

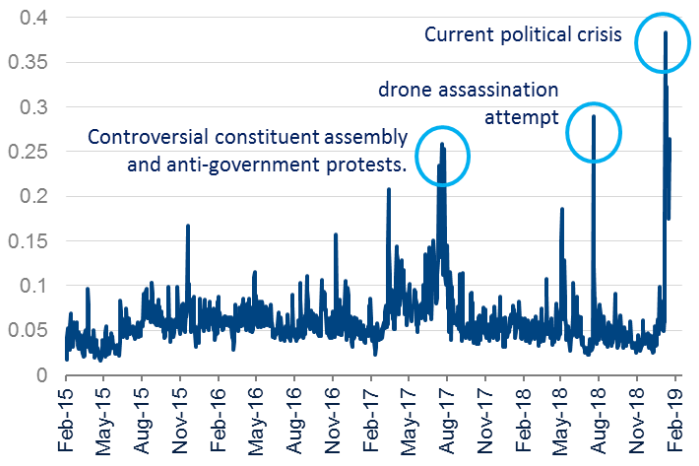
# Geo-World: Conflict & Protest January

Fernando Bolívar / Tatiana Dávila / Yigit Engin / Álvaro Ortiz / Tomasa Rodrigo  
January 2019

Venezuela’s opposition leader Juan Guaidó declared himself as the interim president in line with the constitutional rights. U.S. sanctioned Maduro administration and recognized his Presidency as well as some EU members. The situation remains uncertain. Meanwhile, geopolitical developments in Asia region are positive as China and U.S. are in trade talks and North Korea was constructive so far. U.S. came with a plan for a safe-zone in northern Syria, but involved parties, like Turkey and other U.S. allies, have different concerns.

## Venezuelan opposition leader declared himself the country’s interim president.

Figure 1 BBVA Research media coverage index to track political related news in Venezuela



Source: BBVA Research & www.gdelt.org

### The political crisis in Venezuela escalated.

Political crisis escalated in Venezuela as the U.S. and many countries in Latin America stepped in to support the interim president.

### China and the U.S. initiated new trade talks.

Both China and U.S. continue to discuss an agreement to end the trade war.

### U.S. seeks a western coalition to fill the gap in Syria after its withdrawal.

Syria related developments continue to dominate Middle Eastern agenda. U.S.-Russia talks on nuclear weapons failed.

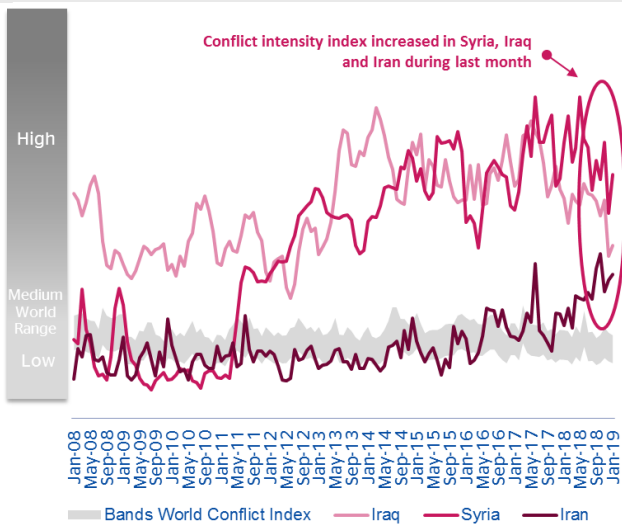
The BBVA Research World Conflict Intensity Index<sup>1</sup> slightly decreased during January. The main developments during the month were:

- On January 23, U.S. President Trump said that Washington would recognize Venezuelan opposition leader Juan Guaidó as the “the interim president” of Venezuela, after Guaidó declared himself as the leader of the country. Following the U.S., Canada and the Organization of American States have also decided to formally recognize Guaidó, except Bolivia. Turkey, Russia, Iran and China are recognizing Maduro the 46<sup>th</sup> President of Venezuela serves since 2013. On January 28, the U.S. sanctioned Venezuela’s state-owned oil firm (Petróleos de Venezuela, S.A. - PdVSA). The sanctions block about USD 7 billion in assets and would cause USD 11 billion in lost assets for the next year. On the other hand, China and Russia have warned against foreign interference in Venezuela’s domestic political situation. European nations called for new elections in Venezuela to overcome the dispute. The high-ranking security officials have pledged their loyalty to Maduro but the opposition claimed that some members of the armed forces have established contact with them. Meanwhile, U.S. plans to send humanitarian aid to Venezuela. The uncertainty and risky situation remains well alive.
- North Korean leader announced that he would halt testing and producing nuclear weapons but also warned that his country could find alternative ways to protect itself if U.S. did not fulfil promises. On January 7, U.S. and Chinese delegations met to initiate new round of trade talks. Meanwhile, U.S. Treasury Secretary said he backs the idea of removing some or all import tariffs on China through a trade deal.

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

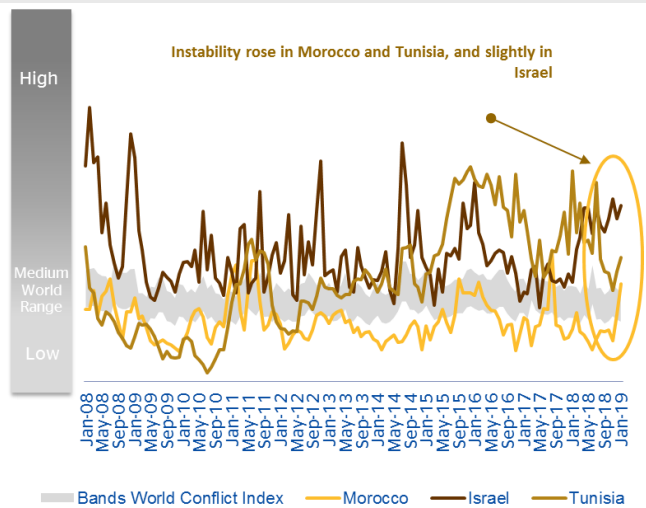
- The U.S. government is planning to establish an alliance consist of some Western nations to enforce a safe-zone in northern Syria along Turkish border.** The talks continue but Turkey may not be in favour of that plan according to Turkish President's earlier remarks opposing a coalition to control the area. Nonetheless, the plan is a draft and could be updated. In February more talks and negotiations would follow both in Washington and in Moscow. **In January, Taliban members and U.S. officials met in Qatar for talks aimed at ending the war in Afghanistan.** During the last weeks of January the talks were ongoing as U.S. agreed to discuss a potential troop withdrawal from Afghanistan. **The discussions between Russia and the U.S. on the future of Non-Nuclear Proliferation Treaty failed to produce solutions. U.S. withdrew from the treaty.** It has been 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. **France, Germany and Britain established the Instrument in Support of Trade Exchanges (Instex) to allow non-dollar trade between the EU and Iran** and it will focus on humanitarian trade. However, it will be difficult to overcome the US Sanctions

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



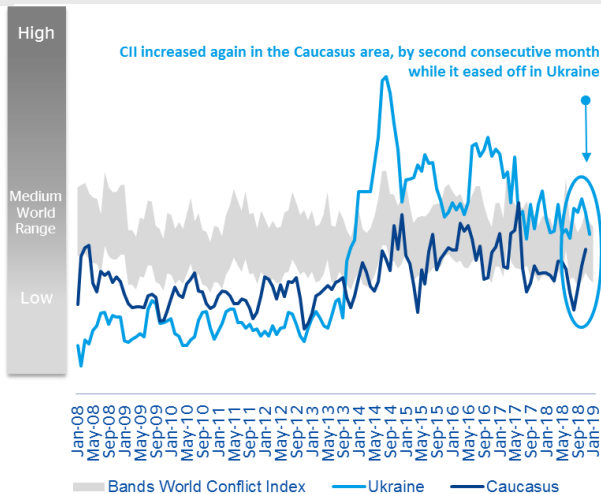
Source: [www.dgelt.org](http://www.dgelt.org) & BBVA Research

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



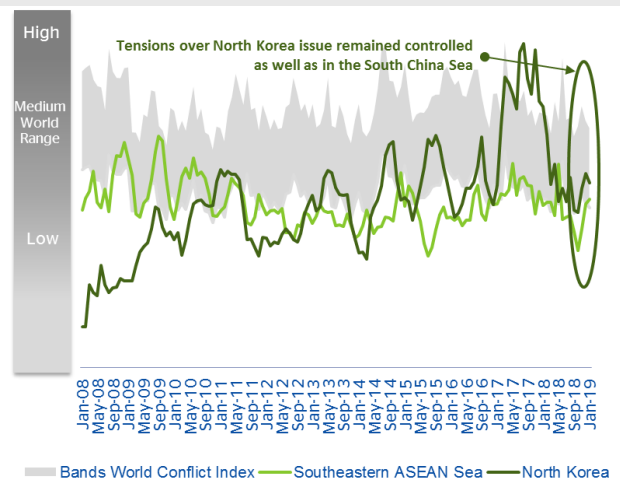
Source: [www.dgelt.org](http://www.dgelt.org) & BBVA Research

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)

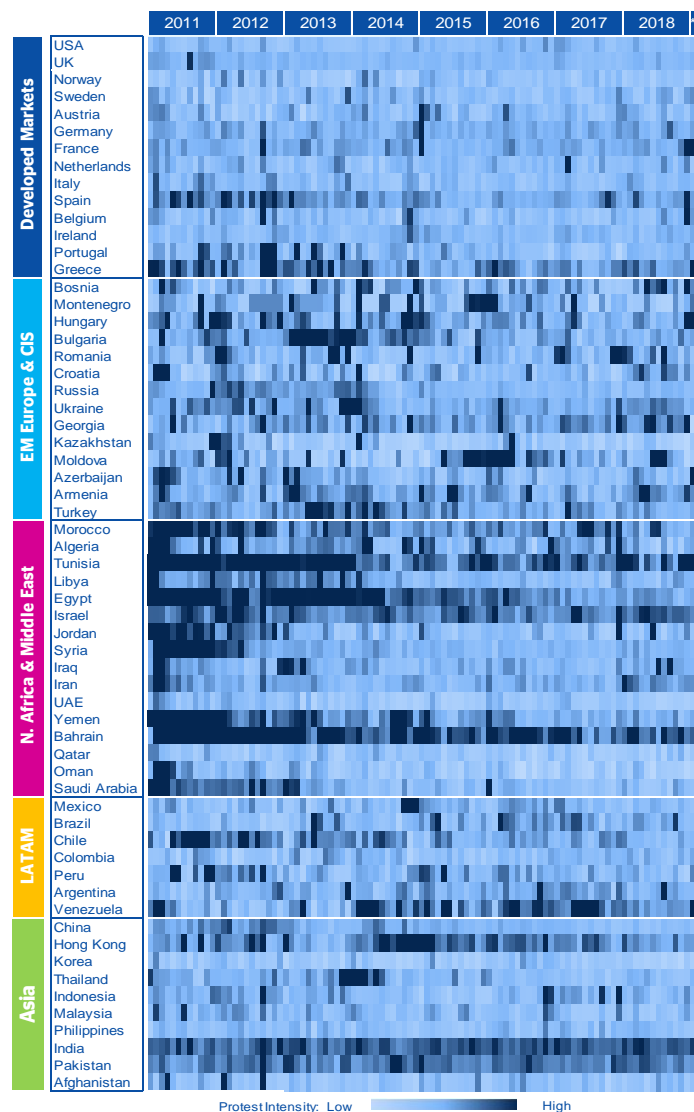


Source: [www.dgelt.org](http://www.dgelt.org) & BBVA Research

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

The World Protest Index increased (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 – Jan 2019 (Number of protests / Total events)



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

- In regional terms, social noise rose in some European countries. In the Middle East and North Africa, the same hot spots remained, while in Asia social unrest seemed to ease off. The main focus of instability in Latin America was Venezuela:
- In Europe Macron will launch the three-month "great national debate" aimed at building a bridge between the government and the "yellow vests" movement. Meanwhile in UK the movement is taking power with anti-austerity march. Greek protest decreased at the end of this month, with a new deal that will rename Macedonia.
- In Emerging Europe, the persistence of the mounting opposition movement against Orbán went beyond Hungary's borders.
- In North Africa and the Middle East, protest in Palestine had intensified after recent incidents with Israel's soldiers. Import taxes and austerity kept protests in Tunisia alive.
- In Latin America, social noise increased in Venezuela. Opposition leader Guaidó has been recognized as interim president in many countries while supporters appeal to respect Venezuelan sovereignty. In Brazil, troops have been sent to the north-eastern region to tackle a surge in criminal violence.
- In Asia, social noise eased off generally. Hong Kong protested against China 'repression' and claimed for democratic reforms. India continued as one of the main hot spots in the region.

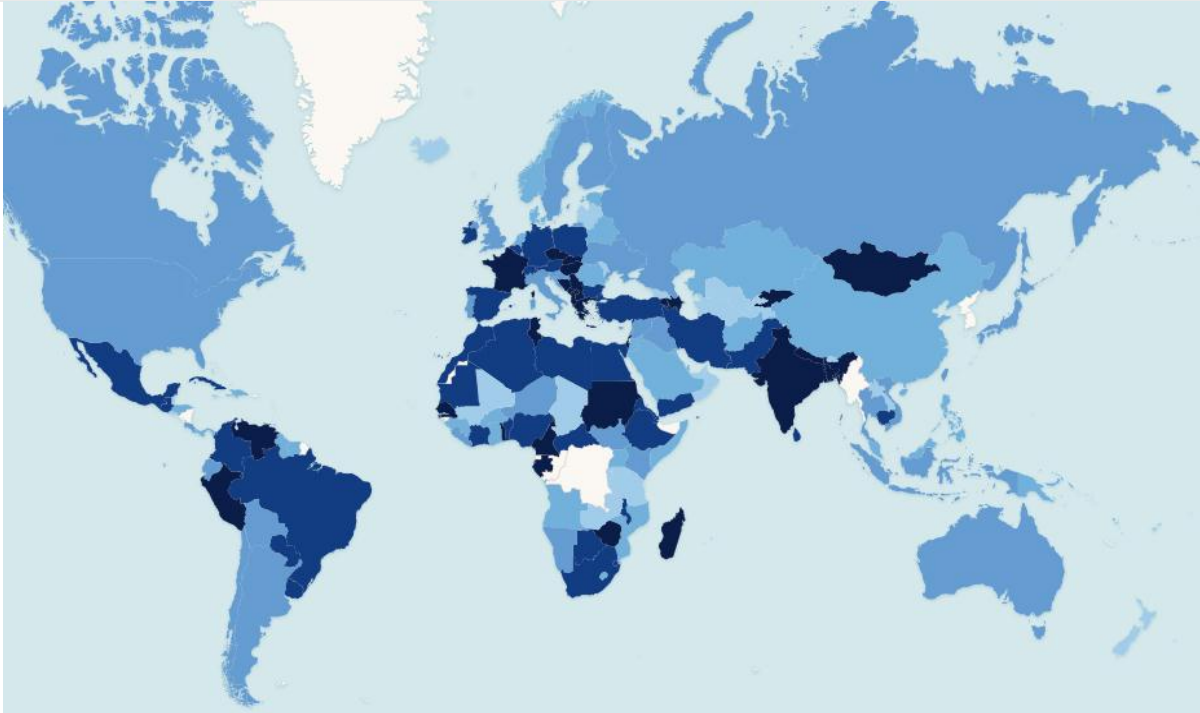
## Summary

The political tug of war in Venezuela on who would decide the future of the country (either Maduro government or new interim president, Guaidó) increased the uncertainty in Latin America. How the situation would be resolved is still an unknown. Meanwhile, the US and China are in a positive mood in keeping dialogue channels open to sustain the trade truce. US wants its allies to take the responsibility in northern Syria, but the solution may not be reached easily due to different agendas pursued by involved powers. The EU established an exchange system with Iran for non-dollar humanitarian trade, which is positive to keep Iran inside the nuclear deal.

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

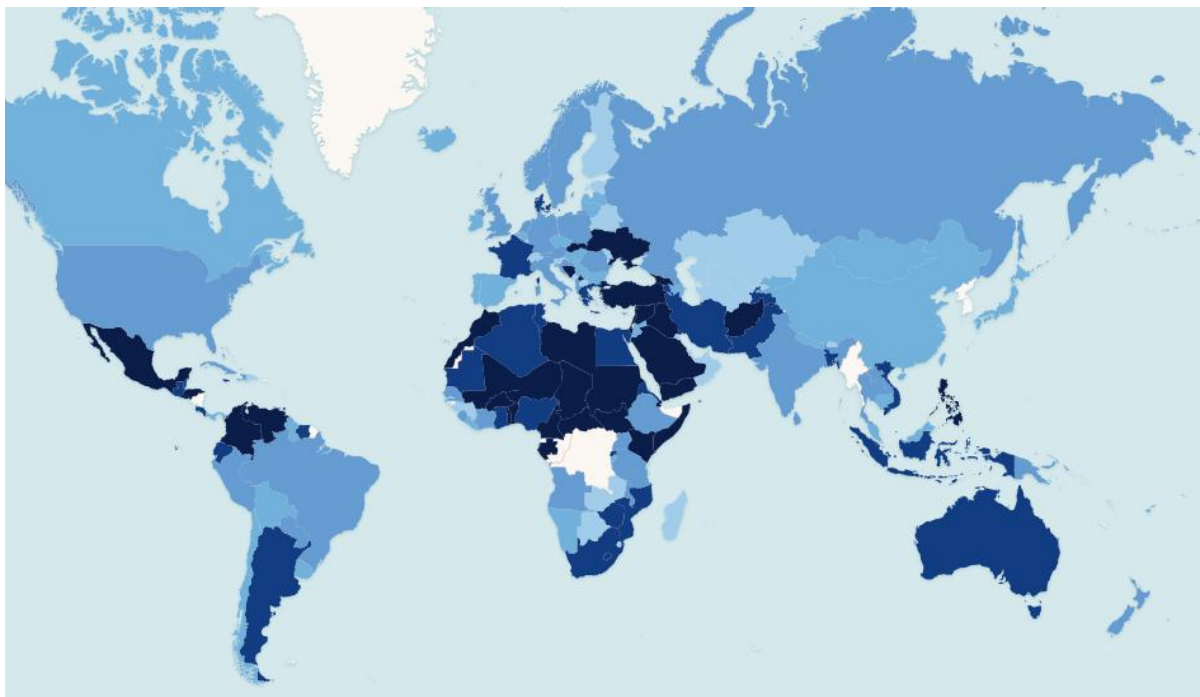
## ANNEX

Figure 7 BBVA Research World Protest Map January 19  
(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 January 19  
(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)

## DISCLAIMER

This document has been prepared by BBVA Research Department. It is provided for information purposes only and expresses data, opinions and estimates at the date of issue of the report, prepared by BBVA or obtained from or based on sources we consider to be reliable, but not independently verified by BBVA. Therefore, BBVA offers no warranty, either express or implicit, regarding their accuracy, completeness or correctness.

Estimates this document may contain have been made in accordance with generally accepted methodologies and should be considered as forecasts or projections. Results obtained in the past, whether positive or negative, are no guarantee of future performance.

This document and its contents are subject to changes without prior notice depending on variables such as the economic context or market fluctuations. BBVA is not responsible for updating these contents or for giving notice of such changes.

BBVA accepts no liability for any loss, direct or indirect, that may result from the use of this document or its contents.

This document and its contents do not constitute an offer, invitation or solicitation to purchase, divest or enter into any interest in financial assets or instruments. Nor shall this document or its contents form the basis of any contract, commitment or decision of any kind.

With regard to investment in financial assets related to economic variables this document may cover, readers should be aware that in no circumstances should they base their investment decisions on the information contained in this document. Persons or entities offering investment products to these potential investors are legally required to provide the information needed for them to take an appropriate investment decision.

The content of this document is protected by intellectual property laws. Its reproduction, transformation, distribution, public communication, provision, extraction, reuse, forwarding or use of any nature by any means or process is forbidden, except in cases where it is legally permitted or expressly authorized by BBVA.

### ENQUIRIES TO:

BBVA Research: Calle Azul, 4 Edificio La Vela, Floors 4 & 5 28050 Madrid, Spain  
Tel. +34 91 374 60 00 y +34 91 537 70 00 / Fax (+34) 91 374 25  
bbvaresearch@bbva.com www.bbvaresearch.com

