heavily edited audio of a private telephone conversation which Aguirre had with one of his clients – the father of a disappeared student – was leaked by alleged drug traffickers. The recording had been manipulated to make both him and his client sound like criminals.

Pegasus

It now seems possible that Aguirre was the victim of the malicious use of Pegasus, a sophisticated spyware program allegedly acquired by the Mexican government from an Israeli security company. According to an article published on 19 June by the *New York Times* this spyware program was sold to various Mexican government agencies by NSO Group, an Israeli cyber-security company.

NSO Group reportedly requires undertakings that the Pegasus system should only be used against organised crime or suspected terrorists. Activated when users click on a link, the spyware can turn somebody's smart phone into a listening device, capturing private conversations, text messages, and other electronic data.

The New York Times said it had evidence it was used to spy on a group of prominent Mexican lawyers, prominent journalists, including Carmen Aristegui and Carlos Loret de Mola, and two senior members of the Mexican institute for competitiveness (Imco), which has led efforts for anti-corruption legislation, along with Aguirre and other lawyers.

The Peña Nieto administration has flatly denied the claim that it has misused the spyware to target its critics, with a presidential spokesman writing to the *New York Times* to assert that "there is no proof whatsoever that agencies of the Mexican government are responsible for the alleged espionage described in your article".

But according to a report compiled by the Citizen Lab of Canada's University of Toronto and two Mexican digital rights lobby groups, R3D and Social TIC, there is evidence that Pegasus has been deployed against law-abiding citizens who have been critical of the government. The report states that "infection attempts often coincided with work on specific high-profile investigations and sensitive issues between January 2015 and August 2016".

Criminal complaint

Nine people have filed a criminal complaint in the wake of the publication of the New York Times article about the Mexican government's alleged misuse of Pegasus to target critics. In a news conference in Mexico City, Carmen Aristegui accused the state of criminal activity: "The agents of the Mexican state, far from doing what they should be doing legally, have used our resources, our taxes, our money to commit serious crimes," she said.

Avocados overtake

oil

On 21 June Mexico's economy ministry (SE) reported that the value of the country's avocado exports reached US\$2.22bn in 2016. The SE noted that this figure is higher than the US\$17.49bn of hydrocarbon exports shipped by the stateowned oil firm Pemex last year.

People investigating the government on human rights or corruption issues were said to have been specifically targeted.

Both the *New York Times* and the Mexican national daily *Reforma* contend that there is public information that Mexican government agencies did in fact purchase systems from NSO Group. Three agencies have been named: the ministry of defence (Sedena), the national intelligence agency, Centro de Inteligencia y Seguridad Nacional (Cisen) and the federal attorney general's office (PGR).

PGR involvement

In September last year *Reforma* reported that the PGR had paid US\$15m for the acquisition of Pegasus software at some stage between 2014 and 2015, when it was led by Jesús Murillo Karam, who has been widely accused by activist groups of covering up involvement by the Mexican state in the Iguala abductions. In response to a freedom of information request last year about Pegasus the PGR would only say that the information was classified and would remain so until 2021.

Ironically, a formal complaint submitted by some of the victims of the spyware will be investigated by the PGR – the same agency that used the Pegasus system. This raises serious doubts about the PGR's ability to investigate the case impartially.

TRACKING TRENDS

MEXICO | **Successful start to 'Round 2' oil concessions.** Mexico's federal energy ministry (Sener) announced that 10 of the 15 exploration and production contracts on offer in the first phase of 'Round 2' of the country's oil concessions tender had been successfully awarded by the national hydrocarbons commission (CNH).

A Sener statement said that the shared production contracts for blocks located in shallow waters in the Gulf of Mexico have been awarded to foreign consortiums from Europe, Asia, and Latin America, as well as to Mexico's state-owned oil firm Pemex (which secured two contracts in conjunction with foreign partners).

The Round 2 oil concessions tender forms part of the Mexican government's efforts to open up the domestic oil industry to increased private and foreign participation under its 2013-2014 energy sector reform, which put an end to Pemex's 75-year monopoly on oil production and distribution in Mexico. Sener said that the result of the tender had been "very satisfactory", noting that the average level of operating profits offered to the Mexican state by the winning bids was 57.29% (which led to the Mexican state receiving total royalties of up to 77.4% of the value of oil sale profits once taxes are factored in); and that the concessions are expected to result in US\$8.19bn in investments and in the creation of 82,000 direct and indirect jobs. The ministry added that if all of the awarded concessions proved to be commercially viable, they could increase national oil production by 170,000 barrels of oil per day.

According to the CNH, 20 oil companies took part in the tender, five of them individually and 15 in consortiums. Two of these consortiums involve Pemex, which presented two separate winning bids, one in conjunction with Germany's DEA Deutsche Erdoel, and another with Colombia's state-owned oil firm, Ecopetrol. Notably, Ecopetrol was also awarded a second separate concession for which it submitted an independent bid. Meanwhile two private Mexican firms, Sierra Perote E&P and Citla Energy E&P, secured concessions either independently or as part of consortiums. The CNH said that following the awarding of these concessions, the signing of the relevant contracts would be carried out within 90 calendar days; and that the second phase of the 'Round 2' tender, which is to include mainly gas production concessions, would be launched in July.

CENTRAL AMERICA & CARIBBEAN

DOMINICAN REPUBLIC | POLITICS

Medina urged to resign to forge new democracy

Until recently President Danilo Medina was the most popular head of state in Latin America and the Caribbean who won re-election in a landslide in May 2016. But his popularity is being steadily eroded by the region-wide corruption scandal involving the Brazilian construction firm Odebrecht from which Dominican officials did particularly well in terms of bribes to obtain public works contracts. This week Dominican intellectuals and activists went as far as to urge Medina to resign over the Odebrecht debacle to make way for a new, more inclusive, democratic system.

The so-called 'manifesto', which includes the signatures of 88 prominent personages, including journalists, lawyers, economists, university professors, community leaders and other activists, expressed its support for the social organisation Marcha Verde, which has staged five significant protests the length and breadth of the Dominican Republic against official corruption since the start of the year (see sidebar).

The signatories of the manifesto argued that Marcha Verde had done sterling work in raising awareness of the corrosive issue of corruption in the country, creating a social movement expressing public indignation more effectively than through the traditional medium of representatives of the political opposition, but that it was now time to take concrete action based on a three-pronged strategy: Medina's resignation; a political accord with the country's citizenry; and the creation of a new democratic order to end impunity.

The manifesto argued that Odebrecht had produced a "great political commotion in Dominican society", revealing the corruption at the heart of the country's political system, especially within the dominant party, the ruling Partido de la Liberación Dominicana (PLD). It maintained that "the central and immediate objective of the citizen struggle is to bring about Medina's resignation for being an illegal president re-elected by violating the constitution...and through the use of bribes and overvalued public works contracts [awarded to Odebrecht]". New presidential, congressional, and municipal elections would be held within a year. Meanwhile, political and social actors would forge an accord to create an inclusive, pluralist democracy, setting out the agenda for a transitional government whose main task would be convening a constituent assembly by popular election.

By trying to piggyback on Marcha Verde to push for an unrealistically ambitious political reform the manifesto could backfire, boosting support for Medina and damaging the social organisation's credibility. The manifesto's own credibility was eroded when several of the signatories, such as the sociologist César Pérez, denied having authorised the use of their names on the document.

The president of the national electoral council (JCE), Julio César Castaños, said he would never allow fresh elections to be called, as proposed, in violation of the constitution, and called for the manifesto to be withdrawn or the signatories would face "public ridicule". The legal adviser to the presidency, Flavio Darío Espinal, insisted that the manifesto lacked legal or political validity. "Let me work," Medina said on 21 June when pressed for a response by journalists. But the fact that the atmosphere in the country is febrile enough for such a manifesto to have been drawn up and to have elicited any kind of response from the authorities is significant.

Marcha Verde

On 21 June, three days after the publication of the manifesto, Marcha Verde staged protests outside Odebrecht offices in the capital Santo Domingo demanding the firm's expulsion from the country and the cancellation of all of its public works contracts:

"Dominican society has made clear that it is not possible to continue accepting as natural, just because it is common, corruption at the levels it has reached...impunity that is denying the people their development aspirations."

Panama Canal

Almost one year on from the completion of the expansion of the Panama Canal. on 26 June 2016 profits from neo-Panamax ships transiting the expanded waterway, of which there have been 1,478 to date. represent 31.86% of total tolls, according to the Panama Canal Authority (ACP). A total of 50% of the neo-Panamax were container ships, 32.2% carried liquefied petroleum gas (LPG), and 9.1% liquefied natural gas (LNG). ACP's CEO Jorge Quijano insisted that the government's decision to switch allegiance from Taiwan to China would have no bearing on future profits: "This is a neutral canal".

TRACKING TRENDS

GUATEMALA | Baldetti to be extradited to US. The former vice president Roxana Baldetti has accepted extradition to the US where she stands accused of receiving up to US\$250,000 in bribes from the Mexican drug trafficking organisation Los Zetas in 2011, when she was a candidate for the right-wing Partido Patriota (PP) – for which she would be elected and serve in office from 2012 to 2015 (when she was arrested). The bribes were in exchange for facilitating the passage of drugs through Guatemala and onwards to Mexico en route to the US.

Baldetti denies the charge, insisting in a videoconference from prison that she has children whose lives she would not jeopardise by striking deals with Los Zetas, who she is also accused of using to provide security at campaign rallies between November 2010 and January 2012.

Before extradition to the US, Baldetti will first face four counts of corruption in Guatemala related to her alleged participation in the customs graft scheme La Línea which brought down the government led by Otto Pérez Molina.

HONDURAS | Reaffirming ties with Taiwan. The vice president of Honduras, Ricardo Álvarez, began an official visit to Taiwan on 20 June to strengthen bilateral relations. The visit takes place eight days after Panama severed diplomatic relations with Taipei and recognised Beijing instead.

It is widely suspected that Álvarez sought to reassure President Tsai Ing-wen that Honduras has no intention of following Panama's lead, while discussing areas in which Taiawn could assist Honduras.

Álvarez is also attending a four-day Taipei International food fair during which he will promote Honduran coffee.

NICARAGUA | Mining. The national assembly near-unanimously approved the creation of a state mining company. Empresa Nicaragüense de Minas (Eniminas). on 20 June. Eniminas, a decentralised company under the energy and mines ministry, will be in charge of the exploration and exploitation of Nicaragua's mining resources.

A total of 45% of revenue from mining concessions will go to the national treasury; 30% will go directly to municipalities where mining projects are located; 15% to a mining development and promotion fund; and 10% to a mining supervision fund.

At present some 10,000km² of national territory is under mining concessions, with more than twice as much territory again potentially available for mining activities. Gold is one of Nicaragua's principal exports, with production of nearly 10m ounces a year, 60% of which from two mines: Bonanza and El Limón. Gold exports in the first guarter of 2017 totalled US\$110.9m and are expected to top US\$400m this year.

PANAMA-REGION | **US diplomatic relations**. President Juan Carlos Varela held private talks in the White House with his US peer Donald Trump on 19 June focusing on bilateral security cooperation. Varela later met US Homeland Security Secretary John Kelly, and the acting head of the Drug Enforcement Administration (DEA), Chuck Rosenberg, to discuss strategies for combating drug trafficking.

Kelly was fresh from participating in the two-day 'Conference on Prosperity and Security in Central America' in Miami, Florida, with heads of state and senior officials from the sub-region and Mexico, as well as US Vice-President Mike Pence and Secretary of State Rex Tillerson. "Security and prosperity go hand in hand," Kelly said. "You cannot do one without the other."

Varela also insisted during a conference in Washington DC on 21 June, hosted by the Inter-American Dialogue, that "criminality in the region is not an issue that can be resolved by police alone; we must also reduce inequality [as] bringing development, economic growth, and stability in the Northern Triangle [El Salvador, Guatemala, and Honduras] is a challenge we share with the US".

Targeting funds for this development is a vexed issue given high levels of official corruption in the sub-region. The Trump administration is also cutting by as much as 30%, to US\$460m, the sum of assistance approved last year for the Northern Triangle nations by US Congress under President Barack Obama.

Quotes of the week

"Cuba will not make concessions that harm its sovereignty and independence; will not negotiate its principles or accept conditions. We have never done that in the history of the Revolution."

Cuba's foreign minister Bruno Rodríguez.

"Regrettably the rule of law no longer exists in Venezuela, but rather a state of terror."

Venezuela's attorney general Luisa Ortega.

"He needs to very soon prove his innocence in order to have sufficient authority to overcome this difficult time."

Brazil's Tasso
Jereissati, the president of the Partido da Social
Democracia Brasileira, President Michel
Temer's nominal ally.

POSTSCRIPT

Piñera plunged into polemic

Every time an opinion poll suggests that Chile's former president Sebastián Piñera (2010-2014) should coast home in November's presidential elections, and there have been a few, he appears to stumble. Less than two weeks before Chile stages primary elections on 2 July, Piñera has once again waded into controversy after being censured, especially by the Left and on social media, for a sexist joke in poor taste, and savaged by his main political rival within the right-wing coalition Chile Vamos for orchestrating "a setup" to discredit him.

"Boys, an entertaining game...all the women throw themselves on the floor and pretend to be dead, and all of us throw ourselves on top and bring them back to life," Piñera said while campaigning in Linares, a city in the central region of Maule. In a country where abortion is prohibited in all circumstances, where congress recently approved a law against sexual harassment in the street, and where there were 37 femicides in 2017, the joke was widely condemned. President Michelle Bachelet said it was "unacceptable". Carolina Goic, the presidential candidate of the centre-left Democracia Cristiana (DC), said it was "inappropriate to play around with gender violence".

Piñera took to *Twitter* to apologise for his "bad joke which does not reflect my esteem and respect for all women", but he accused his critics of "political opportunism", something which Bachelet was swift to deny. She said that eradicating gender violence required "not just laws but a cultural change", accusing Piñera of "reinforcing gender stereotypes and prejudices". The lack of defence from within his own coalition suggests disquiet about another gaffe to add to the growing number of Piñericosas on Wikipedia.

Meanwhile, Manuel José Ossandón launched a scathing attack on Piñera during a radio debate on 15 June in which they participated with Deputy Felipe Kast of Evolución Política (Evopolis) ahead of the three-way Chile Vamos primary. Ossandón, Piñera's main (albeit distant) rival, was questioned live on air by the presenter on falsified invoices he had allegedly sought from a businessman, Juan José Gana, to pay his sister's salary while he was mayor of Pirque, a commune in the Santiago metropolitan region. Ossandón accused Piñera's team of a set-up, slammed Piñera's business interests, and went as far as to say he would not support him if, as expected, he is confirmed as the Chile Vamos presidential candidate. Piñera insisted he knew nothing about Gana, adding that Ossandón was "trapped in lies", and doing the ruling party's dirty work.

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