

Geostrategic Analysis

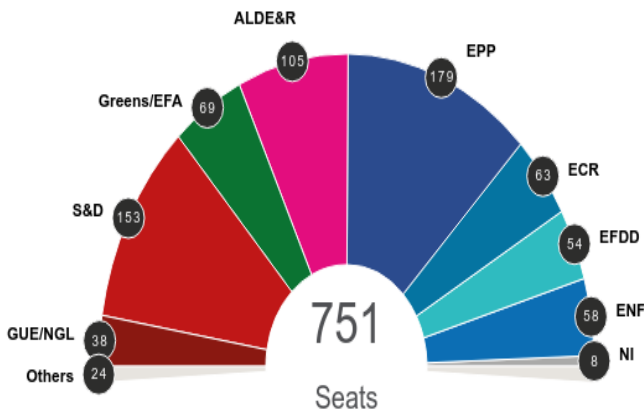
Geo-World: Conflict & Protest May

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In May, the escalation of disputes between Tehran and Washington created the major concern in the global geopolitical agenda. Neither the United States nor Iran seeks confrontation, but the exchange of words and the increased military deployment alarmed the region. Europeans voted to elect their representatives in the European Parliament with the highest turn out in 20 years. British Prime Minister has resigned. The trade dispute between China and the United States could not be resolved yet. Trade tensions rose between US and Mexico after Trump's threat to impose tariffs on Mexican imports.

Political landscape witness changes within the European Parliament...

Figure 1 European Parliament results: 2019 - 2024



Source: BBVA Research & www.gdelt.org

European Parliament election results revealed.

More than 50% of the eligible voters took part in the elections, the highest turn out in 20 years.

U.S. – Iran rift escalated in the Gulf.

De-escalation efforts are on the table to resolve the disputes but there are too many conditions ahead

British PM resigned. Israel goes to new elections. US and China increased tariffs.

PM Theresa May will resign in June 7. The Israeli Parliament dissolved itself. As the trade talks failed, US and China increased tariffs to 25% on some particular goods.

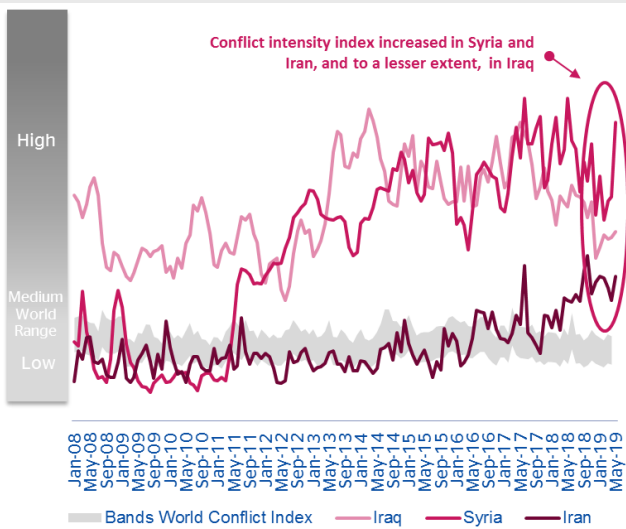
The BBVA Research World Conflict Intensity Index¹ slightly increased during May. The main developments during the month were:

- On the anniversary of U.S. withdrawal from the nuclear deal, **May 8, Iran announced that it would boost uranium enrichment if its interests in nuclear deal were not protected within 60 day.** Then, U.S. issued new sanctions on Iran's steel, aluminum, iron and copper sectors. **The United States has sent a naval group and more aircrafts to the region** amid the suspect that Iranian proxies could attack U.S. units. **On May 12, Saudi Arabia said two of its oil tankers were attacked off the coast of the United Arab Emirates.** Eventually, the United States ordered to increase the number of troops by 1,500 (600 of them were already deployed) in the region. Despite the ongoing escalation, **President Trump said, "We are not looking for a regime change"** in Iran and **reiterated the call for negotiations** and even asked Japanese Prime Minister Abe to help arrange a meeting with Iranian leaders. Yet, **Iranian President said** the prerequisite for the talk is that **Washington should first lift the sanctions and abide the Iranian nuclear agreement.**
- According to European Parliament election results, the centre left and centre right political parties appeared to lose their majority for the first time since 1979 when the first parliament elections were held. Instead, pro-environment, pro-EU Green parties and liberals gained more support compared to 2014 elections. **Also far-right populist and nationalist parties reinforced their positions in the European Parliament.** Besides, more than 50% voters took part in the elections, which is the highest turn out in 20 years.

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

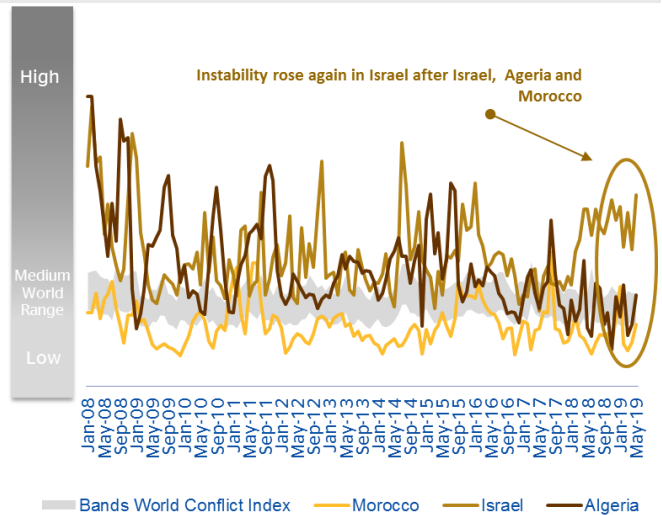
- On May 30, the Israeli Parliament voted in favour of dissolving itself and hold new elections in September, seven weeks after April 9 general elections. The decision has been taken as Prime Minister Netanyahu failed to form a coalition government within by the legal deadline. **British Prime Minister Theresa May announced that she would resign from the post** and also from the chair of Conservative Party on June 7. **Venezuelan opposition leader Juan Guaidó announced that they would continue street protests** after the talks with Venezuelan government officials in Oslo hosted by Norway ended on May 29 without any progress. **During the meetings in Oslo, opposition asked President Maduro to step down and allow a transitional government to organize new elections.** Turkish military initiated a wide range military operation in northern Iraq against a PKK camp and the region nearby at the end of May. Meanwhile, **the trade talks between China and the U.S. yielded no results.** Washington then introduced new tariff rate increase on USD 200 billion worth of Chinese goods from 10 to 25%. Beijing will also increase the tariff rates from 5 to 25% on USD 60 billion worth of American goods as of June 1. U.S. President Trump said that he would impose a 5% tariff on all imported goods from Mexico beginning June 10, which would “gradually increase” until the flow of undocumented immigrants across the border stopped.

Figure 2 BBVA Research Middle East Conflict Intensity Index 2008- May 19 (Number of conflicts / Total events)



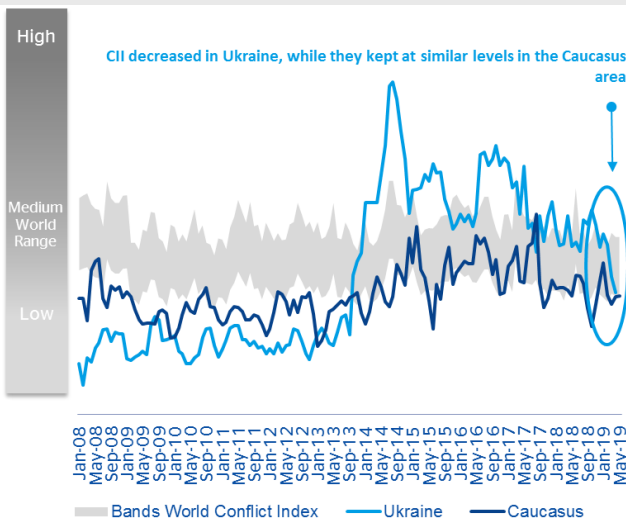
Source: www.dgelt.org & BBVA Research

Figure 3 BBVA Research North Africa Conflict Intensity Index 2008- May 19 (Number of conflicts / Total events)



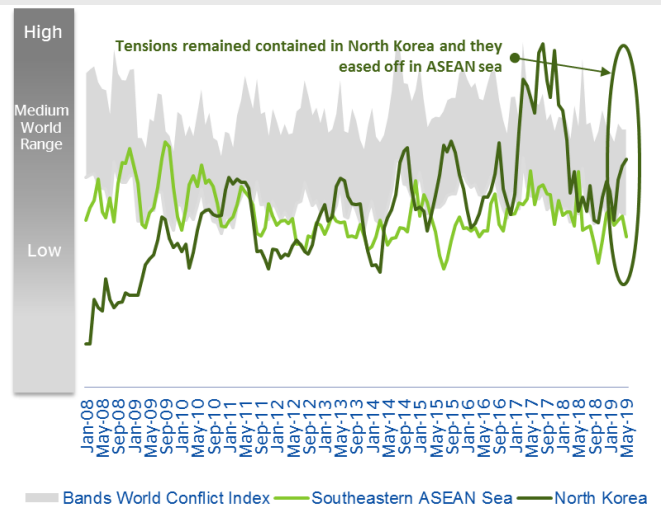
Source: www.dgelt.org & BBVA Research

Figure 4 BBVA Research Eastern Europe Conflict Intensity Index 2008-May 19 (Number of conflicts / Total events)



Source: www.dgelt.org & BBVA Research

Figure 5 BBVA Research Asia Conflict Intensity Index 2008- May 19 (Number of conflicts / Total events)

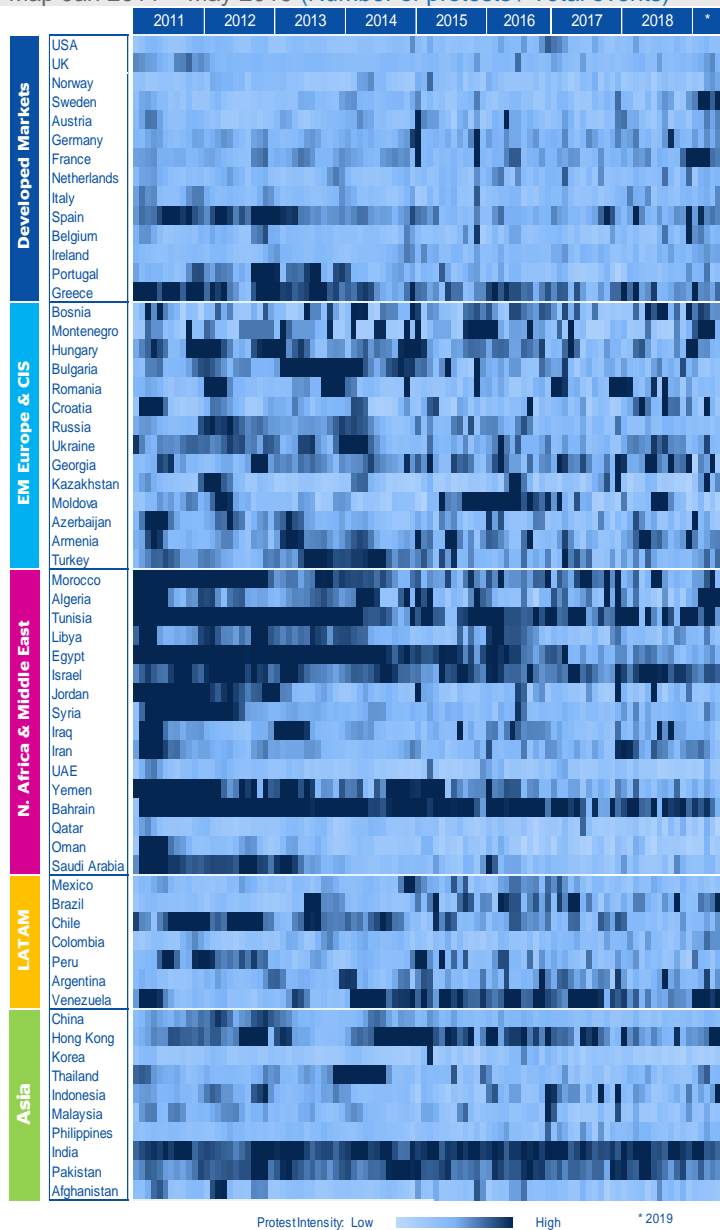


Source: www.dgelt.org & BBVA Research

Social unrest rose punctually during the month

The World Protest Index mildly decreased in May (as shown by our BBVA Research World Protest Intensity Index). According to the BBVA Research World Protest Intensity Map, the key facts were:

Figure 6 BBVA Research World Protest Intensity Map Jan 2011 – May 2019 (Number of protests / Total events)



Source: www.dgelt.org & BBVA Research

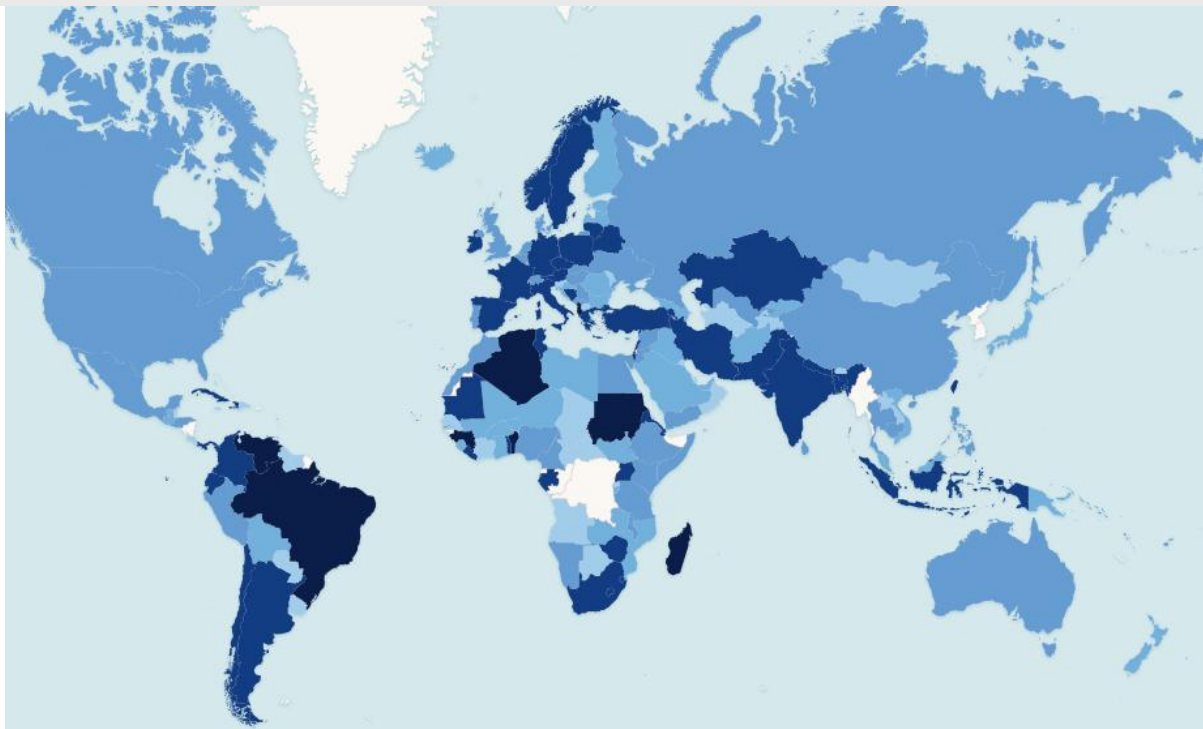
- In regional terms, the main focus of instability continued in the Middle East. Social noise decreased in Eastern and Western Europe, while it increased in North Africa. In Latin America and Asia, some hot spots remained:
- Europe social noise rose given European Parliament elections, together with the May Day rallies, which took place across Europe. Youth for climate movement keeps growing.
- In Emerging Europe, social unrest decreased most of countries. In Montenegro, protesters are calling for an election boycott after resignation of President Nazarbayev, but instability reduced with respect to last months.
- In North Africa and the Middle East, the continuing unrest in Algeria is affecting the industry and security conditions. Likewise, protesters are not backing down as they persisted in attacking corrupt officials and systems. Morocco regains confidence and strengthens its African ties in search of new opportunities. Massive protests happened too in Israel against Prime Minister Netanyahu immunity from prosecution.
- In Latin America, in Brazil, the biggest protests to the date against Bolsonaro took place this month against education cuts. Peace tensions in Colombia with the FARC have been exacerbated by the Santrich case. Venezuela continued in as the main hot spot.
- In Asia, Hong Kong continues to suffer from social unrest over recent plan to extradite suspects to mainland China. In Indonesia, street violence continues after the declaration of final presidential elections results.

Summary

The United States and Iran witnessed an escalated dispute in the Persian Gulf. The risks were on the rise until President Trump said they seek no regime change. Japanese government could participate for mediation but Iran has prerequisites for talks. New European Parliament has been formed with highest turnout in 20 years. Trade disputes between the U.S. and China continued, while they rose between U.S. and Mexico.

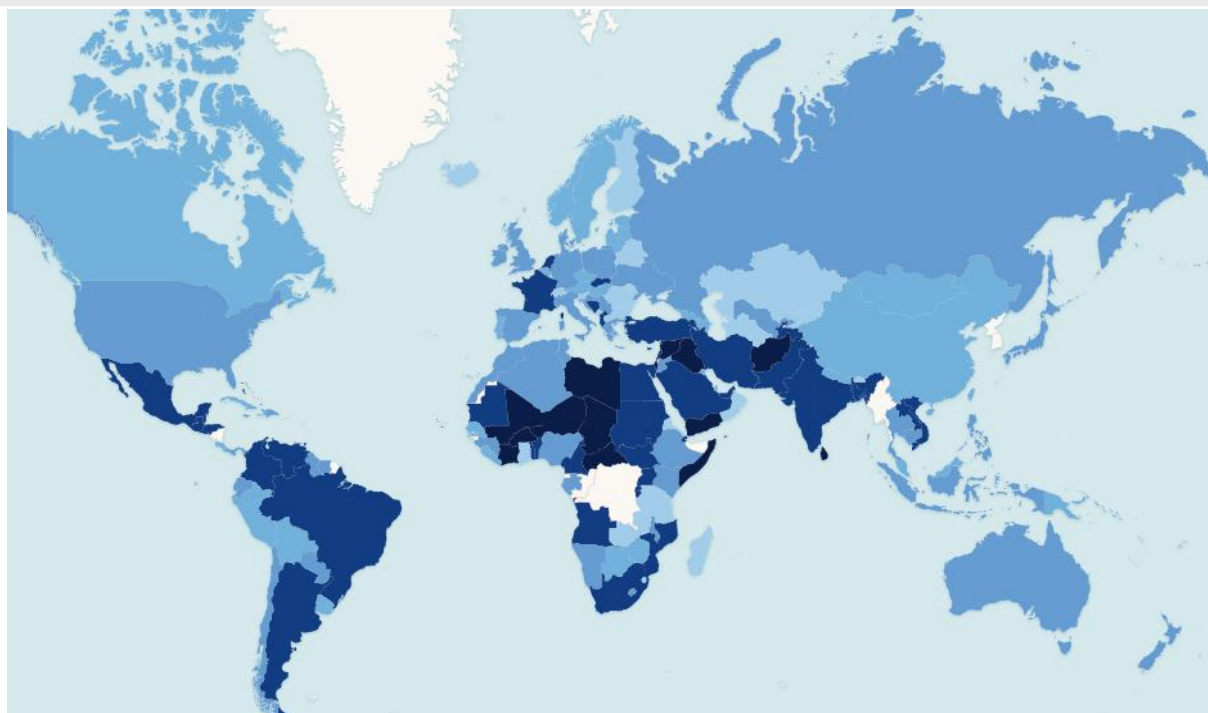
ANNEX

Figure 7 BBVA Research World Protest Map May 2019
(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 May 2019
(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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