

MNI POLITICAL RISK ANALYSIS – Week Ahead

October 5-11

by Tom Lake

All timings subject to change.

Monday 5 October:

- **Europe:** NATO Secretary General Jens Stoltenberg to meet with Turkish Foreign Minister Mevlüt Çavuşoğlu in Ankara to discuss the ongoing high tensions between Turkey and Greece and Cyprus in the Eastern Mediterranean. Stoltenberg will meet with Greek Prime Minister Kyriakos Mitsotakis in Athens the following day.
- **Brexit:** The European Commission's chief negotiator with the UK Michel Barnier meets with German Chancellor Angela Merkel in Berlin to discuss the progress of talks with the UK over an FTA. Meeting takes place in Merkel's capacity of holding the German chair of the rotating presidency of the European Council. Potential for Barnier to travel to London later in week to continue informal talks.
- **Eurozone:** Videoconference of the Eurogroup. Agenda includes: reforms and investment in the euro area, the [selection process of a new ECB Executive Board member](#), determining the group's work schedule for the next 12 months. Takes place at 1500CET (0900ET, 1400BST) with a press conference scheduled for 1830CET (1230ET, 1730BST).
- **European Union:** Plenary session of the European Parliament gets underway, continues to Thursday 8 October. Issues up for debate and to be voted on include the establishment of an EU mechanism relating to the rule of law, the ongoing anti-government protests in Bulgaria, the rule of law conditionality as part of MFF negotiations, and the confirmation of Mairead McGuinness as the replacement for Ireland's Commissioner Phil Hogan.
- **United States:** New term begins for the Supreme Court. Focus remains on the fight to confirm President Trump's nominee Amy Coney Barret before the presidential election. Even without the battle to fill the late Ruth Bader Ginsburg's seat, the Court has a controversial docket over the coming weeks and months, including the Trump administration's attempts to overturn Obamacare, various state-level cases involving mail-in ballots, and special counsel Robert Mueller's Russia investigation.
- **Australia:** Public holiday for Labour Day (ACT, NSW, South Australia) and Queen's Birthday (Queensland).
- **China:** Public holiday for National Day Golden Week holiday continues, ends Thursday 8 October.
- **Portugal:** Public holiday for Republic Implantation.

Tuesday 6 October:

- **United Kingdom:** Four-day long virtual Conservative Party conference concludes with a speech from Prime Minister Boris Johnson. Could prove important given that the prime minister remains under intense scrutiny over his government's handling of the COVID-19 pandemic.

- **United States-Japan:** US Secretary of State Mike Pompeo due to visit Japan. Was due to visit South Korea and Mongolia as well but these trips were cancelled due to President Trump's hospitalisation with coronavirus. Pompeo to hold a meeting with his counterparts from Japan, Australia and India, with countering Chinese influence in the Indo-Pacific region likely the major talking point.
- **European Union:** Ukraine-EU summit to take place, allowing for an evaluation of bilateral relations and the assessment of next steps in implementing the EU-Ukraine Association Agreement. Political developments in neighbouring Belarus also likely to come up.
- **Australia:** Treasurer Josh Frydenberg to deliver the government's 2020-21 federal budget. Expected to include a raft of stimulus measures following the severe lockdowns implemented across the country, notably in Victoria. Tax cuts, hiring incentives, and new infrastructure projects all set to be included in the plan.
- **New Zealand:** Prime Minister Jacinda Ardern to debate National Party leader Judith Collins for the third time ahead of the October 17 parliamentary election. Debate to be held in Christchurch in a town hall format and broadcast at 1900 local time (0200ET, 0700BST, 0800CET, 1500JST).
- **Indonesia:** Labour unions are encouraging a nationwide strike from 6-8 October to protest the Job Creation Omnibus Bill. A national strike could see around 5 million workers refuse to work according to Chairman of Confederation of Indonesian Labour Unions (KSPI), Said Iqbal. The strike would coincide with the plenary session of the Indonesian parliament's lower chamber, the House of Representatives.

Wednesday 7 October:

- **United States:** The sole debate between the two candidates for vice-president: incumbent Republican Mike Pence and Democratic nominee Senator Kamala Harris. It will take place at the University of Utah in Salt Lake City, Utah from 1900-2030 local time (2100- 2230ET, 0200-0330BST, 0300-0430CET, 1000-1130JST, 1200-1330AEDT). Due to President Trump's hospitalisation there is speculation the event could be moved to Washington D.C. to allow VP Pence to remain close to key locations, but this is as yet unconfirmed.
- **Norway:** Government to present its 2021 budget proposal. The government has indicated that after initial stimulus measures intended to support the economy amidst the pandemic, in future any support will be more targeted.

Thursday 8 October:

- **Germany:** Bundestag set to hold a full parliamentary inquiry into the collapse of payments provider Wirecard. The scandal, described by some as the biggest fraud in the history of post-war Germany, has caused major embarrassment for both parties in the governing coalition.

Friday 9 October:

- **Global:** Winner of the Nobel Peace Prize to be announced.

Sunday 11 October:

- **Lithuania:** First round of parliamentary election takes place. Opinion polls indicate the main opposition centre-right Homeland Union on course to make gains. Second round to be held on October 25.
- **Austria:** State elections in the capital Vienna to decide the 100 members of the *Gemeinderat* and *Landtag* of the state. The governing Social Democratic-Green coalition is on course to remain in power.

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 35,216,168 confirmed cases causing 1,037,557 fatalities according to the Center for Systems Science and Engineering at John Hopkins University as of October 5. 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, India, and Brazil, while several Western European states are experiencing a second wave of infections.
- **United States Presidential Election:** The most important democratic election in the world takes place on November 3, with incumbent Republican President Donald Trump facing off against Democratic Party nominee, former Vice-President Joe Biden. The election has been billed as the most significant in a generation, with a plethora of economic and social issues at stake, both domestically and around the world. Biden remains the favourite in betting markets and in opinion polls to take the White House, but Trump managed a come-from-behind victory against Hillary Clinton in 2016, and his idiosyncratic campaigning and governing style makes any prediction fraught with danger. As the election approaches we are likely to see political, and even social, tension spike. This is especially notable given the already-febrile social atmosphere in many US cities in recent weeks and months following a series of protests and riots related to the Black Lives Matter movement.
- **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. The two sides agreed to disengage troops at the border following talks between the countries' foreign ministers on September 10.
- **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.
- **Brexit:** The UK and EU remain in the process of attempting to reach a deal on a free trade agreement that will come into force at the end of 2020 to avoid the UK leaving the 'transition period', in which it is part of the EU's single market and customs union, without a deal. UK Prime Minister Boris Johnson announced on September 7 that a deal would have to be reached by the European Council summit on October 15, and if there was not a deal on the table then both sides should halt talks in order to prepare for moving to WTO terms. The talks are at risk of breaking down entirely following the publication of the UK Internal Market Bill, which the UK government acknowledges could result in the UK breaching international law. Following talks between Johnson and Commission President Ursula von der Leyen on October 3, it was announced that talks will be allowed to continue for an additional month to try to reach a deal.
- **Caucuses:** Fighting has broken out in the Caucasus between Armenia and Azerbaijan over the disputed Nagorno-Karabakh region. The region is internationally recognised as part of Azerbaijan, but is occupied and primarily populated by ethnic Armenians. The frozen conflict often flares up into outright skirmishes on a semi-regular basis, but the scale of fighting and mobilisation seen in late September hints at one of the most significant outbreaks of violence in years. The conflict also risks drawing in regional powers, with Turkey allied to Azerbaijan and Russia nominally supportive of Armenia.