

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 **US-Ukraine** talks in Saudi Arabia. Elsewhere, **China** announces new tariffs on **Canada**, **Mexico** is celebrating a temporary reprieve of US tariffs, and a decision is expected in **South Korea's** presidential impeachment case. Meanwhile, ministerial reshuffles are pending in **Brazil** and **Greece**, an important economic indicator will be announced in **Japan**, and budgets are set to be presented in **South Africa** and **Ghana**.

Should you have questions or comments, please do not hesitate to reach out to us at Macro@teneo.com.

GLOBAL SNAPSHOT

With the US and Ukraine set to hold talks on 11 March in Jeddah, we ask our Central and Eastern Europe advisor [Andrius Tursa](#) to look ahead.

What is the purpose of the talks?

During the bilateral talks, Kyiv will seek to salvage ties with the Trump administration and bridge differences on potential ceasefire terms with Russia. A key signpost will be whether both sides sign the long-negotiated [critical minerals agreement](#) and whether this paves the way for renewed US military and intelligence support. The Trump administration may use the latter as leverage to pressure Kyiv into making additional concessions, such as territorial compromises with Russia, committing to a ceasefire without reliable security guarantees or holding elections in Ukraine.

What could they mean for a possible ceasefire?

Regarding ceasefire terms, Ukraine's future security arrangements remain the most contentious and consequential issue in the discussions. Despite a worsening military outlook, President Volodymyr Zelensky is likely to reject any US-brokered ceasefire agreement that is unfavorable to Ukraine.

WHAT TO WATCH

ASIA-PACIFIC

China/Canada

China's commerce ministry announced tariffs on imports of certain Canadian goods on 8 March. The new duties cover agricultural and food products, and are in retaliation for Canadian tariffs on Chinese electric vehicles, steel, and aluminum imposed four months ago. But Chinese authorities appeared to leave the door open for negotiations with Ottawa by declining, at least for now, to raise tariffs on Canada's biggest export, canola.

South Korea

The Constitutional Court's judgement in the impeachment case of Yoon Suk-yeol could be announced as soon as the second half of this week, given precedents from previous presidential impeachment cases. New presidential elections would be held within 60 days if the court upholds the National Assembly's impeachment motion. If the motion gets dismissed, Yoon will technically return to office but would likely have to stand aside until the conclusion of a separate criminal case against him on insurrection charges, arising from his martial law declaration on December 3.

Japan

The first outcomes of this year's collective wage negotiations are set to be announced later this week, with trade union federation Rengo pushing large employers for a hike above 6%. Peak business federation Keidanren also backs a substantial hike, with positive real wage growth seen as a key driver of overall economic growth. Amid persistent inflation, the core consumer price index growth has edged up above 3% in recent months, while real wage growth has again turned negative.

EUROPE

Romania

Far-right politician Calin Georgescu is unlikely to run in May's presidential election after the Central Electoral Bureau (BEC) rejected his candidacy on 9 March. While Georgescu has 24 hours to appeal the decision to the Constitutional Court (CCR), his chances of re-entering the race seem slim. In response, right-wing opposition parties are calling for public protests and discussing an alternative candidate. George Simion, leader of the Alliance for the Union of Romanians, appears to be the most likely replacement at this stage. The final lineup will be confirmed later this week, as the deadline for candidate registration is 15 March.

Greece

Having survived a March 7 no-confidence vote following the second anniversary of the Tempe train crash, Prime Minister Kyriakos Mitsotakis is expected to announce a cabinet reshuffle by the end of this week. The move aims to halt the ruling New Democracy party's decline in the polls and regain political momentum. However, the reshuffle presents a delicate balancing act for the prime minister, who he must implement a significant executive overhaul to shift public sentiment while ensuring his parliamentary group remains satisfied and avoiding discontent among senior party figures. Nevertheless, the Tempe tragedy will continue to weigh on his government's reputation.

LATIN AMERICA

Brazil

President Lula da Silva should complete a ministerial reshuffle within the coming weeks. The President started the process by appointing former Workers' Party (PT) President Gleisi Hoffman as Institutional Relations Minister in charge of dealing with Congress. The move prompted a strong negative reaction from members of the Big Center bloc of centrist transactional parties, who still expect the president to use the reshuffle to align the government with Congress ahead of the 2026 presidential elections. Hoffman has been a strong defender of left-wing policies and a frequent target of the opposition. Her first challenge will be to ensure that the government maintains key posts under the PT without losing the support of centrist parties. So far, mass defection by non-ideological allies from the government is not expected.

Mexico

A 9 March rally at which President Claudia Sheinbaum was due to announce retaliatory measures in response to the imposition of 25% tariffs on imports from Mexico went ahead as scheduled. After she obtained another one-month tariff pause from US President Donald Trump last week, Sheinbaum instead converted the rally into a "festival" to celebrate the reprieve and maximize the boost to her standing derived from her successful crisis management over the last few weeks. According to one recent poll, Sheinbaum's approval rating stands at 85%. Sheinbaum argues that Mexico will not be subject to the same threat next month because the 2 April deadline relates to tariff reciprocity, and Mexico's participation in the United States-Mexico-Canada Agreement (USMCA) means that there is already equal treatment with the US. In the meantime, steel and aluminium tariffs are

set to take effect from 12 March, while some Mexican exports that do not fulfil regional value content rules will be subject to tariffs despite the reprieve.

AFRICA

South Africa

Finance Minister Enoch Godongwana is scheduled to present the delayed 2025/26 budget on 12 March. The original presentation was delayed at the last minute as the Democratic Alliance (DA), the second-largest member of the GNU coalition government, threatened to reject the budget over Godongwana's plans to raise value-added tax (VAT) by two percentage points. While GNU tensions could fuel further uncertainty and volatility, recent cabinet discussions seem to point towards a compromise that would combine small VAT hikes with limiting spending increases and no new borrowing.

Ghana

Finance Minister Ato Forson will present his first budget to parliament on 11 March. The budget is expected to provide a full breakdown of economic trends and the government's policy plans under President John Dramani Mahama. Officials says the policies to be announced in the budget will be informed by recommendations made at the National Economic Dialogue, which took place on 3-4 March.

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