

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 a crucial week for politics in **South Korea**. Meanwhile, further **Russia-Ukraine** peace talks will take place in Saudi Arabia, leaders of **Europe** will host Ukraine's President Zelensky, and the **UK** government will present its spring budget. Elsewhere, **US-China** outreach continues, **Brazil's** former president faces attempted coup charges, and the Great Lakes conflict peace talks receive a set-back in the **DRC**.

As always, we welcome your questions or comments at Macro@teneo.com.

GLOBAL SNAPSHOT

With the results of three high-profile political court cases in Seoul all coming this week, we ask our Senior Advisor for the Koreas [Victor Cha](#) to look ahead.

What are the three cases?

The Constitutional Court on Monday 24 March announced that it had dismissed the National Assembly's impeachment motion against former acting president Han Duck-soo. That decision is widely expected to be followed later this week by the same court's ruling on the most consequential case of the three—whether to uphold the impeachment of President Yoon Suk-yeol in relation to his 3 December declaration of martial law. Separately, an appellate court's decision on whether opposition leader Lee Jae-myung violated election laws is due on 26 March.

What is the near-term outlook?

The Han decision means that he returns to office as acting president and prime minister with immediate effect. If Yoon's impeachment is upheld, he would lose office immediately and a fresh presidential election would be held within 60 days. If his impeachment is overturned, Yoon would return to office but could become a lame duck if his People's Power Party (PPP) decides to decouple from him, while the parallel criminal case against Yoon would continue in either scenario. A guilty verdict in the Lee case would likely result in an appeal to the Supreme Court, allowing Lee to run in any near-term presidential race, but he too would risk decoupling by some members of his Democratic Party. Whatever the decisions, central Seoul is likely to be overflowing with political demonstrations this week, as supporters of Yoon and Lee, respectively, celebrate or protest the outcomes of the remaining court cases.

WHAT TO WATCH

ASIA-PACIFIC

US/China

Chinese Premier Li Qiang met with US Republican Senator Steve Daines and a group of US corporate executives in Beijing on 23 March following an annual global business summit. Qualcomm, Pfizer, Cargill, and Boeing accompanied

Daines in the meeting. Daines, a strong supporter of US President Donald Trump, also met Vice Premier He Lifeng on Saturday and urged Beijing to stop the flow of fentanyl precursors.

Japan/Brazil

Trade will be high on the agenda when Prime Minister Shigeru Ishiba hosts President Luiz Inácio Lula da Silva for a state visit in Tokyo from 24 to 27 March. A potential trade agreement between Japan and Mercosur—a South American bloc of 300 million consumers including Brazil, Argentina, and other full and associate members—was first floated in 2019. Interest has revived recently as countries seek to diversify trade in response to rising US protectionism. In particular, Brazil seeks the removal of barriers against exports of beef and pork, but given Japan’s sensitivity over agricultural imports, plus several other issues, near-term progress may be limited.

Philippines

The Duterte-based opposition will ramp up demonstrations this week to coincide with the 80th birthday on 28 March of former president Rodrigo Duterte. However, the protests, which are likely to be focused in the family’s stronghold of Davao city and other areas on the southern island of Mindanao, are unlikely to acquire the momentum to precipitate a political crisis. Separately, campaign season opens this week for the 12 May midterm elections for the lower house and all other local government candidates.

Thailand

Debate is continuing in parliament over the no-confidence motion filed by the opposition against Prime Minister Paetongtarn Shinawatra, with the vote to be held on 26 March. The opposition is attempting to generate the narrative that Paetongtarn does not have the skills to be prime minister and is therefore relying on her father, former prime minister Thaksin Shinawatra, for both policy and political maneuvering. Paetongtarn’s coalition has sufficient seats and internal stability, putting it in a position to defeat the motion.

EUROPE

Russia-Ukraine

The US-led talks with Ukrainian and Russian delegations in Saudi Arabia on 23–24 March are focused primarily on technical arrangements for a potential ceasefire. While a limited and temporary truce cannot be ruled out, any agreement would likely remain fragile. Both Moscow and Kyiv have accused each other of violating the agreement to halt strikes on energy infrastructure following the Trump–Putin call on 18 March. Beyond a ceasefire, a key issue to watch is whether Russia and Ukraine move closer to compromise on core issues for a more sustainable conflict resolution, including territorial control, security guarantees, sanctions, Ukraine’s future political and military alignment, and Russia’s demand to revise Europe’s broader security architecture.

Europe

French President Emmanuel Macron will host a summit of European leaders on 27 March, joined by President Zelensky, to discuss near-term military support and longer-term security arrangements for Ukraine. Excluded from the US-mediated negotiations between Russia and Ukraine, European countries are exploring ways to uphold a potential ceasefire, including the possible deployment of troops. European political and material assistance is critical for Kyiv amid uncertainty surrounding continued US military supplies and pressure to make major concessions to Moscow.

UK

Chancellor Rachel Reeves will present her spring statement on 26 March. Where last October’s autumn budget saw GBP 40bn in targeted tax rises to finance public services, Reeves’ next statement is likely to entail welfare spending cuts. Any additional (even limited) tax rises should be watched. Some relief for employers could also arrive, following the controversial national

insurance contribution hike in October. Overall, the statement will serve to underline the limited fiscal space as the search for growth and productivity continues, amid pressures for improved public services and greater defense spending.

Turkey

The main opposition Republican People's Party (CHP) is expected to call for a boycott of media outlets, brands, and companies aligned with the Erdogan government. The move follows the imprisonment of Istanbul Mayor and CHP presidential candidate Ekrem Imamoglu. CHP leader Ozgur Ozel criticized media groups for targeting opposition voters while supporting Erdoğan's government, and pledged to expose companies he says are aligned with the ruling party. The authorities said 1,133 people have been arrested over the past five days as they issued a 'clear warning' to protesters, but further demonstrations are likely.

Spain

A non-binding parliamentary vote on 20 March highlights divisions within the ruling coalition over defense spending. The Socialists' minority partner Sumar backed a motion opposing EU plans to mobilize approximately EUR 800 billion for defense capabilities while also rejecting Spain's NATO membership. Although symbolic, the vote highlights Sumar's effort to differentiate itself from PM Sánchez's ruling Socialists, adding further difficulty to an already fragile parliamentary majority. Meanwhile, [as expected](#), the government is increasingly unlikely to present a 2025 budget law before parliament to avoid a potential defeat. In the coming weeks, a vote on a government bill to reduce the standard workweek from 40 to 37.5 hours is expected, but support from Carles Puigdemont's Together remains uncertain.

LATIN AMERICA

Brazil

With President Lula da Silva in Asia, domestic focus will be on the start of the Supreme Court (STF) trial of former President Jair Bolsonaro and seven others accused of an attempted coup in 2022. The preliminary hearing starts on Tuesday 25 March and should finish the next day. The main charge by the Prosecutor's Office (PGR) refers to whether a "crucial core" of high officials, including Bolsonaro, planned to overthrow the democratically elected government of the then recently-elected President Lula. Other charges include participation in an armed criminal organization, and damaging public property and protected heritage assets. If the charges are accepted by a five-judge panel at the STF, Bolsonaro and his co-accused will become defendants in criminal proceedings, with the 2026 presidential elections on the horizon.

Ecuador

The three-week campaign for the presidential run-off election is officially underway. President Daniel Noboa and the leftist challenger Luisa Gonzalez, representing former president Rafael Correa's Citizen Revolution (RC) party, took part in an ill-tempered TV debate on 23 March. Gonzalez accused Noboa of putting his family's businesses above the national interest, while promising to reverse last year's VAT hike. Noboa countered by raising the issue of Correísmo's attempts to exert control over key state institutions, and elicited an admission from Gonzalez that she would recognize the Venezuelan regime if she wins power. Although Gonzalez was adamant that dollarization—which remains very popular—would remain unchanged if she wins, Noboa pressed her on this issue. Dollarization is a vulnerability for *Correísmo*, especially after recent comments by RC legislators about plans for a new electronic currency. The run-off takes place on 13 April.

AFRICA

South Africa

Bilateral relations with the US have hit a new low following the swift expulsion of South Africa's ambassador, Ebrahim Rasool. While President Cyril Ramaphosa's hopes of resetting diplomatic relations are increasingly uncertain, an internal battle within the government of national unity (GNU) is also brewing over who should replace the ambassador. A new US ambassador to

South Africa also needs to be appointed. Concerns over political and economic relations with the US are also overshadowing the unusually contested budget, which is being considered in parliament.

DRC/Great Lakes

The African Union (AU) is expected to designate a new mediator between warring factions in the conflict in the eastern Democratic Republic of Congo (DRC). Angola's decision to withdraw from its mediator role follows a last-minute decision by M23 rebels to cancel attendance at scheduled negotiations on 18 March between the Congolese government and the rebels in Luanda. Instead, these negotiations were replaced by talks between DRC President Felix Tshisekedi and Rwanda's President Paul Kagame in Doha, Qatar. Some observers have criticized the Doha talks, warning that the loss of leadership from Angola—one of the region's most active diplomatic voices in the conflict—could further delay progress towards a political settlement.

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