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Electoral violence takes new form

The threat posed by illegal armed groups to elections in Colombia might have diminished, but the present electoral process is still shaping up as one of the most violent and aggressive in years. There were three serious incidents over the course of last weekend alone as the campaign ahead of congressional elections on 11 March concluded. The run-up to presidential elections on 27 May could be punctuated by further violence in a deeply polarised contest. The decision by the Venezuelan government to shift its presidential elections back to 20 May, just one week before Colombia's, will heighten tensions.

Just as it looked like one of the most peaceful electoral campaigns in decades was in the offing in Colombia, with the Fuerzas Armadas Revolucionarias de Colombia (Farc) having swapped bullets for the ballot box, there are signs that political violence in the country is evolving to become more indeterminate. The peace accord with the Farc has contributed to a sharp political polarisation, exacerbated by the political crisis in neighbouring Venezuela. Making this a still more dangerous cocktail is widespread public disenchantment with the traditional political class, a regionwide phenomenon, especially in the wake of the Odebrecht corruption scandal.

On 2 March a car carrying the left-wing presidential candidate, Gustavo Petro, to a campaign rally in the north-eastern city of Cúcuta, bordering Venezuela, was struck by a hail of what he thought at the time were bullets from hundreds of protesters but which appear to have been rocks. The incident is being investigated by the police and the attorney general's office after Petro alleged that the protesters, who jeered him for being a 'castrochavista', had been paid to sabotage his campaign rally, which was cancelled.

Petro explicitly blamed the convicted former mayor of Cúcuta, Ramiro Suárez, whose links to paramilitaries were exposed by Petro when he was a senator (2006-2010). Suárez remains the local potentate in Cúcuta, despite being sentenced to 27 years in prison in 2011 for homicide, and the incumbent mayor, César Rojas, openly admits to serving his ends.

Police had to intervene to disperse the protesters with tear gas, just as they did the following day in Popayán, the capital of the south-western department of Cauca, when a group of youths burst in on a rally organised by the leader of the right-wing Centro Democrático (CD), Senator Álvaro Uribe, hurling abuse at the former president (2002-2010), who was forced to curtail his address.

These incidents point towards political polarisation in Colombia, which was reflected in the latest opinion poll, published by the national daily *El Tiempo* and *W Radio*. The poll put Petro in a technical tie at the head of the field with

Internal elections

Gustavo Petro faces an internal election against Carlos Caicedo on the same day as the congressional elections on 11 March in order to secure the presidential candidacy for his coalition. Iván Duque will also be standing in an internal election against Marta Lucía Ramírez, who hails from the Partido Conservador (PC), and former inspector general Alejandro Ordóñez. Both Petro and Duque are clear favourites to win.

the CD's Iván Duque, on 23%. The previous poll, conducted by the same firm in January, had both men on 12%.

At present, the political centre, from which most of Colombia's heads of state have traditionally been drawn, is being squeezed out. Sergio Fajardo, the left-of-centre candidate of Coalición Colombia, saw his support fall from 14.6% to 8.1% between the two polls. Humberto de la Calle, the former head of the government's negotiating team with the Farc in Cuba, and the presidential candidate of the centrist Partido Liberal (PL), was on just 4.1%. Germán Vargas Lleras, the presidential candidate of the right-of-centre Cambio Radical, remains rooted on 6%.

The drivers of polarisation

The polarisation is indicative of just how much is at stake. A victory for Duque would have serious repercussions for the peace process. Duque is intent on eliminating the transitional justice system (JEP), which he has denounced as a mechanism conferring impunity and political eligibility on criminals.

The JEP is the core component of the peace accord with the Farc. Without this the survival of the peace would be problematic. Just this week, the constitutional court (CC) voted to uphold the amnesty law for demobilised Farc guerrillas approved by congress in December 2016. The CC made some minor modifications, and it was emphatic that former guerrillas would forego their entitlement to an amnesty if they failed to cooperate fully with the JEP, but the ruling was hailed by the government led by President Juan Manuel Santos as crucial to the successful implementation of the peace accord.

Petro, meanwhile, wants to convene a constituent assembly, arguing that the 1991 constitution did not undertake sufficient land, health, education, justice and political reforms. He wants a massive agrarian revolution, setting up agro-industrial cooperatives, and "democratising land", a highly contentious issue at the heart of Colombia's armed conflict, putting him on collision course with large landowners and narco-paramilitaries.

However, during the closing campaign for congressional elections at the weekend in Barranquilla, the capital of the department of Atlántico, Petro insisted that, despite what his rivals say, he cannot claim credit for the idea of making idle land productive. In a pointed dig at Vargas Lleras, whose equivocal stance on the peace accord put him at loggerheads with Santos, Petro said that the idea was first proposed by former presidents Alfonso López Pumarejo (1934-1938; 1942-1945) and Carlos Lleras Restrepo (1966-1970), the latter the grandfather of Vargas Lleras who, incidentally, held a rally in Barranquilla on the same day.

Petro's economic vision is diametrically opposed to that of Duque, who wants to drive GDP growth with a massive fiscal reform. Duque argues that businesses are being choked by a complex and inefficient tax system that has paralysed production.

Venezuelan albatross

The big problem Petro has to overcome is Venezuela. He is coming under sustained fire for his admiration of the late president Hugo Chávez (1999-2013), and he has been accused by Uribe of wanting to make Colombia "a second Venezuela". Assuming Petro is still in contention, this criticism will intensify if President Nicolás Maduro is re-elected on 20 May, a week before the Colombian vote, in a process widely deemed to be illegitimate.

Petro's cause will not have been helped by a member of the commission on international affairs of Venezuela's ruling Partido Socialista Unido de Venezuela (PSUV), Roy Daza, saying just this week that a "priority" in 2018 is the triumph of "our ally" Petro in Colombia. Sharing a name with the new Venezuelan cryptocurrency is also an unfortunate coincidence for Petro.

Corruption

On 7 March, Colombia's supreme court sentenced Luis Gustavo Moreno to three years and six months in prison for corruption and illicit use of privileged information. Moreno, embarrassingly, was the anti-corruption prosecutor. He will serve his sentence, which is subject to revision, upon returning from the US after President Santos approved his extradition last December to appear before a Florida court, charged with criminal conspiracy, fraud, and money laundering. Moreno was arrested last June after being caught in a sting operation conducted by undercover agents from the US Drug Enforcement Administration (DEA).

Petro is trying to distance himself from the charge of being a dangerous left-wing radical. In what looks like early preparation for a possible second round, he reached out this week to the struggling pro-peace centrists, Fajardo and De la Calle, to forge a broad coalition "behind a democratic programme to begin an era of peace in Colombia". Fajardo's running mate, Claudia López, expressed her interest in the proposal. De la Calle has not responded, although last month he said that he would never vote for Petro.

Such an alliance might dissipate some of the concerns of moderate voters about Petro but it could damage his credentials as an outsider. He has successfully exploited widespread disillusionment with traditional parties in Colombia and the prevailing perception of official corruption, or 'mermelada' (see sidebar). This disillusionment appears to have been behind another one of the weekend attacks, on 3 March, in the central department of Boyacá, when Luz Fany Zambrano, who is running for a seat in the lower chamber of congress for the Partido de la U, part of the ruling coalition, was injured in a machete attack. She was accused by her two attackers of representing a corrupt political class. Three people were injured and Zambrano's son had to have 24 stitches in an arm wound.

It is not yet clear what the motive was for the detonation of an improvised explosive device, at a weekend rally of legislative candidates of the Partido Conservador (PC) in the municipality of Segovia in the north-western department of Antioquia, which injured nine people.

Date of Venezuelan elections switched again

The decision to move Venezuela's presidential elections back from 22 April to 20 May was taken by the head of the national electoral council (CNE), Tibisay Lucena, last week. Neither the deferment nor various concessions by the Maduro administration succeeded in persuading the opposition Mesa de la Unidad Democrática (MUD) coalition to participate in the electoral process.

President Maduro signed an 'accord of electoral guarantees', with Henri Falcón, a former Chavista who registered his presidential candidacy last week in defiance of the MUD boycott [WR-18-08]. This includes, inter alia, a commitment not to use state media for electoral campaigning, suspending obligatory radio and television broadcasts; to end state handouts outside voting centres on election day; and to extend an invitation to the United Nations "to accompany and observe" the electoral process.

The MUD dismissed the accord as "the same fraud with a different date". The overriding problem surrounds enforcement of the accord, which is why the MUD is adamant that the government-controlled CNE has to be reformed.

Colombia strikes coca reduction deal with US

The US will cooperate with Colombia to cut illicit coca production in half by 2023. This was the headline stat to come out of a meeting between Foreign Minister María Ángela Holguín and the US undersecretary for political affairs, Thomas Shannon, this week.

By the calculations of the US Drug Enforcement Administration (DEA), Colombia's coca cultivation hit 188,000 hectares in 2016. This produced tense exchanges in September last year when US President Donald Trump said that he had "seriously considered" putting Colombia on the list of countries that had 'demonstrably failed' to make sufficient effort to combat drugs, along with Venezuela. This prompted a curt rejoinder from Colombia's foreign ministry that "nobody has to threaten us to confront the challenge of drugs", adding that "the authorities of consumer countries have a fundamental responsibility...to reduce drug consumption" [WR-17-37].

The US government has striven to put relations back on track since this tense exchange, and Shannon continued this endeavour in an interview with the national daily *El Tiempo* this week, during which he praised Colombia's "unprecedented success against terrorism and narco-trafficking...and its use of state institutions to construct a shining future".

Kuczynski dependent on Kenji for survival

Kenji Fujimori announced his abandonment of the main opposition Fuerza Popular (FP, Fujimoristas) on moral grounds on 1 March. His decision came the day after the former representative of Odebrecht in Peru, Jorge Barata, informed local prosecutors that the Brazilian construction firm had provided financial support for the electoral campaign of the party's presidential candidate, Keiko Fujimori, his sister, in 2011 (*see box below*). It also comes against the backdrop of a renewed attempt, this time driven by the left-wing opposition, to impeach President Pedro Pablo Kuczynski.

Kenji Fujimori confirmed his decision to resign from FP "with great sadness" on *Twitter*. Kenji, who was expelled from the FP congressional bench in January this year for breach of internal disciplinary rules, claimed he did not doubt his sister Keiko "but the party no longer has moral authority".

Ties between Kenji and FP were to all intents and purposes severed anyway but this definitive rupture is still damaging for the party: it constitutes, after all, the departure of a Fujimori, who was elected to congress with more votes than any other deputy in both the 2010 and 2016 congressional elections, and presumably had the blessing of former president Alberto Fujimori (1990-2000). The announcement serves a definite purpose for Kenji: to seek to distance himself decisively from corruption allegations afflicting FP and Keiko.

President Kuczynski has been cultivating Kenji's friendship for some time. Kuczynski invited him to the presidential palace last September when Kenji waxed nostalgic about the days when he lived there with his father [[WR-17-37](#)], posing for various photographs with the head of state. On 22 February Kuczynski invited Kenji to accompany him on the presidential plane to oversee a project to clean up Lake Titicaca in the south-eastern region of Puno. The plane was unable to land because of adverse weather conditions and was forced to return to Lima, but the aborted trip still served its purpose. Kenji tweeted his excitement about boarding the presidential plane for the first time in 18 years.

Kuczynski is heavily reliant on Kenji's support to avoid falling victim to a second impeachment motion in a hostile congress. Kuczynski strenuously denies it, but the left-wing Nuevo Perú (NP), Frente Amplio (FA) and Alianza Para el Progreso (APP), are convinced that the head of state pardoned Alberto Fujimori in exchange for Kenji's crucial abstention in the first impeachment vote brought by congress in late December last year for concealing the truth about his links to Odebrecht. The three parties feel they were hoodwinked by Kuczynski, who won their begrudging support in that vote by accusing Fujimorismo of plotting a coup.

Earlier this year Kenji left the FP bench with nine other dissidents. They have been joined by two more FP deputies since then. Luis Yika García is the latest. He explained his decision to resign from the FP bench in a letter to the party spokesman Daniel Salaverry on 5 March because of "disrespectful comments" about Alberto Fujimori by some members of the party, and "mistreatment" of Kenji. FP argued that the government had bought him and other defectors off with the promise of public works in their regions.

FP is now down to 59 legislators. This is significant because it means that only if every single one of these deputies joined the NP, FA and APP in voting in favour of Kuczynski's impeachment would they reach the 87 votes needed in the 130-seat congress to remove him from power.

Kenji accused of incoherence

FP spokesman Daniel Salaverry said Kenji Fujimori was guilty of "incoherence" for accusing FP of a lack of moral authority while supporting President Kuczynski who is also implicated in the Odebrecht scandal. "Anyone capable of betraying their sister like this is capable of anything," Salaverry said.

Electoral salary increase

On 1 March, Venezuela's President Nicolás Maduro decreed a 64% increase to the national minimum salary effective immediately. Maduro, who is seeking re-election in the early presidential election called by his government, said that the minimum national salary would increase from BF797,510 to BF1.3m – US\$37 at the official exchange rate. This is the second salary increase decreed by Maduro this year following a 40% increase in January. Maduro also announced that the government will pay out two BF700,000 bonds to all those that hold a 'Carnet de la Patria' national identity card, the first to be paid to all women on 8 March to mark International Women's Day, and a second universal bond to be paid at the end of March to mark the start of Holy Week.

While Keiko, in her first interview for two years, called upon Kuczynski to resign this week, she did not say that FP would back a new impeachment motion, which is, after all, being driven this time around by left-wing parties galvanised by anti-Fujimori sentiment. FP Deputy Miguel Elías, for instance, said that he and a group from the party bench did not think it was the right time "still less to follow the game of the Left which is looking for chaos in the country".

Barata "sings like a canary in Bahia"

Odebrecht's former representative in Peru, Jorge Barata, told two Peruvian prosecutors in the Brazilian state of Bahia last week that the company had provided US\$1.2m for Keiko Fujimori's presidential campaign in 2011. Of this, US\$1m was allegedly paid to Jaime Yoshiyama, a veteran Fujimorista, secretary general and campaign coordinator of the then Fuerza 2011, and Augusto Bedoya, an adviser in Keiko's inner circle, and a further US\$200,000 via Ricardo Briceño, the former president of Peru's business federation Confiep.

Barata also alleged that US\$300,000 was handed to Pedro Pablo Kuczynski's unsuccessful campaign in 2011 for Alianza por el Gran Cambio, a broad alliance, allegedly via the investment banker and current ambassador to the UK, Susana de la Puente. Kuczynski claims he had "no control over this alliance's finances".

TRACKING TRENDS

COLOMBIA | Unemployment. Colombia's unemployment rate in January was 11.8%, the national statistics department (Dane) announced. The unemployment rate had no significant variation when compared with January 2017. However, the official figures show that January 2018 marked the highest number of people employed in any January since 2001: 21.59m. This was also the fourth consecutive January with over 21m people employed.

The urban unemployment rate in the 13 largest cities and metropolitan areas surveyed by Dane was 13.4% in January. Meanwhile, the unemployment rate in towns and rural areas in the rolling November 2017-January 2018 period was 5.4%, compared with the 9.6% overall unemployment rate recorded for the same quarter.

According to Dane, the economic sectors that accounted for most of the employment growth in the November 2017-January 2018 rolling quarter were agriculture, ranching, fishing, and industrial manufacturing, among others.

ECUADOR | Oil discovery. On 4 March Ecuador's state-owned oil-firm, Petroamazonas, announced the opening of a new oil field in the eastern Amazonian province of Orellana called 'Campo Tortuga'. Petroamazonas has already drilled a preliminary well, labelled 'Tortuga Sur TTSA-001', in the new field and reported that it is now producing some 1,200 barrels of oil per day. The exploratory well provided geological information about the 'Hollin Superior' deposit, as well as the 'T Superior' and 'Caliza M2' deposits discovered in the Campo Tortuga field.

Once the geological analysis is complete and the three deposits have been explored, Ecuador's hydrocarbons ministry predicted in a press release that this would show that the Campo Tortuga holds some 10m barrels of oil in total. In the meantime, Petroamazonas is continuing to explore the field to demarcate areas where it is going to drill its next two wells.

PERU | Inflation creeps up. The consumer price index (CPI) for the Lima metropolitan area increased by 0.25% in February, the highest monthly inflation rate observed in the last six months, Peru's national statistics institute (Inei) reported. However, the February inflation rate was lower than the 0.32% recorded in the same month last year. An Inei report also found that the accumulated rate of inflation in the first two months of 2018 reached 0.38%, and that the annual inflation rate stood at 1.18% in February, meaning that the average monthly rate was 0.1%. The overall national inflation rate was calculated at 0.3% for February, with an accumulated rate of 0.48% so far in 2018.

Proposed US trade restrictions raise fears

Last year, Brazil posted a record trade surplus of US\$67bn. But the outlook for 2018 is not looking so bright. Brazilian exports could take a hit from trade restrictions announced by US President Donald Trump, while a salmonella scandal could affect meat sales.

President Trump's proposed imposition of a 25% tariff on steel and 10% on aluminum may have been directed at China. But Brazil would also be heavily affected as the second-largest exporter of steel to the US after Canada.

Last week, Brazil's trade minister, Marcos Jorge, travelled to Washington to meet the US Secretary of Commerce Wilbur Ross to make the case that Brazil is an economic ally, not a competitor. Jorge said that 80% of the steel coming out of Brazil is semi-finished, meaning that it still needs to be finished in the US, and was therefore not a direct threat to the US domestic steel industry.

However, Trump has announced that the US will go ahead with the increased tariffs regardless. Brazil has asked for an exemption, fearing that national steelworkers will be hard hit if the measure goes ahead.

If the tariffs are imposed, Brazil may retaliate. In a statement, the ministry for industry and foreign trade (MDIC) warned that the country could take action to "preserve its national interests". For example, they could restrict US coal imports to Brazil, undercutting Trump's pledge to revive the coal industry. Or they could level more tariffs on US ethanol imports.

Of course, Brazil is far from the only country which has threatened to take tit-for-tat measures. During a meeting at the World Trade Organization (WTO) in Geneva on 2 March, Brazilian Director-General Roberto Azevêdo said there was a "risk of escalation" and other countries would retaliate by putting up their own trade barriers against the US.

Azevêdo warned all parties to reflect very carefully before making any decisions that might prove detrimental to global trade. "Once we start down this path, it will be very difficult to reverse direction," Azevêdo noted in a statement. He added: "An eye for an eye will leave us all blind and the world in deep recession. We must make every effort to avoid the fall of the first dominoes. There is still time."

There is particular concern in Brazil about possible retaliatory measures from the European Union (EU) to impose higher import duties on orange juice. The measures would be aimed at undercutting the US but would end up impacting other countries. As a knock-on effect, this could damage Brazil's economy since the EU is the biggest buyer of Brazilian orange juice and accounts for 70% of all overseas sales of the product. Diplomats have made these concerns known in informal discussions with the EU according to sources heard by local weekly *Estadão*.

More meat scandals

Separately, Brazil-EU trade relations could turn sour over meat disputes. The EU has called on Brazil's agriculture ministry to offer an explanation after police unveiled the latest phase of 'Operation Weak Flesh', which focussed on how poultry company BRF allegedly cheated on health and safety tests, raising concerns about the quality of Brazilian meat exports.

Brazil-US trade relations

Brazil registered a US\$2bn trade surplus with the US in 2017. Currently, the US is Brazil's third largest trading partner after China and the European Union (EU).

Lula

Former president

Lula is the frontrunner in early electoral polls, although other possible candidates appear to be catching up with him.

An opinion poll published this week found that Lula had 18.8% of voting intentions – down from 20.2% in September. In second place is far-right federal deputy Jair Bolsonaro from the Partido Social Liberal (PSL) with 12.3% of voting intentions – up from 10.9% in September.

BRF allegedly collaborated with laboratories to doctor the results for salmonella tests at three separate production units. It has now been banned from selling poultry from the units in question until the investigation is over. Alexandre Campos da Silva, the co-ordinator for the department and inspection of animal products (Dipoa) at the agriculture ministry, said there was no indication that the strains of salmonella detected were harmful to human health. But EU regulations are much stricter on salmonella than those in Brazil and this is an issue which has cropped up in previous audits of Brazilian meat carried out by the European Commission (EC) as a cause for concern.

Moreover, the latest stomach-churning revelations from 'Operation Weak Flesh' could further set back the long-running trade negotiations between the EU and the Southern Common Market (Mercosur), where Brazilian meat exports have long been a sticking point. The most recent round of negotiations took place in Paraguay's capital Asunción on 2 March, but no notable advancements were reported.

Brazil: still inward-looking?

Although the Brazilian government is outwardly challenging protectionism, it too could do more to lift trade barriers. A report by the Organisation for Economic Co-operation and Development (OECD) published in February found that the Brazilian economy is significantly less open to international trade than other market economies of a similar size.

For example, average tariffs levelled on imports to Brazil are almost twice as high as in Colombia and more than eight times higher than in other Latin American giants such as Mexico or Chile, the report found. Brazil's most frequently applied tariff rate is 14% while around 450 tariff lines are at the maximum level of 35%.

The industries that would most benefit from lowering trade protection in Brazil would be pharmaceuticals, metal ore mining, machinery, and clothing, according to one of the report's authors, Jen Arnolds, but those in the textiles, leather and footwear industries would lose out.

Clock ticking for Lula

Another Brazilian court has ruled against former president Lula da Silva (2003-2011) this week. Five judges at the superior court of justice (STJ) unanimously rejected a preventative habeas corpus request put forward by his defence. It comes after Lula was sentenced to 12 years and one month in jail for money laundering and passive corruption by an appeals court.

This is Lula's third successive defeat in court, in a damning blow to the leader of the leftist Partido dos Trabalhadores (PT). His best remaining chance of postponing the jail sentence is to ask for another habeas corpus at another court -the supreme court (STF).

But the odds of a more favourable outcome at the STF are not looking good. Only 23% of these kinds of appeals cases succeed there, according to an investigative report by local daily *Folha de São Paulo*.

Rather than dragging out the legal proceedings any further, the PT has called on the STF to judge the case. One of Lula's allies, a former STF judge Sepúlveda Pertence, described the court cases as Kafkaesque.

Meanwhile, Lula is busying himself by going from one pre-electoral rally to the next. He is currently touring three different southern states, Rio Grande do Sul, Paraná and Santa Catarina, stopping at 14 different cities and ending up in Curitiba where the federal judge Sérgio Moro first convicted him last year. Meanwhile the campaign #Lulalivre (free Lula) is gaining momentum, sparking fears of unrest if he is indeed arrested.

Teachers test Macri's nerve

The Confederación de Trabajadores de la Educación de la República Argentina (Ctera) federation of teachers' unions staged a 48-hour national strike this week to pressure the government led by President Mauricio Macri to heed its salary demands. The conflict is the latest test of the Macri administration's determination to face down Argentina's powerful and combative labour unions as it tries to stabilise the domestic economy and advance with its economic reform agenda, including its labour reform.

Teachers' unions in Argentina regularly stage protests in support of their salary demands. But the fact that teachers' salaries in Argentina are ultimately set by each provincial government means that these are often ignored by the federal government, which prefers the matter to be resolved at the provincial level. However, the difficulties that teachers' unions have encountered in arriving at satisfactory agreements with provincial governments during collective salary negotiations this year led Ctera to demand the reintroduction of national collective salary negotiations to establish a single national salary for teachers, a mechanism that was scrapped by the Macri government last year.

The Macri government ended the national salary negotiations arguing that allowing each province to reach its own salary agreement with teachers would allow them to set salary levels that they could realistically afford rather than have to honour a salary increase that may exceed the budgets of some provincial governments. It was also seen as a means to help contain Argentina's high inflation rate, as it means that there is effectively no floor for teachers' salary increases and that any major increases will not have a national impact. Under these conditions collective salary agreements could only be reached in just seven of Argentina's 24 provinces (with increases ranging from 15% to 40%) before the 1 March deadline.

As a result, on the following day, the secretary general of Ctera, Sonia Alesso, called a two-day national strike starting from 5 March, the official start of the 2018/2019 school year, to demand national collective salary negotiations to ensure that all teachers get a fair increase this year. Alesso also announced a protest march to the national congress on the same day to pressure the government to heed Ctera's demands.

The federal education minister, Alejandro Finocchiaro, questioned whether the Ctera strike would be widely observed across the country, warning that provincial authorities had the right to deduct salaries of any teachers that failed to show up to work. Finocchiaro's warnings appeared to have an effect. The authorities reported that only 30%-35% of teachers across the country observed the strike. Ctera put the figure at 85%.

Nonetheless, the protest march and strike were felt in the national capital, Buenos Aires, and the surrounding province as hundreds of teachers took part. This prompted the Buenos Aires provincial government to call for a new negotiation table with the teachers. Meanwhile, President Macri adopted a conciliatory tone when he visited a school in Corrientes province to mark the start of the new school year. "I believe in our teachers...[and] I invite them to keep working together on the challenges we face," Macri said, appealing for teachers to abandon their protests and work with his government to continue improving education in the country. But with Ctera threatening further strikes if the dispute is not resolved, the Macri government remains under pressure to stop the teachers' conflict from becoming a catalyst for wider union protests.

Collective salary negotiations

The federal education minister, Alejandro Finocchiaro, criticised Ctera's demand for national collective salary negotiations. He insisted that the fact that salary deals had been reached in some provinces shows that agreements could also be reached in others. He said that the opening of a national negotiation could scupper the deals that have already been reached, and he called for the unions to return to the dialogue table with provincial governments.

Constitutional recognition?

Chile's President Michelle Bachelet sent a draft constitution to congress on 5 March, just six days before she hands over power to Sebastián Piñera. A major overhaul of Chile's 1980 constitution to make it more democratic was one of Bachelet's electoral promises in 2013. In presenting the draft constitution, Bachelet said that, among other things, it "takes care of an historic debt – constitutional recognition for indigenous people". The Bachelet government believes that this will help to solve the Mapuche conflict in Chile by giving indigenous groups additional rights. Whether the draft constitution will be backed by the incoming Piñera government, however, is unclear.

Judicial moves

The start of the school year in Argentina coincided with the start of the legal year. In their return to work on 5 March Argentina's courts issued two significant rulings. In the first ruling, Federal Judge Claudio Bonadio decided to send to trial former president Cristina Fernández (2007-2005), and 11 other officials in her government, over the case involving an alleged cover-up of Iranian involvement in the 1994 bombing of the Asociación Mutual Israelita Argentina (Amia) Jewish community centre in Buenos Aires. The Fernández government stands accused of striking a pact with Iran to conceal the involvement of Iranian government officials in the attack that killed 85 people. The case is based on the evidence gathered by special prosecutor Alberto Nisman, who was found dead in his Buenos Aires flat in 2015, just days after he filed charges against Fernández.

The trial, for which no date has been set yet, is bound to produce political tensions. Fernández, who won election to the federal senate in last October's mid-term elections, has repeatedly complained that she is being persecuted by the courts on the orders of the Macri administration.

In the second significant ruling, Federal Judge Gustavo Villanueva approved the extradition request filed by Chile for Facundo Jones Huala, an Argentine national and leader of a radical indigenous Mapuche group, who faces arson charges in Chile. Jones Huala, who was arrested in Argentina in June last year following a series of violent clashes between members of his group and the police in the southern province of Chubut, objects to extradition on the grounds that he will not receive a fair trial in Chile, where he is likely to be tried under the draconian local anti-terrorist laws. His extradition could further inflame the Mapuche conflict in Argentina and in Chile, at a time when the Chilean government is trying to find a definitive solution to the conflict (*see sidebar*). Jones Huala has announced that he will appeal against the extradition order at the supreme court.

TRACKING TRENDS

BRAZIL | Economy registers growth again. Brazil's economy grew by 1.0% in 2017, slightly below government and market expectations of 1.1%, according to the national statistics agency (Ibge). This means that the country has exited recession following two consecutive years of contractions by -3.5% in both 2015 and 2016.

Brazil's return to growth was largely driven by a 13% year-on-year increase in the agriculture sector from a bumper harvest. The corn crop increased by 55.2%, while the soybean crop expanded by 19.4%.

This year also saw a 0.3% increase in consumer spending. Overall, industrial activity remained stable, but there was a 4.3% increase in the extractive industry. The last time the industrial sector expanded was in 2013 when GDP grew by 2.2%.

In 2017, Brazil registered positive economic results in all four quarters, including 2.1% growth in the final quarter compared with the previous year. President Michel Temer celebrated the latest economic results, which he said represented a return to hope, during an interview with local broadcaster *Radio Tupi*.

However, the government has come under fire for abandoning its pensions overhaul and for failing to reduce the budget deficit, which stands at 7.8% of GDP, according to January figures from Brazil's central bank (BCB). This recently resulted in further downgrades from major credit rating agencies such as Fitch.

Brazil's future growth prospects for this year hinge on what happens during October's presidential election. To guarantee a robust return to growth, the next government must continue to promote structural reforms and prioritise the pensions overhaul as an "urgent fiscal adjustment", was the key takeaway of the Organisation for Economic Co-operation and Development (OECD) Economic Survey of Brazil 2018. Currently, the pensions system eats up 12% of Brazil's GDP.

Corruption battle working in López Obrador's favour

A bitter exchange of corruption allegations between the second and third placed candidates in the presidential race, Ricardo Anaya and José Antonio Meade respectively, is helping the frontrunner, Andrés Manuel López Obrador. This may not continue for long, but, for the moment at least, it is widening López Obrador's lead ahead of the formal start of the three-month presidential campaign at the end of March. The elections are due on 1 July.

According to a poll by Parametría (an early copy of which was leaked to *Reuters* news agency on 7 March) López Obrador, leading a mainly left-wing coalition, has increased his popular support from 34% to 35% between February and March.

Even more importantly, López Obrador's lead over second placed Anaya has widened from 11 percentage points last month to 14 points now. Anaya, at the head of a right-to-left alliance (Por México al Frente) saw his support drop from 23% to 21%. Former finance minister Meade, representing a coalition spearheaded by the ruling Partido Revolucionario Institucional (PRI), has also dropped, down from 18% support last month to 16% now.

The main explanation for these changes appears to be that the firestorm of corruption allegations between Meade and Anaya is hurting them both in the eyes of public opinion, allowing López Obrador to position himself above them in the fray. The headlines have been dominated by the allegation that Anaya committed improprieties in the sale of a family owned industrial estate in the state of Querétaro, an operation which may have relied on companies involved in money laundering.

The operation is now being investigated by the attorney general's office (PGR). Anaya has denied any wrongdoing and countered that the government, as part of a dirty tricks campaign, is using the PGR – notoriously slow in investigating other claims of corruption – to discredit him. This, Anaya claimed, is part of a major threat to Mexican democracy and means that other opposition candidates are at risk of similar treatment.

Anaya counter-attacked by insisting that corruption under PRI rule has been very serious and that "millions" had been diverted from the budget of the social development ministry (Sedesol) when Meade was the minister there (*see sidebar*).

Interior Minister Alfonso Navarrete has rejected Anaya's contention that the government is intervening in the election process with a view to manipulating it to favour Meade. Anaya's close advisers appear to be recommending an "all or nothing strategy" where he should step up his criticism of the government to try and squeeze Meade out of the race, turning it into a two-way contest between López Obrador and himself.

However, some governors from Anaya's party (the right-wing Partido Acción Nacional – PAN) are said to be worried that they could face financial reprisals from the outgoing federal government. There are also some difficulties within the Por México al Frente coalition, with a dispute over whether it should support Mexico City mayor Miguel Ángel Mancera as a candidate for the senate (some PAN leaders want the nomination for one of their own.)

Sedesol payments

Local website *Animal Político* has reported that the national audit office (Auditoría Superior de la Federación – ASF) has been looking into nearly US\$29m worth of potentially improper Sedesol payments to three universities made in 2015. José Antonio Meade has denied any wrongdoing.

Trump meeting
Electoral use of a face-to-face meeting is what happened in the 2016 US presidential elections and officials fear that with the US mid-terms on the horizon (they are due in November) President Trump may be seeking to do it again.

Congress blocks Odebrecht investigation

The claim that the government has a politically selective approach to corruption investigations may have been given some credence by a decision by PRI deputies to block an investigation by the national audit office, Auditoría Superior de la Federación (ASF), into claims of corrupt contracts worth US\$135m between the state oil company Pemex and Brazilian civil engineering company Odebrecht. In 2016 Odebrecht admitted paying bribes in 12 Latin American countries including Mexico. The ASF had subsequently reported it had evidence that Pemex paid Odebrecht for fictitious services.

Opposition deputy Rocio Nahle, a member of López Obrador's left-wing Movimiento Regeneración Nacional (Morena), who is also a potential energy minister should the party's candidate win the elections, had presented a motion calling on ASF to pursue deeper investigations and initiate legal proceedings against any Pemex employees found to have acted illegally. However, PRI deputies voted against her motion, which did not pass.

The official handling of the Odebrecht allegations in Mexico remains opaque. In October last year the outgoing attorney general said the Odebrecht investigation had concluded. But six months later there has been no public announcement of the outcome, nor any formal charges.

Neither have there been any subsequent legal moves against Emilio Lozoya, the former head of Pemex and close associate of incumbent President Enrique Peña Nieto, who also faces allegations by plea-bargaining Odebrecht executives that he has accepted bribes from the company.

MEXICO | TRADE & DIPLOMACY

Following the Kushner track

On 7 March, in Mexico City, senior White House adviser Jared Kushner, the son-in-law of President Donald Trump, met President Enrique Peña Nieto, in another attempt to ease disagreements between the two countries, including on the future of the North American Free Trade Agreement (Nafta), on Trump's plans to build a border wall, migration, and security matters.

Plans for a meeting between Presidents Trump and Peña Nieto had to be abandoned earlier this year, reportedly because the two men held an irritable telephone conversation in February during which they clashed over the former's insistence that Mexico should fund his plan to build a border wall between the two countries.

The Mexican government has consistently and firmly refused to pay for a project it disagrees with, but it has been nervous that Trump-style showmanship may be used in a face-to-face meeting to make things seem otherwise, or to make political capital in another way at Mexico's expense (*see sidebar*).

The climate between the two countries has also been affected by slow and uncertain progress in the Nafta negotiations, by the announcement that Trump wants to impose 25% and 10% ad valorem tariffs on steel and aluminium imports (a significant proportion of which come from Mexico), and by the now customary flow of Trump tweets. Each side has been seeking to exert pressure on the other. US officials have suggested that if Mexico and Canada make concessions on Nafta they may be exempted from the planned additional steel and aluminium duties.

Peña Nieto-Kushner

During the meeting with President Peña Nieto, Jared Kushner called for progress in “bilateral initiatives” and for “shared prosperity through fair and reciprocal trade”.

After the Peña Nieto-Kushner meeting the Mexican foreign ministry issued a statement saying that whether or not there would be a formal meeting between the presidents of the US and Mexico would depend on “the level of progress reached on Nafta and other issues relating to security, migration and economic cooperation”.

The real potential for a limited improvement in relations while both countries focus on election campaigns is unclear. Kushner and Mexican foreign minister Luis Videgaray are friends and have sought to channel communications between the two sides. But Kushner’s White House influence may be somewhat reduced since his security clearance and access to confidential documents has been downgraded.

Career diplomats in the Mexican foreign ministry, in turn, view Videgaray with some distrust. One complained off the record this week that Mexico’s handling of relations with the US has become “extremely illogical”.

Mexico’s presidential candidates are watching closely and without much sympathy. Ricardo Anaya, the presidential candidate of the Por México al Frente coalition, said Mexico should demand respect and refuse to be walked over “as has unfortunately already happened under this government”.

Andrés Manuel López Obrador, the presidential candidate of the Movimiento Regeneración Nacional (Morena), said nothing should be agreed against Mexico’s interests. However, López Obrador, the once fiery nationalist, is keen to portray himself as more of a moderate nowadays, commenting, “It is important that there should be negotiation, politics is all about negotiation, it is better to look for negotiation than confrontation.”

TRACKING TRENDS

MEXICO | Fintech law approved. On 1 March, Mexico’s federal chamber of deputies gave final approval to the so-called ‘Fintech law’ bill that seeks to regulate the provision of financial technology services (Fintech) such as crowdfunding, digital wallets, cryptocurrencies, and any other virtual assets. The bill was tabled by the federal government in October 2017, approved by the federal senate two months later and now passed to President Enrique Peña Nieto for promulgation. It confers upon Mexico’s economic and financial authorities, including the central bank (Banxico), the national banking and securities commission (CNBV), and the federal finance ministry (SHCP), the power to regulate and control these services.

Proponents of the bill say that the legislation is necessary because there is currently no regulation for a sector that is becoming increasingly popular and is only expected to grow in the future. Indeed, there are currently 230 Fintech providers in Mexico, making it the largest Fintech market in Latin America. Meanwhile, a study by Spanish consultancy firm, Bankia Fintech by Innsomnia, estimates that in 10 years Fintech could account for 30% of Mexico’s entire banking sector. The bill calls for the establishment of an interinstitutional committee comprised of CNBV, Banxico, and SHCP representatives tasked with coming up with the secondary legislation that will establish the actual rules that will govern the Fintech sector and must mitigate the risks of money laundering and the financing of terrorism in line with international standards.

Following the approval of the bill, the recently appointed CNBV president, Bernardo González, explained that the authorities now have a period of six months to draft the requisite secondary legislation. González said that this would include rules regulating the virtual asset market, including determining which cryptocurrencies and other virtual assets can be legally traded in Mexico and which ones cannot. The secondary legislation must also outline the administrative and penal sanctions to which firms and individuals that misuse Fintech will be subject.

At odds with the UN

President Jovenel Moïse recently marked one year since his Parti Haïtien Tèt Kale (PHTK) government took office. In his balance sheet he highlighted as among the main actions undertaken, “numerous measures adopted to begin reform of public administration” – an allusion to anti-corruption efforts. His government’s commitment to these efforts has since served as the latest bone of contention with the United Nations (UN), resulting in its decision last week to recall Haiti’s ambassador to the UN in protest.

The latest source of tensions was a statement made on 26 February by Susan Page, the head of the UN Mission for Justice Support in Haiti (Minujusth), which began its initial six-month term back in October 2017, replacing the UN Stabilization Mission in Haiti (Minustah) which ended its 13-year mandate in the country. Minujusth is mandated to assist the Haitian government to “strengthen rule of law institutions; further support and develop the National Police; and engage in human rights monitoring, reporting, and analysis”. The latest statement by Page welcomed the government’s decision to assign investigating judges to look into complaints filed by citizens with regard to US\$2bn that Haiti had received as part of Petrocaribe, the Venezuelan discounted oil scheme (*see box*).

The Moïse government also appeared to take umbrage at the fact that, in her statement, Page alluded to Haiti’s continued poor showing in the most recent corruption perceptions index (CPI) by international NGO Transparency International (TI) (*see sidebar*). She also expressed regret that no judge had been appointed to look into two cases of alleged human rights abuses by Haitian police (HNP) units in Lilavois on 12 October 2017, during which at least one individual was killed, and in Grand Ravine on 13 November 2017, where eight civilians were allegedly summarily executed, in addition to the two HNP officers who were killed.

The Minujusth press release prompted a swift response from Haiti’s foreign ministry. In a statement on 27 February it condemned Minujusth for “undermining once again the image of the country”, accusing Page of exceeding her authority, stating that her comments reflect an “attitude harmful to the political and institutional stability acquired during the past few years”. The Haitian government press release also complained about the poor timing of the declaration, which was released the same day that Haiti signed an agreement with the International Monetary Fund (IMF) for a “Staff-Monitored Program” (SMP). The spat is likely to further foment anti-UN sentiment which has intensified due to Minustah’s responsibility for the 2010 cholera outbreak in the country – which the UN only publicly acknowledged in December (*see page 14 sidebar*).

Falling short on another pledge

In addition to doubts over anti-corruption efforts, the Moïse government was also recently challenged over another pledge made upon assuming office – addressing the parlous state of the prison system. The latest rankings by the World Prison Brief, which is published by the UK-based Institute for Criminal Policy Research, released at the end of January, showed that Haiti ranked lowest of 205 countries surveyed for prison overcrowding, with an occupancy level of 454.4%.

Meanwhile, the most recent report by the international NGO Human Rights Watch (HRW), also released in January 2018, notes that “Haiti’s prison

CPI report on Haiti

The corruption perceptions index (CPI) released last month by international NGO Transparency International (TI) ranked Haiti as the most corrupt country in the Caribbean region and one of the worst (157th) out of 180 countries surveyed worldwide. This was a slight improvement, however, on 2016, when Haiti was ranked 159th.

Cholera

According to the most recent report by human rights NGO Amnesty International (AI), between January and June there were 7,623 new cases of suspected cholera and 70 related deaths, a decrease of more than 60% in comparison with the same period in 2016. Since the 2010 outbreak, more than 800,000 people have been infected and nearly 10,000 have died, according to the authorities. The same AI report criticises the UN's "new approach to cholera in Haiti", presented in 2016, claiming it was severely underfunded. Other criticisms include the fact that there were "no consultations with cholera survivors, as planned. Individual assistance was consequently suspended. Victims' advocates objected to this on the grounds that it was inconsistent with the right to remedy. According to the government, almost 70% of the Haitian population did not have access to health services".

system remained severely overcrowded, with many inmates living in inhumane conditions". The HRW report cites 2016 UN estimates which suggest that "nearly all inmates in Haiti's national prison system have access to less than one square meter of space and most are confined for 23 hours a day". According to the UN, overcrowding is largely attributable to high numbers of arbitrary arrests and the country's large number of pretrial detainees. The same HRW report notes that, in May 2017, Haitian prisons housed more than 10,000 detainees, 71% of whom were awaiting trial.

Petrocaribe

On 1 February, Haiti's senate passed a resolution requesting that the superior court of audit and administrative disputes (CSC/CA) conduct a review of the management of Petrocaribe funds over the eight-year period from September 2008 to September 2016, under the governments led by René Préval (2006-2011) and President Moïse's predecessor and close ally Michel Martelly (2011-2016).

The resolution was in response to a 647-page report published on 7 November by a senate commission which conducted a year-long analysis of the management of Petrocaribe funding. During the period reviewed, Haiti was hit by four hurricanes in 30 days, the 12 January 2010 earthquake, and Hurricane Sandy in 2012. The declarations of the state of emergency enabled former prime ministers Jean-Max Bellerive (2009-2011) and Laurent Lamothe (2012-2014) to pass plans to use Petrocaribe funds quickly. However, the five-member senate commission (which included two PHTK members, with other senators from the opposition Pont, Verité, and Konvansyon Inite Demokratik [KID] parties) found that most of the money had been wasted and mismanaged, in what it deemed a "large scale state fraud", concluding that "Petrocaribe has been the object of embezzlement".

As well as Préval and Martelly, other names which came up in the report included members of the current government such as Moïse's chief of staff Wilson Laleau, who previously held the portfolios of trade & industry and economy & finance, while an energy company, Comphener SA, owned by Moïse, also featured for allegedly securing contracts in an irregular manner.

PANAMA | POLITICS

Opposition pre-electoral manoeuvring starts

Civil-society groups are on the alert in Panama following the approval last month by the opposition-controlled 71-member national assembly of a legislative act which would reconfigure the congressional credentials committee. Crucially, this committee is authorised to decide whether the president may be impeached by the national assembly as well as passing presidential nominations for supreme court (CSJ) magistrates on to the legislature. For now, the CSJ has ordered the legislative act in question to be suspended, while an appeal filed by President Juan Carlos Varela's Partido Panameñista (PPA) is considered. However, various sectors are warning that the move – seen as early manoeuvring ahead of the 2019 general election – could negatively affect the country's image.

On 21 February the legislature, in which the PPA has 16 seats to 26 for the opposition Partido Revolucionario Democrático (PRD) and 25 for Cambio Democrático (CD), approved the motion by 45 votes in favour to restructure the commission which currently includes four members from the PPA, three from the PRD, and two from the CD. Under the changes, the PRD presence would remain the same, the CD would gain a seat and the PPA would lose two seats. Those proposing the motion complain the committee fails to reflect the composition of the national assembly: Article 162 of Panama's constitution states that all national assembly committee members should be elected by means of a system that guarantees proportional representation (of the political groups elected to the legislature).

Civil death

At the end of last month, the national assembly announced the creation of a new subcommittee to discuss legal criteria for Law 597, colloquially known as “civil death”. The proposed law would reform the penal code to prohibit those who committed acts of corruption from serving in public office for life. The new three-member subcommittee will commence discussions on 5 March. Civil-society activists have been pushing for the bill as part of efforts to speed up the investigation into the alleged corruption involving Odebrecht. Some supporters of the bill have criticised the decision to create a subcommittee rather than debate the bill, claiming that it is an effort to prolong discussion for as long as possible.

However, the motion prompted an outcry from the PPA which, in its appeal filed before the CSJ, points out that the committee was chosen in July 2017 and the mandates of those selected run until 30 June of each year – meaning the vote to reconfigure it would cut short these terms.

While five days later, the CSJ ordered the national assembly president Yanibel Abrego (CD) to suspend the legislative act until the courts have ruled definitively on the PPA’s appeal, civil-society groups are already warning that the institutional clash will generate instability and could prove damaging to Panama’s image abroad.

The national council for private enterprise and the Panamanian association of business executives (Apede) have both complained that such moves could jeopardise investment while Magaly Castillo of the civil-society group Alianza Ciudadana Pro Justicia (ACPJ) accused the opposition of being “irresponsible” and weakening the country’s institutions. Further fanning concerns about the threat to stability, on 23 February First Lady Lorena Castillo de Varela waded in, warning of “total destabilisation of democracy” and threats to impeach her husband. Her remarks notably follow opposition calls at the end of last year for President Varela to be investigated in relation to alleged irregular donations received by the PPA from Brazil’s construction and engineering firm Odebrecht [[WR-17-49](#)].

Dubious funds

Further adding to a sense of political crisis, last week Panama’s comptroller general Federico Humbert revealed the findings of an audit into the use of funds by national legislators between 2009 and 2014 under the previous CD government led by President Ricardo Martinelli. The audit found irregularities totalling some US\$247m, whereby funds were supposedly transferred to municipal authorities but then used for political gain or electioneering. The case will now be investigated by the anti-corruption prosecutor. According to Humbert’s report, 34 CD legislators allegedly siphoned off US\$159m for these purposes. As regards the other parties, 18 PRD deputies allegedly misused US\$35m; 10 PPA deputies, US\$17m; seven Molirena deputies, US\$36m; while one Partido Popular deputy allegedly misused US\$492,000.

TRACKING TRENDS

HONDURAS | Exports up. Total exports in 2017 were worth US\$4.56bn, a 17.4% year-on-year increase, the Honduran central bank (BCH) reported on 5 March. According to the BCH report, agro-industrial goods accounted for 57.9% of total exports, with coffee, palm oil, and prawns being the main export items. Meanwhile total imports were worth US\$9.68bn, an 8.7% year-on-year increase, resulting in an overall trade deficit of US\$5.12bn, up from the US\$5.02bn deficit recorded in 2016.

On the same day that the BCH released its report, the country’s coffee institute (Ihcafe) revealed that the value of Honduran coffee exports from October 2017 to February 2018 reached US\$446.5m, a 1% decrease from the US\$450.5m reached in the same period a year earlier. The total export volume in 2017-2018, measured in 46kg sacks, rose 17% to 3.61m sacks, as compared with 3.09m sacks in the comparable period of 2016-2017. The average price per 46kg sack is currently US\$123.67, which represents a 15% fall on the average price of US\$145.80 per sack recorded in the 2016-2017 period.

Germany was the largest recipient of Honduran coffee exports, importing 30.38% of total exports. The next largest importers were Belgium (with 23.64% of the total) and the US (12.33%). These three countries combined accounted for 65% of the total exports.

POSTSCRIPT

Quotes of the week

“I am not going to resign, and I am not going to be forced out by declarations that have no justification whatsoever.”

Peru's President Pedro Pablo Kuczynski ahead of a second possible impeachment motion against him.

“Take your hands out of the electoral process and let the Mexican people choose with complete freedom.”

Mexican opposition presidential candidate Ricardo Anaya accuses President Enrique Peña Nieto of using state resources to tarnish his name.

“It would have been a very good speech from the president of Switzerland. The speech was fine but Macri got the wrong country...an association of phrases in the style of a boy scout ...enthusiasm, faith, and hope but nothing about what is really happening in Argentina.”

Argentine opposition deputy Felipe Solá on President Mauricio Macri's opening of congress.

Assured Macri opens Argentine congress

“Some are criticising us for going too slowly, others for going too fast,” Argentina's President Mauricio Macri said during the opening of congress on 1 March. He insisted, however, that his government had taken the necessary time to build foundations which were “invisible...but on this solid base the rest will be constructed”.

President Macri delivered his 42-minute address without interruption from opposition deputies and senators, unlike his previous appearances in congress since taking office in December 2015. This reflects the divisions within the main opposition Partido Justicialista (PJ, Peronists) as well as the new-look congress after the strong performance of his ruling centre-right coalition Cambiemos in last October's mid-term legislative elections.

Macri maintained that without “gradual change” Argentina would have headed towards social disintegration like Venezuela. He argued that “the years in which we are going to grow have now arrived”, dismissing the “apocalyptic diagnostics” of some in opposition that a crisis like 2001 is on the horizon as the Macri administration has tapped now-receptive international markets, progressively indebting Argentina. He claimed that his government was on course to meet its targets of bringing down the fiscal deficit and inflation this year, although the latter remains stubbornly high and was 1.8% in January alone.

Macri promised to reform “the old and disorderly penal code”, saying that his government had created a commission of experts to work on the matter, addressing public demands to improve citizen security and combat drug-trafficking. He also called on congress to hold a free and open debate on legalising abortion. There were pro-life demonstrations outside the building as he arrived.

Former president Cristina Fernández (2007-2015), now a senator, was the sole absentee for the opening of congress. In her absence, Deputy Felipe Solá of the dissident PJ Frente Renovador (FR) led the criticism of Macri's speech, which he portrayed as “a denial of what is happening in Argentina that is truly frightening”. Former president Eduardo Duhalde (2002-2003), an honorary guest, was more generous, describing the speech as “good, because the president speaks well” but adding that “the problem is that afterwards speeches have to be turned into action”.

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