

# MNI POLITICAL RISK ANALYSIS – Week Ahead

## July 20-26

*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 20 July:*

- **European Union:** Member state leaders meet at 1600CET (1500BST, 1000ET) for a plenary session as part of the ongoing European Council summit. The summit began on July 17 and was due to conclude on July 18, but continues to run as leaders attempt to come to an agreement on a COVID-19 recovery package and the next Multiannual Financial Framework (the EU's long-term budget).
- **United States:** Senate resumes sitting and this week it is expected that the chamber will begin debating a fifth COVID-19 response bill at some point during the week. Senate Democrats are seeking a large recovery package worth USD3trn, while the White House and Senate Republicans are looking at a package totalling around USD1trn. There are major disagreements over levels of federal aid for state and local governments, the extension of special unemployment benefits and the small-business loan programme, and liability protection for some institutions and individuals that could be vulnerable to lawsuits due to COVID-19.
- **United Kingdom:** Foreign Secretary Dominic Raab to address the House of Commons at 1530BST (1630CET, 1030ET) where he is expected to confirm the suspension of the UK's extradition treaty with Hong Kong. This follows similar moves by the UK's 'five eyes' security partners Canada and Australia and has been brought about following the imposition of a new national security law on Hong Kong by Beijing.

*Tuesday 21 July:*

- **UK-EU:** Sixth round of negotiations for a UK-EU FTA start in London. Continue through to July 23. The wider talks, covering a range of areas including level playing field, fisheries, and governance, follow on from a three sets of smaller talks between chief UK and EU negotiators, David Frost and Michel Barnier, held in restricted meetings in previous weeks. Frost and Barnier will have a working dinner on July 20 to open the talks.
- **UK-US:** Prime Minister Boris Johnson and Foreign Secretary Dominic Raab to hold meetings with US Secretary of State Mike Pompeo to discuss the COVID-19 pandemic, issues relating to Hong Kong and China (most notably the UK's decision to remove Huawei from its 5G network announced last week), and UK-US FTA talks.
- **United States:** Run-off elections for congressional primaries in Georgia.
- **Belgium:** Public holiday for Belgian National Day.

*Wednesday 22 July:*

- **Denmark-US:** US Secretary of State Mike Pompeo visits Copenhagen for talks with Prime Minister Mette Frederiksen on COVID-19 and relations with China. Pompeo will also hold talks with Greenlandic Minister of Foreign Affairs and Energy Steen L ynge. The Trump administration's focus on the potential purchase of Greenland in 2019 caused something of a diplomatic incident between the US and Denmark.
- **United Kingdom:** The House of Commons Intelligence and Security Committee is set to release a report into UK national security vis-à-vis Russia. The report looks at attempts, successful or otherwise, by Russian actors to influence the 2016 EU membership referendum and the 2017 general election. There has been notable political focus on the potential contents of the report, given that its publication has been delayed by the government for over a year.
- **India:** Top-level meeting of commanders from the Indian Air Force takes place over two days in New Delhi to discuss, among other things, the heightened tensions between India and China in Eastern Ladakh in the Himalayas along the disputed border, the Line of Actual Control. Tensions have spilled over following a skirmish that saw multiple casualties on both sides on June 15.

*Thursday 23 July:*

- **France:** Cypriot President Nicos Anastasiades to visit French President Emmanuel Macron in Paris. The meeting will be of focus around Europe, with France currently engaged in a diplomatic spat with long-term Cypriot antagonist Turkey support for rival camps in the Libyan Civil War. Cyprus has an ongoing disagreement with Turkey over hydrocarbon drilling rights in the Eastern Mediterranean.
- **Japan:** Public holiday for Marine Day.

*Friday 24 July:*

- **Japan:** Public holiday for Health and Sports Day.

*Sunday 26 July:*

- **United States:** July 26 marks 100 days until the presidential election to be held on November 3.

**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 14,508,892 cases causing 606,206 deaths confirmed according to the Center for Systems Science and Engineering at John Hopkins University. Travel bans and movement lockdowns were in place in most countries, with many unwinding these measures as the peak of the virus passes. 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 planned imposition of a new national security law, which opponents say will violate the 'one country, two systems' political environment enshrined in the Sino-British Joint Declaration.
- **European Union:** Member state governments have begun negotiations over the next long-term budget for the bloc, known as the 'multiannual financial framework' (MFF). The MFF will determine high-level spending commitments for the member states from 2021 through 2027. A proposed budget of EUR1.1trn, combined with an EUR750bn COVID-19 recovery fund was officially proposed by the European Commission on May 27. A European Council summit on June 20 failed to achieve any notable headway, with the 'frugal four' (Austria, Denmark, Netherlands, Sweden) supportive of eliminating grants in favour of loans, while those countries whose economies have been hit hard by COVID-19 are set to seek the opposite, with grants given rather than loans. An additional summit will be held in person in Brussels on July 17-18.
- **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 in Milwaukee, WI, 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	2,616	AK, AL, AR, AZ, DE, FL, GA, GU, HI, ID, IL, IN, KS, KY, MA, MD, ME, MI, MN, MO, MT, NC, NE, NJ, NM, NY, OH, OK, OR, PA, RI, SC, SD, TN, TX, VA, VI, WA, WI, WV, WY
<del>Bernie Sanders</del>	<del>1,049</del>	CA, CO, MP, ND, NH, NV, UT, VT, Dems Abroad, MP
<del>Elizabeth Warren</del>	<del>63</del>	
<del>Mike Bloomberg</del>	<del>51</del>	American Samoa
<del>Pete Buttigieg</del>	<del>21</del>	IA
<del>Amy Klobuchar</del>	<del>7</del>	
<del>Tulsi Gabbard</del>	<del>2</del>	

- Middle East:** In Syria, the last major enclave of anti-Assad rebels is continuing to hold out against Syrian government troops (backed by Russia) and Turkish forces who are vying for control in the Idlib region. Around half a million people are believed to have been driven from their homes by the intensification in warfare in the region. The violence in Idlib has driven a wedge between Ankara (anti-Assad) and Moscow (pro-Assad), which previously had sought to form a closer strategic partnership. A meeting on 5 March between Putin and Erdogan secured a ceasefire in the region, but it remains to be seen how long this can be maintained.