

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 storming of the **Mexican** embassy in Quito. Meanwhile, the **US** Treasury Secretary's visit to **China** ends Tuesday, the results of **Poland's** local elections are mixed, **Brazil's** former president should benefit from new Supreme Court orders against Elon Musk, and **Senegal's** new cabinet officially resumes today. Our graph of the week zooms in on **dissatisfaction with governments** across Europe.

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

The fallout from the storming of the **Mexican** embassy in Quito, **Ecuador** will continue to play out this week. Our Latin America expert [Nicholas Watson](#) analyzes the situation.

What happened?

Local police late on 5 April raided the embassy to arrest Jorge Glas, a former VP close to former president Rafael Correa (2007-17). Glas has been convicted twice for corruption and served five years in prison but was released on appeal in 2022. When a judge ordered his return to jail last year, Glas sought refuge at Mexico's embassy. However, Mexican President Andres Manuel Lopez Obrador (AMLO)'s insinuation that President Daniel Noboa benefitted from the assassination in August 2023 of the presidential candidate Fernando Villavicencio escalated tensions last week and led to Noboa ordering the police raid – a rare violation of diplomatic protocol in the region. AMLO retaliated by breaking off diplomatic relations.

What might explain Noboa's behavior?

Noboa may have calculated that a bold act against a convicted and widely disliked *Correista* could give him a boost ahead of a public referendum later this month. Noboa may also have decided that now is the time to polarize with *Correismo*, which was supportive in the early stages of his presidency but is likely to be his main rival in the 2025 elections.

WHAT TO WATCH

ASIA PACIFIC

Japan

PM Fumio Kishida's (quasi-) state visit to Washington this week will produce plenty of pomp, circumstance, and geopolitically significant outcomes. Ceremonial highlights will include an address to both houses of Congress and a state banquet at the White House, both on . The prime minister's bilateral summit with President Biden could lead to announcements on a restructuring of US Forces Japan to improve joint planning and exercises, allowing US Navy warships to be repaired in Japanese private-sector shipyards, plans for joint production and future development of defense hardware and munitions, and a new partnership framework on AI and semiconductors. A separate trilateral summit with Philippine

president Marcos is expected to lead to harsher criticism of Beijing's water-cannon diplomacy in the South China Sea and a new role for Japan in support of Manila.

US/China

US Treasury Secretary Janet Yellen focused on manufacturing overcapacity during a six-day visit to China that ends Tuesday. In the export hub of Guangzhou, Janet Yellen criticized "production capacity that significantly exceeds China's domestic demand, as well as what the global market can bear." US officials are concerned about sectors including [electric vehicles](#), batteries, solar energy products, and semiconductors.

Thailand

The plan for the proposed USD 15bn digital wallet handout is scheduled to be put before the cabinet on 10 April, with the government promising that it will result in greater clarity about how the program will be implemented. The stimulus package was arguably the highest profile promise of the ruling For Thais party in last year's elections, but its legality has been challenged and how to fund it has been a key hurdle on apprehension that it increases the fiscal burden substantially. These issues have caused the government to put off its implementation until the fourth quarter of the year.

EUROPE

Poland

The results of the 7 April local elections are mixed, according to exit polls and preliminary vote count. Although the opposition Law and Justice party (PiS) claimed victory with the highest share of votes in the country's 16 regional assemblies (33.7%), it received a slightly worse result than in the 2018 local vote (34.1%) and will likely lose control of at least two regional assemblies compared to the previous term. Meanwhile, Prime Minister Donald Tusk's Civic Coalition (KO) came in a close second with 31.9%, including first-round mayoral wins in Warsaw, Katowice and Gdansk. In addition, the three governing alliances at the national government – KO, the Third Way and the Left – won a combined 52.5% of the total vote thereby significantly outperforming PiS. However, Tusk's coalition failed to mobilize its electorate. Final results will be known after the second-round mayoral votes scheduled for 21 April.

Russia

Foreign Minister Sergei Lavrov is on a working visit in China on 8-9 April, where he will hold talks with his Chinese counterpart Wang Yi. According to official reports, the two sides are expected to discuss a wide range of bilateral and multilateral issues, including the war in Ukraine. Lavrov's visit comes amid warnings from the US about intensifying Chinese assistance to Russia's war effort and ahead of the anticipated President Vladimir Putin's visit to China in May.

Turkey

A likely change of leadership at the top of the Good Party (IP) may offer President Tayyip Erdogan the opportunity to enlarge his ruling coalition. The current IP leader, Meral Aksener, announced on 8 April that she will not run for the leadership of the right-wing party at its 27 April extraordinary congress. Erdogan has been calling on the IP to join the ruling alliance since his re-election in May 2023, but Aksener had constantly rebuffed his attempts. The change of the party leader and the ongoing turmoil within the IP may pave the way for Erdogan to either include the party in his coalition or attract some defectors. The IP's parliamentary group is composed of 38 lawmakers.

LATIN AMERICA

Brazil

Former president Jair Bolsonaro and his allies should benefit significantly from new Supreme Court orders against Elon Musk and X. Matters have escalated following posts by Musk over the weekend calling for the resignation or impeachment of Judge Alexandre de Moraes for betraying the constitution and people of Brazil. Content removal and the blocking of accounts had already been imposed against X but Moraes has now included Musk in ongoing investigations about "digital militia" for the

disrespect of judicial decisions, obstruction of justice, and incitement to crime. X will also have to pay a daily fine of BRL 100,000 (USD 20,000) in case it reactivates blocked accounts. In Congress, attention will increase on existing bills relating to fake news and Big Techs. This comes at a time when former President Bolsonaro, who is already ineligible until 2030, has already been indicted for fraud in vaccination cards and remains under investigation for the sale of official gifts and an attempted coup d'état. Allies, such as his son and House representative Eduardo Bolsonaro, celebrated Musk's latest posts. The row will reinforce the far right's thesis that there is a "judicial censorship" in Brazil.

MIDDLE EAST AND AFRICA

Senegal

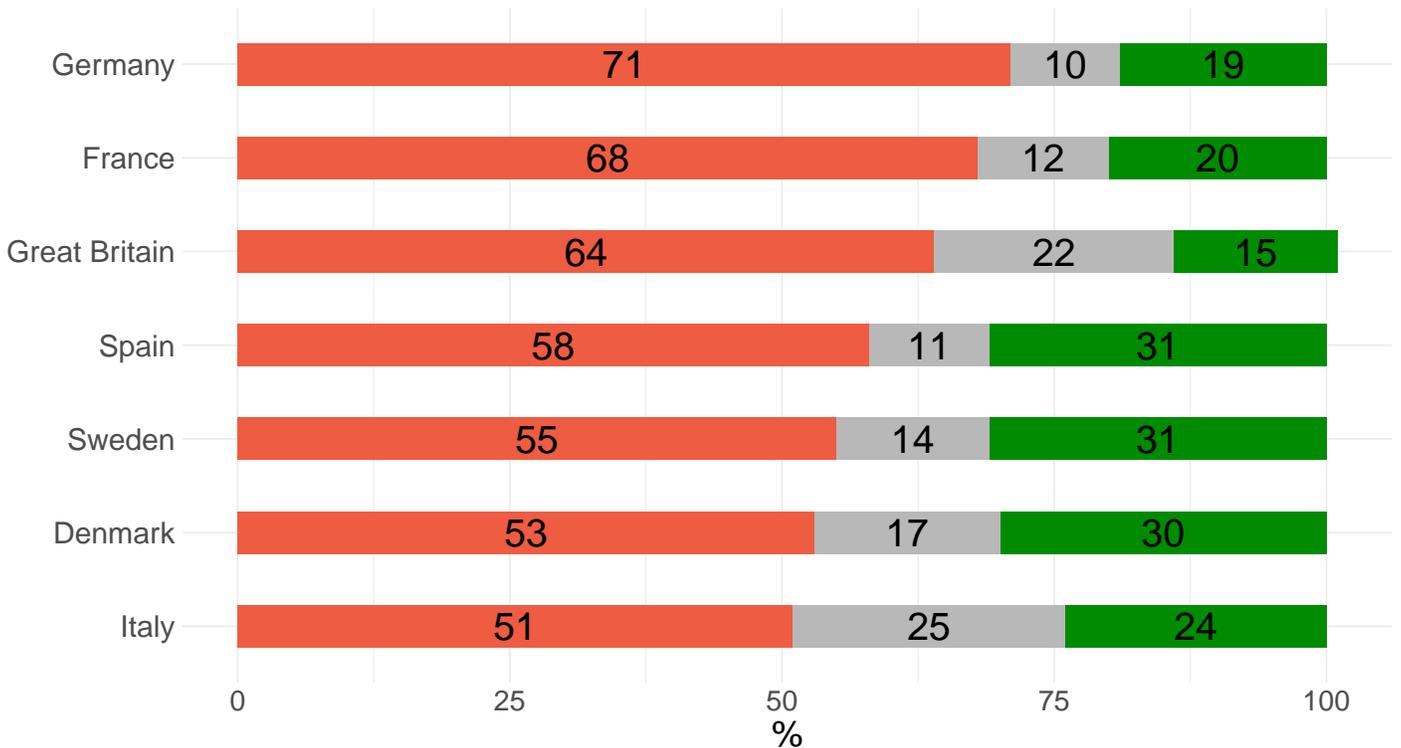
Newly elected president Bassirou Diomaye Faye's cabinet officially resumes today, 8 April. This follows last week's appointment of Ousmane Sonko – Faye's mentor who was barred from contesting the latest presidential election – as prime minister. On Sonko's suggestion, Faye went ahead to approve the appointment of a new cabinet, composed of 25 ministers and 5 secretaries of state. The relationship between Faye and Sonko will be important to watch especially as Faye was only a last-minute substitute for Sonko as the Patriots for Senegal (PASTEF) party's presidential contender. There remains a credible risk of a frictions between the two especially if Sonko attempts to assert his dominance over Faye.

GRAPH OF THE WEEK

Dissatisfaction with current governments is high...

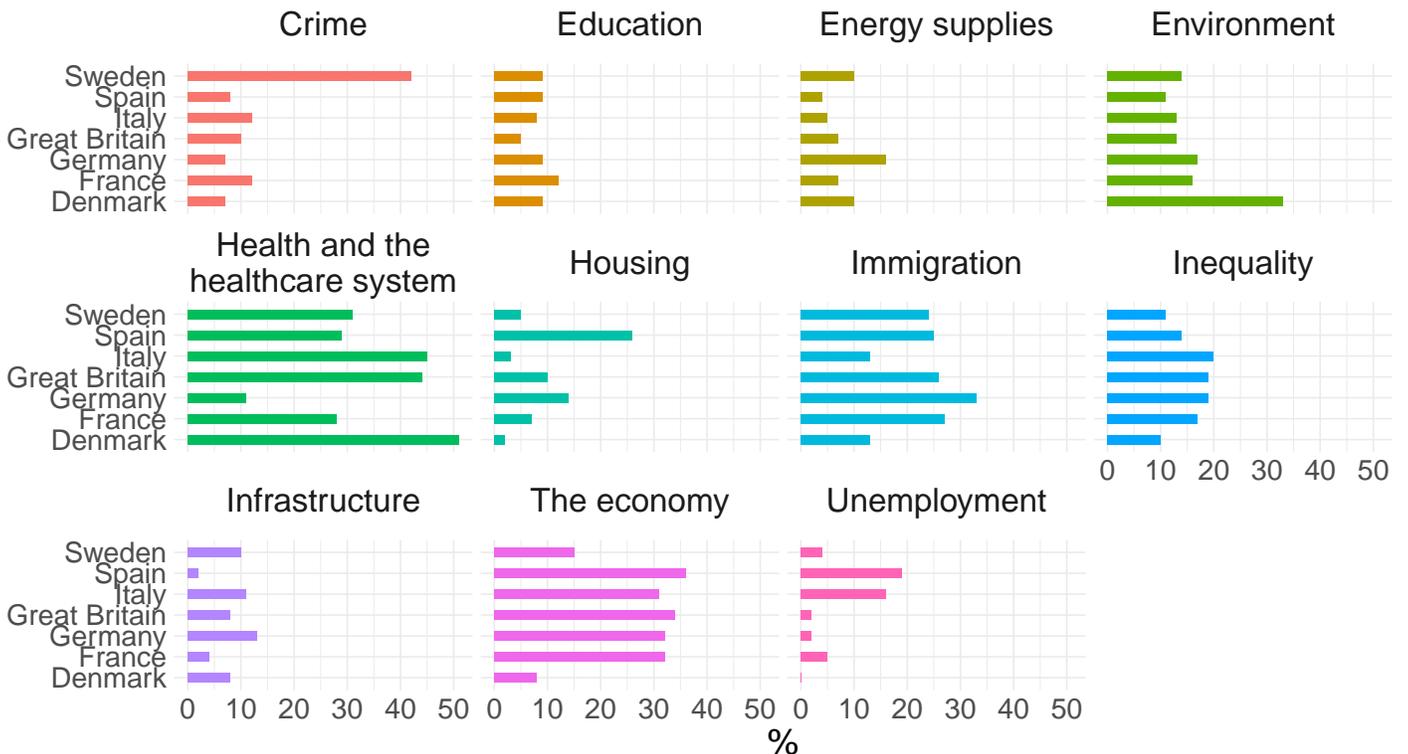
Do you approve or disapprove of the government's record to date?

Disapprove Don't know Approve



...but citizens' concerns vary across Europe

'Which two of these problems are most important facing your country?' (%)



Source: YouGov Eurotrack Survey (6th–20th March 2024)

Dissatisfaction with governments is currently widespread across Europe. Dissatisfaction is particularly pronounced in Germany where over two-thirds of the electorate express disapproval of the traffic-light coalition, and federal elections will be held in

2025. Similar discontent is found in France and the UK, while approval rates are slightly higher in Spain and Sweden. Concerns among citizens, however, differ by country. Housing, for instance, emerges as a major concern in Spain and, to a lesser extent, in Germany and the UK. June's European Parliament election will provide a further indicator of how voters view their governments' record to date.

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