

WEEKLY POLITICAL COMPASS

Welcome to this edition of the Weekly Political Compass from Teneo's political risk advisory team.

This week, we are taking a closer look at controversial property-related legislation in **India**. Meanwhile, the **US** national security advisor is holding meetings in **China**, a far-right surge is likely in **German** regional elections, a day of protest will be held in **Venezuela**, and **South Africa** is trying to clear up ambiguity over shareholder powers in SOEs.

Should you have questions or wish to discuss any of these stories in greater detail, please do not hesitate to reach out to us!

GLOBAL SNAPSHOT

In early August, **India's** Prime Minister Narendra Modi's Bharatiya Janata Party (BJP) introduced amendments to the Waqf Act. Our India expert [Arpit Chaturvedi](#) analyzes the situation.

What is the bill about?

The Waqf Boards, among India's largest property holders, are a vital source of influence for the Muslim community, and the amendments are perceived as an attempt to reduce this influence. The bill has been sent to a Joint Parliamentary Committee, expected to meet several times before suggesting any changes. Facing strong resistance from several BJP allies, both within and outside its National Democratic Alliance, and lacking a majority in the Rajya Sabha, the bill's passage remains uncertain.

What are potential political ramifications?

Heated debate over the bill, alongside increasing polarization from reports of Hindu minority persecution in Bangladesh, could impact upcoming state elections in Haryana (November), Maharashtra (November), and Jammu and Kashmir (September), potentially rallying the Hindu right-wing around the BJP—a base that was disillusioned and contributed to the party's lackluster performance in the recent general elections.

WHAT TO WATCH

ASIA PACIFIC

Bangladesh

Following the ouster of Sheikh Hasina amid mass protests, the new interim government led by Nobel laureate Muhammad Yunus is moving to consolidate power. Despite democratic rhetoric, the regime is heavily influenced by the military. The government is implementing IMF measures, while promising stability to transnational garment manufacturers. Two student leaders involved in recent protests have been included in the cabinet to lend legitimacy, but concerns persist over democratic rights and potential suppression. Yunus is unlikely to declare elections in the expected three-month term of the interim government expiring in late October and is likely to extend it for at least a year to bring the economic situation under control.

China

US National Security Adviser Jake Sullivan will meet Chinese foreign minister and Communist Party top foreign policy official Wang Yi in Beijing on 27-29 August. A US official disclosed Sullivan's planned visit just before Washington announced sanctions on dozens of Chinese entities that allegedly prop up Russia's defence-industrial base. Sullivan and Wang will discuss issues including Taiwan, military relations, fentanyl, the South China Sea, and China's support for Russia.

Indonesia

The three-day candidate registration for the regional-head elections (governors, regents and mayors) scheduled for 27 November opened today . President Joko Widodo was frustrated in his bid to field his youngest son, Kaesang Pangarep, after protests last week derailed last-minute registration to adjust the age requirement of 30 years. One key race will be for Jakarta governor, where Widodo's former party is expected to field Anies Baswedan, who ran against Widodo for the presidency and is one of his top critics. In 2017 Baswedan exploited sectarian divisions to win the Jakarta gubernatorial race; but it is unlikely that this year's contest will result in the same heightened tensions.

Japan

In the expansive race to succeed outgoing Prime Minister Fumio Kishida, media-genic former environment minister Shinjiro Koizumi is emerging as an early frontrunner. According to four out of five national polls, a plurality of supporters from the ruling Liberal Democratic Party (LDP) favor the son of former PM Junichiro Koizumi as the next party leader. Former defense minister Shigeru Ishiba and economic security minister Sanae Takaichi are averaging second and third places, respectively. Koizumi, Takaichi, and three others are expected to formally announce their candidacies soon, joining former economic security minister Takayuki Kobayashi, Ishiba, and digital agency minister Taro Kono in the race ahead of the 27 September election. A key indicator will be which candidate secures the backing of influential party grandee Taro Aso, who leads the LDP's last remaining faction.

Sri Lanka

The presidential election on 21 September will feature a record 39 candidates, including incumbent Ranil Wickremesinghe. He took office amid an economic crisis and has since overseen a recovery supported by a USD 2.9bn IMF bailout, with inflation reducing from 70% in September 2022 to 1.7% in June 2024. Opposition leaders Sajith Premadasa and Anura Kumara Disanayake, of the Marxist-leaning JVP, propose revising the IMF program to ease living costs and debt, while the government negotiates with creditors. Amid complaints of high taxes and costs, critics accuse Wickremesinghe of shielding corrupt figures to secure support for his reforms. Cautious voices warn that altering these reforms could risk a new economic crisis.

EUROPE

Azerbaijan

The governing New Azerbaijan Party (YAP) is set to retain a dominant position in parliament following the parliamentary election scheduled for 1 September. YAP has won all parliamentary votes since 1995 and is led by President Aliyev. The elections will take place in a tightly controlled media and political environment, as evidenced by multiple arrests of independent journalists, civic activists, and election observers in recent months. Overall, the outcome of the vote is of limited importance, as main political powers are concentrated in the hands of the president.

Germany

The far-right Alternative for Germany (AfD) may become the strongest force in elections in the eastern regional states of Saxony and Thuringia on 1 September. The fallout from last weekend's terrorist knife attack in the West German city of Solingen is likely to further complicate the outlook for the three parties in Olaf Scholz's federal government, while boosting the AfD and Sahra Wagenknecht's left-conservative movement. A broadly similar picture is likely to emerge from the Brandenburg election three weeks later. While this will highlight the dire state of Scholz's coalition, its weak poll performance will likely motivate all three parties to stagger on until next year's Bundestag election.

Serbia/France

President Aleksandar Vucic will host his French counterpart Emmanuel Macron in Belgrade on 29-30 August.

It will be Macron's second visit to Serbia since April. The leaders are expected to discuss a wide range of bilateral and international issues, including Serbia's planned acquisition of French fighter jets, its [lithium mining](#) plans, as well as Belgrade's growing interest in nuclear energy.

LATIN AMERICA

Venezuela

Opposition leader Maria Corina Machado is calling for a day of protests on 28 August to mark a month since the election that President Nicolas Maduro claims to have won. The opposition sees pressure on the streets as an important lever in this phase of the campaign to force Maduro to accept defeat, but Machado will also be aware that public stamina in the face of an entrenched regime and its repressive apparatus has its limits, which is why calls to mobilize have been intermittent. Last week's move by the rubberstamp Supreme Court (TSJ) to certify Maduro's fraudulent victory – without providing any supporting evidence – will not move the dial on the situation other than to serve as corroboration of Maduro's grip on key institutions. Whether further individual sanctions against various regime officials reportedly being prepared by US authorities has any impact on regime cohesiveness is moot.

MIDDLE EAST AND AFRICA

South Africa

On 26 August, President Cyril Ramaphosa announced that he has officially transferred shareholder responsibility for specific state-owned enterprises (SOEs) to their respective line ministries. The measure comes earlier than expected and should clear up ambiguity over shareholder powers and reporting lines for SOEs during the process of disbanding the Department of Public Enterprises (DPE). While the measure hardly guarantees reform of economy-critical parastatals, it may be seen as another sign of tentative progress being made under the landmark 'GNU' coalition government.

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