

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 the outlook for **Syria** and the region following Assad's ouster. Meanwhile, **South Korea's** President Yoon Suk-yeol is facing mounting pressure in the wake of the martial law declaration, **China's** economic policymakers are setting 2025 priorities, and **Japan's** Diet is considering a supplementary budget on a tight deadline. Elsewhere, **Georgia's** presidential vote could bring more political violence, the **Mercosur/EU** trade deal is being seen as a win for **Brazil**, and decelerating inflation numbers are boosting **Argentina's** Javier Milei.

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

Following Bashar al-Assad's dramatic ouster in Syria, we ask our Middle East expert [Emily Stromquist](#) to look ahead.

How would you describe the outlook now for Syria?

Deeply uncertain and complicated. Key players include the Hayat Tahrir al-Sham (HTS)-led rebel coalition; Kurdish and other ethnic minority groups backed by the Pentagon; Jordan and other Arab-backed groups; and Israeli troops in a demilitarized buffer zone in southwest Syria. These groups' interactions with each other, the remnants of the Syrian state, and the international community will significantly impact the country's outlook for political stability.

What are the geopolitical implications of Assad's fall?

Assad's downfall is a serious blow to his key allies Russia and Iran. Russia's military intervention (a primary expression of its great-power ambitions) is at risk, including its two bases in Syria, as it focuses resources on Ukraine. For Iran, these developments erode its regional influence, risking more domestic opposition but creating potential opportunities for negotiations on its nuclear program and anti-Western agenda.

WHAT TO WATCH

ASIA-PACIFIC

South Korea

The National Assembly will vote on 10 December on appointing a special counsel to investigate Yoon Suk-yeol for insurrection. The president is already under three other investigations for treason and other crimes and has been banned from leaving the country following his brief martial law declaration on 3 December. Yoon survived an impeachment motion in parliament on 7 December but seems to be stepping back from executive duties. His People Power Party chair Han Dong-hoon and Prime Minister Han Duck-soo are trying to engineer an orderly exit to minimize electoral damage to the PPP in the presidential elections that would be held within 60 days of Yoon's resignation. Peaceful demonstrations in Seoul could intensify this week, recalling the scenes before President Park Geun-hye's impeachment in December 2016.

China

China's top economic policymakers will convene at the Central Economic Work Conference, which begins on 11 December, to set priorities for 2025. The meeting will likely provide signals about [pending fiscal stimulus](#) and additional measures to support the troubled housing market.

Malaysia

The Court of Appeal announced on 9 December that it would hear a petition from former Prime Minister Najib Razak to serve out his six-year prison term (through 2028) under house arrest. Najib remains popular within the United Malays National Organization (UMNO), the main coalition partner of Prime Minister Anwar Ibrahim. Tension exists within the coalition, as long-standing Anwar partners believe the government is conceding too much to UMNO and Najib for their support, such as the royal pardon that halved Najib's twelve-year term earlier this year.

Japan

The National Diet will consider the government's JPY 13.9 trillion (USD 92 billion) supplementary budget bill this week, to help fund Shigeru Ishiba's latest economic package. The package includes nearly JPY 6 trillion for key sectors like AI and semiconductors, almost JPY 5 trillion for disaster response preparation, and over JPY 3 trillion for counter-inflation measures for households. The bill is the first significant legislative test for Ishiba's LDP-Komeito minority coalition and its confidence-and-supply partner the Democratic Party for the People, and must pass before the current parliamentary session ends on 21 December.

EUROPE

Georgia

The presidential elections scheduled for 14 December could intensify anti-government protests and lead to more political violence, amid a heavy-handed response by the country's security forces. The president is elected by a 300-member Electoral College, which includes all 150 members of parliament. However, the opposition and incumbent President Salome Zourabichvili consider the current parliament illegitimate due to significant violations during the 26 October general election vote. Nonetheless, the ruling Georgian Dream party pledges to proceed with the presidential vote and has nominated right-wing, anti-Western politician Mikheil Kavelashvili, a former international soccer player, as its candidate.

LATIN AMERICA

Mercosur/EU

The signing of the Mercosur-European Union trade pact on 6 December was perceived as a victory for Brazil's Lula da Silva administration, which pushed for the agreement during Brazil's G20 presidency. Commentators highlight anticipated gains for Brazil, including increases in GDP (0.34%), investments (0.76%), real wages (0.42%), imports (2.46%), and exports (2.65%), and a reduction in consumer prices (0.56%) by 2044. New elements since 2019 include compliance with the Paris Agreement, commitments to end deforestation by 2030, a EUR 1.8 billion EU fund for green and digital transitions in Mercosur countries, new government procurement disciplines, and a longer transition for liberalizing the automotive sector. Due to political contestation in the EU, the Commission might initially apply the deal partially.

Argentina

As President Javier Milei marks one year in office on 10 December, recent polls suggest his approval ratings remain above 50% after dipping in September. The main reason for Milei's resilient ratings is his success in reducing inflation, which hit 25.5% in December 2023 but fell to 2.7% in October. The latest ratings bump also likely reflects rising optimism that the recession has bottomed out and growth is underway. While this is positive for Milei, who wants to strengthen his political position in next year's mid-term elections, polls also show some fragilities. A majority of poll respondents believe pensioners are worse off now

compared to a year ago, and only 30% believe Milei's assertion that the political establishment has borne the brunt of his economic shock therapy.

MIDDLE EAST AND AFRICA

Ghana

The Electoral Commission has yet to release the official results of the 7 December general elections. However, Vice President Mahamudu Bawumia, the governing New Patriotic Party (NPP) candidate, has conceded defeat to former President John Dramani Mahama of the main opposition New Democratic Congress (NDC), confirming the ex-president's return to the presidency. The concession speech also averts the risk of a contested poll.

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Geopolitical Research

+44 20 7186 8894

Macro@teneo.com

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