

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 EU-China trade tensions. Meanwhile, political reforms are on the agenda in **Japan** and **Brazil**, while the first-round result of **Romania's** presidential election has raised questions of Russian interference. Elsewhere, **Indonesia** and **Namibia** will hold elections, **Venezuela's** Nicolas Maduro will renew a clampdown on political opponents, and there will be fresh talks in **Mozambique** to resolve the post-election crisis.

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

With EU-China trade tensions ongoing, we ask our China lead [Gabe Wildau](#) to explain the latest developments.

What is the EU's current position on electric vehicle imports from China?

The European Parliament's trade committee chair Bernd Lange said on 22 November that the two sides were "close to an agreement." It seems that the EU would ease tariffs of up to 45% imposed on EV imports from China last month, in exchange for Chinese automakers obeying a price floor for sales into the bloc.

So, things are looking up?

Not entirely. Separately, China's commerce ministry expanded the scope of an ongoing anti-subsidy probe into European dairy products, with the investigation now covering national programs in Denmark, France, Italy, and the Netherlands. Beijing launched the dairy probe in August, apparently in retaliation for EU tariffs on Chinese EVs. The latest expansion of that probe is likely intended to maintain pressure on EU negotiators to work towards an EV deal.

WHAT TO WATCH

ASIA-PACIFIC

Japan

The new extraordinary session of the Diet will begin on November 28, featuring a keynote policy speech by Prime Minister Shigeru Ishiba on November 29. The LDP-Komeito minority coalition has successfully navigated its first major hurdle by securing the Democratic Party for the People (DPP)'s support to pass a supplementary budget in the coming weeks, to help fund a new economic stimulus package. The DPP is also set to support legislation to pass the FY2025 ordinary budget in early 2025, return for the LDP incorporating its policy priority of raising income tax thresholds. The next challenge will be to find common ground on political funding reform, with the LDP currently resisting opposition calls to ban corporate donations.

Indonesia

Local elections for provincial governors, mayors, and district heads will be held on November 27. Former President Joko Widodo has been actively campaigning for the Advance Indonesia Coalition (KIM) led by President Prabowo Subianto. KIM's candidates have been trailing behind those of the sole opposition party, the Indonesian Democratic Struggle Party (PDI-P). If Widodo can secure victories, it will signal his continued popularity and influence. The PDI-P could potentially win in Jakarta against the ruling coalition.

EUROPE

Romania

Calin Georgescu, a far-right pro-Russian non-partisan candidate, unexpectedly won the first round of the presidential election on November 24. This result injects uncertainty into the outlook for the parliamentary vote on December 1 and the second-round presidential runoff on December 8. Georgescu, who significantly outperformed all pre-election polls, appears to have benefited from extensive social media campaigning targeting disappointed voters, potentially with tacit support from Russia. His success could significantly boost right-wing Euroskeptic parties such as the AUR Alliance and SOS Romania in the parliamentary vote. However, a pro-Western coalition government remains [the most likely scenario](#), as none of the mainstream political parties intend to cooperate with the AUR Alliance or SOS Romania.

Germany

After days of internal debate, the Social Democrats (SPD) has formally nominated Chancellor Olaf Scholz as its lead candidate for the upcoming snap elections. Scholz's personal approval ratings remain low, but highly popular Defense Minister Boris Pistorius may not have been the best fit for the SPD's campaign either. The party's agenda will advocate a careful balance between continued support for Ukraine and diplomacy, while focusing on public investment at home. The opposition Christian Democrats (CDU/CSU) currently lead comfortably in the polls. However, major geopolitical and economic changes might still impact the forthcoming campaign.

LATIN AMERICA

Brazil

The country is eagerly anticipating two significant items on the political and economic agenda this week. On the economic front, Minister Fernando Haddad is expected to release the plan for spending cuts on November 25, which will determine whether the government can comply with the agreed fiscal framework and achieve a balanced budget for 2024. On the political front, Supreme Court Judge Alexandre de Moraes is expected to forward a report into the multi-faceted investigation into a coup plan by the Bolsonaro administration in 2022 to the Prosecutor's Office. The investigation, conducted by the Federal Police, resulted in the indictment of former President Jair Bolsonaro and 36 others. The investigation presented evidence of an alleged plan to assassinate then President-elect Lula da Silva, his VP Geraldo Alckmin, and Judge Alexandre de Moraes. Federal Chief Prosecutor Paulo Gonet is expected to issue his report at the beginning of next year.

Venezuela

President Nicolas Maduro is likely to continue his renewed clampdown on the opposition led by Maria Corina Machado, who remains in hiding but has called for a day of protests on December 1. Late last week, the regime announced a new criminal investigation into Machado after she backed a US bill that would block US federal government agencies from contracting with Venezuela's regime. The US House of Representatives passed the Bolivar Act on November 18 with backing from Rep. Mike Waltz, president-elect Donald Trump's pick for National Security Advisor (NSA). That fact will not be lost on Maduro, even if the likely effects of the bill in practice are debatable. On November 19, US Secretary of State Anthony Blinken referred to Edmundo Gonzalez, who vote tallies indicate won July's presidential election but has since been forced into exile in Spain, as "president-elect" for the first time.

MIDDLE EAST AND AFRICA

Namibia/SADC region

Namibians will go to the polls on November 27. As in South Africa and Botswana, Namibia's ruling party SWAPO has faced declining vote shares since 2019. SWAPO is fielding its first female candidate, Vice President Netumbo Nandi-Ndaitwah. Her main competitor is Panduleni Itula of the Independent Patriots for Change (IPC), while other parties could also make inroads. This creates potential for an electoral upset in the presidential poll and/or in the legislature, where SWAPO could lose its majority for the first time. Similarly, in Tanzania, local elections on November 27 will be seen as a test run for the October 2025 general election.

Mozambique

Fresh political talks are expected this week as part of efforts to resolve Mozambique's post-election crisis.

Presidential candidate Venancio Mondlane has accepted President Filipe Nyusi's call for a meeting with the four presidential candidates, while protests in support of Mondlane have continued in key cities. The prospects and potential outcomes of the talks remain uncertain, as the parameters for negotiations are still unclear. Meanwhile, the long-dominant Frelimo party has begun launching counter rallies, seemingly as part of a broader plan to discredit the opposition and force acceptance of the electoral commission's official results, which have yet to be validated by the Constitutional Council.

Nigeria

The government's plan to sell crude priced in naira continues to falter. The latest issue stems from allegations by local refineries, including the renowned privately-owned Dangote Oil Refinery, that the state-owned Nigerian National Petroleum Corporation Ltd (NNPCL) has been unable to meet its domestic crude oil supply obligations. As a result, local refineries are unable to produce enough fuel to meet domestic demand, potentially leading to another round of fuel scarcity and price hikes. Fuel price stability remains a key source of political risk for the government due to its negative effects on prices across the board, particularly food.

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