

MNI POLITICAL RISK ANALYSIS – Week Ahead Aug 17-23

by Tom Lake

All timings subject to change. The Political Risk Week Ahead may be truncated over the coming weeks as the measures taken to combat the spread of COVID-19 sees political summits, meetings, and elections cancelled or postponed. All relevant and timely political events and public holidays will still be included.

Monday 17 August:

- **United States:** Democratic National Convention to take place virtually, continuing through to Thursday August 20. Speakers on Monday include: Former first lady Michelle Obama, second-placed finisher in 2016 and 2020 Democratic primaries Senator Bernie Sanders (I-VT), New York Governor Andrew Cuomo, and former Republican presidential candidate John Kasich. To coincide with the start of the DNC, President Donald Trump will hold events in Mankato, MN and Oshkosh, WI on Monday.
- **United States:** House Majority Leader Steny Hoyer (D-MD) set to hold a call with the Democratic caucus to announce a new schedule in which the chamber will be recalled in order to vote on the 'Delivering for America Act', which seeks to prohibit any changes to the US Postal Service before 1 January 2020. The House had not been due to hold votes again until the week of September 14, but now could vote on the Act as soon as August 22. Congressional Democrats are seeking to stop any service cutbacks at the USPS that could hinder postal voting at the November 3 election.
- **US-Russia:** Special Presidential Envoy for Arms Control Ambassador Marshall Billingslea to meet with Russian Deputy Foreign Minister Sergey Rybakov in Vienna, Austria to discuss strategic stability and "mutually agreed topics related to the future of arms control" according to a State Department statement. Talks continue into August 18.
- **Romania:** Opposition Social Democratic Party (PSD) set to file a motion of no confidence in the government of Prime Minister Ludovic Orban. PSD interim president Marcel Ciolacu said on August 12 that he was submitting the motion due to the Orban government 'failure' to handle the COVID-19 outbreak and the subsequent economic fallout. The Orban government and its allies do not hold a majority in the Chamber of Deputies. Parliamentary vote would be held between August 24-28
- **South Korea:** Public holiday.

Tuesday 18 August:

- **United States:** DNC continues. Speakers on Tuesday include: Joe Biden's wife Dr Jill Biden, former President Bill Clinton, former Secretary of State and 2004 Democratic presidential nominee John Kerry, prominent freshman Congresswoman Alexandria Ocasio-Cortez (D-NY), and Senate Minority Leader Chuck Schumer (D-NY).

- **UK-EU:** Seventh official round of UK-EU FTA talks start with a dinner between the chief negotiators in Brussels. Wednesday and Thursday will be the primary days of negotiation between the various negotiating teams before round concludes on Friday with a chief negotiators' breakfast "and/or" plenary. No major breakthrough expected, with UK chief negotiator David Frost hinting at September as a more likely time for a deal to be reached.
- **United States:** Congressional primaries in Alaska, Florida, and Wyoming.

Wednesday 19 August:

- **United States:** DNC continues. Speakers on Wednesday include: Former President Barack Obama, Speaker of the House of Representatives Nancy Pelosi, 2016 Democratic presidential nominee Hillary Clinton, third-place finisher in 2020 Democratic primaries Senator Elizabeth Warren (D-MA) and Senator Kamala Harris (D-CA) will accept the Democratic vice-presidential nomination.
- **OPEC+:** Joint Ministerial Monitoring Committee (JMMC) to hold its monthly meeting a day later than originally planned. The OPEC+ JMMC studies the compliance of the 23 OPEC+ members with the output restraint deal agreed to in May. The day before the JMMC, the OPEC+ Joint Technical Committee – which examines market conditions to inform JMMC decision making – will hold its meeting. Brent crude prices have largely stabilised over the past month around the USD44/bbl level following broad OPEC and OPEC+ member compliance with the agreed cuts to production.

Thursday 20 August:

- **United States:** DNC concludes. Speakers on Friday include: 2020 Democratic presidential primary candidates Senator Cory Booker (D-NJ) and South Bend, IN. Mayor Pete Buttigieg. Joe Biden will accept the Democratic presidential nomination.
- **France-Germany:** French President Emmanuel Macron will host German Chancellor Angela Merkel at the presidential summer retreat of Fort de Brégançon. There are a significant number of issues for the two most powerful leaders in the EU to discuss, including the passage and implementation of the EU COVID-19 recovery package, the escalating tensions between Greece and Turkey in the Eastern Mediterranean, efforts to assist Lebanon following the devastating explosion in Beirut, and the potential for sanctions on Belarus following presidential election that was criticised by many in Europe as fraudulent.
- **US-Iraq:** Iraqi Prime Minister Mustafa al-Kadhimi set to make his first visit to the United States. Will meet with President Donald Trump at the White House. Discussions set to focus on combatting COVID-19, but also security, economic, and energy challenges facing Iraq. Al-Kadhimi is seen as a much friendlier presence towards the West at the head of the Iraqi government than his predecessor Adel Abdel Mahdi, who in his time in office did not receive an invite to the US.
- **Japan:** Foreign Minister Toshimitsu Motegi starts a visit that includes Papua New Guinea, Cambodia, Laos, and Myanmar. Talks due to focus on the potential resumption of travel between the nations and Japan, as well as the heightened tensions in the South and East China Seas regarding disputed territorial claims between China, Japan and a number of other South East Asian nations.

Friday 21 August:

- **Hungary:** Observance of public holiday for National Day.

Saturday 22 August:

- **ASEAN:** Association of South East Asian Nations (ASEAN) set to hold its 52nd Economic Ministers' Meeting in Hanoi, Vietnam. Continues through to August 29 and will include the 9th Regional Comprehensive Economic Partnership ministerial meeting.

Sunday 23 August:

- **Japan:** August 23 will mark Prime Minister Shinzo Abe's 2,798th consecutive day in office, matching that of record holder Eisaku Sato (Abe's great uncle) who served as PM between 1964 and 1972. Abe is already Japan's longest-serving PM in total days having served as PM for exactly one year between September 2006 and 2007 before his current period in office began in 2012.

Rolling Risks

- **Global:** The spread of the 2019-nCoV, commonly known as 'Coronavirus' or COVID-19 is the main story gaining political attention around the world at present. Starting in the Chinese city of Wuhan, the disease has reached 213 countries or territories, with 21,692,518 confirmed cases causing 775,545 fatalities according to the Center for Systems Science and Engineering at John Hopkins University. Travel bans and movement lockdowns have been in place in most countries, with some unwinding these measures as the peak of the virus passes while other reimpose restrictions. The pace of the unwinding of these measures differs significantly country-to-country depending on how effective each has been in suppressing the spread of the virus, with some notable centres of outbreak such as the US, Brazil, and India.
- **Global Protest/Political Violence:** Widespread civil unrest broke out in the United States in the first week of June following the death of African-American George Floyd in police custody in Minneapolis, MN in late May. More than 75 cities saw protests against police brutality, with curfews brought in in 40 cities after widespread rioting and looting. Protest movements spread to a number of other Western nations, including the UK and France. The protests and civil unrest have widened into a more general movement seeking to change what protesters say is a racist and unequal society in many Western states. This has spurred a reassessment of monuments in many Western cities, with opponents saying they glorify racist individuals, while defenders argue a nation's history should not be erased due to an individual's views or actions at another point in time. In Hong Kong, there is an increased risk of mass protests and an escalation in street violence in the wake of Beijing's imposition of a new national security law, which opponents say violates the 'one country, two systems' political environment enshrined in the Sino-British Joint Declaration.
- **India-China:** Tensions between the world's two most populous nations reached their highest level in decades on June 15 when a skirmish in the disputed Galwan Valley, a remote Himalayan area along the Line of Actual Control (LAC), left 20 Indian and

an unconfirmed number of Chinese troops dead. No guns are permitted by either side along the LAC, meaning the skirmish involved brutal hand-to-hand combat. Both sides have blamed the other for the escalation, the first deaths along the border in over 40 years. The LAC between the two sides is not officially demarcated, making the establishment of control difficult. Both sides have sought to de-escalate the situation in recent weeks, but there remains the prospect of more frequent skirmishes in the region with neither side willing to back down.

- Trade War:** The spread of COVID-19 has seen a number of governments around the world issue strong criticism of the Chinese government for its perceived inaction in effectively containing the initial outbreak of the virus. This in turn could see trade relations worsen substantially if any tariffs or sanctions are imposed on China as a punishment. The state of relations between China and many western economies has deteriorated further following Beijing's decision to implement a new national security law on Hong Kong. Critics have argued the new law threatens Hong Kong's 'one country, two systems' political environment.
- United States:** The Democratic primary race is over as a contest with former Vice President Joe Biden having on June 6 crossed the official delegate threshold required to win on the first ballot at the Democratic National Convention. Biden's win follows a surge on Super Tuesday that propelled him into first place. Left-wing Senator Bernie Sanders saw his chances of winning the nomination crash following a worse-than-expected performance, resulting in his withdrawal from the race on April 8. The withdrawal of centrists Pete Buttigieg and Amy Klobuchar on the eve of Super Tuesday and their immediate endorsement of Biden, combined with fellow leftist Elizabeth Warren remaining in the race (subsequently withdrawn) and splitting the progressive vote, dealt the Sanders campaign a body blow. The contest has been severely disrupted by the COVID-19 outbreak, with multiple primaries postponed, and the Democratic National Convention to be held virtually, rearranged for 17-20 August, from 13-16 July previously. The delegate count at present is as follows (1,991 pledged delegates required to win on first ballot at convention):

Name	Delegates	States Won
Joe Biden	2,627	AK, AL, AR, AZ, DE, FL, GA, GU, HI, ID, IL, IN, KS, KY, LA, MA, MD, ME, MI, MN, MO, MT, NC, NE, NJ, NM, NY, OH, OK, OR, PA, PR, RI, SC, SD, TN, TX, VA, VI, WA, WI, WV, WY
Bernie Sanders	1,073	CA, CO, MP, ND, NH, NV, UT, VT, Dems Abroad, MP
Elizabeth Warren	63	
Mike Bloomberg	59	American Samoa
Pete Buttigieg	24	IA
Amy Klobuchar	7	
Tulsi Gabbard	2	

