

## MNI POLITICAL RISK ANALYSIS - Week Ahead 28 July-3 August

by Tom Lake

(MNI) London – All timings are subject to change.

Monday 28 July:

- **US-China:** The third round of talks on trade and tariffs between US and Chinese delegations gets underway in the Swedish capital, Stockholm. The US delegation will be led by Treasury Secretary Scott Bessent, with Vice Premier He Lifeng, the seniormost official on the Chinese side. There is increasing speculation that another 90-day extension will be agreed upon to avoid the imposition of 100%+ tariffs on one another from 12 August.
- **UK-US:** British Prime Minister Sir Keir Starmer will hold talks with US President Donald Trump in Aberdeen, Scotland, with the conflict in Gaza and the implementation of the trade deal agreed in May set to dominate the agenda. Starmer is coming under increasing pressure from his Labour backbenchers to press Trump to take a harder line with Israel in reaching a ceasefire. On tariffs, Starmer will look to gain further concessions for steel and whisky, although Trump dismissed the likelihood of this when speaking to reporters last week.
- **Thailand-Cambodia:** Ceasefire took place in Malaysia between Thailand's acting Prime Minister Phumtham Wechayachai and Cambodian Prime Minister Hun Manet, with the two sides agreeing to an immediate ceasefire. The US and Chinese-mediated talks came after an escalation in violence along the border that has seen scores killed and hundreds of thousands displaced. Each side has accused the other of responsibility for the outbreak of conflict.
- **Middle East:** The UN hosts a conference intended to work towards a two-state solution between Israel and the Palestinian Authority. Both the US and Israel are boycotting the event, but the government of PM Benjamin Netanyahu is coming under increasing pressure from large European countries to agree to a ceasefire in Gaza and humanitarian aid, with France taking the notable step last week of announcing its intention to formally recognise a Palestinian state at the September UN General Assembly.
- **Brazil:** Finance Minister Fernando Haddad is set to present a 'contingency plan' to President Luiz Inacio Lula da Silva that includes a series of measures intended to mitigate the impact of US 50% 'reciprocal' tariffs if no deal is reached by the end of the week. Reuters [reports](#) the plan could include credit lines, with an estimated 10,000 Brazilian exporters set to face difficulties due to the levies.
- **India:** Both chambers of the Indian Parliament are set to hold lengthy debates on the Pahalgam attack that saw 26 civilians killed in Indian-administered Kashmir in April, and the subsequent 'Operation Sindoor' to hunt down the attackers that saw a major escalation in Indo-Pakistani tensions. Reports suggest the mastermind behind the attacks may have been killed by Indian forces earlier on 27 July as part of Operation Mahadev.

- **United States:** Vice President JD Vance delivers a speech at a steel plant in his home state of Ohio intended to tout the advantages of the One Big Beautiful Bill Act, his second such address in the Midwest in the past few weeks. Due to start at around 12:00ET.
- **Philippines:** President Ferdinand 'Bongbong' Marcos Jr. delivers his annual State of the Nation Address before a joint session of Congress. The address marks the midpoint of Marcos Jr.'s term in office, and comes after the Supreme Court blocked an impeachment trial against Vice President Sara Duterte, an erstwhile ally of Marcos Jr. who now sits as a staunch political opponent.
- **Peru, Thailand:** Market holidays for Independence Day (Peru) and the King's Birthday (Thailand).

## *Tuesday 29 July:*

- **United Kingdom:** Prime Minister Sir Keir Starmer convenes a Cabinet meeting as soon as 29 July. The main topic of discussion is set to be the war in Gaza, with Starmer coming under increasing pressure from ministers and Labour backbenchers to recognise a Palestinian state. Over two hundred Labour MPs are believed to have signed a petition from Sarah Champion MP to recognise a Palestinian state in line with France's recently announced decision to do so.
- **Germany-Jordan:** Chancellor Friedrich Merz hosts Jordanian King Abdullah II. Merz is coming under increasing domestic and international pressure to take a harder line towards the Israeli government in calling for a ceasefire in Gaza and the provision of humanitarian aid. Jordanian forces, alongside those of the UAE, have engaged in the latest airdrops of aid during a 'tactical pause' in the fighting announced by Israel on 27 July. Merz holds a 'security cabinet' meeting a day prior on 27 July to discuss coordination with France and the UK on the issue, and to avoid disagreements within the coalition on Berlin's stance.
- **Peru:** Market holiday for Independence Day.

## *Wednesday 30 July:*

- **Germany:** The Cabinet is set to present the draft budget for 2026. Christian Haase, the CDU's chief budget officer in the Bundestag, told [Politico](#) that "*The coalition has now made a number of financially significant decisions that increase the pressure for consolidation in the medium term,*" with the Finance Ministry briefing government budget experts on the plans on 27 July
- **France:** The final meeting of the Council of Ministers takes place before the summer recess gets underway. PM Francois Bayrou and his government remain in a precarious position ahead of efforts to pass a state budget for 2026 through the National Assembly, where the government does not hold a majority.

## *Thursday 31 July:*

- **EU-Russia:** The economic sanctions first imposed on Russia following its annexation of Crimea in 2014 will expire if not renewed for another six months. If these sanctions are not rolled over, Russia would regain access to almost E200bln in frozen assets held in the EU. Unanimous approval is required to extend these sanctions, raising the

possibility that poor relations between Hungary and Slovakia, and Brussels, could see the sanctions fail to be extended in a major blow to Ukraine and EU unity.

- **Turkey:** Deadline set by Parliament Speaker Numan Kurtulmuş for political parties to submit their candidates to form the 'Terror-Free Turkey Committee', which intends to oversee the disarmament of the Kurdistan Workers' Party (PKK), which committed to the end of its decades-long armed struggle against the Turkish state in May. The committee is set to provide a roadmap for the process of disarmament, as well as debating reports from intelligence services observing the PKK wind-down.
- **United States:** Oral arguments get underway as part of President Donald Trump's appeal against a ruling against his imposition of tariffs as part of the International Emergency Economic Powers Act. The Federal Circuit Court of Appeals will hear the arguments '*en banc*', with all 11 active judges present, as the White House attempts to overturn a ruling from the US Court of International Trade that [struck down](#) Trump's 'reciprocal' and fentanyl-related tariffs in May.
- **Ukraine:** The *Verkhovna Rada*, Ukraine's unicameral parliament, meets to debate new legislation that would restore the independence of anti-corruption agencies. Street protests and criticism from allies in Europe forced the hand of President Volodymyr Zelenskyy after he gave his signature to a bill on 22 July that stripped two anti-corruption bodies of their powers. Zelenskyy argued the two agencies were subject to Russian influence. A U-turn was announced within 72 hours, but the fiasco has dealt a blow to the Zelenskyy administration's prestige both at home and abroad.

## Friday 1 August:

- **Global:** Deadline for third countries to agree to a trade deal with the United States or risk the imposition of elevated 'reciprocal' tariffs on their exports to the US. Some of the US' largest trading partners, including the EU, Japan, and the UK, have agreed to deals, while others – such as China – are set to see their deadlines extended. For those countries without a deal or an agreed extension they face a significantly altered trading environment with the US.
- **Japan:** An extraordinary session of the National Diet is expected to be convened for a period of five days. This will allow for the election of the president and vice president of the upper chamber, the House of Councillors, following the election for half of the chamber's members in the 20 July election. PM Shigeru Ishiba remains under significant pressure following the governing coalition losing its majority in the House of Councillors, with efforts among some within his Liberal Democratic Party to force his resignation and replacement as PM.
- **United States:** Senate majority leader John Thune (R-SD) has said that he is looking to get an appropriations package through the Senate "by the end of this week". This could see a 'minibus' comprising three bills that would fund the Agriculture, Commerce, Justice and Veterans Affairs departments.
- **Italy:** The European Court of Justice (ECJ) is set to deliver a ruling on the asylum agreement reached between Italy and Albania in 2024. Despite gaining support from the Italian Parliament and the European Commission, a court in Rome questioned the legitimacy of using the 'safe third country' principle to allow for the processing of migrants in centres in Albania rather than Italy. PM Giorgia Meloni has made controlling immigration one of the touchstone issues of her government, while other



EU capitals also considering a foreign processing scheme for immigrants will be watching the ruling closely.

- **Switzerland:** Market holiday for National Day.

*Sunday 3 August:*

- **OPEC+:** Ministers from eight OPEC+ producers hold a meeting to agree on September output, with expectations that participants will consent to a 548k/bpd increase for the month. This will mean the 2.2mn/bpd production cut will have been fully unwound.

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