

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 **US** Vice President JD Vance's **India** trip. Meanwhile, **Japan** and the **US** will hold currency talks, **US** and **European** negotiators will meet in London to discuss a **Russia-Ukraine** ceasefire, and a front-runner emerges in **South Korea**'s presidential race. Elsewhere, **South Africa**'s consumption tax hike is being contested within the governing coalition, **Ecuador**'s ministerial revolving door continues to spin, and **Brazil**'s President Lula rekindles memories of a past corruption controversy.

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

GLOBAL SNAPSHOT

With US Vice President JD Vance starting a four-day visit to India on 21 April, we ask our South Asia advisor [Arpit Chaturvedi](#) to look ahead.

What is the purpose of the trip?

The aim is to advance bilateral trade negotiations and strengthen strategic ties, amid the Trump administration's tariff impositions. In talks with Prime Minister Narendra Modi in New Delhi, Vance discussed a potential trade agreement targeting a USD 500bn trade volume by 2030, with cooperation in defense, energy, and strategic technologies also discussed. In talks with local business leaders, Vance reportedly emphasized reducing non-tariff barriers and fostering transparent, predictable regulations. Indian officials, while defending domestic policy space, have shown openness to sector-specific concessions if they result in tangible benefits for India's exports to the U.S.

What is the wider trade policy context?

The trip comes amid escalating trade tensions, with the White House recently criticizing India's "uniquely burdensome" certification norms across sectors like chemicals, telecom, and medical devices, which it claims cost US exporters USD 5.3bn annually. The visit also coincides with India's move to impose a temporary 12% tariff on steel imports, aimed at curbing a surge of cheap supplies from China, South Korea, and Japan that has forced domestic mills to scale down operations.

WHAT TO WATCH

ASIA-PACIFIC

Japan/US

Finance Minister Katsunobu Kato is expected to discuss foreign exchange and other matters with counterpart Scott Bessent in Washington on 24 April, as part of ongoing US-Japan negotiations. The negotiations commenced on 17 April, when economic revitalization minister Ryosei Akazawa led a [trade-focused delegation](#) to meet President Donald

Trump at the White House. In recent days, Prime Minister Shigeru Ishiba has said that defense matters should not be on the table in the current talks.

US/China

China's foreign ministry said on Monday that the government will sanction unnamed US government officials, lawmakers, and NGO leaders who "displayed nastiness" on the issue of Hong Kong, violating China's [Anti-Foreign Sanctions Law](#). The ministry specified that the pending sanctions are retaliation for the US government's "illegal" sanctioning of six mainland and Hong Kong officials in March.

South Korea

Progressive Lee Jae-myung of the Democratic Party has a strong lead over potential conservative rivals in early polling ahead of the 3 June presidential election. The DP is likely to announce Lee as its official candidate on 27 April, with the conservative People Power Party scheduled to select its candidate on 3 May. The race dynamics could yet change if latent anti-Lee sentiment starts to coalesce among conservative voters, if the DP attempts a rightward policy shift to take more of the political centerground from the PPP, or if acting president Han Duck-soo—the most popular PPP figure in hypothetical head-to-heads—decides to enter the race.

EUROPE

Ukraine/Russia/US

High-level negotiators from the US, Ukraine, France, Germany, and the UK are set to meet in London on 23 April to discuss the modalities of a potential ceasefire between Russia and Ukraine. While the Trump administration has expressed optimism, both Russian and Ukrainian officials have adopted a more cautious tone regarding the prospects for a deal. Even if an agreement is reached and approved by Moscow, questions about its implementation and long-term sustainability would remain, given the history of failed ceasefires and long-standing mistrust between Moscow and Kyiv.

Separately, Ukrainian Prime Minister Denys Shmyhal is traveling to Washington this week, where US and Ukrainian delegations are expected to finalize a bilateral agreement on economic partnership and the establishment of a reconstruction investment fund.

LATIN AMERICA

Brazil

President Lula may see his popularity suffer further following the granting of asylum in Brazil to former Peru first lady Nadine Heredia. Heredia was convicted for taking part in illegal donations to the political campaigns of her husband, former President Ollanta Humala. The Brazilian government now fears that its decision may rekindle memories of the Car Wash corruption probe (2014-2021), given the involvement of Brazilian companies in Humala's campaign financing. The Car Wash focused on the two mandates of President Lula da Silva (2003-2010) and his successor Dilma Rousseff (2011-2016), with Lula himself being investigated, convicted, imprisoned (2018-2019), and later released following the annulment of corruption and money laundering charges due to procedural issues and jurisdictional questions.

Ecuador

Following his 13 April presidential victory, President Daniel Noboa has appointed Sariha Moya as his new finance minister. Moya becomes the third person to hold the portfolio since Noboa assumed office in November 2023. Predecessor Luis Jaramillo has returned to the Production Ministry after only two months at finance. These recent ministerial changes highlight the unsettled state of the cabinet under Noboa, particularly in key portfolios such as energy. Notably, Noboa has demonstrated a preference for appointing friends or executives from his family's business conglomerate to key positions. The extent to which Noboa will draw upon a broader talent pool in his second administration and avoid the damaging personal disputes that characterized his first truncated term will be a key signpost for his leadership in the coming weeks

AFRICA

South Africa

A contested 0.5pp value-added tax (VAT) increase is due to come into effect on 1 May. The Democratic Alliance (DA) has brought a legal challenge against the 2025/26 fiscal framework adopted by Parliament on 2 April, with the case commencing today, 22 April. Political consensus against the increase is emerging in the volatile government of national unity (GNU) amid proposals to find alternatives to the tax hike. Finance Minister Enoch Godongwana has insisted it will take effect, and time is on his side. However, political negotiations are ongoing, including a proposal to withdraw the VAT increase shortly after it takes effect.

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