

latin american weekly report

08 February 2018, WR-18-05

ISSN 0143-5280

CONTENTS

LEADER	1
Spectre of Monroe haunts Tillerson on regional swing	
ANDEAN COUNTRIES	
ECUADOR	4
Moreno beats Correa but now needs to deliver	
COLOMBIA	5
Prioritising protection of community leaders	
VENEZUELA	6
Forced into devaluation	
TRACKING TRENDS	
BRAZIL & SOUTHERN CONE	
BRAZIL	8
Brazil's judicial overreach	
ARGENTINA	10
Chocobar incident sparks debate on crime	
TRACKING TRENDS	
MEXICO & NAFTA	
MEXICO	12
New archbishop faces big challenges	
CENTRAL AMERICA & CARIBBEAN	
COSTA RICA	13
Costa Rica's first round reveals new political landscape	
PANAMA	14
Varela faces judicial setback	
POSTSCRIPT	16
April election date for Venezuela as talks fail	
Quotes of the week	

This edition of *Latin American Weekly Report* has been produced for Canning House Corporate Members by LatinNews (www.latinnews.com).
Latin American Newsletters since 1967

Spectre of Monroe haunts Tillerson on regional swing

After one year in the job, US Secretary of State Rex Tillerson went on his first major trip through the region between 1 and 7 February. This was a six-day whistle-stop tour that took him to Mexico, Argentina, Peru, Colombia, and Jamaica. The trip illustrated some of the more puzzling aspects of Washington's current 'America First' regional policies, particularly what seems to be an inability to build strong alliances with natural allies.

Tillerson kicked off his visit with an important speech delivered at the University of Texas at Austin on 1 February. Controversially, he praised the Monroe Doctrine of 1823, which rejected European interventionism in the Americas. For many in Latin America, however, the doctrine, particularly as adapted in 1904 by President Theodore Roosevelt, was used to justify subsequent decades of Yankee imperialism and widespread US interventionism in the hemisphere.

Tillerson said the Monroe doctrine "clearly has been a success" and remained "as relevant today as it was the day it was written". It was difficult not to contrast his remarks with those of former president Barack Obama, shortly after taking office, at the 2009 Summit of the Americas. Acutely aware of regional sensibilities with regard to the Monroe Doctrine, Obama declared that "at times we sought to dictate our terms...But I pledge to you that we seek an equal partnership. There is no senior partner or junior partner in our relationship".

Tillerson went on to claim that real imperialist intent today is coming from elsewhere – "far-away powers that do not reflect the fundamental values shared in this region", namely China and Russia. China's demand for commodity exports had brought some benefits to Latin America, he admitted, but its unfair trading practices were harming manufacturing, generating unemployment, and lowering wages. Russia, in turn, was accused of continuing to sell arms and military equipment to governments that "do not share or respect democratic values". Venezuela and Cuba were singled out in this regard as client states of both China and Russia. The US, according to Tillerson, stood "in vivid contrast". "We do not seek short-term deals with lop-sided returns," he claimed.

Boz, an influential US-based blogger on policy to Latin America, made two points about the speech that can also be applied to the tour itself. The first was that a group of only four countries dominated the script and appear to be firmly on the Trump administration's radar: Mexico, Colombia, Venezuela, and Cuba. The first two are allies; the second two, adversaries. Tellingly, relations with the allies are not particularly smooth.

Venezuela

The Mexican government distanced itself emphatically from any suggestion of a non-peaceful solution to the Venezuelan crisis despite being a firm critic of President Maduro's government and one of the Venezuelan opposition's chosen guarantors in the national dialogue process in the Dominican Republic. "Mexico, in no case, would back any option that implies the use of violence, internal or external, to resolve the case of Venezuela," Mexico's Foreign Minister Luis Videgaray said at a news conference, flanked by Rex Tillerson and Chrystia Freeland.

The second point is that despite big changes, especially rhetorical, under President Donald Trump, Tillerson's ultimate objectives for Latin America are similar to those of preceding US governments. Tillerson defined them as achieving "economic growth, security, and democratic governance" – a formulation not all that different from what had previously been offered by Joe Biden, Vice President under Obama, who spoke of achieving "an Americas that is solidly middle class, secure and democratic".

Tillerson applied pressure and somewhat cold war-style rhetoric against Venezuela and Cuba, but was unable to rally democratic governments to a common cause. Before and during the trip he described Venezuela as a dictatorship, and while saying the US was not contemplating intervention or "regime change", Tillerson defended existing economic sanctions and sparked controversy by suggesting that the Venezuelan military might step in to manage a peaceful transition back to democratic rule. There was also criticism for Cuba, and calls for democracy there. The diplomatic and trade thaw in US-Cuba relations under Obama has been partially reversed by Trump.

These statements elicited various ripostes. Venezuelan President Nicolás Maduro jumped in quickly to say that Tillerson was an extremist whose trip to Latin America had already failed. The Cuban government rejected Tillerson's comments on Venezuela as "arrogant and disdainful".

Chinese newspaper *Global Times* said the country's trade with Latin America was based on principles of "win-win and reciprocity", unlike the US, which "has long seen Latin America as its backyard". A commentary by the Russian foreign ministry gleefully cited Simón Bolívar, the icon of nineteenth century Latin American independence movements, to the effect that all states have a right to choose their own particular form of government, and that others must respect that choice.

While the big hitters in Latin American diplomacy, now closer to the centre and the Right of the political spectrum, see themselves as natural allies of the US on a range of issues, and believe something has to be done urgently to contain the Venezuelan crisis and restore democracy, the reality is that Washington has done little to build any kind of consensus.

The US has let Brazil, the largest and most powerful country in the region, slip down its priority list (admittedly Brazil is itself punching below its weight because of its long political crisis and impending elections). Few senior Trump administration officials have visited Brazil (as was the case with Tillerson's current trip, the country was not on Vice President Mike Pence's itinerary when he visited the region in August last year).

Relations with Mexico, the next most important Latin American power, are deeply troubled by Trump's commitment to build a border wall, deport illegal immigrants, and impose a new protectionist approach to trade, which could lead to the termination of the North American Free Trade Agreement (Nafta). During his stay in Mexico City, Tillerson spoke of strengthening Mexico-US-Canada relations and met with his Mexican and Canadian opposite numbers, Luis Videgaray and Chrystia Freeland (*see sidebar*). He is widely believed to be less of a protectionist than Trump, but is somewhat on the sidelines of the main Nafta negotiations, whose outcome remains uncertain.

There was also discussion of a Mexican offer to accept the presence of US federal air marshals on commercial flights between the two countries, seen by some analysts as a Mexican ploy to try and nudge the Nafta talks towards a successful conclusion. Tillerson in turn warned Mexicans over what he said was potential Russian meddling in July's presidential elections.

Jamaica

Rex Tillerson concluded his regional tour with a three-hour stopover in Jamaica. Tillerson held talks with Jamaican Prime Minister Andrew Holness on national security and also, in view of the Venezuelan crisis, on energy. In a joint press conference with Holness, Tillerson said that “As to any future steps that the US might take regarding sanctioning oil or products to put more pressure on the Maduro regime, we are going to take into full consideration the impacts on regional countries as well.” He even appeared to offer the US as an alternative to Venezuela’s Petrocaribe oil initiative which supplies Caribbean countries with preferential oil prices in return for diplomatic support. “We stand ready to assist Jamaica and other partners in the Caribbean to explore and develop the resources they have, but also to share the abundance of resources that North America enjoys,” he said.

These elections may prove to be decisive for the future of Mexico-US relations. The outlook is certainly clouded. According to Francisco Gil Villegas, a professor at Colegio de México, an institute of higher education in Mexico City specialising in teaching and research in social sciences and humanities, “What has been a good relationship between the two countries right now is fragile and delicate. On the government level, they have avoided a crisis. On the citizen level, there is a lot of anger”.

In Argentina and Peru both governments are well disposed to the US administration, and eager to benefit from US growth and trade. This made for a largely smooth visit. In Buenos Aires, Tillerson expressed support for Argentina’s chairmanship of the G-20. Here too, however, US protectionism is an irritant. The Argentines are unhappy over a 72% punitive tariff applied to their bio-diesel exports to the US. In Lima, as in all his other ports of call, Tillerson discussed action to isolate Venezuela. Peru is particularly important because the government led by President Pedro Pablo Kuczynski has led criticism of Venezuela’s Bolivarian government, and will host the 8th Summit of the Americas on 13 and 14 April; there is some doubt over whether Maduro will be invited (although he would be unlikely to attend anyway with presidential elections in Venezuela having been brought forward to 22 April see page 16).

Discussions with Colombia’s President Juan Manuel Santos focused on potential humanitarian aid to help the Colombian government deal with the inflow of Venezuelan migrants. Discussions of Colombia’s efforts to limit coca cultivation were made more awkward by President Trump’s off-the-cuff comments and tweets. Trump had earlier threatened to cut assistance to nations that export illicit drugs, accusing them of “laughing” at the US. Santos responded, “Colombia is not laughing at the US. On the contrary, we think we are working together on a problem and a challenge that needs cooperation from both countries.”

Tillerson did acknowledge in Lima that the US is the largest consumer market for Latin American illegal drugs – an admission that will be welcomed in the region. But his administration’s thinking on drugs still appears to be deeply muddled. Blogger Boz commented “Tillerson’s explanation of US policy implies that because people in the US are dying of synthetic opioids from China, we need to eradicate coca from Colombia to stop the business model of the violent cartels in Mexico.” It seems that disparate elements of a complicated problem were being lumped together for the purpose of a sound bite.

Critics of US policy may also pick up on what appears to be the Secretary of State’s double standard on democracy. While attacking the anti-democratic behaviour of the leftist government in Venezuela, Tillerson described the re-election last November of President Juan Orlando Hernández, of the centre-right Partido Nacional (PN), in Honduras as “free and fair”. He claimed that the Organization of American States (OAS), which originally described the elections as unfair and deeply flawed, had changed its position.

This led OAS Secretary General Luis Almagro, who is incidentally also an outspoken critic of Venezuela, to issue a formal statement saying the organisation had not changed its position at all; that there had been “deep irregularities” in the Honduran elections; and that the result was unsound. Almagro has argued the elections were sufficiently flawed that they should be declared null and void and a re-run should be called.

One sign of the current US government’s inability to fully rally its allies is a striking turn in domestic Latin American public opinion. According to Gallup, the image of US leadership fell globally during Trump’s first year in office, but it dropped most sharply of all in Latin America. The median approval rating of the US President in the region fell from 49% in 2016, the last year of the Obama presidency, to 24% in 2017, the first year of the Trump presidency. When asked specifically, only 16% of Latin American respondents said they approved of Trump’s performance, and 63% disapproved.

Moreno beats Correa but now needs to deliver

President Lenín Moreno scored an emphatic victory over his predecessor Rafael Correa (2007-2017) on 4 February. Ecuadoreans overwhelmingly voted in favour of all seven questions included in his national referendum despite Correa's nationwide campaign in recent weeks against two of them in particular. Moreno has also wrested control of the ruling Alianza País (AP) from Correa loyalists, albeit at the cost of his majority in the national assembly. But Moreno's referendum success owed much to the anti-Correa opposition which will now start taking his government to task.

The upshot of the referendum result is that the constitution will be amended to bar indefinite presidential re-election. As such it will revert to the original draft of the 2008 Montecristi constitution which allows for one presidential re-election. This means that there is no longer any prospect of Moreno having to face Correa directly at the polls as the latter will be ineligible to run for the presidency in 2021.

This was one of the two questions against which Correa had campaigned hardest in recent weeks. The other was a proposal to overhaul the fourth branch of government, the Consejo de Participación Ciudadana y Control Social (CPCCS), created by the constituent assembly at Montecristi, to appoint the senior officials to Ecuador's most powerful state institutions. Correa had denounced this proposed reform as nothing less than an institutional coup, while Moreno argued that the body had become politicised under his predecessor. The national assembly has until 16 March to approve reforms to allow for new members of the CPCCS to be appointed.

Support for these two questions, specifically targeted by Correa, was quite a bit lower than for four of the other five (64.2% in favour of barring indefinite re-election, and 63.1% in favour of restructuring the CPCCS). This suggests that Correa's influence, while diminished, has not been eliminated. The king of all he surveyed for so long, Correa was reduced to having to canvass for votes on the streets, even suffering the ignominy of being pelted with eggs. But he won around 37% of the vote on the issues he campaigned on, which is not as bad as it looks. This is because the referendum was not just a shootout between Moreno and Correa. The political opposition campaigned for 'yes' too.

Guillermo Lasso, the leader of the main opposition Movimiento Creo, Jaime Nebot, the powerful anti-Correa mayor of Guayaquil, Mauricio Rodas, the mayor of Quito, and the country's largest indigenous organisation Conaie, all campaigned in support of Moreno's referendum. Moreno cannot rely upon their backing now, which could pose significant difficulties in the national assembly where the AP, shorn of Correístas, no longer has a majority. And, if Moreno is compelled to undertake painful economic reforms, his popularity would suffer just as Correa's would recover, possibly allowing him to position a true loyalist to come to power in 2021.

Mining and oil

The political opposition was adamant that its support in the referendum was not a blank cheque, while Conaie sees it as the beginning not the end of a major mining reform in Ecuador. The mining minister, Javier Córdova, resigned on 30 January. Foreign investors could be fazed by his departure in conjunction with the vote in favour of the two questions related to extractive activities in the referendum. Córdova, who was replaced by his deputy

Correa to fight on

Former president

Correa does not intend to take defeat in the referendum

lying down. After the referendum setback he paraphrased

Venezuela's former president Hugo

Chávez, saying "we have not reached our objectives FOR NOW".

Corruption

The most decisive support in the referendum was in favour of the question to bar for life any public official convicted of corruption from standing for office. The day after the referendum, in confirmation of his remarkable fall from grace over the last eight months, former president Correa appeared before the attorney general's office in the port city of Guayaquil where he was questioned about the contractual accords his government struck with China, starting in 2010, for the presale of crude oil. This after the comptroller general's investigations suggested a significant loss to the treasury. Correa argued that "China needed hydrocarbons and had ready finance. We had oil but needed finance. That is the strategic alliance". Correa, who subsequently flew back to Belgium, claimed he was the victim of "political persecution".

Rebeca Illescas Jiménez, did not provide a reason for his resignation but he had held the position since it was created exactly three years ago, and had been delivering on a promised rapid expansion of the mining sector.

The referendum will see more restrictions imposed on extractive activities. It will require all mining to be responsible, respecting environmental and social laws, and not impacting fragile ecosystems and habitats – a concrete gesture to Conaie, which had been ostracised by Correa. It will also increase by at least 50,000 hectares the size of the so-called 'Intangible Zone', an area in the Yasuní biosphere reserve where extractive activities are outlawed. The vote means that the government will have to reduce from 1,030 hectares (ha) to 300 ha the area of oil exploitation planned in Yasuní. In spite of this, the hydrocarbons minister, Carlos Pérez, said that he remained confident that oil production should increase to 700,000 barrels per day (bpd) by 2020. In the first three weeks of the year, oil production stood at an average of 513,475 bpd.

A government commission composed of the environment, justice, and hydrocarbons ministers will define the new boundaries of the 'Intangible Zone' where natural resource exploitation will be prohibited (unless the national assembly authorises it for reasons of national interest). It will have six months to do so. But the government is already under pressure. The environmental advocacy group Yasunidos argues that giving three government ministries the power to draw up the new area does not represent the will of the people. Yasunidos is demanding that representatives of civil society and academia should be involved in demarcating the protected space.

COLOMBIA | SECURITY

Prioritising protection of community leaders

The current wave of murders of community leaders in Colombia has become a major source of international concern. The United Nations (UN) peace verification mission in Colombia, which is tasked with monitoring the progress of the peace process that the government led by President Juan Manuel Santos has been advancing with the country's guerrillas, has warned that failure to protect community leaders could unravel the peace process. This has prompted the Santos government to announce the adoption of new measures designed to improve the protection of community leaders across the country.

According to the Office of the UN High Commissioner for Human Rights (OHCHR) in Colombia at least 105 community leaders and human rights activists were killed in the country in 2017. This wave of murders has continued in 2018. There are no consolidated official figures for this year yet, but local human rights organisations say that at least half a dozen community leaders have been killed since the start of the year. The UN peace verification mission has noted that many of the community leaders killed in recent months had links to the demobilised Fuerzas Armadas Revolucionarias de Colombia (Farc), while others have long denounced illicit or criminal activity (such as drug trafficking and illegal mining) in their communities.

Under the peace deal signed with the Farc, the government guaranteed the safety of all demobilised guerrillas and their associates. The UN peace verification mission expressed concern that the wave of murders was evidence that community leaders with links to the Farc were being targeted by Farc enemies and potentially by clandestine right-wing paramilitary groups. Indeed, the OHCHR estimates that 59% of the community leaders killed last year were murdered by hired assassins ('sicarios').

Emblematic murders

The death toll of community leaders rose to six on 27 January with two murders that same day. Nixon Mutis Sossa, the leader of a community association in the El Chaparral area of Bolívar department, was shot dead outside his home. Meanwhile, Temístocles 'Temis' Machado, a well-known activist in the Pacific port city of Buenaventura, Valle del Cauca department, was also shot dead inside his home. The murder of Machado, who campaigned for the restitution of lands to those displaced by Colombia's armed conflict, and who helped to organise the 'civic strike' staged in Buenaventura last year in demand of increased central government assistance, sparked indignation and public demonstrations in the city condemning the violence.

All this poses a major threat to the peace process. The UN mission warns that it shows that the Colombian state has failed to establish full control in areas previously dominated by the Farc; and that, as the guerrillas have withdrawn, rival armed criminal groups are exerting control, undermining the prospects of forging a lasting peace.

After taking part in a special cabinet meeting on 1 February to analyse the progress of the peace process, Vice President Oscar Naranjo revealed that the government would adopt new measures to protect community leaders. Naranjo said that these would be high-level measures that would be implemented nationwide. He explained that the decision answered to the fact that in recent months there have been increased threats and attacks against community leaders who have been collaborating with the government's coca eradication and crop substitution programme in areas of the country where coca production has traditionally been high.

Naranjo attributed this to members of the Ejército de Liberación Nacional (ELN), dissident Farc groups (who have not demobilised), and criminal organisations, all of which are involved in drug trafficking and staunchly opposed to coca-eradication efforts. He said that the government would refine and merge its existing inter-institutional operations designed to advance post-conflict social programmes dubbed 'Plan Victoria y Consolidación' and the military-led coca eradication programme 'Operación Horus'. Naranjo did not provide further details but added that Santos had also instructed the attorney general's office to expedite the investigations into the murders of community leaders and bring all those responsible to justice.

VENEZUELA | ECONOMY

Forced into devaluation

Venezuela's central bank (BCV) has made subtle adjustments to its tightly controlled official exchange rate mechanisms which have resulted in a major devaluation of the Bolívar Fuerte (BF). This is ostensibly an attempt by the BCV to bring some stability to Venezuela's malfunctioning economy and preserve its dwindling foreign reserves (which are estimated at just US\$9.7bn). As the government led by President Nicolás Maduro shows no sign of moving away from its unorthodox economic policies, however, it will not be sufficient to escape the hyperinflationary cycle that the economy entered last year.

The changes to the official exchange rate system began on 29 January when the BCV suddenly announced that it was phasing out the special exchange rate mechanism (Dipro) introduced in 2016. The Dipro applied to importers of essential goods, such as food and medicines, with US dollars sold at a rate of BF10/US\$1. The announcement was not made via the local media but was only published in the official gazette. The change is significant, as local economists calculate that as much as 70% of all US dollars sold in Venezuela's formal currency markets are sold at the Dipro rate (even if the amount of US dollars bought and sold in the illegal black market is much higher than in the official market, at around 30,000BF/US\$1).

The changes to the official exchange rate system did not end there. On the same day, the BCV announced that it was reopening its complimentary exchange rate mechanism (Dicom). This is the other main alternative official currency market open to the general public in which foreign currencies are auctioned off. All Dicom activity was suspended in September 2017 amid apparent difficulties in sourcing US dollars to satisfy demand due to the economic sanctions imposed on the Maduro government by the US.

Hyperinflation

While the BCV stopped publishing inflation data in 2015, Venezuela's opposition-controlled national assembly (AN) has calculated that year-end 2017 inflation in Venezuela reached 2,616%, well above the 50% inflation rate considered to be hyperinflationary. The AN's calculations are similar to those of the International Monetary Fund (IMF) which, in a report released on 25 January, estimated that inflation in Venezuela was above 2,400% in 2017. Moreover, the IMF report forecast that as a result of Venezuela's "monetary financing, deep fiscal deficit, and loss of confidence in the national currency", the inflation rate will reach 13,000% this year. As for economic growth, the IMF calculates that Venezuela's GDP contracted by 14% last year and that it will contract by a further 15% this year.

The BCV said that the first Dicom auction of the year would be held on 1 February but only for Euros at an exchange rate of 4,142.45BF/€1. The BCV explained that the "financial sanctions imposed by the US government continue to produce difficulties to transfer foreign currency". After the initial Dicom auction, on 5 February the BCV released the new Dicom exchange rate, setting it at 30,987.50BF/€1, adding that this would now be the new single legal exchange rate available to the general public.

Local economists calculated that the changes introduced to the official exchange rate mechanism are tantamount to a 90% devaluation of the BF in US dollar terms (from 3,345BF/US\$1 in September 2017 to the equivalent of 24,996BF/US\$1 under the new Dicom Euro exchange rate). However, economists believe that even this sharp devaluation will not be enough to stabilise the domestic economy and bring inflation under control in the medium term. "It's an exchange rate that is still well below what is happening in the [black] currency markets in Venezuela," Luis Oliveros, from the local economic consultancy firm Ecoanalítica, said.

Oliveros added that the change will only have a short-term positive effect on government finances but would quickly dissipate. "It will have a very small effect on finances, the government will receive more bolívares for the dollars it sells, but in a hyperinflation process this effect will be liquified in the very short term," Oliveros predicted. He argued that the measures were designed to help the Maduro government temporarily "gloss over" the country's economic crisis ahead of the upcoming presidential elections but would not solve the crisis as an injection of more bolívares into the economy would only serve to stoke inflation further.

TRACKING TRENDS

REGION | Remittances. The general secretariat of the Andean community (CAN) reported on 6 February that remittance inflows into member countries increased by 9.5% in the second quarter of 2015 compared with the same period of 2016.

A statement by the general secretariat said that remittances to Bolivia, Colombia, Peru, and Ecuador reached US\$3.13bn in the second quarter of last year. The statement noted that this was driven by a 17% increase in remittances to Colombia, although remittances to all CAN member countries increased with inflows into Bolivia up by 7%, to Peru by 6.3%, and Ecuador by 4.4%.

The report also pointed out that the total value of remittances into the CAN member countries in the second quarter of 2017 was equivalent to 12% of the value of the bloc's goods exported during the quarter and 67.9% of the value of the bloc's service exports. As for in-bloc remittances, the report found that Colombia is also the main recipient, while Ecuador is the principal source of remittances to other CAN countries.

COLOMBIA | Exports up. Exports reached US\$37.8bn in 2017, a 19% increase compared with the US\$31.7bn reported the previous year, breaking a four-year negative growth trend, Colombia's national statistics institute (Dane) reported this week.

The value of Colombia's exports across all categories grew compared to 2016, but exports of fuels and extractive products showed the most promising performance, registering positive year-on-year growth in 11 out of 12 months of the year.

On their own, fuels and extractive exports were worth US\$20.9bn in 2017, up 32.4% on 2016. This was due to a rise in coal, coke, and briquette sales. The second-largest export category in 2017 was food and drinks, with a notable increase also in the exports of palm oil and derivatives.

Brazil's judicial overreach

The line between Brazil's judges and politicians is becoming increasingly blurred. The judiciary's manifesto is the 10 measures to combat corruption, which received over 2m signatures. In lieu of campaign rallies are sporadic anti-corruption protests, where judges like Sérgio Moro are treated as superheroes. But Brazilian judges have now been likened to politicians after some were named in an expenses scandal.

In recent weeks, senior judges have come under scrutiny for claiming a housing allowance in addition to their normal salaries. The most outrageous case was a São Paulo judge, José Antonio de Paula Santos Neto, who managed to acquire a property empire of 60 houses, according to an investigative report by local daily *Folha de São Paulo*.

While it is perfectly legal for judges to claim housing expenses – and has been since 2014 – doing so during times of austerity has prompted recent criticism. It comes weeks after three judges at an appeals court chose to uphold the conviction against former president Lula da Silva (2003-2011) and increase his jail sentence to 12 years and one month. This sparked concern that the judiciary treated the leftist Partido dos Trabalhadores (PT) leader Lula unfairly by processing his case with uncharacteristic celerity. Indeed, only 42 days passed between his initial sentence and the appeals hearing, compared to an average processing time of 106 days, found *Folha de São Paulo*.

But criticism that the judiciary moved too quickly against Lula should not be seen in isolation given that it has been acting more aggressively to combat impunity since the inception of 'Operation Car Wash' in 2014. Indeed, the judiciary has been instrumental in determining the fate of Brazil's last few presidents. Last year, the judiciary launched two impeachment proceedings against President Michel Temer (later overturned by the federal congress). Then in 2016, their investigations led to the impeachment of former (PT) president Dilma Rousseff (2011-2016).

In a statement, the head of the supreme court (STF) Carmen Lúcia Antunes defended the role of the judiciary amid accusations it had become too politicised. "You can agree or disagree with a judicial decision. You can seek to reverse it using legal channels. But what is inadmissible and unacceptable is to disrespect the judicial system, to denigrate it, to attack it," she said during a session on 1 February. This comes after some PT supporters described Lula's trial as a "farce".

Brazil's judiciary will continue to play an instrumental role in this year's general election. The question on everyone's mind is whether Lula can run. He has not yet exhausted all appeals channels. He has the right to ask for clarifications about the unanimous ruling against him at Brazil's appeals court (TRF-4) and present a habeas corpus, which has already been rejected by the superior court of justice (STJ), to Brazil's highest court, the STF. A final verdict could come in as soon as two months according to legal site *Jota Info*.

Despite the corruption conviction, Lula is still the frontrunner in the most recent election polls. His strong performance can be attributed to three main factors: mistrust of the judiciary, misunderstanding or indifference about his legal case, and his frequent rallies around Brazil to spread the idea he is the victim of political persecution, according to local analysts interviewed by newswire *UOL*.

Lula wins freedom back-for now

A judge at a federal court in Brasília (TRF-1) has given former president Lula his passport back after it was seized on 26 January. Lula's defence successfully argued that the removal of his passport violated his rights, and that Lula had cooperated fully with judicial investigations, meaning he was not a flight risk.

Venezuelans in Brazil

Last year, Brazil received 17,130 requests for refugee status from Venezuelans, up 640% from 2016, according to statistics from the national refugee council (Conare), linked to the ministry of justice. But the true number of Venezuelan immigrants to Brazil could be much higher due to disagreements about the distinction between an immigrant and a refugee. The Brazilian government has therefore commissioned a census to better gauge the situation.

If Lula cannot run, the favourite to win is far-right candidate Jair Bolsonaro from the Partido Social Cristão with 18% of voter intentions, according to the most recent poll published by Datafolha on 31 January. In third place is Marina Silva from environmental party Rede Sustentabilidade (Rede) with 13%. She is followed on 10% by former Ceará governor Ciro Gomes who could canvas votes from would-be Lula supporters in the North-East. São Paulo governor Geraldo Alckmin from the centre-right Partido da Social Democracia Brasileira (PSDB), and new entrant Luciano Huck (a TV star with no party), are tied on 8%.

Given the reigning political uncertainty, polls are of limited value at this early stage. Much will depend on issues such as how well the economy is doing, unemployment and crime rates in the run-up to the election, not to mention the possibility of more potential corruption cases affecting the popularity of electoral candidates. As for how 'outsiders' like Huck will fare, this will only be settled when parties confirm their official candidates in April. If Huck does run, leaving it so late to decide on a party would be a big gamble. Choosing a smaller party would make it more difficult to form alliances later down the line when discussions will centre around future coalitions after the party conventions between July and August. The same dilemma also affects Bolsonaro, who is notoriously fickle and recently jumped ship to the Partido Social Liberal (PSL), the ninth party of his political career.

But one factor which could 'benefit' outsiders is the current preoccupation with individuals over political parties. After senior members of political parties were targeted for corruption by the judiciary, many such as the ruling Movimento Democrático Brasileiro (MDB, formerly PMDB) have changed their name and focused their campaign on a new leader to distract attention away from the party image.

The current focus on individual politicians over party ideologies could be dangerous, former president Fernando Henrique Cardoso (1995-2003) argued in an opinion piece for Spanish daily *El País*. "Democratic or not, fragmented or not and even when in crisis, parties should be the basic tools of representative democracies," he said. He reasoned that party ideologies provide greater opportunities for debate than an individual agenda. While it is just possible that a political outsider could bring about a political regeneration, there is a danger of authoritarianism, weakening Brazil's institutions in the quest to find a "saviour".

Brazilian border under strain

Authorities from the border state of Roraima have called on the federal government for help as they struggle to accommodate an influx of immigrants from Venezuela. This has generated a humanitarian crisis, which has also been seen in other neighbouring countries such as Colombia.

There are an estimated 40,000 Venezuelans living in Roraima's capital, Boa Vista – equivalent to 10% of the population. Of these, only 1,500 have found permanent accommodation, while others are living in public squares or squatting under a shared roof.

Four state deputies called on the federal government to set up refugee camps for the Venezuelan immigrants, reinforce security checks at the shared border to stop the flow of arms and drugs into Brazil, and set up more clinics since an estimated 40% of local hospital beds are currently occupied by Venezuelans, among other measures.

The social development minister, Osmar Terra, responded to the request by agreeing to visit Roraima on 8 February. He will be joined by the justice minister, Torquato Jardim, the defence minister, Raul Jungmann, and the secretary of institutional security, Sérgio Etchegoyen.

In an interview with *TV NBR*, Terra admitted the situation at the border had become "critical". He said the government would send a task force to discuss alternative solutions, including addressing the acute housing shortage. The federal government has already granted Roraima emergency status, giving the state government access to additional financial and technical support.

Chocobar incident sparks debate on crime

An incident in La Boca, the Buenos Aires suburb famous as the birthplace of tango, has triggered a national polemic. On 8 December two thieves robbed a US tourist, and, when he resisted, knifed him 10 times, almost killing him. Luis Chocobar, an off-duty policeman, gave chase with other passers-by, eventually pulling out his gun and, after shouting a warning, shooting one of the attackers in the back as he was running away, killing him. Argentina has been sharply split over whether Chocobar did the right thing or not. The government is backing him up.

The polemic has been triggered because Chocobar has now been formally accused of using excessive force, a decision supported by a range of human rights lobby groups and opposition parties. A judge has ordered a Ar\$400,000 (US\$20,500) freeze on his assets pending trial. Existing legislation says police can only use their firearms in legitimate defence when they or others are directly being threatened. Manuel Tufro of lobby group Centro de Estudios Legales y Sociales (CELS) says it is appropriate to prosecute Chocobar because he used his weapon when the thief was running away and was no longer a threat. "The government should use this as an example of what *not* to do," Tufro says.

But the government has gone the other way – explicitly supporting the policeman. Security Minister Patricia Bullrich said there had been a "change in philosophy" to favour the victims of crime, as well as police officers who protect the law-abiding. "Our philosophy is that police should be on the streets, that they should pursue criminals within the law, and that we are not going to abandon them in the face of judicial interpretations that condemn them for doing their job," she said.

Bullrich added that the government would seek to change the penal code to alter the burden of proof in cases of this kind. "If someone knifes a victim 10 times, does not heed the call to stop, and runs off with a weapon that could be used against others, then the police have to do what Chocobar did," she said.

Bullrich's hard line on law and order is often attacked by the opposition, which point to her own past – as a young woman, under the pseudonym La Piba, she was involved with the Montoneros guerrilla movement and with radical politics through the Peronist Youth. Ironically she now sits in a centre-right government, facing the opposition of the Partido Justicialista (PJ, Peronists) she once championed.

Some opposition tacticians have tried to drive a wedge between what they see as the Bullrich hard line on crime and a more liberal President Mauricio Macri. But there has been no sign of that over this incident. Backing up his minister, Macri invited Chocobar to a meeting (*see sidebar*), saying he hoped the courts would declare him innocent of any wrongdoing.

The government appears to genuinely believe a new approach is needed, but it may also be influenced by a sense that public opinion favours taking a tougher line on law and order issues. Jaime Durán Barba, the Ecuadorean electoral strategist widely credited with delivering victory for the ruling Cambiemos coalition in 2015 and again in last year's mid-term congressional elections, says "People are in anguish over the fear of crime. Many people believe they can't leave home because of a desperate lack of security. Public opinion wants brutal action against criminals. We've done surveys and most voters want the death penalty".

Critics, on the other hand, say a high-profile hard line on crime is a good way to distract attention from the government's difficulties over economic reform, inflation, and further looming conflicts with the trade unions.

Meeting Macri

The mother of 18-year old Pablo Kukoc, the man shot by Luis Chocobar, says she too had requested a meeting with President Macri, but was ignored. She says, "the only thing that is clear is that the policeman is not a hero and didn't defend anyone. He's a murderer."

Cronos

Providing added weight to Adefa president Luis Fernando Peláez's assertions that Argentina's automobile sector will be buoyed by the launch of new product lines this year, on 7 February the US-Italian automobile manufacturer Fiat Chrysler Automobiles (FCA) presented its new 'Cronos' sedan model that is to be produced in Argentina for the domestic and international markets. During a ceremony attended by Argentina's President Mauricio Macri, FCA regional president Stefan Ketter said that the new model will be produced at the firm's plant in Córdoba province and will be the "foundation stone" of the firm's development strategy in Latin America. President Macri hailed the Cronos, stating that "This shows that we can not only export raw materials but products with high value-added, made by Argentines".

ARGENTINA | Auto sector off to a good start. On 5 February the Argentine association of automobile manufacturers (Adefa) reported that the country exported 10,409 automobiles in January, a 6.7% year-on-year increase.

The January automobile export figure is 42.8% lower than that registered in December 2017 but Adefa notes that January is traditionally a slow month for the sector as production levels are reduced due to the summer holidays and a lag in updating production lines to assemble new automobile models. Indeed, Adefa figures show that total national automobile production in January reached 21,858 units, an 18.3% year-on-year fall and 34.3% lower than the production figure registered in December.

However, Adefa insisted that the January export figures are positive and that they suggest that the sector will exhibit increased activity this year. As further evidence of this, it said that 64,452 units were sold in the domestic market, a 22% year-on-year increase.

Pointedly, the Argentine association of car dealers (Acara) has said that 118,924 new cars were registered in January, a 24.9% year-on-year increase and a new record high figure for the month of January, and noted that this could mark the start of a record year for new car sales in the country after last year 900,000 new vehicles were registered.

The positive January auto sector figures led Adefa president Luis Fernando Peláez Gamboa to state that he expected that this year would be marked by a solid increase in production and export levels. Peláez said that this would be driven by the launch of important new products (*see sidebar*), increased demand in the domestic market as well as in Brazil, as the economic recovery in Argentina's northern neighbour picks up pace.

BRAZIL | The cost and benefit of Carnival. As carnival season gets into full swing, prices in Rio de Janeiro have tripled as the city prepares to accommodate an estimated 1.5m tourists, according to event organisers. Hotels are expected to reach 85% capacity during the official carnival period from 10-14 February, up from 78% last year, according to hotels association SindHotéis Rio.

Hostels will be even more cramped and are expected to reach 90% capacity, having been 98% full for the new year's celebrations, according to the bed and breakfast and hostel association in Rio de Janeiro (Accarj). Next week, the city will organise over 600 parades, giving the local economy a R\$3.5bn (US\$1.1bn) boost, according to estimates from state tourism ministry Riotur.

BRAZIL | Apple Pay. Apple CEO Tim Cook said last week that Apple Pay, which allows financial transfers to be carried out on iPhones, will soon come to Brazil. Cook made the announcement during a meeting to discuss Apple's quarterly earnings held on 1 February.

Following years of negotiations, Apple signalled the initiative would be carried out in partnership with Brazilian bank Itaú Unibanco. Demand for the service more than tripled in the last quarter of 2017 compared with the same period last year and should be expanding to Brazil within the next few months, Cook said.

The service was launched in the US in October 2014 and is now available in various countries worldwide, including Australia, Canada, China, France, Hong Kong, Singapore and Switzerland among others. "No Apple Pay for Germany... you won this time Brazil, but remembering 7:1 it's only fair," commented one Twitter user.

To make payment on iPhones, the device can be used like a contactless card by tapping it on a credit card machine. It is also helpful for online transactions. Another similar rival service, Samsung Pay, was launched in Brazil last year.

New archbishop faces big challenges

Cardinal Carlos Aguiar Retes formally took over as the new archbishop of Mexico City, the most senior figure in the Catholic Church in the country, on 5 February. He faces a big challenge to give new direction to a troubled institution.

In his first homily, Cardinal Archbishop Aguiar called for reconciliation and action in order to tackle Mexico's social problems, including injustice, inequality, and violence. Separately, Aguiar wrote that his objective was to bring the Catholic Church "closer to the people", which is also a stated goal of Pope Francis.

Aguiar's new base, Mexico City, is considered to be one of the largest Catholic cities in the world, with an estimated 7.8m believers. According to the 2010 census, 82.9% of the Mexican population described itself as Catholic.

Pope Francis had appointed Aguiar last December, to replace Cardinal Norberto Rivera who retired at the age of 75 [WR-17-49]. Rivera, a conservative, had clashed with the government led by President Enrique Peña Nieto because of his opposition to abortion and same-sex marriage; he had also made some lacerating critiques of the authorities over corruption.

Aguiar is not considered a liberal, but he disagrees with his predecessor's ultra-conservatism and is expected to be pragmatic. He made no mention of either abortion or same-sex marriage in his first homily, but it is thought he will be more flexible on both issues.

Aguiar's first challenge will be to steer the Church through Mexico's election campaign, running up to polling day on 1 July. In his previous role as Archbishop of Tlalneantla in Estado de México (Edomex), he was able to maintain fairly fluid relations with the local political elite, including members of the current President's circle (Enrique Peña Nieto began his political career in Edomex).

Margarita Zavala, the wife of former president Felipe Calderón (2006-2012) who recently abandoned the right-wing opposition Partido Acción Nacional (PAN) to run as an independent presidential candidate, said she approved of Archbishop Aguiar's call for reconciliation and justice, both of which were much-needed in Mexico.

Priests killed

Two priests, Iván Añorve Jaimes and Germáin Muñiz García, were shot dead in an ambush on the Taxco-Iguala highway in the southern state of Guerrero on 5 February. According to the Guerrero attorney general's office, they were involved in a conflict between rival criminal gangs.

Photographs of one of the two, Germáin Muñiz, carrying a rifle and surrounded by members of a local gang, had been circulated on social media, and the attorney general speculated that might have triggered the attack by a rival group.

Salvador Rangel, the Archbishop of Chilpancingo-Chilapa, stated that the two priests were not themselves involved with organised crime, but were merely the innocent victims of a highway attack.

Challenges

Like many other Catholic leaders around the world, Cardinal Archbishop Aguiar will also have to deal with a rash of serious claims of paedophilia and sexual abuse within the Church itself. Aguiar himself has in the past been accused of protecting abusers within the Legionnaires of Christ, a Catholic order. The Church says the claims are baseless.

Costa Rica's first round reveals new political landscape

Electoral losers

For the first time since 1998, the right-wing Movimiento Libertario (ML) looks unlikely to have secured a single seat in the legislature while its presidential candidate, Otto Guevara, took just 2.25% of the vote. The other big loser was the leftist Frente Amplio whose legislative presence is expected to shrink to just one seat, down from eight.

“The worst electoral result in its history”. This was one of the responses by the leading daily *La Nación* to the performance in the 4 February general election of Costa Rica's oldest and largest party, Partido Liberación Nacional (PLN). The presidential first round confirmed a run-off between evangelical pastor Fabricio Alvarado Muñoz, (whose shock surge in recent weeks was attributed to an Inter-American Court of Human Rights [Corte-IDH] ruling on gay marriage [[WR-18-04](#)]) and Carlos Alvarado Quesada of the ruling centre-left Partido Acción Ciudadana (PAC), whose performance served as the latest surprise in an already unpredictable race. The election has consolidated the demise of the traditional biparty system, previously dominated by the centrist PLN and centre-right Partido Unidad Social Cristiana (PUSC), which had already been shaken up in 2014 when the PAC came to power through President Luis Guillermo Solís.

Alvarado Muñoz, the sole legislator for the small conservative opposition Restauración Nacional (RN) in the 57-member unicameral legislature, secured 24.79% of the vote, according to Costa Rica's electoral court (TSE), with some 90% of the vote counted. Second, with 21.76% was the PAC's Alvarado Quesada, Solís's former minister of labour and of human development & social well-being (and, at the age of 38, his youngest minister). Third, with 18.65% was Antonio Álvarez Desanti (PLN) followed by Rodolfo Piza (PUSC) on 16.06%. Juan Diego Castro of the Partido Integración Nacional (PIN), another anti-establishment conservative figure who had similarly seen a surge in support over the campaigning period, followed on 9.48%. The remaining eight candidates made up the rest of the vote. Abstention was 34.27% – up from 31.76% in 2014.

As recently as December, Alvarado Muñoz and Alvarado Quesada were sixth and fifth in the polls respectively. The RN candidate only emerged as the frontrunner weeks earlier due to his stance to the Corte-IDH ruling which had met with widespread public opposition, exposing deep social conservatism within the country. The final survey published on 31 January by the centre for research and policy studies (Ciep) of the Universidad de Costa Rica (UCR) ahead of polling day, had still shown Alvarado Quesada third with 11%, albeit while having registered the biggest rise over the past week, up from 6%.

One major feature of the electoral race was voter volatility and the high number of undecided voters, and the same Ciep poll revealed that over the course of the campaign, 60% of respondents had changed their minds regarding their choice of candidate while 36% were still undecided. Such behaviour on the part of the public is widely considered indicative of public disillusionment with the political class, damaged by corruption scandals, such as the so-called ‘Cementazo’ involving the local subsidiary of Chinese cement exporter Sinocem Costa Rica and top public officials [[WR-17-48](#)].

Yet, Alvarado Quesada would seem to have successfully distanced himself from the scandal and his claims to represent a new generation of politicians to have convinced enough voters to make the second round. It is worth pointing out that despite having held office, the PAC, which was founded in 2000, is still something of a new face on the political scene compared with the PLN and PUSC (which date back to 1951 and 1983 respectively).

Costa Rica downgraded

Indicative of international concern regarding the rising fiscal deficit, on 18 January the international ratings agency, Fitch Ratings downgraded its ratings outlooks on Costa Rica to 'negative' from 'stable', affirming Costa Rica's Long-Term Foreign and Local Currency Issuer Default Rating (IDRs) at 'BB'. Fitch cited as grounds for its decision "Costa Rica's diminished flexibility to finance its rising budget deficits and public debt burden, as well as persistent institutional gridlock preventing progress on reforms to correct the fiscal imbalance".

PLN defeat

As well as the unexpected prominence of the gay marriage issue, one major talking point of the election has been the PLN's dismal performance on voting day. *La Nación* pointed out that the 18.65% won by Alvarez was less than the 22.19% that the PLN had received in the 2014 presidential run-off even after, in an unprecedented move, its candidate dropped out, propelling Solís to victory with 77% of the vote. The PLN had already been damaged by the Cementazo: a November 2017 Ciep poll, which covered the scandal's impact on public perception of political parties, showed the PLN as having been hardest hit.

In an interview with *La Nación*, published on 5 February, Carlos Ricardo Benavides, a member of the PLN's campaign team, was clear that the party had suffered as a result of its support migrating to the RN. He said the RN – which won four of the country's seven provinces overall – had made inroads into coastal provinces which had previously been PLN bastions: Alajuela, Guanacaste, Puntarenas and Limón. The remaining three – San José, Cartago and Heredia – all went to the PAC. Benavides said that in these areas, where evangelicalism is strong, those who would have previously voted for the PLN opted instead for Alvarado Muñoz.

Governance issues

One certainty is that the run-off victor is likely to suffer the same major obstacle as that to face the outgoing administration: the lack of a legislative majority. With just 13 legislative seats, the PAC executive has long struggled to implement its legislative agenda and key initiatives such as fiscal reform, necessary to address the country's widening fiscal deficit (*see box*). With the final results yet to be announced, *La Nación* is forecasting that, as in the previous 2014 vote, the PLN will emerge with the largest congressional bench, with 17 seats (one down on its current total). It is reporting that the RN, which previously had just the one seat, occupied by Alvarado Muñoz, will have a remarkable 13, while the PAC is expected to have ten (down from 13). The PUSC is expected to have nine seats in the new 2018-2022 legislature (up from eight), while the PIN, which previously lacked legislative representation, is expected to have four deputies.

Fiscal reform

With the fiscal deficit closing at 6.2% of GDP in 2017, up from 5.3% in 2016, Alvarado Muñoz is proposing a fiscal reform, along with other measures aimed at increasing the tax take. Alvarado Quesada is less clear, calling on the legislative assembly to "advance in the discussion of the initiatives" and look at fiscal progression in three fundamental plans: spending, taxes, and public employment. The RN candidate is also calling for non-essential spending to be frozen during the first two years of his government and a six-month contingency plan to address the crisis. President Solís sent down a tax reform proposal in August 2015, which has since been amended, but the legislature has repeatedly refused to approve it.

PANAMA | JUSTICE

Varela faces judicial setback

President Juan Carlos Varela has received a major setback. Last week the opposition-controlled 71-member legislative assembly rejected his two picks for the nine-member supreme court (CSJ) to replace magistrates whose 10-year terms were due to expire last month. With civil-society groups having already criticised the lack of transparency surrounding the election process, the vote comes as the judiciary remains under unprecedented scrutiny. This is due to the corruption scandal involving the Brazilian construction firm Odebrecht, which has implicated Varela as well as other members of the political establishment, together with the newly emerged so-called 'Blue Apple' case – a 'mini-Odebrecht'.

Ayú Prado's resignation

While the vacuum at the top of Panama's supreme court (CSJ) has prompted concerns, José Ayú Prado's resignation was nonetheless welcomed by civil-society groups like Alianza Ciudadana Pro Justicia (ACPJ) which had long flagged up concerns about the former attorney general (2011-2013). At the time of Ayú Prado's appointment as CSJ president, ACPJ pointed out that at least eight complaints had been filed against him before the national legislature's credentials committee.

Back in December 2017, President Varela had unveiled Zuleyka Moore and Ana Lucrecia Tovar de Zarak as his choice of magistrates to replace Jerónimo Mejía and Oydén Ortega Durán. However, this prompted outcry from various sectors. A letter signed by 16 civil-society groups dated 13 December noted that Tovar de Zarak was the wife of Ivan Zarak, who quit as deputy economy & finance minister the day before Varela named his choices, while her active involvement in Varela's 2014 election campaign also sparked fears regarding the separation of powers. Meanwhile Moore prompted opposition criticism for her allegedly 'selective' handling of Odebrecht-related cases in her current role as anti-corruption prosecutor.

The opposition Partido Revolucionario Democrático (PRD) and Cambio Democrático (CD), which have 26 and 25 legislative seats respectively, had already indicated their opposition to the appointments. On 30 January, the national assembly, in which the ruling Partido Panameñista (PPA) has just 16 seats, rejected both appointments by 52-16. Varela has said he will put forward new choices, but the crisis in the judiciary intensified the following day after CSJ president José Ayú Prado, an ally of former president Ricardo Martinelli (CD, 2009-2014), resigned as his two-year term was officially due to end. With the CSJ magistrates opting not to pick a new president until replacements for Mejía and Ortega have been appointed, CSJ vice president Hernán De León Batista has, in line with the judicial code, taken over as president on an interim basis. Like Ayú Prado, De León is a Martinelli ally.

Another scandal

As well as the ongoing investigation into Odebrecht – which led the opposition at the end of last year to call for Varela to be investigated [[WR-17-49](#)], another corruption case has emerged in recent months which has subjected the political establishment and the judiciary to further pressure. The case involves a company known as Blue Apple Services Inc which, between 2011 and 2012, allegedly channelled some US\$39.6m in bribes for direct contracts and tenders through local banks from construction companies doing business with the government. At least 33 individuals are under investigation including two former officials from the public works and housing ministries with seven construction companies reportedly involved.

As with the Odebrecht case, the 'Blue Apple' investigations are causing some discomfort to politicians with regard to donations. At the end of last month, the local press cited Max Bedoya, the spokesperson for the PRD 2014 presidential candidate Juan Carlos Navarro, as confirming that the party had received US\$20,000 as a campaign donation from Blue Apple.

Panama off the EU grey list

In one boost for President Varela, on 23 January the Council of the European Union (EU) announced that it was removing Panama from the EU's list of 17 non-cooperative jurisdictions for tax purposes. This followed commitments made at a top political level to remedy EU concerns.

The EU's decision in December 2017 to include Panama on the list had been a blow to the Varela government which has faced particular pressure to address transparency since the April 2016 'Panama Papers' scandal, exposing the internal operations of the Panama-headquartered Mossack Fonseca, a leading law firm dedicated to the incorporation of offshore entities.

The EU Council's announcement came just over a week after Panama's Director-General of Revenue Publio Ricardo Cortés signed a CRS Multilateral Competent Authority Agreement (CRS MCAA) – the prime international agreement for implementing the automatic exchange of financial account information under the Multilateral Convention on Mutual Administrative Assistance.

Quotes of the week

“Latin America does not need new imperial powers that seek only to benefit their own people. China’s state-led model of development is reminiscent of the past. It doesn’t have to be this hemisphere’s future. Russia’s growing presence in the region is alarming as well, as it continues to sell arms and military equipment to unfriendly regimes who do not share or respect democratic values.”

US Secretary of State Rex Tillerson.

“...the Monroe doctrine continues to hold sway in Washington, even though it will turn 200 fairly soon, in 2023. The world has changed significantly over the years but the America-for-Americans principle appears to be alive and well.”

Russian foreign ministry statement.

“In permanent contact with the Dominican Republic. Enormous pressure on Venezuelan opposition to sign an accord that doesn’t include guarantees for presidential elections. President [Nicolás] Maduro campaigning, opposition parties not registered, candidates barred from running etc. Would any Chilean party accept this?”

Chile’s foreign minister Heraldo Muñoz tweets about the Venezuelan national dialogue process.

POSTSCRIPT

April election date for Venezuela as talks fail

Venezuela will hold presidential elections on 22 April. The announcement was made by the national electoral council (CNE) on 7 February immediately after the breakdown of the latest round of the national dialogue process between the government led by President Nicolás Maduro and the political opposition being held in the Dominican Republic.

The CNE president, Tibisay Lucena, gave presidential candidates all of 19 days in which to register to take part in the elections. This means the political opposition will have no time in which to hold primary elections to try and rally public support and select a consensus candidate. It is also difficult to imagine that the CNE will find the time before 26 February to re-register the opposition political parties barred from competing in the contest by a law approved by the government-controlled constituent assembly after they boycotted December’s municipal elections. The electoral campaign itself will last barely two weeks, from 2 to 19 April.

Lucena expressed “regret” that the opposition had not signed an accord with the government in the national dialogue process, which Dominican President Danilo Medina said had been postponed indefinitely. The chief negotiator of the opposition in the process, Julio Borges, had refused to sign the government’s proposed accord on the grounds that it stopped well short of providing the requisite guarantees for free and fair elections. Borges had demanded, *inter alia*, that opposition figureheads Henrique Capriles and Leopoldo López (the latter currently behind bars) both be permitted to stand for election, along with their barred parties Primero Justicia (PJ) and Voluntad Popular (VP) respectively; that two rectors from the government-controlled CNE be replaced; that Maduro’s mandatory broadcasts on radio and television be suspended; and that coercive measures imposed on voters by the government at polling stations be lifted.

Maduro refused to countenance any changes to the accord which he duly signed and promised to uphold. The Chilean foreign ministry suspended indefinitely its participation in the dialogue process given that “the basic conditions for democratic presidential elections and institutional normalisation have not been agreed”. Colombia’s President Juan Manuel Santos said simply that “Maduro would never accept free and transparent elections because he knows he would lose them”.

LatinNews Daily

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

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

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

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

EDITOR: JON FARMER. Subscription rates will be sent on request. Overseas subscription sent by airmail. Printed by Quorum Print Services Limited, Unit 3, Lansdown Industrial Estate, Gloucester Road, Cheltenham, Glos. GL51 8PL **COPYRIGHT © 2018** in all countries. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, electrical, chemical, mechanical, optical, photocopying, recording or otherwise, without the prior written permission of the publishers. Registered as a newspaper by Royal Mail. **REFERENCES:** Back references and cross-references in the current series will be made thus: WR-18-01 will indicate Weekly Report, 2018, issue 1.