



CONTENTS

- 1 - The World: Global Affairs: Coronavirus, new cases affect stock market indexes | Europe: Centre-right victory in Slovakia | Africa: Postponed elections and referendum in Guinea | Middle East: Elections in Israel | Asia: United States agreement with the Taliban
- 2 - A New Age for Guyana

In previous reports...

Global affairs: The statistical analysis regarding the process of 2019-nCov shows that, while the disease in mainland China is being contained, the infection curve for cases abroad has well and truly grown up into an exponential function (*IWR III-8 – 25.02.2020*).

Slovakia: On February 29th parliamentary elections will take place. The current government is led by a coalition, headed by Direction - Social Democracy (SMER-SD), but recent polls do not show clear data regarding the continuity of the coalition (*IWR III-8 – 25.02.2020*).

Guinea: Legislative elections are to take place on the 1st of March, together with a referendum for constitutional reform. The reform aims to modify limitations to presidential reelection, making it so the current limits cannot be applied retroactively, and thus allowing president Alpha Condé to be reelected for a third term in office (*IWR III-8 – 25.02.2020*).

Israel: Parliamentary elections will, once again, take place in Israel on the 2nd of March, after the dissolution of the coalition government in December of 2018, and two elections that failed to form a government throughout 2019 (*IWR III-8 – 25.02.2020*).

Guyana: Elections for the 65 seats of the National Assembly will take place on the 2nd of March. There is much speculation regarding the composition of the new government, particularly concerning newly discovered oil and natural gas reserves that could, potentially, impulse the economy to unprecedented heights. Furthermore, the International Court of Justice has yet to decide on whether it has jurisdiction over the controversy with Venezuela regarding a territorial dispute over land west of the Essequibo River (*IWR III-8 – 25.02.2020*).



THE WORLD

Global affairs: Coronavirus, new confirmed cases affect stock market indexes

Since our last report, the virus COVID-19 has registered new cases outside of Asia. Currently, one of the most affected regions is northern Italy, where the death toll rises above thirty. In response, the Italian government ordered the cease of all business activity, as well as the suspension of school classes until the 8th of March. Other European nations have also reported confirmed infections, such as Germany, the United Kingdom, Spain and France. In the Americas, meanwhile, there have been reports of infections in the United States, Canada, Mexico and Brazil. More cases of Coronavirus have been reported in Australia and Nigeria, thus placing Oceania and Sub-Saharan Africa at risk.

The World Health Organisation has urged all States to contain the spread of the virus, while the threat level has been increased to “very high”. There are more than eighty-eight thousand confirmed cases so far, with a total death toll of over three thousand, and forty-seven thousand patients have recovered. Meanwhile, the International Monetary Fund and World Bank have both suggested reducing the size of their April meetings in Washington, or carrying them out through online means.

As for the economic effects of COVID-19, the virus has forced several European companies to carry out preventive measures to dull the effects of the crisis. Lufthansa, for instance, offered their workers a temporary unpaid leave, with the aim to cut their losses. The French firm Danone, meanwhile, announced lower profit margins for this year, and International Air Transport Association reports a potential loss of thirty billion dollars for 2020. These are also many businesses that are strongly linked to the Chinese market, such as Rio Tinto, Glencore, and luxury brands like Swatch, Burberry, and the French conglomerate LVMH.

At the macroeconomic level, the concern over COVID-19 in the global economy has had several negative consequences over the stock market. Wall Street has had its worst week since the 2008 economic crisis, thus pressuring the Federal Reserve to lower interest rates. The possibility of taking this measure should the crisis affect the American economy has already been confirmed by Jerome Powell, president of the Fed. Meanwhile, the price of gold is on the rise.

Similar effects have echoed in European stock markets, which recorded drops in Frankfurt’s DAX 30, London’s FTSE, and Paris’ CAC-40, as well as stocks in Madrid and Milan. In Asian, meanwhile, the Nikkei index has had a bearish tendency for the past few days, while the crisis has hit particularly hard in China. The IMF reports suggest that the current drop in the Chinese market will have consequences in the global economy.



Europe: Centre-right victory in Slovakia

On the 1st of March, the centre-right OĽaNO (Ordinary People and Independent Personalities) party came out victorious in the Slovak legislative elections. The party, headed by conservative-populist Igor Matovic, obtained 25% of the votes, followed by Direction - Social Democracy (SMER) with 18%. The right-wing party SME Rodina, meanwhile, got 8.24% of the votes, and the People's Party - Our Slovakia, of the same ideological background, got 7.97%.

Although SMER had maintained a hegemonic position in power for the past 15 years, the testimonies of Jan Kuciak, the journalist murdered in 2018 that uncovered links between the party and organised crime, had a profound effect on voters. All in all, the party lost around 10% of the vote compared to 2016's elections, in which the party obtained 28.3%.

OĽaNO's campaign had been focused primarily on fighting corruption, a subject that has become one of the great national priorities since the murder of Kuciak and his fiancée. However, the party will have to join in a coalition with other parties to form a government, potentially alongside one of the right wing parties, which have links to Lega Nord in Italy, and Le Pen's Rassemblement National in France.

Africa: Postponed elections and referendum in Guinea

The government of Alpha Condé appears to have acquiesced to internal and international pressures, and has agreed to postpone both the parliamentary elections and the constitutional reform referendum dated for the 1st of March, now delayed to the 14th. This constitutes the third delay over the course of the current year. The protests of both local oppositors, as well as those of the European Union, African Union, and the Economic Community of West African States seem to have achieved their objective, although the government placed the blame on irregularities in the electoral register.

The referendum for constitutional reform looks to the establishment of a new republic, based on a new constitution. This comes under the pretext that the current constitution was redacted by a transitional government in the aftermath of a military dictatorship. This constitution also imposes a two-term limit for the heads of state, thus restricting president Condé from running for office a third time. The new project aims to extend term limits to six years, but also, since a new republic is to be established, the term limits will be reset, thus allowing the head of state to run again twice. The government wishes to tie the parliamentary elections and referendum together, with the intention of increasing voter turnout.

It should also be mentioned that the new constitution includes articles that ban female genital mutilation, which is a widespread practice in the country, and dispositions that disallow any single gender to be represented in more than two-thirds of the parliament.



Middle East: New elections in Israel

A new round of elections took place in Israel on the 2nd of March. With 97% of votes counted, the prime minister's Likud party has obtained the largest amount of seats, winning 36, while Benny Gantz's Blue and White won 32. Parties allied to Likud, such as Shas, UTJ, and Yamina got 10, 7 and 6, respectively. Therefore, Benjamin Netanyahu's coalition has obtained a total of 59 seats, barely two seats short of a simple majority in the Knesset, which has a total of 120. Meanwhile, the allies of Blue and White, Labor-Gesher-Meretz, only added 7 more seats to their coalition. Netanyahu thus proclaimed himself the victor, and announced that he would immediately begin negotiations to get the missing two seats into his coalition and form a government.

This is the third round of elections taking place in less than a year for Israel. After the dissolution of the cabinet in December 2018, unleashed by the resignation of minister Avigdor Lieberman, the government was forced to hold the September elections earlier in April 2019. It should be mentioned, though, that on that particular occasion, the Likud's coalition had managed to obtain 60 seats in the Knesset, one more than on last Monday's election, but was still unable to form a government. This triggered the need for a new election in September 2019, with similar results. However, the prime minister's coalition may be able to form a government this time, considering how the sting of elections has weathered the opposition.

This does not mean, however, a smooth future for Netanyahu, given the corruption scandal surrounding his person, and the trial taking place in two weeks. The Supreme Court has not given any verdict regarding whether it is legal or not for the prime minister to form a government in this situation. Even if Netanyahu manages to form a government, the future of Israel is still unclear.

Asia: United States agreement with the Taliban

On the 29th of February, in Doha, the government of the United States and representatives of the Taliban insurgency signed an accord that represents the culmination of the negotiation process that began in late 2018. The Americans agreed to a complete withdrawal of their armed forces from Afghan soil within the next 14 months, as long as the Taliban cut all ties to terrorist organisations such as Al-Qaeda.

Ever since the attack on the World Trade center in 2001, the United States has been carrying out a military campaign in Afghanistan against Al-Qaeda and the Taliban government, which had been in power since their 1996 victory in the Afghan civil war. This Taliban government was quickly ousted by American forces, which organised the creation of a new civil government. This new government did not take part in the negotiation of the accord, but president Ashraf Ghani was present in Doha for the signing of the agreement. In theory, it is now time for opening dialogues between the Taliban and the government, which is currently in a crisis after releasing the results of the elections more than three months after they took place. •



A NEW AGE FOR GUYANA

Parliamentary elections took place in Guyana last Monday, the 2nd of March, in which all 65 seats of the National Assembly were renewed. The leader of the party or coalition that obtains the largest number of votes will become president of the country, and current head of State, David Granger, aimed for the reelection. At the moment of writing this report, the results of this election had not been released. In December 2018, after a vote of no confidence against the president, a political blockade fell upon the guyanese National Assembly, with a one to one parity between the government and opposition within the only house of parliament (32 to 32). The missing seat had been vacated after Charrandas Persaud, an officialist member of the Assembly, voted against the president in the vote of no confidence. He was then forced to flee the country after a string of death threats against his person, thus paralyzing the Guyanese legislative branch of government, and therefore jeopardising the operations of the executive and judicial branches as well. Furthermore, it should be noted that this stalemate also worsened the growing ethnic tensions between the indo-descendant population, represented by the PPP, and the afro-descendants, who support the officialist APNU-AFC coalition.

The main topic of debate was the administration of future incomes from the exploitation of recently discovered offshore oil deposits, which lay off the coast of the Guyana Esequiba region, a land subjected to a territorial dispute with Venezuela since 1899. It is estimated that this deposit contains more than eight million barrels of crude oil, which are already being extracted at a rate of 120.000 barrels per day. However, the rate of extraction is projected to increase by 2025 to a rate of 750.000 barrels per day.

The new discovery, according to the International Monetary Fund, has dramatically increased the economic growth prospects for Guyana. The country is expected to see an 86% increase to its annual GDP in 2020, and that is expected to rise up to between 300% and 1000% by 2025. This has raised many doubts in the local population regarding the government's administration of the prospective income, particularly due to a generalised distrust towards the political elites and the fear of corruption. This latter subject was also another important topic of the electoral debates, as the PPP accused the officialist APNU-AFC coalition of signing contracts that are not entirely beneficial for the country's interests in oil exploitation tenders.

On the flipside, one aspect that both the ruling parties and the opposition were in agreement on was the need to use the new income to modernise the equipment of the guyanese armed forces. This is mostly motivated by the territorial dispute with Venezuela, which has been slowly escalating since Nicolás Maduro rose to the Venezuelan presidency in 2013. Meanwhile, the International Court of Justice is working on the subject since 2018, and by the end of March 2020 both countries will present their cases to the court in regards to whether the ICJ has jurisdiction over the conflict, or not. Caracas has already announced their rejection of ICJ intervention, while Guyana bases their claim in favour of the Court's jurisdiction on the 1897 Treaty of Washington and 1899 verdict of the Paris Tribunal of Arbitration. •



In upcoming reports...

Tajikistan: Elections for the lower house of the National Assembly took place on March 1st, and elections for the upper house are programmed for the 27th of the same month. The eyes of all regional powers, India and China among them, are falling upon the small central-asian republic, especially after the US-Taliban agreement in Afghanistan. Tajiks make up the second greatest minority in Afghanistan, right behind the Pashtun, and were responsible for the creation of the Northern Alliance, a military force that opposes the Taliban in the War in Afghanistan.

North Macedonia: Parliamentary elections formerly programmed for November 2019 were postponed to April of the current year. This was decided by prime minister Zoran Zaev after the European Council did not agree to open negotiations to incorporate North Macedonia to the EU. It is expected that, by April 2020, the nation will have already joined NATO.

Russia: A constitutional referendum proposed by president Vladimir Putin will take place on the 22nd of April, which was announced during a speech in the Federal Assembly on the 15th of January. The reform aims to, among other things, make the Russian constitution precede international law within Russian soil, and strengthen the State Council, a counseling organism that acts in a way similar to a parallel cabinet.

Poland: Presidential elections will take place on the 10th of May. President Andrzej Duda may run for a reelection, and counts with the support of the Law and Justice party (PiS), which won a spectacular victory in the 2019 parliamentary elections. PiS obtained 44% of the vote, the highest any party obtained in any election since the return to democracy in 1989. •

All of our Weekly Reports are available at www.intaurus.com.

