

## 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 **Colombia's** new congressional session. Meanwhile, the **US** special envoy on climate change has arrived in **China**, **Russia** does not intend to renew the grain initiative, **Brazil's** president is travelling to Brussels, and more protests are ahead in **Kenya**. Our graph of the week zooms in on the **Spanish elections**.

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

**Colombia's** new congressional session opens on 20 July. Our Latin America expert **Nicholas Watson** examines the outlook.

#### What is on the policy agenda during this session?

President Gustavo Petro plans to make another push on his health and pension reform initiatives, neither of which have progressed significantly since they were unveiled earlier this year. A parallel labor reform, which failed to even pass its initial committee vote last month, is expected to be relaunched at a later stage.

#### How promising is the outlook for reform?

The break-up of the governing coalition, which Petro declared to be "finished" in April, the loss of center-left technocrats from the cabinet, Petro's shift to more aggressive rhetoric, and the onset of campaigning for the October regional elections will all limit the government's ability to advance its reforms. An immediate priority will be to ensure the new heads of Congress and the Senate are sympathetic to the government; as per agreements forged last year, the Liberals will head the lower house and a Green Alliance senator will be president of the upper chamber.

### WHAT TO WATCH

#### ASIA PACIFIC

##### US/China

**John Kerry, the US special envoy on climate change, arrived in Beijing on Sunday for three days talks with his Chinese counterpart, Xie Zhenhua.** The talks will focus on cutting methane emissions, reducing coal use, combatting deforestation, and aid for poor countries to address climate change. The two senior officials will likely also discuss US tariffs on imports of Chinese solar panels and battery components.

##### Thailand

**Move Forward Party leader Pita Limjaroenrat is again expected to fall short of the 376 votes that he needs when parliament convenes on 19 March, Wednesday, to elect a prime minister.** The focus will then turn increasingly to the

possibility of a For Thais (PT) candidate being nominated. Even then, the question of whether the MFP/PT coalition will still push for changes to the lese majeste law may still be significant. Uncertainty would increase if a deadlock on the selection of a new prime minister continues on the issue of monarchical reform even after the MFP-led coalition puts forward a PT candidate.

## EUROPE

### Russia

**The UN-brokered Black Sea Grain Initiative (BSGI) facilitating the exports of agricultural products from three Ukrainian ports expires on 18 July, and Russia does not intend to renew its participation in the agreement unless its requirements are met.** While Russia's foreign ministry is set to provide a more detailed explanation of its position shortly, some long-standing demands by Moscow include the reconnection of the state-owned Agricultural Bank to the SWIFT system, the easing of restrictions on the export of its agricultural products and fertilizers as well as the reopening of the Togliatti-Odessa ammonia pipeline. Yesterday's attack on the Kerch bridge in Crimea might have also contributed to Moscow's decision. Amid intense international pressure, Russian authorities would likely rejoin the so-called grain deal even if their requirements are met only partly. In the meantime, Moscow might extend some free shipments of grain to some of the world's poorest countries.

## LATIN AMERICA

### Brazil

**In a congressional recess week, Lula travels to the third summit meeting of the Community of Latin American and Caribbean States (CELAC) and the European Union on 17-18 July in Brussels.** This will be the first meeting between the two blocks since 2015. Rejoining CELAC after Brazil's withdrawal from the pact under former President Jair Bolsonaro in 2020 was President Lula's first major foreign affairs commitment once in office. Lula will have at least seven bilateral meetings in Brussels, including with European Commission President Ursula von der Leyden. The revival of the Mercosur-EU trade agreement should be at the top of the agenda, in particular in relation to how to deal with new demands from both sides (for example, environmental clauses from the EU, limits to government procurement from Mercosur) without reopening all that was negotiated in the past.

## MIDDLE EAST AND AFRICA

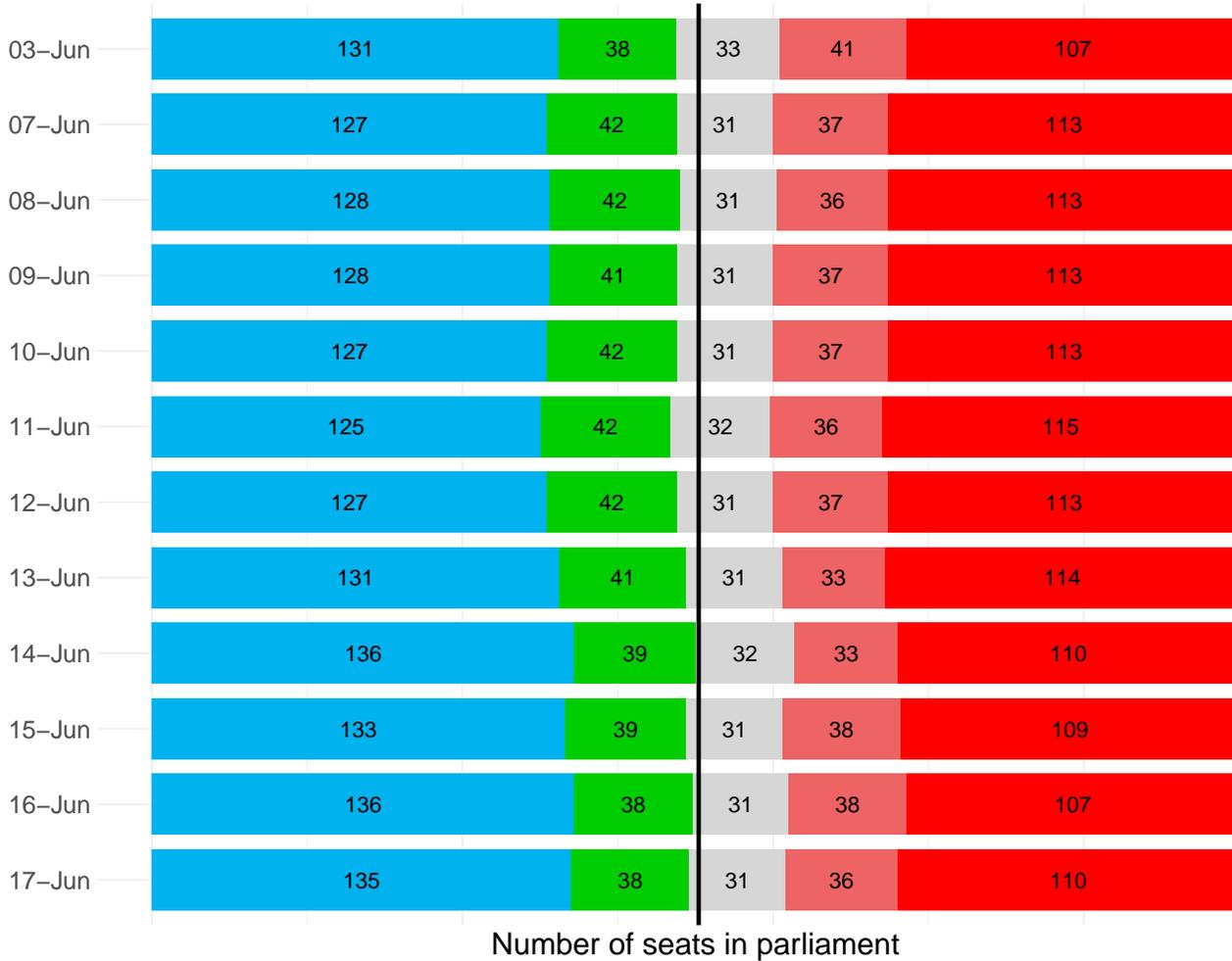
### Kenya

**The opposition is planning three more days of protests, on 19-21 July.** President William Ruto has issued a strong warning against further demonstrations. Last week, protests in several cities were the largest since Ruto took office, with at least 10 protesters killed and 300 arrested. His administration's tax plans, which are also being challenged in court, have provided fresh momentum for an otherwise poorly organized opposition. While risks to political stability have been limited so far, potential for further escalation exists, particularly amid heavy-handed responses by the security forces.

## GRAPH OF THE WEEK

## Polls put Spain's right close to a parliamentary majority

■ PP ■ Vox ■ Other ■ Sumar ■ PSOE



Source: 40dB (El País / Cadena Ser)

**Spain is heading to elections** on 26 July, with polls suggesting that the right-wing bloc – including the center-right Popular Party (PP) and far-right Vox – is close to achieving a majority in parliament. Polls have been relatively stable in recent weeks, with PP gaining slightly more support after a TV debate on 10 July. The relative strength of the two traditional parties of the right and the left suggests that mainstream politics is still alive in Spain as well as in other western European countries. However, high levels of polarization across ideological blocs and the normalization of far-right support suggest that politics will remain fractious in the coming years.

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