

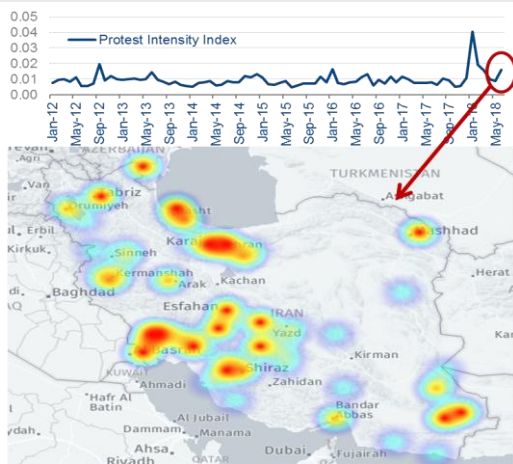
Geo-World: Conflict & Protest June

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Instability erupted in several cities of Iran over the worsening economic situation. Hardliners have already begun putting pressure on the government and the U.S. strategy to impose sanctions for regime change accelerated, increasing pressures on the economy. Trump – Kim Jong-Un summit seemed to lift nuclear related risks in Asia. Trump-Putin meeting in Helsinki on July 16 will be crucial for several regional issues. Social unrest increased in Eastern Europe, North Africa and Middle East during the month, while it eased off in Latin America and Asia. Western Europe remained calm.

Protests in Iran could have political consequences. Trump met with Kim Jong-Un

Figure 1 Protest Intensity index in Iran during June 18



Source: BBVA Research & Mapbox

Iran political landscape was shaken by street protests

Protests in Iran caused political noise in Tehran as U.S. also increases economic pressure.

President Trump and North Korean leader have met

President Trump said that the meeting was productive. Both sides have implemented certain policies to keep rapprochement alive.

Trump and Putin will meet in Helsinki for a joint summit

U.S. – Russia summit is crucial for several regional issues. Offensives in Syria, post-election uncertainties in Iraq and recent elections in Turkey were the hot topics.

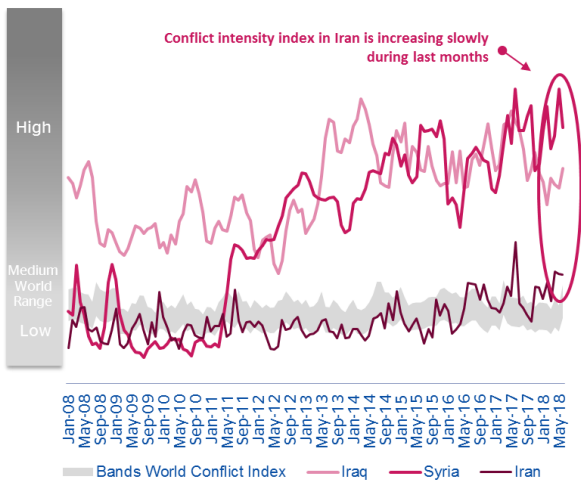
The BBVA Research World Conflict Intensity Index¹ slightly decreased during June. The main developments during the month were:

- **During June, protests erupted in several cities over Iran’s weak currency and rising prices.** President Trump’s decision to pull the U.S. out of the Iran nuclear deal had caused the Iranian Rial to drop immediately in the free market. **The protests are now continuing on the streets and have led hardliners to question President Rouhani’s governance.** Shops in the Grand Bazaar of Tehran were closed by the shopkeepers on 25 June. Some hardliner figures asked for the President’s resignation or openly criticized him amid a worsening economic situation. On June 27, President Rouhani stressed, “Those who think that the government is scared and will resign are making a mistake.” Meanwhile, the Rouhani government is seeking solid guarantees from Europe to counter the U.S. decision to re-impose sanctions on Iran. As of 4 November, countries buying oil from Iran would be sanctioned by the U.S. Iran generated 5.4% of total world oil production in the world in 2017. **If its oil exports decrease, this could lead to further negative pressure on moderates in Tehran and the Iranian economy.**
- **The summit between the U.S. and North Korea was held on June 12.** President Trump said the one-to-one meeting with North Korean leader Kim Jong-Un “was very good.” **Trump said that Kim Jong-Un agreed to destroy a “major” missile-testing site** but North Korea sanctions will remain in force for a while. President Trump invited the North Korean leader to the White House. Washington will also stop military exercises in the Korean Peninsula and seek to remove its troops from South Korea.

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

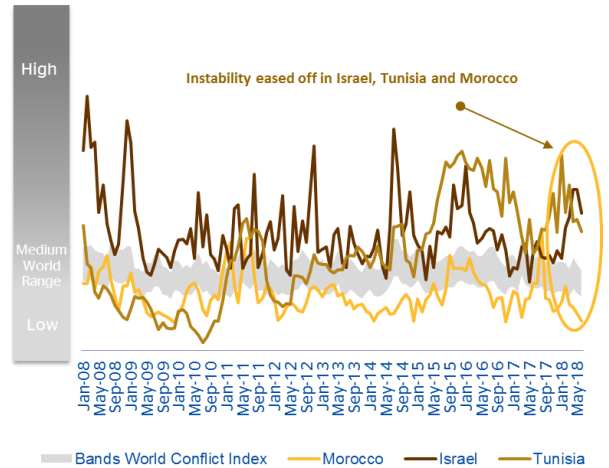
■ **U.S. President Trump and Russian President Putin will meet in Helsinki on July 16 to discuss security issues.** Critics have raised doubts as they think that the Trump-Putin rapprochement may not serve Western interests unless Trump keeps NATO unified behind him. Syria, Ukraine, and North Korea could also be on the agenda of the meeting. Meanwhile, **Turkey and the U.S. agreed on a roadmap to secure Manbij (a northern Syrian city near the Turkish border) without YPG units.** Ultimately, local forces are expected to govern Manbij. On the other hand, a heavy Syrian Army offensive in southwestern Syria (Dara'a) continues. Dara'a is one of the remaining strongholds of anti-Assad forces in Syria. The U.N.'s Syrian envoy warned that the battle could affect a population and an area of a size similar to that affected by the fighting in eastern Ghouta and Aleppo combined (the two biggest campaigns in Syria since the beginning of the Civil War). **In Iraq, PM Abadi and the leader of the winning alliance in the elections Shi'a cleric Muqtada al-Sadr announced that their political blocks would form a joint alliance** which could bring Baghdad closer to forming a government. **In Turkey, President Erdogan was re-elected in the presidential elections** and his People's Alliance (AK Party and MHP) claimed a majority in the Parliament on June 24.

Figure 2 BBVA Research Middle East Conflict Intensity Index 2008-18 (Number of conflicts / Total events)



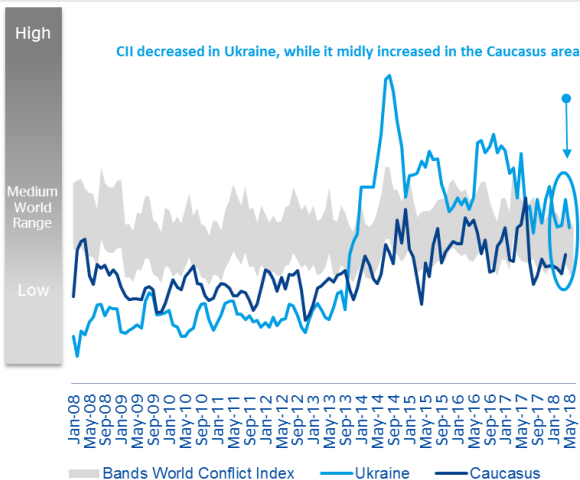
Source: www.dgelt.org & BBVA Research

Figure 3 BBVA Research North Africa Conflict Intensity Index 2008-18 (Number of conflicts / Total events)



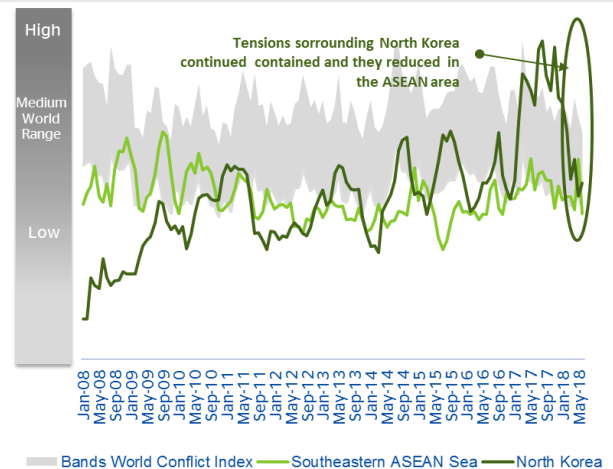
Source: www.dgelt.org & BBVA Research

Figure 4 BBVA Research Eastern Europe Conflict Intensity Index 2008-18 (Number of conflicts / Total events)



Source: www.dgelt.org & BBVA Research

Figure 5 BBVA Research Asia Conflict Intensity Index 2008-18 (Number of conflicts / Total events)

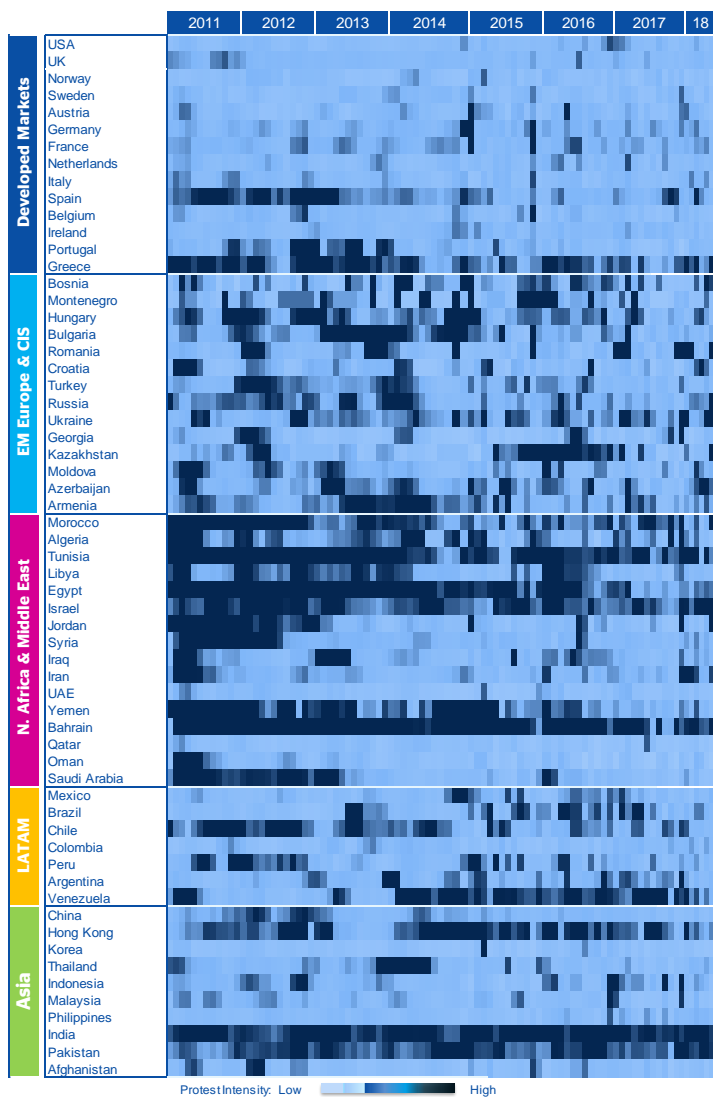


Source: www.dgelt.org & BBVA Research

Social unrest stayed at similar levels in June with respect to the previous month

The World Protest Index stayed at similar levels in June as in May (as shown by our BBVA Research World Protest Intensity Index²). According to the BBVA Research World Protest Intensity Map, the key facts were:

Figure 6 BBVA Research World Protest Intensity Map Jan 2011 – Jun 2018 (Number of protests / Total events)



Source: www.dgelt.org & BBVA Research

- In regional terms, tensions continued calm in Europe, while instability in Eastern Europe and the Middle East rose during the month. In Latin America and Asia tensions remain low:
- In Europe, mild social demonstrations observed last month eased off and stability dominated. Protests increased again in **Greece** after signing the agreement with **Macedonia** to end the long-running dispute over Macedonia's name.
- In Emerging Europe, social tensions rose in **Kazakhstan** due to its leader's silence on apparent succession plans. Instability increased in **Ukraine** due to a rising wave of attacks on the Roma community. The coming **US-Russian** summit in Europe raised uncertainty too.
- In North Africa and the Middle East, tensions continued in **Egypt**, after the appointment of new ministers, **Morocco** and **Jordan**. Protests erupted in Iran in response to the country's growing economic crisis. **Bahrain** and **Tunisia** remained regional hot spots.
- In Latin America, tensions eased off after several electoral processes finished.
- In Asia, instability continued to be focused on **India** and **Pakistan**. Corruption will be the central theme in next month's **Pakistani** general election. Social noise slightly increased in **Hong Kong**, but is still at lower levels than one year ago.

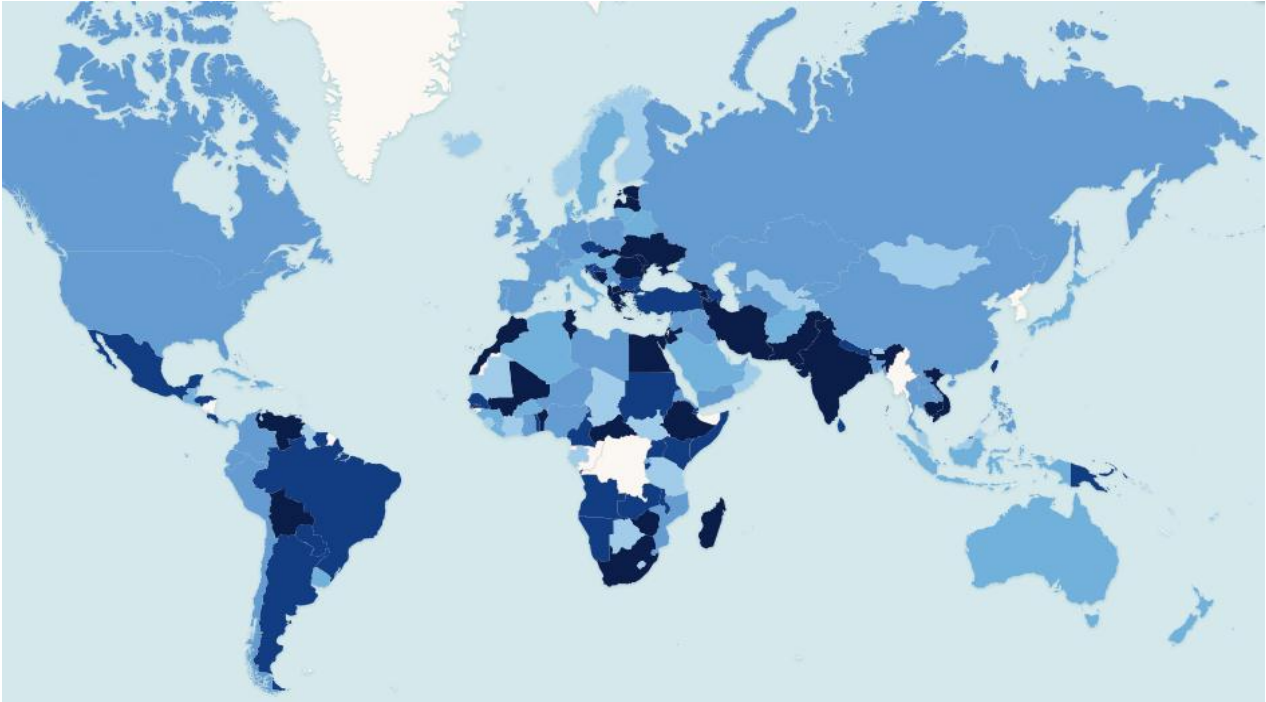
Summary

Protests in Iran intensified and hardliners have already begun exerting political pressure on President Rouhani and some of them have asked for his resignation as the economy has begun to worsen. The Trump administration will re-impose oil-imports sanctions as of November 4, which could increase the weight of risks. Meanwhile, President Trump's meeting with the North Korean leader raised hopes for lasting peace. In the coming months, the Trump – Putin meeting will be in the spotlight given the geopolitical regional implications.

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

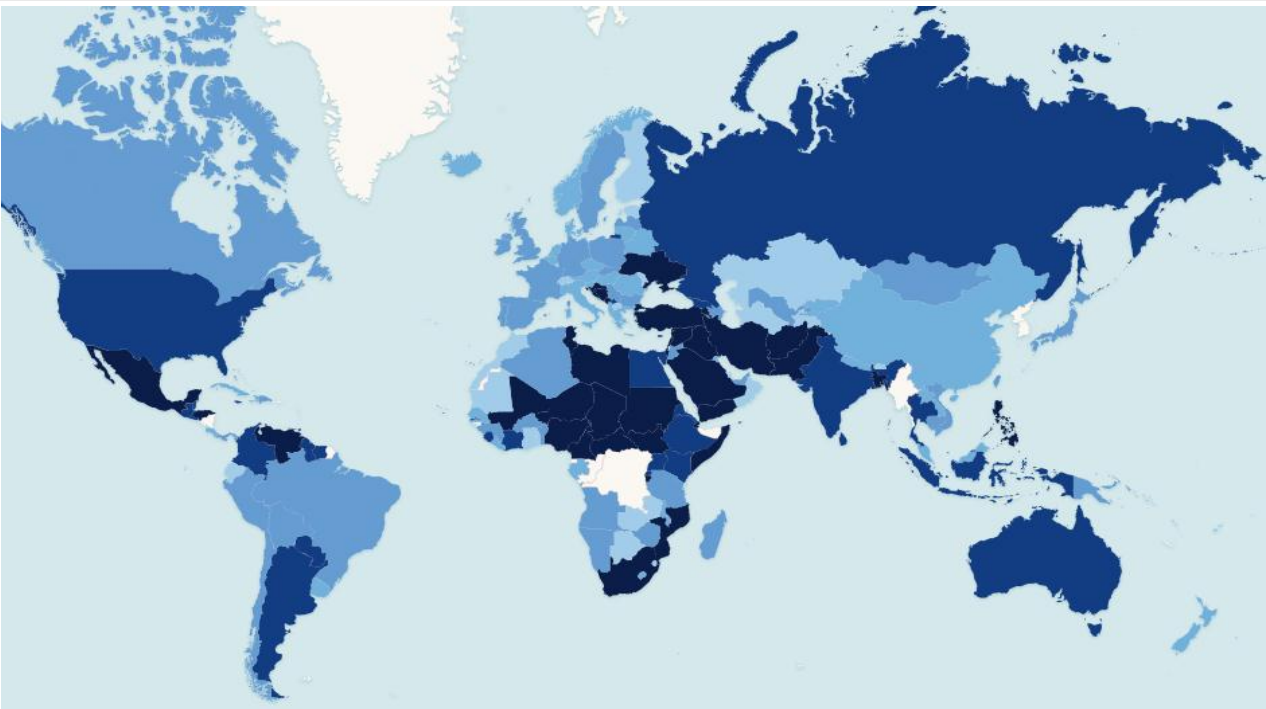
ANNEX

Figure 7 BBVA Research World Protest Map June 18
(Number of protest events / Total events by country. Darker colors indicate higher values of the index)



Source: BBVA Research and www.gdelt.org

Figure 8 BBVA Research World Conflict Map June 18
(Number of conflict events / Total events by country. Darker colors indicate higher values of the index)



Source: BBVA Research and www.gdelt.org

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