

# MNI POLITICAL RISK ANALYSIS-Week Ahead 5-12 February

by Tom Lake

All timings subject to change.

*Monday 6 February:*

- **Russia-EU:** Monday 6 February marks the first full day of the EU's ban on seaborne-delivered Russian refined oil products being in force. A not insubstantial portion of the EU's diesel fuel comes from Russia, forcing member states to look elsewhere for sources including the US and the Middle East. The ban comes shortly after the G7 group of nations announced plans for a price cap on Russian refined products following an earlier cap on crude oil.
- **EU-US:** French Economy Minister Bruno Le Maire and his German counterpart Robert Habeck are in Washington, D.C., in an effort to impress upon political leaders concerns in the EU regarding the economic and diplomatic impact of the Inflation Reduction Act. While EU leaders have been approving of the IRA's green objectives, there are concerns about the impact of major subsidies for US green tech on EU competitiveness. EU members are said to be seeking similar treatment from the US as is afforded to Mexico and Canada, two nations with implemented trade agreements with the US. Meetings continue into 7 February.
- **Energy:** A number of energy leaders including OPEC Secretary General Haitham Al Hais, Saudi Energy Minister Prince Abdulaziz bin Salman Al-Saud, Indian PM Narendra Modi, and the energy ministers of Japan and China speak at the India Energy Week Strategic Conference in Bangalore.
- **European Union:** Meeting of the General Affairs Council of national European Affairs ministers. Preparation for the EUCO summit later in the week (see below), as well as the state of relations with the UK, and the priorities for the six-month Swedish presidency of the Council of the European Union to be discussed.
- **NATO:** Norway hosts a meeting of defence ministers from Sweden and Finland as well as NATO Secretary-General Jens Stoltenberg and military officials as part of a two-day Leangkollen Security Conference focused on the war in Ukraine.
- **India-Canada:** Canadian Foreign Minister Melanie Joly travels to Delhi for talks with her Indian counterpart S. Jaishankar. The Canadian government is seen as keen on boosting relations with India, with Ottawa's Indo-Pacific strategy published in November 2022 outlining aims for a free-trade agreement between the two countries.
- **Mexico, New Zealand:** Public holiday for Constitution Day and Waitangi Day respectively.

*Tuesday 7 February:*

- **United States:** President Joe Biden due to deliver his annual State of the Nation address to a joint session of Congress, his first since the Republicans took control of the House of Representatives in the November midterm elections. Biden is expected to make a pitch for the centre ground, advocating bipartisanship and potentially

laying the ground for his re-election campaign. The speech is likely to begin around 2100ET (0200GMT, 0300CET, 1100JST). Arkansas Governor and former White House press secretary for President Donald Trump, Sarah Huckabee Sanders, will deliver the response for the Republicans.

- **France:** Railway workers from SNCF and air traffic controllers start a two-day strike to protests against President Emmanuel Macron's proposed reforms that will see the retirement age rise from 62 to 64. Workers in various sectors have engaged in mass protests against the plans, spurring PM Elisabeth Borne to offer concessions that will allow those who began work before the age of 22 to retire earlier in an effort to win support for the plans in parliament.
- **New Zealand-Australia:** The newly elected Prime Minister of New Zealand Chris Hipkins travels to Australia for his first international visit. Will hold talks in Canberra with his counterpart Anthony Albanese. Before the trip, Hipkins stated that he was looking to discuss security priorities in the Indo-Pacific with the Australian PM.
- **Canada:** PM Justin Trudeau holds a meeting with Canada's 13 provincial and territory governors to discuss reaching a new healthcare funding deal. With the federal government set to transfer CAD45.2bn to the provinces as part of the Canada Health Transfer, the eventual agreement on a new deal will have a sizeable impact on government finances.
- **United Kingdom:** Shadow Defence Secretary John Healey delivers a major speech on the main opposition centre-left Labour party's vision for UK defence and security. While these events would not usually gain significant market attention, opinion polling shows Labour as strong favourites to lead the government after the next election. As such the party's policy stances will gain more scrutiny as they could become government policy in the coming years.

*Wednesday 8 February:*

- **Taiwan:** Deputy Chairman of the main opposition Kuomintang (KMT) Andrew Hsia is set to visit China to meet with senior officials amid heightened tensions between Beijing and Taipei. The KMT is viewed as the less overtly pro-independence of the two main Taiwanese political parties (with the incumbent Democratic Progressive Party of President Tsai Ing-wen more nationalistic). Hsia will meet with Song Tao, the new head of China's Taiwan Affairs Office. The exchanges will be the first since Hsia visited Beijing in August 2022, an event condemned by the Tsai administration, which has not held any talks with Beijing since coming to power in 2016.
- **Japan-Philippines:** Philippine President Ferdinand 'Bongbong' Marcos Jr. begins a five-day trip to Japan. He will hold meetings with senior government officials including PM Fumio Kishida as well as Emperor Naruhito and Empress Masako. Marcos is seeking to boost Japanese investment in the Philippines, bringing with him a sizeable business delegation, as well as enhance defence cooperation between the two US allies.
- **United Kingdom:** The Supreme Court is due to issue a judgement regarding the Northern Ireland protocol as part of the Brexit Withdrawal Agreement. The lawfulness of the protocol is being questioned by unionist politicians who argue the protocol breaches the Acts of Union and the Northern Ireland Act. Previous cases in the High Court and Court of Appeal have been rejected.

- **North Korea:** 75<sup>th</sup> anniversary of the founding of the Korean People's Army. Major anniversaries such as this are frequently used by the Kim regime to conduct ballistic missile or nuclear tests. With tensions on the Korean peninsula in a heightened state following a slew of missile tests in 2022, any action by the North Korean military will be closely observed by Seoul and its allies.
- **Slovenia:** Public holiday for Prešeren Day.

*Thursday 9 February:*

- **European Union:** A special European Council leaders' summit takes place in Brussels, continuing into 10 February. Ukraine is set to be the primary topic of conversation, with the potential for the establishment of a special tribunal to prosecute high-ranking Russians and the possible confiscation and use of frozen reserves from the Russian central bank set to be discussed. Speculation is that Ukrainian President Volodymyr Zelenskyy could attend the meeting in person in what would be his second trip out of the country since the Russian invasion began.
- **United States:** The Senate Foreign Relations Committee holds a hearing on the US government's policies relating to China. The major deterioration in relations with Beijing following the entry of a Chinese 'spy' balloon into US airspace, which saw Secretary of State Anthony Blinken cancel his planned visit to Beijing, is likely to feature heavily in the session.
- **Malaysia-Thailand:** Thai PM Prayut Chan-o-cha hosts his Malaysian counterpart Anwar Ibrahim for the first time since the latter took office in December 2022. The two are due to talk about security cooperation between the two nations, with Anwar also now taking the Malaysian lead in decade-long negotiations between the Thai government and Thai-Malay separatist borders in Thailand's south on the Malaysian border.

*Friday 10 February:*

- **European Union:** Second day of the special European Council meeting. Issues to be addressed include managing migration, how the EU should combat the US' Inflation Reduction Act, and how the bloc can boost its competitiveness against other economic powers. The Commission's proposed Green Deal Investment Plan is likely to be a major point of discussion, with unease from some member states on the potential implications of a loosening of state aid rules.
- **Brazil-United States:** Brazilian President Luiz Inacio Lula da Silva is hosted by his US counterpart Joe Biden at the White House in the first meeting between the two leaders since Lula took office. Both US and Brazilian officials have sought to talk up the prospects for closer relations following two lean years during the presidency of Jair Bolsonaro, a vocal supporter of former US President Donald Trump.

*Saturday 11 February:*

- **United States:** President Joe Biden and Vice President Kamala Harris hosts a dinner for state governors at the White House as the National Governors Association winter meeting takes place in Washington, D.C., Following the SotU on 8 February, Biden will visit Madison, WI and Tampa, FL on Wednesday and Thursday to tout the plans outlined in the speech.

Sunday 12 February:

- **Italy:** Elections take place in Italy's two most populous and economically significant regions, Lombardy and Lazio. In the northern economic powerhouse of Lombardy around the city of Milan, the incumbent centre-right coalition of Regional President Attilio Fontana is on course to retain its majority in the regional council. While in Lazio, around the capital Rome, the centre-right coalition is looking to win power from the incumbent centre-left grouping with PM Giorgia Meloni's widespread popularity a boon in the city that has not been led by a conservative since 2013. However, a housing scandal involving centre-right presidential candidate Francesco Rocca could deal a blow to the coalition's chances.
- **Germany:** State election takes place in the capital, Berlin. The vote is a repeat of that held in September 2021 following a decision of the Constitutional Court of Berlin invalidating the result due to voting irregularities. Opinion polling shows the main opposition centre-right Christian Democratic Union (CDU) on course to win a plurality, with the governing centre-left Social Democrats (SPD) and environmentalist Greens battling for second place. Even if the SPD and Greens are able to form a post-election majority coalition with the far-left Die Linke, a first plurality in the *Abgeordnetenhaus* for the CDU since 1999 would be viewed as a blow to Chancellor Olaf Scholz's party.
- **Cyprus:** Second round of the presidential election. Independent former foreign minister Nikos Christodoulides, backed by the centrist DIKO and DIPA parties contests the run-off against former Cypriot ambassador to the UN Andreas Mavroyiannis, an independent who is supported by the left-wing AKEL. Christodoulides won 32.0% of the first-round vote to Mavroyiannis' 29.6%. Second-round opinion polling shows Christodoulides as the strong favourite.

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