

GEOSTRATEGIC ANALYSIS

Geo-World: Conflict & Social Unrest - January Update

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The usual “known unknowns” continue to be alive and new ones could join this year. In the short term, the anti ISIS offensive continues and still far from being solved. Meanwhile the long lasting conflict between Russia and Ukraine looks to escalate. North Africa and the Middle East will continue to be the main hot spots in 2017, but higher political and geopolitical uncertainties could arise all over the world. The rise of populism and constrains to the flows of people (anti-immigration) and trade (protectionism) will challenge the international rules and globalisation. The new agenda by the US administration and the response of China, Russia and the Middle East, as well as uncertainties in Europe (elections and the Brexit) will continue to shape the dynamics of the geopolitics of the coming years.

Anti ISIS offensive continues while Russian-Ukraine conflict revives

Figure 1

BBVA Research world conflict map 2016-17 (cumulative number of conflicts/ total events)



Source: www.dgelt.org & BBVA Research

Pro- regime forces took full control of Aleppo, while ISIS retook Palmyra. Russian military operations intensified during the month

Important setbacks suffered by ISIS on the ground and recent attempts to arrange a cease-fire.

Iraqi security forces recaptured eastern Mosul

Important ISF advances took place around Mosul, while ISIS launched several attacks on either side of the Euphrates.

Escalation between Russia and Ukraine

The worst fighting in several months and the first test of the new US administration reaction

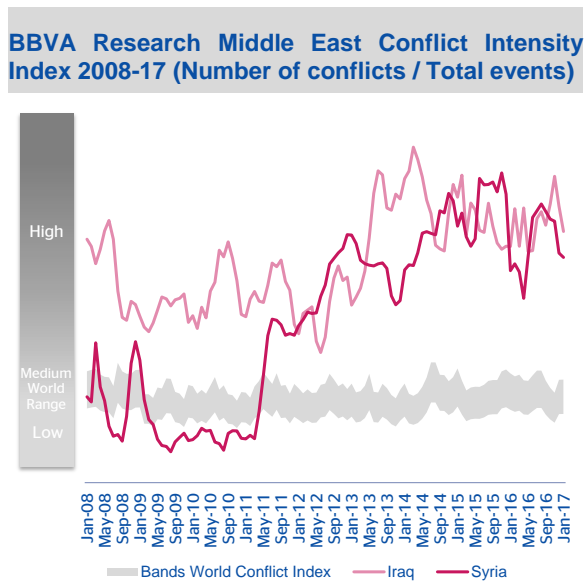
The BBVA Research World Conflict Intensity Index¹ increased in January for the second consecutive month, moving above its long-term average. The main developments during the month were:

- **Iraqi Security Forces continued to advance in Mosul**, recapturing the eastern area and making significant progress in the northern and south-eastern neighbourhoods. However, **ISIS launched several attacks** around Tikrit, Diyala and the Euphrates River Valley to continue to re-establish its presence in its historical support zones. **In Syria**, pro-regime forces took full **control of Aleppo** and Russia conducted aggressive air operations to clear the suburbs of the city. Meanwhile, **ISIS** exploited the efforts of pro-regime forces in Aleppo to **recapture Palmyra** (an oil rich city). Russia, Turkey, and Iran’s commitment to reinforce a nationwide cessation of hostilities in Syria remained fragile, but ceasefire talks are still alive.

1: Details about methodology can be found in the following link: [Methodology, tracking protests and conflicts](#).

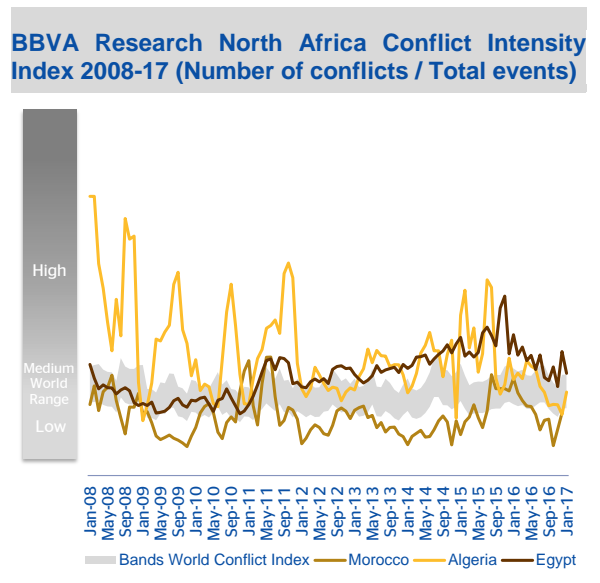
- In Eastern Europe, fighting erupted again in Ukraine.** Russian-backed rebels rapidly increased their use of heavy artillery, bombing population centres in the Ukrainian government territory and raising fears of a return to war. The shelling has intensified around Avdiivka (to the north of Donetsk) in the worst violence the area has seen in months. NATO called on Russia to stop the violence, given fears of escalation. The crisis will test the reaction of the New US Administration in this conflict.
- In Asia, tensions in the South China Sea intensified amid heightened anxiety over China-US relations.** US Secretary of State said Washington will try to stop China accessing facilities in artificial reefs as Beijing tests new Dongfeng-5C missile, capable of delivering multiple nuclear warheads. Japan and Taiwan strengthen ties in response to China. **In North Korea,** tensions increased noticeably after Kim Jong-un claimed that the country was close to testing an intercontinental ballistic missile. The new US Defence Secretary J. Mattis travelled to the region to warn North Korea and reaffirm foreign links.

Figure 2



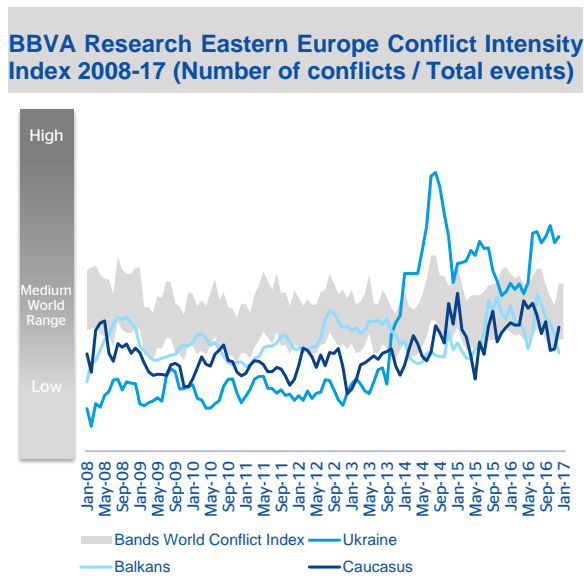
Source: www.dgelt.org & BBVA Research

Figure 3



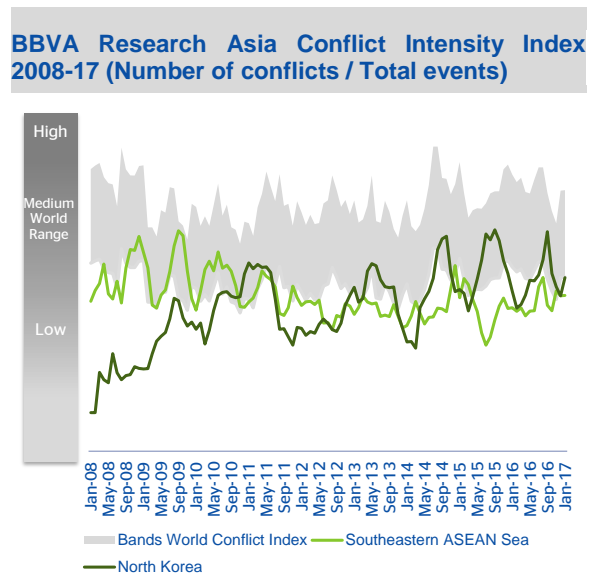
Source: www.dgelt.org & BBVA Research

Figure 4



Source: www.dgelt.org & BBVA Research

Figure 5



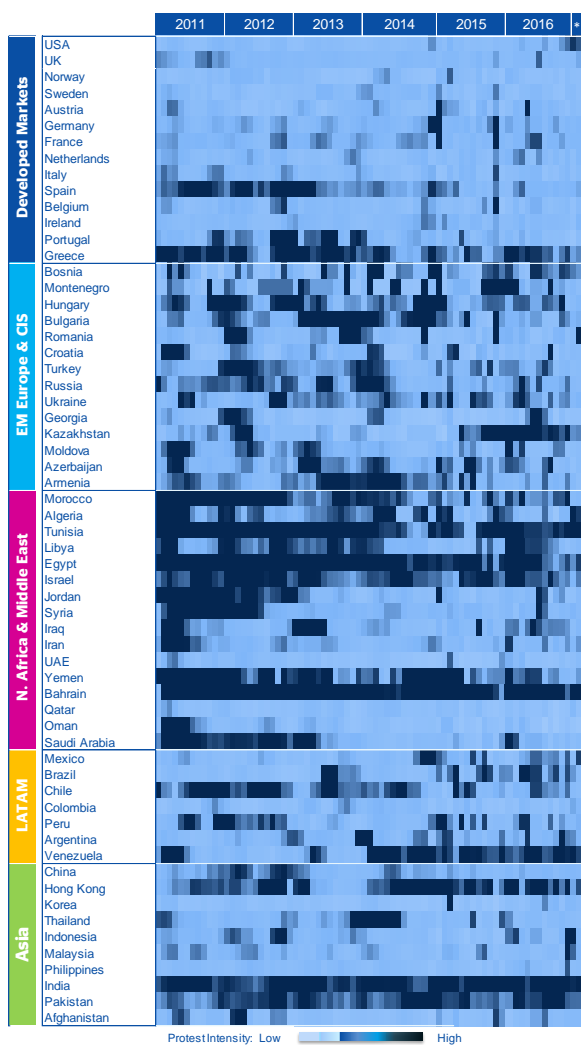
Source: www.dgelt.org & BBVA Research

... as well as social unrest

The World Protest Index rose during January (as shown by our BBVA Research World Protest Intensity Index²). According to the BBVA Research World Protest Intensity Map, the key takeaway facts were:

Figure 6

BBVA Research World Protest Intensity Map Jan 2011 – Jan 2017 (Number of protests / Total events)



Source: www.dgelt.org & BBVA Research

Summary

Instability and geopolitical risks come to the fore once again as the main risks for 2017, with North Africa and the Middle East as the key hot spots but new test coming. Political instability in North Africa and the absence of any signs of a solution to the Syrian conflict pose big challenges for 2017. Restrain of people and trade flows could derive in social unrest while the New US administration foreign policy is still undefined.

2: Details about methodology can be found in the following link: [Methodology, tracking protests and conflicts.](#)

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