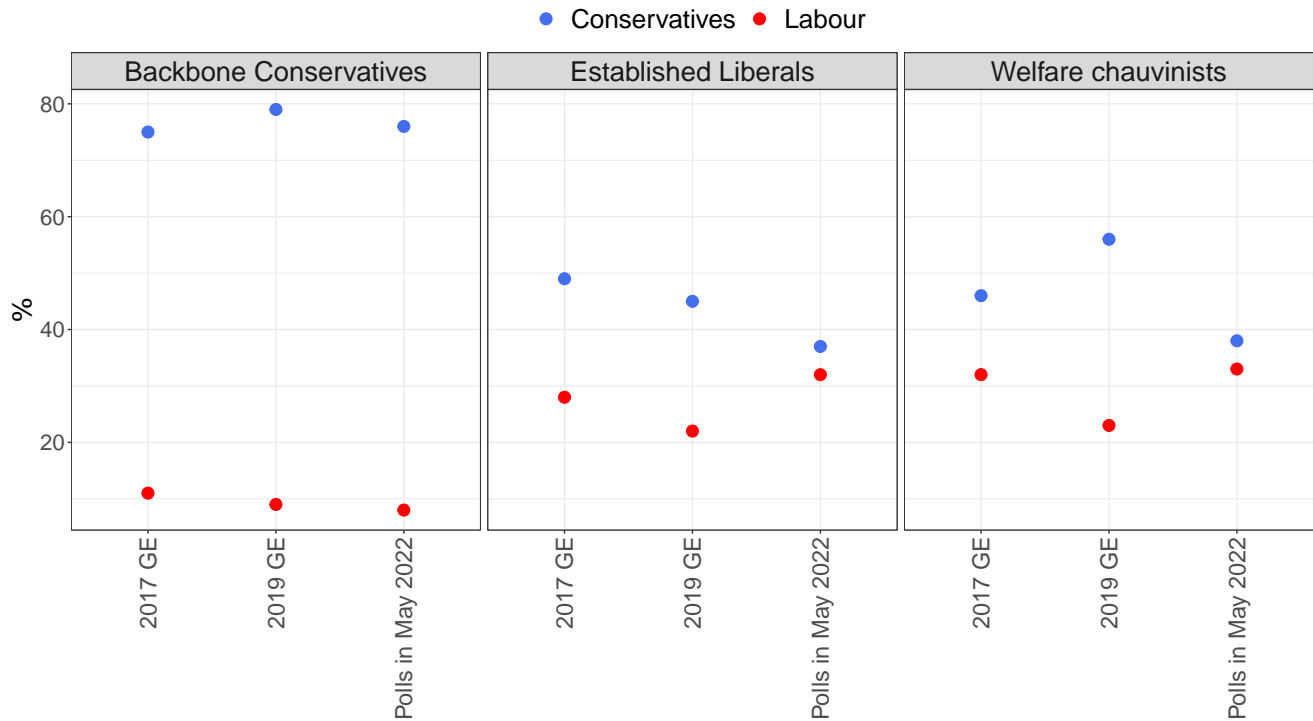


WEEKLY POLITICAL COMPASS

Despite **Russian** missile strikes, **Ukraine** is preparing for grain exports from its three Black Sea ports. **China** is warning of the **US** House Speaker's potential trip to Taiwan. **Ghana's** finance minister will try to assuage public concern about an IMF program. **South Africa's** ruling party will hold its national policy conference. Meanwhile, **Thailand's** prime minister survived a no-confidence vote, **EU** energy ministers will discuss plans to reduce gas consumption, a new congressional president should be elected in **Peru**, and **Kenya's** opposition leader has announced that he will not attend a planned presidential debate.

CHART OF THE WEEK

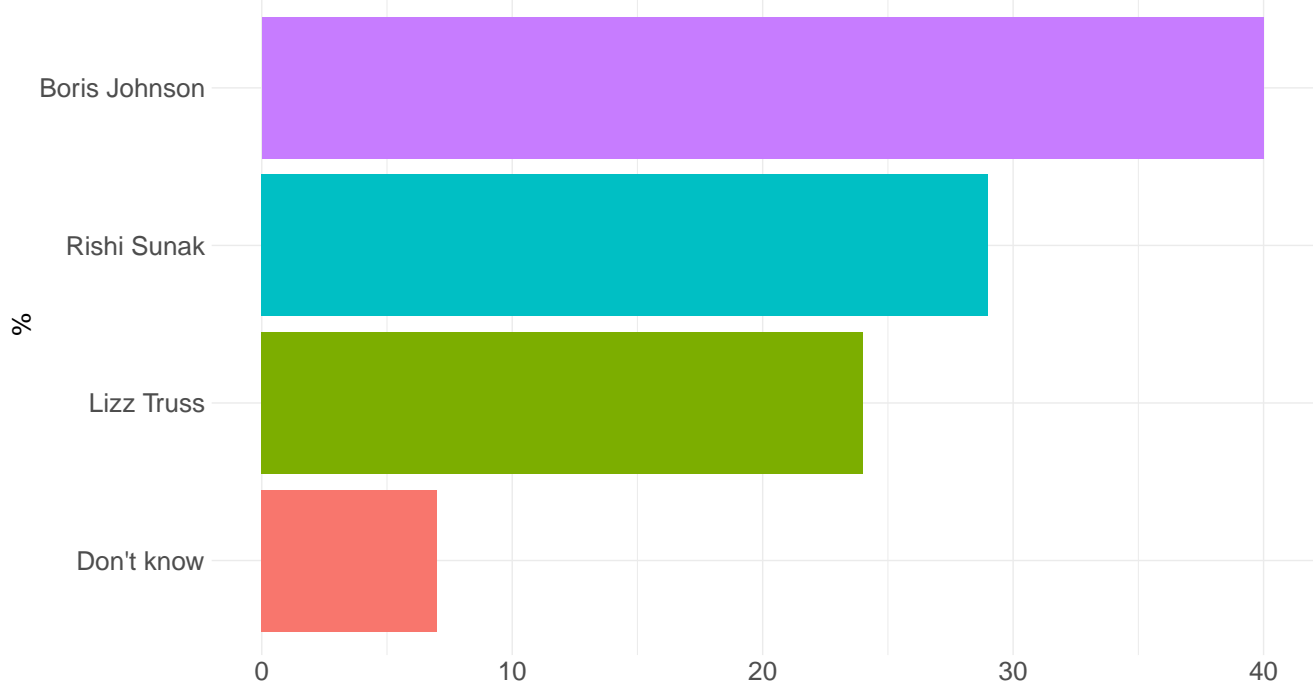
The electoral coalition of the UK Conservative Party is increasingly under pressure



Source: More in Common

Conservative voters are not thrilled about either candidate

Q: "Who do you think would be the best prime minister?" (Only among current Conservative voters)



Source: Deltapoll. Sample size: 1,588 adults in Britain. Date: 21–23 July

The first TV debate between the two candidates for the **UK's Conservative Party leadership** will be held tonight. While Foreign Secretary Lizz Truss appears to be significantly more popular among party members than Chancellor Rishi Sunak, this might not necessarily be the case among the wider Conservative electorate. In fact, according to a recent poll, a higher share of current Conservative supporters perceives Chancellor Rishi Sunak as the best PM. However, both still lag behind ousted PM Boris Johnson. Regardless of the eventual outcome, the Conservatives will struggle to keep together their large,

socially heterogeneous electoral coalition. Polls show that the Tories are losing support among established liberals (highly educated, wealthy voters) as well as among “Red Wall” voters (socially conservative but more left-wing economically).

WHAT TO WATCH

Russia/Ukraine

Despite Russian missile strikes on Odesa over the weekend, Ukraine is preparing for the export of agricultural products from its three Black Sea ports. This follows the agreement reached with Turkey, Russia, and the UN on 22 July. The deal could help Ukraine export around 22mn tons of grain stuck in storage facilities, but the process is complicated and extremely sensitive to any further incidents.

US/China

Chinese officials have reportedly made strongly worded private warnings to Washington over US House Speaker Nancy Pelosi's possible trip to Taiwan. In addition, Beijing's has publicly warned about "strong measures" if the Pelosi trip proceeds. Within the Biden administration, National Security Advisor Jake Sullivan reportedly opposed Pelosi's trip over concerns that it would escalate tensions.

Ghana

Finance Minister Ken Ofori-Atta will be delivering a mid-year budget review in parliament today, 25 July 2022.

The budget presentation is the first since President Nana Akufo-Addo administration confirmed that it has entered talks with the International Monetary Fund (IMF) for a bailout program. While Ofori-Atta's presentation is expected to focus the latest updates on key economic indices including inflation, GDP growth, fiscal deficits, debt servicing costs, etc., as well as updates on key government programs, the overall aim of the budget speech will be to assuage public concern about an IMF program. On this regard, the finance minister will likely also lay out social protection plans for the most vulnerable groups under any IMF deal.

South Africa

The ANC's national policy conference will now take place this week. Content discussions, as always, will be proxy wars in the succession race ahead of the party's national conference in December. The provincial ANC KwaZulu-Natal conference over the weekend already fueled anti-Ramaphosa noise. Still, he remains the frontrunner in the leadership race, notwithstanding the "farmgate" scandal. Headline risk from the policy conference could emerge from proposals to introduce a basic income grant (BIG), which could find cross-factional support amid the ANC's fast-declining electoral support. Also controversial could be past resolutions regarding land expropriation and the ownership of the South African Reserve Bank (SARB), which have all but stalled.

ON THE HORIZON

ASIA PACIFIC

Thailand

Prime Minister Prayuth Chan-ocha survived a no-confidence vote in parliament, with the opposition only having 206 votes against the 239 needed to remove him. The noise from some non-opposition politicians about their displeasure with Prayuth did not translate into votes against him, signaling that the prime minister may still have some leverage to hold off on the pressure to call early elections.

EUROPE

EU

Energy ministers will convene for an extraordinary meeting on 26 July. However, the gas consumption reduction package they will likely agree will stop short of granting the European Commission the power to set mandatory reduction targets. Instead, agreement would still be required from member states, many of which will also receive exemptions and opt-outs given their low dependence on Russian gas or their physical isolation from the EU's electricity market. Meanwhile, the German government appears to be moving towards extending the lifespan of the country's three remaining nuclear power blocs.

LATIN AMERICA

Peru

A new congressional president should be elected on 26 July ahead of the annual state-of-the-nation address by President Pedro Castillo on 28 July. Whoever is elected will be an important figure, not just because of the role that Congress typically plays as a check against the executive, but because of their place in the line of succession – if Castillo is impeached at some point in the next year (possible) and if Vice-President Dina Boluarte is forced to stand down (probable), the congressional president would occupy the presidency until fresh elections are organized. As things stand, there are two candidates vying for the leadership of Congress, both of them from parties opposed to Castillo. Their rival bids highlight how opposition parties continue to struggle to coordinate between themselves even in the face of a president as disorganized and divisive as Castillo.

MIDDLE EAST AND AFRICA

Kenya

Vice President William Ruto and opposition leader Raila Odinga were set to square off in a presidential debate on 26 July. However, Odinga announced over the weekend that he would not attend. With only two weeks to go to the 9 August general elections, the race remains extremely tight, even if Odinga has eked out a small advantage in opinion polls over the last 2-3 months. No other presidential candidate stands a realistic chance but could potentially force Odinga and Ruto into a run-off. Ongoing concerns over the IEBC electoral commission further fuel the risk of electoral disputes.

Senegal

Parliamentary elections are scheduled to take place on 31 July 2022. The polls will be taking place against the backdrop of growing concerns about the government's perceived suppression of the political opposition. On 3 June, Senegal's highest court decided to uphold a decision to invalidate the national candidate list of Yewwi Askan Wi (YAW), one of the main opposition coalitions that is led by Ousmane Sonko, a 2019 presidential candidate. The development was followed by opposition protests following by an arrest of several YAW politicians. Tensions have been deescalated following the involvement of a small group of mediators, which resulted in the release of the YAW politicians and the opposition deciding not to boycott the elections (its list of replacement candidates remains valid) and cancelling a large-scale demonstration planned for 29 June at the last minute.

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