

## LATAM PULSE

This week, **Ecuador's** President Guillermo Lasso could be impeached – unless he exercises his right to dissolve the legislature before it can remove him: the political outlook appears complex however events of this week evolve. **Brazil's** government continues to face challenges in Congress. **Argentina's** inflation problem is getting worse with every month as the government squabbles over who its presidential candidate should be. In **Colombia**, government-military relations are under the spotlight. Finally, **Chile's** Republican party faces deeper scrutiny as it prepares to embark on a key role in the drafting of a new constitution.

### Ecuador

Legislators have been summoned for the presidential impeachment trial of Guillermo Lasso on 16 May. The process, in which Lasso is expected to make his defense in person, is highly likely to run over one day; the actual plenary impeachment vote will take place before the week is out. The election over the weekend of the National Assembly leadership positions – all of them hostile to Lasso – suggests that the votes exist to impeach. Lasso has appealed to the Constitutional Court (CC) to block the impeachment proceedings despite the fact that the court gave its approval to proceed in late-March. The only other way a vote will not happen is if Lasso resorts to the mechanism known as “mutual death” (“*muerte cruzada*”), which allows for the president, under certain conditions, to summarily dissolve the National Assembly. Doing so would be highly controversial (even if the case against Lasso looks weak) and would likely set off potentially serious unrest.

### Brazil

President Luiz Inacio Lula da Silva will be on his way to the G7 meeting this week as the House attempts to reach agreement on the fiscal framework proposed by finance minister Fernando Haddad. The government continues to face great difficulty in securing support for its initiatives, particularly after left-wing flagship items were defeated in Congress. In particular, the government has recently failed to revert old (Eletrobras) or stall new (sanitation) privatization initiatives due to a lack of support from the coalition forces that elected Lula and in principle form the government's base in Congress. The rapporteur of the bill on the fiscal framework will discuss his draft report today, 15 May, with congressional leaders, and if there is consensus, he should present it to the House for a vote. This will be another crucial test for the government.

### Argentina

Internal disagreements within the governing Front for All (FdT) coalition over the process to select a presidential candidate – and who that candidate should be – will continue this week. On 18 May, it will be four years since Cristina Fernandez (CFK) pulled off a totally unexpected maneuver by naming her one-time cabinet chief Alberto Fernandez as her presidential candidate. Four years on, relations between CFK and Fernandez are at rock bottom. Fernandez, who is not seeking re-election, insists that the coalition should select a candidate in August's primaries. CFK fears that a primary will expose just how weak and divided her coalition has become.

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The main representative of the third leg of the coalition – Economy Minister Sergio Massa – wants to be the coalition’s consensus candidate in the October election. Massa was betting that he could steer the economy to safer ground, but this has not happened. April’s monthly inflation rate stood at 8.4%, or 108.8% for the last 12 months. Meanwhile, the International Monetary Fund (IMF) remains reluctant to bring forward its funding disbursements as Massa wants; he will be hoping that a battery of measures to be finalized today, 15 May, will help his cause. This will include more monetary tightening to bring the benchmark interest rate to 97%, as well as further intervention to prop up the ARS.

## Colombia

President Gustavo Petro will be hoping to extract the maximum political benefit from controversial comments made last week by a retired colonel. In the wake of a day of protests against Petro’s policies by the Association of Retired Military Officers (Acore), John Marulanda said that military veterans would try to do their utmost to oust Petro. The Acore’s former director quickly retracted his comments and the Acore distanced itself from the ex-officer, but Petro seized on the remarks to make another call on his supporters to mobilize in support of his government. The views of individual retired military personnel are unlikely to represent the thinking of most serving officers, though there is disquiet among some about Petro’s background, peace plans, and methods. Defense Minister Ivan Velasquez remains a controversial appointment, though he survived last month’s cabinet reshuffle; Petro is trying to reorganize the ministry, while he recently replaced the head of the police.

## Chile

Speculation about the stance that the ultra-conservative Republican party will adopt in the Constitutional Council, the principal body that will draw up a new constitution, will continue even though the Council will not formally start work until June. The Republicans will have a veto bloc in the Council. In an interview published yesterday, 14 May, party leader Jose Antonio Kast was at pains to project moderation, pledging to avoid a partisan new constitution. Kast’s interview follows controversial statements by a Republican lower house deputy, Johannes Kaiser. Kaiser suggested that 12 bedrock principles designed to guide a new constitution and agreed on by all parties last October could be subject to modification. This would be highly controversial. In parallel, one of the party’s most prominent elected constitutional counsellors, Luis Silva, has made comments that suggest some within the Republican party do not intend to seek consensus in the drafting of the new constitution. Kast’s ability to maintain discipline in the party ranks will be crucial for the success of the drafting process over the coming months.

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