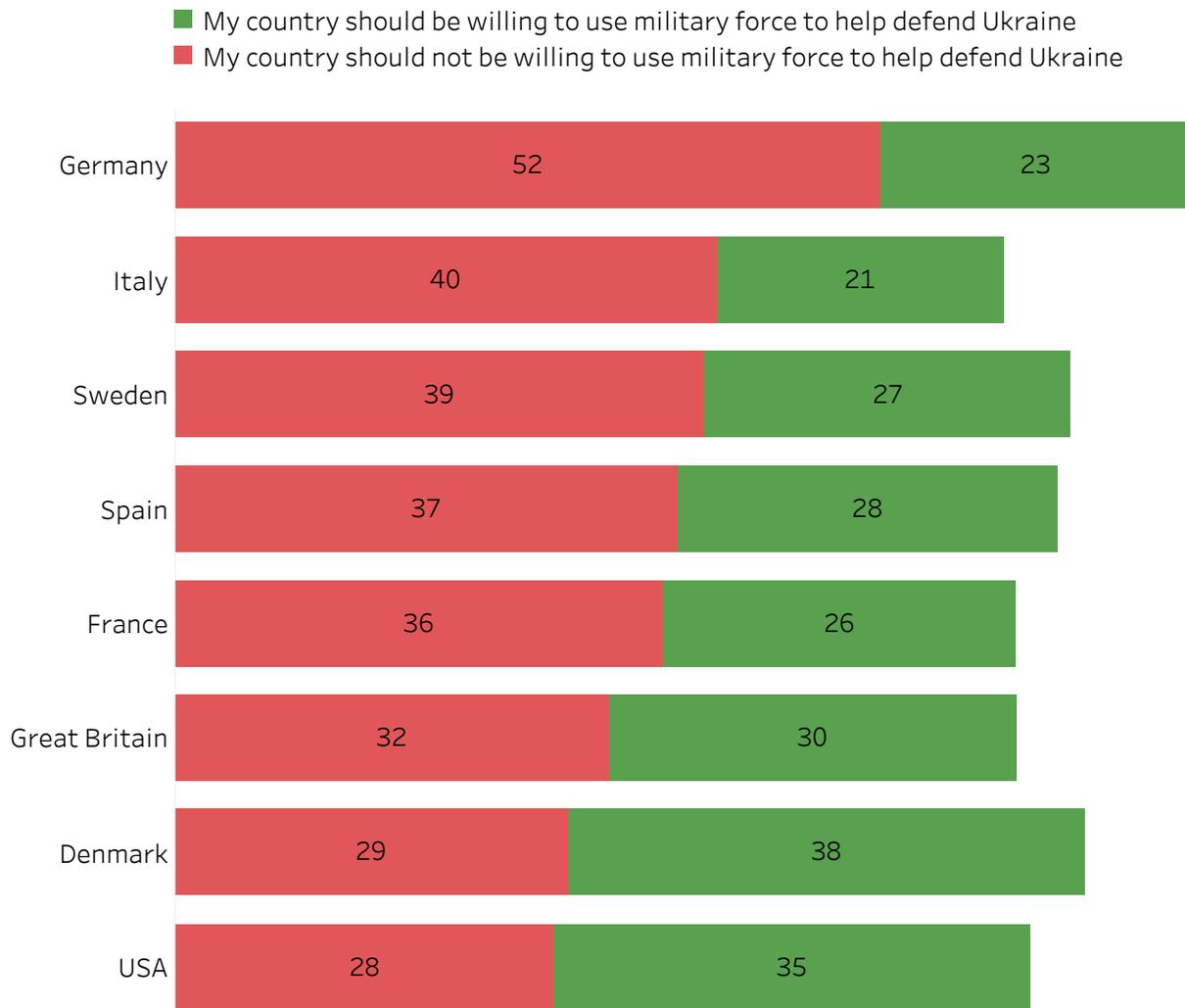


## WEEKLY POLITICAL COMPASS

**Russia** is yet to react to the West's written proposals. The **UK** prime minister has received the report on lockdown parties at 10 Downing Street. There is growing confidence in **Southeast Asia** that the reduced severity of Omicron allows for reopening. Meanwhile, **India's** federal budget will be presented in parliament, the incumbent Socialists have won the **Portuguese** parliamentary election, **Argentina's** president will travel to China and Russia, and **Ghana's** parliament will resume the debate on the electronic transaction levy.

### CHART OF THE WEEK

## No clear support for the use of military force in Ukraine across most western countries



Source: YouGov (fieldwork: 12-26 January). Sample: 1,695 Britons, 1,206 French, 2,065 Germans, 1,025 Danes, 1,006 Swedes, 1,053 Spaniards, 1,015 Italians and 1,000 Americans

Question: "Should [your country] be willing to use military force if Russia attacks [Ukraine]?" (%)

Berlin's skepticism regarding **military support for Ukraine** has been in the headlines and will likely remain in focus ahead of Chancellor Olaf Scholz's visit to Washington, which is now expected for 7 February. While public opposition to any direct military involvement is especially pronounced in Germany, public opinion data points to at least comparable patterns in other West European countries, including Italy, Sweden, France and Spain. Even the UK – where the government has tried to score points at home and abroad with a more muscular stance over recent days – does not display a plurality in favor of direct military support for Ukraine. Short of such direct involvement, however, the signpost to watch over the coming days is the West's positioning on arms supplies and, most importantly, economic sanctions.

### WHAT TO WATCH

Russia

**Moscow is yet to react to written responses from NATO and the US, which dismissed Russia's key demands on halting the expansion of NATO and limiting the alliance's presence in Central and Eastern Europe.** A phone call between Russian Foreign Minister Sergei Lavrov and US Secretary of State Antony Blinken on 1 February could provide greater clarity. In the context of persisting tensions between Russia and the West, a meeting between the Russian President Vladimir Putin and his Chinese counterpart Xi Jinping during the opening of the Beijing Winter Olympics on 4 February will be closely watched.

## UK

**UK Prime Minister Boris Johnson has received the findings of the investigation into alleged lockdown parties at 10 Downing Street.** The PM will now address MPs in the House of Commons. The immediate question to watch is whether the revelations will trigger a Tory vote of no-confidence. Parallel police investigations and new allegations from former advisers could also add to the pressure. Johnson will try to fight back this week with policy packages on "levelling up" and tackling the cost-of-living crisis, as well as with further UK troop dispatches to Central and Eastern Europe.

## Southeast Asia

**The Philippines will reopen without quarantine or testing requirements for its residents starting 1 February (to be followed by foreign tourists on 10 February), while Thailand will also restart on 1 February registration for its "Test and Go" scheme that requires only one night in a hotel.** Both countries' policy shifts apply only to vaccinated passengers, but they reflect a growing confidence in the region that the reduced severity of Omicron allows for reopening with a reduced threat of straining their healthcare capacity. Indonesia, however, appears to be at the start of its Omicron wave.

## **ON THE HORIZON**

### **ASIA PACIFIC**

#### Australia

**US Secretary of State Antony Blinken will visit Australia in mid-February for a Foreign Ministers' Meeting of the Quadrilateral Security Dialogue.** Key topics will include the situation in Ukraine and threats to Indo-Pacific national and regional security, including in relation to maritime security, territorial integrity, vaccine distribution, countering disinformation, cyber and critical technology, infrastructure, and space. Australia and the US are expected to brief their Indian and Japanese counterparts on the activities of the Australia-United Kingdom-United States (AUKUS) trilateral security partnership, with Quad partners to also discuss the interaction of Quad and AUKUS structures within ASEAN, with a key focus on China's activities in the region.

#### China

**Regulators will strengthen anti-monopoly enforcement in the pharmaceutical industry, the Ministry of Industry and Information technology said on 30 January.** The agency focusses on anti-competitive practices in the market for active pharmaceutical ingredients (APIs) and those causing drug shortages.

#### India

**The federal budget 2022-23 will be presented in parliament on 1 February.** Although revenue-collection has been better than expected, some fresh taxes, including on earnings from crypto-currency, are expected.

#### Philippines

**The election commission may release its decision this week on another key disqualification case against frontrunner Ferdinand Marcos Jr.** The son of the former autocrat has the momentum on his side with the campaign season set to start on 8 February, and a decision against him seems unlikely.

## EUROPE

### Portugal

**The Socialist Party (PS) of incumbent Prime Minister Antonio Costa outperformed the opinion polls and obtained an absolute majority of 117 seats in the early legislative elections that took place on 30 January.** While there is no specific deadline for the formal re-appointment of the Prime Minister, the new government could be in place around late February. Costa's first decision will likely be to resubmit to parliament the failed draft budget for 2022, which will now be swiftly approved and enter into force at some point in the spring.

### Turkey

**The appointment of Bekir Bozdag as justice minister suggests that Turkey will see more judicial repression in the year or so left before the 2023 parliamentary and presidential elections.** Bozdag is a long-standing member of President Tayyip Erdogan's inner circle of sycophantic advisors and during his last stint as justice minister (2015-17) thousands were sacked, detained, or arrested in the aftermath of the 2016 failed coup.

## LATIN AMERICA

### Argentina

**Following the 28 January announcement that the outline of a deal with the International Monetary Fund (IMF) has been reached, President Alberto Fernandez travels to Russia and China.** The trip will involve meetings with both Vladimir Putin and Xi Jinping. While the government has been downplaying its chances, the Argentine delegation will be hoping to expand its swap arrangement with the People's Bank of China. Additionally, Argentina will join the Belt and Road Initiative; Fernandez is seeking investment and financing for infrastructure and energy projects worth up to USD 35bn, including the revival of stalled nuclear and hydro projects.

## MIDDLE EAST AND AFRICA

### Ghana

**Parliament is expected to resume its debate on the controversial electronic transaction levy (e-levy) bill this week.** The bill, which aims to impose a tax of 1.75% on transactions made on electronic or digital platforms, is part of the government's proposed plans to boost revenues and stem rising concerns over its possible return to an IMF programme due to fiscal headwinds. However, the legislation has failed to gain parliamentary approval to date, owing to outrage from both the public opposition parties, who say the bill does not serve the interest of common people, and could jeopardize the government's digitalization efforts and plans to introduce a digital currency.

[Client Portal >>](#)

**Macro Research**  
+44 20 7186 8894  
Macro@teneo.com

© 2022 Teneo. All rights reserved. This material was produced by Teneo for use solely by the recipient. This communication is intended as general background research and is not intended to constitute advice on any particular commercial investment or trade matter or issue and should not be relied upon for such purposes. The views expressed here represent opinions as of this date and are subject to change without notice. The information has been obtained from sources believed to be reliable but no guarantees can be given as to its accuracy, completeness or reliability. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic or otherwise, without the prior consent of Teneo.