

CROSSROADS

At the Intersection of Geopolitics and Geoeconomics

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Here is a summary of the most important events that unfolded last month, and which may affect economic, financial and geopolitical issues in the months ahead:

North America

- This month both the Democratic National Convention and Republican National Convention were held virtually. Joe Biden and Kamala Harris officially accepted the Democratic Party's nominations for president and vice president while President Donald Trump and Vice President Mike Pence formally accepted the Republican Party's nominations to run for a second term. Each of the conventions featured a wide variety of speakers and Covid-19 and law and order were hot topics.
- Despite rising tensions in other areas, both the US and China agreed to move forward with the phase-one trade deal reached earlier this year. Markets improved after news of the discussion, but China is still behind on their commitment to buy more US goods under the deal.
- The US moved to reimpose sanctions on Iran, citing Iran's violation of the 2015 nuclear agreement. However, the United Nations Security Council President Dian Triansyah Djani has dismissed the US' effort to snapback sanctions over disagreements among members over the move. Other parties to the nuclear deal including France, Germany, and the United Kingdom criticized the US' actions due to the fact that the US withdrew from the agreement in 2018.
- Three people have been killed in protests across the US this month. Two people were shot dead and another injured in Wisconsin after an outbreak of protests over the police shooting of Jacob Blake, a Black man shot 7 times and who is now paralyzed from the incident. Another man was shot and killed during protests in Portland, Oregon which have been going on for the last few months now.

Europe

- The "re-election" of Belarusian President Alexander Lukashenko has sparked weeks of deadly, nationwide protests in Belarus after he allegedly rigged the election. Opposition leader Svetlana Tikhanovskaya fled the country for Lithuania and has called for a new election. Government authorities have cracked down on the dissent and

have arrested over 6,000 protesters. Demonstrators say they have suffered a variety of human right abuses while being detained by authorities and many protesters are now missing. The European Union, as well as several Baltic countries, have sanctioned Belarus in response to Lukashenko's actions. Other international actors including the US and United Kingdom support the protesters and have rejected the results of the election. Russia, on the other hand, has created a police force it could deploy to Lukashenko's aid if the protests were to spiral.

- Prominent Russian opposition leader and anticorruption advocate, Alexey Navalny, was poisoned while on a flight from Tomsk to Moscow. Testing conducted by the German hospital treating Navalny suggested he was indeed poisoned with a substance that impairs the nervous system. The Kremlin denies any allegations that Russian President Vladimir Putin was involved with the incident. France, Germany, and the US support a probe into the event.
- Tensions between Greece and Turkey have reached new highs after Turkey sent a seismic survey vessel to a disputed region in the eastern Mediterranean Sea earlier this month. Greece has called the move illegal. President Recep Tayyip Erdogan said Turkey will make "no concessions" in its dispute with Greece over the region and has planned live-fire exercises in the eastern Mediterranean on September 1st and 2nd. On the other hand, Greece will be participating in joint military exercises in the region with France, Italy, and Cyprus and Greek Prime Minister Kyriakos Mitsotakis announced a plan to extend Greek waters in the Ionian Sea.
- The United Kingdom (UK) has condemned US tariffs on Scotch whiskey and has vowed to fight them. The issue comes as the US and UK work to hammer out a post-Brexit trade deal. The UK is also continuing towards a trade deal with the European Union but the most recent round of talks failed to make much progress.

Asia and the Pacific

- The Covid-19 virus is spreading in India. The country has seen a record jump in coronavirus cases this month and now trails on the US and Brazil in total coronavirus cases. India has registered close to 3.7 million cases and over 65,000 deaths. The pandemic has decimated the Indian economy. As announced this week, India's gross domestic product shrank by 23.9% in the second quarter compared to the previous year, which is a fall steeper than any other major economy thus far.
- China reportedly launched missiles into the South China Sea. The action which included firing an "aircraft-carrier killer" has been viewed as a clear warning to the United States. Just a day prior to the missile launch, China said a US U-2 spy plane entered a no-fly zone without permission during a Chinese live-fire naval drill in the Bohai Sea. The US has also announced new sanctions on Chinese companies and executives with ties to the South China Sea.
- Japan's longest-serving Prime Minister, Shinzo Abe, has resigned for health reasons. Abe apologized to the Japanese people but said his long-standing health condition, which led to his resignation in 2007, would interfere with his duties. Japan's ruling party, the Liberal Democratic Party, will elect a new leader on September 14th.
- Australia announced this week that China detained Cheng Lei, an Australian journalist working for a Chinese state-run broadcaster. Canberra has emphasized Lei's Australian citizenship, condemning the detainment. Tensions have been high between China and Australia over trade and Hong Kong.
- Taiwanese President Tsai Ing-wen is focused on improving Taiwan's defenses. Taiwan is seeking security ties with the US in the face of Chinese aggression. Tsai's cabinet has proposed a more than 10 percent hike to the defense budget. The US health secretary made a trip to Taiwan this month which was the highest-level US visit to Taiwan since 1979.
- Lebanon's parliament has named its former ambassador to Germany, Mustapha Adib, as its new prime minister. Lebanese Prime Minister Hassan Diab's government stepped down, after less than 8 months in power, following public pressure to resign after the devastating explosions in Beirut on August 4th. If Adib is successful in forming a government, he will assume control of the country which has been rattled by protests and political and economic crisis.
- After years of speculation, Iran has agreed to allow the International Atomic Energy Agency (IAEA) access to two sites where it is suspected that Iran has carried out undeclared nuclear activity. The announcement came while IAEA's director was visiting Iran for high-level talks. In June, the agency had rebuked Iran for resisting IAEA inspections and accused it of conducting illegal nuclear activities.
- Hamas, a Palestinian military group, has reached a deal with Israel to end a month-long spike in violence. Over the last month, Hamas had launched incendiary balloons and rockets into Israel while Israel attacked Hamas sites in the Gaza strip. As part of the Qatar-brokered deal, Israel said it would reopen Gaza's fishing zone and border crossing.

Latin America and the Caribbean

- Economy Minister, Martin Guzman, announced that 99 percent of Argentina's private creditors accepted a deal to restructure \$65 billion of the country's debt. Reaching such a deal has been nine months in the making. In a recent speech, President Alberto Fernández said "May we never gain enter this labyrinth [of indebtedness] please".
- Human Rights Watch claims that Venezuelan authorities have used the Covid-19 pandemic to cover a crackdown on dissent. Since a state of emergency was declared in March, dozens of opposition figures, health workers, lawyers, journalists, and others have been arrested and prosecuted.
- Mexican President Andres Manuel Lopez Obrador, also known as AMLO, proposed a referendum on prosecuting five former presidents accused of corruption. It all started with former Mexican oil chief Emilio Lozoya who accused President Enrique Pena Nieto of taking campaign bribes from a Brazilian construction firm. Not long after, Lozoya also accused former presidents Felipe Calderon and Carlos Salinas of bribery and corruption. Vicente Fox and Ernesto Zedillo have allegedly been involved in such corruption as well. AMLO prefers

Middle East

- Israel and the United Arab Emirates (UAE) have announced a landmark agreement to normalize their diplomatic relations. As part of the agreement, Israel will temporarily pause its plan to annex parts of the West Bank. The deal was praised by the US (who brokered the talks), the United Nations, several European nations, Egypt, Bahrain, and Oman, but sparked criticism from Iran, Turkey, and Palestine. With this agreement, the UAE becomes only the third Arab state to recognize Israel.

that Mexican citizens petition for the referendum, instead of calling one himself.

- The Amazon Rainforest in Brazil is experiencing record-breaking fires. There were more than 10,000 recorded fires in the first 10 days of August which is a ten-year high and a 17 percent increase over the same period in 2019 when images of the fires covered the news and social media.

Sub-Saharan Africa

- The Sudanese government and an alliance of most of the country's rebel groups have signed a comprehensive peace deal. The agreement includes plans for power-sharing, security-force integration, and the return of displaced people. Sudan's transitional government took power after the army overthrew Omar al-Bashir in April of 2019. The peace deal will hopefully be the end of a conflict that has left thousands dead and millions displaced.
- South African President Cyril Ramaphosa survived an attempt to oust him. The ouster tried to overthrow the president during a 3-day meeting of the African National Congress' top leadership. Ramaphosa is reportedly considering a government shake-up following the incident. He believes a change-up could improve the economy and investor confidence.
- President of Mali, Ibrahim Boubacar Keita, resigned after being arrested by mutinous soldiers. The coup comes after months of anti-government protests over corruption and poverty. The African Union, the United Nations, and the European Union have all condemned the coup while the Economic Community of West African States (ECOWAS) has attempted to mediate Mali's political crisis over the last several months. The country's military junta has released Keita nine days after detaining him and seizing control of the government. Negotiations between Mali's military officials and delegates from ECOWAS are ongoing.
- Military officials from Burundi and Rwanda met for the first time since relations between the two countries deteriorated in 2015. The officials planned the meeting to find common ground on the longstanding tensions that have affected trade, security, and the movement of people along their shared border.

Suggested Reading

[What's Behind the New Israel-UAE Peace Deal?](#)

Steven A. Cook, *Council on Foreign Relations*

[A cold coming together: The uprising in Belarus and the poisoning of Alexei Navalny](#)

The Economist

[Mali's Coup Could Destabilize the Sahel – Why a Fraying Peace Deal is the Country's Best Hope](#)

Bisa Williams and John Goodman, *Foreign Affairs*