

## 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 **G7** debates over the situation in the Middle East. Meanwhile, **US** and **Chinese** diplomats held meetings, the European Commission will issue its assessment of **EU** candidate countries' reform efforts, and **Chile's** constitutional council will deliver the completed draft of a new constitution. Our graph of the week zooms in on latest **public opinion trends in the UK**.

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

Holding the presidency of the G7, **Japan** will seek to forge a consensus position on the Israel-Hamas conflict as it hosts a foreign ministerial for the grouping in Tokyo on 7-8 November. Our Japan expert [James Brady](#) analyzes the situation.

#### Where do national governments stand on the matter?

Japan and Canada failed to sign the initial G7 statement on 9 October, though both inked a subsequent communiqué by the group's finance ministers on 12 October. Latterly, Japan, Germany, and France are more open to a humanitarian pause to the conflict, while the US and UK remain more careful.

#### What is Japan's own position?

Japan's challenge is to demonstrate international leadership while strategically balancing its national interests—support for Israel's right to self-defense on one hand, heavy reliance on energy imports from Arab countries in the Middle East on the other. In recent months, Prime Minister Fumio Kishida has actively sought to expand that latter relationship into areas like [clean energy and rare earths](#).

### WHAT TO WATCH

#### ASIA PACIFIC

##### US/China

**US and Chinese diplomats held the inaugural session of a [newly established working group on maritime issues on 3 November in Beijing](#)**. Expectations are low for substantive breakthroughs on disputes over the South China and East China seas, but the meeting is the latest high-level bilateral interaction ahead of a likely meeting between the US and Chinese presidents at the Asia-Pacific Economic Cooperation summit, which begins on 11 November in San Francisco.

##### Indonesia

**An ethics panel convened by the Constitutional Court will decide this week whether its chief justice, Anwar Usman, committed violations in failing to recuse himself from the case on the validity of the 40-year age requirement for vice-presidential candidates**. In its ruling, the Court created an exception that allowed Usman's 36-year-old nephew

and the president's eldest son, Gibran Rakabuming, to be the running mate of defense minister Prabowo Subianto. The panel does not have the authority to reverse the Court's decision on its own; an appeal would be necessary. But a serious punishment, which could include Usman's removal, could become another issue against the Prabowo-Rakabuming ticket if the opposition capitalizes on it.

## EUROPE

### EU/Ukraine

**On 8 November, the European Commission is scheduled to present its 2023 enlargement package providing a detailed assessment of the reform progress made by ten EU candidate countries.** The report is expected to give a largely positive assessment of Ukraine's reform efforts thereby paving the way for the opening of formal accession talks, which might be considered during the next European Council meeting on 14-15 December. However, the decision to open accession talks requires unanimous support from all 27 EU members, and securing Hungary's backing might not be straightforward.

### Poland

**In a public address on 6 November, President Andrzej Duda is expected to reveal the prime ministerial candidate he intends to appoint in the first attempt to form a government following the 15 October parliamentary elections.** It is widely expected that Duda will give priority to incumbent Mateusz Morawiecki nominated by the election winner United Right despite the latter holding few chances of securing the necessary absolute majority support in the lower chamber in parliament, the Sejm. The official appointment of the Prime Minister is expected to be made on/after 13 November, when the newly elected Sejm is scheduled to hold its first meeting.

## LATIN AMERICA

### Brazil

**His fiscally-driven legislative agenda will see Lula trying to pacify the Senate, following reasonable success at the House.** After having negotiated concessions with House Speaker Arthur Lira, President Luiz Inacio Lula da Silva will meet with Senate party leaders this week to secure support for voting on government priorities. Top of the agenda in the high chamber is the expected vote on the amendment on a tax reform that should clear the constitution and justice committee (CCJ) on Tuesday, November 7, and the plenary the following day. At the House, Finance Minister Fernando Haddad will be speaking to party leaders about the approval of further revenue-generating measures such as an executive order on investment grants that could raise BRL 35bn (USD 7bn) next year. This comes at a time when the Joint Budget Committee is about to vote on a preliminary report of the 2024 Budget Guidelines Law.

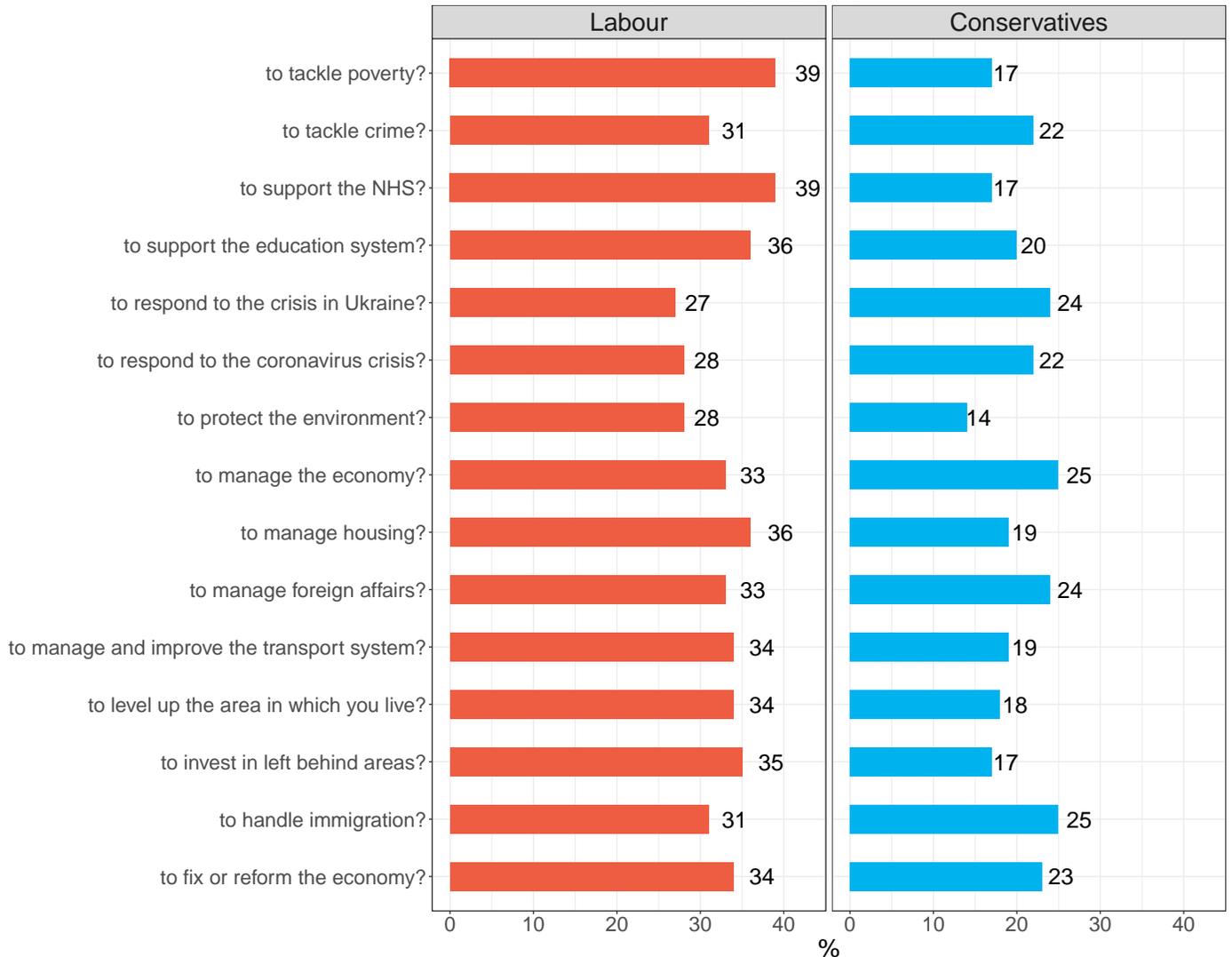
### Chile

**Following an eight-month drafting process, the Constitutional Council will formally deliver the completed draft of a new constitution to President Gabriel Boric tomorrow, 7 November.** Boric will then convene a referendum to be held on 17 December in which the public will be asked to either endorse or reject the new constitutional text. Parties belonging to the governing coalition will campaign for a "no" vote, while right-leaning opposition parties that led the drafting process will campaign in favor. The latest Cadem poll from last week puts the "no" vote at 50%, "yes" at 35%, with 15% undecided; the tendency over recent weeks has the "no" vote slipping slightly and the "yes" vote inching up. Opposition parties have been banking on Boric positioning himself clearly in the "no" camp, which – owing to his unpopularity – might then boost the "yes" campaign. This strategy might prove faulty: Boric has so far resisted getting involved in any campaigning, while his approval ratings have improved recently.

## GRAPH OF THE WEEK

## Labour is the most trusted party on key issues

*Which political party do you trust the most...*



Source: Redfield & Wilton Strategies. 2,000 respondents. 29 October 2023

**Public opinion in the UK** has remained stable for almost a year, with Labour's lead over the Conservatives at around 20 points. This wide margin is partially explained by the ability of Labour to be seen by voters as the most trusted party across a range of issues that rank high in voters' priorities. These include the management (and ability to reform) the economy, the protection of the environment, and the improvement of public services such as the NHS. According to a recent survey, the economy, healthcare, education, immigration, and housing will drive voters' choice in the next general election, with Conservative voters significantly more concerned about immigration and law and order than Labour voters. In most of these issues areas, however, Labour's lead over the Conservatives is significant.

[Client Portal >>](#)

### Geopolitical Research

+44 20 7186 8894

Macro@teneo.com

© 2023 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.