

# Dentons Flashpoint

## Daily Global Situation Report

September 24, 2021

# Global Situation Update: September 24, 2021

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## KEY TAKEAWAYS

President Biden will host the leaders of Quad countries in Washington to discuss increasing focus on countering China in the Indo-Pacific

A new poll found that Americans overwhelmingly want to federal government to take stronger steps to reign in the power of big tech companies.

Novavax applied for emergency use approval from the WHO for its COVID-19 vaccine.

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## WHAT WE'RE WATCHING

Tensions between Russia and nearby nations are escalating with potential emerging flashpoints. Days after an assassination attempt on a top Ukrainian presidential aide near Kyiv, Russia's navy is conducting combat exercises in the Black Sea off the coast of annexed Crimea, while the US and Ukraine are holding joint military exercises in western Ukraine. The top US military leader met with his Russian counterpart in Finland on Wednesday, indicating that Moscow and Washington are in close touch.

Meanwhile, the outcome of the German federal elections this weekend could pose a risk for the Nord Stream 2 pipeline, despite its completion in early September. Several German political candidates have threatened to shutdown the pipeline if Moscow interferes with the election via disinformation campaigns or otherwise.



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

# Global

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**Globally, confirmed coronavirus cases topped 229.8 million with 4.7 million deaths; more than 5.8 billion vaccine doses have been administered.**

- In the latest **Global Financial Centres Index** (GFCI), New York easily kept the top spot in the while London held on to second place as Chinese cities slipped, with Hong Kong and Singapore in third and fourth position falling 25 points in the ratings.
- **Novavax** applied for emergency use approval from the WHO for its COVID-19 vaccine.

# Markets & Business

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## A potential lurch to the left in Germany's election on Sunday is scaring millionaires into moving assets into Switzerland, per bankers and tax lawyers.

- The US Federal Aviation Administration (FAA) said that there have been over 4,385 **unruly passenger incidents** this year, including over 3,000 over mask-wearing, underlying the ongoing headache facing businesses that enforce pandemic-related customer rules.
- Cruise operator **Carnival** is set to have more than half of its fleet running cruises by October and plans to reach 65 percent fleet capacity by the end of the year. Though the rebound in cruise demand marks a swift recovery from 2020, Carnival still faces lawsuits over failure to protect passengers from COVID-19 last year.
- A new poll found that Americans overwhelmingly want to federal government to take stronger steps to reign in the power of **big tech companies**; the poll also found that 84 percent of voters are “*very nervous*” about the impact of social media on children.
- China's central bank announced plans to crack down on illegal activities of **cryptocurrency trading**, banning overseas exchanges from providing services to mainland investors via Internet.
- France's **Kering** said it had decided to stop using animal fur across all of its brands, in the fashion industry's latest response to concerns over animal treatment and the environment.

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# How do You Manage Cyber Risks?

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*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

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- **Egyptian** President Sisi called the progression of the Grand **Ethiopian** Renaissance Dam a “grave threat to regional stability.”
- Thousands protested in **Mali**, reportedly in support of the country’s military leaders and against foreign, especially French, intervention.
- Amazon’s plans for a regional headquarters in Cape Town, **South Africa**, are being targeted by protestors who say the planned site would damage land that some indigenous groups say is sacred and hope to designate a World Heritage site.



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# Asia

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- **Singapore** reported its highest daily case spike amid a COVID-19 surge driven by breakthrough cases.
- The UN's human rights commissioner reiterated calls for urgent action in **Myanmar**, describing a “**human rights catastrophe**” under the military junta.
- The **Japanese and Korean** foreign ministers met to affirm the importance of regional cooperation while restating positions in their longstanding dispute.
- **Vietnam** said that it would be willing to share information with **China** to help its bid to join the CPTPP.
- **Chinese** regulators told Evergrande to focus on repaying investors and completing properties but offered no financial support. Evergrande now has 30 days to pay a \$83.5 million bond interest payment. The *Wall Street Journal* also reported that Chinese authorities are warning local governments to prepare for the possibility of Evergrande's downfall.



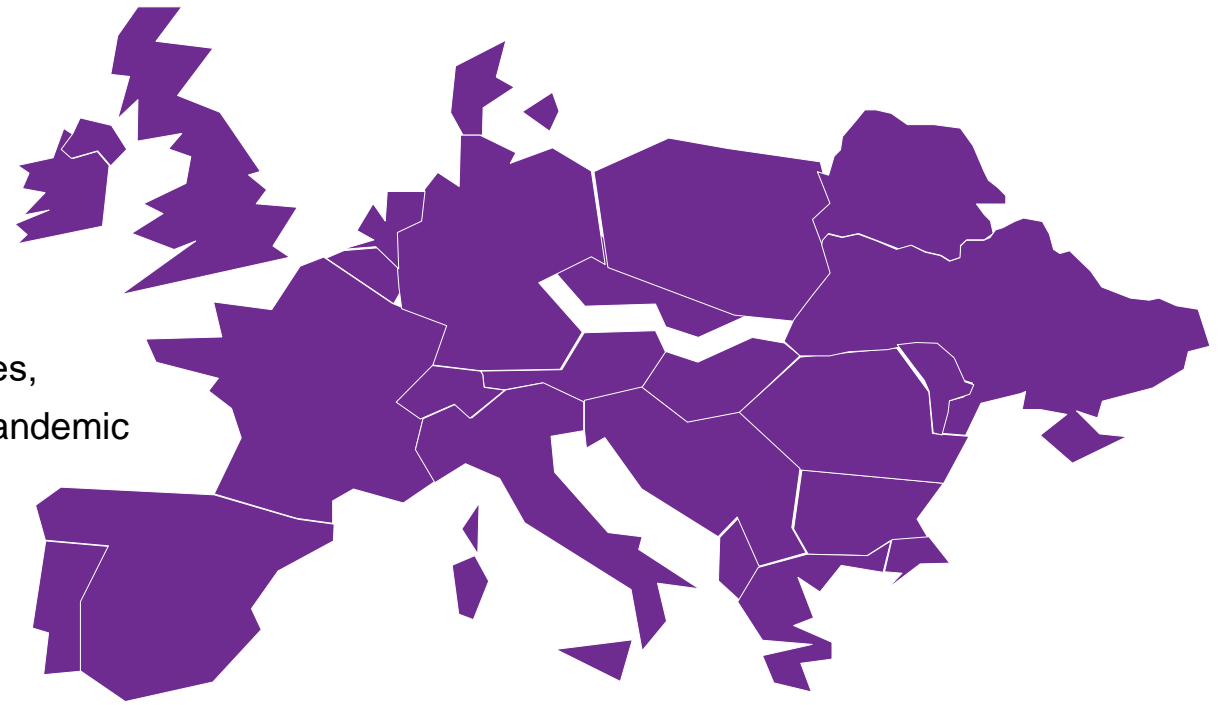
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# Europe

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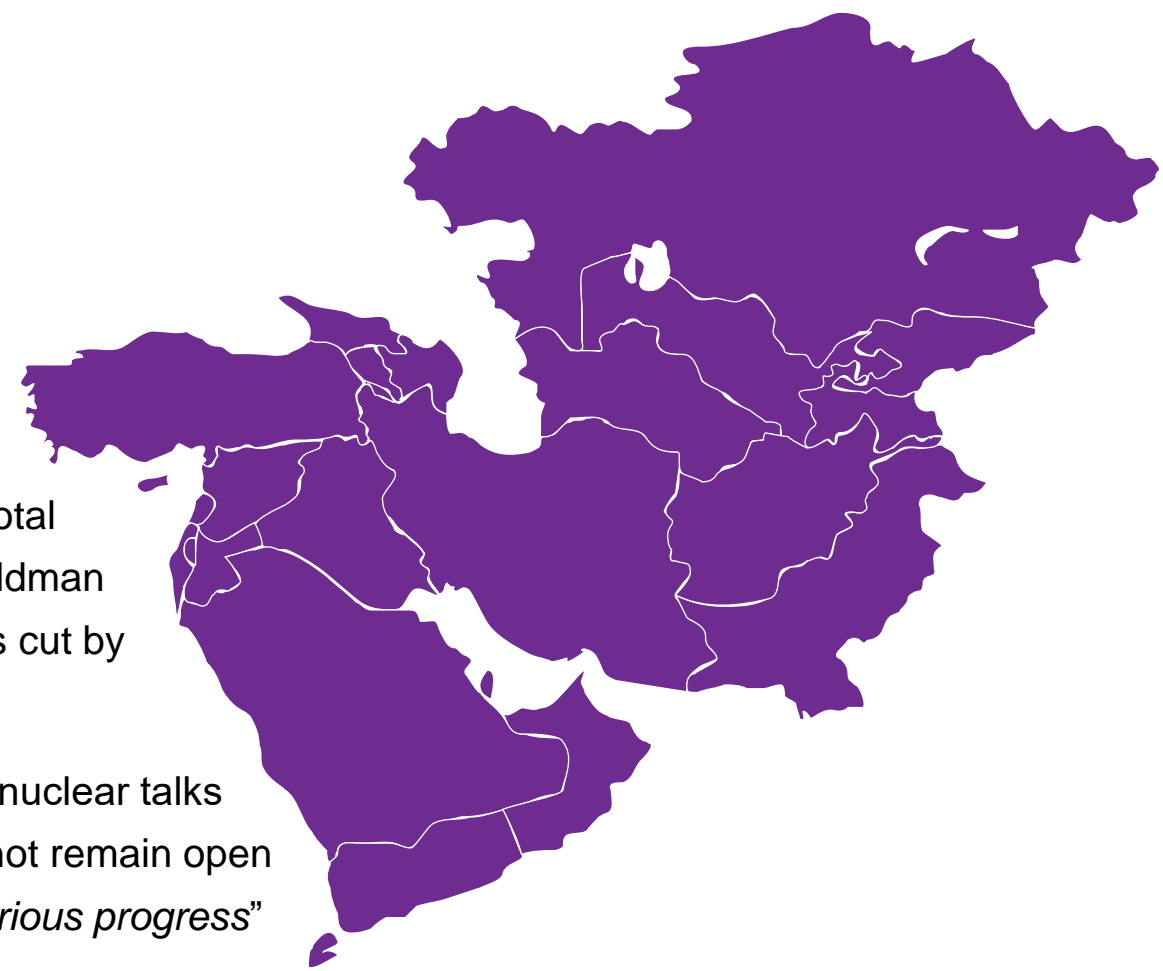
- **Italy's** prime minister Draghi pledged €3 billion in energy subsidies, warning that rising gas prices are a threat to the country's post-pandemic economic recovery.
- The **British** government vowed to do whatever it takes to resolve a trucker shortage that has closed petrol stations and strained supermarket supply chains to breaking point, but the trucking industry cautioned that there were no quick fixes.
- Business costs across the **eurozone** rose at their fastest pace in 20 years in September, as supply chain disruptions and inflationary pressures drive prices higher.
- **Turkey's** central bank unexpectedly cut its interest rate by 100 points, a change long sought by President Erdogan.
- **Ukraine** passed a “de-oligarchization” bill aimed at curbing the influence of business tycoons in the country's politics; the law will ban designated oligarchs from funding political parties.
- A region in the south of **Poland** revoked an anti-LGBTQ+ resolution, first passed in 2019, over the risk of losing EU funding.



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# Middle East

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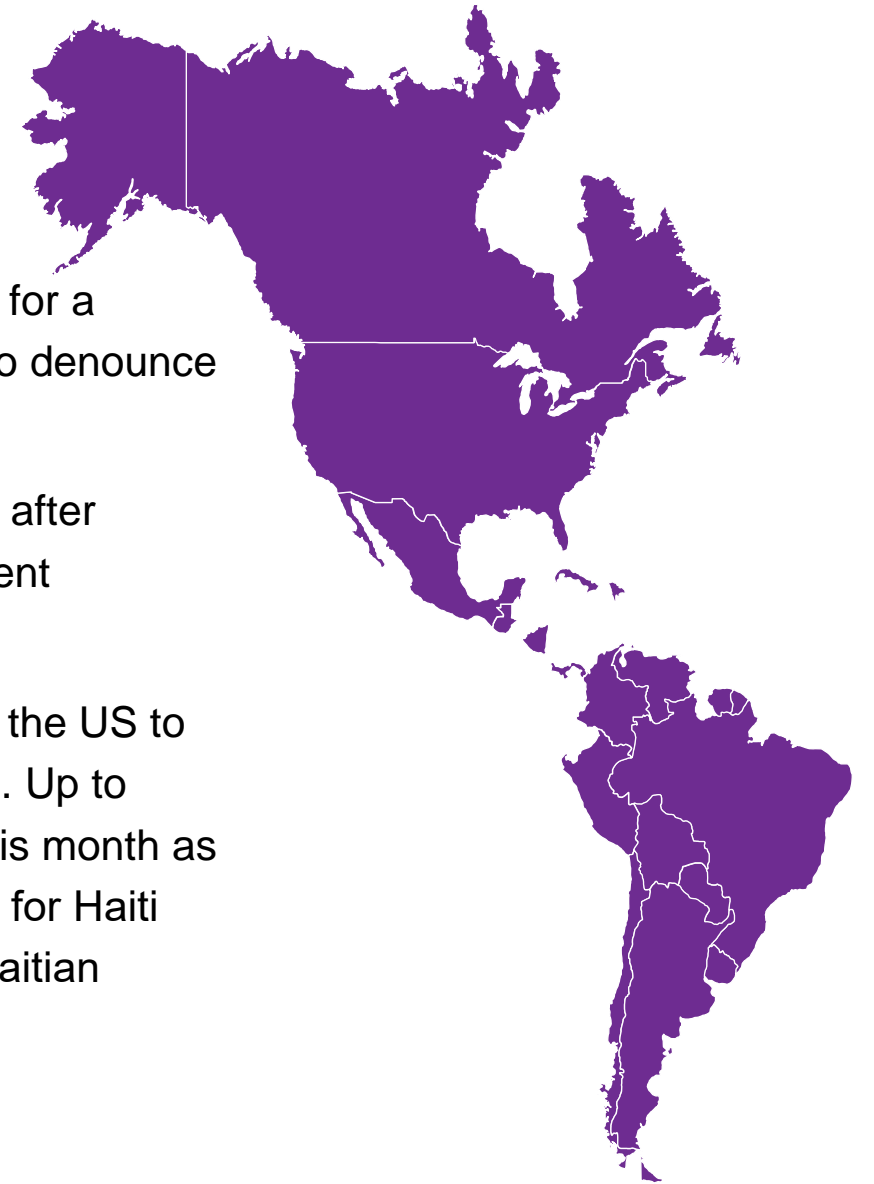
- The **UAE's** central bank announced that it will start to gradually curb COVID-19 stimulus measures.
- **Lebanon's** state electricity company said that the country faces total blackouts by the end of the month due to a dire fuel shortage. Goldman Sachs predicted that Lebanese bondholders will see their savings cut by 75 percent.
- **Iran's** foreign ministry expressed a “*very clear intent*” to return to nuclear talks in Vienna as the **US** said that the window for negotiations would not remain open forever. The Iranian foreign ministry said that it had achieved “*serious progress*” in talks on Gulf security with **Saudi Arabia**.
- The speaker of **Tunisia's** parliament called for a “*peaceful struggle*” against President Saied's recent moves to consolidate power.
- **Yemen's** Houthi rebels are reportedly nearing the city of Marib, a Republic stronghold and key to gas fields that has been seen as a key point of contention in the civil war.

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# Americas

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- Evangelical **Venezuelan** pastor Javier Bertucci announced his candidacy for a regional position in upcoming elections, prompting opposition politicians to denounce him as a “shadow ally” of President Maduro.
- **Panama** is weeks away from achieving herd immunity against COVID-19 after vaccinating more than half its population of 4.2 million people, per President Laurentino Cortizo.
- **Mexican** officials are urging **Haitians** on the Texas border trying to reach the US to give up and return to Mexico's frontier with **Guatemala** to request asylum. Up to 14,000 mostly Haitians have camped just north of the Rio Grande river this month as they attempted to enter the US. The Biden Administration’s special envoy for Haiti resigned, condemning the government’s “*inhumane*” decision to deport Haitian refugees crossing the border.



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# Americas

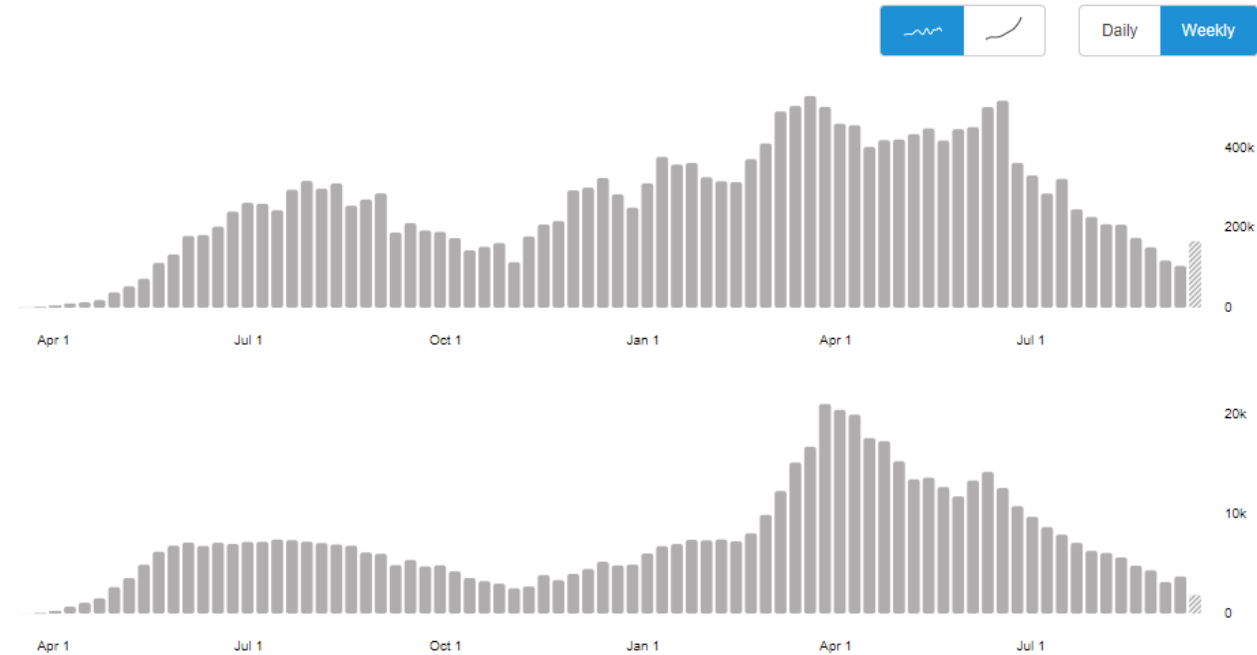
Brazil is nearing 600,000 COVID deaths in second-deadliest outbreak in world, after the US.

## Brazil Situation

**21,247,094**  
confirmed cases

**591,440**  
deaths

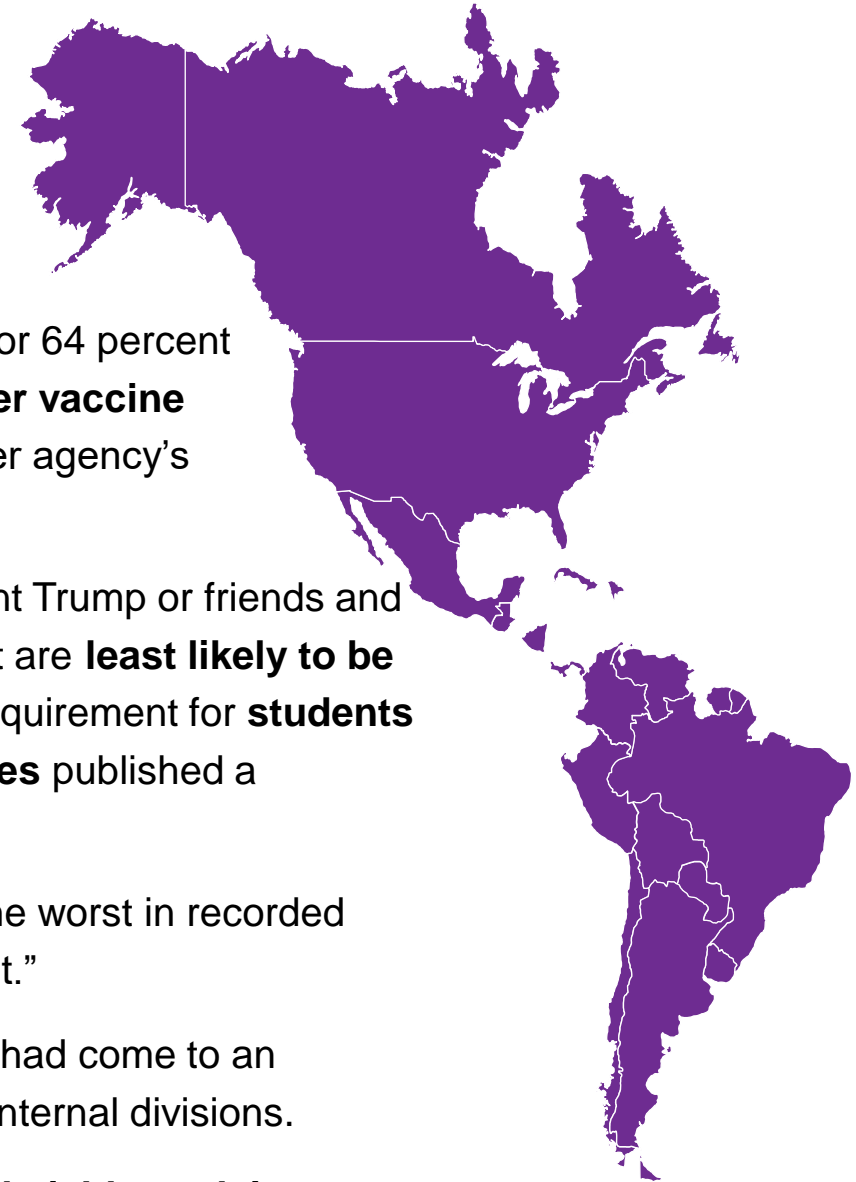
Source: World Health Organization  
Data may be incomplete for the current day or week.



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# Americas: US

- Across the nation, 212.6 million have received at least one dose of the **vaccine**; or 64 percent of the total population. The head of the CDC has recommended providing **booster vaccine shots** to people in occupations at high risk of COVID-19 exposure, over-ruling her agency's advisory panel and lending support to the Biden administration's rollout plans.
- A new Pew Research survey found that Americans who relied on former President Trump or friends and family for information in the early days of the pandemic are two of the groups that are **least likely to be vaccinated** now. California is reportedly weighing a school COVID-19 vaccine requirement for **students** aged 12 and older. Leaders of the largest US **aerospace and defense companies** published a statement in support of Biden's vaccine mandate.
- A new NOAA study shows that the 2020-2021 drought across the Southwest is the worst in recorded history; one study author called it the first **climate change**-induced "megadrought."
- Senate Majority Leader Schumer announced that Senate and House Democrats had come to an agreement on Biden's **\$3.5 trillion budget plan**, which had been threatened by internal divisions.
- **US household net worth** hit a record \$141.7 trillion in the second quarter. **Weekly jobless claims** rose to their highest level in a month.



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# Global Election Outlook: Risks of Unrest and Transfers of Power in the Remainder of 2021

*From selecting the successor to Chancellor Merkel in Germany to testing the political stalemate in Venezuela, the final months of 2021 will see a series of elections around the world, many of which have important implications for national stability, the foreign policy of powerful geopolitical players, and movement either towards or away from democracy in a number of key countries. In addition to the elections listed below, Iceland, Czechia, Cabo Verde, Uzbekistan, Tonga, Argentina, Chile, Algeria, Kyrgyzstan, Honduras, Hong Kong, Gambia and Libya will also go to the polls before the end of the year for either presidential, provincial, or legislative elections.*

## **Germany: September 26**

This weekend, Germany will hold elections for all the seats in the Bundestag (federal assembly), which will in turn appoint a new chancellor. The race for the successor to Angela Merkel, who has served as chancellor since 2005, is being closely watched around the world, particularly as continuity candidate Armin Laschet has fallen behind in the polls. Days before the election, its outcome remains uncertain, with the Social Democrats' (SPD) Olaf Scholz holding a slim lead over Laschet, followed by the Greens' Annalena Baerbock. Domestically, the change in chancellor could mean a more fragmented political scene, as the stable two-party coalition model of the Merkel era fades. Internationally, the change in leadership could have major implications for key areas of foreign

policy. While Merkel has long represented a cornerstone of European foreign policy and been a deciding force on everything from posture towards China to refugee policy, the election casts uncertainty on the future of German foreign policy. A hardening stance towards China and Russia seems likely, depending on how party coalitions take shape after voting is complete.

## **Japan: September 29 & November 27**

Japan will hold two important elections in the coming months: first, an internal Liberal Democratic Party (LDP) poll to choose the successor of Prime Minister Yoshihide Suga on September 29, then, legislative elections for all 465 seats of the House of Representatives (the lower house of the National Diet).

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While the LDP hopes to boost its popularity through selecting a strong replacement for Suga ahead of November, many analysts still expect the party to lose political dominance in the lower house. Four candidates are currently in the running to succeed Suga, with Taro Kono, currently the cabinet minister in charge of vaccine rollout, currently considered a frontrunner, though the race remains too close to call.

## ***Ethiopia: September 30***

On September 30th, the Ethiopian government will hold a second round of legislative elections intended to complete the initial June elections that excluded several regions due to violence. This round, which will also exclude several precincts in Oromia, where Oromo separatists control some territory, and Amhara, which as experience spillover from the Tigrayan civil war, as well as the Tigray region itself, naturally, is expected to confirm current Prime Minister Abiy Ahmed's landslide win, allowing him to re-form a majority governing coalition in October. Mired in a violent and destructive civil war that has sapped Ahmed's international credibility and deepened once-healing divisions within Ethiopia, the election results could provide Ahmed with what he feels is a mandate, justifying continued efforts

at a military solution that precludes peace negotiations without heavier losses.

## ***Qatar: October 2***

The Shura Council election in Qatar on 2 October is the first ever vote for a consultative body in the country and Qatari women will participate. The Council possesses legislative authority and the power to make, amend or repeal law, but Emir Tamim bin Hamad Al Thani will retain authority to dissolve the Council, while the key portfolios of defense, security, economic, and investment policy will remain under his control. There are 45 members of the Council, with 15 selected by the Emir, leaving a total of 30 seats for the electorate to decide. Eligible voters will choose from almost 300 final candidates, including 28 women. Some 260,000 citizens are eligible to vote out of a total population of approximately 3 million people due to strict laws about nationality. Bedouin tribes protested last month over a lack of representation, while millions of migrant workers are ineligible to run for office or vote. A successful election experience may boost political participation by Qataris and gradually transition the country towards becoming a constitutional emirate. At

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# Global Election Outlook: Risks of Unrest and Transfers of Power in the Remainder of 2021

the regional level, Doha would appear more politically progressive than its Gulf Arab neighbors if all goes well.

## *Iraq: October 10*

On October 10, Iraq will hold long awaited parliamentary elections for its Council of Representatives. Scheduled early in response to mass protests, the elections will be the first under a new electoral system to meet protesters demands to improve accountability and fix Iraq's stagnated political system. Since they were announced, however, the situation in Iraq has continued to evolve. An election once seen as an opportunity for positive change could now spark new instability in the troubled country. Reformers, protest leaders, and activists already facing uphill races against entrenched incumbents backed by powerful political parties have instead been targeted and killed by Iran-backed militias with impunity. Disorganized and disillusioned, polling suggests turnout could hit record lows and that many Iraqis have lost faith in elections entirely. With many analysts predicting that Iraq's major parties will maintain their hold over politics, the possibility for renewed protests is high. In addition to heightened domestic risks, Iraq's elections have broader geopolitical ramifications for US-Iran tensions. The period of relative

calm between the rivals in the lead up to the election could be broken if coalition negotiations and potential protests threaten either sides' vital interests.

## *Haiti: November 7, (Likely to be Postponed)*

Already postponed by a month following the July assassination of President Jovenel Moïse, Haitian presidential and legislative elections and a constitutional referendum are likely to be pushed into 2022 as political instability remains high. Moïse's death, which Haitian investigators have attributed to Colombian mercenaries allegedly hired by a Haitian doctor with presidential ambitions, was followed by a brief constitutional scuffle between the current prime minister and the recently-appointed but unconfirmed Ariel Henry; although Henry now acts as prime minister and interim president, he has struggled to keep a lid on domestic tensions and divisions within the political system, which was struggling to cope with disagreements over term limits before Moïse's death. While Henry and opposition parties have since signed a transitional government agreement and planned constitutional changes to maintain stability and fix some destabilizing issues (such as clarifying term limits), and Henry has mostly enjoyed international support for his efforts (a

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# Global Election Outlook: Risks of Unrest and Transfers of Power in the Remainder of 2021

coalition of western allies expressed their support of Henry after he was named, he claims erroneously, as a suspect in the assassination), ever-present economic issues in Haiti, considered the poorest country in the Western Hemisphere, and the continued opposition of some parties will maintain pressures on Henry and the interim government and perhaps further delay the transition.

## **Nicaragua: November 7**

Nicaragua's presidential and legislative elections on November 7 will test the grip of the government of incumbent Daniel Ortega, whose increasingly authoritarian rule has made Nicaragua a target of intensifying international sanctions. Three years after Ortega's crackdown on mass anti-government protests left over 300 people dead and drove over 100,000 to flee the country, his government continues to face accusations of doctoring data and undermining democratic activities by detaining opposition members. Without a significant reversal of policy from Ortega in the coming months, foreign powers and the opposition alike are likely to view the upcoming election as rigged in favor of the current government. Ortega's re-election could lead to further international sanctions and economic isolation, as well as prompt social unrest and retaliatory repression. The months ahead of the election will be a period of

heightened international pressure on Ortega and renewed efforts by the opposition to organize an effective campaign against him.

## **Venezuela: November 21**

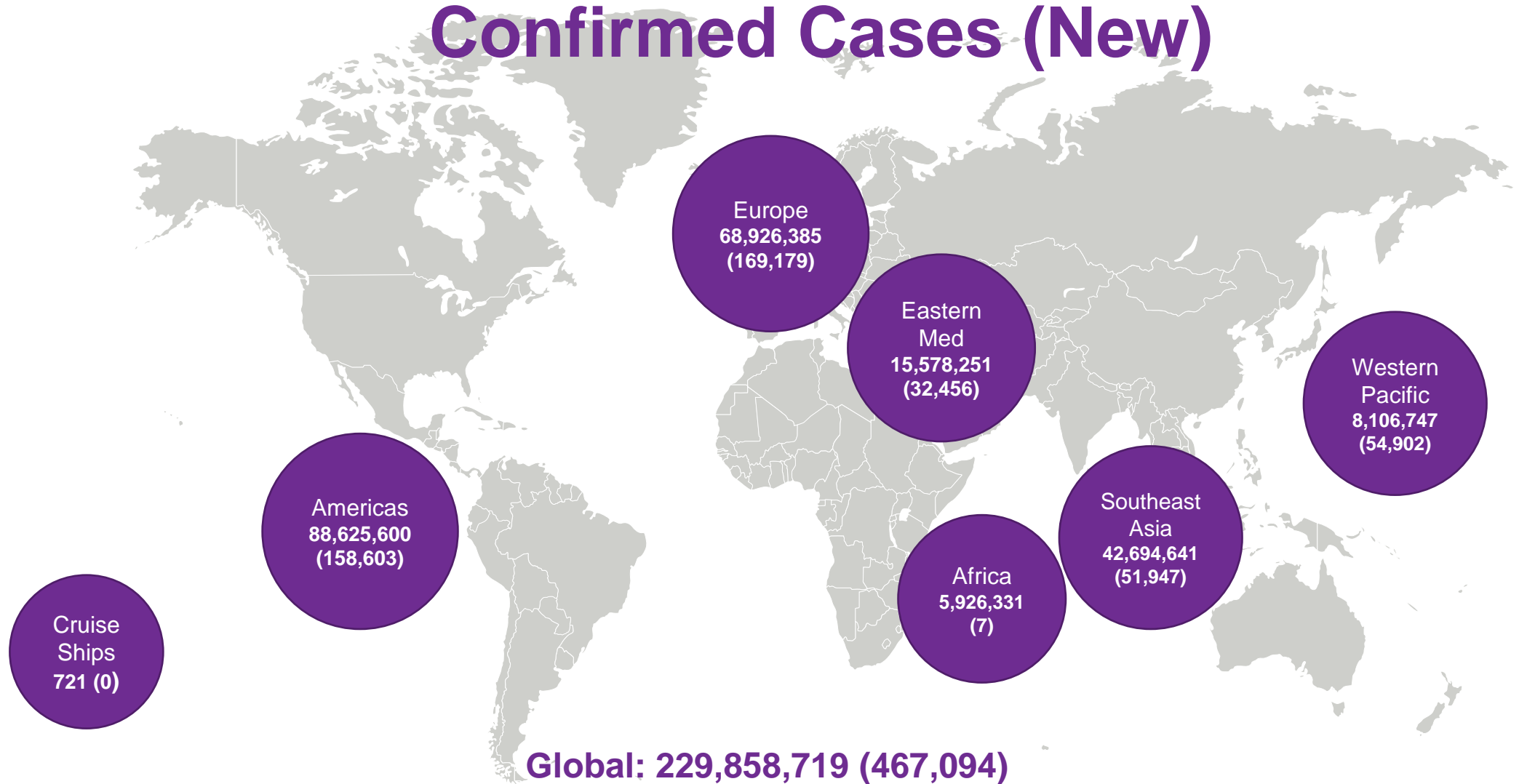
In South America, Venezuela remains in a political stalemate, as both longtime strongman Nicolas Maduro and US-backed Juan Guaidó claim legitimacy as the nation's president. Venezuela's regional and local elections are scheduled to be held in late November - until recently, it was unclear whether the main opposition parties would participate given concerns over election fraud, intimidation, and other forms of voting corruption. On Tuesday this week, Venezuela's opposition announced that it will in fact put forward slates of candidates, in part buoyed by the news that the European Union will likely deploy an electoral observation mission to the country. This represents a strategic departure from the last several election cycles in Venezuela, which had been boycotted by Guaidó and other key opposition parties. Given this November will be a non-presidential election cycle in Venezuela, it is unlikely that there will be any dramatic departures from the political status quo. However, there remains an elevated risk of political insecurity and violence now that the internationally recognized opposition, led by Juan Guaidó, is entering the ring once again.

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# Coronavirus Condition Updates

As of 5:10 pm CEST on September 23, 2021

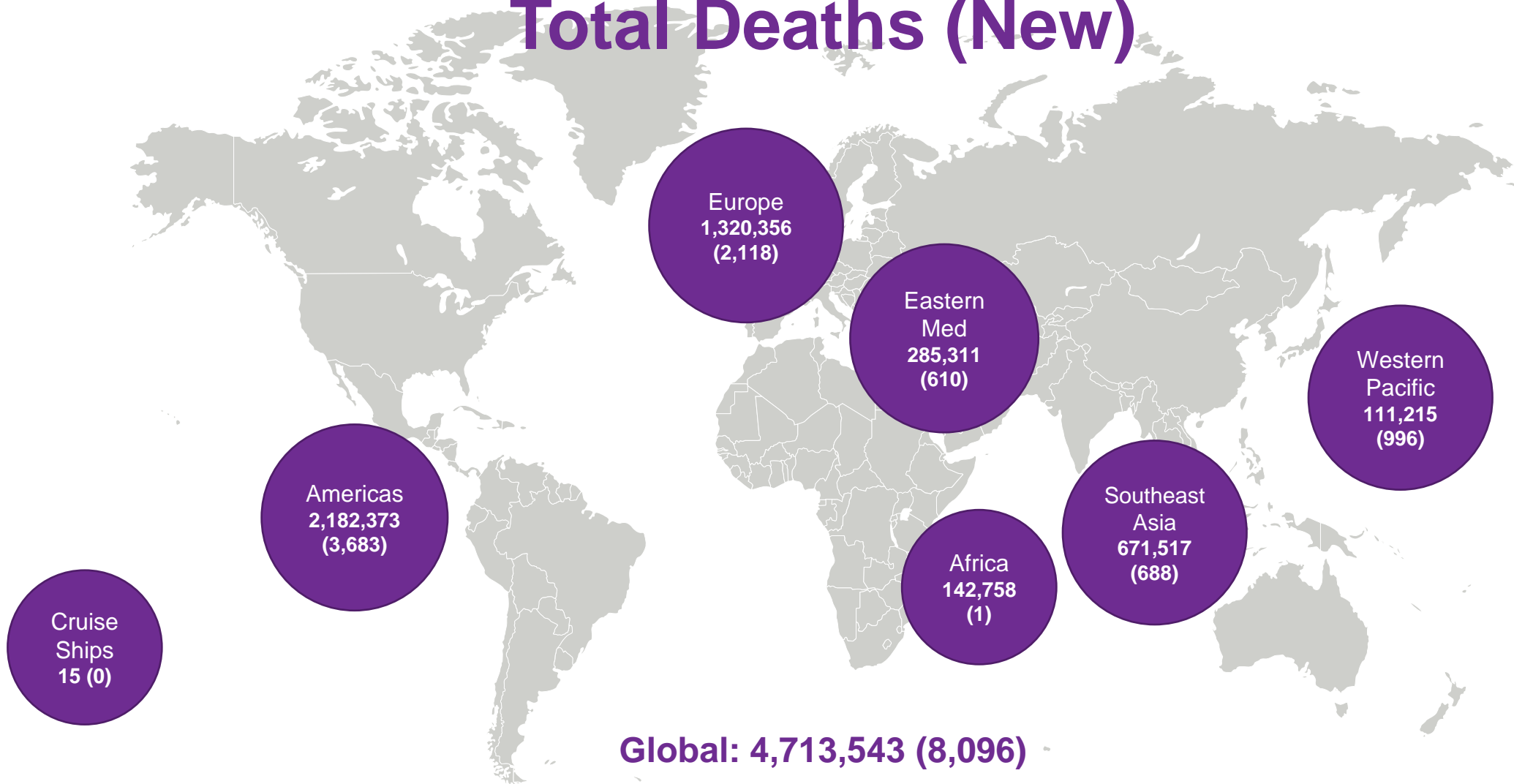
# Confirmed Cases (New)



Reflects data as of 5:10 pm CEST on September 23, 2021.  
Data Source: World Health Organization

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# Total Deaths (New)



Reflects data as of 5:10 pm CEST on September 23, 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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