

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 **G20 Summit in Brazil**. Meanwhile, **China** sent a message to the incoming Trump administration, the Bank of **Japan** is pondering another rate hike, and **Russia** has responded to Ukraine being allowed to use long-range US weapons. Elsewhere, **Romania's** presidential election is set to go to a run-off, **Venezuela** is releasing some political prisoners, and **Mozambique's** post-election crisis is deepening.

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

With **Brazil** hosting the **G20 Summit** in Rio de Janeiro, we ask our Brazil managing director [Mario Marconini](#) to look ahead.

What are Brazil's priorities in hosting the summit?

A top focus will be social inclusion and eradicating hunger. There will also push for a deal on the climate change/sustainability agenda, ahead of Brazil hosting COP30 in 2025. Reforming multilateral institutions will also be discussed, along whether to include a statement on international conflicts in the summit communiqué.

What are the prospects for major outcomes?

In a word, limited. President Lula da Silva does plan to announce a Global Alliance against Hunger with over 80 signatories. But with major conflicts ongoing in Ukraine and the Middle East and much of the G20 preoccupied with the economic and other implications of the return of Donald Trump, meaningful statements on the most contentious international issues are unlikely.

WHAT TO WATCH

ASIA PACIFIC

US/China

President Xi Jinping met President Joe Biden and urged the US side to respect China's "red lines," a message clearly intended for the incoming Trump administration. The meeting took place on the sidelines of the Asia Pacific Economic Cooperation forum in Lima on Saturday. Taiwan was the biggest point of emphasis, with Xi declaring it "crucial" that the US side "sees clearly the [true nature](#) of William Lai and the Democratic Progressive Party authorities in seeking 'Taiwan independence' [and] handles the Taiwan question with extra prudence."

Japan

Bank of Japan governor Kazuo Ueda hinted on 18 November about further interest rate rises, adding to speculation of a move at the next BOJ monetary policy meeting ending 19 December. Recent economic data has been

moderately positive, although domestic political support for another hike has probably decreased, given the new minority administration's sensitivity to economic shocks ahead of the summer 2025 Upper House elections. But with Donald Trump's likely-inflationary economic agenda pushing back expectations of Federal Reserve rate cuts in the US, the BOJ now has [additional headroom](#) to raise domestic rates, which should strengthen the yen and reduce pass-through inflationary pressures.

Vietnam

The national assembly will hold the second half of its month-long session from 20 to 30 November. The key decision to watch is whether the legislature will approve the government's proposal, submitted on 13 November, for a USD 67bn high speed rail project. The plan would be the country's single-largest infrastructure project, and would link Hanoi with Ho Chi Minh city by the mid-2030s.

EUROPE

Russia/Ukraine

Following media reports about US permission for Ukraine to use long-range weapons to strike targets in Russia, the Kremlin referred back to Vladimir Putin's previous statements on the issue. At the St. Petersburg Economic Forum in October, Putin stated that such a decision would mean "nothing less than the direct participation of NATO countries, the United States, and European countries in the war in Ukraine" and that "bearing in mind the change in the very essence of this conflict, we will make appropriate decisions based on the threats that will be created for us." Long-range weapons could help Ukraine disrupt Russian military logistics, respond to massive aerial attacks, and improve Kyiv's future negotiating position. However, they are unlikely to change the overall military [balance on the frontlines](#), which has been gradually tilting in Russia's favor.

Romania

Prime Minister Marcel Ciolacu will get a plurality of votes but is unlikely to secure an outright victory in the first round of presidential election on 24 November. In a likely runoff two weeks later, Ciolacu (Social Democratic Party, PSD) is expected to face right-wing candidate George Simion (Alliance for the Union of Romanians, AUR). However, other candidates such as former NATO deputy secretary-general Mircea Geoana, senate president Nicolae Ciuca (National Liberal Party), and Elena Lasconi (Save Romania Union) also have realistic chances of advancing to the second round ahead of Simion. The first round of the presidential vote will also indicate voter preferences ahead of parliamentary elections scheduled for 1 December.

Spain

The finance committee of the Congress of Deputies will meet on 18 November to discuss extending taxes on banks and energy companies and introducing new ones such as a 21% sales tax on tourist accommodation. However, the government has not secured the support of the parties it relies on for its fragile parliamentary majority. In late October, the administration reached an agreement with the Basque Nationalist Party (PNV) and Carles Puigdemont's Together party to extend a windfall tax on banks for three more years while scrapping a similar tax on energy companies. Left-wing parties, including junior coalition partner Sumar, oppose removing the energy tax and are pushing for additional taxes on tourist accommodation and capital gains above EUR 300,000 – proposals rejected by pro-business parties like PNV and Together. The latest measures are part of amendments to an EU corporate tax directive. Failure to transpose this directive risks delaying the release of EUR 7.2bn in EU funds.

LATIN AMERICA

Venezuela

Over the weekend of 16-17 November, the regime released over 130 political prisoners out of a supposed 225 that Attorney-General's office has said will be freed. The conditional release of prisoners follows President Nicolas Maduro's call for a review of the wave of arrests that took place in the wake of July's election fraud. Maduro may have acted to relieve pressure on his regime following the death in custody of an opposition activist last week and to put a stop to prison vigils by detainees' mothers. In the wider context, the move is also likely to be a gesture to the US following Donald Trump's election win and the news that

fierce Maduro critic Marco Rubio is Trump's pick for secretary of state. While a limited number of detentions that can easily be reversed is hardly likely to change Rubio's mind about the regime, it may be intended as a signal of willingness to negotiate.

MIDDLE EAST AND AFRICA

Mozambique

Mozambique's post-election crisis is deepening. Since the fourth wave of demonstrations called by opposition presidential candidate Venancio Mondlane on 13-15 November, the death toll has reportedly climbed to fifty. Opposition party Podemos wants to continue to call for demonstrations to achieve 'electoral justice'. However, the security forces have cracked down heavy-handedly and officials have now begun to speak of 'urban terrorism'. Hardening stances could escalate violence and generate more lawlessness. The Constitutional Council (CC) still must validate the election results (which carries no set deadline). The Southern African Development Community (SADC) is convening on the issue on 16-20 November. Little intervention can be expected, though international condemnation of the violence is growing louder and might increase pressure for political negotiations.

Senegal

Official results of the 17 November legislative elections are still pending. However, early results [as expected](#) suggest a likely parliamentary majority for the governing Patriots of Senegal (PASTEF) party. The results are unlikely to be contested as several major opposition groupings have all officially conceded defeat, including ex-presidents Macky Sall's and Abdoulaye Wade's Takku Wallu Senegal (TWS) coalition and former Prime Minister's Jamm ak Njarin coalition. The outcome of the polls now puts PASTEF in full control of policy decisions.

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