

Dentons Flashpoint

Daily Global Situation Report

September 15, 2021

Global Situation Update: September 15, 2021

KEY TAKEAWAYS

Investors have significantly pared their expectations for global economic growth, on concerns about inflation and Delta variant.

Haitian prime minister fired the prosecutor seeking charges against him for the assassination of the Haitian president.

An Indian study of fully vaccinated healthcare workers shows a “*significant*” drop antibodies after four months.

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WHAT WE'RE WATCHING

During testimony yesterday before the Senate Banking Committee, US Securities and Exchange Commission (SEC) Chair Gary Gensler highlighted new directives and guidelines on China, crypto, climate, SPACs and more that will impact companies trading in US markets, signally SEC priorities.

Gensler cautioned that the SEC may need to prohibit trading in about 270 China-related companies by early 2024 if its oversight board is unable to “audit the auditors” and ensure compliance with US standards. On crypto, the SEC will push for more investor protection in crypto finance, issuance, trading and lending. High on the SEC agenda is also additional disclosures from business on environmental, social and governance issues, and greater transparency on the IPOs of special purpose acquisition companies (SPACs).



Note: This report is based on sources and information deemed to be true and reliable, but Dentons makes no representations to same.

Global

Globally, confirmed coronavirus cases topped 225.0 million with 4.6 million deaths; more than 5.5 billion vaccine doses have been administered.

- India is considering resuming **exports of COVID-19 vaccines** soon, mainly to Africa.
- Pfizer expects to seek emergency use authorization for its coronavirus vaccine from the US FDA to **immunize children** ages 5 to 11 in early October, and then ages 6 months to 5 years a few weeks after that.
- Today, four amateur **space travelers** will be aboard a SpaceX rocket ship, seeking to become the first all-civilian crew launched into Earth orbit.
- A study of 614 fully vaccinated health workers in India showed a “*significant*” drop in **COVID-19 antibodies** four months after their first shot.
- The EU will donate a further 200 million COVID-19 vaccine doses to poorer countries and **close gaps in its own vaccination coverage**. The EU also pledged to increase financial support to help poorer countries fight **climate change** and adapt to its impacts.

Markets & Business

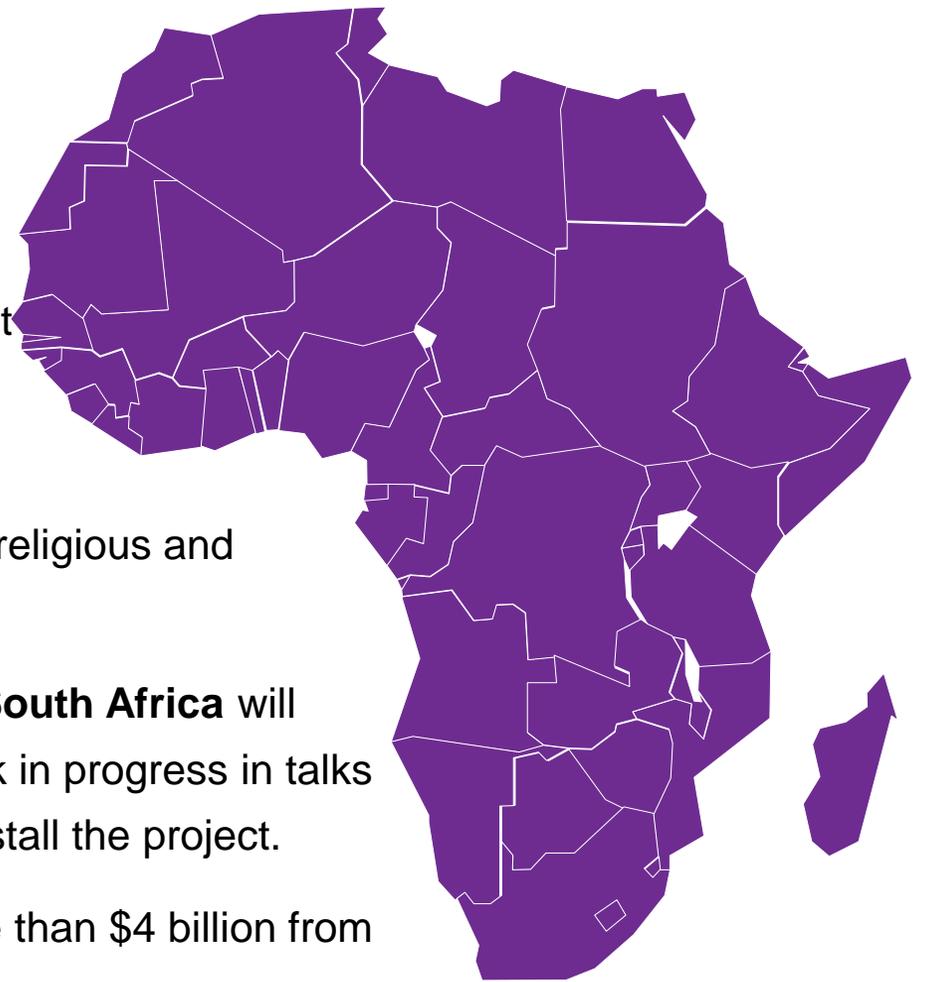
A survey from Manpower Group showed that more US employers are using financial incentives to attract new employees than any other countries.

- A Bank of America fund manager survey found that investors have significantly pared their expectations for **global economic growth**, on concerns about inflation and Delta.
- Norwegian telecom firm **Telenor** is selling its Myanmar operations to avoid EU sanctions after amid pressure from Myanmar's military junta to activate intercept surveillance technology.
- **Chevron's** CEO announced plans to triple spending on the company's low-carbon unit.
- In another regulatory move, Chinese authorities announced "*consultations*" on increased oversight on the **gambling industry**, including the number of licenses to be given, increased regulation and protecting employee welfare, as well as introducing government representatives to supervise day-to-day operations at the casinos. Macau casino operator stocks plummeted by as much as a third.

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Africa

- Per the WHO, only two **African countries** have vaccinated 40 percent of their population, thus meeting the organization's goal for the end of this year.
- Leaders of **Guinea's** military junta held transition talks with business, religious and political leaders.
- Efforts to create an mRNA vaccine at a WHO-funded vaccine hub in **South Africa** will focus on replicating the science of the Moderna vaccine, although lack in progress in talks with the company, which has said it will not enforce patent rights, will stall the project.
- **Nigerian** President Buhari requested Senate approval to borrow more than \$4 billion from international lenders to fund infrastructure projects.
- **Algerian** Prime Minister Benabderrahmane presented parliament with his action plan for averting the socioeconomic crisis in the country, including efforts to strengthen freedoms and modernize the judiciary.



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Asia

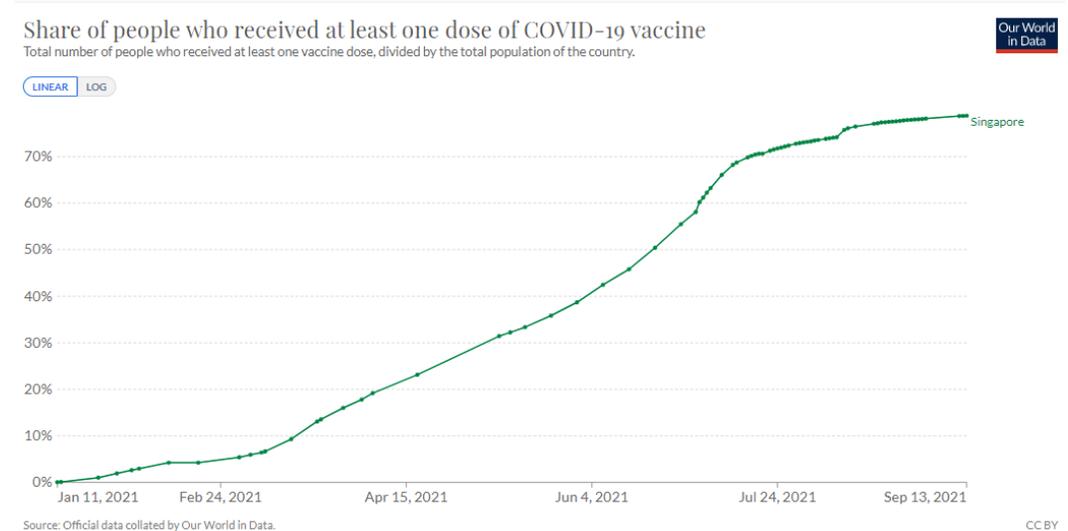
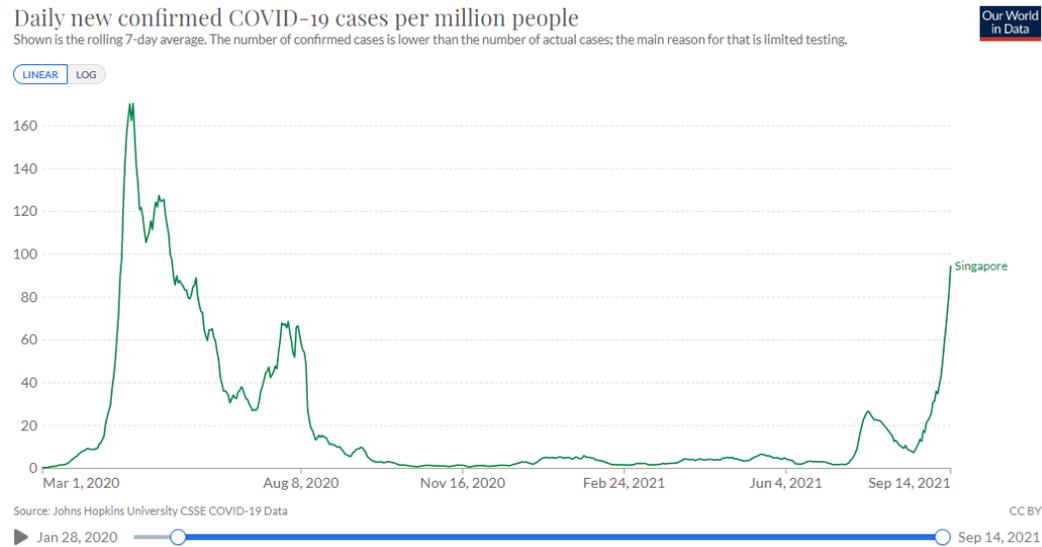
- **Chinese** authorities released new guidelines pushing stricter content controls, including an effort to regulate internet slang and debunk false rumors.
- **China's** COVID-19 outbreak in Fujian province has prompted cities in other parts of the country to issue travel warnings ahead of major holidays.
- **Indonesia** aims to reopen to foreign travelers in November.
- The **Taiwanese** government is sending a delegation to **Slovakia, the Czech Republic and Lithuania** in an effort to bolster ties and explore possibilities for investment.
- **China's** ambassador to Britain was barred from speaking at the **UK** parliament over Chinese sanctions on European lawmakers.



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Asia

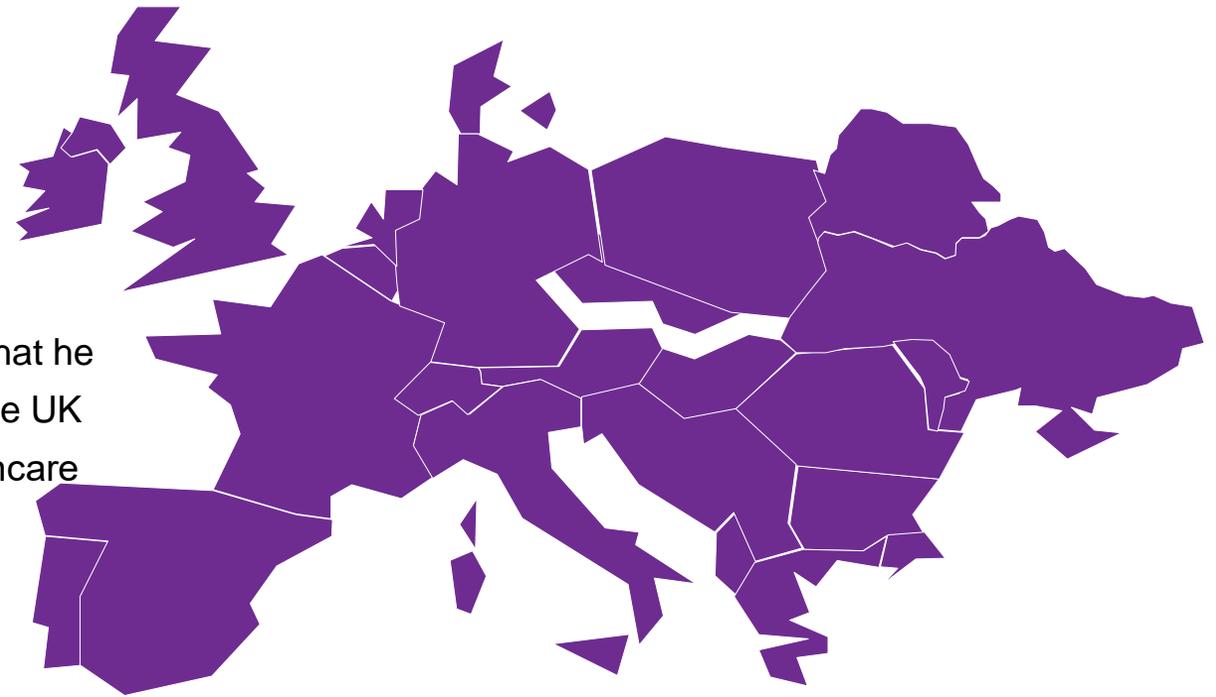
Singapore kicked off its nationwide booster vaccine program, as the country continues to struggle with COVID-19 cases despite its over 80 percent of its population being fully vaccinated.



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Europe

- The head of the **UK's** largest rapid COVID-19 test supplier said that he expects the provision of free kits to the public by spring 2022. The UK health secretary said that a vaccine mandate for England's healthcare workers is "*highly likely*."
- The **UK's** Abta travel association urged the government to ease travel restrictions as the industry faces heavy job losses after the country's job retention program ends. The UK government outlined plans to avoid more lockdowns in the autumn and winter.
- The **UK** announced that it will once again delay border checks on goods coming in from the **EU** until 2022, due to supply chain issues.
- The **Spanish** government is targeting €2.6 billion in "excess profits" from utilities that have benefited from soaring gas and electric prices.
- **Germany's** federal election is too close to call as the number of still undecided voters hit a record high less than two weeks before the poll, per new survey.



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Middle East

- **Israeli** Prime Minister Bennett made the first visit by an Israeli prime minister to **Egypt** in a decade, where he met with President Sisi to affirm the bilateral ties. Israeli Foreign Minister Lapid proposed a plan to aid development in **Gaza** in exchange for “calm” from Hamas.
- **Iraq’s** state-sponsored Popular Mobilization Unit (PMU) reinstated 30,000 terminated members and gave them their salaries, following months of protest by ex-members and ahead of legislative elections.
- The **Saudi**-backed **Yemeni** government closed the Sanaa airport, citing use by **Iran** and **Lebanese** Hizballah to smuggle weapons.
- **Lebanon** is set to received \$1.1 billion from the IMF’s special drawing rights program, providing a cash infusion for the country’s new government. Lebanon secured funding for the main appeal of its special tribunal on the assassination of former Prime Minister Rafik Hariri, after pausing the tribunal due to lack of funds earlier this year. The country’s new cabinet held its first meeting.



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How do You Manage Political Risk?

Today, the economic and political changes affecting international business are more complex than ever. Conflicts, coups and the coronavirus pandemic continue to impact governments and people worldwide and shape the business landscape in 2021.

Dentons offers business leaders routine and one-off political risk assessments on specific interests. Many clients also retain our team of attorneys and former intelligence and military professionals, equipped with the latest big data analytics tools, deep substantive knowledge and extensive networks of contacts, to provide services, including:

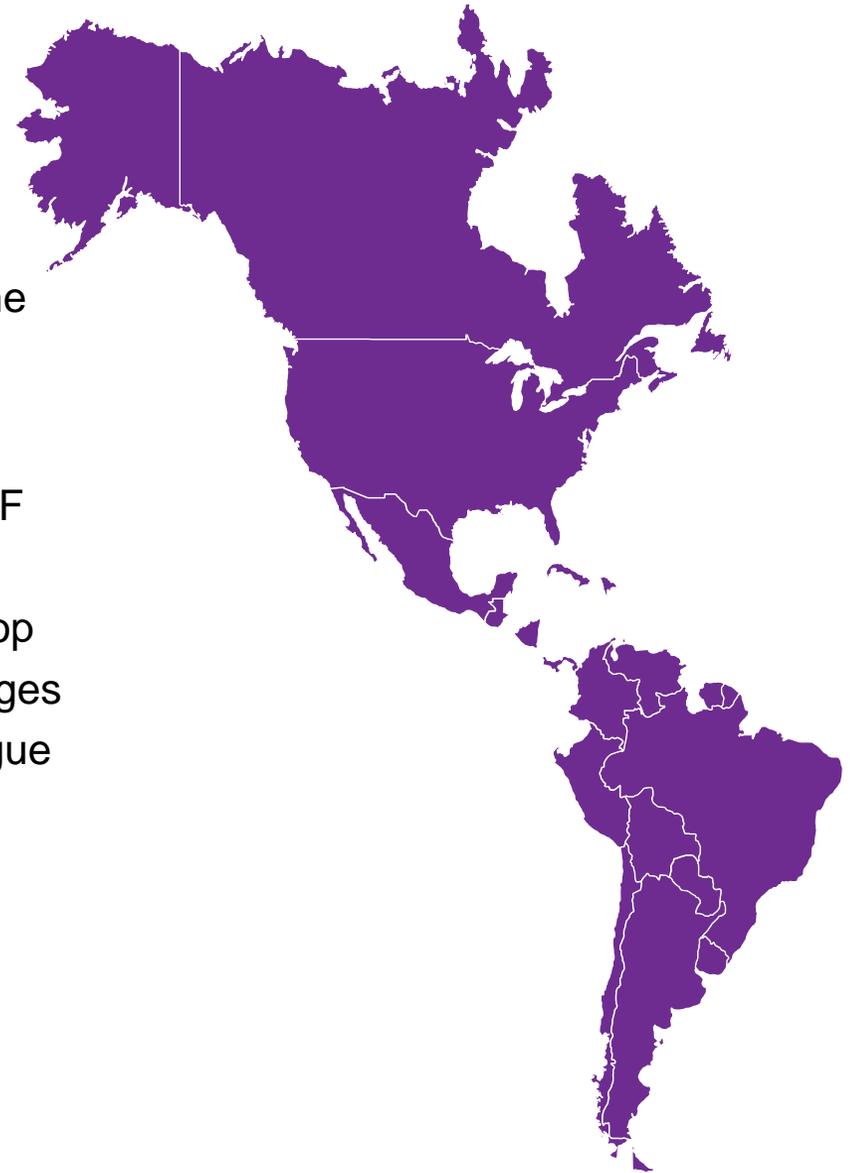
- ❖ Political and country risk forecasts and analysis
- ❖ Comprehensive project analysis
- ❖ Market-entry assessments
- ❖ Coronavirus vaccine tracker and return-to-work monitoring
- ❖ Legislative and government action forecast
- ❖ Investment risk analysis

All interaction with Dentons is attorney-client privileged

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

Americas

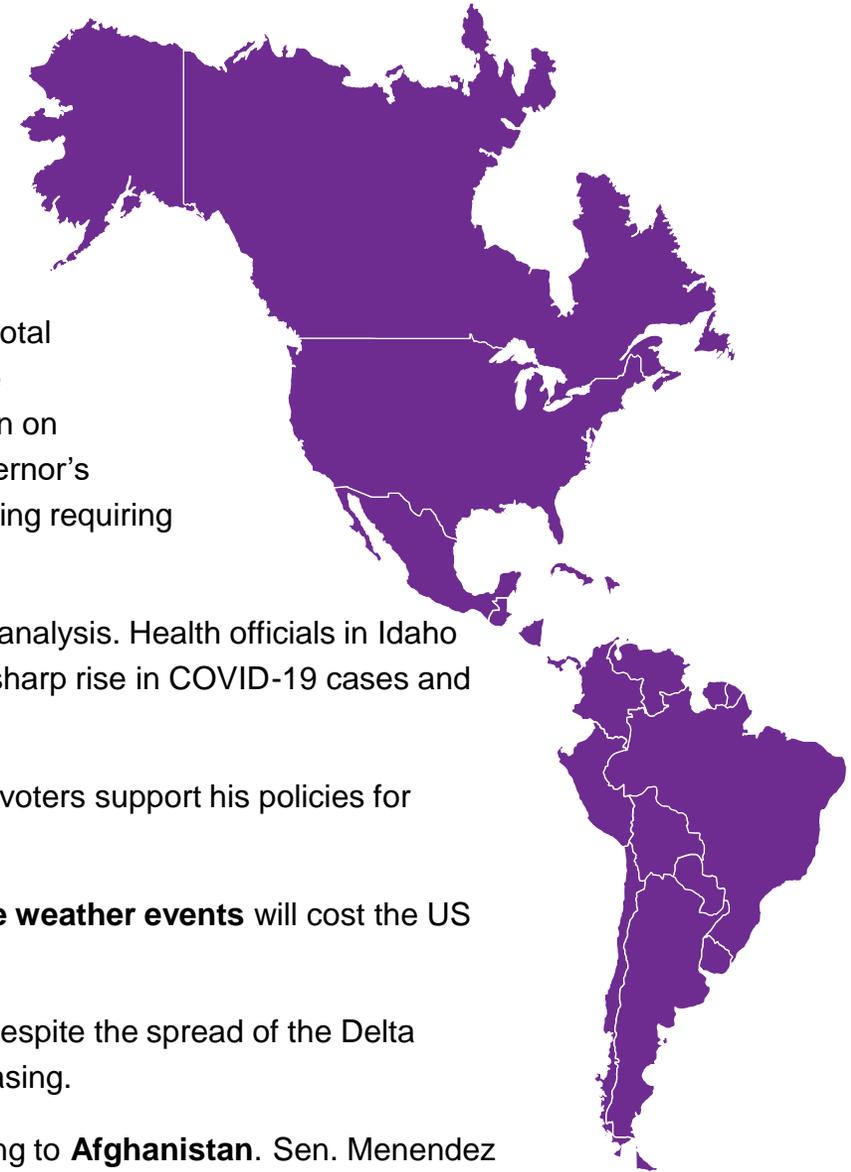
- After the **Haitian** prosecutor leading the probe into the assassination of the president asked a judge to charge Prime Minister Ariel Henry in the killing and bar him from leaving the country, Prime Minister Henry fired him.
- **Venezuelan** opposition leader Guido said that Venezuela's access to IMF special drawing rights (SDRs) will be on the agenda for upcoming Mexico City talks with President Maduro. The Venezuelan government wants a top envoy, who has been jailed in **Cape Verde** on **US** money-laundering charges and is close to President Nicolas Maduro, to take part in its political dialogue with the opposition.
- **Mexican** authorities rescued 22 foreigners, most of them **Cuban and Haitian**, who were earlier in the day kidnapped when gunmen stormed a hotel in the central state of San Luis Potosi.



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Americas: US

- Across the nation, 210 million have received at least one dose of the **vaccine**; or 63.2 percent of the total population. US Army said army officers who refuse to be vaccinated against the coronavirus could be suspended from their duties and possibly discharged, noting that **soldiers** could request an exemption on legitimate medical, religious or administrative grounds. A New York judge temporarily blocked the governor's order requiring all **healthcare workers** to receive a COVID-19 vaccine. The White House is considering requiring **international air travelers** to be vaccinated before boarding a plane.
- One in 500 US residents has **died of COVID-19** since the start of the pandemic, according to a CNN analysis. Health officials in Idaho said **hospitals** in parts of the state may soon get the green light to start rationing health care amid a sharp rise in COVID-19 cases and low vaccination rates.
- California Governor Newsom is set to prevail in the **recall election**, sending a decisive message that voters support his policies for tackling COVID-19, immigration and crime.
- **Tropical Storm Nicholas** hit the Texas coast Tuesday, causing widespread power outages. **Extreme weather events** will cost the US well over a \$100 billion this year, per President Biden.
- Bank executives reported that **US consumer spending** is still elevated above pre-pandemic levels, despite the spread of the Delta variant. **Consumer prices** rose at a more moderate pace in August, in a sign that inflation may be easing.
- A senior US official said that intelligence agencies are seeing early signs of Al Qaeda militants returning to **Afghanistan**. Sen. Menendez (D-NJ) said that the Senate may subpoena Secretary of Defense Austin after the official declined to appear at a hearing on Afghanistan.



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The “Great Resignation” and What Makes Workers Stay

By Briana Boland

The great resignation – a trend of heightened worker turnover following the first year of the pandemic – is prompting many companies to develop new strategies for attracting and retaining talent. Since COVID-19 turned the world of work upside-down, employee expectations on everything from remote work to employer activism on social issues have shifted meaningfully, creating a new labor landscape in which talented job seekers often have increased leverage.

Employers have much to gain from the changes to workforce expectations, but risk losing talent through failure to adapt to the new world of work. Amid heightened challenges of worker retention, companies around the world are asking one question: what will make employees stay?

Engagement at the Workplace and Evolving Management Styles

One of the key terms in narratives on the great resignation is “employee engagement” – a simple idea that covers an array of vectors through which workers connect to their workplace, including interpersonal relationships, resonance with an employer’s mission, satisfaction with management, and opportunity for professional

growth. Employee disengagement is thought to be a leading cause of the great resignation; Gallup’s 2021 report on the “State of the Global Workplace” suggests that only around 20-34 percent of employees in the US and Canada actually feel engaged, leaving a vast majority of the workforce in a mindset that costs employers both in terms of lost productivity and likelihood that talent will leave. On the flip side, Gallup found that engaged employees are likely to stay in their position even if offered a pay raise elsewhere (up to 20 percent, in the Gallup study), whereas disengaged workers may switch jobs for negligible changes in pay. In fact, Gallup concluded that “disengagement is a better predictor than pay of disloyalty,” urging companies not to fixate on the influence of pay in employee retention.

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The “Great Resignation” and What Makes Workers Stay

How should employers increase worker engagement? At a recent event hosted by Axios, Gallup global managing partner Jon Clifton emphasized the importance of understanding the key elements of employee engagement. Gallup has found that the three most common reasons for employee disengagement are: feeling disconnected from the company’s purpose, not seeing opportunities for growth, and not having strong interpersonal relationships with coworkers. In order to boost employee engagement, Clifton urged companies to address all three of these areas. Despite low levels of workforce-wide employee engagement, Gallup’s analysis still shows one encouraging trend: changing management styles do seem to be creating higher employee engagement. Clifton explained that a shift towards valuing people management skills themselves – rather than promoting whoever was best at their job – is causing positive results in the corporate work environment.

The Importance of Communication and Office Culture

Good communications and office culture are key factors in shaping the workforce environment and creating space for strong employee engagement. Facing the challenges of the great resignation, several executives have highlighted the importance of strong

communication as an organizational feature – something that can manifest from the level of local supervisor to global CEO. In conversation with Axios, Lisa Osborne Ross, CEO of global PR consultancy Edelman, explained that the COVID-19 pandemic has bolstered the role of communicators at the c-suite level, as expectations rise for employers to take a stand on social issues and act as a trusted source of information. On a more concrete level, strong communications are becoming increasingly important to office culture in an online world. Salesforce CCO Brad Burns highlighted the difficulty of creating office culture without a physical office – but believe that doing so is absolutely necessary, as he believes the past status of the office is gone. One thing that Salesforce does in an effort to boost online office culture is a simple daily email on the happenings of the firm, which, by incorporating humor with targeting its audience, has an extremely high daily open rate. Other companies have their own characteristic ways of preserving office culture in a remote world. Gallup, perhaps unsurprisingly, surveys its own employees on a regular basis to inform firm decision making. Surveys are a tool seeing increased corporate use not only by companies known for opinion polls; Disney, for example, surveyed its unions on whether or not to

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The “Great Resignation” and What Makes Workers Stay

implement a vaccine mandate when the firm’s leadership was weighing the decision.

Remote Work and Sustained Pay

Perhaps the most obvious workplace change brought on by the pandemic is the new prevalence of remote work, which is now an entrenched expectation from employees rather than an optional perk. Though the spread of the Delta variant delayed return-to-office deadlines for many firms across the nation, the question of how to transition workforces out of full-time work from home is a daunting one for many employers and employees alike. Numerous surveys have documented strong preference for remote work among a significant minority of the workforce (somewhere in the range of 10-20 percent, based on various surveys), enough so that employees are prepared to leave their companies if asked to return to the office. While COVID-19 is still a cause for concern among many workers, fear of the virus is far from the only – or the main – reason many people prefer remote work. An August Pollfish survey asked 1,000 people their primary motivation to keep working from home, showing that the top three reasons were: caring for kids (28.6 percent), saving time and money on commutes (27.9 percent), and

caring for pets (17.1 percent). Other popular answers included preference to listen to music while working, the ability to take naps throughout the day, and self-consciousness about appearance – all motives that will persist beyond the pandemic.

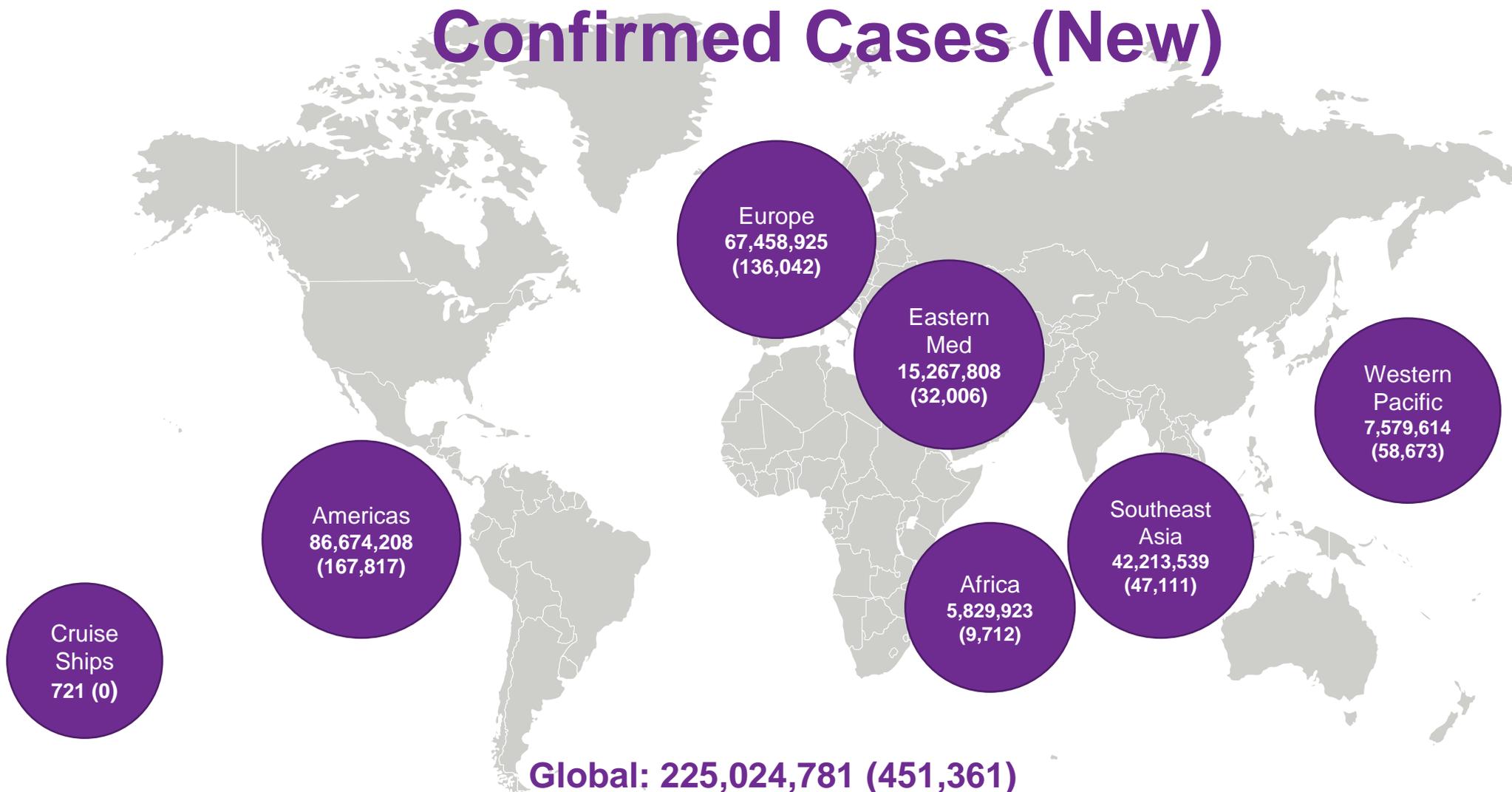
While many employers have embraced an option of permanent remote work for some employees, remote pay is becoming an increasingly salient issue. Factoring out the expenses of living within commuting distance of a metropolitan office, some firms are requiring pay cuts for their permanent remote workers or have already done so. Many of those workers, however, are pushing back, arguing that their work should be valued evenly regardless of where it is done – as well as pointing out the fact that they are costing the firm less in expenses by not using office space. The longstanding idea that salary should be adjusted based on cost of living could become another old practice changed by the pandemic – and a liability for companies hoping to keep their permanent remote workers. As workers reassess their personal and career options, norms around remote work and tying compensation to geography are changing, joining a growing list of corporate conventions that may become traditions of the past.

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Coronavirus Condition Updates

As of 6:28 pm CEST on September 14, 2021

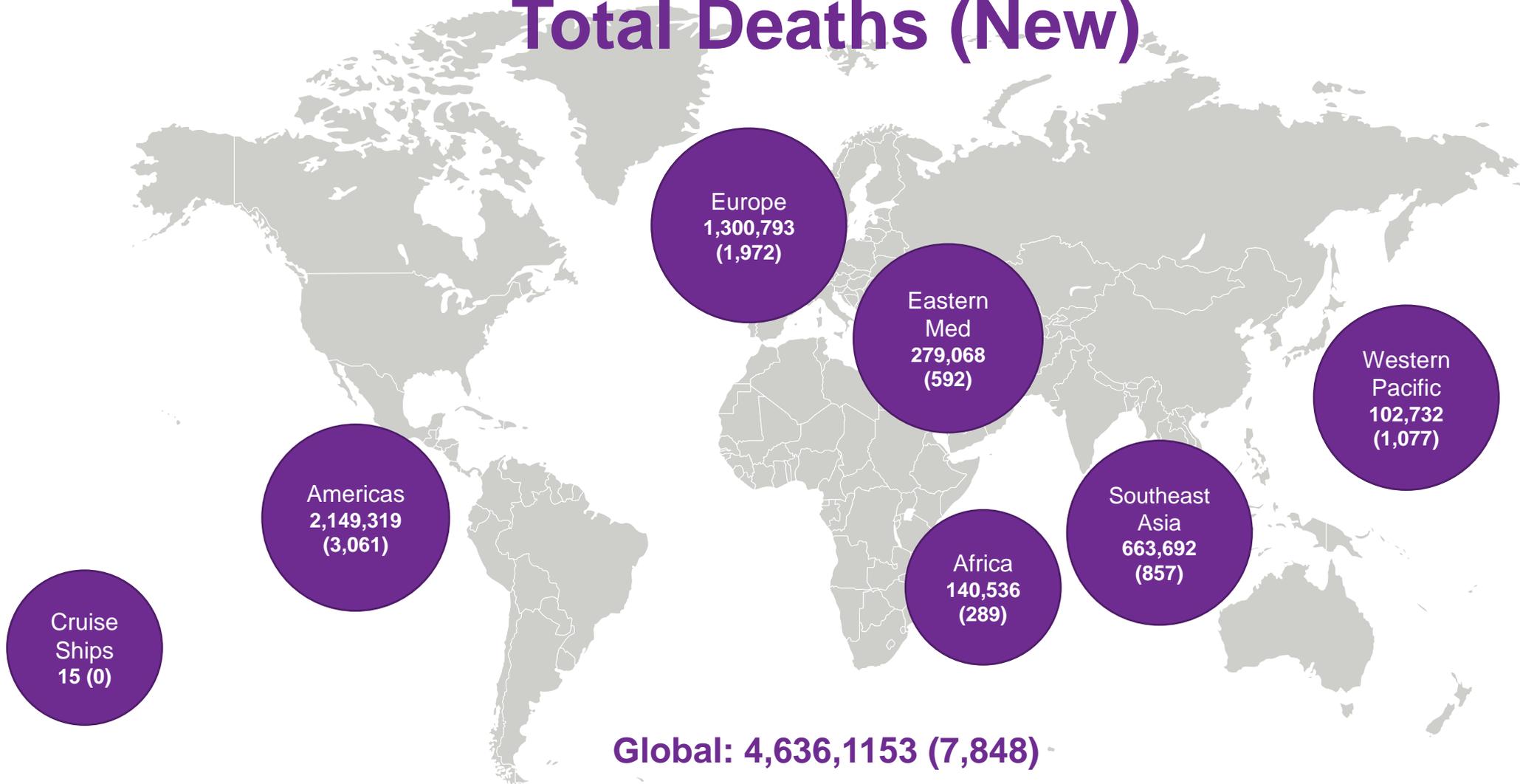
Confirmed Cases (New)



Reflects data as of 6:28 pm CEST on September 14, 2021.
Data Source: World Health Organization

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Total Deaths (New)



Reflects data as of 6:28 pm CEST on September 14, 2021
Data Source: World Health Organization

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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.

Karl Hopkins

Partner and Global Chief Security Officer
Dentons
Washington, DC

D +1 202 408 9225
karl.hopkins@dentons.com

Melissa Mahle

Senior Analyst
Dentons
Washington, DC

D +1 202 408 6383
melissa.mahle@dentons.com