

## 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 looming **Turkish** elections. Meanwhile, changes are ahead for several institutions of government in **Japan**, the center-right has won the **Finnish** elections, the impeachment case against **Ecuador's** president goes to the national assembly, and talks between **Ghana** and international bondholders are continuing. Our graph of the week zooms in on the **UK government's popularity**.

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

**Turkey** will hold the first round of its presidential elections on 14 May. Our Director of Research answers three key questions.

#### What is the likely result of the first round?

As four candidates will compete in the elections, the first round is likely to be inconclusive due to vote-splitting.

#### What will happen after that?

A run-off between the two most voted candidates will take place on 28 May, possibly giving an advantage to the side that has won the parliamentary elections two weeks earlier.

#### What are the main signposts to watch?

It will be important to see whether opposition parties part of the Nation Alliance will agree to decrease the number of competing electoral lists by instead running joint lists, reducing the risk of wasted votes. The deadline to submit the list of candidates for the parliamentary election is 9 April.

### WHAT TO WATCH

#### ASIA PACIFIC

##### US/China

**China's main internet regulator announced a cybersecurity investigation into imports from Micron Technology, the US' largest producer of memory chips.** The investigation by the Cyberspace Administration of China appears to mark retaliation against **tough US export controls** targeting China's semiconductor industry, following several years in which Beijing has **largely refrained** from such retaliation.

##### Japan

**Change is the theme of the week for several institutions of government.** The new Children and Families Agency launched on 1 April, with Prime Minister Fumio Kishida putting depopulation countermeasures at the [top of his political agenda](#) this year. Outgoing Bank of Japan governor Haruhiko Kuroda ends his ten-year tenure on 8 April, with incoming chief Kazuo Ueda expected to gradually normalize ultra-accommodative monetary policy over the medium-term. Finally, on 9 April, the first half of the quadrennial [unified local elections](#) will be held across many of Japan's 47 prefectures, with the remaining local government elections to follow on 23 April.

## EUROPE

### [Bulgaria](#)

**The pro-Western populist Citizens for European Development of Bulgaria (GERB) claimed a narrow victory over the pro-Western alliance of We Continue the Change (PP) and the reformist Democratic Bulgaria (DB) in the 2 April snap parliamentary elections.** Overall, the election results are similar to the previous general vote in October. The challenges of ending political deadlock and forming a stable government remain. As a result, a technocratic cabinet or yet another election are the most likely outcomes. However, this time the probabilities are tilted slightly in favor of a technocratic cabinet due to increasingly urgent reform and fiscal challenges as well as the rising popularity of a strongly pro-Russian Revival party.

### [EU/China](#)

**French President Emmanuel Macron and European Commission President Ursula von der Leyen will be visiting China this week.** The immediate focus will be on Beijing's positioning towards Russia's war on Ukraine. A longer-term question is to which degree the EU might be willing to reconsider the bilateral investment agreement currently stuck in the European Parliament.

### [Finland](#)

**The center-right National Coalition Party has won the parliamentary elections, ousting internationally popular center-left PM Sanna Marin.** With Marin's Social Democrats relegated to third position, the National Coalition Party now has the choice between a grand coalition with the center left and – more likely – cooperation with the far-right Finns Party. Unlike in the past, the risks to European policy from a right-of-center government are limited, as long as the Finns Party manages to enforce a more restrictive approach to immigration.

## LATIN AMERICA

### [Ecuador](#)

**The impeachment case against President Guillermo Lasso goes to the National Assembly (AN)'s audit and oversight committee today, 3 April, having obtained Constitutional Court approval last week.** The committee will have 30 days to examine the case and produce a final recommendation. A plenary vote involving a two-thirds majority would be needed to seal Lasso's impeachment; Lasso's coalition numbers just 24 out of 137 in the AN. Lasso has the option of activating the mechanism known as "mutual death" ("*muerte cruzada*"), under which the AN would be dissolved and fresh elections – both presidential and legislative – would be called. Lasso has not ruled out triggering *muerte cruzada* but implied in an interview yesterday, 2 April, that he would let the impeachment process advance before considering this route, which he conceded would most likely benefit his main political enemy, the Union for Hope (UNES) coalition loyal to former president Rafael Correa (2007-2017).

## MIDDLE EAST AND AFRICA

### [Ghana](#)

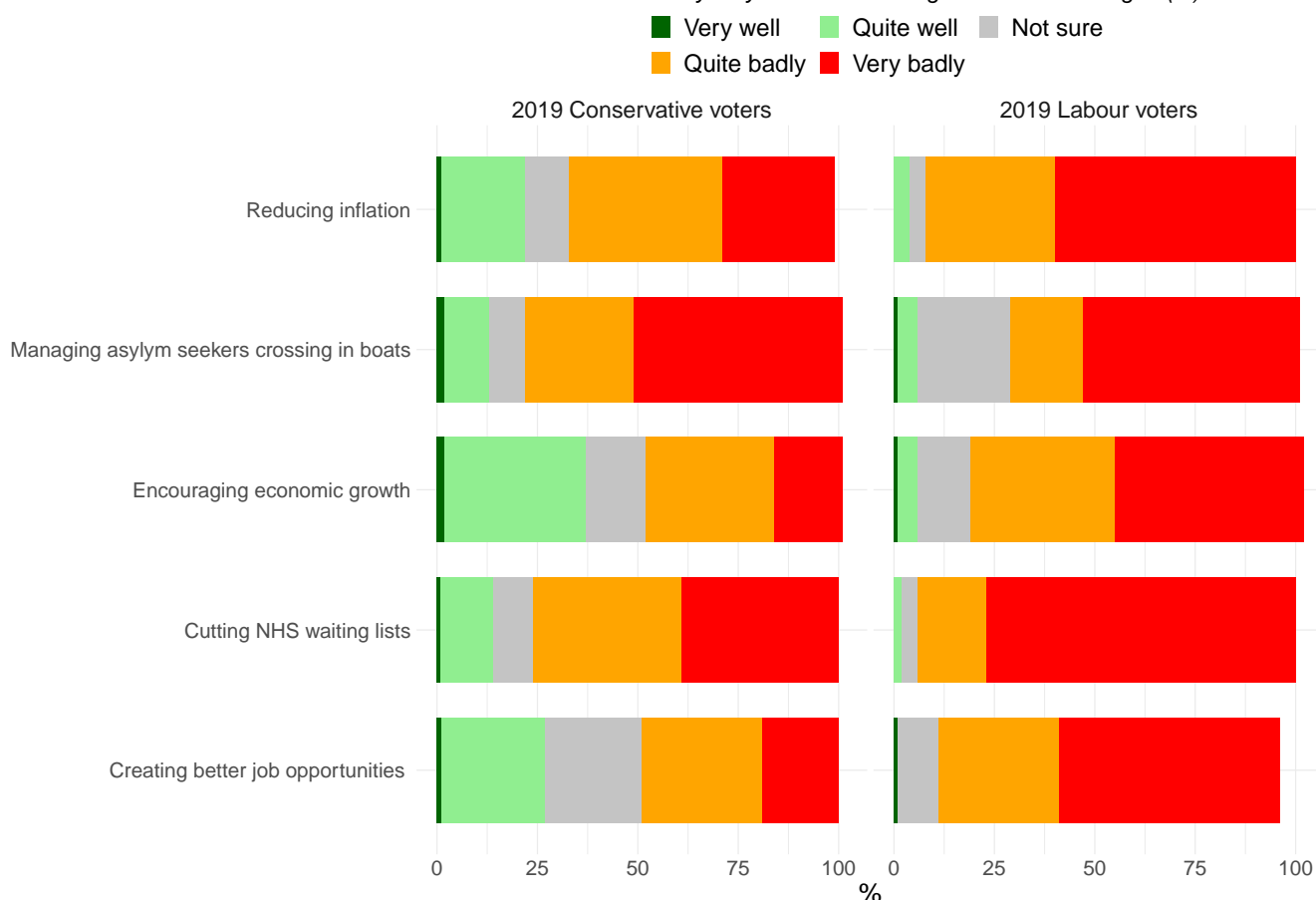
### [Teneo](#)

The government has missed its last-stated target of end of March to secure approval from the International Monetary Fund (IMF)'s Executive Board on its in principle USD 3bn bailout loan from the Fund. However, talks between the administration and international bondholders are progressing, as part of Ghana's bid to restructure its external debt. Meanwhile, the government has made some positive strides on domestic fiscal reforms last week with the approval of three tax measures in parliament despite pushback from opposition members of parliament (MPs). The tax reforms are part of efforts to meet conditions set under the yet-be-approved IMF deal, and specifically a target to increase revenue mobilization by GHS 4bn (approximately USD 344mn) annually.

## GRAPH OF THE WEEK

### UK Conservative voters are dissatisfied with Sunak's key promises

*How well or badly do you think that the government is doing at (...)?*



Source: YouGov. Survey conducted online between March 22nd 2023 and March 23rd 2023

Two weeks after the announcement of the spring budget, **the popularity of the UK government** does not appear to be rising. In fact, a majority of those who supported the Conservative Party in 2019 score the government very low in some of the most politically important issues. The reduction of NHS waiting times and bringing down inflation are two policy areas where current and former Conservative voters are particularly dissatisfied. Similarly, around half of these voters remain skeptical about the levelling-up agenda – a share of the electorate that is likely to be interested in Labour's agenda. Local elections in May will give an idea of the key topics that are likely to dominate UK politics until the next general election.

## Geopolitical Research

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