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Lula, Brazil's leftist icon, falls

Following a telenovela-style build-up, Brazil's former president Lula da Silva (2003-2011) handed himself over to police this week to face 12 years in jail. Lula may have lost the legal battle, but he is fighting a war to defend the legacy of the Left, both in Brazil and beyond.

Lula's hopes of making a comeback in this October's presidential elections have been crushed by his conviction for corruption. Although he was a frontrunner in all early polls, his personal magnetism will not transfer easily onto an alternative candidate for his leftist Partido dos Trabalhadores (PT).

Lula's imprisonment prompted a show of solidarity from leftist leaders across Latin America. The harshest criticism came from those most sensitive about unwarranted interference in the internal affairs of their own countries. Venezuela's Nicolás Maduro, denounced the Right "which, in its inability to govern democratically, has chosen the judicial route to intimidate popular forces", seemingly oblivious to his government's misuse of the judicial branch to persecute political opponents. Bolivia's President Evo Morales bewailed "one of the greatest injustices of the 21st century". Morales added: "they want to imprison an innocent man who gave his life for his country and helped lift tens of millions of Brazilians out of poverty and hunger".

Former presidents like Ecuador's Rafael Correa (2007-2017), Argentina's Cristina Fernández (2007-2015), Uruguay's José Mujica (2010-2015), and Chile's Ricardo Lagos (2000-2006) also spoke out. Correa said that "Lula's crime was to extract 38m Brazilians from poverty". He added: "They said that Lula was the 'vegetarian' Left and we the 'carnivorous'. But our oligarchies only hate one Left: the true one. They will never forgive the interference of our governments in their interests, sharing out education, health, rights, sovereignty, and dignity."

Fernández claimed that Lula was "going to win the next presidential elections so the elite, which has never been interested in justice or democracy, used the judicial apparatus to knock him out of the running". Fernández, now a federal senator, also faces corruption charges at home. Her successor, President Mauricio Macri, praised Brazil's "truly independent" judiciary.

Since Brazil is leading regional efforts to combat corruption, the question is whether the judiciary is coming down equally hard on the Right as it is on the Left. A test could come in the form of a supreme court (STF) ruling scheduled for 17 April on whether centre-right senator Aécio Neves, from the Partido da Social Democracia Brasileira (PSDB), faces trial for corruption. Neves ran for the presidency in 2014.

Historic case

Lula may be the first former president to be jailed for a common crime: corruption and money laundering. But he is not the first to encounter judicial problems. Since Brazil's return to democracy in 1985, only two former presidents, Itamar Franco (1992-1995) and Fernando Henrique Cardoso (1995-2003), have not been named in corruption cases.

The judiciary could also pose problems for the PSDB's presidential candidate Geraldo Alckmin, who has been named in 'Operation Car Wash' for allegedly receiving R\$10m (US\$2.9m) ahead of the 2014 state elections in São Paulo, where he was elected governor for a third term. On 11 April, the superior court of justice (STJ) said it would not rule on the case, but Brazil's electoral court (TSE) has the final say on whether he can still run. Alckmin left his post as governor on 6 April to stand in the presidential elections.

What now for Brazil's Left?

Lula's imprisonment marks a turning point for the Left in Brazil. Without him, "the Left has lost its natural reference point," Alvaro Bandeira, chief economist at Modalmais Brokerage House said in an interview with local daily *Folha de São Paulo* this week. "Now, it is going to have to test out some names to see if anyone has electoral potential. The question is whether it will go for three or four candidates like the Centre or throw its weight behind a single name."

One possibility is that Lula's legacy could somehow live on and unite disparate leftist parties. For example, there is some talk of a grand coalition between the PT, the Partido Comunista do Brasil (PCdoB), the Partido Socialismo e Liberdade (PSOL), the Partido Democrático Trabalhista (PDT), and the Partido Socialista Brasileiro (PSB) to improve the Left's chances of winning the election without Lula. Some notable presidential contenders within that group include the PCdoB's Manuela D'Ávila, a former journalist, and Guilherme Boulos, from the landless organisation Movimento dos Trabalhadores Sem Teto (MTST), both of whom were photographed by Lula's side just before he went to jail.

Another possibility is that Lula's support will fade over time as public outrage with corruption grows. Any disagreements about honouring Lula's legacy could cause more infighting within the Left and prove self-destructive by increasing voter fragmentation. While some of Lula's supporters remain loyal to him, others decided it is time to move on. For example, Lula's long-time rival Ciro Gomes from the PDT is espousing a clean break from corruption and has presented himself as an alternative leftist presidential candidate.

Despite everything, the PT insists it wants Lula to represent the party during this year's election. In a symbolic gesture, it relocated its headquarters to Curitiba (Paraná state), where Lula's prison cell is located. "He is our candidate in all circumstances," stressed PT party president Gleisi Hoffmann. Lula's defence team is also preparing to take further action and has filed appeals at the STF and the STJ.

Tellingly, the PT has named former São Paulo mayor Fernando Haddad as Lula's running mate. This is the biggest clue to date that Haddad is the favourite 'Plan B' candidate if the TSE confirms that Lula cannot run in a verdict expected in August. Another possible contender is former Bahia governor Jaques Wagner, but he has been named in 'Operation Car Wash'.

Market reaction

Brazil's main stock exchange, the Bovespa, rose slightly after Lula was jailed. This was based on projections that, in an election without Lula, a centrist or right-wing contender would be more likely to win.

Other economic indicators also came out positive. On 9 April, the international credit ratings agency Moody's upgraded Brazil's outlook from 'negative' to 'stable,' which remains below investment grade at Ba2. In a statement, it justified the upgrade by expressing optimism that President Michel Temer's fiscal reforms would be approved by the next government and that the domestic economy would recover in the short-to-medium term.

Can the pink tide rise again?

The pink tide in Latin America is now at its lowest ebb, having receded for several years. The bitter irony is that, despite its efforts to improve social justice, the Left allowed official corruption to thrive after coming to power, having denounced rampant corruption under right-leaning governments for so many years while in opposition. This has contributed to the prevailing sense of public disenchantment with established political parties across the region and the attraction of populists, both damaging developments for democracy.

Standard & Poor's also revised Brazil's GDP forecasts up for next year from 2.4% to 2.6%, but it did not rule out the possibility of further downgrades depending upon the electoral outcome.

Others caution that the markets have not fully priced in the risk of uncertainty in this election, even with Lula in jail. A victory for Gomes, for example, who has also pledged to reverse Temer's market-friendly policies, could derail Brazil's economic recovery.

If an ultra-right candidate like Jair Bolsonaro wins, the economy may fare no better. Although Bolsonaro has appointed a liberal economist, Paulo Guedes, to lead his economic team, there is no guarantee he would listen to his advice. Another concern is whether Bolsonaro (or other outsiders) would be able to muster a majority in the federal congress. Without this, he would struggle to pass unpopular economic reforms such as the pensions overhaul.

Although centrist contenders like the PSDB's Alckmin would guarantee continuity with Temer's government, they have so far failed to win over the public. Given the backlash against establishment figures, political appetite for Alckmin is so low that he has been nicknamed 'xuxu ice-cream' [xuxu being a foul-tasting vegetable].

The man and the myth

Aside from making the election result more uncertain, another consequence of Lula's arrest is heightened political polarisation. Nowhere was this more obvious than on the day of Lula's arrest. During his final speech at the former metalworkers' headquarters in São Bernardo do Campo (São Paulo state), Lula preached he was a victim of political persecution before a crowd of supporters. Meanwhile, opponents celebrated his arrest for corruption as a coup for 'Operation Car Wash'.

In a speech peppered with allusions to prominent global icons, such as Che Guevara and Martin Luther King, Lula compared his imprisonment to a metaphorical death, claiming "powerful people can kill one, two or three roses, but will never be able to stop the Spring". Lula defended his own legacy, saying that his proudest moment was implementing the 'Bolsa Família' cash transfer scheme which helped lift millions out of poverty.

Building on this, Lula portrayed himself as a Robin Hood figure. "The crime I committed, which they do not want me to commit any longer, was the crime of putting poor and black people in university, giving them the power to buy a car, take a flight, have a house," he said. Lula went on to urge his followers to continue fighting for greater social equality. "I am more than a human. I am an idea," he said. "This country has millions of Lulas."

But the transformation of Lula the man to Lula the myth has proven problematic. With his rhetoric of political persecution, Lula has vilified members of the judiciary and press, who he claims are responsible for plotting to bring him down. One senior STF judge received death threats. Then, during Lula's final speech, at least six journalists and photographers were threatened or attacked by Lula's supporters, according to Brazil's association for investigative journalists (Abraji). On the other side of the spectrum, right-wing supporters have also resorted to violence. Some pelted Lula with eggs during his campaign rally and others fired bullets at his tour bus.

What emerges is a very fragmented political landscape, with a high risk of further violence and social unrest. With a wide array of candidates to choose between, and no clear frontrunner emerging, the question now is who has the power to unite such a divided country.

Santrich arrest tests solidity of peace process**Irregularities**

The inspector general, Fernando Carrillo, said this week that the peace process could not be allowed “to collapse” because of the mismanagement of resources, and he ordered an investigation into the contracts signed by the Fondo Colombia en Paz (FCP). The peace process sustained another blow when the head of the transitional justice system (JEP), Néstor Raúl Correa, announced his resignation this week effective from 1 May. Correa said he had completed his cycle, but the press seized upon allegations of irregularities, including car rentals for JEP magistrates.

Colombia’s peace process sustained two serious setbacks this week. The one which grabbed the headlines was the arrest on 9 April of ‘Jesús Santrich’ (Seusis Pausivas Hernández), one of the most senior leaders of the Fuerza Alternativa Revolucionaria del Común (Farc), on suspicion of involvement in drug trafficking. The Farc reacted by saying Santrich’s arrest was the “worst moment” faced by the peace process, but also reiterated its commitment to peace. A development that gained far less media coverage but could be even more damaging for the peace process, further eroding public support, was the news that significant funds assigned for peace projects have been misused, leading to a high-profile dismissal.

Santrich and three associates were apparently caught in a sting operation orchestrated by the US Department of Justice and federal agents of the US Drug Enforcement Administration (DEA) who posed as members of Mexico’s Sinaloa drug trafficking organisation (DTO). Santrich was arrested in a house in western Bogotá where he had allegedly met the undercover agents on 8 February this year and agreed to organise a major shipment of cocaine to the US. A court in New York is seeking the extradition of Santrich and three associates on charges of drug trafficking. Colombia’s attorney general, Néstor Humberto Martínez, said that his office had amassed “copious evidence” of Santrich’s involvement in a network “to export 10 tonnes of cocaine to the US with a local market price of US\$320m”, including emails, WhatsApp messages, videos, and other documents, from June 2017 onwards.

The date of the alleged drug deal is significant because members of the Farc can only receive legal benefits from the transitional justice system (JEP) for crimes committed before the signing of the peace accord on 1 December 2016. President Juan Manuel Santos said that if there were “irrefutable proof” against Santrich he would have no qualms about signing his extradition order to the US. In a press conference the following day, the Farc’s former chief peace negotiator, Iván Márquez (Luciano Marín Arango), said Santrich’s arrest sent out “a dreadful message of non-fulfilment [of the peace accord] to former guerrillas”. Santrich was going to fill one of the 10 seats in congress reserved for the Farc under the terms of the accord.

Márquez appealed for calm among demobilised guerrillas saying “they are trying to force the disbandment of the process to justify the continuation of violence”. He denounced “a plan hatched by the US government”, adding that “Santrich cannot be the trophy to be handed to [President Donald] Trump on his visit to Colombia [a visit, scheduled for next week, which the White House has cancelled].

‘Timochenko’ (Rodrigo Londoño Echeverri), the leader of the Farc, agreed that Santrich’s arrest constituted “a media show by the attorney general with the support of the gringos”. But he too called for the group to maintain “unity and cohesion” in a letter to demobilised guerrillas and to “stay calm in the face of provocation”. Londoño and other senior Farc members met Santos on 11 April. Santos said he had reassured them that those who remained within the law had “nothing to fear”. He guaranteed due process would be followed in Santrich’s case and that the JEP would first verify whether the charges against him related to events that took place after the signing of the peace accord.

Londoño tweeted that the one-hour meeting had been “productive”. “The Farc is firmly committed to the accord, we have complied with it and will keep complying. Peace in Colombia is not conditioned by the problems of

Presidential debate

The five principal presidential candidates took part in the debate in Barranquilla, which covered the issue of corruption and the crisis in Venezuela as well as peace. "It is easy to talk about corruption when you haven't been in charge of a single peso," Germán Vargas Lleras said in response to his rivals. He said that, as housing minister, he oversaw a Col\$60 trillion (US\$21.5bn) infrastructure plan, claiming that there had not been a single investigation: "This is fighting against corruption". Gustavo Petro brought the focus on to Venezuela, acknowledging that half a million Venezuelans had fled to Colombia but pointing out that in the past there had been an exodus of 4m Colombians the other way displaced by the country's long armed conflict. Iván Duque said it was necessary to create a 'Plan Venezuela', with the assistance of international organisations, to help the economy recover, although he also said he would work to "bring down the dictatorship".

people that form part of the organisation," he said. Londoño added that an agreement had been struck to create a committee to expedite the implementation of the peace accord, the reinsertion of former guerrillas, and the establishment of productive projects.

Corruption surrounds peace projects

Damaging evidence emerged this week that corruption could be holding up some of these projects. On the same day as Santrich was arrested, Santos dismissed the executive director of the Fondo Colombia en Paz (FCP), Gloria Ospina, shortly after the ambassadors of Switzerland, Sweden and Norway, had sent a letter to the finance ministry raising concerns about a lack of transparency surrounding the handling of some US\$200m of peace process funds. Ospina admitted one of the contracts related to the process had been awarded to her partner, Iván Cifuentes. Attorney General Martínez also wrote a letter to Santos criticising "a high level of opacity in the selection processes for these investment projects", hundreds of which have been affected by irregularities and delays in payments. He said investigations had turned up "the existence of a network of intermediaries bidding for the projects...on behalf of contractors in exchange for undue economic benefits".

Vice-President Óscar Naranjo said that the government had heeded the concern of the ambassadors and multilateral organisations in charge of post-conflict programmes. He stressed its commitment to "the implementation of the accords and transparency". He said the deputy finance minister, Paula Acosta, had been instructed to "expedite the execution of projects making the biggest impact to the highest standards of transparency". This all seemed to assuage the concerns of Norway whose prime minister Erna Solberg, on a visit to Colombia this week, said her country was "here for the long-term", adding that it had been "an honour to accompany Colombia on this journey".

Vargas Lleras back in the game

Arguably neither the arrest of Santrich nor the misappropriation of peace-related funds pose as big a threat to the peace process as the presidential elections on 27 May, especially if the current frontrunner, Iván Duque of the right-wing Centro Democrático (CD), wins. The prospects for peace received a boost this week, however, in the unlikely form of Germán Vargas Lleras. Santos' former vice president had long taken an equivocal stance on the peace accord but no more. On 5 April, in the first presidential debate in Barranquilla, the capital of the northern department of Atlántico, Vargas Lleras accused Duque of claiming to support the idea of peace while seeming intent on closing the possibility of the Farc "playing a role in democracy".

The decision of Vargas Lleras to come out overtly in favour of the peace process could owe to political expediency. Five days after the debate he sealed an electoral deal with the Partido de la U (PU), a core member of Santos's ruling coalition which is a firm proponent of peace. The PU signed "a programmatic accord" with Vargas Lleras guaranteeing implementation of the peace accord and prioritising investment in former conflict areas, as well as enhancing institutions, justice, education, infrastructure, rural development, and citizen security. Vargas Lleras signed the accord with PU leaders, including the party president Aurelio Iragorri and Senator Roy Barreras, until recently a fierce critic, in the city of Tuluá in the south-western department of Valle del Cauca.

The electoral accord with the PU should propel Vargas Lleras into contention as the party won a significant 1.85m votes in the congressional elections on 11 March. There are already signs that he might be picking up the pace in the presidential race from a low base of 6% support in recent opinion polls. A survey by Cifras & Conceptos this week even put him in second place on a minimum of 18.2% and maximum of 21%, slightly ahead of Gustavo Petro, of the left-wing coalition Colombia Humana, and behind Duque on some 37%.

Vaccinating against failure

President Nicolás Maduro announced a massive vaccination plan on 6 April. He promised 11m “free” vaccine doses for 14 illnesses, including tuberculosis, hepatitis B, polio, measles, and diphtheria. The vaccinations will be completed by 13 May. Presidential elections will take place one week later.

President Maduro said the vaccines would be administered at 5,468 points around the country and 92 mobile units, with the advice and support of the Pan American Health Organization (PAHO), the regional office of the World Health Organization (WHO). Maduro added that the government would launch a major fumigation campaign to combat the breeding grounds of mosquitoes, the vectors of malaria, dengue, zika, and chikungunya. Maduro claimed that the lack of vaccines, and other medication, was due to the economic war being waged against his government. On 5 April Russia supplied 8.5 tonnes of medicine and medical supplies, which are being distributed to 10 hospitals in the direst need.

The health minister, Luis López, told the state television channel VTV that more than 16,000 injections were administered in various states across the country on the first day of the vaccination plan. He said that 4m children from the age of six months to 15 years would be vaccinated against measles and rubella. He added that 1m infants, younger than five, would be given the ‘pentavalente’ vaccine (against five major childhood killer diseases, namely diphtheria, tetanus, whooping cough, hepatitis B and haemophilus influenza). López said eight states would be prioritised – Anzoátegui, Apure, Bolívar, Delta Amacuro, Miranda, Monagas, Vargas, and Zulia – as well as the Distrito Capital. It is here where cases of measles and diphtheria have been detected.

López added that 500 fogging machines would be deployed in 11 municipalities in the state of Bolívar, as well as the states of Delta Amacuro and Amazonas, to tackle mosquito-borne diseases. This is unlikely to be sufficient to deal with the problem. Malaria cases alone in Venezuela totalled 34% of the regional total in 2017.

The deputy health minister, Yassin Alemán, told VTV that all Venezuelans could access the vaccination programme provided they had a ‘Carnet de la Patria’, the identity card needed to receive food parcels, pensions, and bonuses, and to register to vote, thus tightening the government’s grip over the country’s citizenry. Alemán said this was necessary to “keep a better record of administered vaccines”. But not everybody has a Carnet. Vice President Tarek El Aissami recently said that 16.5m Venezuelans had benefited from the Carnet but even if accurate this is only half of the population. Restricting access to Carnet holders would contravene the constitution, Article 83 of which stipulates that “health is a fundamental social right and obligation of the state, which shall guarantee it as part of the right to life...Everyone has the right to health protection”.

During a debate in the national assembly on 10 April, the opposition majority summoned López to testify to explain the serious crisis in the health sector. It held the Maduro administration responsible for the failure to immunise the population properly, allowing a resurgence of diseases that had been eradicated (*see sidebar*). “We are exporting these diseases to the rest of the continent,” said Deputy José Trujillo, who dismissed the vaccination plan as “a public fraud”. It also called for an investigation into the Empresa Socialista Productora de Medicamentos Biológicos (Espromed Bio), part of the health ministry, which was formed in 2014 and meant to create vaccines. It is safe to say that López will ignore his summons to appear before the assembly which is powerless to enforce it, and the government the call for a probe into Espromed Bio.

Health crisis

Rubella was eradicated in Latin America in 2015 and measles in 2016 after a decades-long campaign by the PAHO. But, according to PAHO figures, Venezuela has seen 159 cases of measles so far this year, and 886 since last June. There are a growing number of confirmed cases in neighbouring Colombia and Brazil as Venezuelans flee the country to escape the economic and social crisis.

Espinel

According to a report by the comptroller general's office, the IESS sustained US\$43m in losses between 2012 and 2015. Iván Espinel, the provincial director of the IESS in Guayas at the time, is being investigated in relation to various clinics and private hospitals, which form part of the network of providers of medical services, overcharging the IESS for these services. Espinel is also being investigated for "unusual and unjustified" economic activity between 2010 and 2016, especially with relation to the acquisition of a property in the canton of Samborondón in Guayas province, valued at US\$335,000.

Correa in the firing line

Former president Rafael Correa (2007-2017) faces possible imprisonment, or an administrative fine, for indebting Ecuador. This was the incendiary conclusion of a report, nine months in the making, presented by the comptroller general Pablo Celi on 9 April. A large crowd of protesters marched through the historic centre of Quito the following day to accuse President Lenín Moreno of betraying Correa's legacy and subjecting his successor to political persecution.

Celi maintained that a score of officials in the Correa administration, including former finance ministers Patricio Rivera and Fausto Herrera, as well as Correa himself, could face jail time for mismanagement of Ecuador's public debt. The report accused the Correa administration of annulling several laws with respect to the composition of public debt since 2010. It also cites a presidential decree signed by Correa in October 2016 adjusting the equation to calculate Ecuador's debt. The decree left out pre-sales by the state oil company Petroecuador in order to reduce the country's debt as a percentage of GDP to under 40% to allow for the issuance of further debt. The report also claimed that while the decree set out to adhere to standards set by the International Monetary Fund (IMF) for calculating debt it had not fully complied with them.

Correa, presently living in Belgium with his family, poured scorn on the report in a series of tweets. "Just imagine! Criminal responsibility for calculating debt according to the IMF manual," he said. "This is political persecution plain and simple," he added. Several hundred protesters (5,000 according to Correa but no official figure has been released) marched in Quito. They rejected what one of the organisers, Gabriela Rivadeneira, a Correista former president of the national assembly, described as "the persecution of former officials, and the judicialisation of politics, making a political prisoner of [Correa and Moreno's former vice president] Jorge Glas".

Glas was sentenced to six years in prison last December after being found guilty of receiving bribes from the Brazilian construction firm Odebrecht. The convictions did not stop with Glas. Correa's former electricity minister, Alecksey Mosquera, was sentenced to five years in prison on 10 April for money laundering linked to Odebrecht. Mosquera was found guilty of accepting a US\$914,130 bribe in 2008 from Odebrecht in four instalments.

Moreno denounced "circles of corruption [under Correa] in state institutions which are now starting to be uncovered". Moreno, who also criticised the Correa administration's "aggressive indebtedness that it is now up to us to pay", said he would "not cover up corruption". Somewhat embarrassingly for Moreno, the special operations unit (Goe) of the national police arrested Iván Espinel in the coastal city of Guayaquil on 7 April for alleged money laundering. Espinel's detention was eye-catching. While running for the presidency in February last year, he won nearly 300,000 votes (3.2%) campaigning on a platform of zero-tolerance for corruption. Moreno set about courting Espinel, a young surgeon who advocated a 'Ley bisturí' ('scalpel law') against corruption, including the introduction of 40-year prison sentences (up from 13) for misappropriation of public funds. Moreno appointed him minister of a new economic and social inclusion ministry.

Espinel, who had said he would "cut off the hands" of the corrupt, has been placed in preventive detention (*see sidebar*). He resigned from his cabinet position last December after the comptroller general's office began investigating irregularities while he was working at Ecuador's social security institute (IESS).

Reunited Colorados eye retaining presidency**Alegre promises to banish corruption**

Alluding to the approval of the autoblindaje bill and the various corruption scandals that have affected the ANR-PC government led by President Cartes, Efraín Alegre has promised to eradicate government corruption if he is elected. Speaking at an 8 April campaign rally, Alegre said that he is “committed to banishing corruption” and that if he wins election all of the country’s corrupt politicians will be “disconnected” from the government. Alegre also reiterated his commitment to fulfilling a series of electoral pledges he has made, including reducing electricity tariffs for low-income families by 90%, offering labour-intensive industries concessionary electricity tariffs to attract them to Paraguay, and increasing spending to improve the quality of education in the country.

The opposing factions of Paraguay’s ruling Asociación Nacional Republicana-Partido Colorado (ANR-PC) appear to have rediscovered the unity that has eluded the party in the last five years just in time for the general election on 22 April. The party factions loyal to President Horacio Cartes (Cartistas) and dissident factions (anti-Cartistas) have set aside their differences for the sake of winning the electoral contest. This means the ANR-PC candidate, Mario ‘Marito’ Abdo Benítez, is now the clear favourite to win the presidency.

The divisions between the Cartistas and anti-Cartistas had become so deep that it produced a split in the party’s congressional benches. Anti-Cartista legislators refused to support many of the initiatives by the Cartes executive. This has not only produced governance problems, but it has also produced public confrontations between the two factions. These tensions reached boiling point in March 2017 when the Cartistas tried to push through a contentious constitutional amendment to allow for presidential re-election, which was rejected by the political opposition and the anti-Cartistas.

Although the tensions within the ANR-PC eased after the December 2017 party primaries in which the anti-Cartista Abdo Benítez and his allies convincingly defeated his Cartista opponent, they have remained latent. The clearest sign of this came in mid-March, when Cartista legislators succeeded (with the help of some opposition legislators) in getting another controversial bill approved in congress.

The political reform bill proposed the introduction of a series of constitutional amendments designed to make the impeachment of national legislators more difficult (by increasing the number of votes needed to achieve this in both houses of congress from simple majorities to qualified two-thirds majorities, and requiring that impeachment proceedings can only be opened against legislators following the presentation of formal judicial charges).

The bill was tabled by the Cartistas following the impeachment of ANR-PC senator Oscar González Daher over corruption and influence trafficking accusations last December. González Daher (who has nonetheless been included in the ANR-PC’s list of senate candidates) became the first senator to be impeached in Paraguay’s history after anti-Cartista senators voted in line with the opposition. Proponents of the political reform argued that González Daher’s case showed that mustering a simple majority to impeach national legislators can now be easily achieved by a legislator’s circumstantial political opponents. However, the bill was heavily criticised by most of the opposition and the anti-Cartista faction, which described it as a self-serving move by corrupt legislators to shield themselves, dubbing it ‘autoblindaje’ (‘self-shielding’). The critics urged President Cartes to veto the bill.

Significantly, among those who criticised the bill and called for its veto was Abdo Benítez himself. He argued that while impeaching legislators may currently be too easy, the proposed changes (in particular the need for formal judicial charges) went too far and that the bill should be returned to congress for further debate. In an apparent attempt to maintain party unity ahead of the election, Cartes, who has controversially been included in the ANR-PC’s list of senate candidates, opted to follow Abdo Benítez’s advice and issued a partial veto of the bill, calling for further debate.

Government pleads ignorance

While the Mauricio Macri government has yet to formally respond to judge Servini de Cubría's decision to intervene in the Partido Justicialista (PJ, Peronists), anonymous government officials interviewed by the local press have denied any government involvement in the move. In fact, all officials agreed that the Macri executive had no knowledge of Servini de Cubría's plan, with President Macri purportedly finding out about the intervention via the media. The government officials also reportedly expressed bewilderment and surprise at the move, which they judge to be unwarranted. "There is no reason to order an

Timely boon

Cartes' decision upset the Cartista legislators who had pushed the bill. They threatened to overturn the veto in congress, potentially inflicting a painful political defeat on both Cartes and Abdo Benítez and once again deepening the divisions within the party with weeks to go before the general election. But, after weeks of closed-door negotiations, the ANR-PC legislators reached an agreement as, on 4 April, Cartes' partial veto was accepted by the Cartista-dominated chamber of deputies after it had voted against a motion to overturn it. The outcome was a political victory for both Cartes and Abdo Benítez and a boon for ANR-PC party unity in the final phase of the electoral campaign.

The opposition, including the presidential candidate of the Alianza Ganar electoral alliance, Efraín Alegre (*see page eight sidebar*), has insisted that even with the partial veto the autoblindaje bill still provides more protection for the corrupt, but the cohesion displayed by the ANR-PC looks to have consolidated its chances of retaining the presidency. The ANR-PC is by far Paraguay's largest and most organised political party and conventional wisdom dictates that as long as it can unite behind a presidential candidate, it will always have a very good chance of winning the presidency (it has only lost the presidency once, in 2008, since the return to democracy in 1990). Indeed, the latest pre-electoral poll gives Abdo Benítez a decisive lead in the presidential race.

The national poll, conducted by local pollster First Análisis y Estudios for the leading local daily *ABC Color*, was published on 5 April. It gives Abdo Benítez 54.9% of voting intentions to 25.6% for Alegre. Notably, the poll also found that for the first time since the return to democracy, the ANR-PC appears to have majority support in Central department, the country's most populous electoral district that surrounds the capital.

ARGENTINA | POLITICS

PJ subjected to hostile takeover

Argentina's judiciary has ordered an intervention in the Partido Justicialista (PJ, Peronists), the country's main opposition party. Under the unexpected move, the PJ party leadership has been summarily replaced by a caretaker leader tasked with holding new internal party elections. The decision is controversial and seen by some as an attempt by certain PJ factions to gain control of the party leadership. The big question is if the move will be beneficial or detrimental to the Cambiemos coalition minority government led by President Mauricio Macri.

The PJ intervention was ordered on 10 April by federal judge María Servini de Cubría. She said that her decision was in line with requests filed by a group of Peronist union leaders. Servini de Cubría explained that these have called for a judicial intervention on the grounds that the term of the PJ party leadership formally expired in 2012 but that it had failed to hold a national party congress to elect a new leadership. In fact, Servini de Cubría said that she decided to act to help normalise the situation in the party after receiving numerous similar requests to declare the party leaderless; and amid her concerns that due to the deepening of the internal divisions within the PJ following its defeat in the 2015 general election, and its poor showing in the 2017 mid-term federal legislative elections, the party had entered into a crisis "that the current leadership does not seem able to resolve".

Servini de Cubría appointed union leader Luis Barrionuevo as the PJ's caretaker leader until the party's situation is normalised. Among other things, Barrionuevo has been tasked with making public the PJ's financial situation as well as with staging a national party congress to elect a new leadership.

La Araucanía violence

According to a 2018 report on attacks with an “an indigenous connotation” in La Araucanía, drawn up by a local private-sector lobby group, Multigremial de La Araucanía, there were 140 complaints of violence registered in 2017, up from 104 in 2016. These included 43 fires/arson attacks in which 55 trucks and seven churches were set alight. Since 2016 a total of 28 churches (Catholic and Evangelical) have been burned. As regards the neighbouring Los Ríos and Bio Bio regions, which have also seen Mapuche-related unrest, a drop in complaints was registered last year compared with 2016 – from 15 to nine in Los Ríos and from 48 to 21 in Bio Bio.

But Barrionuevo’s appointment is contentious. Barrionuevo was an ally of the Peronist former president Cristina Fernández (2007-2015) before he fell out with her and then established a working relationship with the Macri administration (although relations have become increasingly strained of late). Moreover, Barrionuevo is the husband of national deputy Graciela Camaño, a member of the Frente Renovador PJ faction led by Sergio Massa.

All of this sparked intense speculation that the move had been promoted by moderate PJ factions aligned with the government or by the Macri executive itself. The incumbent PJ party president, José Luis Gioja, rejected Servini de Cubría’s decision and accused the Macri government of being behind it. “This is an attempt to banish the main opposition party...the PJ is on the path to unity and this undoubtedly disrupts the work that we are doing...there is a clear intervention by the government,” said Gioja, who in the past has supported Fernández and is considered a hard-line Peronist. Gioja went on to say that he would appeal Servini de Cubría’s decision; that he would not recognise Barrionuevo as party leader; and that he would call a meeting of the PJ’s national council for 11 April to discuss the situation.

Defiantly, Gioja and some of his sympathisers also barricaded themselves inside the PJ party headquarters in Buenos Aires in a bid to stop any intervention attempt. This led to a tense confrontation when Barrionuevo went over to the PJ offices accompanied by the police and, with a court order in hand, attempted to enter the building. Barrionuevo ordered the police to remove Gioja, who refused to leave the building.

After several hours of standoff, Gioja finally agreed to abandon the building late on 10 April. But he insisted that this did not mean that he was giving up the party leadership, and that the party’s national council would analyse what actions to take. The fight for control of the PJ has only just begun and its outcome remains uncertain.

CHILE | SECURITY

Piñera takes action on main public demand

President Sebastián Piñera has announced a new working table to address security – a major public concern. This is in line with one of his five national pledges upon taking office last month [\[WR-18-10\]](#). (The others were to address the crisis in the national children’s service, health, the need to establish peace in the restive southern region of La Araucanía, and “development and poverty reduction”). The unveiling of the new working table, which has 90 days to present draft proposals, comes amid further signs that Piñera is seeking to make good his other promises.

Crime & security was the top voter concern ahead of the November 2017 election and was cited as such by 47% of respondents in the latest (September-October) opinion poll by the local think-tank Centro de Estudios Públicos (CEP). These concerns were borne out by the latest figures from the Centre for the Study and Analysis of Crime (CEAD), a government agency, which showed that Chile’s homicide rate rose 21.1% in 2017 compared with 2016, increasing from 2.7 to 3.3 homicides per 100,000 inhabitants. While other major social crimes decreased, robbery involving force rose 16% from 33 to 38.3 attacks per 100,000 people between 2016 and 2017.

Accordingly, Piñera had made security a priority during his campaign. The announcement regarding the new working table, which held its first meeting on 9 April, is the first sign of his intention to act on the pledge now he is in power. Headed up by Interior Minister Andrés Chadwick, along with

Uruguay inflation

Fruit was the main driver of inflation in Uruguay at 1.75%, partially due to significant increases in the price of oranges (4.35%), bananas (7.34%), and apples (3.69%).

Conversely, the price of vegetables and legumes exhibited the largest fall (3.77%), driven by lower prices for chard (8.30%), lettuce (6.31%), and tomatoes (16.44%).

Other sectors that recorded an increase in prices include restaurants and hotels, up 0.77%, and education, up 0.58%.

deputy interior ministers Rodrigo Ubilla and Katherine Martorell, it includes the new head of the Carabineros militarised police Hermes Soto; nine legislators from different parties – including the ruling Chile Vamos coalition (Renovación Nacional, Unión Demócrata Independiente, and Evópoli), the opposition Democracia Cristiana, Partido por la Democracia, and Partido Radical, as well as mayors, among others.

The working table is tasked with drafting proposals in four main areas: modernising & strengthening law enforcement; creating a new state intelligence system; implementing measures to improve public security, including increased firearm control and new technology; and improving institutional coordination between the different components of the penal system.

Chile's Piñera moves on Araucanía promise

Security is not the only area in which President Piñera is seeking to make good his promises. Earlier this week Social Development Minister Alfredo Moreno and the secretary general to the presidency, Gonzalo Blumel, met Luis Mayol, the governor of La Araucanía, with the aim of launching the national agreement to “establish peace in La Araucanía” where the indigenous Mapuche lay claim to ancestral lands. The issue made headlines during the campaign due to ongoing unrest in the region.

The meeting follows Piñera's visit to Temuco, La Araucanía's capital, last month where he signed a bill to modify the anti-terrorism law which has proven controversial with the indigenous community [[WR-18-12](#)].

In the meeting, which took place on 9 April, the three officials reportedly discussed launching a four-year plan to develop infrastructure works, along with investment in roads and housing; a plan for access to potable water; irrigation; and incentives to promote tourism. Also discussed were plans to establish “a peace council in La Araucanía” to comprise representatives from the government, Mapuche community, farmers and civil society organisations, and the new indigenous development agency (to replace the current national indigenous development corporation, Conadi). According to the local press, within the next 15 days the government will form an inter-ministerial committee to draw up a plan for La Araucanía along with the regional government.

TRACKING TRENDS

ARGENTINA | Automotive production. The Argentine federation of automobile producers (Adefa) has released a new report showing that production in the sector increased by 27% in March compared with the previous month and by 25.2% compared with March 2017. The Adefa report notes that, on the back of the March result, the sector's production figures had increased by 20% in the first quarter of the year compared with the same quarter last year.

Meanwhile, automobile exports in March increased by 44% compared with February and by 58.2% compared with March 2017. Exports in the first quarter of 2018 increased by 42.7% compared with the first quarter of 2017.

The vast majority of automotive exports were sent to Brazil, which accounted for 70.2% of the total exports. The next largest export markets were Central America, accounting for 7.2% of all exports, and Peru (5.5%). Sales to dealers rose as well, increasing by 7.9% month-on-month and by 15.4% year-on-year. Total first quarter sales increased by 16.4% when compared with the first quarter of 2017.

URUGUAY | Inflation. The consumer price index (CPI) rose 0.28% in March compared with the previous month, the national statistics institute (INE) reported. Uruguay's central bank (BCU) had previously predicted that the inflation rate for March would come in at 0.51%. With the March figures, the cumulated inflation rate for the year now stands at 3.9%, while the yearly inflation rate in March was 6.65%, just within the BCU's target range of 3%-7%. The March inflation rate also marks a fall from February, when it measured 7.07% in annualised terms.

Nafta

All of Mexico's presidential candidates pledged their support for Nafta during an event staged by the American Chamber of Commerce (Amcham) in Mexico this week. The leftist Andrés Manuel López Obrador said he favoured preserving the Nafta accord with some revisions, principally boosting the minimum wage, which he said would be well-received by President Trump. "We are in favour of free and open trade, no tariffs on merchandise or products," López Obrador said. "The maquilas [assembly plants] are important but they cannot pay M\$800 [US\$44] a week to workers; it is not fair," he added. Boosting the minimum wage would create a virtuous circle, he claimed, "reducing migratory pressure and insecurity". But the government candidate José Antonio Meade demurred, saying Mexico needed to "consolidate its own advantages". He also suggested that López Obrador advocated "the return of state control, closing spaces for investment, and not playing 'as a team' with the private sector".

MEXICO & NAFTA

MEXICO | TRADE & DIPLOMACY

Trump fuels tension by militarising border

One week after the official launch of Mexico's presidential campaign and diplomatic relations with the US have taken centre stage. The decision by US President Donald Trump to announce the deployment of up to 4,000 national guard troops to the shared border to help combat illegal immigration achieved the feat of unifying the four candidates behind President Enrique Peña Nieto in rejecting the move. The government was at pains to point out that the renegotiation of the North American Free Trade Agreement (Nafta) was a separate issue, but this backdrop could weigh heavily on the protracted talks.

"There is something that unites absolutely all Mexicans: the certainty that nothing and nobody is above the dignity of Mexico," President Peña Nieto said in a nationally televised address in response to his US counterpart's announced deployment of the national guard. Peña Nieto quoted remarks by all four candidates in July's presidential race to demonstrate this unity. Addressing President Trump directly, Peña Nieto went on, "If your recent declarations derive from frustration at matters of domestic policy, your laws and your congress, it is to them that you should turn, not to Mexicans." This was an allusion to Trump's apparent frustration at having recently signed a US\$1.2 trillion spending bill, which does not include resources for the wall he has promised to build on the Mexican border.

The catalyst for Trump's action was the news of a caravan of Central American immigrants heading up through Mexico to the US border. His intent appears to have been to send a message to his core supporters that he takes the issue of border security and illegal immigration very seriously. He did not specify what role the national guard troops would play, or how they would interact with border patrol agents in situ, but they will apparently be unarmed and will not be able to make arrests.

It is worth noting that both of Trump's predecessors also deployed the national guard to the border though not on this scale. That said so far there is no sign that governors of border states will deploy between 2,000 and 4,000 national guard as announced by Trump. The governor of Texas, Greg Abbott, has sent 150 troops but said this number could rise to 1,000 in the coming weeks. The governor of Arizona, Doug Ducey, has deployed 225, with plans for a further 113.

Peña Nieto might have won cross-party support for his firm response to Trump's announcement but there were calls for him to back his words up with action. "If the US sees that all Mexico does is speak out but not do anything, the attacks will not cease," Ricardo Anaya, the presidential candidate of the Left-Right coalition Por México al Frente, said. He joined federal legislators in urging Peña Nieto to end cooperation with the US on migration and security. This, however, might lead to a swift escalation in tension. Trump has intermittently toyed with the idea of disbanding Nafta, for instance, and Peña Nieto is unlikely to want to wish risking this just when there appears to be some progress.

Mexico's economy minister Ildefonso Guajardo said this week that there was an 80% chance of an agreement in principle in the first week of May on Nafta, despite no tangible progress on the thorniest issues in the seventh round of talks last month. However, he admitted that "in the current climate...you cannot guarantee anything at all". Conversely, the foreign minister, Luis Videgaray, insisted that diplomatic tensions had not had "any negative impact on the renegotiation of Nafta" and that meetings between negotiators remained "constructive".

'El Bronco' given go-ahead**Presidential debates**

The first of the three official INE-sponsored presidential debates will be held on 22 April in Mexico City, covering the issues of corruption, public security, and violence. The second debate, almost a month later, will be staged on the campus of the Universidad Autónoma de Baja California (UABC) in the border city of Tijuana, and focus on foreign trade, border security, and migration. The third debate, on 12 June, will be in Mérida, the capital of the south-eastern state of Yucatán, covering the issues of economic growth, poverty, and inequality. Each debate will last between 90 and 120 minutes.

Mexico will have a second independent candidate competing in July's presidential elections after the electoral court, Tribunal Electoral del Poder Judicial de la Federación (TEPJF or Trife), overturned a decision by the national electoral institute (INE) barring Jaime 'El Bronco' Rodríguez Calderón from standing. The decision could damage the prospects of the current frontrunner, Andrés Manuel López Obrador, of the left-wing Movimiento Regeneración Nacional (Morena).

The INE had determined that Rodríguez had gathered 849,937 voter endorsements, some 16,000 shy of the requisite number to see his candidacy approved. It said that 810,000 of the signatures he had presented were invalid, including names of people not appearing on the electoral roll, the deceased, or plain duplication. A further 387,000 were photocopies or simulations.

The president of the INE, Lorenzo Córdova, reluctantly accepted the "divided" ruling of the TEPJF, which voted by 4-3 to instate Rodríguez in the race. Córdova said the INE would now be in a race against time to reorganise public financing for each presidential candidate, to change the format of the three debates – the first is due to be held on 22 April (see sidebar) – and to print ballot sheets. It may yet need to find further space on the ballot sheets as Senator Armando Ríos Piter is banking on a similarly favourable ruling in the coming days from the TEPJF in relation to his presidential bid, although the INE declared many more of his collected signatures invalid.

Several of the INE's 10 electoral councillors were less tactful than Córdova about the TEPJF ruling, underscoring the tense relations between the two bodies. One, Benito Nacif, said the ruling was "incongruous", insisting that Rodríguez had been given numerous opportunities by the INE to account for the false signatures and had failed to do so. Another, Pamela San Martín, accused the TEPJF of "unequal treatment" as independent aspirants for seats in the federal lower chamber of congress and senate in the same position as Rodríguez had not received the same benefits.

Several prominent jurists, meanwhile, condemned the TEPJF ruling as a reward for electoral fraud, a view shared by the majority of the country's political parties. Tatiana Clouthier, López Obrador's campaign coordinator, argued that it presented a negative precedent. "Perhaps being lawyers, the Trife magistrates have problems adding up," she quipped. López Obrador, who topped the latest poll, published this week for the national daily *El Universal*, with 42.7%, said the decision was controversial, while adding that all of the independent aspirants should be entitled to run.

Rodríguez, the populist governor of the north-eastern state of Nuevo León, is most likely to take votes from López Obrador. His presence on the ballot sheet could also be detrimental, however, for Ricardo Anaya, who is running for the Left-Right coalition Por México al Frente, and was second in the *El Universal* poll with 31.1%.

Anaya's campaign coordinator, Damián Zepeda, sought to downplay fears that Rodríguez would take votes from his coalition, claiming that he was "not a genuine anti-system candidate", but he betrayed some concern by arguing that the federally ruling Partido Revolucionario Institucional (PRI) was the only party to celebrate the ruling because it is intent on dividing the vote. Rodríguez is least likely to take votes from the PRI candidate, José Antonio Meade (21.9%), whose campaign chief, Aurelio Nuño, warmly welcomed the TEPJF ruling.

Military appointments stoke controversy

President Jovenel Moïse has installed the high command of the recently restored armed forces (FAd'H). Moïse, who assumed office in February 2017, had made clear his plans to re-establish the FAd'H, which was disbanded in 1994 by former president Jean-Bertrand Aristide (1991; 1994-1996; 2001-2004). His proposal had already triggered concerns among civil-society groups given the FAd'H's parlous human rights record and his choices of officials for the new posts have done little to assuage these fears.

President Moïse's predecessor and political mentor Michel Martelly (2011-2016) had already pushed for the FAd'H to be reconstituted, arguing that it was necessary ahead of the withdrawal of the United Nations (UN) Stabilisation Mission in Haiti (Minustah), replaced in October 2017 by UN Mission for Justice Support in Haiti (Minujusth) [WR-17-42]. Having published two presidential orders in November 2017, which established the structure of an interim command of the force and appointed former army Colonel Jodel Lesage interim Commander-in-Chief, on 27 March Moïse revealed the other members. These are Brigadier General Sadrac Saintil, and five colonels – Jonas Jean, Jean-Robert Gabriel, Derby Guerrier, Joseph Jacques Thomas, and Fontane Beaubien. The appointments raised eyebrows given that they were all members of the military under Raoul Cédras (1991-1994) who was responsible for the 1991 coup d'état which ejected Aristide and had all been sanctioned by the US under former president Bill Clinton (1993-2001) for their role in the coup.

Slamming the choices as a sign that the country has not changed since the coup, human rights groups such as Haiti's Bureau des Avocats Internationaux (BAI) warned that military officers would continue to enjoy impunity. In particular BAI flagged up concerns about Gabriel, convicted in absentia in 2000 and sentenced to life in prison for his role in the April 1994 'Raboteau massacre', a deadly attack on pro-democracy activists by military and paramilitary units which took place under the Cédras dictatorship. The verdict was controversially overturned in 2005.

The outcry over the military appointments comes as the security institutions are facing scrutiny over another human rights case – the disappearance of photojournalist Vladjimir Legagneur, last seen on 14 March in Grand Ravine, a gang-controlled neighbourhood in the capital, Port-au-Prince. Grand Ravine was the site of alleged human rights abuses by the police (HNP), which reportedly took place on 13 November 2017 and was recently flagged up by Minujusth's head Susan Page [WR-18-09]. US-based NGO Committee to Protect Journalists (CPJ) has cited fellow photojournalist Pierre Michel Jean as saying that Legagneur was working on an independent project on the aftermath of conflicts between police and gangs in the neighbourhood. His disappearance was decried by local, national, and international journalism, and by freedom of expression and human rights organisations who are calling for police attention to the case (*see sidebar*).

Violence down

Violent crime statistics in Haiti continued to improve in line with a general decrease in homicides observed over the last three years, according to a report by Minujusth published on 20 March. According to data received from the national police, between 16 October 2017 and 7 February 2018, 217 homicides were reported, compared with 396 over the same period in 2016/17. The Port-au-Prince metropolitan area continued to be the most affected by crime.

Legagneur

In a press release issued on 29 March, the Office of the Special Rapporteur for Freedom of Expression of the Inter-American Commission on Human Rights (IACHR) urged Haitian authorities to locate Vladjimir Legagneur. As well as CPJ, other press freedom organisations like Reporters Without Borders (RSF), the Inter American Press Association (IAPA), and the International Federation of Journalists (IFJ) have echoed those demands, expressing concern over the slow investigation and the silence of the police and judicial authorities on the measures taken to locate the journalist.

Relations with Venezuela hit new low

Venezuela suspended economic and financial relations with various Panamanian individuals and companies last week for 90 days. The move was in response to Panama's inclusion of President Nicolás Maduro and other top Venezuelan officials on a watchlist for money laundering and financing of terrorism. With Panama's government having since withdrawn its ambassador to Caracas, requesting that the Venezuelan government reciprocate, the spat signals a new low in bilateral relations although these have long been fraught in part over a trade dispute.

The latest frictions stem from the 27 March decision by Panama's economy & finance ministry's national commission against money laundering, financing of terrorism, and the proliferation of arms of mass destruction (CNBC) to release a list of Venezuelans considered high-risk. Comprising 55 people and 16 companies, those named include President Maduro, the vice president of the ruling Partido Socialista Unido de Venezuela (PSUV) Diosdado Cabello, the president of the national electoral council (CNE) Tibisay Lucena, and Attorney General Tarek William Saab, among others.

The release of the list, which is in line with similar moves by the US, Canada, United Kingdom, Switzerland, and the European Union (EU) as part of efforts to pressure Venezuela into respecting the democratic order, prompted a response by the Maduro government. On 5 April it announced the suspension of economic and financial relations with 22 people and 46 business to "protect the Venezuelan financial system". Those targeted include President Varela, Vice President Isabel de Saint Malo de Alvarado, and Minister of the Presidency Álvaro Alemán, while the companies include Compañía Panameña de Aviación (Copa), one of Latin America's leading airline companies.

With the Panamanian government having since taken further measures – on 10 April it announced that it will ban a string of Venezuelan airlines from operating in the country for a 90-day period – the latest souring of relations takes place against a backdrop on ongoing tensions. Back in 2014 the two countries severed relations under the previous Panamanian government led by former president Ricardo Martinelli (2009-2014) in response to Panama's efforts at the Organization of American States (OAS) to hold a session at its Washington DC headquarters to discuss the internal political situation in Venezuela. These efforts laid Martinelli open to accusations from Venezuela of interfering in the country's internal affairs and being a US lackey.

While the two countries restored ties upon Varela's assumption of office in July 2014, relations have remained tense over trade (*see sidebar*). Most recently, in August 2017, following Maduro's installation of a constituent national assembly, Varela announced that, as of 1 October 2017, Venezuelans travelling to Panama would require a stamped visa to enter. His announcement followed a meeting that he held with US Vice President Mike Pence during the latter's visit to Panama that month, in which Varela declared support for regional efforts to pressure Venezuela into restoring the democratic order.

Visas

Last month the Guatemalan government followed its counterparts in Panama, Nicaragua, El Salvador, and Honduras in imposing a visa for Venezuelans. El Salvador was the first Central American country to tighten Venezuela's migration status in 2008 while Nicaragua, a Venezuela ally, introduced visas in August 2016 to prevent an exodus from Venezuela. With Costa Rica yet to follow suit, Honduras was the penultimate country in the sub-region to change Venezuela's migratory status in November 2017.

Trade tensions

A further source of tension has been trade, and the failure of Venezuelan companies to pay debts to suppliers in Panama's Colón Free Trade Zone (FTZ) which Panamanian governments have attributed to Venezuela's official foreign currency controls that restrict the supply of US dollars available to Venezuelan companies for trading purposes. According to figures from the FTZ, re-exports to Venezuela via the FTZ reached US\$473.7m in 2017, compared with US\$1.7bn in 2013 and US\$3bn in 2012. Total trade in the FTZ reached US\$19.7bn, up 0.3% on 2016.

Quotes of the week

“I am not a human being. I am an idea.”

Brazil's former president Lula da Silva.

“The third act of the parliamentary and media coup has begun. The inaugural act was my removal from office, then the setting up of a government without popular support, and today [the imprisonment of Lula] corrodes Brazilian democracy.”

Brazil's former president Dilma Rousseff.

“There are no corrupt parties, just corrupt politicians.”

Mexican presidential candidate José Antonio Meade of the federally ruling PRI.

POSTSCRIPT

Peru prepares to spearhead anti-corruption crusade

Two major potential sources of tension were removed ahead of the Summit of the Americas (SOA) being hosted by Peru on 13 and 14 April. Both US President Donald Trump and Venezuela's President Nicolás Maduro announced this week that they would not be attending. Peru's President Martín Vizcarra will seek to make an immediate impact on the regional stage by brokering an agreement on the main issue up for discussion: democratic governance against corruption.

President Maduro had previously expressed his determination to attend the SOA, despite being declared *persona non grata* by the Peruvian government. But he changed his mind, describing the SOA as both “a waste of time” and set upon “the economic colonization of the region”. President Trump will remain in Washington DC to “oversee the American response to Syria”. Vice-President Mike Pence will attend in his stead. Trump's attendance was nothing like as eagerly anticipated as that of his predecessor Barack Obama at the 2009 SOA, and it could have caused some awkwardness, especially in view of the current diplomatic spat with Mexico and his tough rhetoric on immigration. But it will still feel like a snub, and not just to those convinced that the Trump administration is intent on reviving the Monroe Doctrine used to justify US interventionism in the hemisphere.

For President Vizcarra, the absence of both men should help to keep the focus of the SOA on its core theme. “Corruption is what is stopping Peru's development,” Vizcarra claimed this week, while starting as he means to go on by visiting a remote region of Peru, San Martín, to oversee the construction of a road linking the cities of Juanjuí and Tocache. Vizcarra said that “corruption is not allowing us to carry out more projects with the money we might have saved”, adding that he wanted the comptroller general's office to oversee all public works projects in Peru to ensure that state resources are being well spent.

Some eyebrows were raised this week by Vizcarra's decision to name José Arista as the government's new representative on the board of directors of the state-run Banco de la Nación. Arista had been serving as agriculture minister, and was one of the officials named in the secret video recordings, which helped to bring down Vizcarra's predecessor Pedro Pablo Kuczynski, on which kickbacks for public works projects were discussed [WR-18-11]. It should be noted that Arista is not being investigated at present for any wrongdoing.

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