

Dentons Flashpoint

Daily Global Situation Report

September 17, 2021

Global Situation Update: September 17, 2021

KEY TAKEAWAYS

China seeks to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

The EU established a new \$35 billion health authority tasked with preparing for a future pandemic.

Canada grants full approval for Moderna's COVID-19 vaccine.

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

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WHAT WE'RE WATCHING

Capitol Police and other law enforcement agencies in Washington, DC are making final security preparations for the 'Justice for J6' rally scheduled for Saturday. The rally is expected to attract approximately one thousand people who will protest the "inhumane" treatment of suspected January 6 rioters by the federal government. The National Guard is on standby to assist with the first large-scale security test since January.

Fallout from the fateful rally at the US Capitol earlier this year included boycotts against companies that disputed the outcome of the 2020 election and the termination of many employees recorded participating in the riot. Organizers of Saturday's rally will decry the "political prisoners" being held since January and are urging participants not to wear clothing or carry signs that express support for political figures.



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Global

Globally, confirmed coronavirus cases topped 226.2 million with 4.6 million deaths; more than 5.6 billion vaccine doses have been administered.

- The WHO suspended the approval process for **Russia's Sputnik V vaccine** due to concerns about the vaccine's manufacturing.
- The **World Economic Forum** confirmed that it plans to return to Davos next January, after two years of disrupted events.
- The World Bank cancelled its issuance of its prominent **"Doing Business" report** after an investigation into pressure on staff to change the ranking of China and other countries.

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Markets & Business

United Airlines revealed that 90 percent of its employees are fully vaccinated, less than two weeks before the company's deadline for worker vaccination.

- The editor-in-chief of state-backed Chinese newspaper *Global Times* warned debt-ridden property giant **Evergrande Group** that it should not bet on a government bailout on the assumption that it is "*too big to fail*," spiking concerns of foreign investors who have bet heavy on risky high-yield investments in China.
- US fertilizer maker **CF Industries Holdings** is closing two UK plants due to high natural gas prices, underlining the risks of supply chain bottlenecks linked to high UK energy prices.
- **Ford** is adding 450 jobs to match pre-order demand for its electric F-150 pickup, in a strong sign of consumer interest in electric trucks.
- New unpublished internal models from the European Central Bank show that a targeted **inflation rate** of 2 percent could be reached by 2025, setting the bank on course to raise interest rates within three years.
- The US Federal Reserve said it is reviewing **ethics guidelines** for how senior officials can participate in financial markets.
- US and European lobbying groups are urging the EU to extend permits granting EU banks access to **UK clearing houses** before they expire next year and cause a market disruption.

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Africa

- **Egypt and Sudan** renewed calls for UN-mediated talks with Ethiopia on the Grand **Ethiopian** Renaissance Dam.
- **Somali** President Mohammed withdrew some of the powers of Prime Minister Roble, the latest step in an escalating dispute that came to a head in early September when Roble dismissed a security official that was a close ally of Mohammed.
- At an ECOWAS summit to discuss the recent coup in **Guinea**, west African leaders promised to impose “*penalties*” on Guinea if former president Alpha Conde is not promptly released.
- **Kenya** will begin locally manufacturing COVID-19 vaccines next year.
- Human Rights Watch reported that **Eritrean** and Tigrayan soldiers raped, detained and killed Eritrean refugees amid the conflict in Tigray, **Ethiopia**.



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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

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

Asia

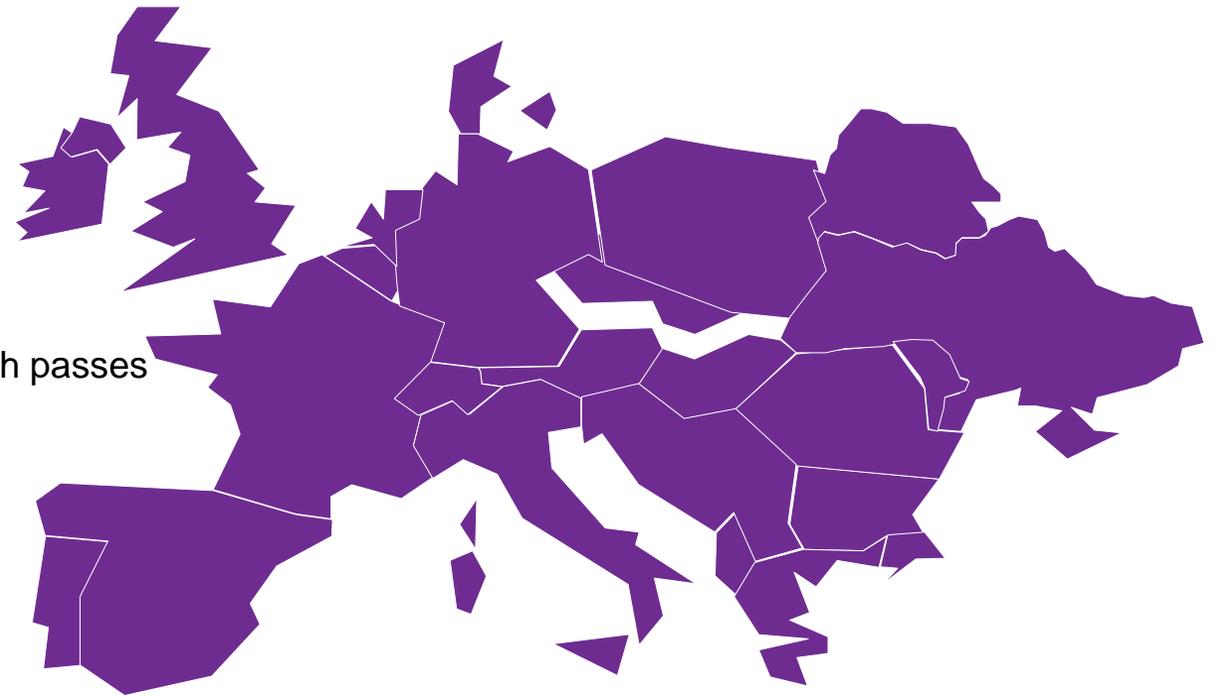
- **Chinese** officials announced that over 1 billion citizens have now been fully vaccinated, accounting for nearly 90 percent of the population.
- **Taiwan** announced a \$9 billion increase in defense spending.
- **New Zealand's** economy expanded by a stronger-than-expected 2.8 percent in the second quarter.
- The daughter of **Philippine** President Duterte will seek re-election as mayor of Davao, despite some calls for her to run for president.
- A new survey shows that a majority of **ASEAN** residents favor shifting away from fossil fuels – and believe their governments are not doing enough to fight climate change.
- **Indonesia** increased patrols in the South China Sea after detecting unidentified foreign vessels.
- **China** announced that it had applied to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) hours after the **US, UK and Australia** announced a new defense cooperation pact. The CPTPP was signed by 11 countries including **Australia, Canada, Chile, Japan and New Zealand** in 2018 and formerly was known as the Trans-Pacific Partnership (TPP). President Trump withdrew the **US** from the pact in 2017.



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Europe

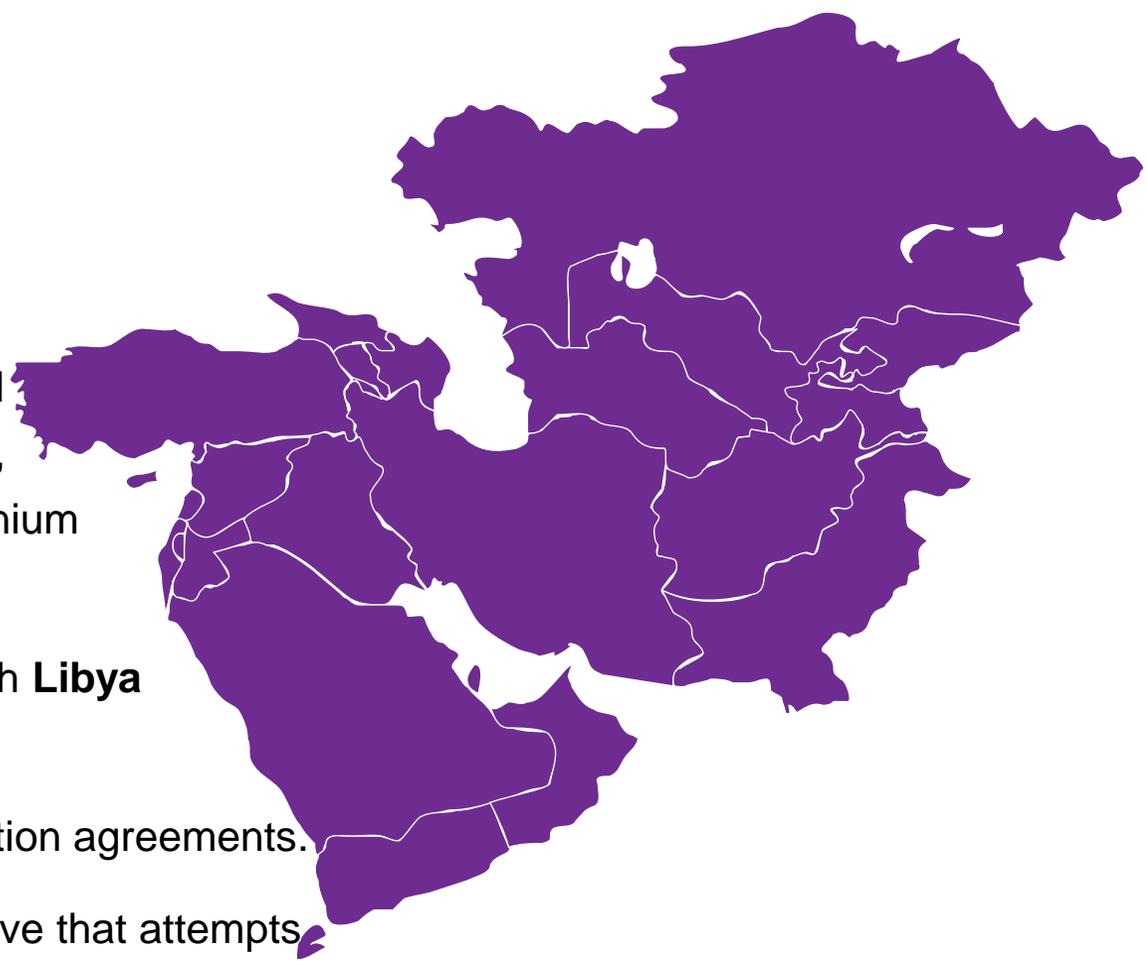
- **Italy** became the first European country to make COVID-19 health passes mandatory for all workers.
- A leading **UK** epidemiologist urged the use of masks again to stop virus spread in the winter, saying booster shots will not be sufficient to contain COVID-19. England began giving booster shots to healthcare workers.
- **France** criticized the new **US-UK-Australia** security pact (AUKUS) as a “*stab in the back*,” the deal will cause Australia to cancel a submarine contract with France. The EU also expressed “*regrets*” over its exclusion from the pact.
- **Russian** President Putin said that he will continue self-isolating, saying that “*dozens*” of his staff have become infected.
- The **UK** pledged to reinstate pounds and ounces as permissible units for British traders, rather than the EU’s grammes and kilos.
- The **EU** established a \$35 billion Health Emergency Preparedness and Response Authority (HERA) tasked with preparing for a future pandemic.



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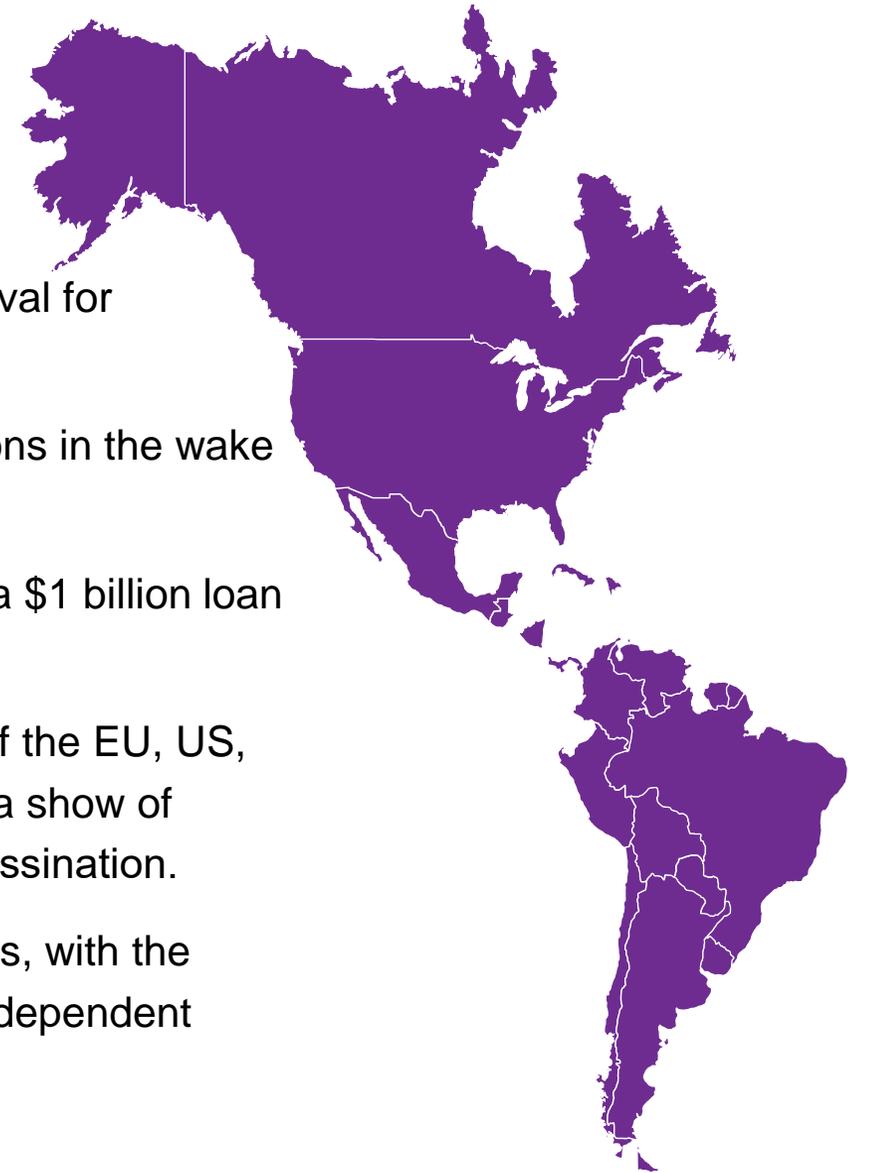
Middle East

- **Iran** accused the IAEA of being “*unprofessional*” amid several spats over removed cameras and the treatment of inspectors, and ahead of planned talks over the origin of unidentified uranium particles. Iran approved the Johnson & Johnson vaccine.
- **Tunisian** President Saied announced that the land border with **Libya** will open shortly.
- **Egypt** and **Libya’s** unity government signed several cooperation agreements.
- Hizballah began bringing **Iranian** fuel into the country in a move that attempts to ease the fuel crisis in the country, but also may trigger **US** sanctions. The **EU** parliament called for the EU to still consider imposing sanctions on actors in **Lebanon** who impede the progress of the new government, despite the successful formation of a government. A Lebanese judge issued an order for the arrest of the former minister of public works for involvement in the August 2020 Beirut port blast.



Americas

- **Canada's** drugs regulator became the first in the world to grant full approval for Moderna's COVID-19 vaccine.
- **Argentine** President Fernandez called for unity after a wave of resignations in the wake of a midterm loss threatened to fracture the ruling coalition.
- **El Salvadorean** bonds sank amid worries that the country will not reach a \$1 billion loan agreement with the IMF and that its use of bitcoin could hurt its credit.
- The Core Group of ambassadors in **Haiti**, which includes ambassadors of the EU, US, UN and OECD, among others, met with Haitian Prime Minister Henry as a show of support after he was accused of involvement with his predecessor's assassination.
- **Bahamian** Prime Minister Minnis conceded defeat in the general elections, with the island reeling from a surge in COVID-19 cases and slump in the tourism-dependent economy due to the pandemic.



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Americas: US

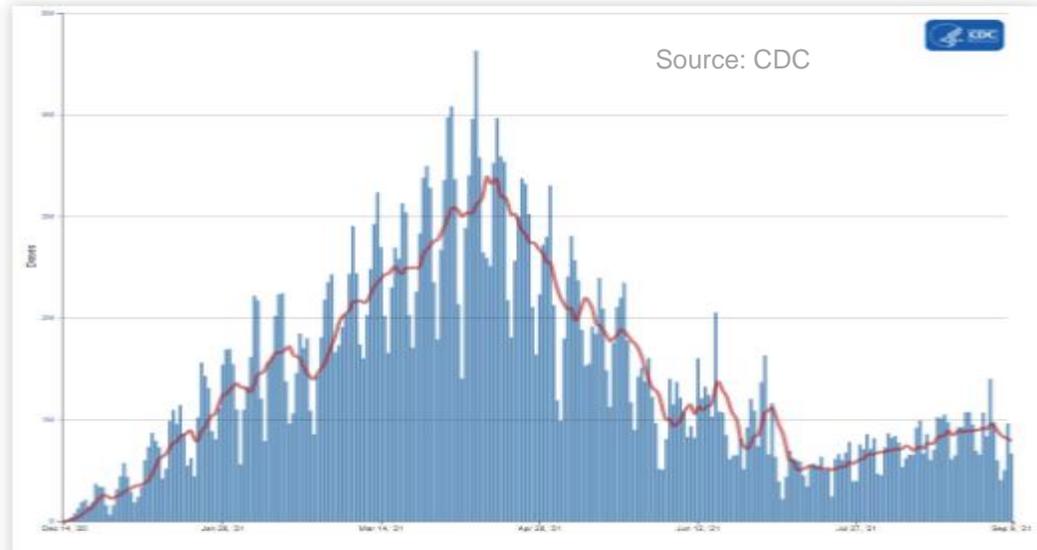
- Across the nation, 210.7 million have received at least one dose of the **vaccine**; or 63.5 percent of the total population. The **Delta outbreak** may have peaked. The current 7-day moving average of daily new cases decreased 12.7 percent compared with the previous 7-day moving average. However, **community transmission** remains “*high*” across the nation.
- The TSA has bolstered **airport security** ahead of a planned rally at the Capitol in support of the January 6th riots this weekend.
- Congress asked oil industry leaders to testify on **climate misinformation**.
- **US retail sales** climbed in August, rebounding from a slowdown in July. **Weekly jobless claims** rose from a pandemic-era low the previous week.
- A federal judge ordered the Biden Administration to stop using public-health law to turn back asylum-seekers crossing the border from **Mexico**. The US insisted that it is not seeking conflict with **China** following a military intelligence deal with the **UK and Australia** and called **France** a “*vital partner*” after the deal scrapped a French-Australian submarine deal.



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Americas: US

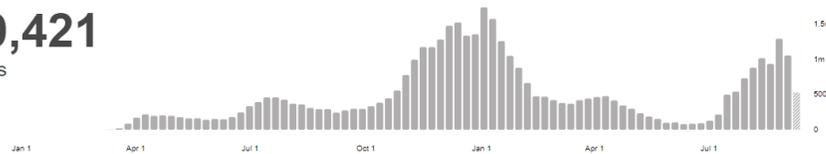
7-Day moving average Daily Vaccinations



United States of America Situation

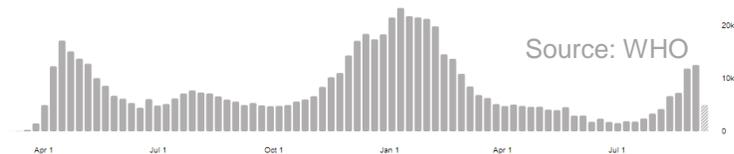
41,229,421

confirmed cases

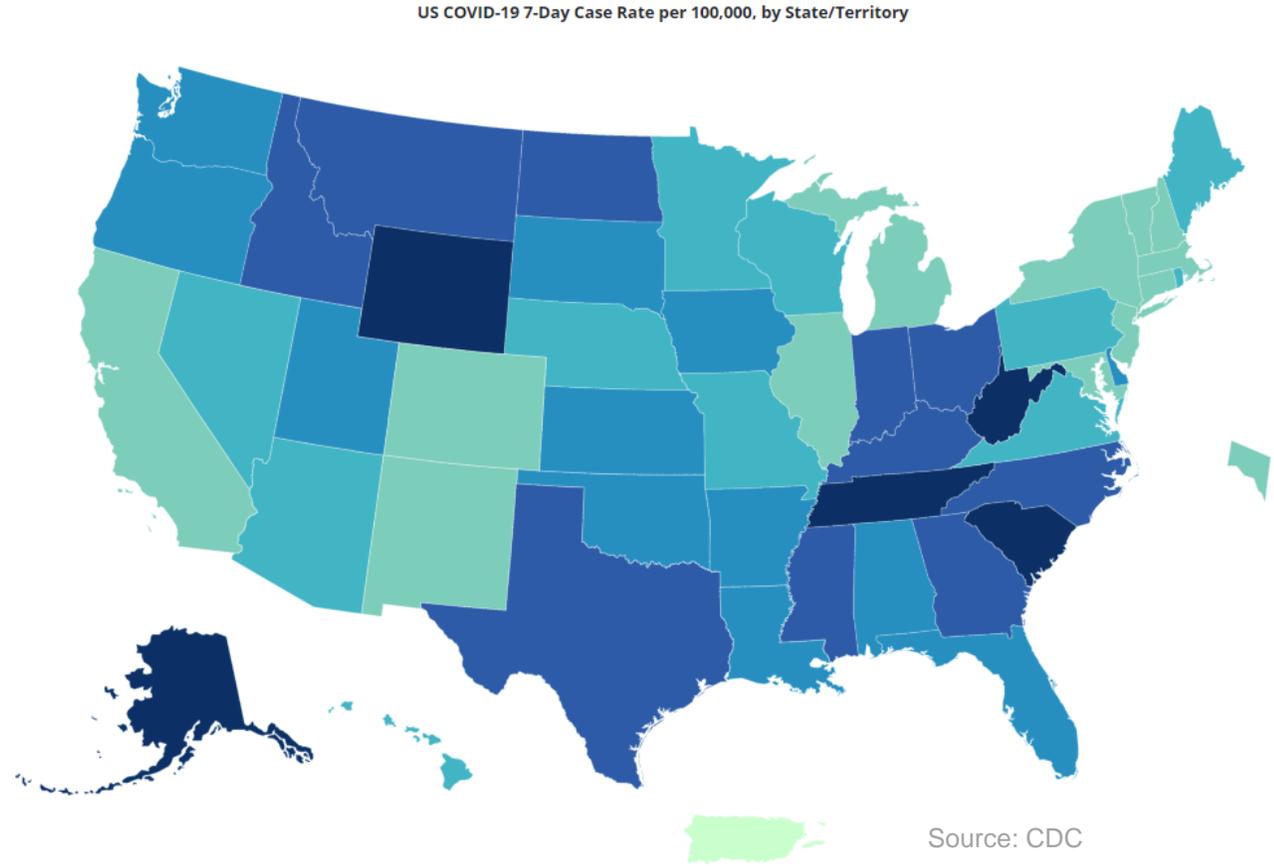


659,336

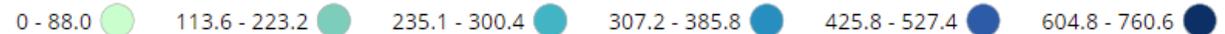
deaths



Source: World Health Organization
Data may be incomplete for the current Jan 1 day or week.



7-Day Case Rate per 100,000



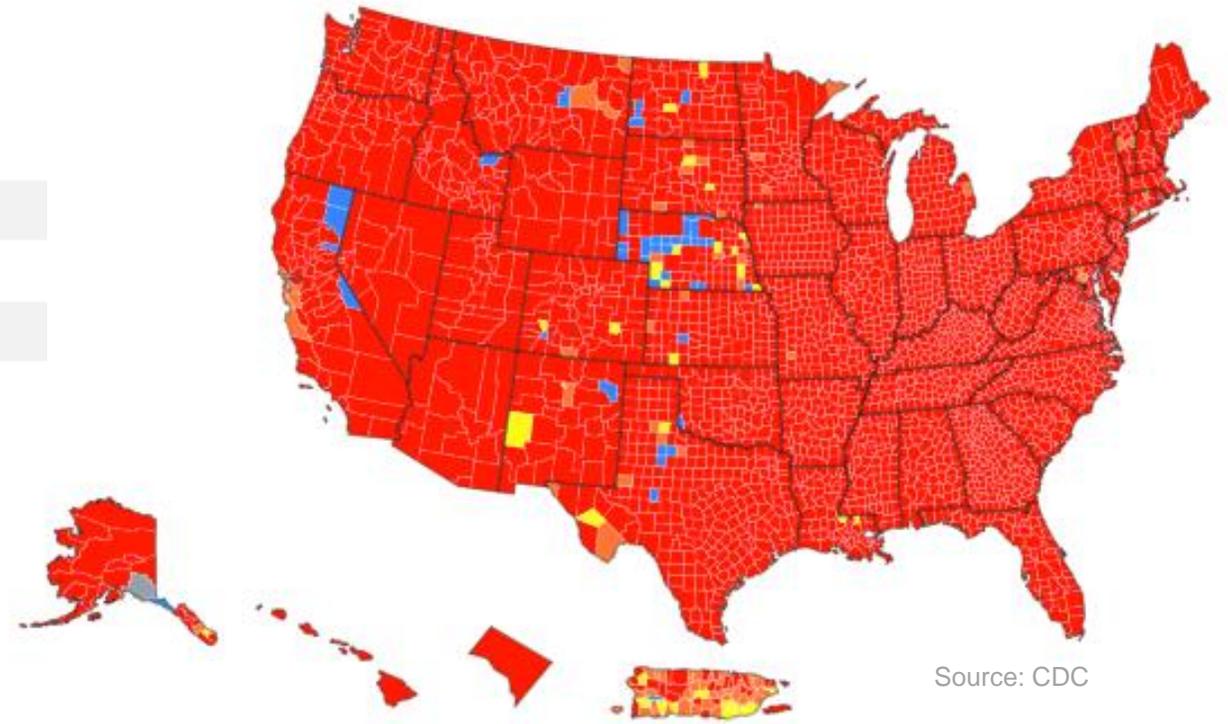
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Americas: US

Community Transmission Rate

Community Transmission in US by County

	Total	Percent	% Change
High	3041	94.44%	0.68%
Substantial	88	2.73%	-0.43%
Moderate	43	1.34%	0.34%
Low	47	1.46%	-0.59%



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Emerging & Existing Hotspots: 2021 Russian Duma Elections

By Alexander Lucaci

The elections for Russia's 450-seat lower house, which occur every five years, are not expected to dramatically alter the balance of power in the Duma, but have attracted increased international attention due to the Kremlin's successful attempts to shut down and criminalize significant opposition.

Russia will hold its parliamentary elections this weekend, with a three-day period of voting beginning on Friday, September 19., Russia's ruling party, Yedinaya Rossiya (United Russia) is suffering from its lowest domestic approval rating in history, garnering only 29 percent of public support in a reputable recent poll. Despite this, United Russia is expected to easily maintain control of parliament

with between 299 to 306 seats (approximately 67 percent), down from the 343 (76 percent) it last won in 2016, largely due to the disqualification of legitimate opposition candidates, ballot stuffing, and other election manipulation measures. Compounding the usual transparency issues is the fact that Moscow has denied entry to international election monitors from the OSCE (Organization for Security and Cooperation in Europe), citing health and security concerns due to the coronavirus pandemic.

Much like in 2016, this year's Duma elections are occurring during a period of heightened tensions between officials in Washington and Moscow. In advance of the vote, US Ambassador John Sullivan was summoned to the Russian Foreign Ministry to face questions about American tech giants, such as Apple and Google, interfering in the Duma elections through hosting voting information applications on their platforms. Even apart from these performative accusations of election interference, there are deep divisions between the US and Russia on a wide range of geopolitical and security issues, none of which are likely to be resolved in the short to medium term. The most recent point of contention, Washington's complete withdrawal from Afghanistan, puts enormous pressure on Moscow to ensure strategic stability in former Soviet states on its southern border.

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Emerging & Existing Hotspots: 2021 Russian Duma Elections

The spread of Islamic extremism from Afghanistan through Central Asia and into southern Russia and the Caucasus is a high-priority issue for President Putin, who is eager to avoid the type of high-profile terrorist attacks that marred the beginning of his 20+ years in power. Moscow has acted quickly in the aftermath of the US's exit from Afghanistan, establishing contacts with the Taliban and holding military exercises on Tajikistan's border with the country.

Elsewhere, intractable diplomatic stalemates between Moscow and Washington remain on the issues of Ukraine, Nord Stream II, and state-sponsored cyberattacks, among others. The US appears to have conceded to Russia on Nord Stream II by allowing the completion of the natural gas pipeline connecting Russia and Germany and likely increasing Europe's dependence on Russia for sources of energy. The US and Ukrainian governments, while in agreement on the nature and scope of the Russian threat to Kiev's territorial integrity, remain at odds about what should be done regarding the annexation of Crimea and subsequent frozen conflict in the Donbass. The frequency and intensity of Russia-based cyber and ransomware attacks on US government and commercial entities has increased over the course of 2021, prompting the White House to vow retaliation and likely induce an escalatory cycle. Other

potential US-Russia flashpoints include Moscow's support for the Maduro regime in Venezuela, miscommunication between military forces in Syria, and the Kremlin's expanding military and economic footprints across Africa, which may threaten both US and European commercial interests.

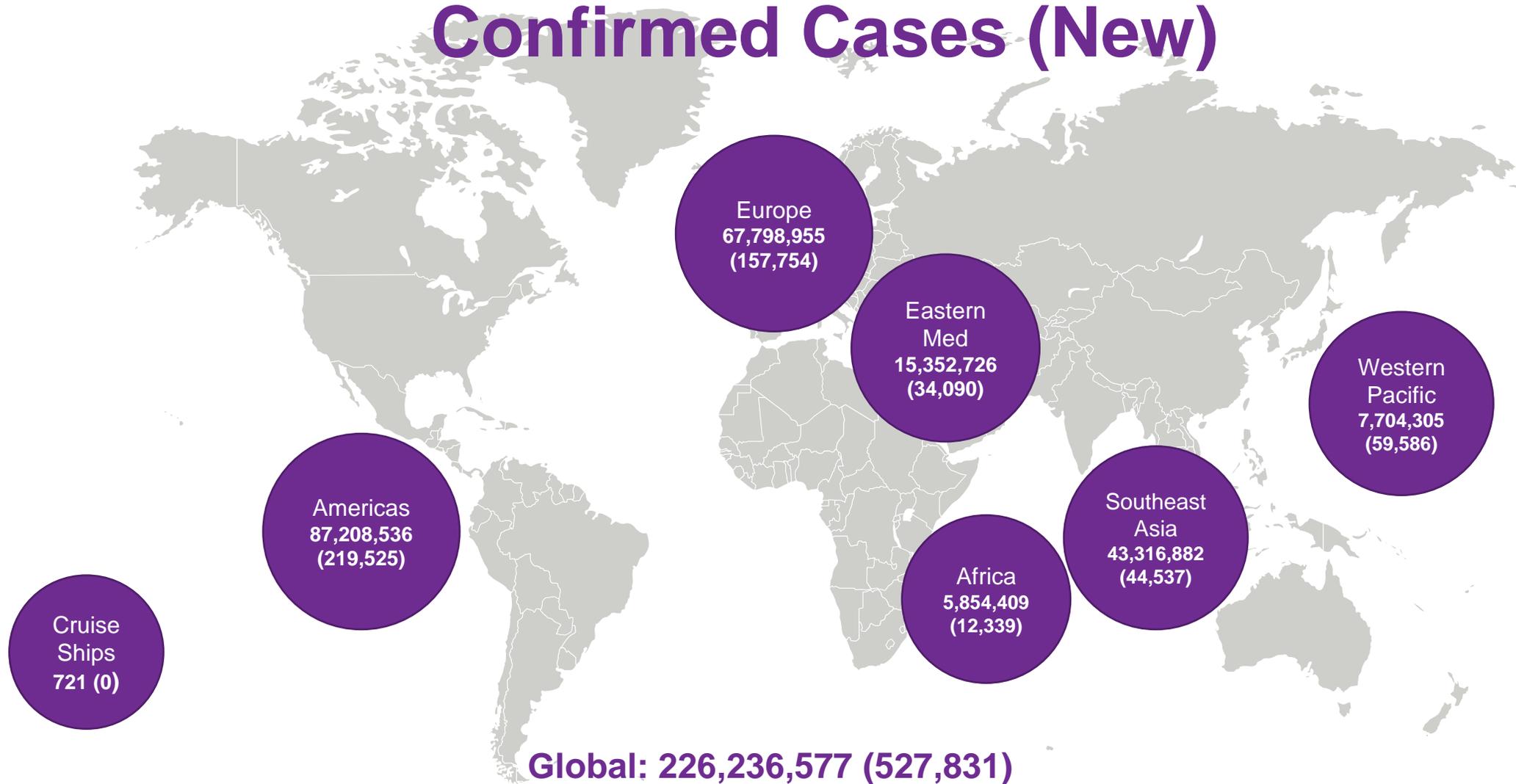
The results of this weekend's Duma elections are unlikely to alter either Moscow's international strategic outlook or domestic political environment. Russia's parliament provides no meaningful oversight into decisions made by the Kremlin and primarily acts as a rubber-stamp for President Putin's domestic policy initiatives. Despite the near certainty of United Russia maintaining control of the Duma, there remain short-term elevated risks in Russia for domestic instability and mass protests, should election officials be caught engaging in flagrant corruption in the form of ballot stuffing, bribery, or other electoral fraud. Even if Russians take to the streets, the most likely outcome is that the Kremlin engages in its usual suppression tactics, and that the demonstrations lose momentum after several days or weeks. Looking forward, President Putin will stand for reelection again in 2024 at the age of 70 and likely require the support of a compliant and loyal Duma - something Russian authorities will ensure this weekend.

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Coronavirus Condition Updates

As of 4:18 pm CEST on September 16, 2021

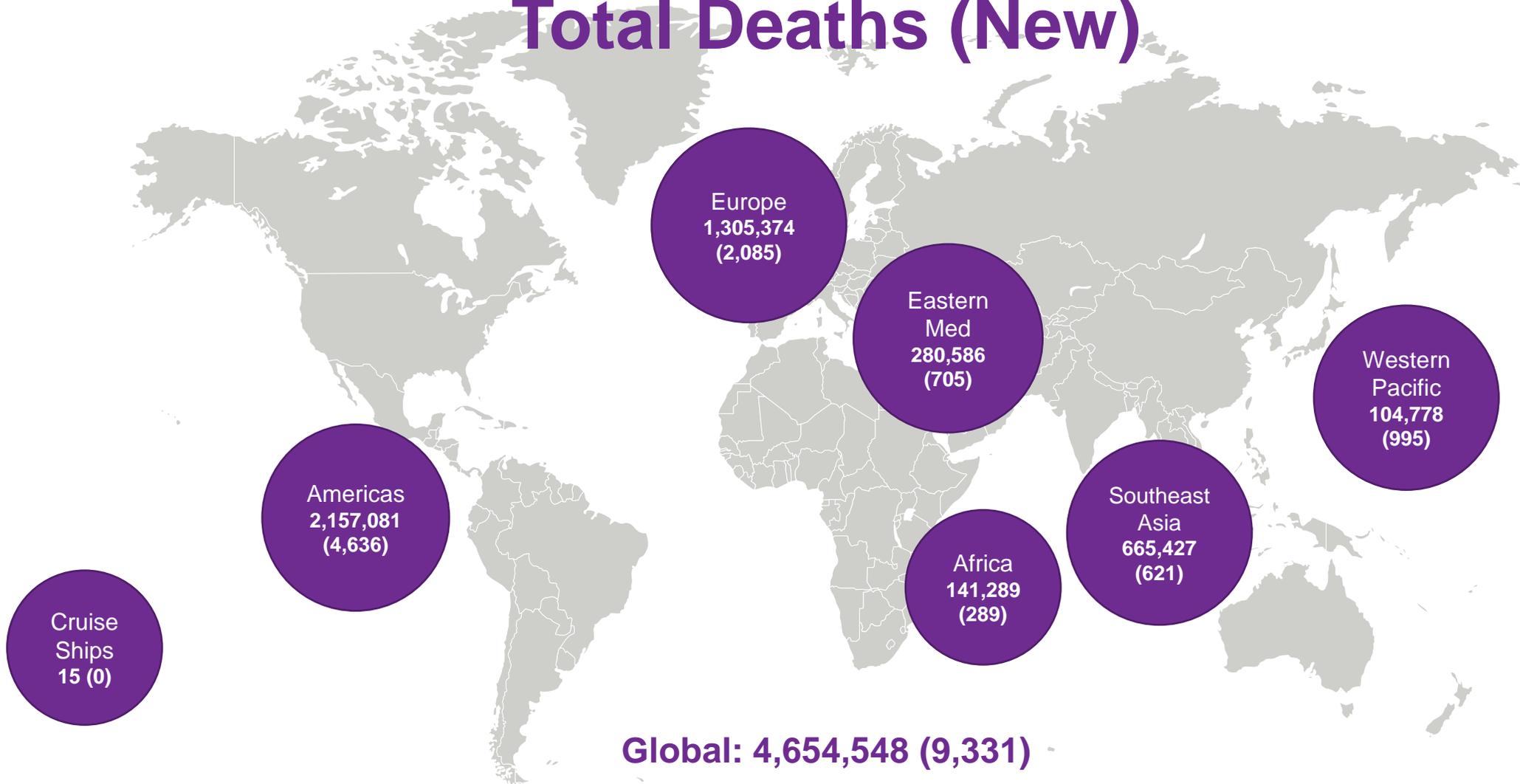
Confirmed Cases (New)



Reflects data as of 4:18 pm CEST on September 16, 2021.
Data Source: World Health Organization

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Total Deaths (New)



Reflects data as of 4:18 pm CEST on September 16, 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.

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