

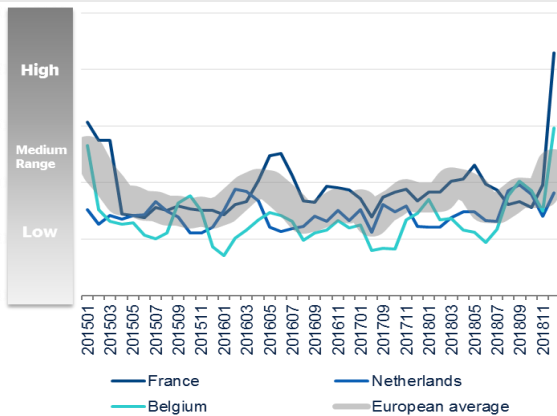
Geo-World: Conflict & Protest December

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U.S. President Trump announced that Washington would pull all of its troops out of Syria as the main objective (the defeat of ISIS) has been achieved, the President added. Top officials inside Washington and allies did not remain supportive. In Europe, 'Yellow vest' protests movement sharply rose in France and spilled over into other European countries, increasing concerns on social stability. On the other hand, the trade truce between China and the U.S. and positive developments in the Korean Peninsula created a calm environment in Asia. U.S. political disputes inside Washington, the discussions on Brexit deal and U.S.-Russia tensions were other hot topics in December that markets followed.

Protests rose in Europe and the Trump decision to withdraw troops from Syria

Figure 1 BBVA Research social unrest index in the European countries Dec 18 (social unrest events/total events)



Source: BBVA Research & www.gdelt.org

Demonstrations sharply rose in France and spilled over into other countries

'Yellow vest' protests movement in France spilled over borders, increasing concerns in Europe.

U.S. will withdraw from Syria, Trump says.

President Trump's decision of withdrawal created noise inside Washington and among U.S. allies.

In Asia, geopolitical environment eased off.

North-South Korea dispute remained contained and U.S.-China trade truce continues.

U.S. government was partially shut down.

Given political dispute between Trump and the Congress over Mexico border wall, U.S. federal government experiences a partial shutdown.

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

- On December 19, U.S. President Donald Trump announced that his country would withdraw all of its troops (2,000) from Syria. The President said he mentioned no timetable with regard to withdrawal. Defense Secretary Jim Mattis resigned in protest of President Trump's decision of withdrawal. **U.S. allies France and U.K. shared their objection.** Meanwhile, **Turkey is sending reinforcements and heavy artillery to Syria border in accordance with its announced (but delayed due to U.S. withdrawal decision) military operation** on the eastern bank of Euphrates **against YPG** (Kurdish units fighting as a proxy of the U.S. against ISIS – but Turkey considers YPG as an offshoot of terrorist organization PKK). **A top Turkish national security delegation visited Moscow to discuss the operation and U.S. withdrawal.** Turkish media outlets reported that Russia gave green light to Turkey's operations. Yet, it is unconfirmed. Israel, on the other hand, announced that it would escalate its military operations against Iranian proxies if U.S. withdrew. Meanwhile, **the United Arab Emirates and Bahrain are reopening their embassies in Syria.**
- In Asia, positive geopolitical developments introduce a calm environment. **North and South Korean officials held a symbolic groundbreaking ceremony** for a potential railway connecting the North and the South. **Meanwhile, Chinese Finance Ministry announced further tariff cuts on more than 700 goods** in line with its trade war truce with the U.S. agreed on December 2. The officials from both countries will hold trade talks on January 7 to discuss further implementations.

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

- **The U.S. government experiences a partial shut down on December 22, amid the dispute between President Trump and the Congress over the President’s demand for USD 5 billion for a wall along Mexico border.** More than 400,000 essential federal employees will work without payment until the dispute has been resolved. 380,000 federal employees were put on temporary leave. **The parliamentary vote on Brexit deal in U.K. could take place before January 21, a top government official said.** Prime Minister (PM) May has won a confidence vote by the Conservative Party as her party colleagues who are opposing Brexit deal initiated the vote. Meanwhile, it was reported that the EU could make minor modifications to Brexit deal if the U.K. Parliament rejects the agreement. **Disputes between the U.S. and Russia intensified. U.S. Secretary of State Mike Pompeo told that they would retreat from Intermediate-Range Nuclear Forces (INF) treaty in 60 days if Russia did not comply.** Russian President Putin said they would gear nuclear-armed medium-range missiles if the U.S. withdraws the treaty. INF treaty signed in 1987 required U.S. and Soviet Union to eliminate all ground-launched nuclear/non-nuclear missiles with ranges 500 to 5,500 km.

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

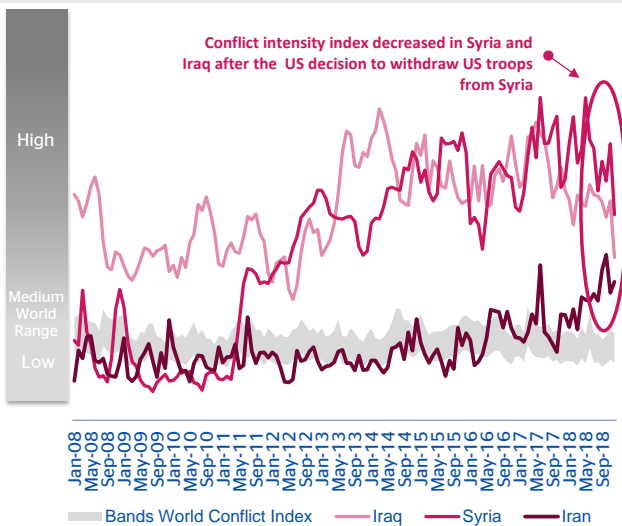
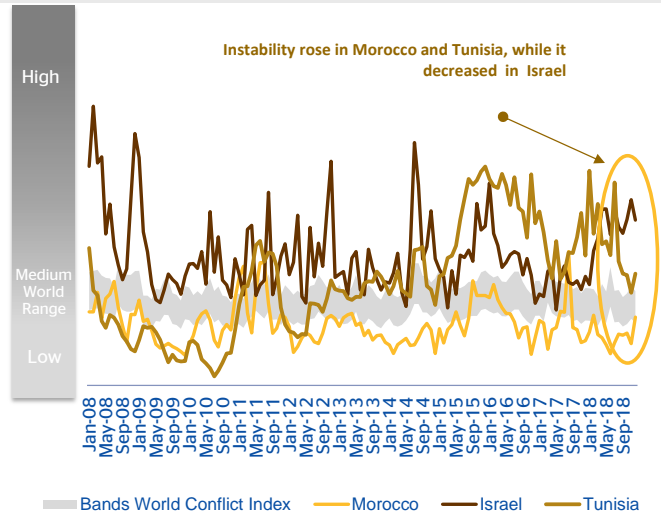


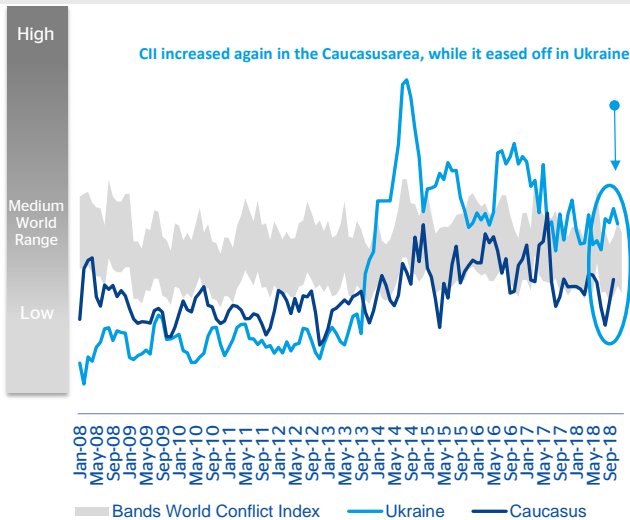
Figure 3 BBVA Research North Africa Conflict Intensity Index 2008-18 (Number of conflicts / Total events)



Source: www.dgelt.org & BBVA Research

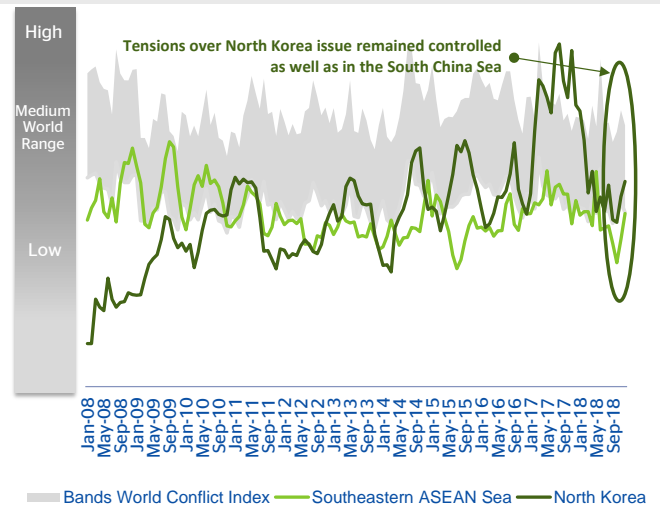
Source: www.dgelt.org & BBVA Research

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)

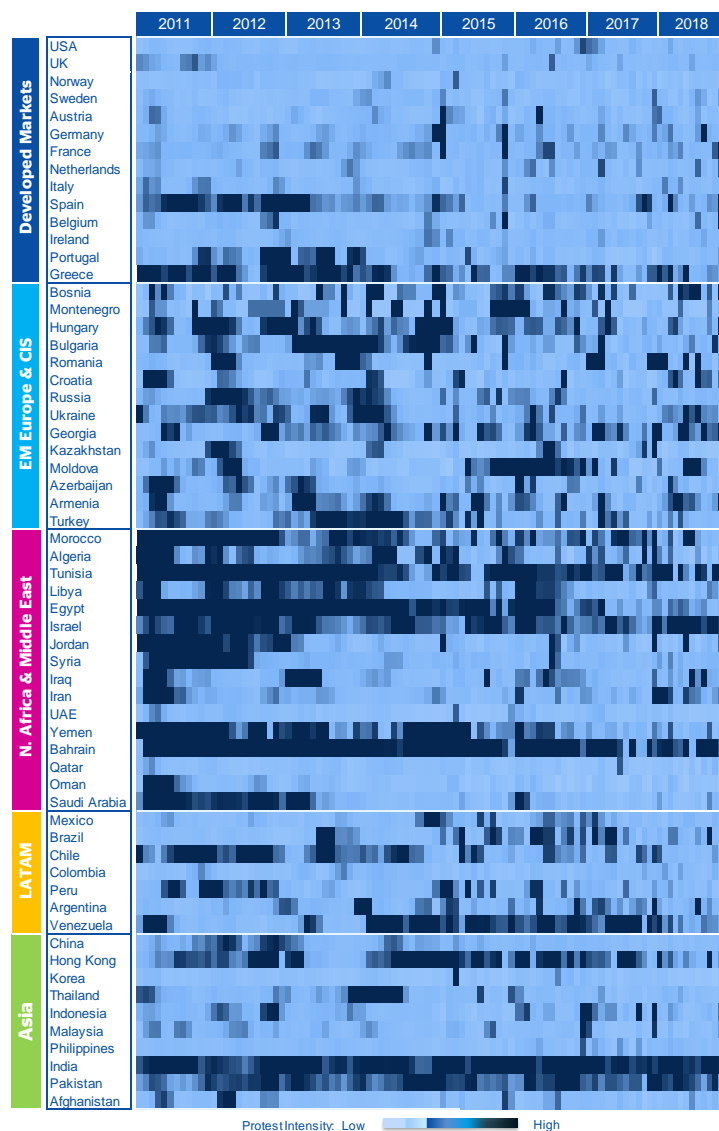


Source: www.dgelt.org & BBVA Research

Social unrest intensified during the last month of the year

The World Protest Index increased in December (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 – Dec 2018 (Number of protests / Total events)



Source: www.dgelt.org & BBVA Research

- In regional terms, social unrest increased in some European countries. In the Middle East and North Africa as well as in Asia, some hot spots remained. In Latin America social noise seemed to ease off comparing with previous months:
- Protests in Europe, France continued in the eye of the storm due to the endless protests of the "yellow vests" that are weakening the Macron credibility. This protest movement spilled over into **Belgium** and **Netherlands**. In **Spain**, political noise increased the index regarding Catalonia and Andalusian elections.
- In Emerging Europe, the overtime law caused the worst protests in **Hungary** predicting greater instability. Rallies reappeared in **Bosnia**. In **Georgia**, claims of irregularities tarnished the second round election.
- In North Africa and the Middle East, the shifting alliances maintained high geopolitical instability in **Israel**. The stagnant economy in **Tunisia** and **Bahrain** rose again social unrest.
- In Latin America, social noise eased off in **Brazil** after the elections. New tariffs in **Argentina** are driving inflation and voter ire. The increased military cooperation between Maduro and Putin increased the unrest in **Venezuela**.
- In Asia, the Kerala struggle augurs more religious violence in **India**. **Pakistan** reduced social noise, while **Indonesia** and **Malaysia** began to stir slightly.

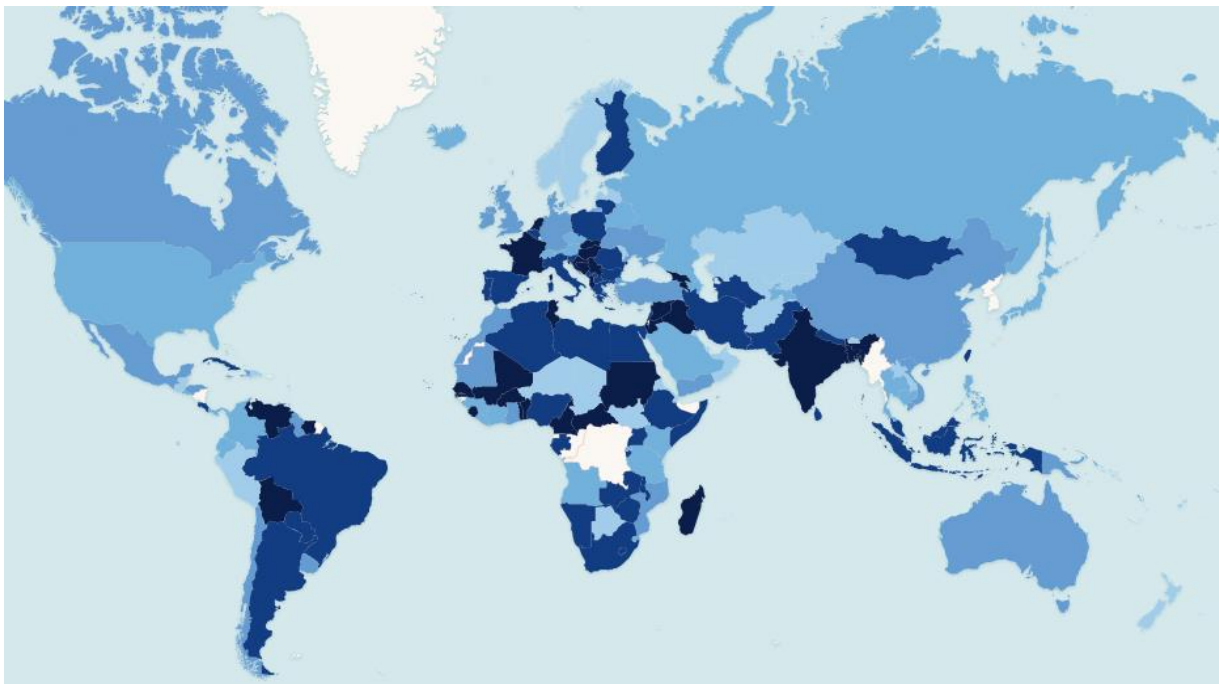
Summary

The decision of the U.S. to withdraw its military units from Syria created a geopolitical noise and uncertainty with regard to the fulfillment of the power vacuum in eastern Syria. Competing forces' different geopolitical agendas could be challenging. Meanwhile, seeking conflict resolution in Asia between China and U.S. and between North and South Korea created a positive atmosphere. However, uncertainties regarding U.S. government shutdown, Brexit treaty and U.S. - Russia disputes increasingly became dominant in the geopolitical agenda.

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

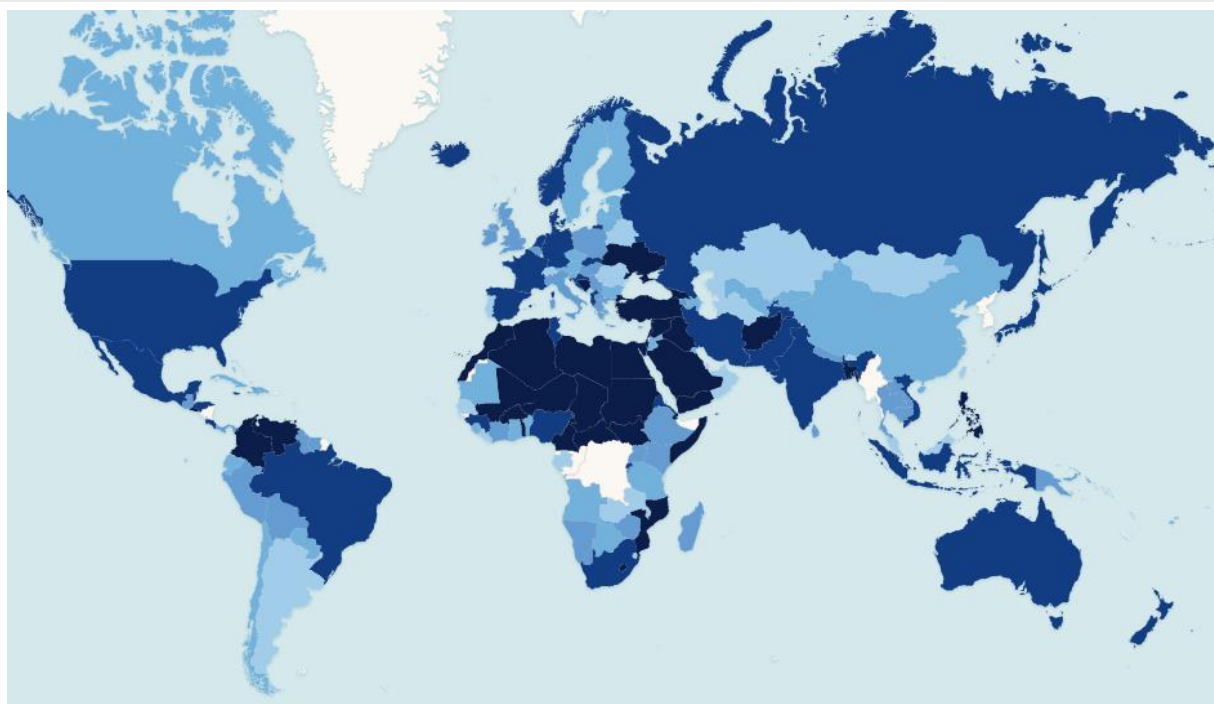
ANNEX

Figure 7 BBVA Research World Protest Map December 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 December 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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