

Dentons Flashpoint

Daily Global Situation Report

October 11, 2021

Global Situation Update: October 11, 2021

KEY TAKEAWAYS

The IMF and World Bank annual meetings start today amid controversy that the IMF chief skewed data in the past to favor China.

The Czech Republic's ruling party appears to have lost power in Saturday's close election.

FDA advisors will discuss greenlighting booster doses of the Moderna and Johnson & Johnson vaccine this week.

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WHAT WE'RE WATCHING

Yesterday, Iraq held early federal parliamentary elections, seven months ahead of the scheduled expiry of the current parliamentary term in April 2022. The ballot was the first to be held under a new electoral system passed into law in December 2019. Early elections and electoral law reform were key demands of protesters during mass protests in 2019.

Despite calls from preeminent religious figures to vote and assurances from the international community, polling suggests that many Iraqis view the election as rigged and turnout reached record lows. While the results and new government will not be immediately clear, analysts agree that the outcome is unlikely to deliver the change Iraqis demanded and could worsen Iraq's political turmoil.



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Global

Globally, confirmed coronavirus cases topped 237.1 million with 4.8 million deaths; more than 6.2 billion vaccine doses have been administered.

- France will launch a campaign for the worldwide abolition of the **death penalty** as part of its upcoming presidency of the EU.
- AstraZeneca's drug cocktail, called AZD7442, succeeding in reducing severe disease or death in non-hospitalized patients with COVID-19 in a late-stage study, showing the benefits of early intervention with **antibody treatment**.
- A French study of 22.6 million people over 50 years old has confirmed that the main vaccines used to protect against COVID-19 (**Pfizer, Moderna or AstraZeneca vaccines**) cut the risks of being hospitalized by more than 90 percent.
- The annual meetings of the **IMF and World Bank** start today but the focus will be on the future of IMF chief Kristalina Georgieva, with divisions between the US and Europe over whether she should stay in her position after allegations that she altered data to favor China in a 2018 ranking of the ease of doing business in different countries around the world.

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Markets & Business

Global supply-chain delays are so severe that some of the biggest US retailers, including Walmart, Home Depot, Costco and Target, have resorted to trying to stock shelves this holiday season by chartering their own cargo ships to import goods.

- Indian conglomerate **Reliance Industries Ltd** announced two deals to buy solar capacity, as the world's biggest refining complex seeks to become net carbon zero by 2035 and make India a hub for low-cost solar manufacture.
- In the latest sign of liquidity stress facing Chinese property developers, **Modern Land (China) Co Ltd** on Monday asked investors to push back the maturity date of a \$250 million bond from October 25 to January 25 in part "*to avoid any potential payment default.*"
- The EU is preparing a **sweeping overhaul of the regime that allows foreign banks** to use lightly regulated branches to operate across the EU, which will require banks to turn some of their European branches into subsidiaries if the branches' activities are deemed sufficiently large and risky.
- **Emerson Electric Co.** plans to merge two of its software businesses with **Aspen Technology Inc.** in a \$11 billion deal aimed at capturing growing demand for industrial technology.

Africa

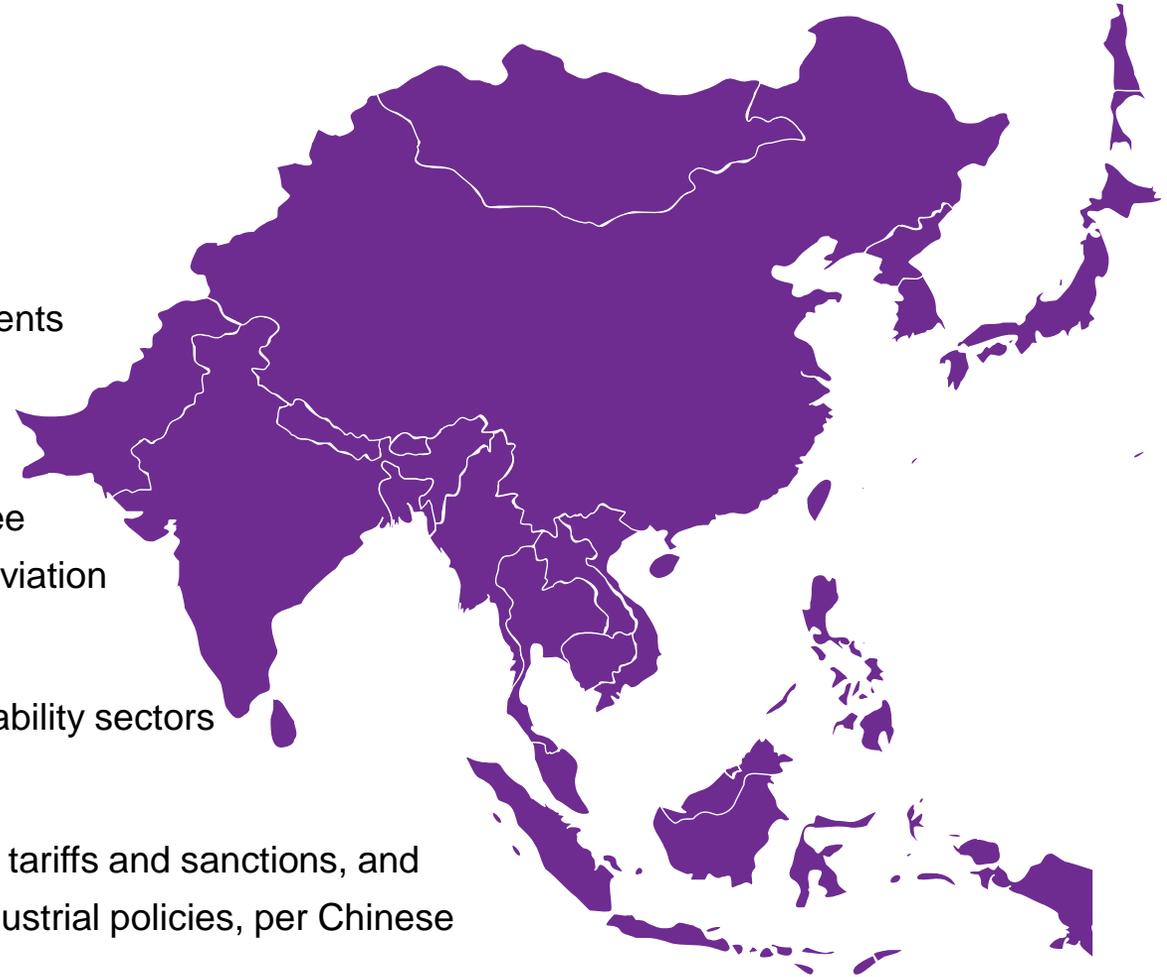
- A three-week blockade of **Sudan's** main port by tribal protesters is causing shortages of wheat and fuel oil for power generation. Tensions between Sudan's military and civilian leaders have been running high in recent weeks, and some civilian figures have accused the military of playing a role in the Beja tribe's blockade of Port Sudan. The **US, UK and Norway** on Friday called for an end to blockades of port and transportation infrastructure.
- A case of Ebola has been confirmed in eastern **Democratic Republic of Congo**, five months after the end of the most recent outbreak there.
- The eastern side in **Libya's** conflict said it had agreed with its opponents on a plan for a phased withdrawal of foreign forces and mercenaries but gave no details or timeline for a move seen as crucial to cementing a year-old ceasefire.
- A Colombian nun who was kidnapped in 2017 by Islamist militants in **Mali** has been freed.



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Asia

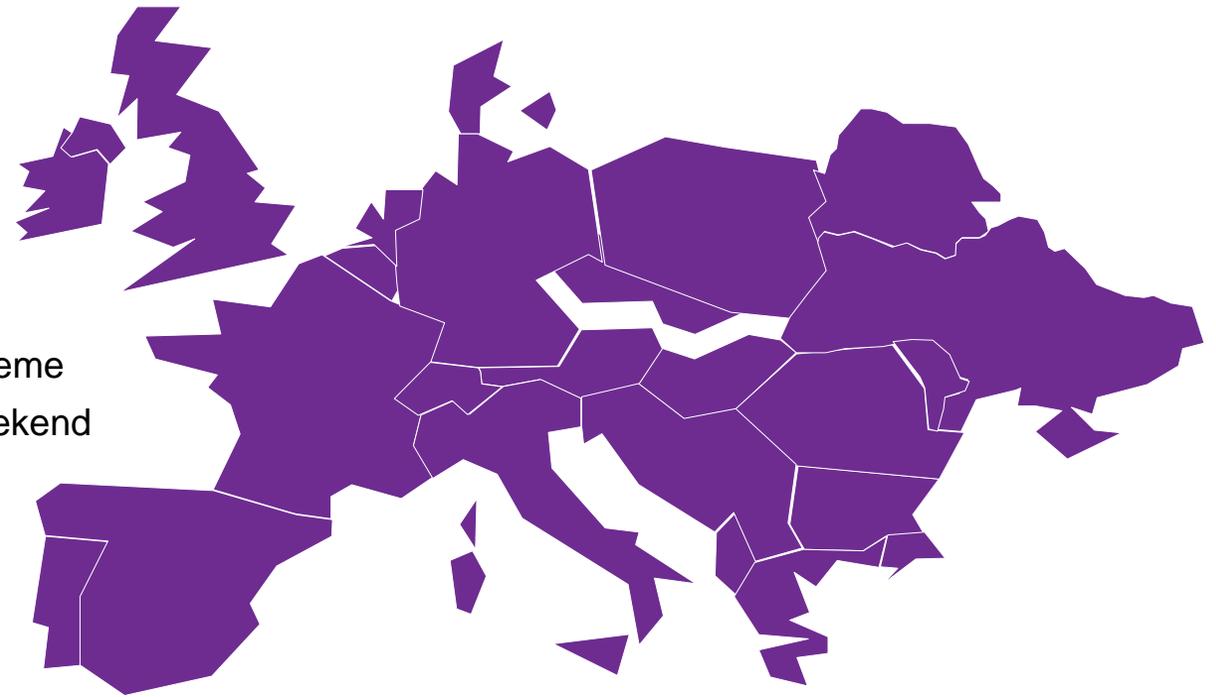
- **Malaysia** lifted interstate and international travel restrictions for residents fully vaccinated against COVID-19, as the country achieved its target of inoculating 90 percent of its adult population.
- **Singapore** is opening its borders to more countries for quarantine-free travel as the city-state seeks to rebuild its status as an international aviation hub.
- **New Zealand** will require teachers and workers in the health and disability sectors to be fully vaccinated against COVID-19.
- During **China-US** economic talks, China called for the cancellation of tariffs and sanctions, and clarified its position on China's economic development model and industrial policies, per Chinese state news.
- **Chinese** President Xi Jinping vowed over the weekend to achieve "*peaceful reunification*" with Taiwan and did not directly mention the use of force after a week of tensions.



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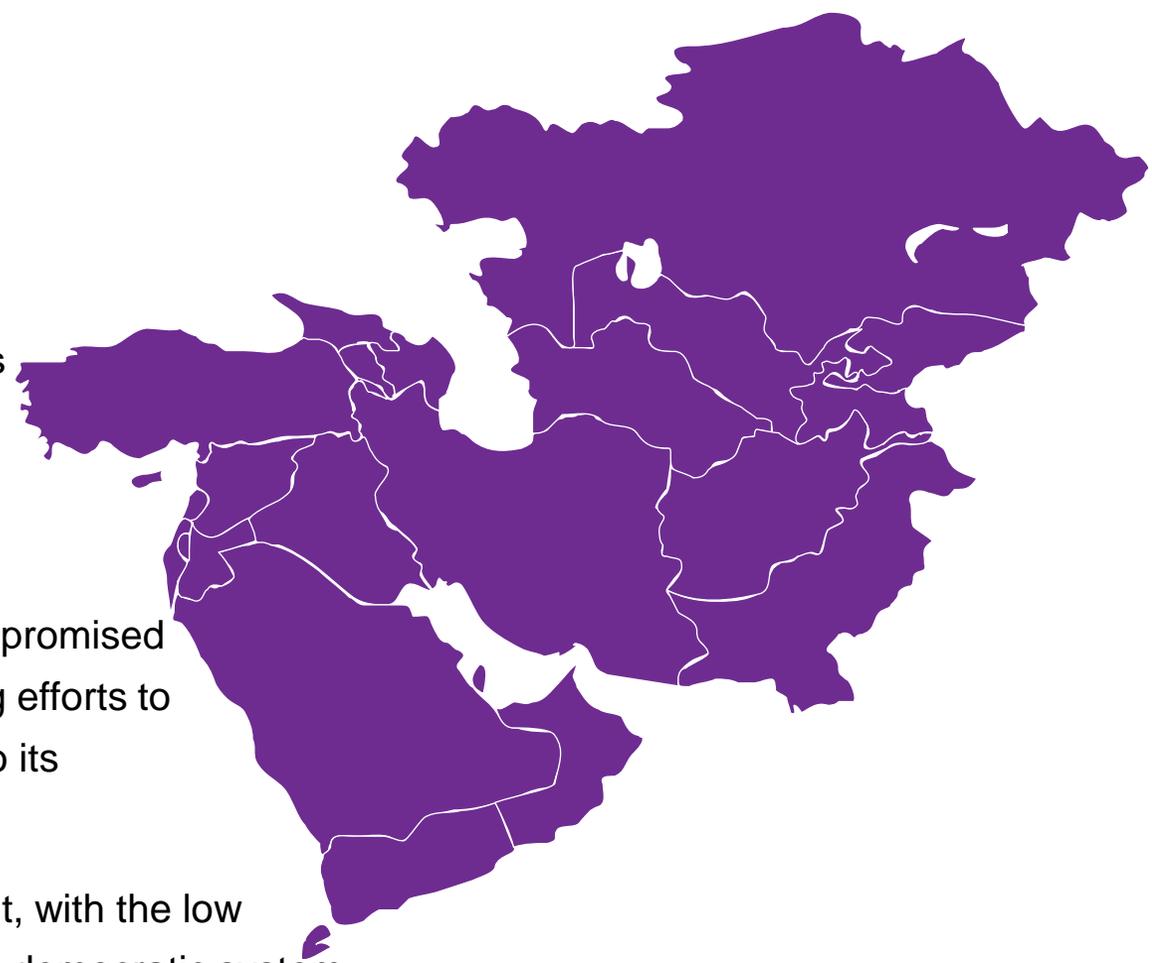
Europe

- **Italian** police arrested 12 people including the leaders of the extreme right-wing party Forza Nuova, after clashes in Rome over the weekend over a government drive to make the COVID-19 "Green Pass" mandatory for all workers.
- More than 100,000 Poles demonstrated in support of **EU** membership after a **Polish** court ruling that parts of EU law are incompatible with the constitution raised concerns the country could eventually leave the bloc.
- The **Czech Republic's** prime minister appears to have lost his grip on power after his populist party failed to win a majority in Saturday's close election. Czech President Zeman is in intensive care, creating uncertainty at a time when he is due to lead political talks about forming a new government after the parliamentary election. Czech voters evicted the communists from parliament for the first time since the end of World War Two.
- **Russia's** ambassador to the **EU** called on Europe to mend ties with Moscow in order to avoid future gas shortages, while insisting that Russia had nothing to do with the recent jump in prices. Natural gas prices in Europe have been surging, raising fears of a winter fuel crisis and putting the economic recovery in jeopardy.



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Middle East

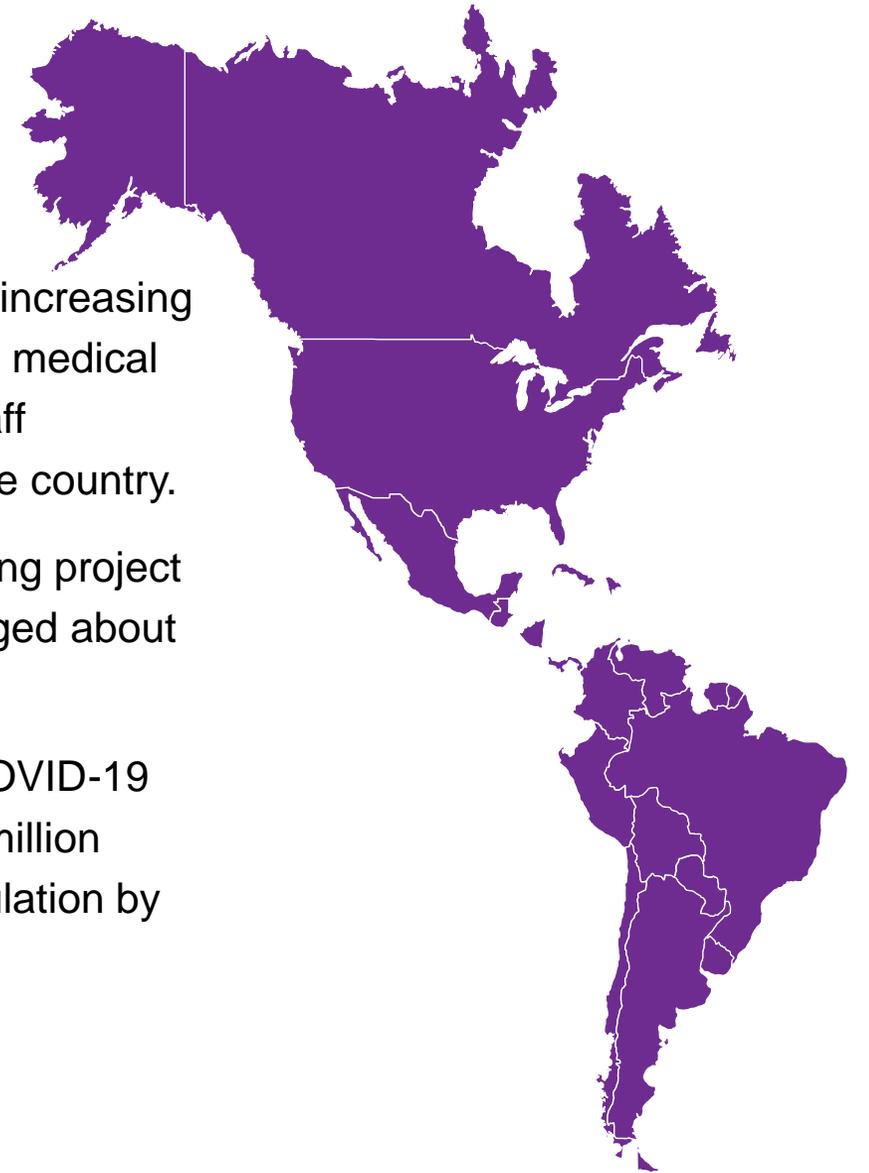


- Thousands of **Tunisians** protested against President Kais Saied's seizure of almost total power protested as the growing numbers taking to the street in recent weeks has raised the risk of the political crisis.
- UN High Commissioner for Refugees called on donors to provide promised aid to **Afghanistan**, warning that a lack of resources is hampering efforts to avert an economic crisis that could push fresh flows of refugees to its neighbors and beyond.
- **Iraq's** parliamentary election on Sunday drew a record low turnout, with the low participation suggesting dwindling trust in political leaders and the democratic system.
- **Lebanon's** power supplies were back to normal on Sunday after a blackout the previous day when the country's two biggest power stations shut down because of a fuel shortage; the central bank approved \$100 million in credit to issue fuel import tenders for electricity generation.

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Americas

- **Canada's** latest COVID-19 wave could decline in the coming weeks with increasing numbers of Canadians now vaccinated against the coronavirus, per a top medical official. Canada's health and long-term care industries are bracing for staff shortages and layoffs, as deadlines for vaccine mandates loom across the country.
- **Chile's** public prosecutor will open an investigation into the sale of a mining project involving the family of President Sebastian Pinera after new details emerged about the transaction in the Pandora papers leak.
- **Venezuela** on Sunday received a second batch of 2.5 million doses of COVID-19 vaccines via the COVAX mechanism. Venezuela now has more than 29 million vaccine doses, enough to cover the vaccination of 70 percent of the population by the end of October.



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Americas: Canada

Canada has been experiencing a surge of COVID-19 infections despite having 76 percent of their population fully vaccinated.

Canada Situation

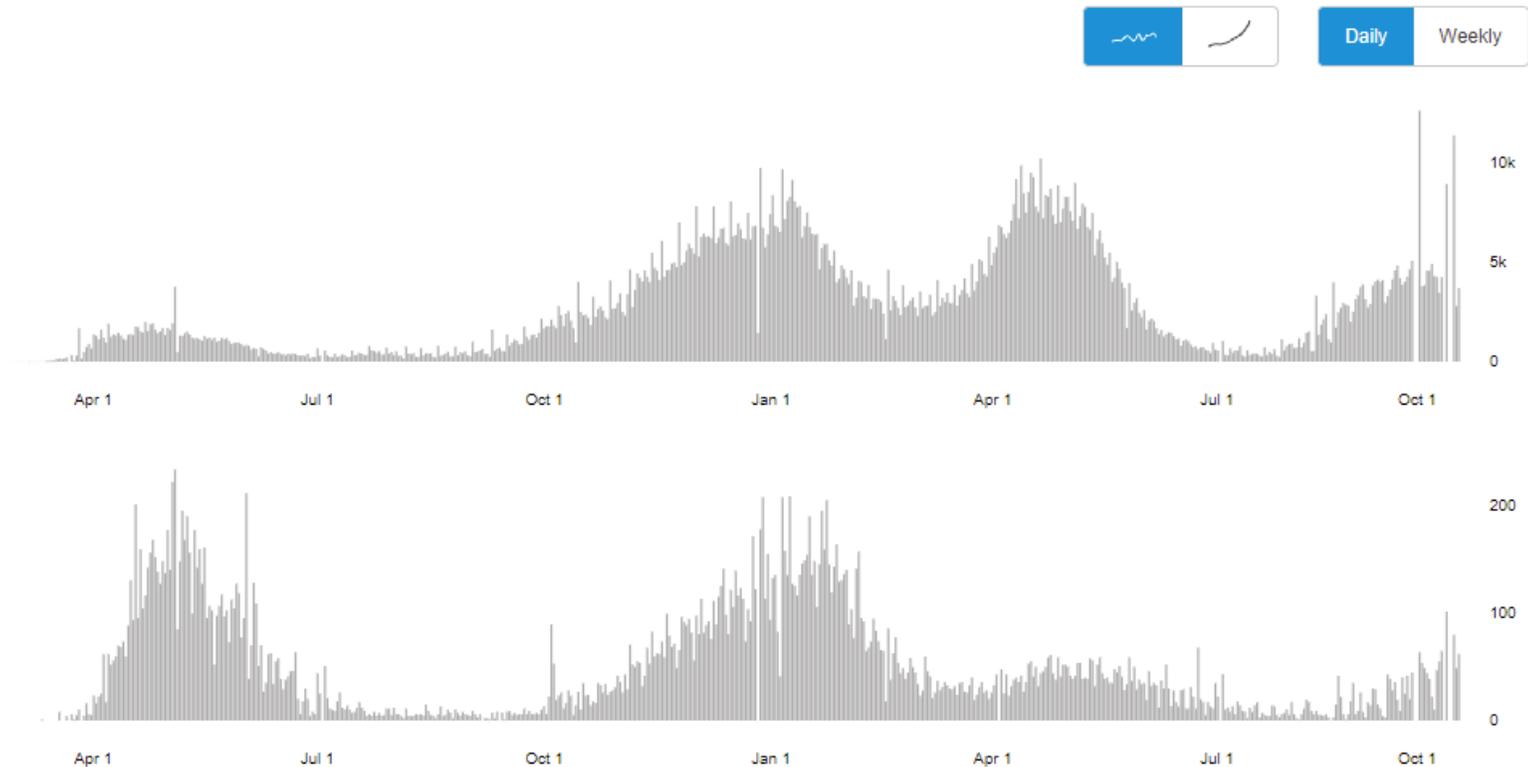
1,647,153

confirmed cases

28,112

deaths

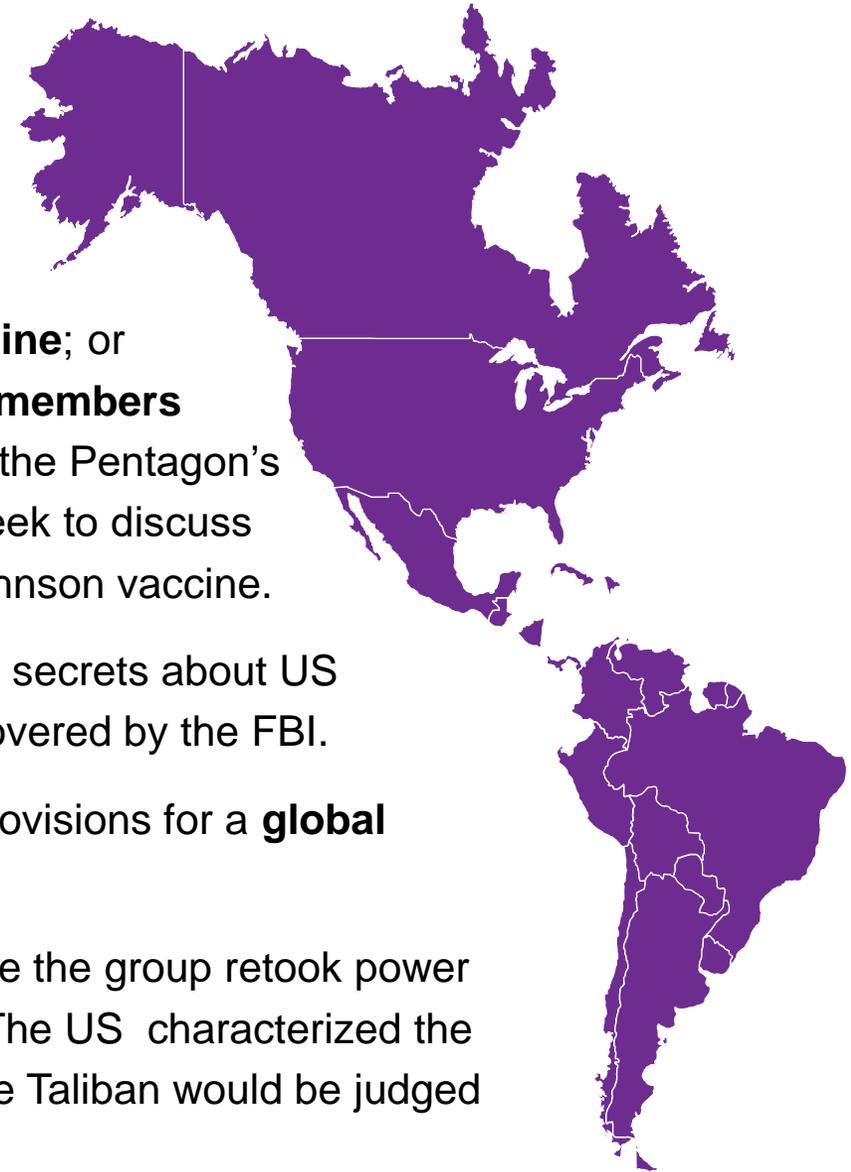
Source: World Health Organization



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Americas: US

- Across the nation, 216.9 million have received at least one dose of the **vaccine**; or 65.3 percent of the total population. Hundreds of thousands of **US service members** remain unvaccinated or only partially vaccinated against the coronavirus as the Pentagon's first compliance deadlines near. The FDA's independent advisers will this week to discuss the agency greenlighting **booster doses** of the Moderna and Johnson & Johnson vaccine.
- A Navy nuclear engineer and his wife have been charged with trying to pass secrets about US nuclear submarines to a foreign country, in an alleged **espionage plot** discovered by the FBI.
- Treasury Secretary Yellen said she is confident that Congress will include provisions for a **global minimum tax on corporate profits** in reconciliation legislation.
- The US held in Qatar the first face-to-face meeting with Taliban officials since the group retook power in **Afghanistan**, discussing terrorism, human rights and humanitarian aid. The US characterized the meeting as "*candid and professional*" and that the US side reiterated that the Taliban would be judged on their actions, not just their words.



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The Long-Term Viability of Remote Work for Different Occupations

By Briana Boland

When assessing long-term changes in the workplace catalyzed by the COVID-19 pandemic, remote work clearly stands out: while offices will reopen, some level of remote work is here to stay. However, the level of remote work that will characterize careers of the future remains more uncertain.

Will organizations embrace remote work, or reject it even when feasible? Which occupations might lose efficiency from working remotely – or vice versa, from being forced back into the office? Are remote or hybrid work policies becoming a new dividing line in office culture? Ultimately, these questions will only be answered with time, but analyzing the efficacy of work from home during the pandemic can provide insights on which careers are likely to have viable long-term options to work remote.

In 2020, McKinsey conducted analysis on the feasibility of long-term remote work for a number of different occupations in China, France, Germany, India, Japan, Mexico, Spain, the UK, and the US. The report concluded that remote work potential is highly concentrated in a handful of industries and occupations which generally employ highly skilled and highly educated workers. Dividing jobs based on

the activities they require – manual tasks like using machinery, interpersonal activities like counseling, or knowledge-based activities like financial analysis – McKinsey created metrics to judge which industries have the highest potential for remote work, versus which industries either must require in-person work or lose efficacy from remote work.

In total, across the nine countries and 800 occupations assessed, McKinsey concluded that about 20 percent of the workforce could be remote 3-5 days a week with no productivity loss. Finance and insurance were the industries with highest potential for remote work, with over 75% of time spent on activities which could be completed remotely. The next top industries were management, professional and technical services, and IT and telecommunications, which all relied on activities that could be done remotely 58-68 percent of the

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time. The potential for remote work then dropped precipitously with other industries, ending with the agricultural and food services sectors, which would be able to support remote work for less than 10 percent of time needed. The report also detailed differences across nations, showing much lower potential for remote work in Mexico, China, and India compared to the UK, US, Germany, Japan, France, and Spain. In India, for example, fact that most workers are employed in retail services or agriculture lowers potential levels of remote work, despite the country's international reputation for its high-tech and financial services industries.

Alongside the feasibility of remote work for different occupations, the attitudes of corporate leaders constitute the other key factor in the future of permanent remote work. Already, different companies are choosing to embrace or resist remote work based on visions for office culture and hopes for innovation, rather than whether or not tasks can be completed at home. Wall Street financial services firms, though they fall in the sector with highest potential for remote work, were early proponents of office reopening. Law firms have also seen above-average occupancy rates throughout the pandemic, according

to data from security firm Kastle Systems, an effect that is also likely linked more to office culture than technical ability to complete work at home. On the other hand, many technology and STEM companies are leaning into remote work, with big tech companies like Twitter and Dropbox long since providing options for employees to go permanently remote. In a competitive labor market where workers want remote options, more companies are likely to expand remote work in an effort to attract talent. Within famous industry leading companies, however, executives may reassert focus on the office without fear of losing employees. Apple, for example, appears set on maintaining an office-centric workplace in an effort to preserve in-person innovation. By offering competitive pay and distinguished opportunities, a company like Apple is better able to enact such an approach without losing workers, unlike smaller or less-prestigious employers.

While potential for – and desire for – remote work creates long-term viability for many jobs to be permanently remote, the distribution of remote work also risks furthering social inequalities. Highly educated, highly skilled, and highly paid workers are those most likely to have

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the option of maximum flexibility, whereas low-income professions are more likely to be inflexibly tied to in-person tasks. Occupations that can be permanently remote may face their own challenges, such as a more competitive global hiring pool (see the [October 6 Edition of Dentons Flashpoint](#)) but are more insulated from risks in other ways. Working remotely provides more options for flexible child-care, moving to affordable areas, or avoiding physical risks such as COVID-19 or extreme climate events. As remote work becomes a permanent fixture of the modern workplace, it is shaping up to be an enduring advantage for the highly paid and highly educated, creating benefits that are not shared evenly across the workforce.

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How do You Manage Cyber Risks?

Today, there are more risks for cybersecurity and a wider array of threat actors capable of doing damage to organizations due to rapid advances in technology. A single cyber breach risks dealing irrevocable harm to businesses and their critical assets.

Dentons offers business leaders a full complement of counseling and advice, regulatory and litigation services, analysis and intelligence products for cyber risk management that helps them thrive in complex operating environments, including:

- ❖ organizational cyber risk assessment
- ❖ crisis management for cyber incidents
- ❖ privacy law and compromised data advice
- ❖ self-reporting, liaising with law enforcement following cyberattack
- ❖ ransomware attack guidance
- ❖ cybersecurity readiness and remediation
- ❖ cyberattack source and method identification

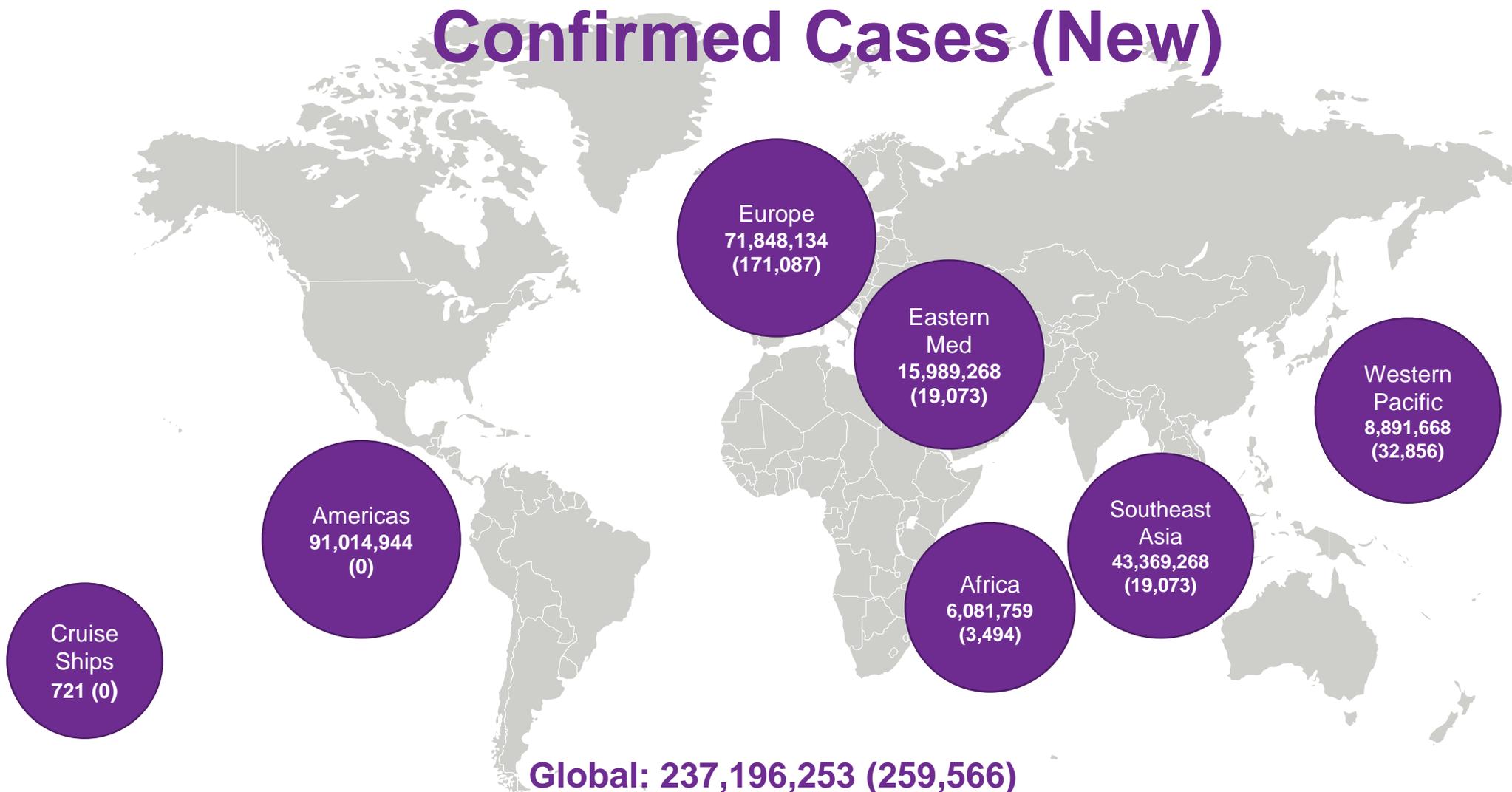
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To learn more about the bespoke intelligence and risk services from Dentons, contact [Karl Hopkins](#).

Coronavirus Condition Updates

As of 11:59 am CEST on October 11, 2021

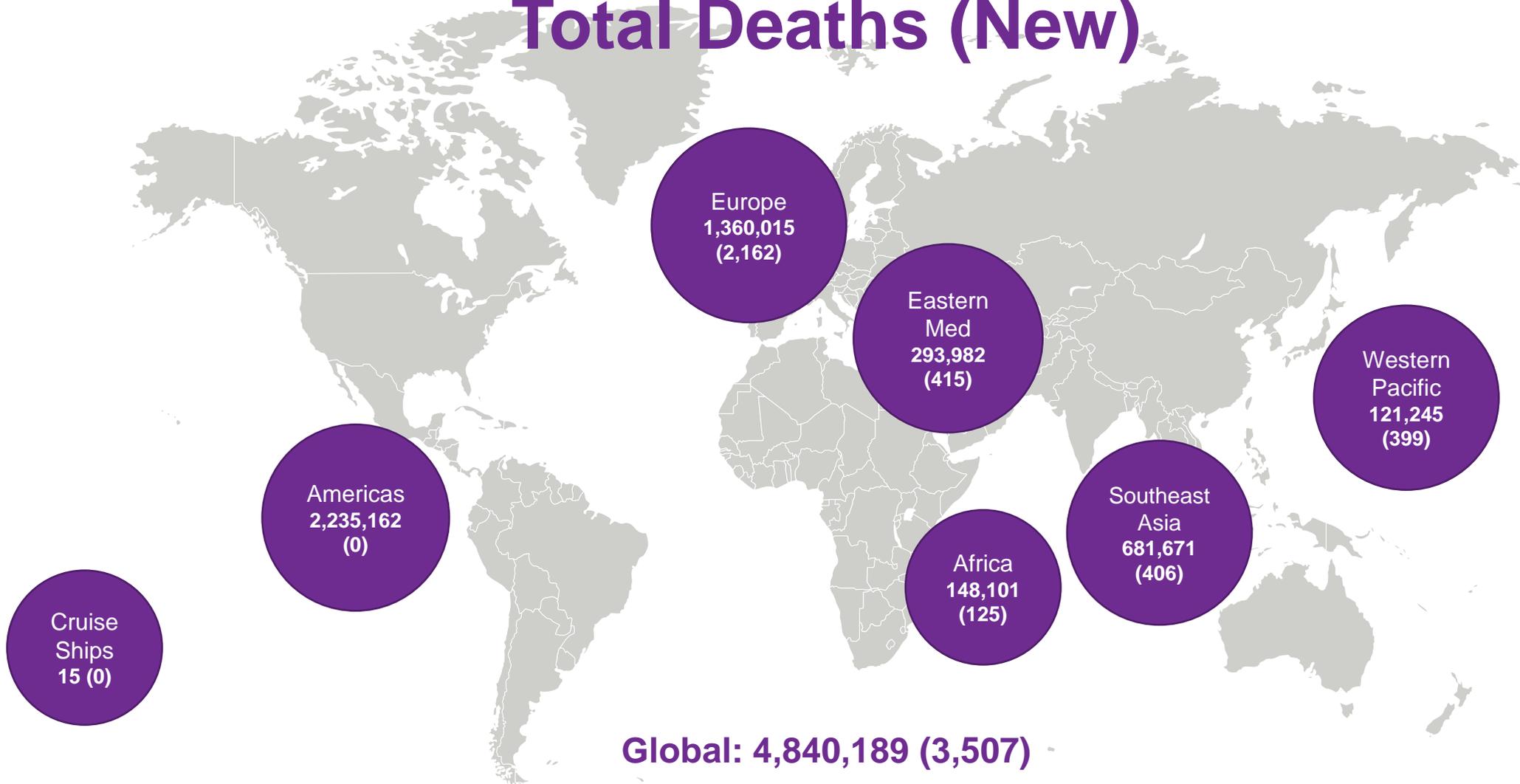
Confirmed Cases (New)



Reflects data as of 11:59 am CEST on October 11, 2021.
Data Source: World Health Organization

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Total Deaths (New)



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Contacts

This summary is based on reports sourced from among the 75 countries in which Dentons currently serves clients as well as from firms in other locations, some of which will formally join Dentons later in 2020. We are pleased to share this complimentary summary and contemporaneous assessment, with the caveat that developments are changing rapidly. This is not legal advice, and you should not act or refrain from acting based solely on its contents. We urge you to consult with counsel regarding your particular circumstances.

To read additional analysis, visit the [Dentons Flashpoint portal](#) for insights into geopolitics and governance; industry and markets; cyber and security; science, health and culture; and economic and regulatory issues.

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