

## 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 **Ukraine's** so-called victory plan. Meanwhile, **Japan's** ruling party will elect its new leader and prime minister, the far right might win the **Austrian** general election, and **Brazil's** president will open the UN General Assembly.

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

**Ukraine's** President Volodymyr Zelensky is set to reveal so-called victory plan to Western allies during his ongoing visit to the US. Our Central and Eastern Europe expert [Andrius Tursa](#) analyzes the situation.

#### What will the plan entail?

Initial reports suggest that the plan entails requests for binding security guarantees, supplies of advanced weapons and commitments to supporting the future economic development of Ukraine. Zelensky's initiative is an attempt to outline a strategic pathway toward the settlement of the war on Kyiv's terms.

#### What are the likely implications?

Ukraine faces mounting domestic challenges as well as uncertain political outlooks on both sides of the Atlantic. Considering that the peace plan has not been coordinated with allies in advance, it could also heighten tensions between Kyiv and Western capitals if they push back on Zelensky's requests.

### WHAT TO WATCH

#### ASIA PACIFIC

##### [China/Philippines/US](#)

**The Philippines has no immediate plans to return a US-deployed medium-range missile system that China has demanded be withdrawn from the country, Philippine National Security Adviser Eduardo Ano said on Friday.** The US military sent the Typhoon missile launcher — which can be equipped with cruise missiles capable of hitting mainland China — to northern Philippines in April for joint military drills, marking the system's first deployment in Asia.

##### [Japan](#)

**The ruling Liberal Democratic Party will elect its new leader—and Japan's next prime minister—on 27 September.** Of the nine candidates in the race, [the same three](#) continue to take the top positions in practically every opinion poll—youthful former environment minister Shinjiro Koizumi, Shinzo Abe-ally Sanae Takaichi, and veteran defense policy

wonk Shigeru Ishiba. Two of those three should reach the second-round run-off, at which point horse-trading within the parliamentary party is likely to decide the winner.

## EUROPE

### Austria

**Voters will go to the polls in a general election that could see the far-right Freedom Party (FPO) become the strongest force for the first time.** The FPO, which has served as junior partner in previous coalitions, has been polling narrowly ahead of Chancellor Karl Nehammer's center-right People's Party (OVP). Immigration and EU support to Ukraine have been key issues for the party, amid Austria's continued reliance on gas imports from Russia. As FPO leader Herbert Kickl has shown no intention to let a less controversial figure serve as chancellor, an FPO victory might ultimately lead to an OVP-led coalition with the Social Democrats (SPO) and the Greens or the liberal NEOS.

### Czech Republic

**The strong performance by the opposition ANO party in regional and senate elections on 21-22 September reaffirms its leading position ahead of the parliamentary election in autumn 2025.** According to preliminary results, the populist ANO party received 36.6% of the vote in regional elections (up from 21.8% in 2020) and will have most candidates in the second-round senate elections on 27-28 September. Meanwhile, a disappointing election result might heighten tensions within the governing coalition led by Prime Minister Petr Fiala (Civic Democratic Party, ODS), with the leader of the junior coalition partner Ivan Bartos already signalling his intention to step down.

### France

**Following the presentation of Michel Barnier's cabinet, the prime minister will outline his political program on 1 October.** After Barnier's speech in the National Assembly, the leftist opposition will launch a censure motion against him, but Marine Le Pen's far-right National Rally is unlikely to join in. While this will guarantee the government's short-term survival, the next signpost is the draft budget to be presented by new Finance Minister Antoine Armand in early October. The risk remains that large-scale spending cuts could lead to the government's fall.

### Germany

**Chancellor Olaf Scholz's Social Democrats (SPD) won convincingly in the Brandenburg regional state election on 22 September.** The far-right Alternative for Germany (AfD) failed to become the strongest party. As anticipated, however, the focus in much of the public debate has since been on Scholz's absence from the local campaign trail. This limits the chancellor's ability to turn the election win into a positive story in Berlin.

### UK

**Chancellor Rachel Reeves' 23 September Labour conference speech offered some further indications regarding the 30 October autumn statement.** Amid concerns that the government's gloomy rhetoric of recent weeks has added to a sense of economic stagnation, Reeves ruled out a return to austerity policies. Given fiscal realities, however, tax hikes remain likely to feature in the budget. The signpost to watch is to which degree such measures will be accompanied by new initiatives for growth, including a new industrial strategy Reeves promised for next month.

## LATIN AMERICA

### Brazil

**President Lula da Silva will give the opening speech at the UN General Assembly and take part in the second meeting of G20 external relations ministers in New York this week.** As current G20 president, Brazil should launch a "call to action for global governance reform." Domestically, Congress will not go back to plenary voting until after the municipal elections (6 and 27 October). The Senate will hold two public hearings on the tax reform and the Supreme Court will hear experts in the context

of the debate on the demarcation of indigenous lands which continues unresolved amid impasses across the three branches of government.

## Ecuador

**Following two scheduled outages since 18 September, this week will see an intensification of load reduction measures across the country.** The original timetable would have seen outages over four nights this week; these will not go on until 29 September and in some areas will occur during the day too. Historic underinvestment and technical problems at the Coca Codo Sinclair hydroelectric plant are partly to blame for the situation, though the main cause is a severe drought – the worst in over 60 years, and part of the same phenomenon also apparent in Peru – that has affected all hydroelectric plants, which account for around 60% of generation capacity. The dry conditions have also led to an uptick in wildfires; over 1,300 were registered between 23 August and 18 September. Not only are water supplies to fight wildfires lacking, but there has also been disruption to piped water. Currently, 15 out of 24 provinces are under a state of emergency related to the drought conditions.

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