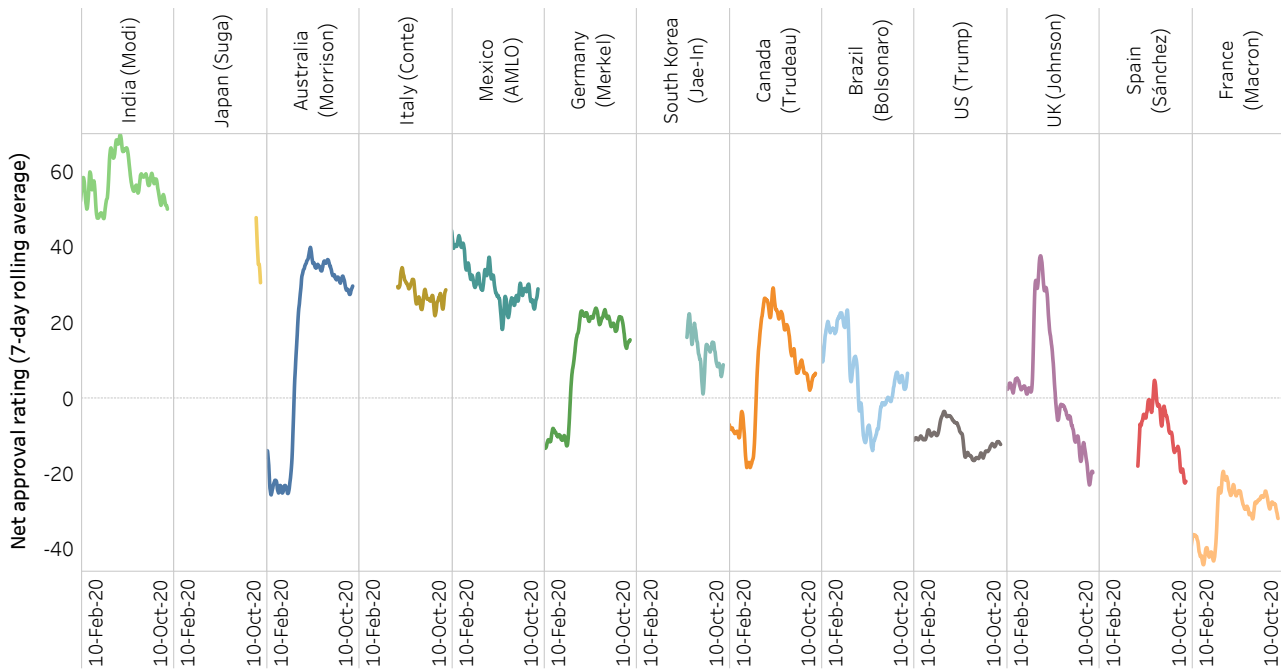


## WEEKLY POLITICAL COMPASS

Anti-government protests have gained momentum in **Thailand**. On his first trip abroad, **Japan's** new PM is visiting Vietnam and Indonesia. The **UK** and the **EU** will continue their future relationship negotiations. In **Chile**, the process for constitutional changes will begin this week with a referendum. Meanwhile, **Malaysia's** biggest political party is holding internal meetings, **Ukraine's** local elections will test the popularity of presidential policies, anti-government protests are expected in **Colombia**, and **South Africa's** parliament will debate the economic reconstruction and recovery plan.

### [CHART OF THE WEEK](#)

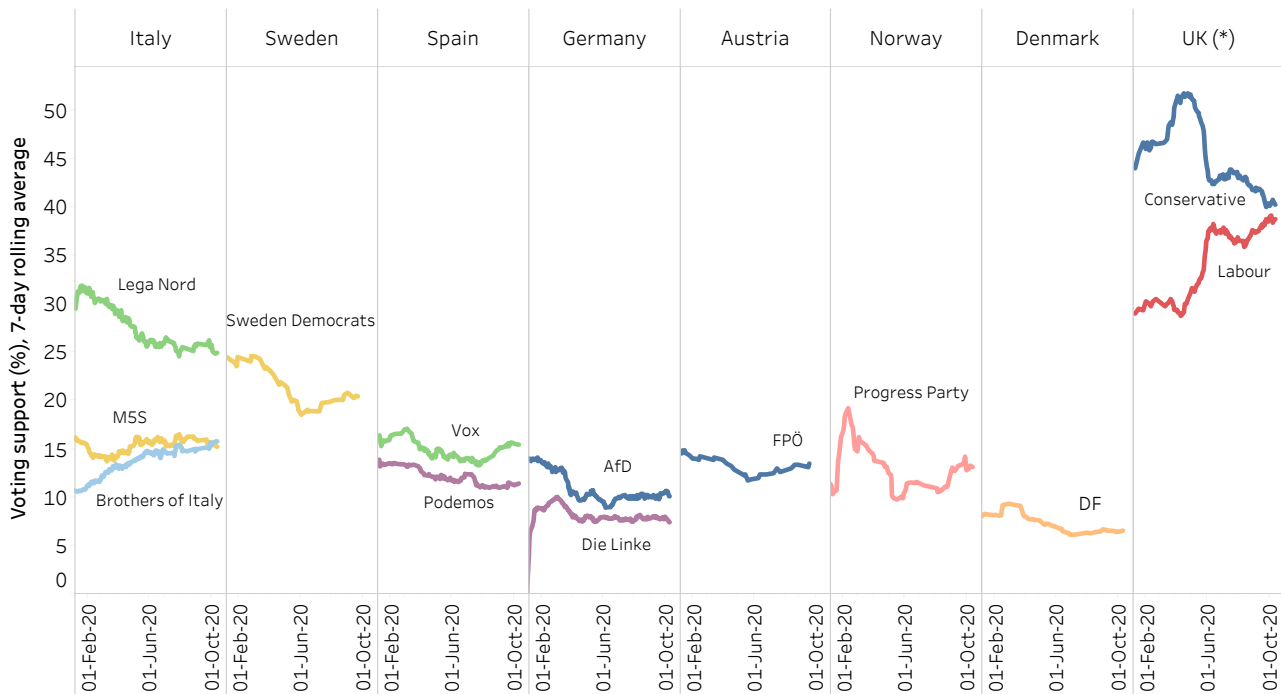
### The coronavirus crisis has boosted some leaders and weakened others



Source: Morning Consult

Net approval rating is calculated by subtracting the number of those who disapprove from the number of those who approve

### Support for populist parties in Western Europe since the beginning of the pandemic



Source: pollfopolls.eu; Europe Elects

(\*) In the UK, given the low figures of populist parties, the voting intention of the two main parties is shown.

The pandemic's effect on the popularity of leaders varies significantly between countries. In most cases, **leaders' approval ratings** have fluctuated significantly over the past months, which is line with the volatile political landscape that preceded the pandemic. Leaders such as Boris Johnson in the UK and Justin Trudeau in Canada, initially enjoyed a boost of

popularity but have suffered a downward trend in recent months. Other leaders, such as Brazil's Jair Bolsonaro and Mexico's Andres Manuel Lopez Obrador, have improved their approval ratings over the past months despite a controversial handling of the coronavirus crisis. Meanwhile, support for populist parties in Western Europe has dropped mildly in some countries but remains significant given its structural causes.

## WHAT TO WATCH

### Thailand

**The government is attempting to further constrain protests without going directly after the bulk of those participating, but the anti-government movement has momentum.** Its leaders are being arrested, media is being asked not to cover their activities and messaging companies are reportedly being asked to block access. Protesters are now shifting to Telegram. The anti-government movement has shown organic growth, especially among the youth, and the recent ban seems to have only emboldened its supporters. Protests are likely to continue even with the government's efforts and the possibility of a confrontation persists.

### Japan

**Prime Minister Yoshihide Suga arrived in Hanoi on 18 October, the start of a four-day swing through Vietnam and Indonesia that marks Suga's first foreign trip since becoming prime minister last month.** In both stops, he will stress his commitment to building upon former prime minister Shinzo Abe's "Free and Open Indo-Pacific" concept, as Japan seeks to strengthen political, military, and economic ties with partners across the region in a bid to counter China's maritime assertiveness and economic clout. Agreements on supply chain resilience and arms sales will be signed when Suga meets with Vietnamese leaders; similar agreements could be signed with Indonesia in the near future.

### UK/EU

**Future relationship negotiations are set to continue for roughly another month after last week's passing of various deadlines.** Neither did the European Council endorse any deal – because there was none – nor did British PM Boris Johnson follow through on his previous threat to pull the plug on talks if they had not produced any tangible results by 15 October. Instead, Johnson told his country to get ready for no-deal – but without abandoning the ongoing talks. The next deadline now emerges in form of the informal European Council in Berlin on 15-16 November. A deal endorsed at that meeting could still be passed by the European Parliament in time for a 1 January start.

### Chile

**A referendum on a new constitution takes place on 25 October, kicking off a re-write process that will stretch to 2022.** Voters will be asked 1) whether they are in favor of a new constitution and 2) what method they would prefer to go about the process, either a constitutional convention specially elected for the purpose of writing the new constitution or a mixed convention of elected members, 50% of them from Congress and 50% from the populace. Voters are expected to approve a new constitution and opt for a specially elected constituent assembly. Voting for the constituent assembly will take place next April, with the assembly commencing sessions in May 2021.

## ON THE HORIZON

### ASIA

#### China

**China's announced financial reforms for Shenzhen's 40th anniversary of becoming China's first Special Economic Zone.** The new measures send a message that the Communist Party leadership believe the southern tech and finance

hub could assume at least some of the role now played by Hong Kong. Shenzhen will be allowed to experiment with China Depository Receipts, land use reforms, and integration with Hong Kong.

#### Malaysia

**The United Malays National Organization, Malaysia's biggest political party, is holding a series of internal meetings this week.** The party is ridden by internal rifts over its relationship with its partner Bersatu, and it may decide whether the party will support the bid for power of opposition leader Anwar Ibrahim.

#### Pakistan

**A virtual meeting of the Financial Action Task Force (FATF) plenary 21-23 October will decide if Pakistan should be excluded from its grey list.** This decision is taken after a review of Islamabad's performance to meet global commitments and standards in the fight against money laundering and terror financing (ML&TF). Although India is lobbying to move Pakistan on to a blacklist, chances are that with the combined diplomatic weight of allies such as China, Turkey and Malaysia Pakistan will stay on the grey list for at least another six months.

### **EUROPE**

#### CEE

**Member states of the Three Seas Initiative – 12 countries between the Adriatic, Baltic and Black seas will hold their 5th annual summit in Tallinn, Estonia on 19 October.** Joined by representatives from the European Union and the US, this year's mostly virtual summit will focus on advancing various cross-border projects in the areas of transport, energy and digitalization.

#### Eastern Mediterranean

**Voters in the self-declared Turkish Republic of Northern Cyprus (TRNC) elected Prime Minister Ersin Tatar as their new president in the 18 October presidential runoff.** The victory of Ankara-backed Tatar, who advocates a two-state solution, rather than a federal power-sharing model, signals a TRNC more aligned to Turkey and will hamper efforts to re-unite the divided island. This, in turn, could further complicate the dispute in the Eastern Mediterranean that has pitted Cyprus, Greece, Israel against Turkey.

#### Lithuania

**After the first-round vote on 11 October, the opposition center-right Homeland Union-Lithuanian Christian Democratic (TS-LKD) is likely to obtain the greatest number of mandates and form a new coalition government.** However, the ruling Lithuania Farmers and Green Union (LVZS) outperformed its rivals in the second-round vote of the 2016 parliamentary election and could still present a notable challenge for the main opposition party.

#### Spain

**A no-confidence motion against the left-wing coalition government of the Socialist Workers' Party (PSOE) and Unidas Podemos will be defeated on 22 October.** The motion – which has been pushed forward by far-right party VOX – is unlikely to receive the support of any of the other parties in the Congress of Deputies (Spain's lower chamber). Rather, it is designed as an effort by VOX to put pressure on the center-right opposition People's Party (PP), which has still not decided whether to vote against the initiative – hence siding with the government – or to abstain – thereby siding with VOX's controversial tactics.

#### Ukraine

**The ruling Servant of the People (SN) party is expected to win the local elections scheduled for 25 October.** However, the party will not secure one-party majorities in most local councils nor is likely to win mayoral races in the Teneo

country's major cities. The vote will test the popularity of the ruling SN and, by extension, President Volodymyr Zelensky's policies amid slowing reforms and the worsening Covid-19 pandemic. The election will be accompanied by a legally non-binding nationwide poll on five questions, which could be an attempt by Zelensky to mobilize his supporters.

## LATIN AMERICA

### Colombia

**Anti-government protests will take place in cities across the country on 21 October.** Protest leaders want to revive the mass demonstrations that started in November 2019, but which fizzled out over the Christmas season and then went into a hiatus with the Covid-19 pandemic. The list of grievances driving the protests is long, and includes labor and pension reform proposals, privatization plans, resurgent violence, and police brutality. The government's management of the economic crisis sparked by the Covid-19 lockdown will now be added to demonstrators' list of complaints. Outbreaks of violence during the protests will be difficult to avoid.

## AFRICA

### South Africa

**On 21 October, President Cyril Ramaphosa's economic reconstruction and recovery plan will be debated in parliament.** Ramaphosa's plan, announced on 15 October, includes bold promises around infrastructure, energy generation, employment stimulus and an industrial drive. However, confidence is unlikely to strengthen significantly unless the administration starts to improve its implementation record, particularly amid a dire fiscal situation that will be confirmed in the forthcoming Medium-Term Budget Policy Statement (MTBPS). The 'mini budget' was supposed to be announced this week, but Finance Minister Tito Mboweni has requested a postponement until 28 October.

### Zambia

**On 20 October, bondholders are due to vote on Zambia's request for a six-month suspension of interest payments.** It is far from certain whether bondholders will endorse the standstill despite the government threatening that it would otherwise default on its Eurobond payments. While the G20 Debt Service Suspension Initiative (DSSI) will now offer bilateral debt relief until June 2021, there are three major uncertainties hampering a broader debt restructuring deal: equal treatment of all lenders, particularly Chinese banks; election-related spending ahead of the make-or-break 2021 ballot; and the government's willingness to finally reach a deal with the International Monetary Fund (IMF).

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