

# MNI POLITICAL RISK ANALYSIS-Week Ahead 3-9 October

*by Tom Lake*

All timings subject to change.

*Monday 3 October:*

- **United Kingdom:** Annual conference of the governing centre-right Conservative Party begins its second day in Birmingham, England. The meeting comes at a very difficult time for the government of PM Liz Truss, with Chancellor Kwasi Kwarteng forced into a U-turn on his flagship policy of abolishing the top 45% rate of income tax following a brutal market and public backlash. The Conservatives now sit 17-33% behind the opposition Labour Party in opinion polling, with the conference seen as potentially a 'make or break' moment for the relatively new PM. Kwarteng delivers his speech to conference on Monday at 1600BST (1100ET, 1700CET).
- **Germany-France:** Chancellor Olaf Scholz set to host President Emmanuel Macron in Berlin for a working dinner to discuss issues including the German government's proposed EUR200bn gas price cap, the prospect of reforming EU rules on unanimity requirements in Council votes on issues such as sanctions, and the Midcat gas pipeline proposed to supply gas to Germany from Spain via France.
- **European Union:** Coreper II meeting of member state ambassadors to the EU, with the permanent representatives set to discuss next round of sanctions the Commission has proposed for Russia. Notable focus on whether the EU implements a cap on the price of Russian seaborne oil exports in line with the G7. Hungary seen as a potential obstacle to an agreement, but wire reports state the Polish permanent representative talking up the prospect of an agreement.
- **US-LatAm:** US Secretary of State Anthony Blinken begins a week-long trip to visit three LatAm countries each with (relatively) new leftist administrations in place in an effort to reassert the US' commitment to a continent that some have said Washington, D.C., has neglected in recent years. Blinken visits Colombia (historically the US' closest ally in the region), Peru, and Chile.
- **Eurozone:** Eurogroup meeting of eurozone finance ministers takes place in Luxembourg. Minister expected to discuss the fiscal policy response to high energy prices and inflationary pressures across the bloc, as well as the implementation of the COVID-19 Recovery and Resilience Plans. Secretary-General of the OECD, Mathias Cormann, will also be in attendance.
- **United States:** The Supreme Court starts its new term today in what could prove an important period ahead of the November 8 midterms. The conservative-dominated court is set to issue rulings on controversial topics including affirmative action, immigration, minority representation, and the way in which federal elections are held. With the impact of the court's ruling on Roe vs. Wade having had a notable impact on House and Senate races across the US, rulings made in the coming weeks could result in further political upheaval.

- **Global:** Board of Governors of the International Atomic Energy Agency (IAEA) meets in Vienna, Austria. Comes as Director General Rafael Grossi is expected to visit Kyiv and Moscow in the coming week to promote the creation of a protection zone around the Zaporizhzhia nuclear power plant in Ukraine. Russia has claimed the Zaporizhzhia oblast as part of the Russian Federation following a fraudulent 'referendum' in the region last week.
- **Canada (Quebec):** General election takes place for the 125 seats of the National Assembly of Quebec. Incumbent Premier Francois Legault's conservative Quebec autonomist Coalition Avenir Quebec (CAQ) on course to retain its majority. Quebec is the second-largest Canadian province in terms of population and the size of its economy, although given its French-speaking nature and unique cultural identity, its provincial politics operates in something of a vacuum in relation to the rest of Canada.
- **Australia, Germany, South Korea:** Public holidays for Queen's Birthday (Queensland) and Labour Day (ACT, NSW, South Australia), Day of German Unity (Germany), National Foundation Day (South Korea).
- **China:** Golden Week holiday begins. Continues through 7 October.

*Tuesday 4 October:*

- **European Union:** Economic and Financial Affairs Council (ECOFIN) meeting of EU economy and finance ministers takes place, with ministers set to discuss high energy prices and the EU's general economic situation, as well as the economic impact of the war in Ukraine, and proposed legislation in relation to financial services. Presser comes around 1430CET (0830ET, 1330BST).
- **Finland-Estonia:** Finnish President Sauli Niinistö visits Tallinn, Estonia for talks with counterpart Alar Karis. Discussions likely to focus on the war in Ukraine and the threat posed to both nations by a belligerent Russia. Both nations are set to impose bans on Russian tourists from entering their countries, with major queues forming to enter both nations following President Vladimir Putin's announcement of a partial mobilisation of the country's male population.
- **Hong Kong:** Public holiday for Chung Yeung Festival.

*Wednesday 5 October:*

- **OPEC+:** OPEC and OPEC+ ministerial meetings take place in Vienna, Austria. Speculation that a 1mn/bpd cut to production could be on the cards at the behest of Russia, with the meeting being changed to in-person from the usual virtual gathering, while a press conference will also take place after the meeting.
- **United Kingdom:** Prime Minister Liz Truss due to deliver her keynote speech to the Conservative Party conference. Significant pressure on Truss due to the poor reaction to the government's mini-budget in late September. Betting markets give a greater than 50% probability Truss leaves office before the next general election (due by 2024).
- **Spain-Germany:** Prime Minister Pedro Sanchez hosts Chancellor Olaf Scholz in A Coruña, Galicia. Comes days after a meeting in which Scholz is set to bring up the MidCat gas pipeline proposed to carry gas from Spain to France, and then through the French gas network to countries in central Europe including Germany.

- **Israel, Portugal:** Public holidays for Yom Kippur (Israel) and Republic Day (Portugal).

*Thursday 6 October:*

- **Europe:** Inaugural meeting of the European Political Community takes place in Prague, Czechia. The brainchild of French President Emmanuel Macron, the meeting is intended to foster dialogue and strengthen security links between European countries, including those that are not part of the EU. Notably, UK PM Liz Truss is expected to be in attendance, marking the first time a British leader has been president at a pan-continental summit since leaving the European Union.
- **Norway:** Finance Minister Trygve Slagsvold Vedum is set to present this year's budget to the *Storting* (parliament). The government of Prime Minister Jonas Gahr Støre is set to include a tax on renewable energy producers, which the government argues is receiving unexpectedly large profits due to elevated gas prices, as well as levies on the country's aquaculture sector.
- **IMF:** Managing Director Kristalina Georgieva is set to deliver a speech at Georgetown University in Washington, D.C., ahead of the IMF and World Bank annual meetings event starting on 10 October. Georgieva set to speak at 0930ET (1430BST, 1530CET). The annual meetings bring together central bankers, finance ministers, private sector executives, and civil society groups to discuss global financial and economic issues.
- **United States:** Debate takes place between incumbent Democratic Senator Mark Kelly and Republican challenger Blake Masters in the race for Arizona's US senate seat in the November midterms. Arizona seen as one of the closer races, with the state historically leaning Republican, but one-term incumbent Kelly holding a narrow but consistent lead over Trump-backed Masters.

*Friday 7 October:*

- **European Union:** An informal meeting of member state heads of government/state takes place in Prague, Czechia. Leaders are looking to sign off on the latest package of sanctions against Russia that permanent representatives are seeking agreement on at Coreper II meetings on 3 and 5 October.
- **Global:** Winner of the Nobel Peace Prize is announced in Oslo, Norway.
- **Argentina:** Public holiday.

*Sunday 9 October:*

- **Germany (Lower Saxony):** State election in the north-western state of Lower Saxony. The current regional government, a 'grand coalition' between Minister-President Stephan Weil's centre-left Social Democrats and Bernd Althusmann's centre-right Christian Democratic Union, looks set to retain power according to opinion polling. However, the SPD and Greens may look to form a regional government should the two parties win a majority together. Would come as a boost to German Chancellor Olaf Scholz, who has seen his SPD fall to third place in federal polls behind the CDU and Greens as inflationary pressures hit household finances.
- **Austria:** First round of the presidential election takes place. Incumbent President Alexander Van der Bellen from the environmentalist Greens is seen as a strong

favourite to win a second six-year term in office, with polls showing that he could exceed the 50% of the vote required to avoid a run-off. The Austrian presidency is a largely ceremonial position with little in the way of executive power.

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