

Dentons Flashpoint

Daily Global Situation Report

September 23, 2021

Global Situation Update: September 23, 2021

KEY TAKEAWAYS

The WHO tightened its air quality guidelines for the first time since 2005.

Following China, Taiwan formally requested to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership.

France, US, UK and Australia diplomatically walk back from dispute over nuclear sub deal.

Global Situation Update: September 23, 2021

WHAT WE'RE WATCHING

Global market jitters persist over whether Chinese real estate developer Evergrande will make payments on roughly \$300 billion worth of debt, widely held by Chinese private and public entities. Yesterday, Evergrande settled a domestic bond coupon payment for an undisclosed amount, while today \$83.5 million in interest is due on a dollar-denominated bond. Another \$47.5 million loan payment is due next week.

Although Evergrande may default on loans, some analysts maintain that such defaults are not necessarily cause for widespread panic in global markets. Beijing is likely to play a major role in a swift restructuring of the debt even if it does not offer an outright bailout of the company. Evergrande is deeply intertwined with China's broader economy, but conversation about how this is a 'Lehman Brothers' moment is often misleading.



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 229.3 million with 4.7 million deaths; more than 5.7 billion vaccine doses have been administered.

- At the UN General Assembly, leaders from developing nations warned that **COVID-19 vaccine hoarding by wealthy countries** left the door open for the emergence of new coronavirus variants even as infections already increase in many places.
- The US promised to buy a further 500 million **COVID-19 doses to donate internationally**. Japan pledged to give 60 million COVID-19 vaccines to other countries, doubling prior commitments. South Korea will donate 1 million vaccine doses to Vietnam in the country's first direct vaccine sharing initiative.
- Researchers from the US CDC found that over half of adults who developed a **rare inflammatory condition** after contracting COVID-19 ended up in the ICU.
- Gilead Sciences said that late-stage trials showed that its antiviral drug remdesivir **lowers COVID-19 hospitalization risk**.
- The WHO tightened its **air quality guidelines** on Wednesday for the first time since 2005, hoping to spur countries toward clean energy and prevent deaths and illness caused by air pollution.

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Markets & Business

Credit data generated by Ant Group Co.’s consumer lending service will be fully integrated into a government credit-reporting system, a significant step in a continuing effort to bring the financial-technology giant into line with Chinese regulators’ priorities.

- US Federal Reserve officials expect to raise **interest rates** at least three times in 2023, and plan to start withdrawing monetary stimulus by the end of the year.
- US officials are pressing **semiconductor companies** for “*more transparency*” about their supply chains as they work to alleviate a global chip crisis.
- **General Mills** reported strong quarterly results in a sign that at-home cooking demand will remain high as workers continue to stay home.
- Six employees sued **United Airlines** over its vaccine mandate, saying the company did not make sufficient accommodations for religious and medical exemptions.
- **Apple** denied a request to allow **Fortnite** back onto the iPhone until **Epic Games** litigation against Apple is resolved.

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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:

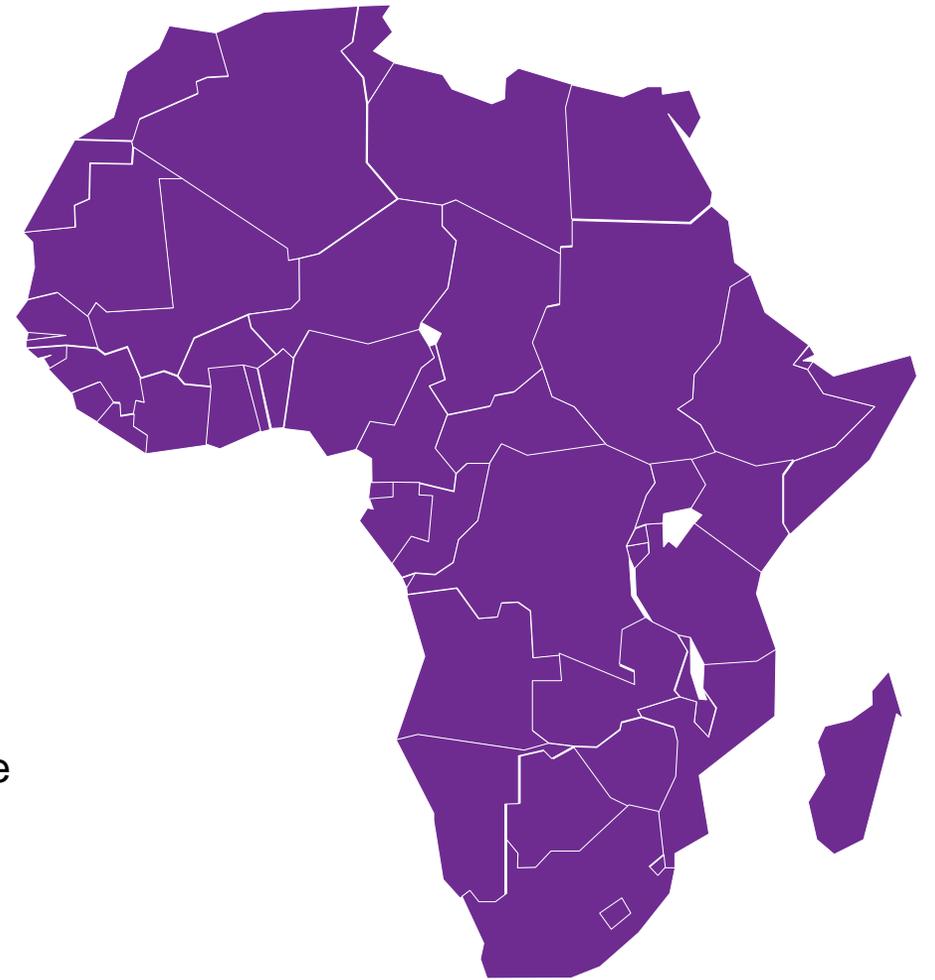
- ❖ organizational cyber risk assessment
- ❖ crisis management for cyber incidents
- ❖ privacy law and compromised data advice
- ❖ self-reporting, liaising with law enforcement following cyberattack
- ❖ ransomware attack guidance
- ❖ cybersecurity readiness and remediation
- ❖ cyberattack source and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

All interaction with Dentons is attorney-client privileged

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

Africa

- **Sudan's** military leaders accused civilian politicians, with whom they jointly rule per a postwar power sharing agreement, of provoking this week's alleged coup by neglecting public warfare.
- **Tanzanian** prosecutors dropped sedition charges against opposition politician Tundu Lissu and three other opposition figures, following international condemnation of the arrest.
- Thousands of **Cameroonians** took to the streets to call for a ceasefire between the military and separatists.
- **South Africa** announced a more ambitious climate target ahead of November's UN climate conference.



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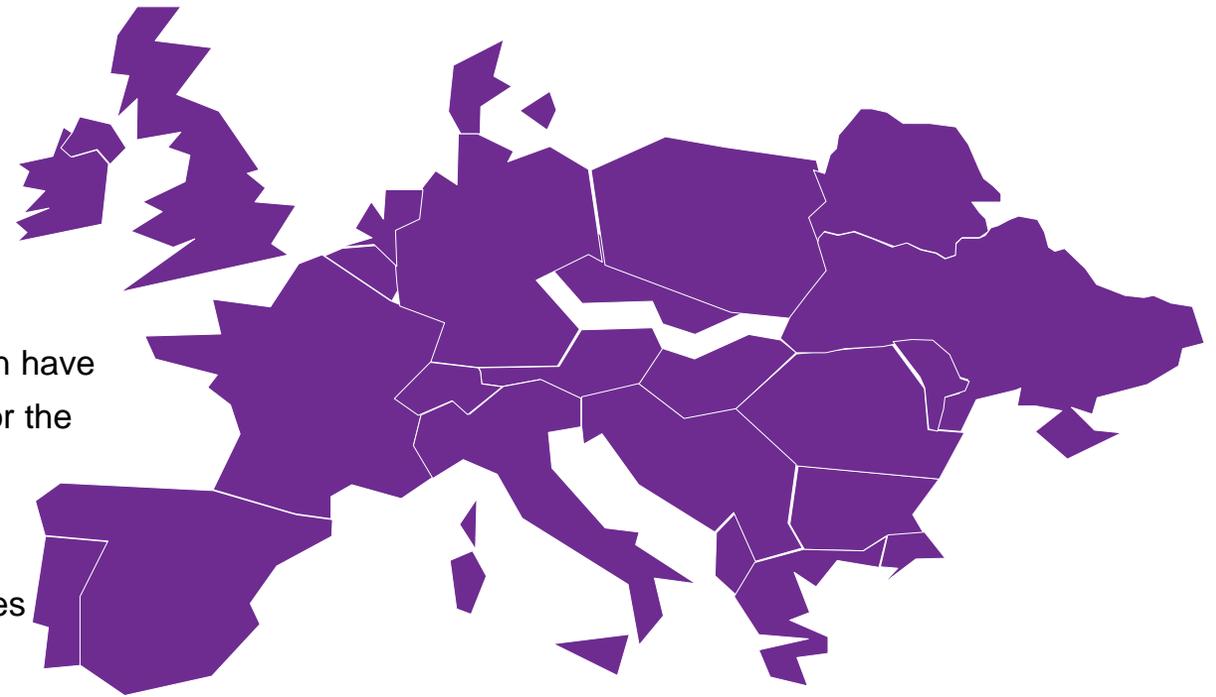
Asia

- **Malaysia** announced it will reopen interstate travel after hitting 90 percent vaccination.
- **Thailand** has proposed a halving of a two-week hotel isolation requirement for vaccinated arrivals, seeking to reopen tourist destinations from next month.
- **Taiwan** formally requested to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), just a week after mainland **China** filed its own application, putting existing members into a delicate political balancing act. Taiwan's air force scrambled again on Thursday to warn off 19 Chinese aircraft that entered its air defense zone.
- **Hong Kong** police arrested a fourth member of a student activist under national security subversion charges.
- The Asian Development Bank warned that **Southeast Asia's** economy recovery will be slower than expected due to the recent Delta surge.



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Europe



- **England's** chief medical officer said that half of all school-age children have already contracted COVID-19 and is currently the group accounting for the highest rates of transmission.
- **Lithuania's** defense ministry issued a report advising the public to throw away **Chinese** smartphones after uncovering that Xiaomi phones have built-in censorship abilities.
- The **EU** announced a new €90 billion plan to help insurance companies, in hopes of boosting investment in the European economy. The surging electricity and gas prices across Europe are amplifying criticism of EU plans to expand carbon taxes on petrol and heating bills. The **UK** warned food producers to prepare for a 400 percent spike in carbon dioxide prices after continuing state support to avoid food shortages.
- Tensions in the Black Sea are running high as the **US and NATO** participate in military exercises in **Ukraine**, set to run until October 1. **Russia's** navy reacted by practiced firing at targets in the Black Sea off the coast of annexed Crimea, signaling Moscow's deterrence readiness.
- **French** President Macron said that he would send his ambassador back to the US following an unprecedented diplomatic dispute over a **US/UK/Australia** pact that resulted in the cancellation of a French submarine contract with Australia. US President Biden offered an implicit olive branch in a statement saying the agreement would have benefited from "open consultations" among allies.

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Middle East

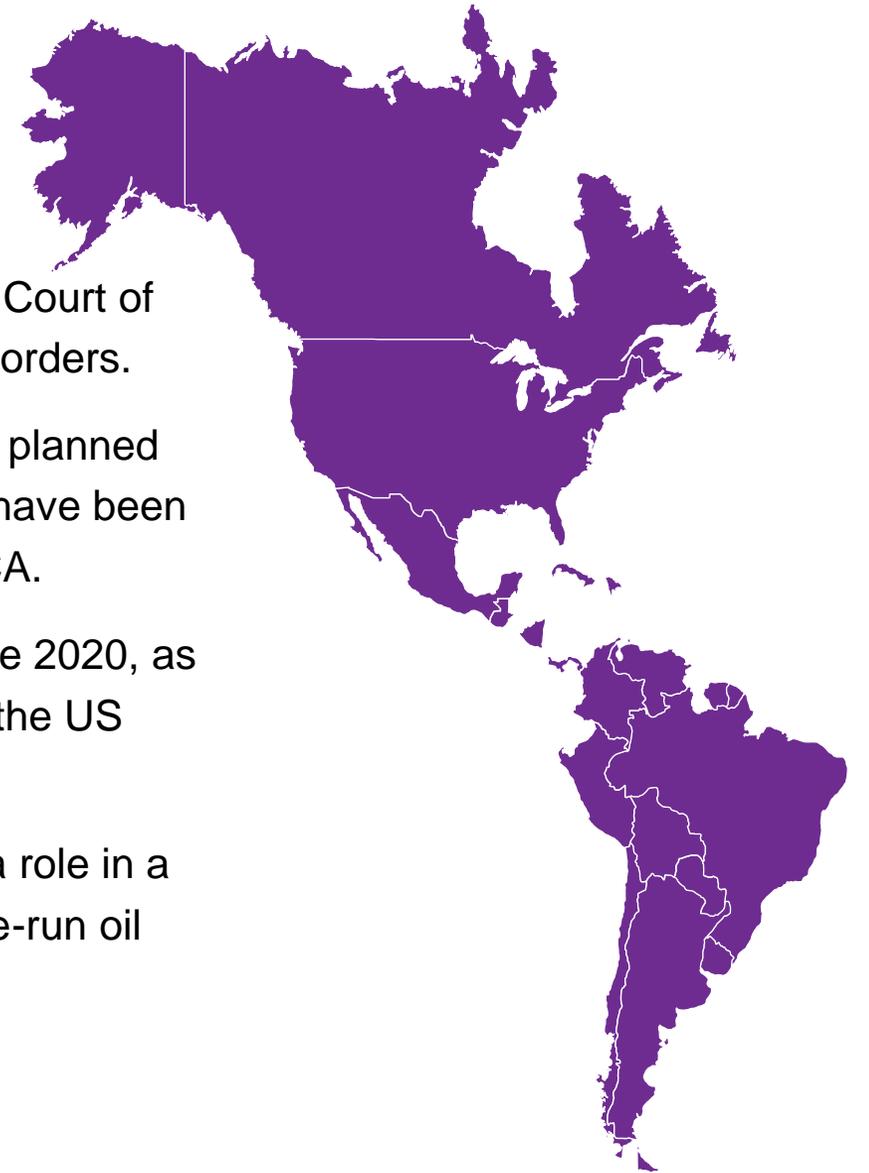


- **Algeria** closed its airspace to **Moroccan** military and civil aviation, an escalation in a diplomatic dispute triggered by the US' recognition of Moroccan sovereignty over the **Western Sahara**, which the Algerian-backed Polisario front also claims.
- The **Tunisian** president's office announced that President Saied has put in place "*special measures*" to wield legislative and executive power, without clarifying; the step is the latest in several moves that observers and Tunisians have failed to classify decisively as a coup or not.
- In the **UAE**, securities authority signed an agreement supporting the trading of crypto assets in the country.
- Commander of the **Libyan** National Army Khalifa Haftar said that he would suspend his military activities, potentially a bid to qualify himself for candidacy in upcoming presidential elections.
- **Lebanon** raised gasoline prices by 16 percent, the second hike in a week amid a spiraling financial crisis and fuel shortage.

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Americas

- Lawyers for **Colombia** dismissed **Nicaraguan** claims at the International Court of Justice claiming that Bogota has not honored a 2012 ruling on maritime borders.
- The **US** Trade Representative reported that a labor complaint concerning planned General Motors union vote in **Mexico** was resolved, averting what could have been the first case of sanctions triggered over labor violations under the USMCA.
- People-smuggling crimes in **Mexico** this year have more than tripled since 2020, as the country battles to cope with a sharp increase in illegal immigration at the US border.
- **Brazilian** authorities are investigating whether JPMorgan Chase played a role in a 2011 bribery and money laundering scheme involving Petrobras, the state-run oil company.

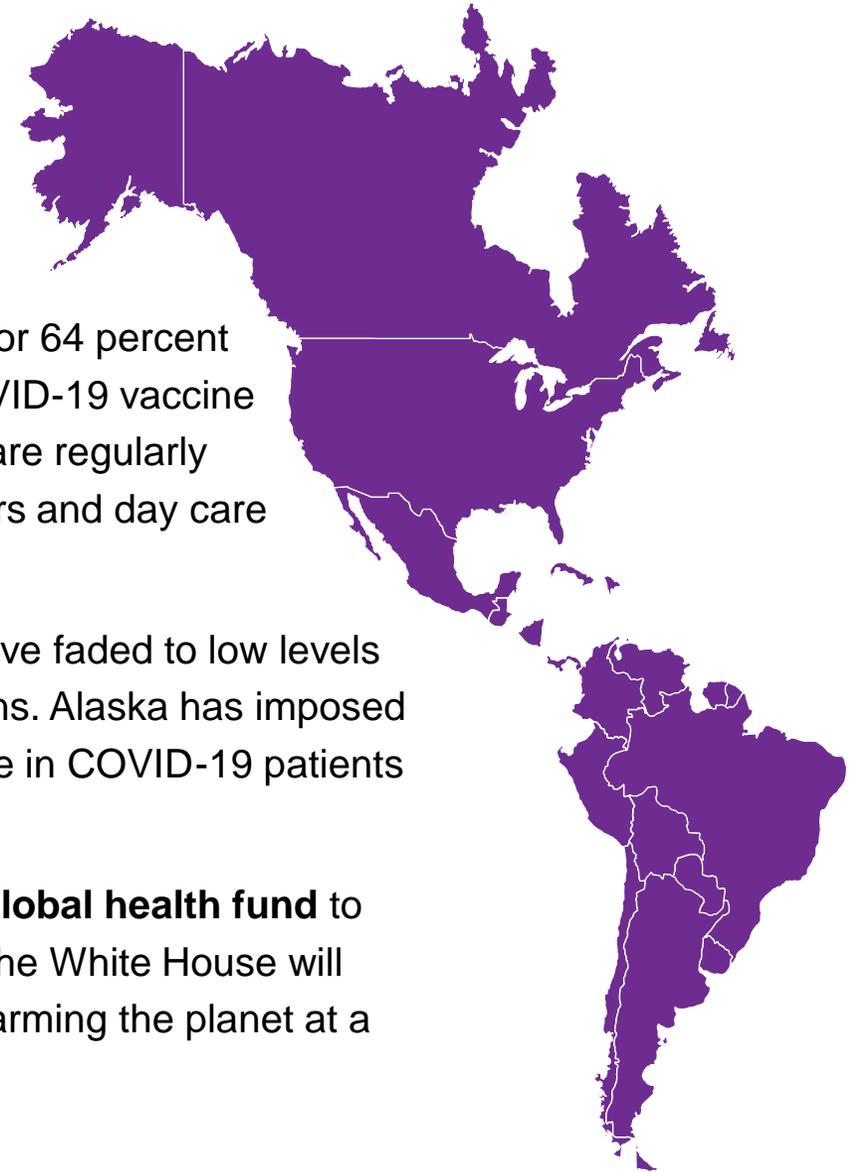


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Americas: US

- Across the nation, 212.5 million have received at least one dose of the **vaccine**; or 64 percent of the total population. The FDA authorized a **booster dose** of the Pfizer Inc COVID-19 vaccine for those 65 and older, all people at high risk of severe disease, and others who are regularly exposed to the virus. This will open booster shots to health-care workers, teachers and day care staff, grocery workers and those in homeless shelters or prisons.
- The CDC added a new classification for **COVID-19 variants** of concern which have faded to low levels in the US; Delta has now superseded the threat of Alpha, Beta and Gamma strains. Alaska has imposed crisis-care standards for its entire hospital system, declaring that a crushing surge in COVID-19 patients has forced **rationing of strained medical resources**.
- Vice President Harris called on countries and companies to create a \$10 billion **global health fund** to counter future pandemics and announced a \$250 million starting contribution. The White House will finalize its first new climate rule today, slashing the use of **greenhouse gases** warming the planet at a rate hundreds to thousands of times higher than carbon dioxide.
- **Sales of existing homes** fell in August as prices remained near record highs.
- The US vowed to “*stand up*” to **Russia** in support of Europe over allegations that Russian suppliers are restricting supplies to raise prices.

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Visualizing Risk: COVID-19 in Southeast Asia

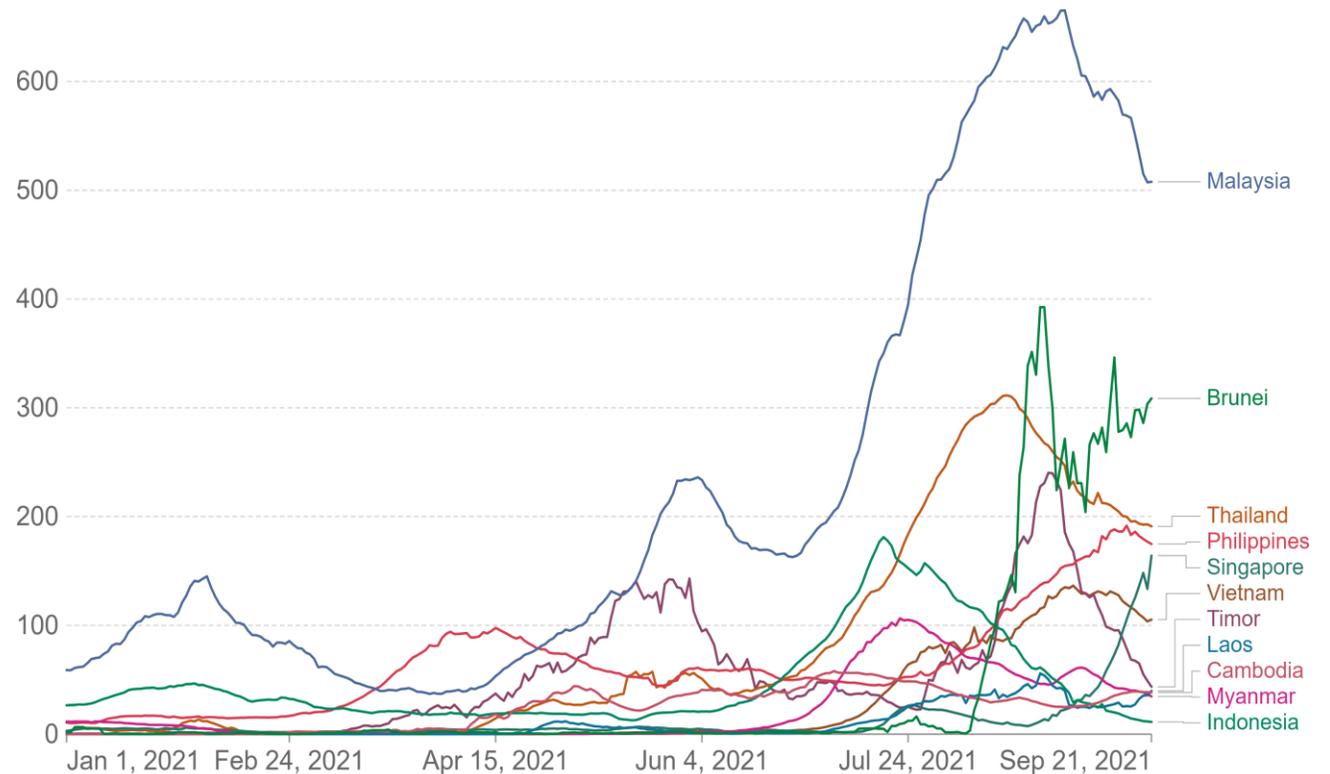
By Briana Boland

Over the past three months, a number of Southeast Asian countries have seen their worst COVID-19 outbreaks yet - despite rapidly rising vaccination rates. The recent outbreaks reflect several wider trends in the latest wave of the pandemic: the Delta variant's ability to slip through the cracks of quarantine systems, the ongoing risk of COVID-19 closing factories, and the growing concerns that breakthrough cases will continue to threaten highly-vaccinated populations. Even as outbreaks in Thailand and Indonesia show signs of fading, Southeast Asia's summer experience further illustrates the challenges of exiting the pandemic, even for countries (such as Vietnam and Singapore) which were lauded for their effective response during the pandemic's first year.

Daily new confirmed COVID-19 cases per million people

Shown is the rolling 7-day average. The number of confirmed cases is lower than the number of actual cases; the main reason for that is limited testing.

Our World
in Data



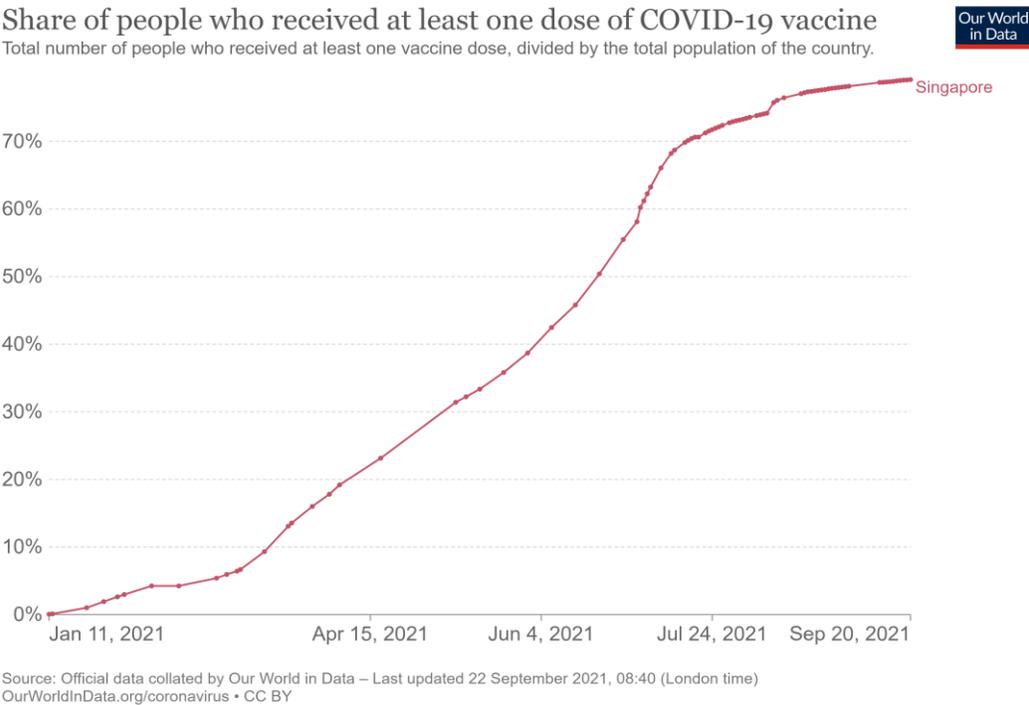
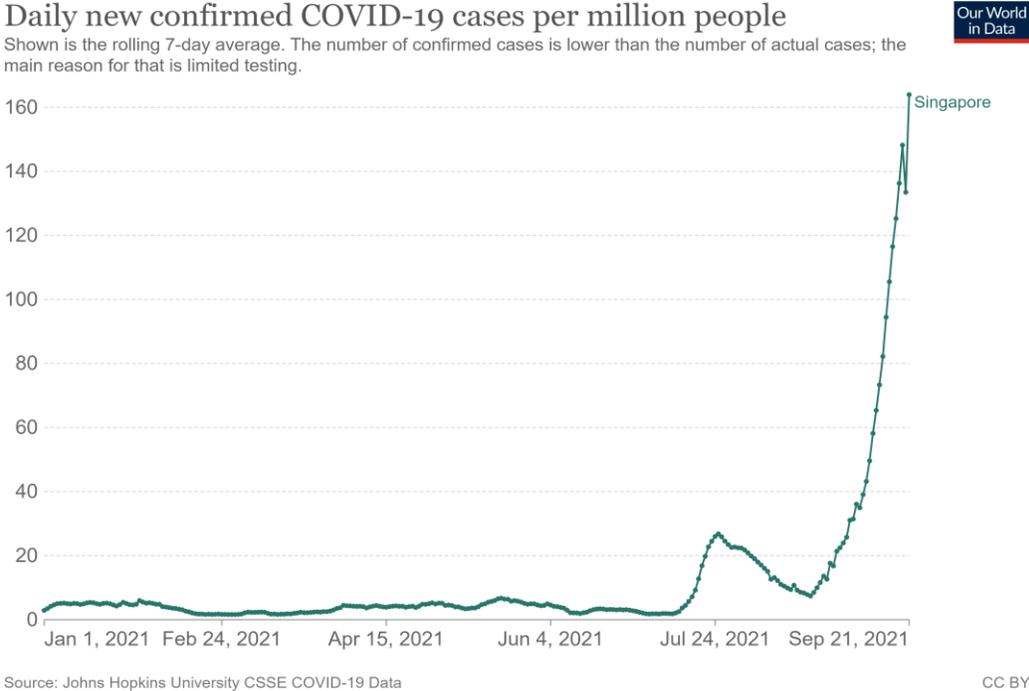
Source: Johns Hopkins University CSSE COVID-19 Data

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Visualizing Risk: COVID-19 in Southeast Asia

In the past two months, Singapore has become a top international case of a country with both high vaccination rates and a surging COVID-19 caseload. A vaccination rate of 82%, though high by global standards, is proving insufficient to slow the spread of COVID-19, which just this week prompted the government to shift primary schools back to at-home learning ahead of a key exam. The apparent vaccine plateau is also fueling calls for more vaccine mandates, as well as an acceleration of the country's existing booster shot campaign.



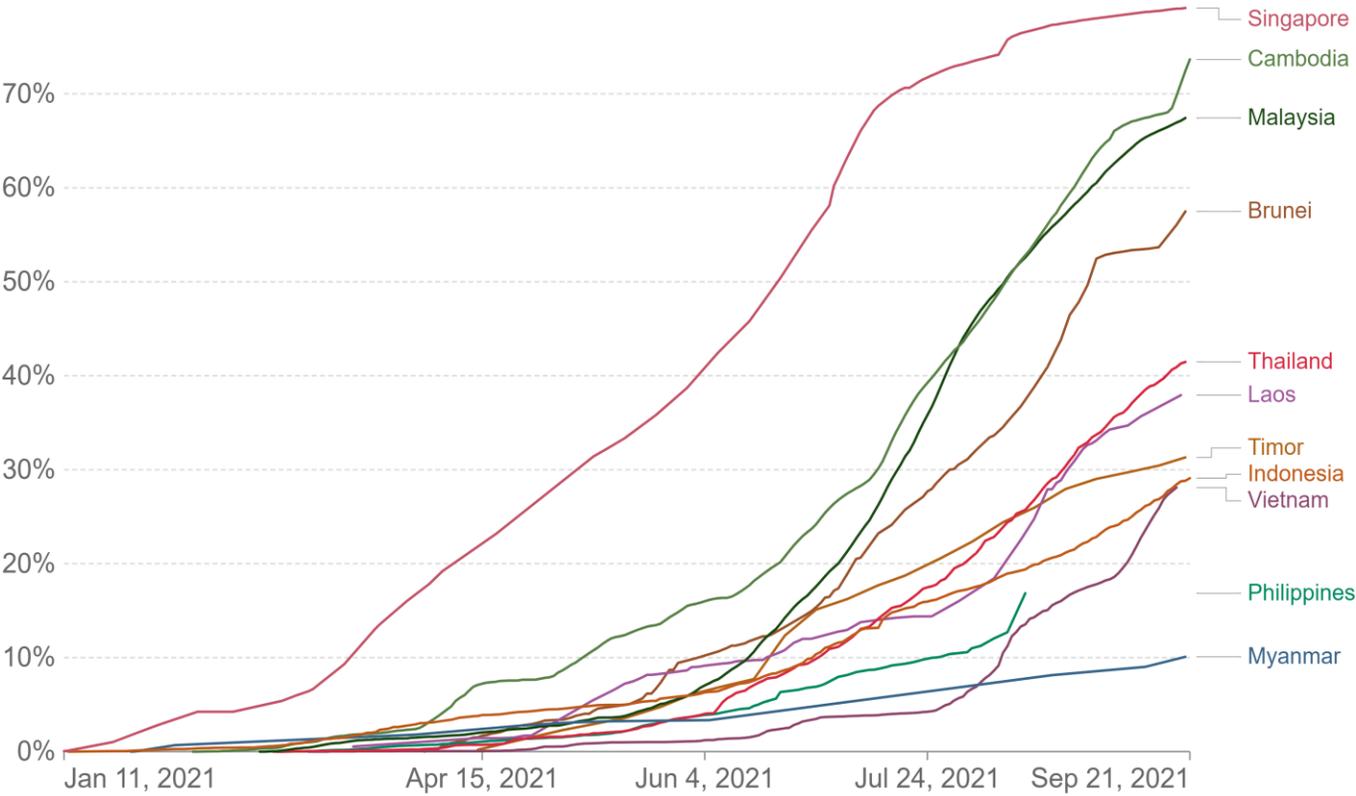
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Visualizing Risk: COVID-19 in Southeast Asia

Share of people who received at least one dose of COVID-19 vaccine

Total number of people who received at least one vaccine dose, divided by the total population of the country.



Source: Official data collated by Our World in Data – Last updated 22 September 2021, 08:40 (London time)
OurWorldInData.org/coronavirus • CC BY

Across Southeast Asia, high vaccination rates remain far from the norm. The region’s largest country - Indonesia - remains less than 30% vaccinated. Meanwhile, Myanmar’s vaccine rollout has barely begun, stymied by the country’s political turmoil. Numerous analysts are concerned that COVID-19 cases in Myanmar are likely much higher than officially reported, raising concerns about the weakness of Myanmar’s collapsed health system and potential spillover into neighboring countries. China’s deliveries of COVID-19 aid to both Myanmar’s military junta and, reportedly, to rebel groups on its border, are widely seen as a sign that Beijing is concerned about the cross-border spread of COVID-19 into its own cities.

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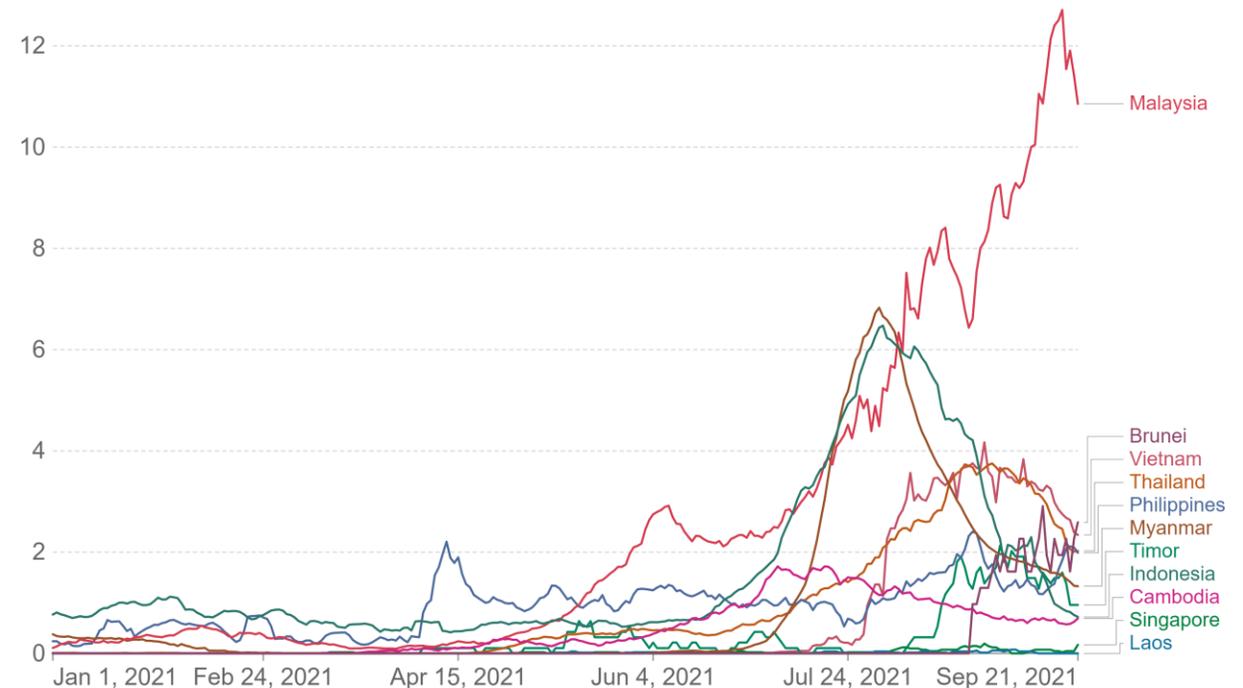
Visualizing Risk: COVID-19 in Southeast Asia

While cases have soared despite rising vaccination rates, what about deaths? Many Southeast Asian nations which came to expect zero or near-zero daily COVID-19 death tolls, including Malaysia and Vietnam, are recently seeing daily death rates in the hundreds. Even these elevated tolls may not capture the full picture of COVID-19's deadly impact. Excess mortality data shows that some Southeast Asia nations are likely undercounting COVID-19 related deaths. Between February 2020 - May 2021, the Philippines recorded 42,670 excess deaths but only 20,960 COVID-19 deaths. Jakarta, meanwhile, recorded 4,290 excess deaths but only 520 COVID-19 deaths. In other regional countries, however, excess mortality data paints a more confusing picture. Malaysia, for example, recorded 5,130 COVID-19 deaths from March 2020 to June 2021, but logged 10,110 fewer excess deaths than expected, illustrating the inconsistency of proxy measures for COVID-19 mortality.

Daily new confirmed COVID-19 deaths per million people

Shown is the rolling 7-day average. Limited testing and challenges in the attribution of the cause of death means that the number of confirmed deaths may not be an accurate count of the true number of deaths from COVID-19.

Our World
in Data



Source: Johns Hopkins University CSSE COVID-19 Data

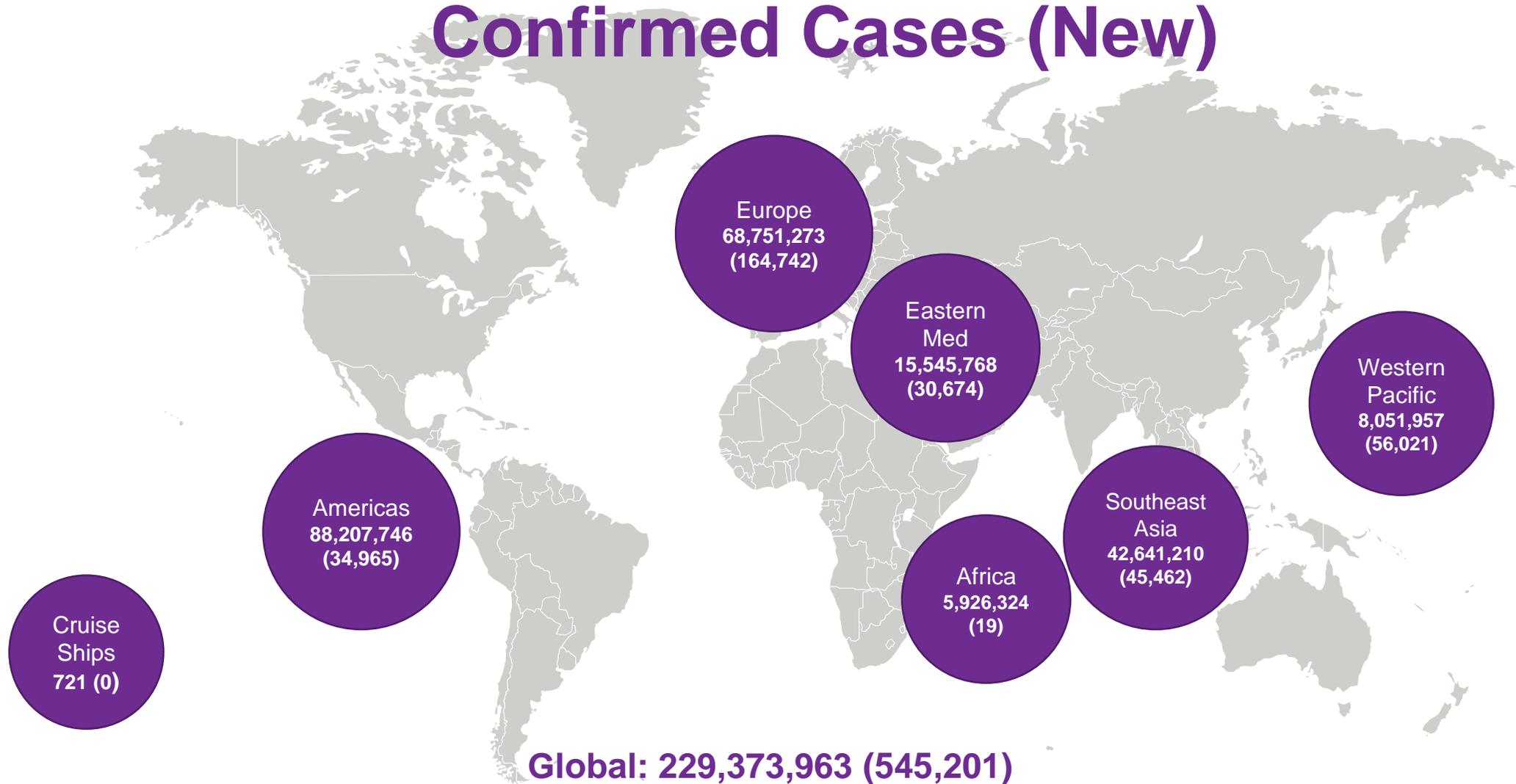
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Coronavirus Condition Updates

As of 5:06 pm CEST on September 22, 2021

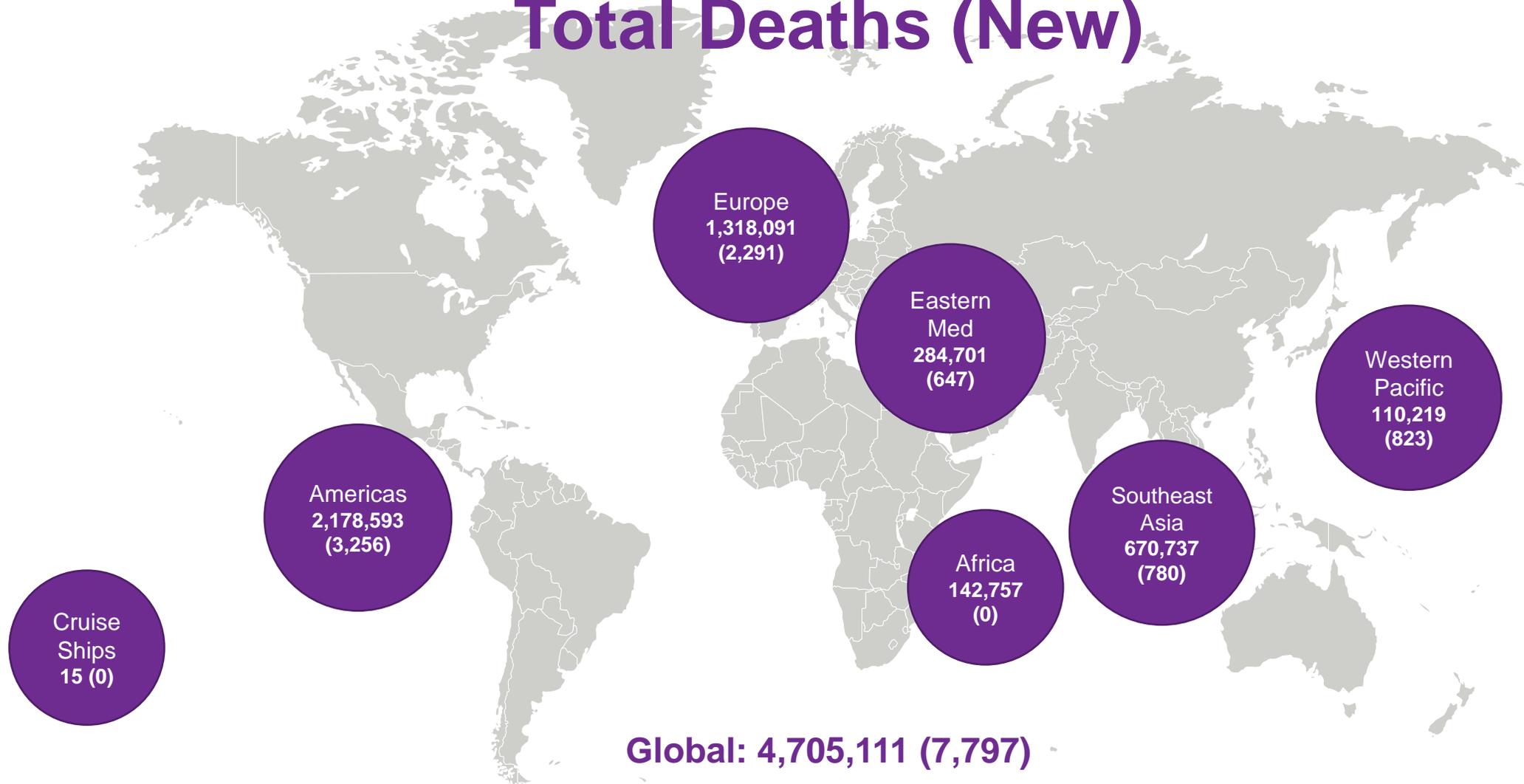
Confirmed Cases (New)



Reflects data as of 5:06 pm CEST on September 22, 2021.
Data Source: World Health Organization

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Total Deaths (New)



Reflects data as of 5:06 pm CEST on September 22, 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.

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