

Geopolitics

BBVA Research Big Data Geopolitics Monitor

Big Data Unit
5 February 2025

Trump proposes to take over Gaza and increase pressure on Iran. US delays tariffs on Canada & Mexico, but maintains Chinese which retaliates. EU ready to Boost Defense Spending

Trump proposes the US “take over” Gaza Strip & signals a “maximum pressure” campaign against Iran. Controlling Gaza would mean 2.2 million Palestinians to permanently relocate to neighboring countries such as Egypt and Jordan, which immediately rejected the plan. Trump also signed a memorandum signaling a “maximum pressure” campaign against Iran (aiming to reduce Tehran’s oil exports to zero and force negotiations on nuclear program ([Financial Times](#))).

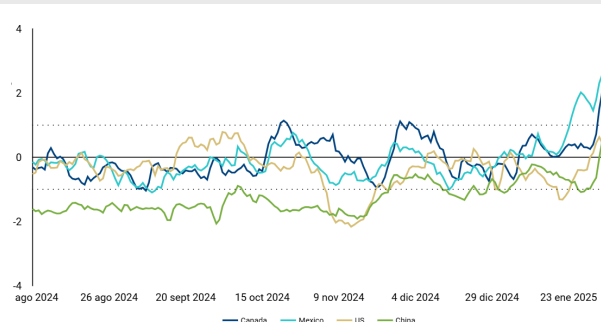
President Trump signed orders to impose tariffs on Canada, Mexico and China. Negotiations have postponed Mexican and Canada implementation: Trump signed executive orders imposing tariffs on imports from Mexico, Canada, and China. The tariffs were set at 25% for goods from Mexico and Canada, and 10% for Chinese imports. Following discussions, the US reached agreements with both Canada and Mexico to delay the implementation of these tariffs by 30 days, providing a window for further negotiations. However, the tariffs on Chinese goods proceeded as planned. **China retaliates with targeted goods and restrictions.** China implemented a targeted 15% tariff on US Coal and LNG and slew of new export restrictions. Besides, the country has reopened antitrust investigations into Google and Nvidia and is considering a new probe against Intel, as tensions with the US escalate. The outcome could result in fines or restricted market access for these companies in China, a critical market for all three firms ([Financial Times](#)).

EU considers Emergency Clause to Boost Defense Spending: President von der Leyen has proposed triggering an emergency clause allowing EU countries to increase defense spending without violating strict budget rules according to Politico ([Politico](#)).

The BBVA Monitor: Geopolitical Risk Indicators in the Spotlight After Trump’s Tariff Measures

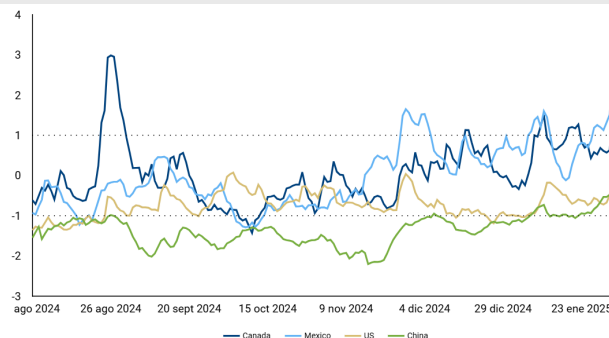
- **Geopolitical risk indicators and Economic Policy Indices** rose sharply in **Canada, Mexico and China**, as well as in the **US**, after Trump signed executive orders imposing tariffs on imports from these three countries (Fig.1, Fig. 2, Fig. 3). In Latin America, **geopolitical risk in Colombia**, which had spiked, began to decline this week, along with **Venezuela** and **Peru**. However, it increased in **Argentina**, as well as in Mexico (Fig.3 and Fig. 4).
- **Geopolitical tensions** rose too in Jordan and Egypt given Trump ‘s comments to relocate Palestinians to these countries (Fig. 3 and Fig. 5).

Fig1. **GEORISK INDEX: CANADA & MEXICO & US & CHINA**
(28-day weighted moving avg, normalized by its own history)



Source: .BBVA Research & www.gdelt.org. Positive (negative) values indicate greater (lower) risk relative to the mean of period 2021-nowadays

Fig2. **EPU INDEX: CANADA & MEXICO & US & CHINA**
(28-day weighted moving avg, normalized by its own history)



Source: BBVA Research & www.gdelt.org. Positive (negative) values indicate greater (lower) risk relative to the mean of period 2021-nowadays

*The selection of news has been enriched by the BBVA Research Geo Assistant developed with Chat-GPT.

Fig3. **BBVA RESEARCH GEOPOLITICS MONITOR "SIGNAL" CHANGES**

(Signals in Geopolitical Risk, Political Tensions, Economic Policy Uncertainties, Protest and Conflict according to Standard Dev)

BBVA Research Geopolitics Monitor main "Signal" changes after the Hamas-Israel Conflict

Summary of Signals After Hamas-Israel Conflict January 28th, 2025)
(News Sentiment Map. Sentiment relative to average sentiment in each country)



Source: BBVA Research

Summary of Signals After Hamas-Israel Conflict February 4th, 2025)
(News Sentiment Map. Sentiment relative to average sentiment in each country)

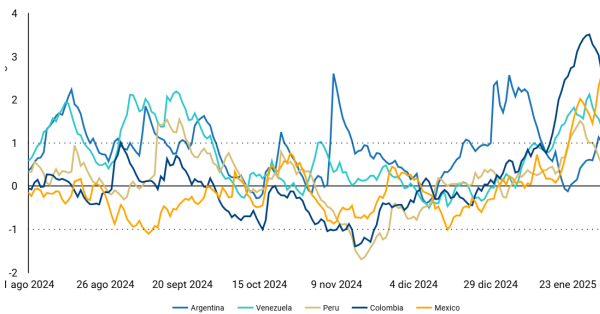


Source: BBVA Research

Source: BBVA Research and www.qdelt.org.

Fig4. **GEOPOLITICAL RISK INDEX: LATAM**

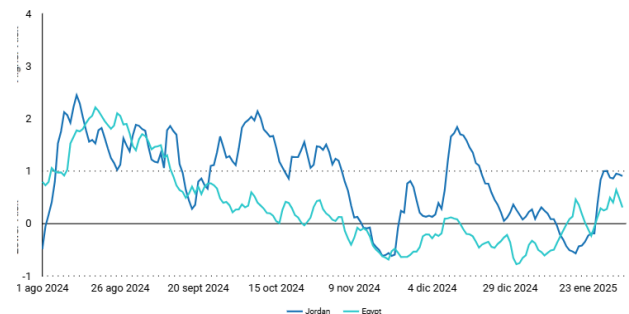
(28-day weighted moving avg, normalized by its own history)



Source: BBVA Research & www.qdelt.org. Positive (negative) values indicate greater (lower) risk relative to the mean of period 2021-nowadays

Fig5. **GEOPOLITICAL RISK INDEX: JORDAN & EGYPT**

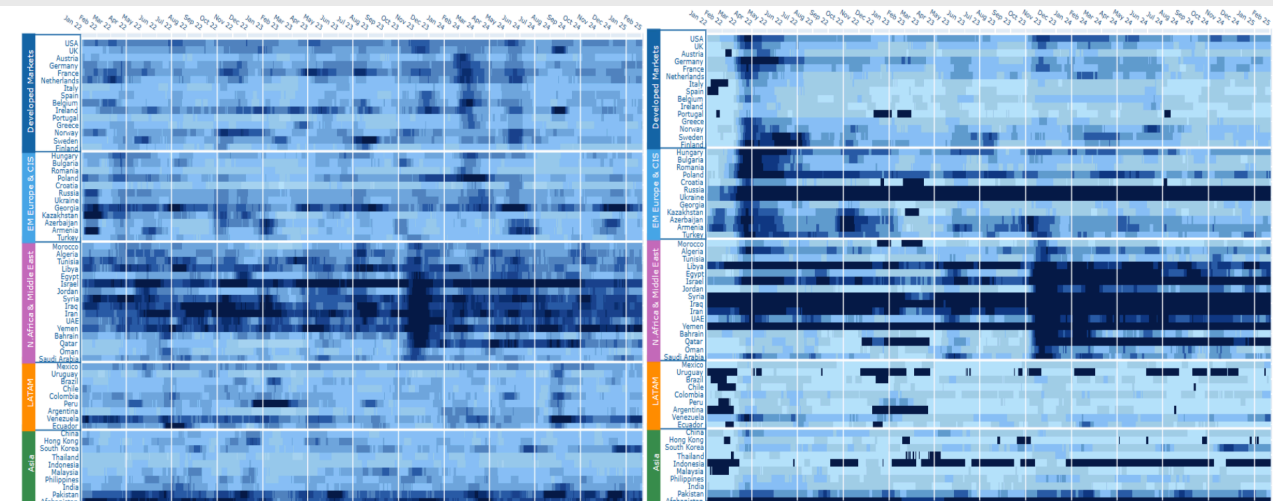
(28-day weighted moving avg, normalized by its own history)



Source: BBVA Research & www.qdelt.org. Positive (negative) values indicate greater (lower) risk relative to the mean of period 2021-nowadays

Fig6. **BBVA RESEARCH PROTEST AND CONFLICT HEAT MAPS**

(Evolution of Protest and Conflict over time by regions)



Source: BBVA Research and www.qdelt.org.

Methodological annex: indicators' construction

We have developed a daily tracker with weekly updates to monitor protest and conflict indicators for every country in the world from 2019 to present day. To construct this, we use a rich 'big database' of international events (GDELT), created by Leetaru and Schrodt (2013). GDELT is an open-source database that extracts and parses digital news monitoring world events covered by news media from nearly every corner of the world, whether broadcast, printed, or published on the web, in over 100 languages, every moment of every day, updated every 15 minutes. Thus, it contains a comprehensive and high-resolution catalog of geo-referenced events and themes.

Using different dictionaries, several thousands of taxonomies and themes are identified in the news pieces to classify the information. The algorithms used by GDELT also identify emotions, organizations, locations, news sources, and events across the world as well as their average sentiment using Natural Language Processing (NLP) techniques and the lexicon approach.

The included indicators are:

- Geopolitical Risk: or sentiment (weighted by coverage) of the country's geopolitical risk perception.
- Political Tensions: or sentiment (weighted by coverage) of the country's political tensions.
- Economic Policy Uncertainty or sentiment (weighted by coverage) about the country's economic policy uncertainty, also disaggregated by media origin.
- Protests or coverage regarding social protests or unrest in the country.
- Conflict or coverage of armed conflicts, which go beyond verbal protests.
- Bilateral Tensions or the sentiment (weighted by coverage) between a specific pair of countries that appear together in the news article (plus NATO and EU).

The indicators track the evolution of tensions and are normalized by their country's history since 2019, thus they are all expressed in terms of standard deviations from their historical patterns. Indicators usually lie within the range [-1,1]. Therefore, when the values exceed one (the upper boundary of the range), this means escalating tensions. While it's possible to observe simultaneous tensions arising in multiple countries (for example, due to geopolitical events affecting several nations, as seen in some of our heatmaps), using these indicators for direct quantitative comparisons of risk levels between countries is not recommended.

We apply a weighted moving average of 28 days (to include four complete weeks with the same number of days of the weeks) to reduce the noise of daily information and identify signals more clearly. The weights have been calculated using a discrete geometric distribution such that it puts more weight on recent data and less on past data (see Graph 1). Aggregating by weeks, the weight of the most recent week has a weight of 68%, the past week 22%, the previous 7%, and the fourth 3%. The weight of the 28 days can be seen in the following image. In such a way, the indicators reflect what has been happening in the last few days.

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