

BUSINESS AND POLITICS IN THE MUSLIM WORLD

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Report Summary/Argentina

Political Issue

Economic Issue

Argentina's economy minister is very hopeful about the economic growth of the country as he expects growth in the economy of Argentina till 6 percent in this year. Argentina is the second largest economy of South America.

Social/Humanitarian Issue

Argentine senate has at last passed the bill of equal rights and same sex marriages for Argentine homosexuals and like this Argentina became the first Latin American country to give rights to the homosexuals. The new law for homosexuals also gives them rights to adopt children. But opposition party of Argentina and Catholic Church community protested against this law and called it unnatural marriage law.

Food, Environment and Energy Issue

Geostrategic Issues

The government said President Kirchner's trip to China was very successful as both countries signed 10 projects in different fields as China will introduce its transportation technology in Argentine's subway and it will build Argentina's infrastructure. It is said though both governments could not solve the soybean oil dispute between their government but it is expected they will solve by negotiations.

Report Summary/Brazil

Political Issue

Women's role in Brazilian politics is small because they are not taking much interest as compare to other countries of the region and the quota for the women is also small. From the 27

governors of Brazil only three are women and just like this they are almost 8 percent in National Congress because 45 deputies are women. But now their role is increasing as the government is also going to fix a quota for them in national politics till 30 percent as its neighboring countries Paraguay fixed 20 percent and Ecuador has 45 percent. Even the candidate of Brazil's Worker's Party Ms. Dilma Rousseff is also a very leading candidate because according to the polls it has a favor of 35 percent of voters while its competitor and former governor of Sao Paulo Mr. Serra also have favor of 35 percent so the woman make the competition tough.

Brazil's Federal Election Commission notified that the midget candidates from nanico cannot participate in the debate of presidents on internet but just the candidates from three large parties that are Workers' Party, Brazilian Social Democratic Party and Green's Party. Candidates from Brazil's parties were demanding equal rights of the candidates from other large parties but Election Commission did not allowed them. In the meantime, Brazilian Superior Electoral Court (TSE) said the number of Brazilian voters in the coming elections will be 135.8 million in general elections while 200,000 Brazilians will participate in presidential and vice presidential elections only from abroad.

Brazilian opposition party's (PSDB) candidate Mr. Serra has alleged on the ruling party (PT or Workers' Party) to have a connection with the Marxist rebel group (FARC) of Colombia and said it doesn't mean PT is also involve in human and drug trafficking but it just have links with FARC.

Economic Issue

According to the Reuters poll the elections might leave impact on Brazilian economy and push it downwards. As in the poll it is shown the real of Brazil will decrease till 1.82 per dollar but in the last month Brazilian government told the elections will not leave any negative effects on Brazilian economy. Even the president Lula has recently has said the economy will grow 7 percent in this year and the government has planned to create 2.5 million jobs till the end of this year.

Social/Humanitarian Issue

After the concerns of Brazilian government and FIFA administration Lula administration has been mobilized to work on the preparations of FIFA world cup of 2014. Government has released 5.5 billion reais to revamp airports in five major cities and also money is granted for the construction of railway, roads and other infrastructure. Lula has criticized Sao Paulo government is not cooperating with the federal government as it should do because the main soccer stadium is in Sao Paulo and the former governor who has resigned two months ago was from opposition party.

Food, Environment and Energy Issue

Brazilian energy minister is going to attend an energy summit in Washington next week where world's energy rich countries are coming to share their technology techniques to create energy. Brazil is among world's top energy producers as 80 percent of its energy is being produce by hydroelectric technology and it is also producing energy by using sugar cane. But

some environmental groups have been criticizing on Brazilian government on the building of giant hydroelectric dams in the Amazon rainforest area because they argue the dams can cause an unnatural flood and destroy the fields and houses of people in the area.

Geostrategic Issues

Kuwait's ambassador said his Prime Minister is visiting Brazil in next few days because Brazil is an important country of the region and emerging an important global player. He said Brazil's increasing investment in Middle East and its stance in local and regional issues make Brazil important so the Prime Minister of Kuwait want to increase relations with Brazil and he will pay an official visit to Brazil. Recently President Lula has signed a deal with a central authority of Al Fatah of Palestine that Brazil will raise its voice on every international forum for Palestine's independence and he also granted \$14 million for the reconstruction of Gaza.

Israeli government has appointed its official of foreign ministry as in charge of Israeli consulate in Sao Paulo which was closed in 2002 due to budget cuts and only its embassy was working in Brasilia. The new consular was born in Brazil and migrated to Israel in the age of 18. He said both countries have very good relations and both will cooperate in the environmental and other sectors.

Brazilian oil company Petrobras is going to buy 18,000 tones steel from China due to high prices in the domestic markets. The steel is to be utilized in the making of transport vessels in Brazil. The chairman of the related department of Petboras said the prices were quite low in the international markets as compare to this year but now the prices has increased.

Report Summary/Chile

Political Issue

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Food, Environment and Energy Issue

Geostrategic Issues

Chilean senators are barred to enter into Venezuela by the Venezuelan government who were going to monitor the Venezuelan elections. They said we will insist to go and we are not scared of nasty remarks from the president of Venezuela. President Chavez and the speaker of Venezuela assembly called them stupid who are coming to monitor the elections and said this is the internal matter of Venezuela so they should not come and this country is not the sports stadium.

Report Summary/Colombia

Political Issue

President of Colombia Mr. Uribe has delivered his last speech before the Congress of Colombia last day. He told the newly elected Congressmen about the history of Colombia and the struggle of freedom from Spain.

Economic Issue

The economy minister of Colombia said if the trade between Colombia and Venezuela barred it will not leave any affect on Colombian economy because already the trade between the two countries is very low. Trade relations were plunged between the two countries in 2009 when Colombia provided 7 of its military bases to US army and Venezuela boycotted import of Colombian goods in a protest.

Social/Humanitarian Issue

Food, Environment and Energy Issue

Geostrategic Issues

Colombian government accused Venezuela to give shelter to FARC rebels who are trying to destabilize Colombian government. The former president of Colombia Uribe gave the names of many FARC rebels who are in Venezuela and trafficking cocaine for financing their rebel activities. Uribe was elected twice as the president of Colombia and he took very strict stance against the rebels. Colombia also accuses its northwestern country Ecuador to support rebels group.

In the response of this allegation the government of Venezuela has recalled its ambassador from Bogota as a protest as the Colombian government has accused Venezuela of supporting FARC. Colombia has complained the Organization of American States about the behavior of Venezuelan government which is not cooperative with Colombia. Later president Uribe and the newly elected president Santos met in a private meeting and shared the views about Venezuela and about the new policies towards Venezuela.

Chavez said Colombia is accusing Venezuela just on the order of USA because it is USA's best ally in the region and US cannot bear a socialist government in South America. Chavez also said whether FARC is in Colombia or in the western side forests of Venezuela but Venezuelan government will not take action against them because FARC is Colombia's internal

matter. He threatened Colombia that he can break diplomatic relations with Colombia if it doesn't stop accusing Venezuela to give shelter in the country and he will also not participate in the inauguration ceremony of the newly elected president in August. But a spoke person from the US State Department said Venezuela is obliged to crackdown FARC and National Liberation Army who are operating from its territory in Colombia.

Ecuadorian government is going to have negotiations with the government of Colombia. Ecuador said though the newly elected president was called by an Ecuadorian court due to Colombia's attack on FARC shelter in Ecuador but Ecuador is willing to have good diplomatic relations with Colombia now. Meanwhile, US government also encouraged negotiations between Venezuela and Colombia and said it is good to create in the region.

Report Summary/Mexico

Political Issue

Economic Issue

Mexican businessmen are very much concerned about the Mexico's drug war which is leaving a great impact on the economy. Business community said the economy is declining in Mexico due to war against drug cartels but on the other hand the government is optimistic about the economy and the central bank of Mexico also said economy of Mexico will grow in this year.

Social/Humanitarian Issue

Mexico police and security forces are planning to bring change in their strategy after the first car bomb explosive in Ciudad Juarez. This car bomb blast took the lives of 14 security forces and it is said a cell phone was used to blast this bomb which was having 22 kilogram of explosives. 2,800 police officers have been lost their lives in this war against drug cartels. Cartels were just busy in target killings of the security forces, politicians who were opposing them or the civilians as well but now they have started blasting.

Just after the three days of car bomb blast in Ciudad Juarez Mexican drug cartels have killed 17 people who were celebrating a birthday party in a border city of Mexico with Texas. Some witnesses told that a convey of cars opened fire on the party celebrators without any warning to them. Mexico's attorney says the car bomb blast was in the retaliation of the capture of a drug lord few days ago.

Food, Environment and Energy Issue

Geostrategic Issues

Kuwaiti Prime Minister and the president of Mexico met in Mexico City and discussed several issues of mutual interests. Kuwaiti Prime Minister talk about Mexico's stance in the favor

of Kuwait in UNSC, Mexico's support to Palestinians when it was the member of UNSC and United Nations' Climate Change Conference which is going to be held in Mexico City in this year. Mexico's environment minister said he is going to invest in technological and communication field too make this conference affective.

According to the Merida Initiative the government of Mexico was going to receive \$1.6 billion from the United States but it could just receive its 9 percent due to objections from the opposition Congressmen in US Congress. Mexican government was alleged to not utilizing funds in proper ways so they blocked funding them and still the funds are not released.

Report Summary/Venezuela

Political Issue

A community from the Venezuelan society which supports private business instead of nationalizing the institutions claimed the economy of Venezuela is better due to private business as it pays 70 percent of country's total tax. And not the economy of Venezuela is worst among the South American countries and shrinking continuously. Chavez want to bring country as he wants and on the style of Cuba but it is said Castro himself advised him this is not 1960s so change the behavior. Private business community claims people are willing to come to their products which are even expensive and their employees are protesting against the nationalization of private sector because they earn proper wages from the private sector.

President Hugo Chavez has appointed his person in a private television Globovision which was banned for sometime due to the criticism on the government. It is said Chavez has appointed his person with 25 percent of shares so that he could monitor the policies of Globotelevision. On his appointment a Miami based NGO has criticized and said that the person is nominated can abuse human rights.

Economic Issue

Social/Humanitarian Issue

It is said Chavez has been very much interested in Twitter and checking his account regularly as compare to the other leaders of the world. Chavez said he received 287,961 messages on his account since last three months and he has 67,000 followers on Twitter. Chavez said he got some complaints, opinions and applaud from people and he is trying to solve the complaints of the people and many are solved from them. Later he said technology is not capitalist so he is using twitter, blackberry and now Apple iPod to listen songs.

Chavez has reopened the coffin of Simon Bolivar who was the liberator of Venezuela from Spain and asked by a team of forensic, anthropologists and others for his autopsy. Chavez believed Bolivar was not died of tuberculoses in 1830 but either he was poisoned or killed by any other way by his enemies. The opposition has called it ridiculous and asked government to focus on increasing crimes, inflation and corruption in the country instead of such activities.

Food, Environment and Energy Issue

Geostrategic Issues

After the sharp criticism from Venezuela on Netherlands due to the air violation of Venezuela the foreign ministries of both countries made a solution after negotiations. Both governments agreed to increase cooperation between Netherlands and Venezuela for better relations the future.

President Chavez condemned the suicide attacks in a border city of Iran and called it a coward attack on the civilians which took the lives of many innocent people. In a summit of ALBA that are Venezuela, Bolivia, Cuba, Ecuador and Nicaragua pledged to support the Iran's nuclear program by following Brazil and against USA.

Spanish prime minister said he will try to convince president Chavez to welcome team of foreign observers for elections. Chavez has lambasted on the statement of Chilean senators when they announced they are coming to Venezuela to monitor the elections. Even the government of Venezuela did not allow them to issue visa to them.

After breaking the relations with Vatican City now the government of Venezuela is rethinking to establish relations with the Vatican. The relationships broke down after the criticism of Catholic Church community and Vatican on socialism and now it is going to be rehabilitating once again.

Detailed Report/Argentina

Argentina first in Latin America to legalize same-sex marriage

Argentina yesterday became the first country in Latin America to legalize same-sex marriage, following a landmark Senate vote carried live on national television.

The law, backed by the centre-left government of President Cristina Kirchner, was adopted in a 33-27 vote after 15 hours of debate. In this majority Roman Catholic country, some had reservations, but the law passed.

"It is a historic day," said ruling party leader Miguel Pichetto.

Opposition Radical senator Gerardo Morales said Argentine society has changed, stressing that the Bill was aimed at guaranteeing the rights of minorities.

Hundreds of people outside Congress cheered when the Bill passed. Some chanted "Equality, Equality". Some tearful couples embraced.

In a country where more than 90 per cent of people describe themselves as Catholic, some protestors including priests showing images of the Virgin Mary prayed outside as lawmakers took up the legislation.

Some marchers with gay and leftist groups shouted "Church, you garbage, you are a dictatorship."

On Wednesday police had to separate opposing groups protesting outside the Senate who hurled eggs and oranges at each other.

Former President Adolfo Rodriguez Saa said: "Argentina has taken a step forward, but out in the street ... it will take time for hatred and resentment to heal."

The Catholic Church had called unsuccessfully for a national referendum on the issue. Mr Kirchner on Monday criticized Church arguments, saying they brought to mind "the Inquisition".

Argentina's Economy Will Grow 'At Least' 6% This Year, Amado Boudou Says

Argentina's economy will grow "at least" 6 percent this year, Economy Minister Amado Boudou said in Buenos Aires.

South America's second-biggest economy will have a trade surplus of between \$9 billion and \$11 billion, Boudou said today. The country will "probably" have a primary budget surplus of 1.4 percent, he said.

The government has tapped almost \$3 billion from a fund created with central bank reserves to pay debt this year, Boudou said, adding that Argentina won't have any problems paying its debts.

Argentina welcomes results of China trade talks

Argentina on Saturday welcomed the results of President Cristina Kirchner's trade talks in Beijing this week, glossing over continuing disagreements between the countries over soybean oil.

During her trip, Kirchner inked contracts for railway projects in the South American country totaling 10 billion dollars, but failed to solve a dispute over high Chinese tariffs on soybean oil imported from Argentina, the world's top exporter of the product.

The trip "was very positive," said Argentine Foreign Minister Hector Timerman, adding that Argentina hopes to "increase Chinese investments in our territory in order to create a platform for other Latin American countries."

He brushed aside the failure to resolve the soybean oil dispute.

"The primary objective of the trip was not to resolve the soybean oil issue, though it is important, but to conduct a dialogue with China on other possibilities for Argentine industry and exports," he said.

A total of 10 projects -- ranging from two to five years -- were agreed during the trip, including the purchase of Chinese railway technology and investments in electrification of Argentina's rail lines.

Trade between the two countries rose from four billion dollars in 2004 to 14 billion dollars in 2008, according to official data. Kirchner said China was Argentina's second trade partner after Brazil.

Detailed Report/Brazil

Brazil vows to continue clean energy push at summit

Brasilia (AFP) – Brazil hopes to demonstrate its commitment to renewable energy, which currently provides half the country's power, at a clean energy summit in Washington this week, Energy Minister Marcio Zimmermann said Saturday.

"Brazil is committed to continuing its renewable energy grid and our plans for 2019 and 2030 maintain that characteristic," Zimmermann told AFP in an interview.

Energy ministers or senior officials from 21 major economies -- who together account for 80 percent of the world's gross domestic product -- will gather Monday and Tuesday in Washington at the initiative President Barack Obama's administration, which has made the creation of green jobs a top priority.

Brazil can "share its experience because there are many developing countries in South America and Africa that have the same resources and conditions as us, and can exploit them in the same manner," Zimmermann said.

More than 80 percent of Brazil's electric power comes from hydroelectric technology, and the country is also a leader in bio ethanol production using cane sugar.

Environmental groups however continue to protest Brazil's approach to water use, arguing that the country should build smaller hydroelectric plants, rather than giant facilities that require unnatural flooding.

A Brazilian plan to construct a giant hydroelectric dam that would require the flooding of large areas in the Amazon rainforest has attracted international controversy.

PM's Brazil, Guyana visit 'historic'

Washington: The Kuwaiti Ambassador to Brazil and Guyana, Walid Al-Kandari, yesterday emphasized the importance of His Highness the Prime Minister Sheikh Nasser Al-Mohammad Al-Sabah's visit to both countries in the next few days, describing it as "historic" and which comes within the framework of his visit to a number of Latin American countries.

Interviewed by KUNA, Ambassador Al-Kandari said that this is the first such visit to the two countries by such a senior official of the Kuwaiti government, and is also a boon to the development of relations between Kuwait and the two countries, as the Gulf nation continues to boost its status regionally and internationally.

The ambassador indicated that although Muslims are currently a minority in Guyana, the country is a member of the Organization of the Islamic Conference (OIC), adding that there are a number of mosques in the nation's capital, George Town.

He also talked about the steadily increasing bilateral relations between Kuwait and Guyana that have been strengthened recently, especially after the Guyanese President Bharrat Jagdeo's visit to Kuwait last January, during which cultural cooperation agreements were signed, along with others in the field of the protection and promotion of investment. On Brazil, the ambassador stressed the importance of the country, which has been witnessing rapid growth in recent times, both on the economic and political fronts.

He said that Brazil today is a leading nation that attracts a great deal of foreign direct investment, and is expanding its role on the regional and international levels which positively serves international political stability, especially regarding the Middle East. Ambassador Al-Kandari praised the relations between Kuwait and Brazil, and the common ground they share especially as they seek a peaceful and prosperous world.

The ambassador also praised the Brazilian officials' desire to promote economic and political ties with Kuwait, voicing hope that the visit of HH Sheikh Nasser would further boost the cooperation between the two countries on various levels.

Ambassador Al-Kandari also praised the efforts exerted by HH the Premier to enhance Kuwait's status under the instructions of HH the Amir Sheikh Sabah Al-Ahmad Al-Sabah and with the help of HH the Crown Prince Sheikh Nawaf Al-Ahmad Al-Sabah. – KUNA

Brazil boosts spending to speed up World Cup works

The Brazilian government announced measures on Monday to speed up preparations to host the soccer World Cup in 2014, boosting spending and cutting red tape for public works projects.

The move follows growing concern in recent weeks, including by the soccer world governing body FIFA, that preparations for the sporting event were seriously delayed.

The debate put the spotlight on numerous obstacles to investment in Brazil's fast-growing economy and angered President Luiz Inacio Lula da Silva, who has been touting the tournament as an accomplishment of his government ahead of October's presidential election.

Brazil will also host the 2016 Olympic Games in Rio de Janeiro.

In a signing ceremony arranged at short notice, Lula pledged 5.5 billion reais (\$3.1 billion) to revamp airports in the 12 cities that will host the soccer tournament.

He also lifted restrictions on the ability of cities to raise debt to pay for infrastructure such as roads, stadiums and trains.

Lula, who called some of the concerns senseless, said the latest measures would avoid problems Brazil had with funding the 2007 Pan-American Games in Rio de Janeiro.

The federal government also donated real estate and earmarked 740 million reais on Monday to allow seven cities, including Rio de Janeiro, to overhaul their ports and facilitate docking of large cruise ships.

"Certainly it will be an alternative to the lack of hotels," said Pedro Brito, the ports minister.

Lula blamed the Sao Paulo state government, which until April was run by the opposition presidential candidate Jose Serra, for failing to provide an adequate stadium to host the World Cup.

"Frankly, I can't imagine a World Cup in Brazil without Sao Paulo as one of the corners for athletes to play ball," Lula said during the ceremony in the capital Brasilia.

Brazil Might Soon Have a Female President but There Are Still Too Few Women in Politics

In the coming October 3 presidential election, two of the three frontrunners are women. Dilma Rousseff (PT) has 35% of voter intentions in the polls and Marina Silva (PV) has around 7%. Former São Paulo governor José Serra (PSDB) is the man in this political triangle and he also has 35%.

However, there are another seven candidates for president, and all of them are men. Known as "nanicos" (midgets) they are from small political parties. So, what starts out looking very good from a female point of view soon turns sour.

Women may make up more than 50% of the electorate, and 66% of the top candidates in this election, but overall they are only 20% of the candidates. It is the prevailing situation in the 2010 Brazilian elections.

"Women have distinct difficulties at the party level in Brazil," says Lucia Avelar of the University of Brasília who did a study on the subject.

"They may be a candidate, but when it comes to funding and exposure (Brazilian candidates get free time on radio and TV) they always get shortchanged."

There has undoubtedly been an increase in women in politics. For example, female members of party board of directors in the three parties that have existed since the 1980s, have risen from four in the PDT to 62, and eight to 26 in the PT.

In 1981, the PMDB did not have any woman on its board, today it has 11. But as a percentage of total board members, the number of women is far less than 50%. In the PT it is just over 30%. In the PDT it is 16% and in the PMDB it is less than 10%.

In Congress, there are 45 female deputies (8.7% of the total) and 10 female senators (12.35%). Out of 27 governors, three are women.

Last week, as the deadline for registering candidates for the October general elections ended, the Federal Election Board (TSE) announced that a total of 21,393 registrations were granted, of which 4,495 were women.

The Economic Commission for Latin America and the Caribbean (Cepal) reports that the situation is similar in the rest of the continent.

Some countries have quotas for women (varying from 20% in Paraguay to 45% in Ecuador). In Brazil, parties are supposed to reserve 30% of the places on tickets for women candidates.

Brazil "Midgets" Don't Have Same Rights, Electoral Court Rules

Brazil's Federal Election Commission (Tribunal Superior Eleitoral - TSE) has ruled that a so-called midget candidate ("nanico"), that is, from a small party with less than 1% of voter intentions in the last poll, does not have to be invited to participate in a debate of presidential candidates that will take place on the Internet.

The nanico candidates are a perennial problem in Brazilian elections because there are so many of them - six in this race - and they insist on equal rights and time.

In this case, an Internet debate scheduled for July 26, with the three candidates with the highest public opinion poll numbers, Levy Fedélix (PRTB) claimed that equal treatment electoral laws were being violated and insisted on participating.

TSE judge Henrique Neves ruled that the issue of equal treatment for all candidates applied only to radio and TV (public concessions) - not the Internet.

Neves also pointed out in his decision that as the PRTB does not have any representation in Congress, in accordance with TSE rules that party's participation in any debate is optional.

Last year, Congress did pass a law requiring debates on the Internet to get the same treatment as debates on radio and TV (that is, equal treatment for all candidates).

However, president Luiz Inácio Lula da Silva vetoed that part of the bill and, rather than a public concession, the Internet is considered "...a free environment for the manifestation of thought." As a result, the debate on July 26 will have only three participants: Dilma Rousseff (PT) and José Serra (PSDB) who are both tied with 35% of voter intentions; and Marina Silva (PV), with 7%.

New consul named for Sao Paulo, Brazil

Rio de Janeiro - Foreign Ministry official Ilan Sztulman, a Brazilian who made aliya in the 1970s, was appointed recently to Israel's long vacant consul position in Sao Paulo.

Sztulman, 52, will take the post, which has been open for seven years, in South America's largest metropolis. Born in Sao Paulo, Sztulman immigrated to Israel at the age of 18. He will leave his current position as deputy director of public affairs at the ministry, where he has been in charge of ministry's multimedia efforts for foreign news bureaus based in Israel.

"In recent years, we have signed cooperation agreements in various areas," Sztulman said in interviews with the Brazilian press. "There is mutual good will and the environment is ideal to improve the relationship even further. Let's draw these bilateral relations even closer."

The Israeli Consulate in Sao Paulo has been closed since 2003 reportedly due to budget cuts; the embassy in Brasilia remained Israel's only diplomatic representation in Brazil. The consulate general in Rio de Janeiro was shut down in 2002, but an honorary consul was named last year.

Besides serving Israeli tourists and business travelers, the consulate in Sao Paulo also will serve Brazilian tourists to Israel, including members of the Jewish community and Christian pilgrims.

"Sao Paulo and Tel Aviv are sister cities. There is a very important Jewish community in Sao Paulo," said Raphael Singer, an Israeli diplomat who works in the embassy in Brasilia.

Indeed, half of Brazil's 120,000 Jews live in Sao Paulo. Another 40,000 Jews live in Rio de Janeiro and the rest are scattered across the country.

Prime Minister Binyamin Netanyahu is slated to visit Brazil in August.

Brazil donates \$14 million for Gaza reconstruction

Ramallah – Ma'an – Brazilian President Luiz Inácio Lula da Silva signed a decision granting \$14 million for Gaza reconstruction efforts, Palestinian officials announced.

During a visit to Brazil, a Fatah delegation headed by Central Committee member Nabil Sha'ath met with da Silva, who applauded President da Silva's positions toward Palestine.

“The question of Palestine runs in the blood vessels of every Brazilian. I will continue to fight for a just peace leading to establishment of an independent Palestinian state with East Jerusalem as its capital,” the president was quoted as saying.

Sha'ath said in a statement that da Silva would be willing to join international efforts to support the Palestinian stance, and would willingly participate in the peace process.

The Fatah official applauded da Silva for his support to the PA and the Palestinian people and pushed the South American leader to help Palestinian refugees who fled Iraq to Brazil in 2003.

Da Silva responded positively to Sha'ath's request to provide free accommodation and job opportunities for refugees, and asked his foreign minister to follow up with ministers of labor and housing and work out a fair solution.

Brazil's Petrobras to buy Chinese steel for ships

July 21 (Reuters) - Brazil state oil company Petrobras's logistics division will buy 18,000 tons of steel from Chinese steelmakers to build transport vessels, the division's president said on Wednesday, choosing foreign suppliers over expensive local steelmakers.

High domestic prices have left Petrobras (PETR4.SA) seeking much of the steel it needs on foreign markets, despite an aggressive local content policy for goods and services related to its push to tap Brazil's huge offshore oil reserves. In the past, it has bought steel from Ukraine and South Korea.

"Last month we imported more steel from China because the price was better," said Sergio Machado, president of Transpetro, which handles Petrobras' logistics and shipping.

He did not provide details on price.

Construction and engineering companies have consistently complained that Brazil's high steel prices boost the cost of public works and infrastructure projects.

The country's steel industry receives tariff protection and has considerable political clout within the government of President Luiz Inacio Lula da Silva, a former metal worker.

Poll-Brazil real to slip as growth slows, election looms

Sao Paulo/Mumbai, July 21 (Reuters) - A slowdown in Brazil's booming economy and jitters over the country's presidential election will cause the real to trail behind other BRIC nations' currencies over the next year, a Reuters poll showed on Wednesday.

While the currencies of India, China and Russia should appreciate modestly over the next 12 months, the Brazilian real (BRBY) is expected to weaken to 1.82 per dollar by the end of June 2011, according to the median prediction from 47 analysts.

Forecasters downgraded their outlook for the Russian rouble versus the dollar compared with the previous Reuters poll in March and they remained cautious about Brazil's currency.

The so-called BRIC nations have assumed ever-greater importance in the world, as those economies have begun to outgrow their more developed counterparts. Analysts credit expanding BRIC economies with boosting the global recovery.

But previous currency gains in Brazil mean the real could struggle to hold on to its current level.

"Brazil is still overvalued," said Flavia Cattan-Naslausky of RBS Securities. "So overall, that's actually a pretty decent performance for the currency."

Foreign investors trade Brazil's real through non-deliverable forwards, or NDFs -- used when a currency cannot be used for settlement outside its country of origin. NDFs are settled in cash and in dollars.

Brazil's economy bounced back from the global financial crisis last year due to strong demand from the country's growing middle class and government tax breaks.

And as investors worldwide flocked to the country's high-yielding assets, the real surged 34 percent last year.

But recent data, including inflation and industrial production, have suggested Latin America's biggest economy is slowing as the effects of government stimulus measures wear off.

Worries that a European debt crisis and sluggish U.S. growth could reduce demand for Brazil's commodity exports have also helped weaken the real about 2 percent so far this year.

A presidential election in October, and its continuing effects, could add to the pressure -- albeit perhaps only temporarily.

"The elections could bring some volatility, which should dissipate once the market sees there are no big (policy) ruptures," said Andre Sacconato, an economist at Tendencias consultancy in Sao Paulo.

Indian Rupee To Recover

The partially convertible Indian rupee ranked once again as forecasters' top bet for appreciation among the BRIC currencies.

The rupee INR=IN, which has lost nearly 7 percent from its 2010 peak of 44.18 per dollar hit in April, is expected to recover some lost ground, as the growing economy draws foreign investors.

The rupee has been convertible on current account since 1994, meaning it can be changed freely into foreign currency for purposes like trade-related expenses. But it cannot be converted freely for activities like acquiring overseas assets.

The rupee should appreciate around 6 percent to 44.6 by the end of June next year, according to the median poll forecast.

"One of the critical value drivers for the rupee are the growth prospects, and returns India offers will be higher. In the usual scenario, we should see more capital inflows," said Dharmakirti Joshi, chief economist with rating agency CRISIL.

Russia's rouble was seen strengthening a bit to 29.6 per dollar RUB= in 12 months from around 30.45 on Wednesday, and to 36.75 per euro EURRUB= from 39.03 currently.

The 12-month forecast spread for the rouble against the euro was the narrowest since this poll was launched in October last year, suggesting a greater sense of confidence. But analysts nonetheless saw reason for caution.

"It would be naive to think that all is rosy in Russia. By no means is domestic demand back to pre-crisis levels, and it will take time for households to regain their wealth," said Guillaume Tresca of Credit Agricole CIB.

"In this regard, the political authorities have failed to put in place the structural reforms that would allow the Russian economy to be less dependent on external growth."

Russia has pledged to move towards a free float and has lifted most capital controls, but the central bank still intervenes regularly to smooth exchange rate fluctuations and has said repeatedly that it is not considering completely abandoning interventions in the future.

Meanwhile, China will be true to its word and prevent a sharp rise in the newly unshackled yuan over the next year, according to a Reuters poll conducted on June 21.

Brazilian eligible voters reach 135.8 million

Brazil's eligible voters would reach 135.8 million in the general elections in October, up 7.8 percent from the 2006 polls, the Brazilian Superior Electoral Court (TSE) said Tuesday.

Some 70.3 million voters, or 51.8 percent, are female, while 48.2 percent are male, according to the TSE.

The majority of the electorate are in the age group of 25-34, which is equivalent to 24.1 percent of the total, followed by the group aged from 45 to 59, or 22.6 percent. About 2.4 million youngsters, aged 16 and 17, will vote for the first time, accounting for 1.7 percent of the voters.

A total of 200,000 Brazilians living abroad will participate in the election, but they will only choose the president and vice president.

The first round of the Brazilian election will take place on Oct. 3. If no candidate for the president or governors gets the absolute majority, there will be a runoff on Oct. 31 between the two front-runners.

Lula: Brazil's economy to grow 7% in 2010

Brazil's President Luiz Inacio Lula da Silva said on Wednesday that the country's economy would expand by 7 percent this year.

"We project an economic growth of no less than 7 percent in 2010 and we intend to create 2.5 million jobs," the president said.

According to him, such a high growth expectation is possible due to the growing domestic market, the country's solid banks and the government's anti-cyclic policies.

The president reaffirmed the need for reforms of the international financial institutions, in order to prevent another financial crisis.

"It is necessary to end lenient standards and repress the financial speculation in the international commodities market," the president said.

Finance Minister Guido Mantega confirmed the 7-percent growth estimation. He said that 2010 would be a year with high growth rates, as 2009 registered low figures due to the crisis effects.

Assuming that the economy will not be overheating this year, he said the inflation rate would meet the target set for 2010, which is of 4.5 percent with a tolerance of 2 percentage points. In the first half of the year, Brazil accumulated an inflation rate of 3.09 percent.

Earlier on Wednesday, Brazil's Central Bank said that its Economic Activity Indicator (IBC-Br) totaled 139.55 points in May, accumulating a rise of 10.29 percent in the first five months of the year compared with the same period in 2009.

In May, the IBC-Br was stable compared with April. It was the first time in 16 months the indicator did not register a rise. The IBC-Br was up 9.35 percent last May.

From June 2009 to May 2010, the IBC-Br was up 5.21 percent from the previous 12-month period.

The fact that there was no rise in the economic activity in May does not worry the government. Labor Minister Carlos Lupi said there was no need to concern the figure of the central bank.

"(The economy) might not be expanding so much, but that is different from shrinking," he said.

The IBC-Br, calculated monthly, is considered as a preview of the GDP figures. The indicator is also used to help the Central Bank's Monetary Policy Committee determine whether to modify Brazil's annual basic interest rate.

Brazilian opposition candidate blames Lula's party for links with FARC

Brazil's opposition presidential candidate Jose Serra on Monday accused President Luiz Inacio Lula da Silva's Workers' Party (PT) of keeping links with Colombia's biggest rebel group the Revolutionary Armed Forces of Colombia (FARC).

"Everybody knows PT is connected to the FARC, there is a lot of news about it," Serra said. "The FARC is connected to drug dealers, but that does not mean that PT has links to drug dealers."

However, Serra's running mate Indio da Costa said on Friday that PT has connections not only with the FARC but also with the drug industry during a chat on the website of the Social Democracy Party (PSDB).

The statement prompted PT President Jose Eduardo Dutra to announce on Monday afternoon that the party would sue both Da Costa and the PSDB for defamation.

"Those statements are absurd, unacceptable and absolutely false," Dutra said, noting that Da Costa did not just speculate on PT's alleged links with drug dealers, but categorically asserted such links.

Da Costa did not stop his verbal attack on PT despite the threat of law suit. Earlier in the day, he posted on his Twitter account three links to articles that had linked the party to the FARC.

The FARC was notorious for its kidnapping and drug dealing activities in Colombia.

Detailed Report/Chile

Chilean senators barred from entering Venezuela

Caracas (Venezuela), July 18 : Chilean senators who were planning to observe Venezuela's general elections in September will not be allowed to enter the country, Venezuelan President Hugo Chavez has said.

The institutions of Venezuela "have nothing to do with the Chilean people nor with the government of Chile," Chavez said, and asked: "But what are these senators thinking? What do they think this country is, some sports stadium?"

A resolution taken by the Chilean Senate asked international organizations to adopt a "more vigilant attitude to make sure the Venezuelan government complies with basic regulations that guarantee electoral honesty and transparency".

Fifteen senator also designated themselves as "observers" of the elections in Venezuela.

"We're not going to accept" the decision taken by the Chilean Senate, he said. "Don't be ridiculous! You're not getting in here, you're not going to enter."

The National Electoral Council, the only one with the authority to invite foreign individuals or institutions to observe elections, had barred those senators earlier.

The legislature branded as "despicable meddling with Venezuelan democracy" the Chilean Senate's resolution and called those 15 senators "heirs of the bloody dictator Pinochet", and accused them of the brazen intention of destabilizing the Venezuelan electoral process.

The speaker of the National Assembly, Cilia Flores, also called the Chilean senators "stupid". Flores urged the Chilean lawmakers to help fix the internal problems of their own country.

Nonetheless, some of those 15 Chilean senators said they will insist on traveling to Venezuela.

"We're not going to be scared off by a few nasty remarks by some (Venezuelan) officials... we are determined to persevere with the decision taken in the Senate to send a delegation," Sen. Andres Allamanad said.

Detailed Report/Colombia

Colombia says it has proof that FARC leaders are in Venezuela

(CNN) -- Colombian authorities have proof that high-ranking leaders of the Revolutionary Armed Forces of Colombia, or FARC, live in Venezuela, the Colombian government said Thursday.

Colombian President Alvaro Uribe issued a statement listing their names.

Among them is one known only by the alias "Ivan Marquez;" other names include Rodrigo Granda, whose alias is "Ricardo;" Timoleon Jimenez, whose alias is "Timochenko;" German Briceno, whose alias is "Grannobles;" and Carlos Marin Guarin, whose alias is "Pablito." The president said there are other "integral members" of the group in Venezuela.

However, details of the evidence Colombia holds was not clear. On Thursday, Colombian Defense Minister Gabriel Silva met with the directors of the Colombian media for about an hour and a half to discuss the story. At the meetings conclusion, Silva gave a brief statement to reporters reiterating that Colombia had coordinates and apartments used in Venezuela by FARC and ELN guerrillas.

Colombian authorities were aware of meetings between rebels in Venezuela as recently as Thursday, and have evidence of rebel camps, Silva said.

"The continued and permanent tolerance of the presence of terrorists in that country is a threat to the security of Colombia," Silva said.

There was no immediate response from the Venezuelan government.

Venezuela and Colombia have strained relations.

Uribe is a two-term president who has high approval ratings for his tough stand against FARC guerrillas, who have been waging war against the Colombian government for decades.

Colombia has accused Venezuelan President Hugo Chavez of supporting the rebels. Chavez has previously accused Colombian officials and right-wing paramilitary units of plotting his assassination.

Security analysts have said FARC guerrillas operate mostly in Colombia but have carried out extortion, kidnappings and other activities in Venezuela, Panama and Ecuador.

FARC is accused of trafficking in cocaine to finance its insurgency.

Colombia has also accused another neighbor, Ecuador, of giving refuge to rebels. In 2008, Colombia carried out a raid in Ecuadorian territory that resulted in the killing of a top FARC leader.

Venezuela recalls ambassador to Colombia for consultations

Foreign Minister Nicolás Maduro rejected Colombia's accusations about the alleged presence in Venezuela of members of the Revolutionary Armed Forces of Colombia, a guerrilla army.

The Venezuelan government said on Friday that it has recalled Gustavo Márquez, its ambassador to Bogotá, for consultations, a day after the Colombian government said that it has evidence that several rebel leaders are hiding in Venezuela.

Venezuelan Foreign Nicolás Maduro said that Caracas sent a note of protest to the government of President Alvaro Uribe Vélez, in a new escalation in the tense diplomatic relations between the two South American neighboring countries, Reuters reported.

"We have recalled our Ambassador to Bogotá, Gustavo Márquez, for consultations in Caracas," said Maduro, as reported by AFP.

Venezuelan authorities want Márquez "to take part in assessing a series of moves" to be taken by the government of President Hugo Chávez "in the next few hours, specifically, political measures," said Maduro.

"We have acted accordingly and delivered (to Colombia) a note of protest issued by the Venezuelan government rejecting the lies, the 'false positive' scandals and the dirty war of the government of President Álvaro Uribe," Maduro added.

"On behalf of our motherland, we are rejecting and protesting against the political aggression launched on Thursday through a media operation by the Colombian government. This is a brutal assault on our country," Maduro said at a press conference.

Colombia seeks OAS action in Venezuela rebels dispute

(Reuters) - Colombia asked the Organization of American States on Friday to deal with its complaint that neighbor Venezuela tolerated the presence of Colombian leftist rebels, after Caracas recalled its ambassador to Bogota in protest at the charges.

The diplomatic moves signaled an escalating dispute between the two Andean neighbors before the August 7 inauguration of Colombia's newly elected president, Juan Manuel Santos.

Venezuelan President Hugo Chavez's government accused outgoing Colombian President Alvaro Uribe of seeking to wreck moves to repair relations between the two countries, which have often been strained over security and border issues.

"As these steps (for improved relations) are going ahead, Uribe's government has decided ... to dynamite the rapprochement," Venezuelan Foreign Minister Nicolas Maduro told a news conference in Caracas, adding that Caracas was recalling its Bogota ambassador for consultations.

Colombia said on Thursday it had proof backing its accusations that members of Colombian guerrilla groups like the Revolutionary Armed Forces of Colombia, FARC, and National Liberation Army, ELN, are hiding in the jungle on Venezuela's side of the border.

Following up on its accusation, Colombia's presidency on Friday requested that the OAS hold an extraordinary meeting of its permanent council to deal with the alleged presence of the rebels in Venezuela.

The meeting should be held "at the earliest possible opportunity", a presidency spokesman said in Bogota.

Rejecting the Colombian charges as "an old broken record," Chavez called Uribe a "mafioso ... full of hatred."

"We're not going to be provoked," Chavez said, adding he would give Santos a chance to act on his declared intentions of improving Colombian relations with Venezuela.

"I'm waiting to see," Chavez said in a broadcast.

Venezuela would study what "political and diplomatic measures" to take in response to what it called Colombia's "aggression" and these would be announced in due course, Foreign Minister Maduro said.

Colombia said in the last six years it had repeatedly given the Venezuelan government information about the alleged presence of the rebels on Venezuelan soil, but Caracas had failed to react.

In 2008, Bogota released information gleaned from computers taken from a FARC camp that it said showed Chavez had backed the guerrillas financially. Chavez denied the charges.

Maduro said Venezuela's security forces had followed up information given by Colombia about suspected rebel camps. He said the tip-offs had never proved to be correct.

'Absolute Respect'

The latest Colombian charges piled more strain on relations already been damaged by a deal letting U.S. forces use Colombian military bases for anti-drug operations.

Chavez, whose socialist rhetoric and policies have made him an anti-U.S. and anti-capitalist standard-bearer in Latin America and the world, said the deal could herald a U.S. invasion of his OPEC nation.

Maduro, declaring he hoped Santos would act quickly to correct Uribe's policies, said Venezuela demanded "absolute respect" for its sovereignty, institutions and head of state.

In a statement earlier on Friday, the Venezuelan government said the U.S. Embassy in Bogota had been involved in the announcement by the Colombian Defense Ministry on Thursday, and accused it of "intrigue."

Colombia's decades-old guerrilla war often spills into neighboring countries. Two years ago, Colombian forces attacked a FARC camp in Ecuador, killing a top rebel leader.

Ecuador and Venezuela broke diplomatic ties with Colombia over the raid and relations have yet to be fully restored.

Maduro said Venezuela had for years sheltered refugees from Colombia's conflict and that the war should be solved through peace talks rather than through military force.

Chavez denies allegations he supports any guerrilla groups, and says such charges are part of a Washington-led plan to discredit him and his socialist "revolution."

He does not consider the FARC to be a terrorist group and says he cannot take sides in Colombia's internal conflict.

Chavez ordered a slowdown of trade between Venezuela and Colombia last year after Bogota let U.S. forces use Colombian military bases. Annual trade had totaled some \$7 billion, and the cutoff exacerbated shortages and fueled high inflation in Venezuela, while slowing Colombia's economic recovery.

Colombia is the main U.S. military ally in South America and has received billions of dollars in U.S. aid to help fight the FARC and ELN, which are funded by kidnapping, extortion and cocaine smuggling.

United States concerned over presence of FARC leaders in Venezuela

The US State Department spokesman Philip Crowley said that Venezuela is obliged to "prevent terrorist groups from operating in its territory"

The United States studies the allegations made by the Colombian government according to which there are guerrilla leaders in Venezuela. Washington has been concerned "for a long time" about the possible presence of Colombian rebels in Venezuela, the US State Department spokesman Philip Crowley said.

The United States is studying the allegations made by Colombia according to which guerrilla leaders are hiding in Venezuela.

"We are studying these reports. Some of this is not new, since there has been concern for some time about cross-border activities or involvement in rebel activities," Crowley told reporters.

The Colombian government said on Thursday that it has evidence that leaders of the Revolutionary Armed Forces of Colombia (FARC) and the National Liberation Army (ELN) are hiding in Venezuela.

Venezuela is obliged to "prevent terrorist groups from operating in its territory," Crowley said.

Venezuela's Chavez warns Colombia he could cut ties, won't attend inauguration

Caracas, Venezuela (AP) — Venezuelan President Hugo Chavez said Friday he won't attend the inauguration of Colombia's president-elect, and warned he could break off ties if the country's outgoing leader persists in accusations that Colombian rebel leaders are taking refuge in Venezuela.

Chavez called the accusations "madness" and said in a televised speech he won't attend the inauguration of President-elect Juan Manuel Santos.

Chavez denied the allegations by outgoing President Alvaro Uribe's government, saying, "We don't hide anyone here." He said if those in Uribe's government "continue with their madness, I'm going to break relations with Colombia in the coming hours."

He also said, however, that the situation poses a test for Santos and that "if there is respect," Venezuela will be willing to take up positive relations again.

Chavez called his ambassador home from Bogota for consultations in protest.

Colombian officials have long complained, mostly in private, that Chavez has harbored leaders of its two main rebel groups. But on Thursday, the Colombian Defense Ministry showed video, photographs and satellite images to Colombian journalists that it said proved the presence of rebel leaders in neighboring Venezuela.

Uribe leaves office on Aug. 7. The hard-line president has been widely credited for seriously weakening Colombia's leftist insurgencies, one of which killed his father in a botched 1983 kidnapping.

Because Uribe has frequently feuded with the Venezuelan president, many Colombians believe the renewed accusations show his dissatisfaction with the olive branch that Santos has extended to Chavez.

Trade between Venezuela and Colombia has fallen 70 percent since Chavez froze relations over the past year in response to Colombia's decision to grant Washington expanded access to its military bases.

If the situation with Colombia continues like this, Chavez said, trade will decline further and "we won't buy anything, nothing at all from Colombia."

Chavez called Uribe a "mafioso" but said he is adopting a wait-and-see approach to Santos.

Santos has stressed the importance of mending trade relations with Venezuela that overwhelmingly benefit Colombia's food producers.

Uribe's government said in a statement Friday that it asked the Organization of American States to convene a special session to "examine the presence of Colombian terrorists in Venezuelan territory." It cited numerous failed efforts to resolve the problem through direct dialogue with Venezuela.

In Washington, U.S. State Department Spokesman P.J. Crowley expressed concern and also said that "some of this is not new."

"Venezuela is obliged, as a member of the United Nations, the OAS ... to deny terrorist groups the ability to operate within its territory," Crowley told reporters. "We've been concerned about this for some time."

Chavez's Threatened Boycott Wouldn't Harm Colombia's Economy, Zuluaga Says

Colombia's economy won't be affected by a dispute with Venezuela because trade between the countries is already so low, Colombian Finance Minister Oscar Ivan Zuluaga said. "How much more can it fall?" Zuluaga told reporters in Bogota today. "The effect on the economy is almost zero."

Colombia's government said July 15 that it has satellite photos, video and intelligence from guerrilla deserters that prove Colombian rebel commanders are living in Venezuela. They

include those known by the aliases as Ivan Marquez and Timochenko, who are members of the high command of the Revolutionary Armed Forces of Colombia, or FARC.

Trade between the two nations plunged in 2009 following a dispute about the U.S. military's presence in Colombia. Exports from South America's fourth-biggest economy to Venezuela declined 71 percent in the first five months of 2010 from the same period a year earlier. Before relations soured, Venezuela was Colombia's biggest export market after the U.S.

Venezuela may stop importing Colombian goods if the accusations persist, Venezuelan President Hugo Chavez said.

"If this continues, trade will become zero," Chavez said July 16. "We won't buy anything from Colombia."

Colombia's peso strengthened 0.1 percent to 1,875.40 per dollar at 2:36 p.m. New York time from 1877.85 on July 16.

Santos and Uribe exchange views about Venezuela

Outgoing Colombian President Álvaro Uribe presented president-elect Juan Manuel Santos the evidence that his government will submit to the Organization of American States (OAS), during a meeting next Thursday in Washington, to demonstrate the presence in Venezuelan territory of several leaders of the Revolutionary Armed Forces of Colombia (FARC) and the National Liberation Army (ELN)

Colombian outgoing President Álvaro Uribe and president-elect Juan Manuel Santos met in private on Monday and reviewed outstanding issues, thus defying reports that they were at odds over different topics.

The diplomatic crisis with Venezuela was one of the most important issues addressed by the two leaders at their meeting. Sources of the Colombian presidential palace said that the meeting was "cordial, warm and constructive," reported Colombian newspaper El Tiempo.

Uribe gave Santos the pieces of evidence that Colombia will take to the OAS meeting to be held on Thursday in Washington, to demonstrate the presence of leaders of the Revolutionary Armed Forces of Colombia (FARC) and the National Liberation Army (ELN) in Venezuela. Although Santos left the presidential palace without making any statement, El Tiempo reported that he had no major objections to Uribe's plan.

Ecuador, Colombia seek to restore diplomatic ties

Foreign Minister Ricardo Patino met with Colombian representative Maria Angela Holguin Monday on the resumption of the diplomatic ties between the two countries.

The talks were held as Ecuador and Colombia are taking steps to repair their estranged relations. Quito cut off diplomatic ties with Bogota in March 2008 following Colombia's bombing attack on a guerilla camp on the Ecuadorian side of the border.

Holguin, Colombia's foreign minister-designate, told reporters that her visit was aimed to foster a smooth relationship between Ecuador and the new Colombian government under President-elect

Juan Manuel Santos. Santos served as defense minister at the time of the raid and is facing an arrest warrant by an Ecuadorian court.

Earlier in the day, Patino said his country is willing to restore ties with Colombia.

"We are going to talk with the Colombian authorities, with the new authorities and we are going to ask them, please, to have control in their border," he said.

The two countries have resumed part of their diplomatic relations but neither country has appointed an ambassador yet. Holguin's visit is part of Colombia's efforts to restore full diplomatic ties with Ecuador on the basis of juridical equality and mutual respect.

Monday's talks are expected to involve the issue of Colombia's alleged spying operation against Ecuadorian political and diplomatic authorities, including Ecuadorian President Rafael Correa.

Colombia's relations with its neighbors are often thorny as Bogota struggles to crack down on the Revolutionary Armed Forces of Colombia rebel group which has set up footholds in neighboring countries.

US encourages dialogue between Venezuela and Colombia

"It would be good for the region if those tensions would decrease," US State Department spokesman Philip Crowley said.

The US Government wishes "further dialogue" between Venezuela and Colombia to ease the tension between the two countries, State Department spokesman Philip Crowley said on Wednesday.

"We certainly would encourage dialogue between Venezuela and Colombia and the peaceful resolution of the situation," Crowley added in a press conference.

His remarks came after Bogotá claimed last week that Colombian guerrilla members were in Venezuelan territory, embittering again the bilateral relation.

"It would be good for the region if those tensions would decrease," Crowley reasoned.

Colombia's complaint made Venezuela's President Hugo Chávez recall his ambassador to Bogotá and promise not to attend the inauguration next August 7 of Colombian president-elect Juan Manuel Santos.

Outgoing Colombian president delivers last speech at parliament

Colombia's outgoing President Alvaro Uribe on Tuesday delivered his last speech to parliament at the inauguration of the new National Congress.

In his speech, Uribe gave a brief account of the history of Colombia, which celebrates the bicentennial of independence from Spain.

"We know that Colombia has not lost its character and the fight for freedom, otherwise we would lose our dignity," he said.

The new Congress is made up of 102 senators and 166 representatives from the Chamber of Deputies -- most of them from the ruling party, with only 12 from the opposition.

Uribe's presidency will be taken over on Aug. 7 by Juan Manuel Santos, who is also from the Social Party of National Unity.

Telesforo Pedraza, a member of the chamber from the Conservative Party, told Xinhua the new Congress will have a new atmosphere and will give backing to proposals put forward by the president-elect.

Detailed Report/Mexico

Kuwait, Mexico sign MOU to boost bilateral relations

Mexico City: His Highness the Prime Minister Sheikh Nasser Al-Mohammad Al-Ahmad Al-Jaber Al-Sabah and Mexican President Felipe de Jesus Calderon held official talks on Thursday evening, at the presidential palace in Mexico City.

A spirit of warmth and friendship prevailed over the talks, during which the two sides discussed bilateral relations in the political, economic, commercial and cultural areas, as well as means to further enhance them to ensure the prosperity of the Kuwaiti and Mexican people.

Following the talks, a memorandum was signed to put in place a mechanism for deliberation over issues of mutual concern between the Kuwaiti and Mexican foreign ministries. A joint declaration by the Kuwaiti and Mexican governments was also signed.

The two documents were signed by Kuwait's Deputy Premier and Foreign Minister Sheikh Dr. Mohammad Sabah Al-Salem Al-Sabah and Mexico's Secretary of Foreign Relations Patricia Espinosa Cantellano.

The Kuwaiti premier and the Mexican president expressed their content with the warmth that prevailed over the talks, and said that signed the two agreements would serve to further cement ties between the two countries.

Meanwhile, the Kuwaiti foreign minister held talks with his Mexican counterpart. Following the meeting, Sheikh Mohammad said that the talks were fruitful and that the two officials reached an understanding over many of the discussed issues.

He noted that Mexico was a member of the UN Security Council (UNSC) and that there were many important issues related to Kuwait that were discussed, including Iraq's commitment to resolutions of the UNSC. Other topics included the situation in the Middle East, Israeli's repeated crimes against the Palestinian people, and the Iranian nuclear file.

Sheikh Mohammad said that Mexico was greatly concerned with the security and the stability of the Middle East, and that he had briefed his Mexican counterpart on Kuwait's stance on these matters. The Kuwaiti foreign minister said that the UN Climate Change Conference, to be hosted by Mexico in late 2010, was also discussed.

Climate change is an important issue for the two countries because they are oil producers, and fossil fuel has an impact on climate stability, he said, adding that as oil producers our countries had to have a clear opinion on what measures needed to be taken.

Moreover, Sheikh Mohammad said that the two foreign ministers also discussed joint ventures and what Mexican investments had to offer to the Kuwaiti private sector in general.

Meanwhile, Kuwait's Finance Minister Mustafa Jassem Al-Shimali said that talks between the two sides were constructive and useful to the two countries. He noted that Kuwait was always seeking new investment opportunities, adding that the Latin American tour of the Kuwaiti premier fell within this scope, and Mexico was one of the promising countries and there were many projects that would be studied by Kuwait Investment Authority. – Kuna

Car bomb in Mexican drug war changes ground rules

Ciudad Juarez: Mexican drug traffickers' first car-bomb attack against police has revealed a new level of cold-blooded planning that is forcing this border city and security forces to change the way they confront violence.

Police said Saturday that La Linea drug gang - the same group blamed for the March killing of a US consulate employee and her husband — lured federal officers and paramedics to the site of a car bomb by dressing a bound, wounded man in a police uniform and calling in a false report of an officer shot.

The gang then exploded a car holding as much as 22 pounds of explosives, killing the decoy, a rescue worker and a federal officer. A regional military commander said a cell phone might have been used to detonate the bomb.

The gang promised to strike again, with graffiti painted on the wall of a Ciudad Juarez shopping center. "What happened... is going to keep happening against all the authorities," the message read. "We have more car bombs." Mayor Jose Reyes Ferriz said city authorities "will have to change the way we operate. We've started changing all our protocols, to include bomb situations." He fears such attacks could hit the morale of his already overworked police force.

"Having attacks, direct attacks, on the police department creates the possibility of police just retiring or quitting," he said.

Reyes Ferriz said at least 14 police officers or other law enforcement officials have been killed in the last few weeks in and around the city. The city has a police department of about 2,800 officers.

They are backed up by as many as 5,000 federal police, one of whom died in the car-bombing. The security equation has shifted for them too.

Civilian Ciudad Juarez residents also were emotionally shaken by the bombing, which scattered debris over a 300-yard radius and blew out the windows of a nearby home.

Ciudad Juarez, across from El Paso, Texas, has become one of the most dangerous cities in the world, with more than 4,000 people killed since the beginning of 2009.

Police said the attack was in retaliation for the arrest of a top leader of the La Linea drug gang, Jesus Acosta Guerrero, earlier in the day.

Police said Acosta Guerrero, 35, was the “operations leader” of La Linea, which works for the Juarez drug cartel. He was responsible for at least 25 killings, mainly of rival gang members, and also ordered attacks on police.

Drug cartel battles have resulted in the deaths of about 25,000 people since late 2006 in Mexico.

Mexico to play active role in UN Climate Meet

Mexico: As host of the next UN climate change conference, Mexico will seek to build consensus on financing, technology and commitments, Mexican Foreign Minister Patricia Espinosa said.

Speaking at an environmental event in the Mexican capital Friday, Espinosa said it would be very important for the 16th Conference of the Parties (COP 16) to the United Nations Framework Convention on Climate Change, set for late 2010 in Cancun, to establish basic mechanisms for specific and immediate actions to limit global warming.

Alluding to disagreements in preceding forums, the diplomat pointed out that "the pieces of the puzzle are known, but we have not attained a balance for achieving political agreement that establishes clear rules among those components: financing, technology and goals of the states."

U.S. Anti-Drug Aid to Mexico Lags \$1.6 Billion Promise as Violence Rages

The U.S. government has delivered only about 9 percent of the \$1.6 billion in drug-war aid promised to Mexico and Central America as Mexican executives say increasing violence is the greatest threat to the economy.

U.S. agencies were forced to delay delivering training and equipment included in the 2008 Merida Initiative because they lacked staff and funding, the U.S. Government Accountability Office said in a report, a draft of which was provided by the office of Congressman Eliot Engel, Chairman of the House Foreign Affairs Subcommittee on the Western Hemisphere. The GAO will present the report in testimony before Congress today.

The shortfall in U.S. assistance hurts Mexican President Felipe Calderon’s fight against organized crime, said Adam Isacson, senior associate at the Washington Office on Latin

America, a human rights and policy research group. Armed groups in northern Mexico murdered political candidates in this year's regional elections and have expanded their tactics, including detonating a car bomb in Ciudad Juarez last week.

"When you consider the urgency with which politicians talk about violence in Mexico and the threat it poses to us, to have only delivered 9 percent after two years is pretty remarkable," Isacson said in a telephone interview from Washington.

Mexico has reported almost 25,000 deaths related to organized crime since Calderon took office in December 2006. The government estimates violence shaves 1 percentage point from gross domestic product each year.

Mexico's peso has gained 2.5 percent this year against the U.S. dollar, the second-best performer among the 16 major currencies tracked by Bloomberg, after Japan's yen.

Delivered Aid

The Merida Initiative, supported by President George W. Bush, pledged aircraft, boats, drug-sniffing dogs and youth education programs with about \$1.3 billion of the funding promised to Mexico, the GOA report said. The \$141.2 million in assistance delivered thus far includes 5 Textron Inc. Bell helicopters and 13 armored General Motors Co. Chevrolet Suburban sport-utility vehicles, the report showed.

Aid the U.S. committed to the region that hasn't been delivered as of March 31 includes at least nine Black Hawk helicopters for Mexico and drug interdiction boats for Costa Rica, Belize and El Salvador. Six of the helicopters are set to arrive in Mexico before the end of the year, while the other equipment has no estimated delivery date, according to the GAO, which cited U.S. State Department data.

The impact of violence is the biggest threat to the Mexican economy, according to 57 percent of Mexican executives, up from 49 percent in March and 22 percent in December 2009, a survey published yesterday by Deloitte Touche Tohmatsu showed.

Deaths This Year

The second-most cited concern was a U.S. economic slowdown, according to the June 7-29 poll of 381 Mexican business leaders.

"The U.S. economic situation and political discord in our country have lost importance in the view of executives as the main threat for the economic development of Mexico," Deloitte Touche Tohmatsu said.

Mexico's drug-related killings in 2010 rose to 7,048 through mid-July, according to Attorney General Arturo Chavez Chavez.

Engel, a Democrat from New York, said the government of President Barack Obama is seeking to quicken the pace of the aid. Engel added that the U.S. must do more to define the goals of the anti-drug spending, which he said “lacks fundamental measurements of success.”

“We must continue to expedite Merida assistance to Mexico,” he said in an e-mail yesterday.

Mexico Businesses See Drug Violence as Bigger Threat Than U.S. Downturn

Mexican business leaders are growing increasingly concerned about violence tied to drug cartels, saying it’s the biggest threat to the economy, a survey by Deloitte Touche Tohmatsu showed.

The impact of violence is the biggest threat to the economy according to 57 percent of executives, up from 49 percent in March and 22 percent in December 2009, said the June 7-29 poll of 381 Mexican business leaders released today. The second-most cited concern was a U.S. economic slowdown.

“The U.S. economic situation and political discord in our country have lost importance in the view of executives as the main threat for the economic development of Mexico,” Deloitte Touche Tohmatsu said.

Almost 25,000 people have been killed in fighting among gangs, the police and the army since President Felipe Calderon took office in 2006, fueling a debate about whether his strategy of taking on narcotics traffickers has failed. The government estimates violence shaves 1 percentage point from gross domestic product each year.

Latin America’s second-biggest economy is recovering from its worst contraction since 1932, after shrinking 6.5 percent last year. The central bank forecasts the economy will grow as much as 5 percent this year.

Gunmen massacre 17 at Mexico birthday bash

Mexico City, Jul 19, The New York Times: Gunmen burst into a birthday party where celebrators were dancing to live music and opened fire early Sunday, killing at least 17 people in an attack that was violent even by the bloody standards of Mexico’s drug war.

The government said the attack, at a party gathering in the northern city of Torreon, appeared to be the work of a drug gang, but officials said they had not determined the possible motive for the killings as of late Sunday. Among the dead was the birthday honouree, a man whose name was given only as Mota, according to authorities quoted by local media. Mota is the Mexican slang word for marijuana.

The gunmen, who struck around 1:30 am, were travelling in a convoy of eight cars, witnesses told local media. Without warning they entered the party and began firing indiscriminately before escaping. "They shot anything that moved," according to a local police source quoted in the newspaper El Norte.

Among the dead were five women. Although the vast majority of the nearly 25,000 people killed since President Felipe Calderon began his attack on drug gangs in December 2006 have been men, women have increasingly become targets.

Transit point Torreon, in the state of Coahuila, which borders Texas, has become a battleground in the drug war as a transit point to the United States. At the end of January, gunmen killed 10 young people in an attack in a bar there. In May, eight more young people were killed in an attack in another Torreon bar. Several of those who were killed were students and did not appear to have any links to drugs.

In May 2009, a journalist from Torreon was abducted and killed by kidnappers that investigators suspect were members of the Zetas drug gang.

The birthday party killings in Torreon came three days after a car bomb in the border city of Ciudad Juarez killed four people, including two federal policemen. It was the first time that a car bomb had been used in an attack in the drug violence, leading to fears that Mexico may be facing a new kind of terrorism.

Attorney General Arturo Chavez Chavez said that the car bomb was in retaliation for the arrest of a top gang leader on Thursday.

As for the increasing levels of violence, he attributed it to feuding among drug gangs. "When the organisations are split, the strongest keeps what it already has and the splinter group goes in search of new latitudes, and that means they invade spaces that already belonged to somebody. That provokes conflicts and wars, which is what we're living."

Detailed Report/Venezuela

Netherlands, Venezuela to boost cooperation following Chavez airspace complaint

Caracas, Venezuela (AP) — The foreign ministers of the Netherlands and Venezuela agreed to strengthen cooperation after President Hugo Chavez's government protested what it called violations of its airspace by a Dutch military aircraft, authorities said Saturday.

Dutch Foreign Minister Maxime Verhagen met with his Venezuelan counterpart, Nicolas

Maduro, who called it a welcome opportunity to discuss "the differences we have and to be able to communicate more closely and build an agenda," the Venezuelan government said in a statement.

The self-governing Dutch islands of Aruba, Curacao and Bonaire lie off Venezuela's coast, and Chavez's government complained that a Dutch military aircraft violated its airspace three times earlier this month.

Chavez on Wednesday publicly questioned how long the Dutch islands off Venezuela's coast will remain part of the Netherlands and said he believes they will one day be independent.

Verhagen was accompanied by the leaders of Aruba and the Netherlands Antilles for the talks Friday night.

A joint government statement released by Venezuela said the foreign ministers reaffirmed a commitment to "absolute respect of territorial integrity and sovereignty."

It said they also agreed to study the possible construction of a natural-gas pipeline from Venezuela to Aruba, and expressed support for maintaining a cooperative relationship between Venezuela's state oil company and oil refineries in Aruba and Curacao.

Venezuelan president condemns terrorist attacks in Iran

Venezuelan President Hugo Chavez on Friday condemned the suicide bombings in Zahedan, southeast Iran, which killed at least 27 people on Thursday.

"The Venezuelan government and people express their deepest sympathy to the relatives of the victims of this coward crime, carried out with irrational hate against innocent people," he said a statement released by the Foreign Ministry.

"The authors of this savage crime will be subjected to the justice of the Islamic Republic of Iran's authorities."

Chavez also stressed the "strong ties" between his country and Iran and voiced firm support to the Iranian people.

Two suicide bombings struck a mosque in Zahedan, capital of Sistan-Baluchestan province on Thursday when people were gathering to mark the annual Guards Day, killing at least 27 people and injuring some 270.

The Jundallah rebel group has claimed responsibility for the attacks.

What socialism? Private sector still dominates Venezuelan economy despite Chavez crusade

Caracas (AP) — It's President Hugo Chavez's biggest economic battle cry, and it's getting louder as Venezuela suffers a recession: "We're going to bury Venezuelan capitalism."

Yet creating a socialist economy is one of Chavez's most elusive goals — a stark example of the disconnect between the president's rhetoric and the reality on the ground. In fact, the private sector still controls two-thirds of Venezuela's economy — the same as when Chavez was elected in 1998, according to estimates by the Central Bank.

The reasons are political and practical: Chavez knows most Venezuelans recoil from the idea of Cuban-style state control, and his government is far from being capable of taking over and running a majority of the economy.

"Basically he recognizes that in this day and age in a global economy ... complete state control would just doom the country," said Michael Shifter, an analyst at the Washington-based Inter-American Dialogue.

So his strategy has been to selectively nationalize companies, set up state-run supermarkets and promote worker-managed businesses, while trying to convince Venezuelans to accept his vaguely defined brand of "21st Century Socialism."

It is a hard sell for a country hooked on consumerism.

Shopping malls are filled with middle- and upper-class Venezuelans browsing through Lacoste shirts, Guess jeans and Montblanc pens. Sales have declined in the recession, but just about everyone who can afford it seems to own a BlackBerry, and Scotch whisky flows liberally in upscale restaurants at the equivalent of \$110 a bottle.

Just as Chavez has ramped up his anti-capitalism tirades, he finds himself facing one of the biggest scandals of his tenure involving a state-run food distributor. The company, PDVAL, left more than 2,700 shipping containers of rice, flour, milk, chicken, beef and other foods in a port rotting or beyond their expiration dates.

Its former chief and two others have been arrested, and some Venezuelans have begun to mockingly call the state company "Pudre-val," using the Spanish word for rotting. One newspaper cartoon depicted Karl Marx wearing a gas mask to ward off the stench.

It's a glaring example of the problems and delays that regularly plague Venezuela's government-run operations.

In a review of 15 state-run companies, economist Richard Obuchi found that all "were producing well below goals or production capacity."

The vast majority — some of which were nationalized by Chavez — now rely on government subsidies, said Obuchi, a professor at the Institute of Higher Administration Studies, or IESA, in Caracas.

One of the expropriated companies, industrial valve maker Industria Venezolana Endogena de Valvulas SA, or INVEVAL, has been limited to refurbishing old oil industry and water valves for years — instead of producing them as it once did.

Port workers in Puerto Cabello, where much of the rotten food was found, say six of the port's eight cranes are out of order and the pace of importing cargo has slowed since the government took over management last year.

The country's food imports have grown as the government has seized farmland, and periodic shortages of foods such as milk, beef and sugar have emerged in recent years.

People at a state-supported farming commune on the outskirts of Caracas say they have been waiting for a new well to water crops for more than a year since the first one went dry.

While production has declined, the public sector has swelled from about 1.4 million workers in 1999 to about 2.4 million in 2010, according to government figures.

"They don't have the capacity to manage any company," said Rafael Davila Guaricuco, a 34-year-old port crane operator. "They're destroying everything."

That is precisely the perception Chavez tries to fight in his speeches.

"The bourgeoisie is trying to convince Venezuelans that the path to socialism isn't viable, that all businesses in socialism go bust. It's the opposite," Chavez said.

He pitches cut-rate prices at subsidized state-run supermarkets like a salesman, and touts a successful state-run dairy factory, cooking oil plant and the nationalized telephone company.

State-run markets are part of Chavez's attempts to counter 31-percent inflation that has been battering the country, alongside a recession that shrank the economy 5.8 percent in the first quarter. Venezuela is now the only South American country with a shrinking economy, according to the latest figures available.

Tensions are growing between Chavez and business leaders, who blame his policies for prompting a sharp drop in investment.

Chavez's finance and communication ministers didn't respond to e-mails seeking comment about his efforts toward socialism.

Since 2007, Chavez has nationalized and expropriated companies in sectors he deems strategic, including the oil industry, cement, telecommunications, electricity, steel and food. But economists note that those businesses make up a relatively modest share of the economy.

And the balance between public and private sectors remains nearly identical to when Chavez took office in part because the private sector grew faster than the government between 2003 and 2006, when the economy was booming.

Last year the private sector accounted for 70 percent of gross domestic product, including 11 percent in taxes paid on products, according to Central Bank estimates. The public sector was 30 percent, a slightly smaller share than when Chavez was elected in 2008.

By international standards, Venezuela has long had a large public sector because it includes the oil industry. By comparison, the public sector in Sweden accounts for 25 percent of GDP, and in United States less than 14 percent.

Chavez could have moved more quickly toward bigger state control while the economy was growing, but he had other priorities, including consolidating his political power after a 2002 coup that ousted him for two days.

He now has a favorable congress and judges. But just as he turned to his socialist economic agenda, lower oil prices and the global economic crisis cut into the money he had to take over and run companies.

Polls have repeatedly shown Venezuelans oppose expropriations. Chavez now is focused on maintaining his majority in September congressional elections and on his own re-election in 2012.

He has repeatedly said he would not use Cuba or the collapsed Soviet Union as an economic model, noting that even his mentor Fidel Castro has advised him: "Chavez, remember this isn't 1960."

Victor Alvarez, an economist and former mining minister for Chavez, said the aim is to build a new sort of "social economy" sector made up of worker-managed companies, farming cooperatives and other community-run businesses.

"The objective isn't for the state to have the greatest weight in the economy, because that would be simply repeating the experience of 20th century socialism," said Alvarez, who has been studying the transition to socialism at a government-sponsored research institution.

A plan prepared in 2007 by the government projected that such "social economy" businesses and the public sector would together become larger than the private sector by 2013.

Chavez knows he is still very far from that goal.

But he says he won't give up, using one of his favorite mantras: "We invent or we fail."

Chavez says he's gotten nearly 288,000 help requests through Twitter

(CNN) -- Venezuelan President Hugo Chavez says his government has received nearly 288,000 requests for help from citizens through his 3-month-old Twitter account.

The controversial leftist leader signed onto Twitter in late April and has more than 674,000 followers. He added more than 1,000 Tuesday.

His address is @chavezcandanga. "Candanga" means "devil" in Spanish, but in Venezuelan slang, it also can mean someone who is tireless or blunt.

Chavez's Twitter bio identifies him as "president of the Bolivarian Republic of Venezuela, Bolivarian soldier, socialist and anti-imperialist."

Chavez follows six accounts, one of them dealing with former Cuban President Fidel Castro, a strong ally.

Speaking at an official function Monday, Chavez said he had received 287,921 pleas for help through Twitter, the state-run AVN news service reported. A team of government workers processes each case, Chavez said.

"It's another mechanism for contact with the public, to evaluate many things and to help many people," Chavez is quoted as saying.

Among the requests for help, Chavez said, 19,000 were for employment, 17,000 for a place to live, 12,000 for credit and 7,000 for legal aid.

Chavez also said he has received 139,000 favorable messages offering support, 88,000 complaints against someone and 66,000 unfavorable or critical messages.

A Twitter plea Monday night seems typical of several found on Chavez's account.

A person who says she's 14 years old asks the president for help because her father has been out of work for nearly a year and her four-member family has been forced to move in with an aunt, where they must sleep in one of the home's three rooms. There are eight people in the house, and the aunt wants them to leave, the teen wrote in dozens of tweets, each of which is limited to 140 characters.

She lists a telephone number where Chavez can reach her.

Chavez answered with a tweet, instructing the government's commune and social protection minister, Isis Ochoa, to "urgently call this adolescent friend."

No one from the government had called by Tuesday afternoon, said the teen, whose name is Lohana Avirla.

Asked if she believes someone will call, she said, "Of course. I expect his help."

The teen's mother, Lluneidis Avirla, said she also expects assistance.

"Truthfully," she told CNN, "our situation is sufficiently bad that it's necessary that he help us."

Having her daughter tweet Chavez was "a last recourse," the mother said.

The girl said she sent tweets to Chavez for about a month before he answered.

Chavez also comes under criticism in his account, and he often answers those comments, too.

One person wrote Monday night to ask why Chilean observers will monitor Venezuelan parliamentary elections in September when everyone knows the outcome has been predetermined.

"Poor you, who doesn't know what he's saying," Chavez answered 13 minutes later.

Chavez's use of modern social media such as Twitter and a personal website combines new techniques with classic Latin American political leadership that thrives on personal connections, said Susan Kaufman Purcell, director of the Center for Hemispheric Policy at the University of Miami.

"It's both old and new," Purcell said, noting that she recalls Mexican citizens lining up for hours at the presidential palace years ago to make a request of the nation's leader.

"It's the commandeering of very modern technology to continue what were old types of relationships," Purcell said.

President Chávez to name a member for Globovisión board of directors

Venezuela's President Hugo Chávez is sure that the administrative board of Banco Federal should appoint a representative in the board of directors of private news TV channel Globovisión. He recommended his staunchest allies Mario Silva and Alberto Nolia

President Hugo Chávez reported on Tuesday that in the upcoming days the administrative board

of Banco Federal must appoint a representative in the board of directors of private news TV channel Globovisión. He claimed that the government now has a 25.8-percent stake in the TV channel.

"(Nelson) Mezerhane has a business which has been seized, which holds 20 percent of shares in Globovisión, and another business which holds 5.8 percent; taken together, this makes 25.8 percent (...) Now, then, over the next few days, the administrative board of Banco Federal should, want it or not, appoint a representative in the board of directors of Globovisión, because we now own 25.8 percent of the stocks and this gives us the right to name a representative in the board of directors," Chávez reasoned.

"I am thinking about the nominee," said Chávez. "Mario Silva, the first candidate; he is a candidate." He also mentioned Alberto Nolia.

"We are not expropriating, but entering the business," he added.

Venezuela Awareness Foundation

NGO refuses "abuse and unlawfulness" of the announcement on Globovisión. Miami-based Foundation Venezuela Awareness Foundation regretted that Venezuelan President Hugo Chávez nominated Mario Silva and Alberto Nolia as the potential representatives of 25 percent of the interest of the Federal Group in the TV channel, "because both of them are persons who solicit hatred, calumny and everything related to human rights abuses"

Venezuela Awareness Foundation categorically rejected the "abusive and unlawful way" of President Hugo Chávez when reporting on taking up the shares of private news TV channel Globovisión, which belonged to Nelson Mezerhane, after taking over the companies of the Federal Group.

The group of Venezuelan residents in Miami considered that the government action tries to "silence the only independent TV channel, which endangers freedom of press and speech in a country which claims to be democratic." This, in their opinion, would ratify that the judiciary is unconstitutionally used in Venezuela.

They also regretted that the Head of State nominated Mario Silva and Alberto Nolia as the potential representatives of 25 percent of the interest of the Federal Group in the TV channel, "because both of them are persons who solicit hatred, calumny and everything related to human rights abuses. In this way, the Venezuelan government unveils its true nature and ideals."

Venezuelan president accuses Colombian counterpart of "playing victim"

Venezuelan President Hugo Chavez Tuesday accused his Colombian counterpart Alvaro Uribe of "playing the victim" by alleging that Colombian guerilla leaders are hiding in Venezuela's territory.

Referring to a debate to be started on Thursday at the Organization of American States (OAS) about the issue, Chavez accused Uribe of attempting to use the OAS as the stage for his "political game" against Venezuela.

In response to accusations that he is tolerating the presence of Colombian rebel groups on Venezuelan soil, Chavez added that Uribe "has gone crazy" and wants to blame him for increased drug trafficking and violence in Colombia.

According to local media, Colombia last week said it would present a report, including photographs, videos and locations to prove the presence of guerilla members of the Revolutionary Armed Forces of Colombia and the National Liberation Army in Venezuela.

Chavez also said his country wants to mend fences with Colombia, noting that Venezuela had captured and deported 12 Colombian drug leaders.

Spanish FM will try to convince Venezuela to allow presence of electoral observers

Spain's Foreign Minister Miguel Ángel Moratinos said that Venezuela's authorities must extend the invitation to electoral observers

Spanish Minister of Foreign Affairs Miguel Ángel Moratinos on Tuesday vowed to try to convince Venezuelan authorities to authorize an international mission of electoral observers in the parliamentary polls to be held on September 26.

During a hearing in the Spanish Senate, the Upper Chamber of Parliament, Moratinos answered a question about the possibility that the Venezuelan Executive branch of government invites representatives of the Spanish Parliament to visit the South American country as observers in the legislative elections.

Iñaki Anasagasti, a Basque Senator for the parliamentary group of the Basque Nationalist Party (PNV), reminded that five years ago the Spanish government took the necessary steps to send a Spanish delegation, with representatives of the Spanish Parliament. He asked whether it would be possible to send another delegation in September, Efe reported.

Minister Moratinos stressed that Venezuelan authorities must extend the invitation to electoral observers. He said that "there is a great interest, given the importance of elections," that a mission of Spanish electoral observers can be invited to Venezuela.

Chavez Adds Ipad to Portfolio After BlackBerry, Twitter Account

July 21 (Bloomberg) -- Venezuela's socialist President Hugo Chavez said he was given an Apple Inc. iPod to listen to music just months after acquiring his first BlackBerry smartphone and opening a Twitter Inc. account.

Chavez, who said that technology isn't capitalist on April 29, today called on his followers to use new technology to spread socialist ideas.

"There's so much technology now, I've got a little apparatus that my daughter gave me that's called an iPod," Chavez said today on state television during a cultural event in Caracas. "I have like 5,000 songs. It's tiny, I remember having to go around with a bunch of cassette tapes before."

Chavez, a 55-year-old former army paratrooper, began to use his BlackBerry phone made by Research In Motion Ltd. in April as a way to connect with his followers and has used the Twitter

social networking site to announce the sinking of an offshore natural gas platform and the exhumation of 19th-century independence hero Simon Bolivar.

Chavez is from the central plains state of Barinas, which is known for Joropo music using harps and four stringed guitars. He often sings during speeches that last as long as six hours.

Chavez rethinks relations with Vatican

President Hugo Chavez said Venezuela is to rethink its relations with the Vatican as tensions rise between his government and Catholic Church representatives accusing the socialist leader of becoming increasingly authoritarian.

Mr Chavez instructed his foreign minister to "examine" relations with the Vatican.

Without elaborating, the president questioned an agreement giving the Catholic Church special privileges that are not extended to other religious organisations in Venezuela.

Mr Chavez also challenged the authority of Pope Benedict XVI, saying the Pope "isn't God's emissary on Earth".

Venezuela, Bolivia, Cuba, Ecuador and Nicaragua Announce Support for Iran's Nuclear Program - ALBA Group

Venezuela, Bolivia, Cuba, Ecuador and Nicaragua Announce Support for Iran's Nuclear Program - ALBA Group

Renata Giraldi Reporter Agency Brazil - Amid the sanctions imposed by the west, the government of Iranian President Mahmoud Ahmadinejad said today (14) that they have received support from representatives of Member States of the Bolivarian Alliance for the Americas (ALBA). The official news agency of Iran, IRNA, reported that Iran was referred to in a statement supported by ambassadors and heads of that block of states.

Venezuela, Bolivia, Cuba, Ecuador and Nicaragua are integrated into ALBA. In a statement, according to IRNA, the countries have condemned the "aspirations of destabilization" attributed to the governments of the United States and Israel. In the document, the block also expresses support for the Iranian nuclear program. According to IRNA, ALBA warned that any military action against Iran would cause "terrible consequences for the world." According to the statement, it is essential to seek dialogue and a peaceful solution to the Iranian nuclear case.

On state television of Iran, PressTV, the Foreign Minister of Iran, Manouchehr Mottaki, reiterated today that the Iranian nuclear program is peaceful. He said the country's nuclear power plants can be inspected by the International Atomic Energy Agency (IAEA), which is provided under the supervision of the authorities of Iran.

However, Mottaki criticized the imposition of sanctions by the Security Council of the United Nations and the governments of the United States, Canada and the countries comprising the European Union. The restrictions mainly affect the sectors of commerce and the Iranian military.

"The Islamic Republic believes that nuclear technology should not be monopolized by certain states and all nations must exercise their rights of access to nuclear technology," said Mottaki. "Sanctions are punitive measures. The punishment is usually a conviction for a crime committed and Iran has not committed any crime," he said.

According to the west, Iran has hidden its intention to produce nuclear weapons. The Ahmadinejad government denies the suspicions. In May, Turkey and Brazil brokered an agreement in Tehran for the exchange of a product of slightly enriched uranium, enriched to 20%. But the proposal was rejected by most western foreign governments.

Venezuela bans Chilean Senators as electoral observers

Venezuela's National Electoral Council (CNE) issued a statement rejecting a resolution adopted by the Chilean Senate and prohibited the presence of Chilean lawmakers as observers in upcoming parliamentary elections

Tibisay Lucena, the president of the National Electoral Council (CNE), rejected a resolution adopted by the Chilean Senate about Venezuelan parliamentary elections and prohibited the presence of Chilean lawmakers as election observers in the vote to be held on September 26.

"Given the political position adopted in the resolution issued by Chile's Senate, we are banning (Chilean) parliamentarians from participating in an impartial, transparent and objective way as international observers in the upcoming elections to be held in September," Lucena said in the CNE headquarters.

Lucena added that the CNE would forward a formal note of protest to the Venezuelan Ministry of Foreign Affairs, in order to reject the Chilean Senate resolution. Further, such document will be delivered to the Chilean government and a number of international electoral bodies.

Venezuela opens coffin of independence hero Simon Bolivar to investigate death

Caracas, Venezuela (AP) — Hugo Chavez has opened the coffin of his idol Simon Bolivar as Venezuela investigates the president's suspicions of foul play in the South American independence hero's death nearly two centuries ago.

Chavez announced the exhumation of Bolivar's remains Friday and displayed the intact skeleton briefly on national television, saying he wept when he saw the bones of the inspiration for his Bolivarian Revolution.

While historians have generally concluded that Bolivar died of tuberculosis in 1830, Chavez has another theory — that Bolivar was murdered — even though he acknowledges it may not be possible to prove.

State television showed footage of white-clad officials opening the coffin. Specialists will carry out DNA testing on the remains, which were well-preserved and include teeth in "perfect" shape, hair, remnants of a shirt and boots, Chavez said.

Those who opened the coffin wore surgical gloves, hair nets and gas masks. Chavez interrupted a speech late Friday to show footage of them rolling back a black cloth to reveal the skeleton while the national anthem played.

"Viva Bolivar," Chavez said. "It's not a skeleton. It's the Great Bolivar, who has returned."

Chavez opened Bolivar's tomb unannounced, spreading the news on Twitter shortly after midnight Thursday: "What impressive moments we have lived tonight!! We have seen the remains of the Great Bolivar!"

"Our father who is in the earth, the water and the air ... You awake every hundred years when the people awaken," Chavez continued. "I confess that we have cried, we have sworn allegiance."

The president often speaks under a portrait of "The Liberator" and quotes his words. Chavez has also renamed Venezuela the Bolivarian Republic of Venezuela, and say he's creating a socialist system based on Bolivar's ideals.

Chavez has sometimes raised a sword that belonged to Bolivar at public events, and he views his presidency as a modern extension of Bolivar's struggle to liberate and unite Latin America.

"That glorious skeleton has to be Bolivar, because his flame can be felt. My God," Chavez said in another tweet. "Bolivar lives... We are his flame!"

Bolivar's remains have been kept since 1876 at the National Pantheon in Caracas, where foreign leaders visiting Chavez often pay homage at the tomb with flower-laying ceremonies.

Chavez said one key aim is "glorifying Bolivar" by removing his remains from a lead sarcophagus and moving them to a grander final resting place. He said the skeleton was temporarily moved to a vacuum-sealed plastic case, promising to place it in a gold casket.

The government also will build a new pantheon to house Bolivar's remains, Chavez said.

According to traditional accounts, Bolivar spent his last days bedridden and died at 47 of tuberculosis at an estate in modern-day Colombia.

However, Chavez has expressed doubts about the original autopsy and says he believes — based on his interpretation of writings about Bolivar's life — that he could have been assassinated by his enemies, possibly poisoned. Chavez first suggested in December 2007 that Venezuela should open Bolivar's coffin to examine the remains.

Opposition leaders called the opening of the coffin a ridiculous show and urged Chavez to focus instead on problems like crime, inflation and corruption.

Some prominent Venezuelan scholars dismiss the theory and accuse Chavez of trying to rewrite history to fit his beliefs.

Historian Ines Quintero called the sudden exhumation surprising and said the government should explain its aims and on what basis it is carrying out the study.

Earlier this year, a doctor from Johns Hopkins University questioned the tuberculosis story and said he believes arsenic prescribed as a medical treatment contributed to Bolivar's death. Dr. Paul Auwaerter, who presented his case at a conference on the deaths of famous figures, said however that he doesn't support the assassination theory.

Chavez said he has at times doubted that the entombed remains are those of Bolivar, but that as he gazed at the eye sockets in the skull, he asked: "Father, is it you?" And, Chavez said, "My heart told me, 'It's me.'"

Chavez did not offer specifics of the aims of the investigation beyond saying experts would use DNA testing to verify the remains are actually Bolivar's. He said experts took X-rays and samples to analyze. The team includes forensic experts, anthropologists and others, from Venezuela as well as Spain, he said.

More than 50 specialists have been involved, Attorney General Luisa Ortega Diaz said.

Earlier this month, Chavez oversaw another ceremony in which the symbolic remains of Bolivar's lover Manuela Saenz, credited by some with helping him liberate several nations from Spanish rule, were moved to the National Pantheon.

Saenz died during a diphtheria epidemic in 1856. Her body was burned and dumped, along with those of many other victims, in a mass grave in Ecuador. At the ceremony earlier this month, Chavez and Ecuadorean President Rafael Correa placed earth gathered from the grave where Saenz was buried next to Bolivar's tomb.

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