

# Dentons Flashpoint

## Daily Global Situation Report

September 14, 2021

# Global Situation Update: September 14, 2021

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## KEY TAKEAWAYS

A new study by a panel of leading scientists finds evidence does not support the need for booster shots.

Insurers could see claims from \$20 to \$30 billion as a result of Hurricane Ida.

Israeli Prime Minister Bennett made the first visit by an Israeli PM to Egypt in a decade.

# Global Situation Update: September 14, 2021

## WHAT WE'RE WATCHING

Today, an important recall election will be held in California to determine whether Democratic Governor Newsom will finish his term that runs through 2022. Newsom will be removed from office if more than 50 percent of voters choose to recall him. The election will have national consequences as the California governor could appoint a new US senator to the evenly divided chamber in the next year (Sen. Feinstein is 88 years old).

Also, California's climate policies may be weakened if a Republican takes over America's most populous state, which would have national implications for efforts to slash greenhouse gas emissions. On the political front, it will be an early test of President Biden's clout at the state level and Democratic mobilization in an off-year election.

CALIFORNIA  
GUBERNATORIAL  
RECALL ELECTION



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# Global

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**Globally, confirmed coronavirus cases topped 224.5 million with 4.6 million deaths; more than 5.5 billion vaccine doses have been administered.**

- A new study by a panel of leading scientists, including several top WHO figures, said that current evidence does not support the need for **booster shots**.
- Merck said that it expects US emergency use authorization for its **experimental COVID-19 antiviral treatment** by the end of the year.
- The COVID-19 pandemic has dragged more than 31 million people into **extreme poverty and widened economic divides**, per a report by the Bill & Melinda Gates Foundation. An estimated 90 per cent of advanced economies will recover their pre-pandemic per capita income levels by next year, whereas only a third of middle and low income countries will.
- The OECD is seeking a new global agreement on **carbon prices**, in an effort to prevent trade friction between countries with different environmental policies.
- **Global house prices** rose at their fastest pace since 2005 as low interest rates, a shortage of housing and household savings continue to boost the housing market. The average annual price change across 55 countries rose to 9.2 percent in the 12 months to June, according to property consultancy Knight Frank.

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# Global

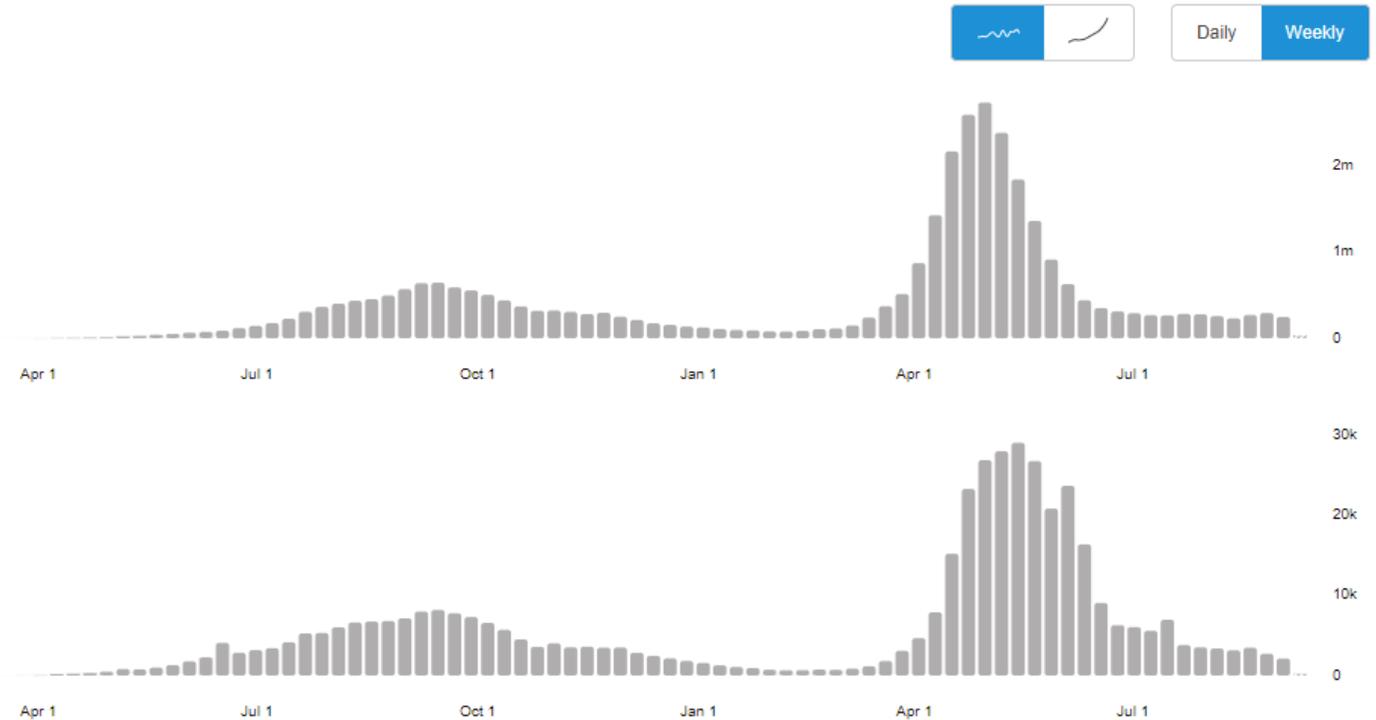
President Biden plans to call on global leaders to make new commitments to fight the coronavirus pandemic, including fully vaccinating 70 percent of the world's population by next September. The US is urging India to resume vaccine exports now that its outbreak is under control.

## India Situation

**33,264,175**  
confirmed cases

**442,874**  
deaths

Source: World Health Organization  
Data may be incomplete for the current day or week.



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# Markets & Business

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**OPEC predicted that oil demand will exceed pre-pandemic levels this year, as rising vaccination rates and government virus management spur a return of travel demand.**

- The value of cryptocurrency **Litecoin** spiked – and subsequently dropped – after a news release on a partnership with **Walmart** turned out to be false.
- **Uranium** mining company stocks surged on Monday due to attention from **Reddit’s WallStreetBets** forum. The popularity of meme stocks is distorting the value of some indexes, creating gaps between earning expectations and index prices.
- **TurboTax** maker Intuit is reportedly nearing a deal to buy **Mailchimp** for \$12 billion, which would greatly expand the company’s marketing services.
- UK supermarket chain **Sainsbury’s** plans to close for an extra day after Christmas in a gesture to thank staff for their “extraordinary efforts” during the COVID-19 pandemic.
- Property group **China Evergrande Group** warned of default risks amid plunging property sales; the company has been scrambling to raise funds it needs to pay lenders and suppliers, with regulators and financial markets worried that any crisis could ripple through China's banking system.

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# Africa

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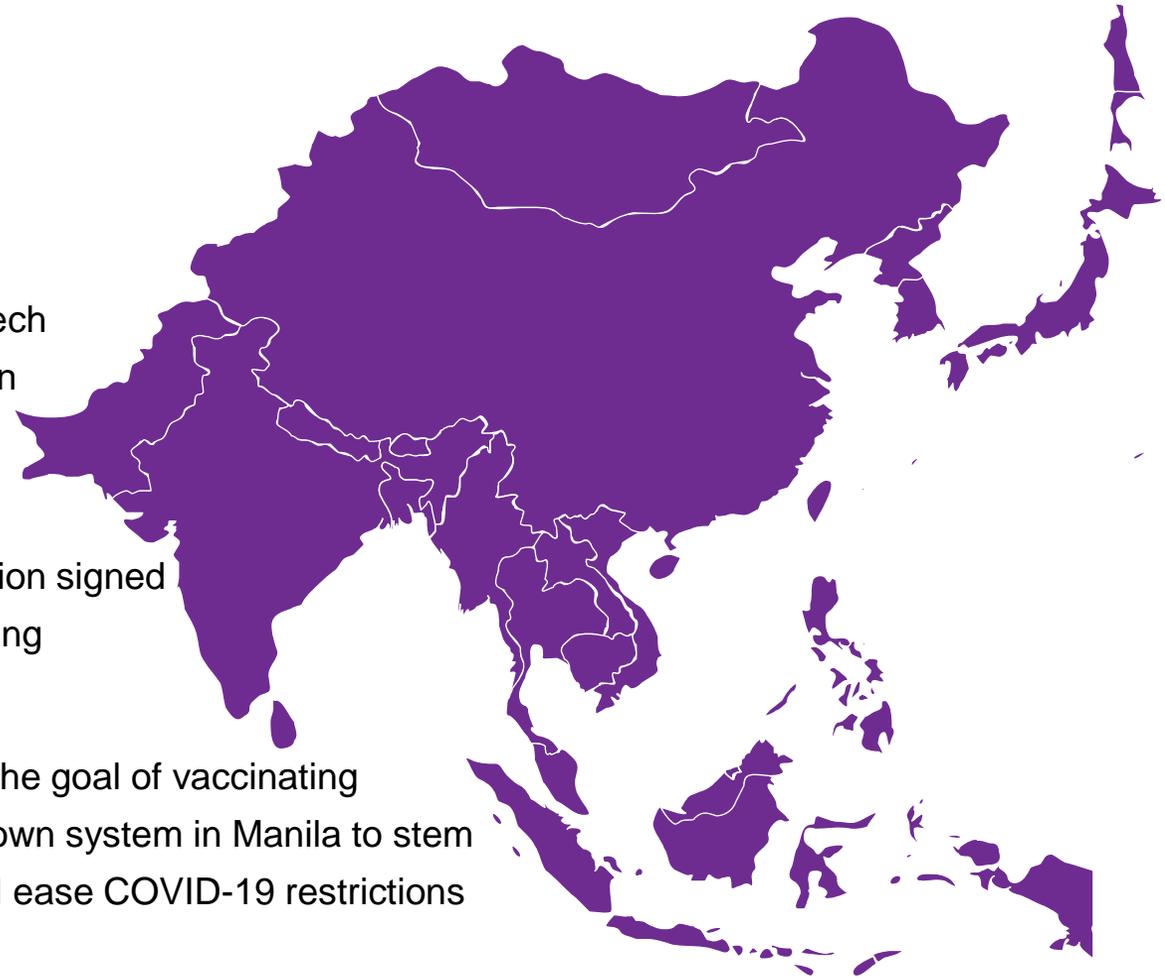
- Leaders of the **Guinean** military junta, which overthrew the democratically-elected president earlier this month, denounced international reprisals, such as the suspension from ECOWAS, and sanctions, saying that they “*put an end to a situation of lawlessness.*”
- **Zimbabwe’s** ruling party dismissed allegations that it had perpetrated cyber-attacks against the new president of Zambia.
- A deal between the military junta in **Mali and Russia** to allow Russian mercenaries to operate in the country is reportedly close, despite French opposition.
- **Algeria** arrested 16 more members of the MAK, a separatist group considered terrorists that the Algerian government has accused of lighting destructive wildfires over the summer.



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# Asia

- **China's** Ministry of Industry and Information Technology (MIIT) told tech giants to stop a longstanding practice of blocking each other's links on their websites, in an expansion of Beijing's regulatory crackdown on practices seen as uncompetitive.
- **Malaysian** Prime Minister Yaakob's coalition and the primary opposition signed a cooperation pact to ensure that the government remains stable during COVID-19 and potentially help Yaakob win a confidence vote.
- **Japan** has fully vaccinated over 50 percent of its population and set the goal of vaccinating 80 percent by November. The **Philippines** will pilot a localized lockdown system in Manila to stem COVID-19 while allowing more businesses to operate. **Indonesia** will ease COVID-19 restrictions for Bali, reopening the popular destination to tourists.
- Deposed leader Aung San Suu Kyi, detained since **Myanmar's** February military coup, missed a court hearing on Monday for health reasons. As the UN General Assembly prepares to meet over the next few weeks, the question of who will represent Myanmar at the international body – the military junta's appointee or that of the exiled Government of National Unity (GNU) - is set to come to a head.

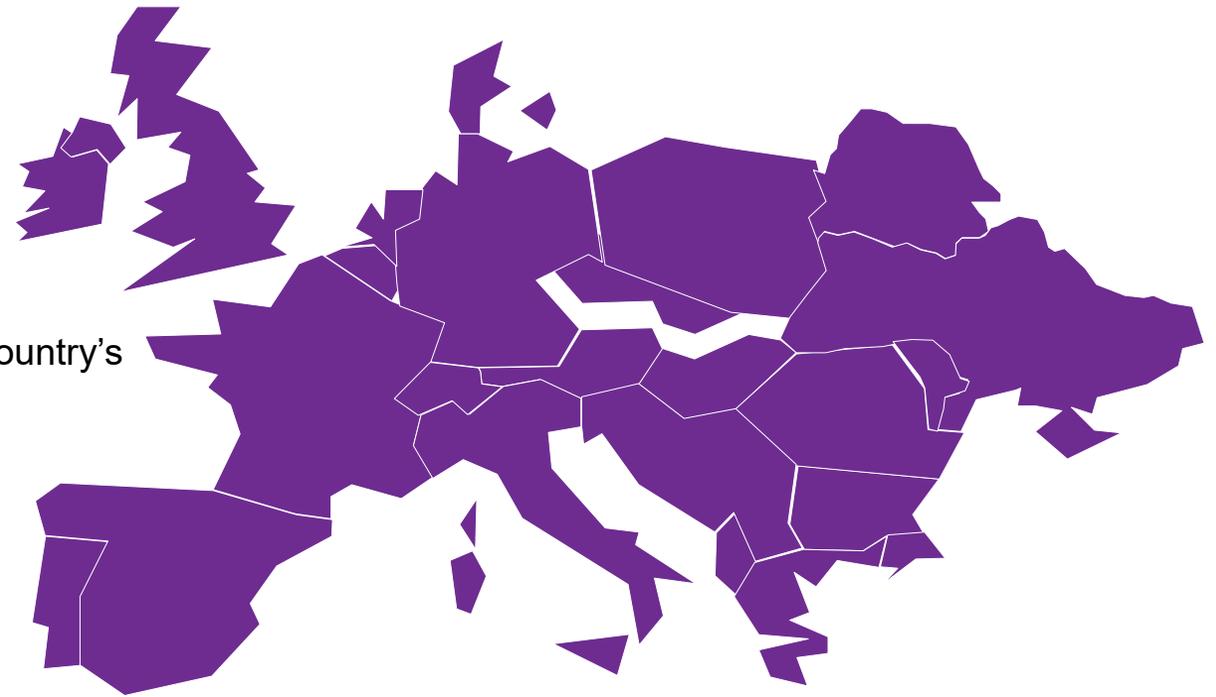


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# Europe

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- Exit polls in **Norway** show that the left-wing opposition won the country's general election.
- Prominent rightwing news commentator Eric Zemmour was removed from his channel due to expectations that he will run against President Macron in 2022 elections; **French** laws require a balanced allocation of airtime to politicians.
- Analysis from the Irish Council for Civil Liberties found that **Ireland's** Data Protection Commission (DPC) has failed to resolve 98 percent of significant complaints, a major shortfall for the lead regulator responsible for upholding the EU's data protection laws against big tech firms.
- The **UK** will begin vaccinating 12-to-15-year-olds against COVID-19. Scotland will push ahead with requiring vaccine certificates in nightclubs and other large venues, despite England's decision not to do so. England released data on 256 "*breakthrough*" deaths of fully vaccinated people between January 2-July 2, showing increased risk for men, the elderly, and the immunocompromised.
- **Russian** President Putin received **Syrian** leader Bashar al-Assad in Moscow for the first time since 2015 on Monday and criticized foreign forces that are in Syria without a U.N. mandate. Putin cancelled a trip to **Tajikistan** on Tuesday, deciding to self-isolating after members of his entourage fell ill with COVID-19.



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# Middle East

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- **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?

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*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
- ❖ Market-entry assessments
- ❖ Legislative and government action forecast
- ❖ Comprehensive project analysis
- ❖ Coronavirus vaccine tracker and return-to-work monitoring
- ❖ 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

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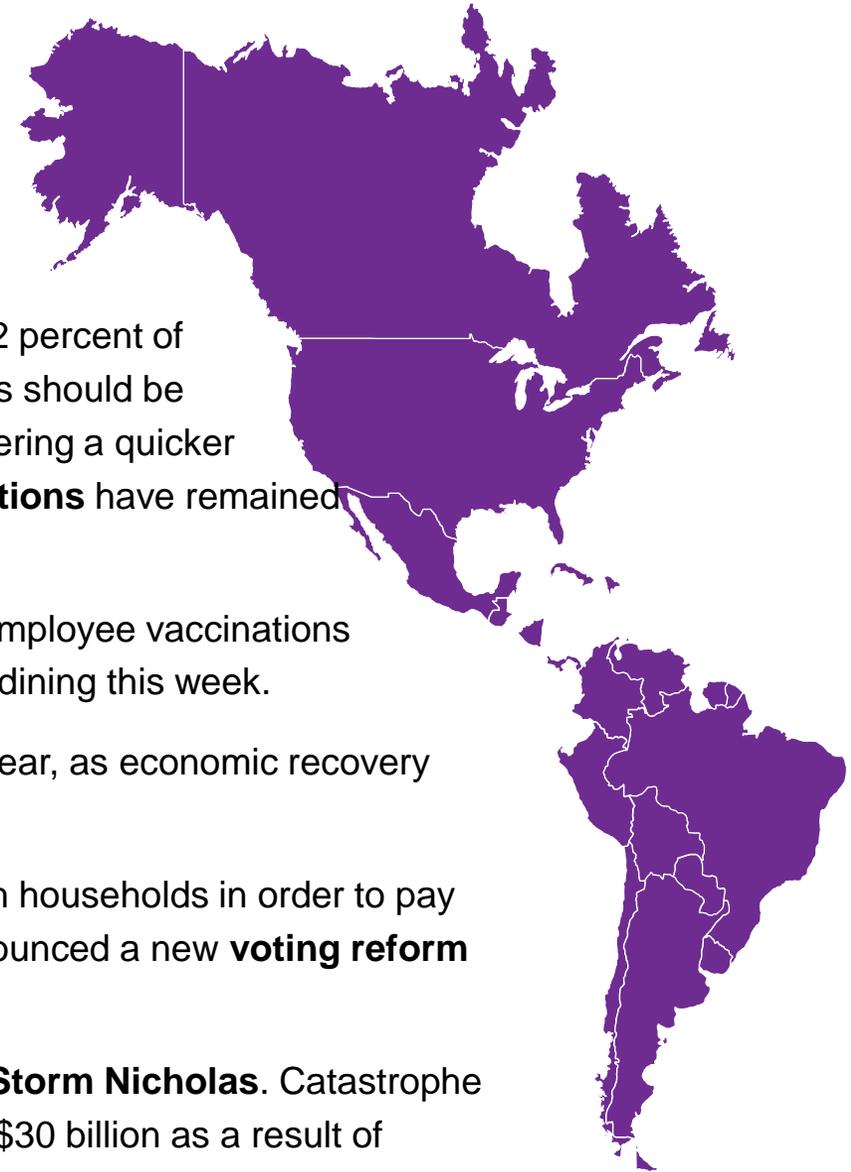
- **Canadian** Prime Minister Trudeau vowed to crack down on anti-vaccine protesters outside of hospitals and accused his primary opponent of opposing vaccination.
- A record 65 environmental defenders were killed in **Colombia** in 2020, according to a report by advocacy group Global Witness, nearly one-third of the worldwide total.
- SoftBank Group Corp launched a \$3 billion fund to invest in technology companies in **Latin America** in a bid to build on the success of its initial fund for the region.



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# Americas: US

- Across the nation, 209.7 million have received at least one dose of the **vaccine**; or 63.2 percent of the total population. The FDA said children in **clinical trials** testing COVID-19 vaccines should be monitored for at least two months for side effects, suggesting that the agency is considering a quicker path to authorize the shot for emergency use than full approval. COVID-19 **hospitalizations** have remained below 100,000 for the third day, a first in the past three weeks.
- **Florida** Governor DeSantis has threatened fines for cities and counties that mandate employee vaccinations against COVID-19. **New York** City begins enforcing its vaccine requirement for indoor dining this week.
- The US **budget deficit** narrowed to \$2.7 trillion in the first eleven months of the fiscal year, as economic recovery helped boost tax receipts.
- House Democrats released details of their plans to raise **taxes** on corporations and rich households in order to pay for their desired climate and social spending bill. Senate Majority Leader Schumer announced a new **voting reform bill** as soon as next week.
- Officials in Texas and Louisiana are preparing for strong winds and rain from **Tropical Storm Nicholas**. Catastrophe risk modeling firm AIR Worldwide estimates that insurers could see claims from \$20 to \$30 billion as a result of **Hurricane Ida**.
- The US said that it is still prepared to engage with **North Korea**, even after Pyongyang's weekend missile test.



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# The Next Wave of Terrorism

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***The 20th anniversary of the 9/11 attacks marked an introspective moment for Americans to reflect on the horrific events that took just under 3,000 lives on a beautiful autumn day, the global war on terrorism in the years since, and how our lives have changed. With the abrupt end to the war in Afghanistan, Americans are asking if forever wars are worth the loss of blood and treasure, and if the homeland is safer for it. While counterterrorism experts debate the extent of threats that may emerge from a new terrorist safe haven in Afghanistan, international attacks are not the most urgent threat demanding US focus. Domestic terrorism is a significantly greater risk in the months ahead.***

Former President George W. Bush raised the threat of domestic terrorism in his remembrance speech at the Flight 93 National Memorial near Shanksville, Pennsylvania last Saturday: *“And we have seen growing evidence that the dangers to our country can come not only across borders, but from violence that gathers within.”* While noting that foreign and domestic extremists do not share ideology, they are fellow travelers: *“But in their disdain for pluralism, in their disregard for human life, in their determination to defile national symbols, they are children of the same foul spirit.”*

US Intelligence has been warning about the growing threat of domestic terrorism for several years. FBI Director Christopher A. Wray in March 2021 testimony before Congress reported that the

number of domestic terrorism investigations at the Bureau had risen to 2,000 since he became its director in 2017. The Office of the Director of National Intelligence (ODNI) issued an [assessment](#) also in March finding that *“domestic violent extremists (DVEs) who are motivated by a range of ideologies and galvanized by recent political and societal events in the United States pose an elevated threat to the Homeland in 2021.”*

The domestic terrorism landscape ranges from racially or ethnically motivated violent extremists, anti-government extremists, to single-issue extremists—white supremacists, militia groups and anarchists. Many are angry over identity issues and perceived marginalization. Extremists exploit a variety of popular social media platforms,

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# The Next Wave of Terrorism

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smaller websites with targeted audiences, and encrypted chat applications to recruit new adherents, plan and rally support for in-person actions, and disseminate materials - often disinformation - that contribute to radicalization and mobilization to violence. The ODNI warned that growing perceptions of government overreach related to legal or policy and high-profile attacks could spur follow-on attacks.

The pandemic has been a significant driver for extremism, serving as an accelerant to pre-existing grievances. Government-imposed lockdowns, mask mandates and – most recently – vaccine mandates – are expanding the pool of the discontent who the extremists seek to indoctrinate, recruit and mobilize. Extremists advance conspiracy theories to undermine confidence in governance institutions and political leaders. The January 6 Capital Hill attack is a good example of how extremists exploited a constitutionally protected protest over election results, pushed it across the legal line, by allegedly planning and fomenting a violent attack on the seat of the federal government to overturn the election.

It is a dangerous misperception to view domestic extremism as a fringe problem with limited risk, best handled by local law enforcement. Domestic extremists are difficult to detect because they can hide their activities under First Amendment protections. Membership in an extremist organization is not illegal. While US law criminalizes providing “material support” to a foreign terrorist organization, there is no comparable law that makes domestic terrorism a federal crime, even though individual acts committed by domestic terrorists may be illegal. Most domestic terrorism investigations are opened after an attack occurs, and law enforcement rely on other criminal statutes such as those dealing with murder and assault to charge defendants. The lack of a domestic terrorism law means that law enforcement and the intelligence community are not well positioned to identify and disrupt attacks before they happen.

The bipartisanship among US lawmakers on national security issues prevalent post 9/11 in 2001, that led to the passage of the Patriot Act, does not exist in 2021. There is currently no consensus that

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# The Next Wave of Terrorism

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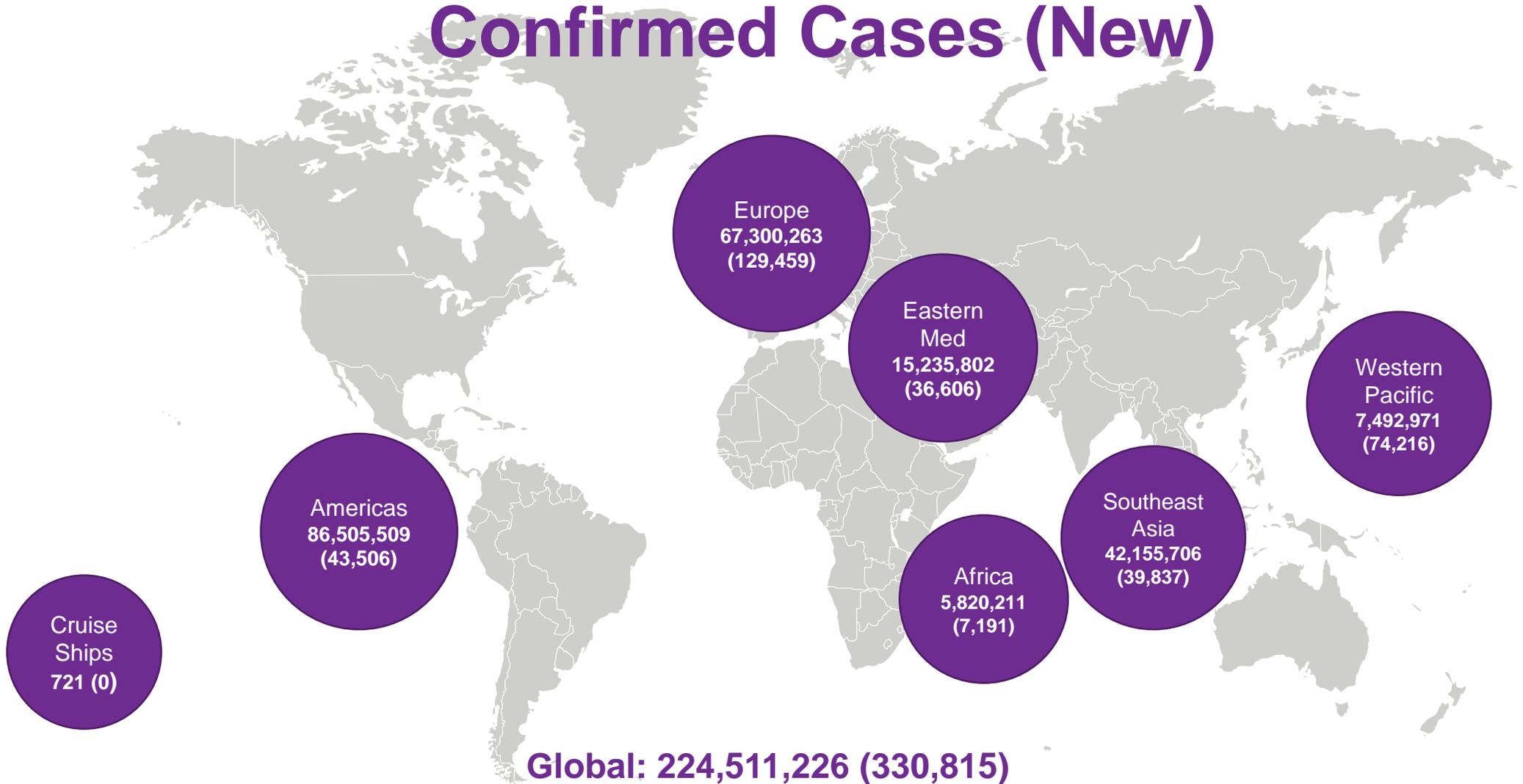
law enforcement and the intelligence community need similar tools to counter domestic terrorism. Americans rightfully value their privacy protections and are culturally resistant to expansion of domestic surveillance authorities. That said, it would be a great tragedy for the US to have to repeat the experience of a mass casualty attack in order to develop a more robust counter-domestic terrorism capability. US national security leaders are aware of both the growing threat and the need to act. Wray in an [opinion piece](#) in the *Washington Post* this past week called on intelligence and law enforcement communities to innovate and think creatively. Meanwhile, individuals, organizations and companies can help counter the threat by not enabling the spread of extremist disinformation and conspiracy theories and contributing to constructive efforts to address legitimate social and economic grievances.

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# Coronavirus Condition Updates

As of 5:36 pm CEST on September 13, 2021

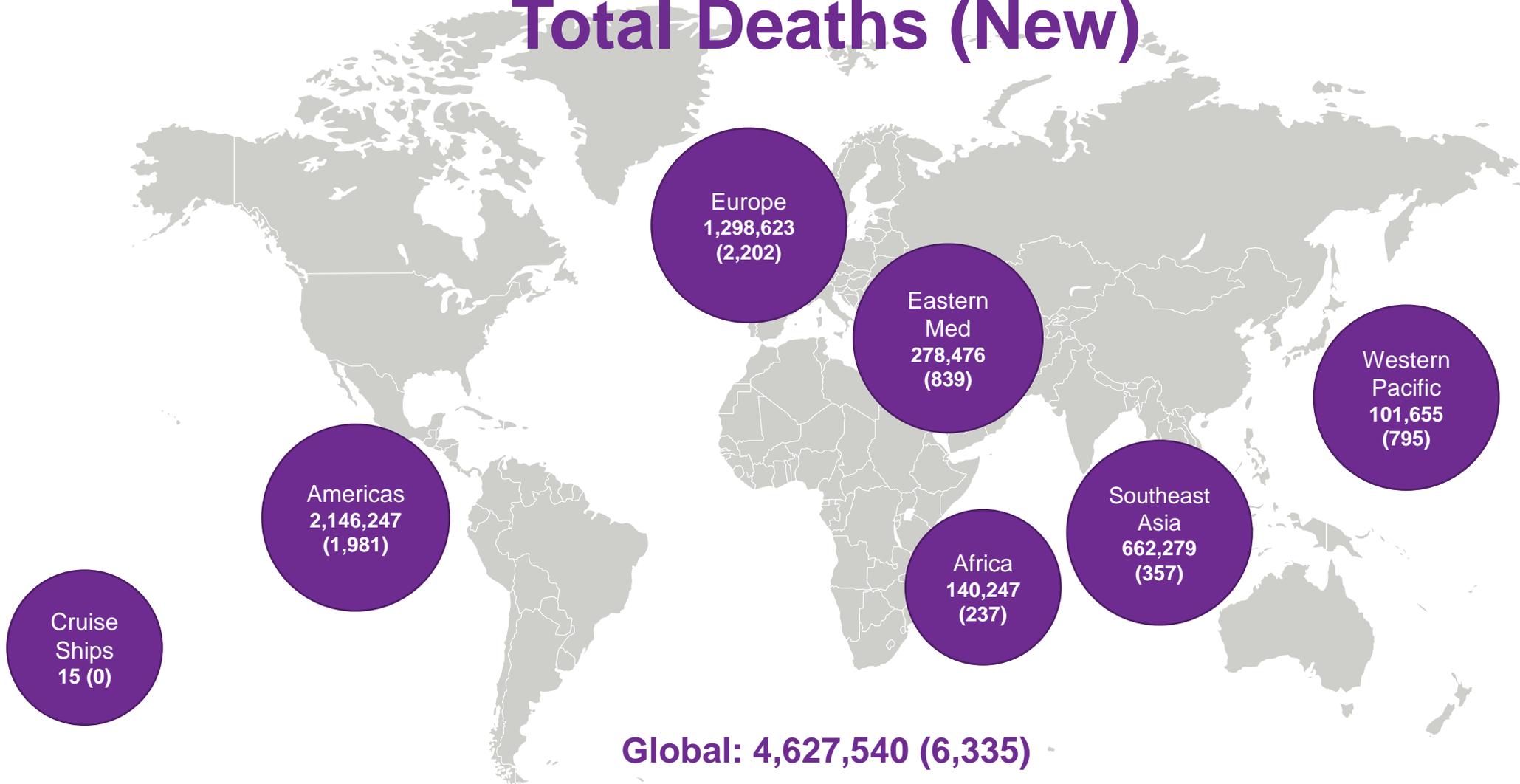
# Confirmed Cases (New)



Reflects data as of 5:36 pm CEST on September 13, 2021.  
Data Source: World Health Organization

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# Total Deaths (New)



Reflects data as of 5:36 pmCEST on September 13, 2021  
Data Source: World Health Organization

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# Contacts

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*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.*

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