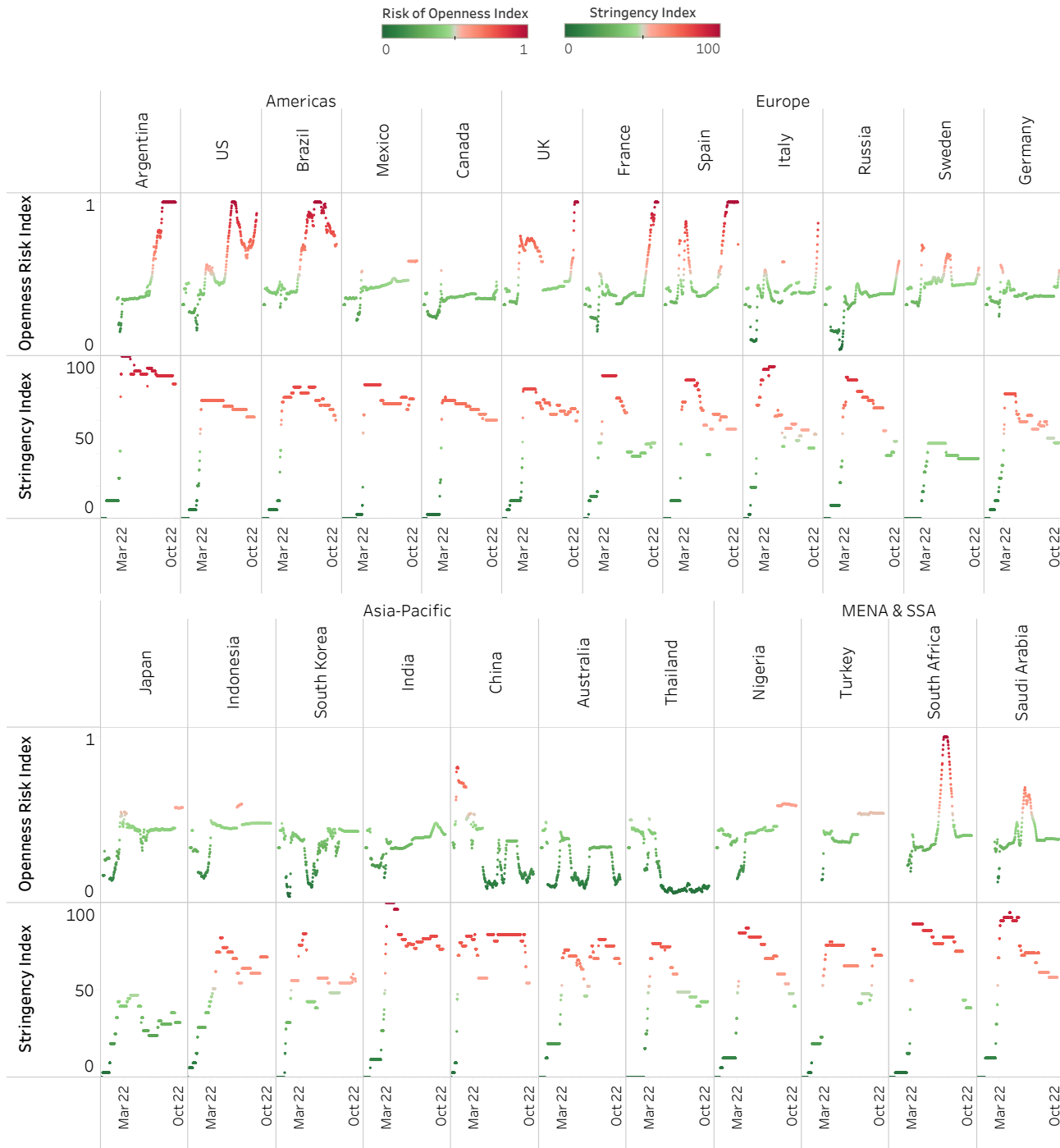


WEEKLY POLITICAL COMPASS

China's health authorities have discovered new Covid-19 cases. **Italy** has announced new restrictive measures. **Thailand's** parliament will start a special session over anti-government demonstrations. **Peru's** President Martin Vizcarra could face another impeachment process. **Cote d'Ivoire** will go to the polls in a tense environment. Meanwhile, **Japan's** PM will face parliamentary scrutiny for the first time, **Lithuania's** main center-right party is expected to lead a coalition government, **Brazil's** Jair Bolsonaro has blocked the purchase of a Chinese-made Covid-19 vaccine, and **Tanzania** will hold a general election.

CHART OF THE WEEK

Stringent measures return only gradually even if the risk of reopening has increased substantially



Source: Thomas Hale, Tilbe Atav, Laura Hallas, Beatriz Kira, Toby Phillips, Anna Petherick, Annalena Pott. Variation in US states' responses to COVID-19. Blavatnik School of Government (last update on October 24)

Note: The new **Risk of Openness index** provides information (**epidemiological, testing, and mobility data**) on the risk that a country faces if the government were to adopt an 'open' policy stance – which means no policy measures aimed at containing the virus through reducing physical interaction

The number of registered **Covid-19 cases is rising again across advanced economies**, at the fastest rate in months. The trend is particularly steep in Europe, where most countries have seen a worsening of the pandemic over the past three weeks, as well as in the US. The chart above illustrates that while the risk of lifting restrictions has risen recently in both

places, the stringency of the restrictions does not always follow the same upward trend. In France, Spain and the UK, for instance, the stringency index has not increased substantially in recent weeks despite the worsening of the situation. Even though restrictions on social gatherings and curfews are returning or being extended in many countries, most governments remain unwilling to consider increasingly unpopular nationwide lockdowns. The coming weeks are crucial to see whether these new measures are enough, or if, alternatively, more stringent nationwide restrictions are inevitable.

WHAT TO WATCH

China

Health authorities discovered 137 new asymptomatic Covid-19 cases in Kashgar in northwest China's Xinjiang region on 25 October. This marks China's first locally transmitted infection since 14 October. After discovering the initial case on Saturday night, authorities had tested 2.84mn city residents by Sunday afternoon and planned to have all 4.75mn residents by Tuesday.

Italy

The government is running short of options to avoid a full lockdown while the country's test and trace system is already overwhelmed. Starting from 26 October all bars and restaurants across the country will have to close by 6pm. Under the new measures, to remain in place for a month, schools and workplaces will remain open. Gyms, swimming pools, theaters and cinemas will close, and Italians are "strongly recommended" not to leave their immediate areas apart from for studying, work or health reasons. Meanwhile, the risk of anti-lockdown protests, which could turn violent, is rising.

Thailand

Parliament has started to discuss the country's political crisis but the special session being held from 26-27 October will not result in firm proposals. Rather, it will be used by the political parties to float possible solutions to the impasse that is now manifesting in the country's streets. The youth-led demonstrations are unlikely to see the process as credible, because of ruling coalition's unwillingness to table discussions regarding the monarchy. In addition, the continued detention of key protest leaders and the royalist attempts to bring their own people out into the streets will further heighten political animosities.

Peru

Congress will hold a vote on whether to start another impeachment process against President Martin Vizcarra on 31 October. Vizcarra survived a separate impeachment bid in September. This second impeachment bid centers on separate and more serious allegations that Vizcarra received kickbacks totaling over USD 600,000 when he was governor of Moquegua (2011-2014). For Congress to consider an impeachment vote, 52 votes are required; the motion was initially backed by 27 legislators, led by the Union for Peru (UPP), which also pushed September's impeachment initiative. If the 52-vote threshold is reached, the impeachment vote proper would require 87 votes, which it is far from clear is achievable.

Cote d'Ivoire

The presidential election is scheduled for 31 October. Despite the boycott by Henri Konan Bedie and Pascal Affi N'Guessan, the two main opposition contenders, a last-minute postponement remains unlikely. Amid a tense atmosphere and localized clashes between party supporters, President Alassane Ouattara is virtually guaranteed to win a controversial third term in office. His only remaining contender, Kouadio Konan Bertin, polled merely 3.9% in the 2015 election.

ON THE HORIZON

ASIA

India

US Secretary of State Mike Pompeo and Defense Secretary Mark Esper will hold talks with Indian Foreign Minister Subrahmanyam Jaishankar and Defense Minister Rajnath Singh on 27 October in New Delhi. The dialogue will take place just a week ahead of the US presidential election and amid India's festering border row with China. Crucial bilateral, regional and global issues including China's efforts to expand its influence in the Indo-Pacific region as well as its behavior in eastern Ladakh are likely to figure in the talks. Meanwhile, the first round of the Bihar legislative elections for 71 out of 243 seats will take place on 28 October. The election is seen as a referendum on the government's handling of the pandemic.

Japan

The extraordinary session of the Diet opened on 26 October for a session that will run until 5 December. While the government's agenda for the short session is relatively light – the most notable items include a bill to ensure compensation for individuals harmed by a Covid-19 vaccine and the newly signed Japan-UK free trade agreement – Yoshihide Suga will face parliamentary scrutiny for the first time since becoming prime minister in September. He will likely be grilled by opposition lawmakers over his handling of appointments to the Science Council of Japan, an official academic advisory body to the prime minister, an issue that has already caused him to shed some public support.

Malaysia

Prime Minister Muhyiddin Yassin's ability to stay in office has become more doubtful, even after the United Malays National Organization abandoned its plan last week to back opposition leader Anwar Ibrahim. Over the weekend, Muhyiddin failed in a high-profile gambit to have the king declare a state of emergency, which would allow the monarch to rule by decree, and which would forestall any elections or change in power. UMNO is holding discussions into Monday evening Asia time to decide whether to continue to support Muhyiddin, or to find a compromise candidate from within the ruling coalition. Even if Muhyiddin were to survive the next few weeks, his position will be a constant target.

EUROPE

Belarus

A general strike initiated by the exiled opposition leader Sviatlana Tsikhanouskaya starts on 26 October. The extent and length of the strike will determine Tsikhanouskaya's influence over the protest movement after more than two months outside the country. A widespread and protracted strike – including in major state-owned enterprises – could aggravate the authorities' crackdown on protesters. Simultaneously, it could also significantly weaken President Alexander Lukashenko, thereby potentially expediting his (eventual) departure from power.

Germany

The party conference to elect a new leader for Chancellor Angela Merkel's Christian Democrats (CDU) will not be held in person on 4 December. Parting leader Annegret Kramp-Karrenbauer and the three candidates competing for the post (and the Merkel succession) have agreed that an in-person conference with around 1,000 delegates is impossible to conduct against the current pandemic backdrop. The gathering is now expected to be delayed until next year. This may suit continuity candidates such as North Rhine-Westphalia's state premier Armin Laschet but could also boost the chances of potential new entrants such as popular Health Secretary Jens Spahn.

Lithuania

The opposition center-right Homeland Union – Lithuanian Christian Democrats (TS-LKD) claimed victory in the second round of parliamentary election on 25 October. The party is expected to lead a three-party center-right coalition government. The handling of the Covid-19 pandemic will be a clear near-term priority, while education, healthcare and

economic reforms will likely emerge as long-term objectives. However, the worsening of the economic situation, together with the planned overhaul of highly sensitive sectors, could quickly erode the unity of the coalition government.

LATIN AMERICA

Brazil

As municipal election campaigns intensify, this week will see continued posturing by the main clusters of power around President Jair Bolsonaro. Reaction by the controversial environmental minister Ricardo Salles against the secretary of the government, army general Luiz Eduardo Ramos, over ministerial funding last week brought to the fore divergences between the ideological and the military wings of the government. Congressional leaders sided with Ramos. This episode highlights Bolsonaro's difficulties in maintaining a united front, particularly since the advent of his alliance with "old politics," which is not well seen by either the military or the ideologues. Meanwhile, as Brazil experiences a significant fall in infections and deaths from Covid 19, the week should also see more bickering between Bolsonaro and his main presidential adversary, Sao Paulo state Governor Joao Doria, over vaccines. The president disavowed his health minister last week and blocked the purchase of 46 million units of the so-called Coronovac vaccines which are being developed by Chinese laboratory Sinovac in partnership with the São Paulo state health institute.

MIDDLE EAST AND AFRICA

South Africa

Finance Minister Tito Mboweni will present the Medium-Term Budget Policy Statement (MTBPS) on 28 October. With South Africa facing a record recession, the only question is just how steep the fiscal deterioration will be. Mboweni will be expected to show how President Cyril Ramaphosa's economy recovery plan – focusing on an infrastructure drive, employment stimulus, energy sector reform and 'reindustrialization' – will be financed. At the same time, he is under pressure to reduce government spending by an additional ZAR 230bn over two years and will be scrutinized for the extent to which he sticks to his pledge to stabilize debt levels under his "active scenario."

Tanzania

General elections will take place on 28 October. President John Magufuli is widely expected to be reelected for a second term. While the main opposition parties, Chadema and ACT-Wazalendo, have formed a loose coalition around presidential aspirant Tundu Lissu, there are clear concerns about the conduct of the campaign and the vote. If Magufuli increases his margin of victory this year, he will likely continue aggressive populist and increasingly authoritarian agenda during his second term. He could even try to amend the constitution to extend presidential term limits.

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