

# MNI POLITICAL RISK ANALYSIS – Week Ahead

## September 28-October 4

by Tom Lake

All timings subject to change.

*Monday 28 September:*

- **EU-UK:** UK Cabinet Office Minister Michael Gove travels to Brussels for talks with Vice-President of the European Commission for Interinstitutional Relations Maroš Šefčovič. Set to discuss the implementation of the Brexit withdrawal agreement, and likely in specific relation to the controversial UK Internal Market bill currently going through the UK Parliament. In a statement on September 10, Šefčovič said the UK had until the end of the month to amend the bill to the EU's satisfaction that it would not breach the Withdrawal Agreement and in particular the Northern Ireland protocol.
- **Europe:** French President Emmanuel Macron visits Lithuania before travelling to Latvia on Tuesday. The main topic of discussion likely to be the situation in Belarus, and by extension European relations with Russia. Baltic state leaders attempting to encourage Macron to engage in a tougher stance against Russia.
- **France:** Government presents its draft 2021 budget. Inevitably the prime focus will be on measures to support the economy in the wake of the COVID-19 pandemic.
- **Greece:** Foreign Minister Nikos Dendias hosts US Secretary of State Mike Pompeo. Escalating tensions in the Eastern Mediterranean likely to be at the top of the agenda. US has a tough path to tread in the disagreement, given that Greece and Turkey are both NATO allies, and therefore Washington, D.C. cannot be seen as favouring one side over the other.
- **United States:** President Trump gives an update on his administration's COVID-19 testing strategy from the White House Rose Garden at 1400ET (1900ET, 2000CET).
- **United States:** Democratic vice-presidential nominee Kamala Harris travels to Raleigh in the swing state of North Carolina to deliver a speech on the Supreme Court.
- **Italy:** Lawmakers set to debate measures to bring forward economic stimulus packages, including a job retention scheme. Comes ahead of the publication of the draft 2021 budget in the coming days.
- **Israel:** Public holiday for Yom Kippur.

*Tuesday 29 September:*

- **United States:** First presidential debate between President Donald Trump and Democratic party nominee former vice-president Joe Biden. Takes place at Case Western Reserve University in Cleveland, Ohio and is to be moderated by Fox News' Chris Wallace. Runs from 2100 to 2230ET (0200-0330BST, 0300-0430CET, 1000-1130JST). For first debate there will be six questions asked on six different topics, with each segment given 15 minutes for debate. The topics the questions will focus on are: Trump and Biden's respective records, the economy, election integrity, COVID-19, the Supreme Court, and racial relations in the US.

- **EU-UK:** Ninth round of official FTA negotiations between the EU and the UK start in Brussels. As in previous rounds, the main topics of focus are the 'level playing field' (encouraging fair competition), horizontal governance, and fisheries. Continue through until Thursday, and then a meeting between chief negotiators takes place on Friday.
- **Japan:** Prime Minister Yoshihide Suga to hold his first telephone call with Russian President Vladimir Putin. Topics of conversation set to include economic cooperation and progress towards signing a peace treaty (Japan and Russia never signed a peace treaty after WWII due to the Soviet seizure of islands claimed by Japan).
- **United Kingdom:** Final day of Commons scrutiny of the UK Internal Market bill. Significant government amendments expected that will allow for some legal challenges to government actions enabled by the bill. Government hopes this will placate wavering Conservative MPs, and the EU, about the intention of the bill, which the government has previously stated would allow the government to break international law.

*Wednesday 30 September:*

- **New Zealand:** Second debate between Prime Minister Jacinda Ardern and opposition National Party leader Judith Collins takes place at 1930 local time (0230ET, 0730BST, 0830CET) ahead of the October 19 general election. Collins viewed as narrowly winning the previous debate, but Ardern's Labour Party continues to lead in polls and remains on course to win a majority.
- **European Union:** Commission to present its first Rule of Law Report. A document leaked to Reuters suggests the report makes recommendations that rule of law conditions are explicitly linked to the disbursement of EU funds, but there is no guarantee that this would be put in place. Liberals in EU increasingly opposed to what they see as breaches of rule of law in member states such as Hungary and Poland.
- **United Kingdom:** MPs set to debate the renewal of temporary powers for the government under the Coronavirus Act 2020. Senior Conservative backbencher Sir Graham Brady seeking to submit an amendment requiring the government to seek approval more frequently than the current six months.
- **South Korea:** Public holiday for Chuseok (mid-autumn festival). Continues into Thursday and Friday.

*Thursday 1 October:*

- **European Union:** Special European Council summit to take place in Brussels. Initially due to take place last week but delayed after one of Council President Charles Michel's close protection team tested positive for COVID-19. There are two main areas of focus, the first being 'single market, industrial policy and digital transformation', and the second being foreign relations with a particular focus on Turkey and China. The former issues relate largely to plans for engendering a recovery from the COVID-19 pandemic and the planned multiannual financial framework. On foreign policy, a number of EU member states are keen to formalise a response to Turkey following an escalation in tensions in the Eastern Mediterranean, while EU leaders will also discuss relations with China following the videoconference

between Michel, Commission President Ursula von der Leyen, and German Chancellor Angela Merkel (in her role as chair of the European Council presidency) and Chinese President Xi Jinping on September 14, and the poisoning of Russian opposition leader Alexei Navalny.

- **China, Hong Kong, Macau:** Public holiday for National Day of the People's Republic of China. Continues for one week.
- **Taiwan:** Public holiday for Mid-Autumn Festival. Continues into Friday.
- **Cyprus:** Public holiday for Cyprus Independence Day.

*Friday 2 October:*

- **United States:** Potential date for the Senate to vote on a bill providing additional COVID-19 stimulus cheques to Americans. Should a deal be reached, the Senate could vote on October 2, the House on October 3, and President Trump sign off on the deal on October 4.
- **Czech Republic:** First round of regional elections, and elections to the Senate. One-third of the 81 seats in the Senate are up for election.

*Saturday 3 October:*

- **Germany:** Public holiday for Day of German Unity.

*Sunday 4 October:*

- **Australia:** Daylight Saving begins, eastern Australia moves to GMT+11.

### 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 33,130,914 confirmed cases causing 998,145 fatalities according to the Center for Systems Science and Engineering at John Hopkins University as of September 28. 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.

- **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.