

# Geo-World: Conflict & Protest November

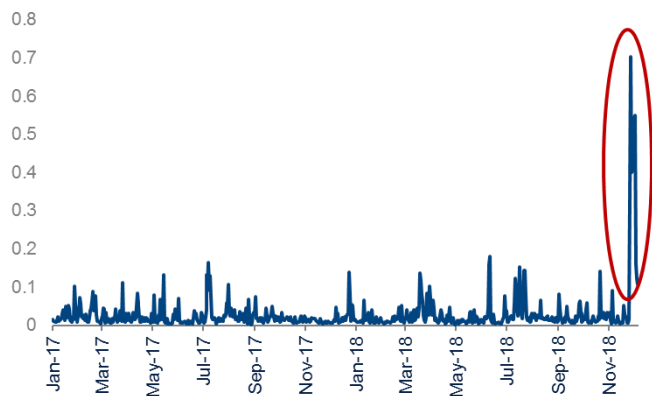
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November 2018

The conflict in the Black Sea region between Russia and Ukraine escalated in November over the Kerch Strait. The situation has been contained for now, but it is still fragile. US and China agreed on a truce in their trade war, which brought a relief to the markets. US mid-term election results indicate that Democrats could have more pressure on Trump administration and the first sign has come from a measure on Yemen issue. The killing of journalist Jamal Khashoggi is still a hot topic in the international arena. The markets are now focused on the upcoming OPEC meeting.

## Russia and Ukraine confronted each other once again in the Black Sea region

Figure 1 BBVA Research index of Russia - Ukraine tensions in the media (relative ratio over the total number of news between Russia and Ukraine)



Source: BBVA Research & www.gdelt.org

### The conflict in the Black Sea region is resurrected.

Russia and Ukraine have entered in a new dispute over the Kerch Strait and the Sea of Azaz.

### Democrats have taken the control of the House in US midterm elections.

While Republicans preserved their control over the US Senate, Democrats gained a majority in the House.

### President Trump maintains support to Bin Salman despite the CIA report.

Yet, US Senate approved a measure to end US support to Saudi-led campaign in Yemen.

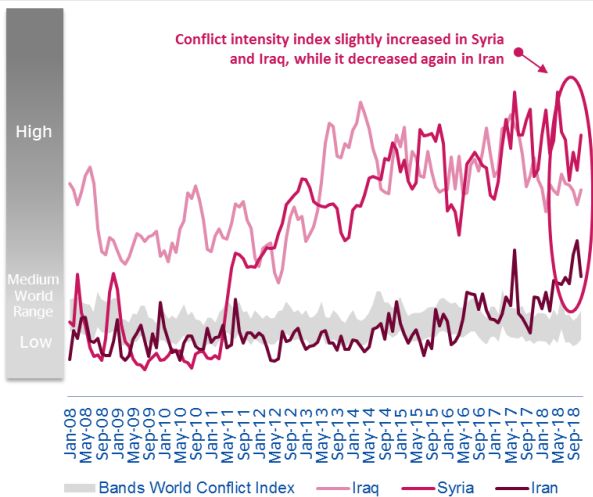
The BBVA Research World Conflict Intensity Index<sup>1</sup> increased during November. The main developments during the month were:

- **On November 25, Russian coast guard units prevented the access of two Ukrainian armored boats and one tugboat on their sail through the Kerch Strait to Mariupol on the Sea of Azaz (north of Black Sea). Russian navy seized the ships and also captivated the crew. The Ukrainian Parliament imposed 30-day martial law** effective from November 28 in the provinces bordering Russia (10 of its 25 provinces) and banned entry of Russian men between the ages 16 to 60. As a response, **Russia has deployed another missile defense system to Crimea.** Ukrainian government had announced on September 16 that it intends to construct a naval base in the Sea of Azaz and the military gear up in the region was continuing. **The situation is still tense, although the escalation has been contained for now.**
- **US mid-term election results have not been sealed and the results are still coming in as counting continues in final races but it is now almost clear that Democrats will control the House** (234 seats to Democrats vs. 198 seats to Republicans) **whilst Republicans will preserve their majority in the Senate** (53 seats to Republicans vs. 47 seats to Democrats). **US and Chinese leaders have agreed on a truce in US-China trade war.** In exchange for the US not imposing higher tariffs (from 10 to 25 per cent) on about half of exports generated by China, Beijing agreed to discuss a list of issues including intellectual property protection, non-tariff barriers, and cyber theft. **The EU and the UK have agreed on the Brexit deal.** British Prime Minister May is expected to introduce the agreement to the House of Commons on December 11 for approval.

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

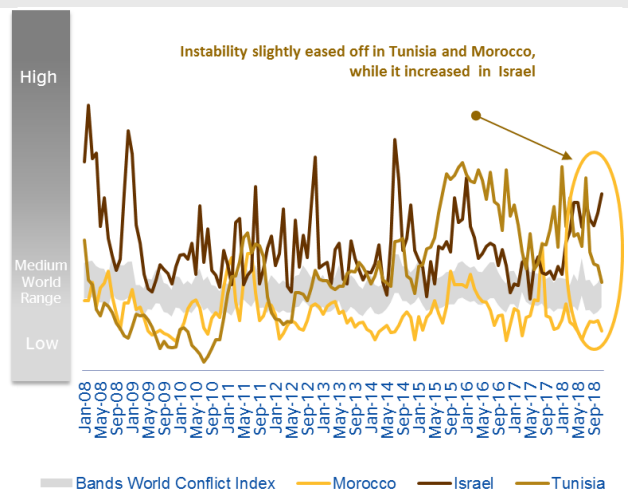
■ **US media reported on November 16 that the CIA believes Saudi Crown Prince Mohammad bin Salman ordered the killing of journalist Jamal Khashoggi in Istanbul, Turkey.** Later, US President Trump issued a written statement reiterating Washington's support to Saudi Kingdom. Meanwhile, the pressure from the US Congress is growing. **The US Senate has approved a measure to withdraw American support for a Saudi-led military campaign in Yemen.** The resolution will be discussed in the House. **At the beginning of November, the US granted oil sanction waivers to eight countries** including China, India, Japan, South Korea, Taiwan, Greece, Italy, and Turkey. Washington also granted a 45-day relief for Iraq in Iran sanctions. **France and Germany will introduce a special purpose vehicle (SPV) for transactions between Iran and the EU.** One of the countries either France or Germany will host the institution and the other will chair it. OPEC will hold its ordinary meeting on December 6. Saudi Energy Minister said that an oil production cut of 1 million barrels per day would be required to balance energy markets. **Meanwhile, Qatar stated that it would withdraw from OPEC as of January 2019.**

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



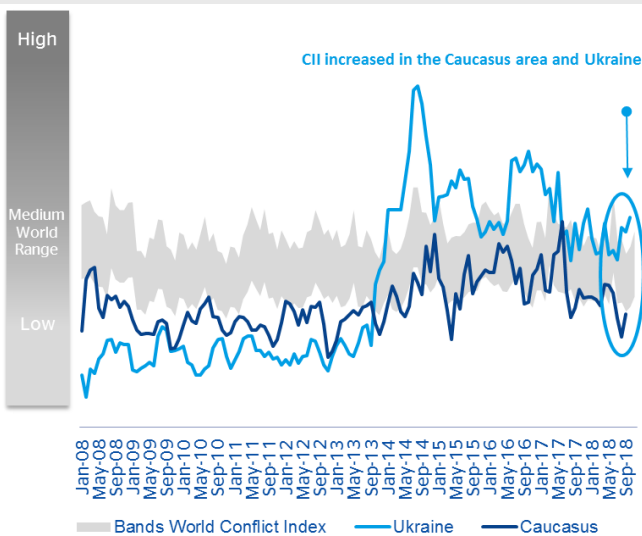
Source: [www.dgelt.org](http://www.dgelt.org) & BBVA Research

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



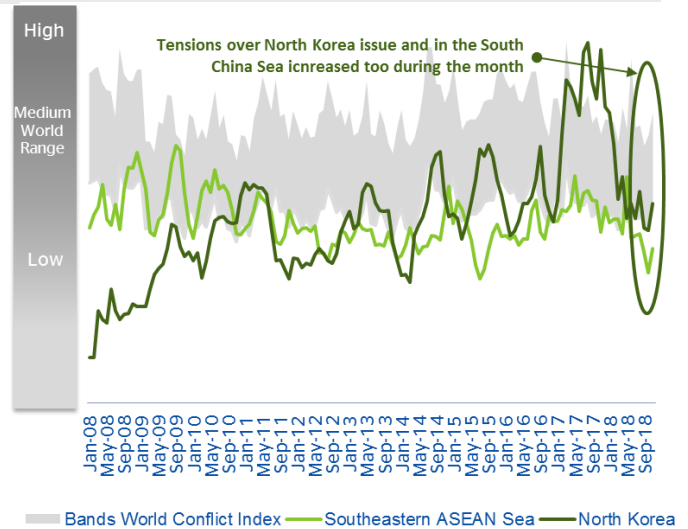
Source: [www.dgelt.org](http://www.dgelt.org) & BBVA Research

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



Source: [www.dgelt.org](http://www.dgelt.org) & BBVA Research

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

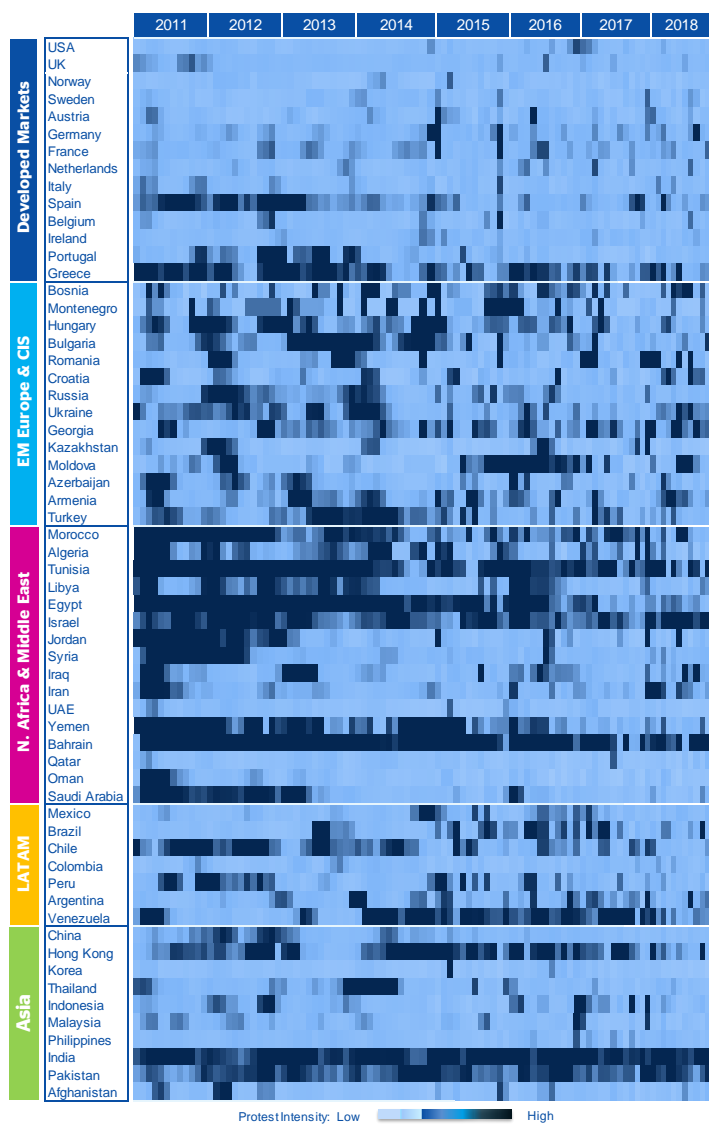


Source: [www.dgelt.org](http://www.dgelt.org) & BBVA Research

## Social unrest reduced during the month, despite the worsening of some hot spots

The World Protest Index decreased in November (as shown by our BBVA Research World Protest Intensity Index<sup>2</sup>). According to the BBVA Research World Protest Intensity Map, the key facts were:

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



Source: [www.dgelt.org](http://www.dgelt.org) & BBVA Research

- In regional terms, the main focus of instability continued in the Middle East and North Africa as well as in some Eastern European countries. Social noise eased off in Western Europe. In Latin America and Asia, some hot spots remained:
- In Europe unrest spread in France. Protests began to oppose a controversial fuel tax, but it triggered broader demonstrations against Macron's government. The rest of Europe continued calm in general terms.
- In Emerging Europe, protests rose in Bulgaria against the Government and high energy and fuel prices in Ukraine given the rise of tensions with Russia, as well as in Georgia due to the presidential elections.
- In North Africa and the Middle East, social unrest spread once again in Tunisia due to unpopular economic reforms and a deepening political crisis. Israel geopolitical instability continued high, as well as in Bahrain.
- In Latin America, social noise decreased in Brazil after the elections, while it continued in Argentina and Venezuela. Protests rose in Chile against the policy after the shooting of an indigenous Mapuche man by the police.
- In Asia, social noise eased off in Hong Kong, while it increased in Pakistan. India continued as one of the main hot spot in the region.

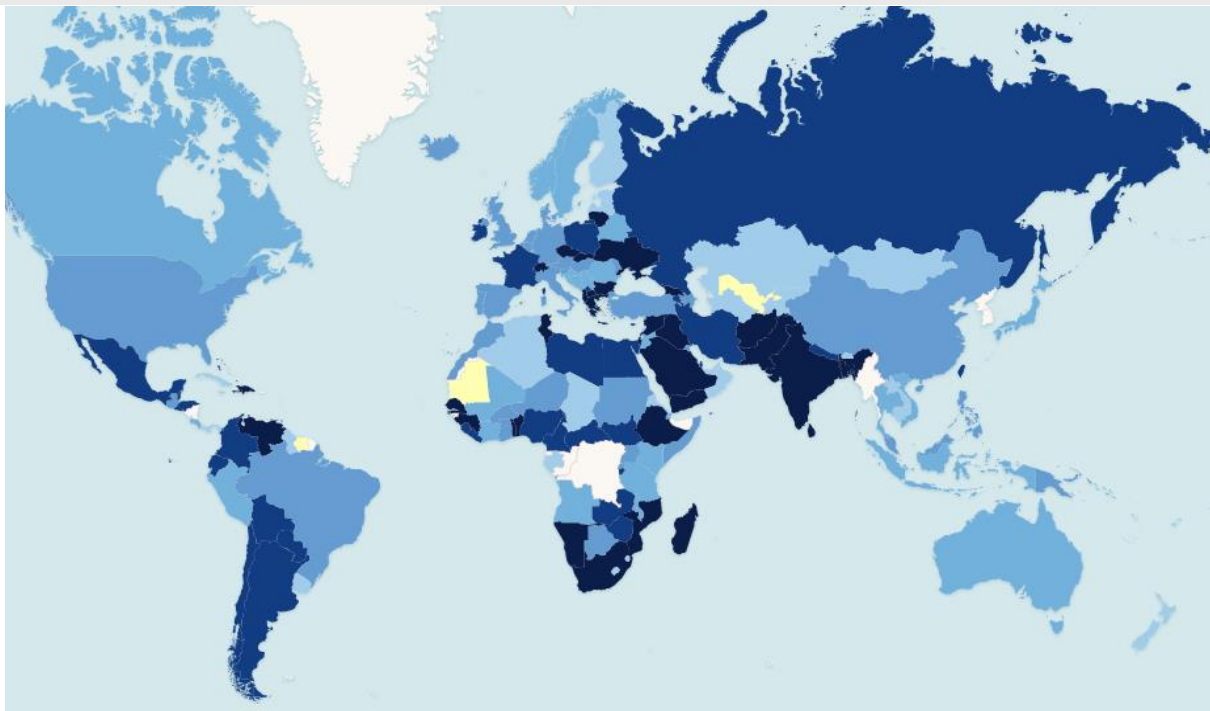
## Summary

The conflict arose in the Black Sea region in November between Kiev and Moscow seems to be contained as no country wants further escalation. But the situation is still fragile and uncertainty remains because Russia's response to Ukraine's martial law decision and whether the West would impose sanctions against Russia is unknown. US election results – although the counting is continuing – indicate that the political pressure on US foreign policy decision-making could grow. The killing of Jamal Khashoggi and Iran sanctions are still hot topics in the Middle Eastern region.

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

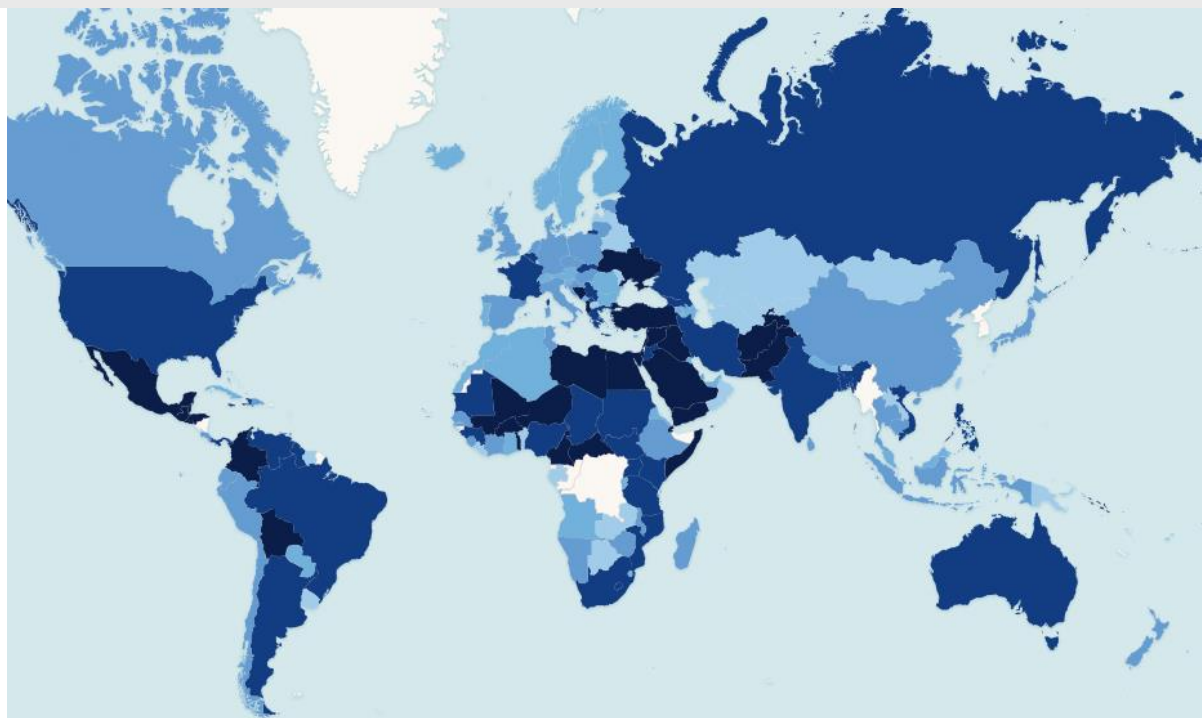
## ANNEX

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



Source: BBVA Research and [www.gdelt.org](http://www.gdelt.org)

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



Source: BBVA Research and [www.gdelt.org](http://www.gdelt.org)

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