

Geo-World: Conflict & Protest October

GEOSTRATEGIC ANALYSIS

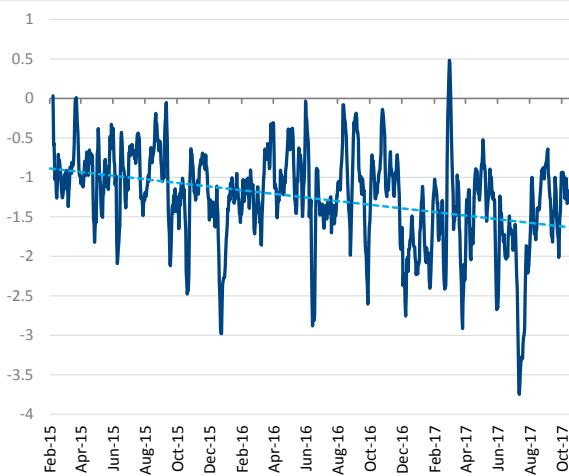
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October 2017

Tension between Iran and US increases since President Trump signals tough measures against Iran that could change the Obama-era policy towards Tehran. However, both the EU and Iran are in favor of keeping the nuclear deal alive. Meanwhile, the Iraqi Central Government flexes its muscles to reinstate federal authority and to take the control of borders. On the other hand, diplomatic measures are well alive in Asia Pacific on North Korea crisis. President Trump is expected to visit the region in November. Every major actor in the region is in favor of keeping diplomacy alive. In Europe, tensions rose in Spain given the Catalanian independence referendum, which increased political uncertainty. In Latin America, protests rose in some countries, while decreased in others. Asia remains generally in a calmed situation.

The fate of Iran nuclear deal becomes uncertain, Iraq is on the front page again

Figure 1 US – Iran relationship media sentiment



Source: ww.gdelt.org & BBVA Research

Iran nuclear deal is in question under the Trump administration

President Trump did not certify the Iranian nuclear deal and asked the US Congress to put more pressure on Tehran.

Kurdish Referendum aspirations relaxed as neighbours' pressure increased, Iraqi forces took Kirkuk. US didn't support it.

Baghdad took the control of oil-rich Kirkuk and some other contested areas from Kurdish Regional Government.

The Asia Pacific focuses on President Trump's visit

Diplomacy and soft measures are on the table in Asia Pacific region. President Trump is expected to visit the region next month.

The BBVA Research World Conflict Intensity Index¹ decreased during October by third consecutive month. The main developments during the month were:

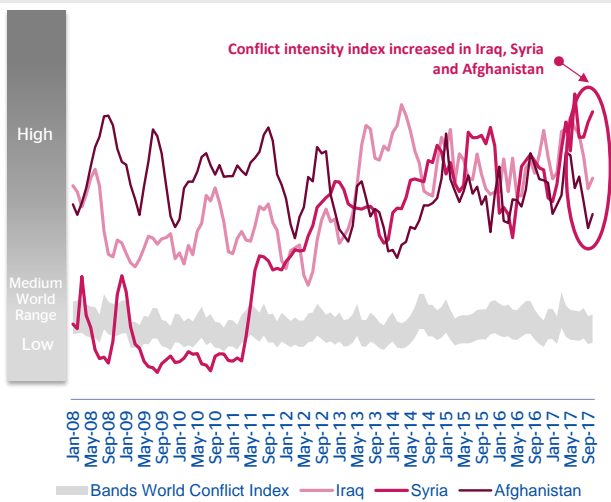
- **US President Trump** said that he **would not certify the Iran nuclear deal**. He did not pull the US out of the agreement but President Trump gave the Congress 60 days to **decide whether to impose new sanctions on Iran** which were lifted in accordance with the nuclear agreement. However, if the US imposes new sanctions that could mean the violation of the treaty and it could fall apart. **President Trump** also said that if tougher sanctions could not be passed in the Congress and negotiations to put pressure on Tehran fails **he would unilaterally pull the US out of the deal**. As a response, **the leaders of the European Union showed their support for Iran nuclear agreement** despite President Trump's decision. Moreover, **Iranian Supreme Leader Ayatollah Ali Khamenei stated that the EU leaders should do more to keep the deal alive**.
- Despite the fast increase of tensions has started to reduce, **North Korea** situation is **still on the spotlight**. North Korea Deputy UN ambassador warned that the situation on the Korean peninsula "has reached the touch-and-go point and a nuclear war may break out any moment." On his visit to the frontier between North and South Korea US Secretary of Defense, Jim Mattis said that diplomacy is the answer to ending the nuclear crisis with the North

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

Korea, not war. Meanwhile, a military exercise involving three of the U.S. Navy's aircraft carrier strike groups was being planned for November in the Asia Pacific, a US official said. The likely exercise would happen around the time that Trump travels to the region. Meanwhile, after his election victory Japanese PM Abe said that he would pursue decisive and strong diplomacy to tackle North Korea crisis.

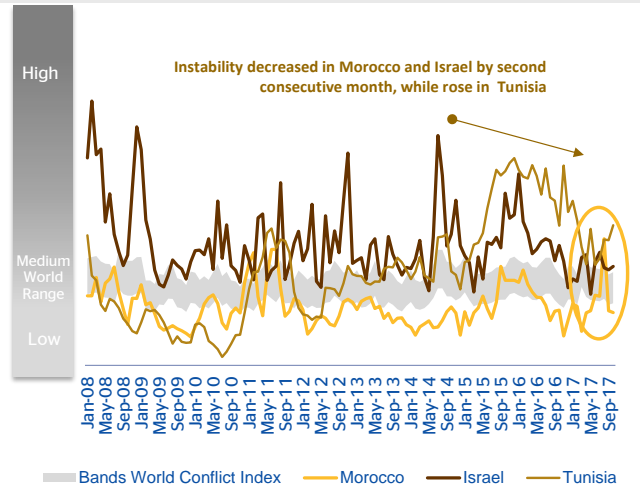
- **The Kurdish referendum cost Erbil major disputed territories that Kurdish Peshmerga took control** whilst fighting against ISIS in Iraq. The Iraqi army reinstated its control on oil rich areas (Kirkuk, Sinjar and south of Suleimaniyah). Clashes are ongoing. The Iraqi army tries to seize the control of the borders shared with Turkey and Syria. Turkey and Iraq agreed to open a new border gate to bypass the Kurdish region. Regional cooperation between Turkey, Iraq and Iran intensified after the referendum. **The Kurdish Regional Government** said they could freeze the results of the referendum and **offered Baghdad to initiate dialogue**. However, Iraqi PM Abadi said that full cancelation of the referendum is necessary and Baghdad would not accept other options.

Figure 2 BBVA Research Middle East Conflict Intensity Index 2008-17. (Number of conflicts / Total events)



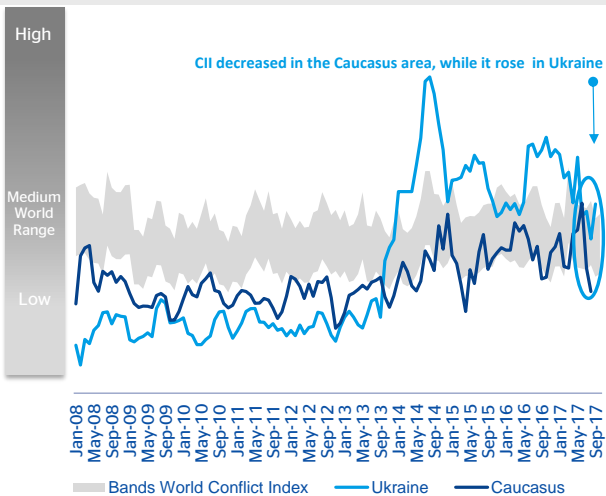
Source: www.dgelt.org & BBVA Research

Figure 3 BBVA Research North Africa Conflict Intensity Index 2008-17. (Number of conflicts / Total events)



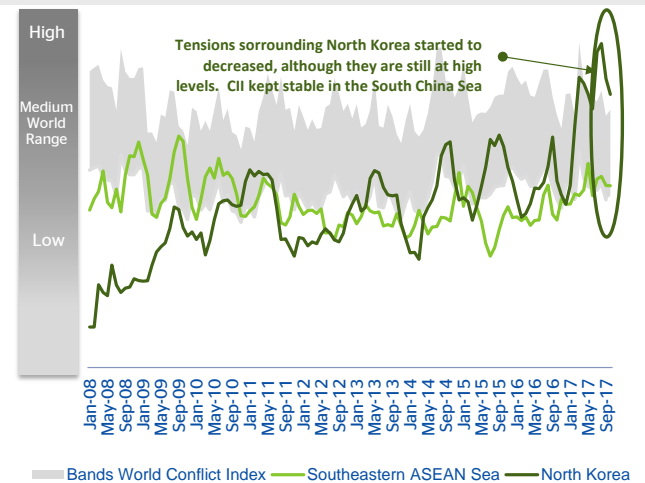
Source: www.dgelt.org & BBVA Research

Figure 4 BBVA Research Eastern Europe Conflict Intensity Index 2008-17. (Number of conflicts / Total events)



Source: www.dgelt.org & BBVA Research

Figure 5 BBVA Research Asia Conflict Intensity Index 2008-17. (Number of conflicts / Total events)

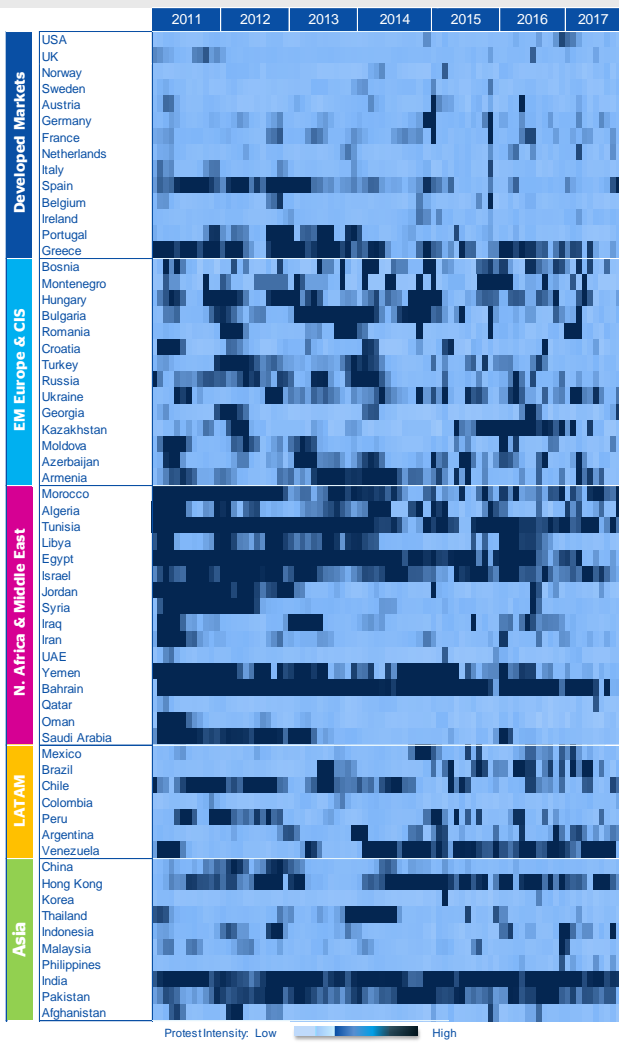


Source: www.dgelt.org & BBVA Research

Social unrest eased off in October

The World Protest Index slightly decreased during October (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 – October 2017
(Number of protests / Total events)



Source: www.dgelt.org & BBVA Research

- In regional terms, tensions sharply rose in Spain while the rest of Europe continued calmed. Eastern Europe tensions also are calmer than at the beginning of the year. Social instability eased off in some North African countries. In Latin America, protests decreased in some countries while rose in others. On the other hand, Asia remained calm in general:
- In Europe, the situation is really calmed with. Social unrest just sharply increased in Spain given the Catalanian independence referendum and subsequent failed declaration, which increased political uncertainty in the country. Tensions started to relax after the call for elections in Catalonia next 21st December.
- In Emerging Europe, protests against government corruption rose in Ukraine. Social unrest also rose Georgia given post-vigil protests and in Hungary, while eased off in Bosnia and Moldova.
- In North Africa and the Middle East, anti government protests rose in Morocco and Algeria. Social tensions eased off in Tunisia and Egypt.
- In Latin America, protests rose in Chile, Argentina and mildly in Colombia in the 'Week of Indignation' after the Tumaco massacre, while social unrest slightly decreased in Venezuela.
- In Asia, protests against government repression rose in India. Social tensions eased off in Hong Kong, Pakistan and Indonesia after last month rise.

Summary

Situation in the Middle East, the potential increase of tensions between Iran and US and the North Korean crisis are the main hot spots in the month which should be closely monitored. The political uncertainty in Spain after the Catalanian failed independence attempt took up the national and international attention too.

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