

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 political instability in **Mozambique**. Elsewhere, **US** President Biden responds to **China** hacking allegations, **Spain's** prime minister addresses the housing crisis, and **South Korea's** president continues to fight against his impeachment process. Meanwhile, the Bank of **Japan** may signal its rate hike intentions, **Russia** and **Iran** are set to sign a new strategic partnership, and **Croatia's** president has won re-election.

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 Mozambique's presidential election dispute continuing since October, we ask our Southern Africa lead [Anne Frühauf](#) to look ahead.

What are the latest developments in Maputo?

President-elect Daniel Chapo is set to be inaugurated on 15 January. Opposition candidate Venâncio Mondlane's return to the country on 9 January has raised hopes for a political deal to resolve the post-election crisis, with [Mondlane still claiming](#) that he won October's election.

Are protests likely to continue?

The risk of [further protests](#) and a heavy-handed security response remains high, as it is unclear whether an agreement can be reached quickly. External players are reportedly advocating for a negotiated solution and political reforms, with figures from three opposition parties potentially being offered cabinet positions.

WHAT TO WATCH

ASIA-PACIFIC

South Korea

Yoon Suk-yeol is due to enter a plea in his impeachment case at the Constitutional Court (CC) on 14 January but is employing various strategies to delay proceedings. His team has filed objections against a newly appointed CC judge, citing her progressive political views, and is demanding that the impeachment case of former acting president Han Duck-soo be prioritized by the Court. In a separate criminal investigation, Yoon also continues to dispute the legal validity of the corruption investigators' warrant to detain him for questioning. Following a failed initial attempt to enforce the warrant at his presidential compound, uncertainty remains about whether investigators will be able to arrest Yoon at the second attempt. Yoon's maneuvers suggest that the impeachment crisis is unlikely to reach an early resolution in the coming months.

US/China

US President Joe Biden will reportedly prepare an executive order in the coming days in response to the threat of Chinese hacking. This follows recent alleged Chinese state-linked intrusions targeting the Treasury Department, US telecoms companies, and government officials' emails. The order will reportedly require software companies to provide evidence to the Cybersecurity and Infrastructure Security Agency that their software meets enhanced security requirements.

Japan

Bank of Japan Deputy Governor Ryozi Himino's policy speech on 14 January will be closely scrutinized for signs of a rate hike at the next monetary policy committee meeting, ending 24 January. The timing of such a speech before the first MPC meeting of the year is relatively unusual, leading to speculation that the BOJ intends to use it signal an impending move. The MPC opted for no policy hike at its last meeting on 19 December. Governor Kazuo Ueda's press conference remarks after that meeting were seen as unexpectedly dovish and contributed to the yen's slide from 149 to the USD in early December to around 158 in early January.

Philippines

The 150-day election period for the 5 May midterms began on 12 January. While the campaign period for senators will not start until February, the election commission has already begun to enforce regulations, including an official ban on carrying firearms. Separately, the Church of Christ held a massive rally in Manila on 13 January, reportedly drawing over a million attendees. Although ostensibly a non-political event, the rally effectively showcased the church's electoral influence, positioning it in the middle of the ongoing rivalry between the Marcos and Duterte families.

EUROPE

Spain

On 13 January, Spain's Prime Minister Pedro Sánchez announced an ambitious package of measures to tackle the country's housing affordability crisis. Key proposals include higher taxes on foreign buyers (specifically non-EU citizens without legal residency), the creation of a state-led housing agency to acquire residential properties and land, and the reclassification of tourism-oriented housing as a business activity subject to standard business taxes. Implementing these measures will largely depend on the cooperation of regional governments, most of which are controlled by the opposition Popular Party (PP). Despite this, the proposals are likely to gain broad support among voters. According to the latest Eurobarometer survey (December 2024), 35% of Spaniards identified housing affordability as the country's primary concern, significantly higher than the EU average of 13%.

Croatia

Incumbent Zoran Milanovic was re-elected by a wide margin for a second five-year term in the presidential runoff on 12 January. Preliminary results show Milanovic (an independent aligned with the opposition SDP) securing nearly 75% of the vote, compared to his rival Dragan Primorac's 25%. Although the presidency holds limited powers in Croatia's political system, Milanovic's re-election will mean continued tensions with Prime Minister Andrej Plenkovic's (HDZ) cabinet, particularly on foreign policy issues.

Greece

The government's nomination for the next president of the Hellenic Republic dominates the political agenda. Prime Minister Kyriakos Mitsotakis is set to meet with the current president, Katerina Sakellaropoulou, on 15 January. Mitsotakis is expected to announce early next week whether he will endorse her for a second term or propose a new candidate. Sakellaropoulou's chances of reappointment appear slim, partly due to dissatisfaction within the right-wing faction of the ruling New Democracy party. Parliament must begin the process of electing a new president by 13 February. While a supermajority is no longer required under the revised voting rules, Mitsotakis will likely want to show broad parliamentary support for his nominee.

LATIN AMERICA

Venezuela

President Nicolas Maduro's re-inauguration proceeded on 10 January despite intense opposition efforts in the lead-up to the event. Edmundo Gonzalez, the real winner of last July's presidential election, did not return to Venezuela to challenge Maduro. However, in a social media post on 9 January, U.S. President-elect Donald Trump referred to Gonzalez as "president-elect" and warned Maduro against harming regime opponents. The incoming U.S. administration's approach to the Maduro regime remains a key variable in Venezuela's outlook. Trump's warning followed the brief detention of opposition leader Maria Corina Machado on 9 January, after she emerged from hiding to attend a demonstration in Caracas. In a sign of the regime's isolation, only two Latin American leaders attended the inauguration: Cuba's Miguel Diaz-Canel and Nicaragua's Daniel Ortega— both dictators themselves.

MIDDLE EAST AND AFRICA

Russia/Iran

Russia and Iran are set to sign a Comprehensive Strategic Partnership Treaty during Iranian President Masoud Pezeshkian's visit to Moscow on 17 January. While the agreement's details remain undisclosed, it is expected to enhance cooperation in key areas such as trade, energy, transport, security, and defense. This treaty signifies a deepening of bilateral ties, driven by Russia's invasion of Ukraine and the increasing Western isolation of both Iran and Russia.

Ghana

Newly inaugurated President John Dramani Mahama has begun assembling his cabinet following his swearing-in on 7 January. The ministers nominated so far, pending parliamentary vetting, include Cassiel Ato Forson as Finance Minister, John Abdulai Jinapor as Energy Minister, and Dominic Akuritinga Ayine as Attorney General and Justice Minister. Additional cabinet appointments are expected in the coming days.

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