

Dentons Flashpoint

Daily Global Situation Report

September 20, 2021

Global Situation Update: September 20, 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

Today, a snap federal election takes place in Canada, called by Prime Minister Trudeau last month with hopes to win an outright majority for the Liberals in parliament. The move may have backfired, however, as coronavirus cases are again rising across the country and polling has tightened, with Conservatives even leading in some. Thus, another minority government – the fifth since 2004 – is the most likely outcome of the election.

If Trudeau squeezes through with another minority Liberal government and relies on a coalition, the left-leaning New Democratic Party (NDP) is likely to emerge as a power broker and seek specific commitments on healthcare, climate change and wealth and corporate taxation. If the opposition Conservatives win the most seats, they would alleviate regulatory risks for business with scaled-back carbon pricing, policy support for extractives, and opposition to vaccine mandates.



Global

SpaceX returned four private citizens from a three-day space trip in another leap for the space tourism industry.

- World leaders gather this week for the **United Nations General Assembly** meeting, where the global crises of COVID-19 and climate change are expected to top the agenda.
- Gordon Brown, the former British prime minister and newly appointed WHO Ambassador for Global Health Financing, called on US President Biden to develop a plan this week at the COVID-19 summit to transfer 100 million **stockpiled vaccines** to poorer countries before they reach their expiry date.

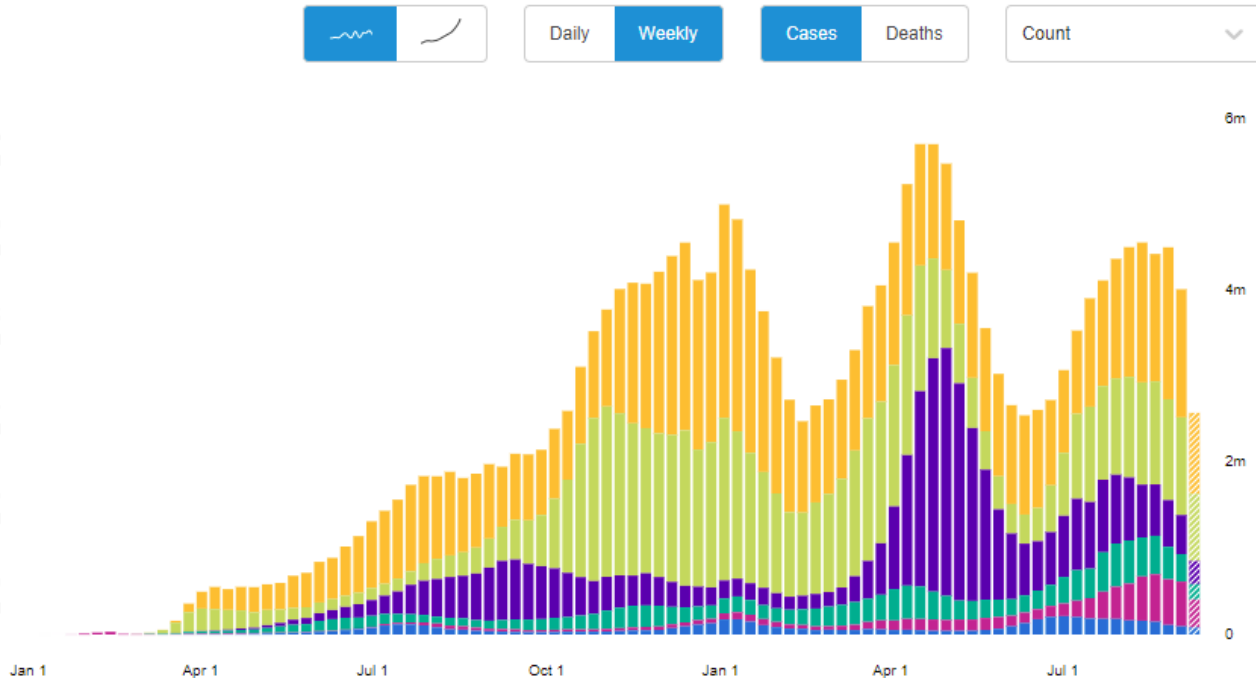
Global

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

Situation by WHO Region

Americas	87,430,315 confirmed
Europe	67,977,169 confirmed
South-East Asia	42,385,258 confirmed
Eastern Mediterranean	15,377,433 confirmed
Western Pacific	7,779,616 confirmed
Africa	5,893,789 confirmed

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



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Markets & Business

China Evergrande Group shares plunged on Monday to over 11-year lows, as default fears grow over a looming deadline for payment obligations this week.

- Iraq predicted that **OPEC+** will agree to keep oil prices at \$70 per barrel in Q1 of 2022 at the upcoming October summit.
- **American Airlines Group Inc, General Motors and Microsoft Corp** upped their commitment to clean energy by joining billionaire and Microsoft co-founder Bill Gates' **Breakthrough Energy program**. The initiative aims to boost development of technologies to achieve the target of net-zero carbon emissions by 2050.
- Economists are warning that higher **gas prices** will drive inflation in Europe this year, as natural gas prices continue to rise with months to go before winter.
- The \$3 trillion market for **junk corporate debt** is on course for a record year, marking a continued rebound from March 2020.

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Africa

- Malian interim PM Maïga said that **Mali** must broaden its partnerships to ensure its national security, alluding to reports of a deal between Mali and the **Russian** paramilitary organization the Wagner Group amid **French** retrenchment from the Sahel.
- **France's** Armed Forces Minister arrived in **Niger** for a visit to allies in the region.
- The Tigrayan rebels in **Ethiopia** said that they are ready to cooperate with the US to reach a resolution to the civil war between Tigray and Addis Ababa.
- ECOWAS sanctioned the leaders of **Guinea's** recent coup and called for a democratic transition within six months.
- **Somalian** Prime Minister Roble “rejected” the president’s curtailing of his powers. President Mohammed accused Djibouti of detaining his former intelligence advisor, whose dismissal by Roble prompted the current crisis.
- The **Kenyan** government promised uninterrupted access to social media during the upcoming election season.



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Asia

- Mainland **China** banned imports of sugar apples and wax apples from **Taiwan**, citing “*biosafety concerns*.” The move echoes a similar ban of pineapples earlier this year and marks a continued deterioration of cross-strait relations.
- **Hong Kong** held its first election since Beijing’s national security crackdown, with fewer than 5,000 pro-establishment voters casting ballots; pro-democracy figures were virtually absent, as authorities touted efforts to ensure “*patriots*” run the city. The Hong Kong Confederation of Trade Unions became the city’s latest civil society organization to disband.
- In **Thailand**, hundreds of anti-government protestors gathered in Bangkok to mark the anniversary of the 2006 coup that ousted Thaksin Shinawatra.
- Manny Pacquiao announced his candidacy for president of the **Philippines**.
- **Singapore** shifted primary schools to online learning as COVID-19 cases rise, despite an extremely high vaccination rate.
- **Vietnam's** capital Hanoi will further ease its coronavirus restrictions from this week, the government said, with new cases on the decline and the majority of its adult population partially vaccinated.



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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:

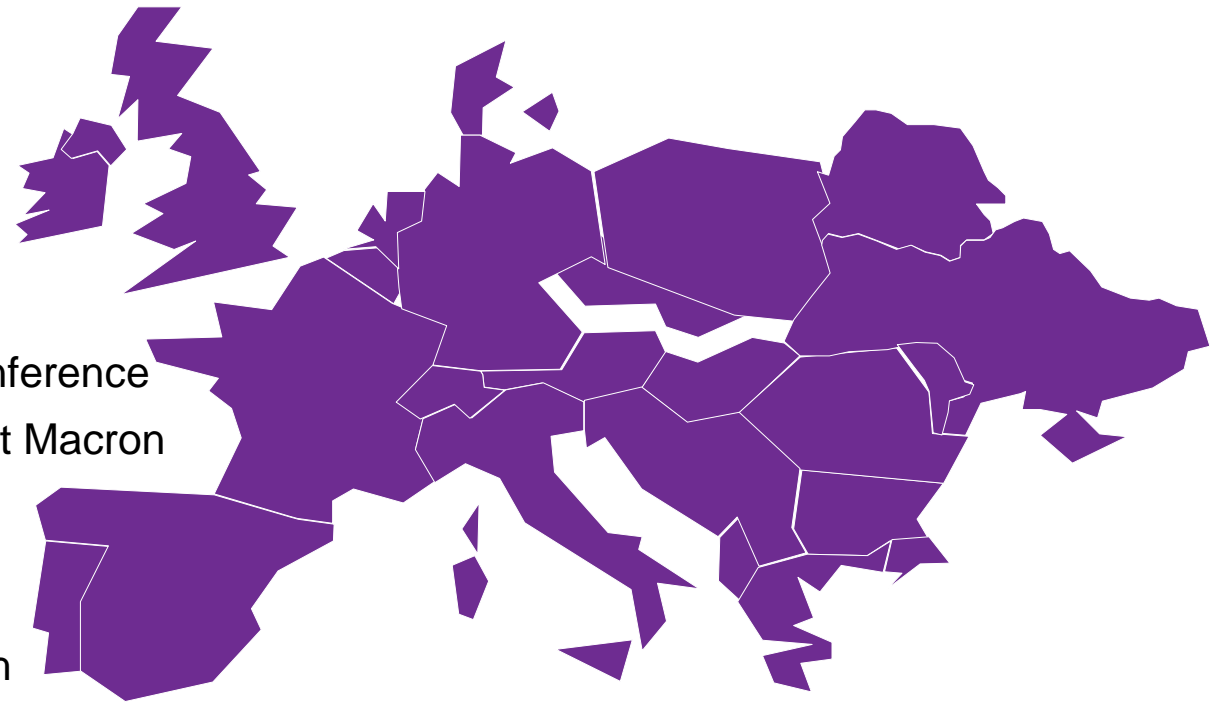
- ❖ Political and country risk forecasts and analysis
- ❖ Market-entry assessments
- ❖ Legislative and government action forecast
- ❖ Comprehensive project analysis
- ❖ Coronavirus vaccine tracker and return-to-work monitoring
- ❖ Investment risk analysis

All interaction with Dentons is attorney-client privileged

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

Europe

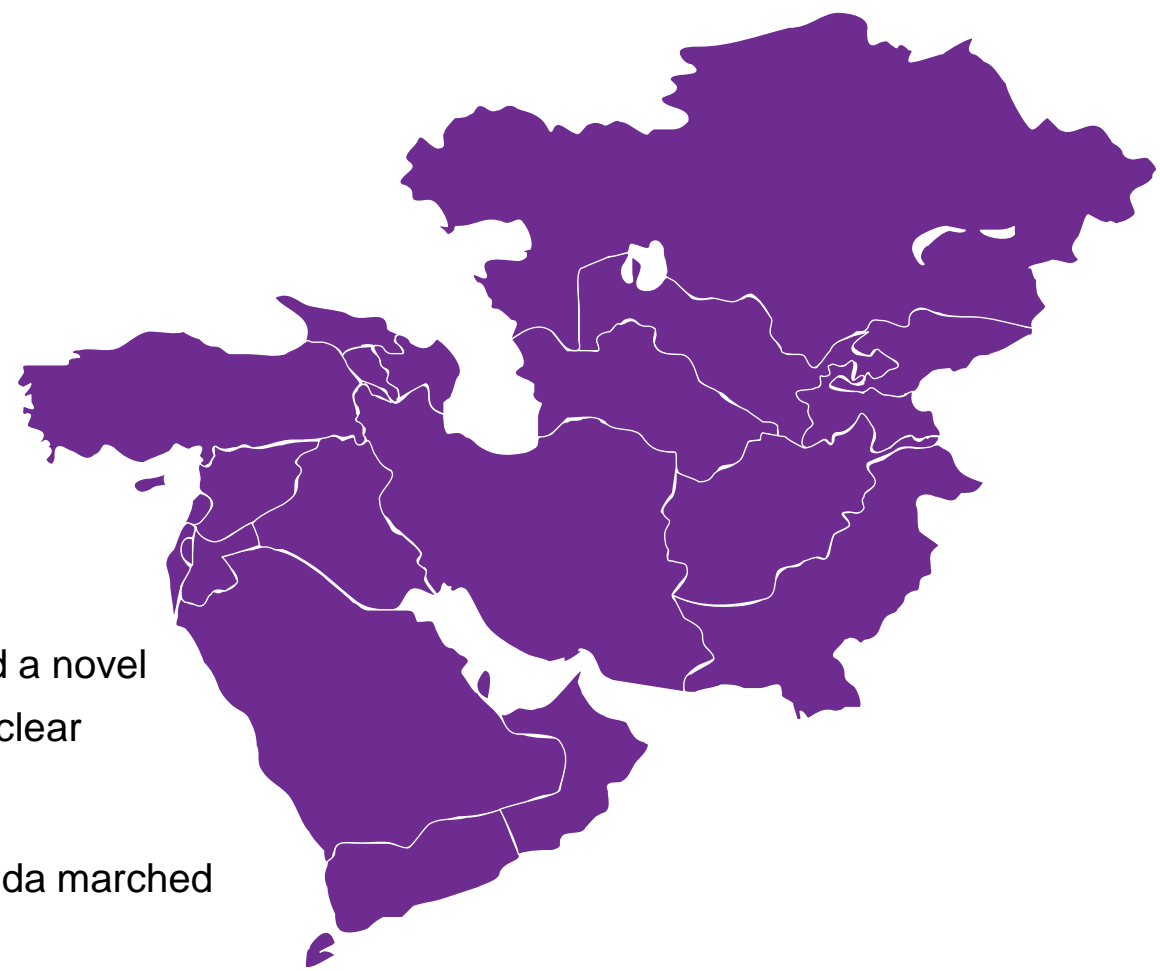
- The **European** Parliament in Strasbourg opened the Conference on the Future of Europe, an initiative of **French** President Macron in which citizens are invited to participate in an effort to reconnect EU institutions with the will of voters.
- **Russia's** parliamentary elections concluded Sunday, with Russia's ruling pro-Kremlin party set to renew its supermajority.
- A volcano in **Spain's** island of La Palma erupted Sunday, prompting 1,000 evacuations.
- **France** recalled its ambassador to the **US** over the US/UK/Australia security deal that led to the cancellation of a submarine deal between France and Australia; Australia's prime minister defended the decision to renege on the contract.



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Middle East

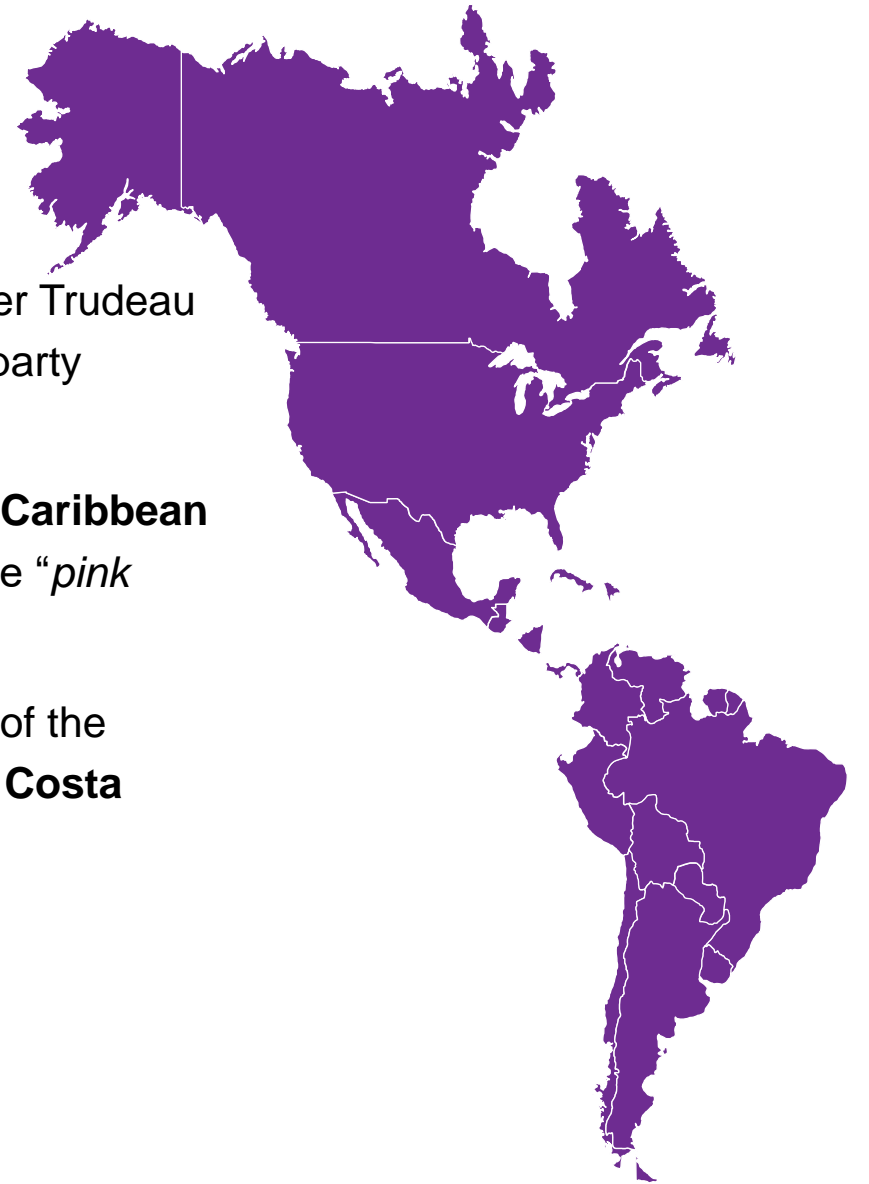
- New **Iranian** foreign minister Amir-Abdollahian will visit New York today for the UN General Assembly, where he will hold nuclear talks with the **UK, France, Germany, Russia and China**, but not the **US**.
- New reporting confirmed that the **Israeli** intelligence agency used a novel remote-controlled car-mounted machine gun to kill an **Iranian** nuclear scientist last November.
- Several hundred supporters of the **Tunisian** Islamist party Ennahda marched against Tunisian President Saied in Tunis.
- Armed men opened fire at a gas station in the Bekaa valley on Sunday and threatened to kill the owner as **Lebanon's** fuel wars continued to spiral out of control. Iran said it is prepared to sell fuel to Lebanon if asked. Prime Minister Mikati dismissed fears that Lebanon faced US penalties for breaching **US** sanctions by importing Iranian oil, saying fuel was being smuggled in outside the control of the government. **Iran** said it is prepared to sell fuel to Lebanon if asked.



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Americas

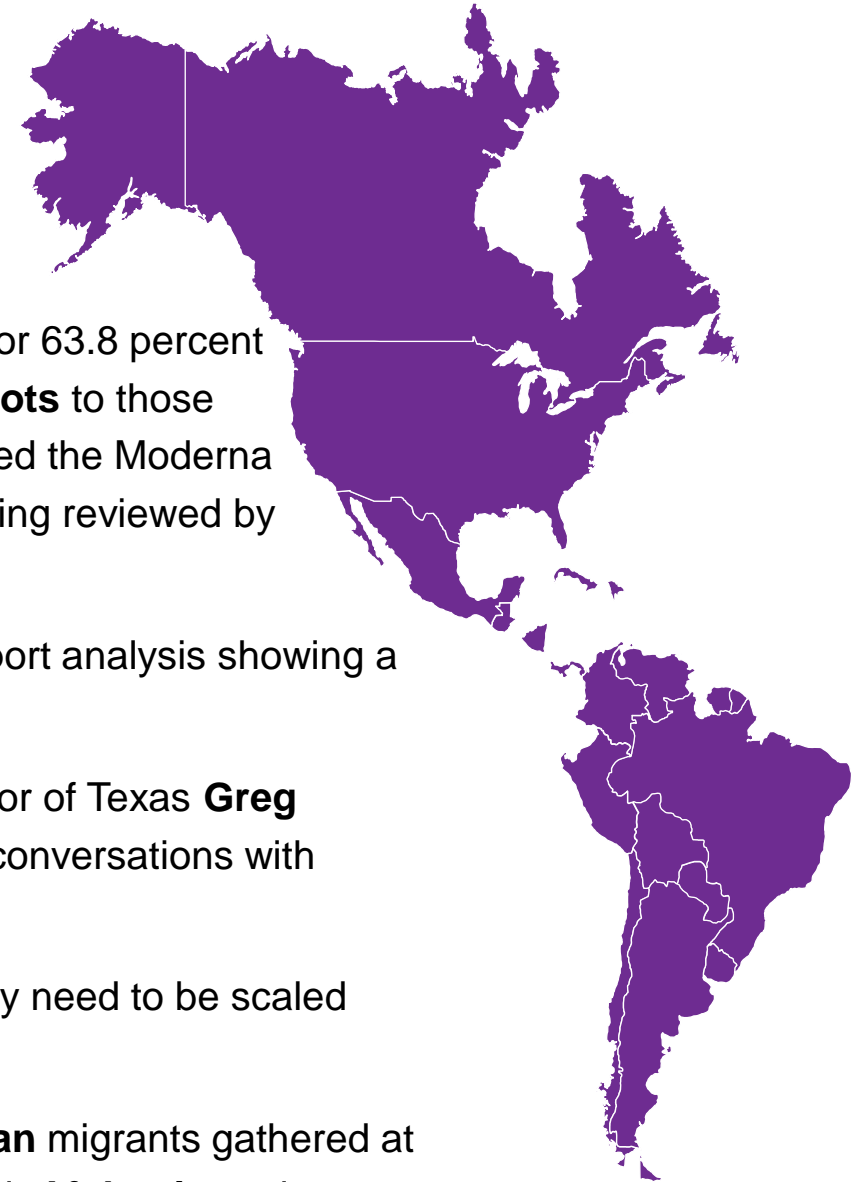
- **Canadians** vote today in a snap election originally called by Prime Minister Trudeau in an attempt to translate public approval to a new mandate; instead, his party seems likely to lose ground to the conservative opposition.
- Regional states held a summit of the Community of **Latin American and Caribbean States** (CELAC) in Mexico City, which will convene the first meeting of the “*pink tide*” of recently elected leftist leaders.
- Developing countries are at risk of sliding into instability under the weight of the pandemic without more financial support from richer nations and the IMF, **Costa Rica** President Carlos Alvarado warned.



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Americas: US

- Across the nation, 211.8 million have received at least one dose of the **vaccine**; or 63.8 percent of the total population. FDA advisors voted to recommend COVID-19 **booster shots** to those over 65. Dr. Fauci stated that data about booster shots for those who had received the Moderna or Johnson & Johnson coronavirus vaccines could be a few weeks away from being reviewed by the FDA.
- Medical visits for gunshot wounds surged last year, providing further data to support analysis showing a sharp increase in **gun violence** across the US.
- Former member of Congress **Beto O'Rourke** will run against Republican governor of Texas **Greg Abbott** in the upcoming race. **Former President Trump** has reportedly been in conversations with Senate Republicans about deposing **minority leader McConnell** (R-KY).
- Senior House Democrats conceded that **the \$3.5 trillion spending package** may need to be scaled down to win the support of moderates.
- The Biden Administration announced that it is accelerating efforts to deport **Haitian** migrants gathered at the border in Texas. The Pentagon acknowledged that a US drone strike in Kabul, **Afghanistan** last month that killed a number of civilians did not actually take out an imminent ISIS-K threat.



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COVID-19 Tests: Shortages, Logistical Questions, and the Imminent Data Gap

By Briana Boland

While employers and health authorities alike are focused on promoting the COVID-19 vaccine, imminent logistical challenges and data disruptions in coming months are likely to turn a spotlight on an older type of virus prevention technology: COVID-19 tests.

As the Delta variant continues to drive the spread of COVID-19 across the United States and as large employers face requirements to either vaccinate or test their workers, shortages in COVID-19 tests are set to worsen. Moreover, testing bottlenecks and increased uptake of at-home testing mean that public health data on the pandemic may face disruptions and gaps in coming months, as long wait times prevent quick notifications of infections and at-home tests go unreported.

Testing Logistics for Businesses

Following Biden's announcement that large companies will be required to either ensure their workers are vaccinated or submit them to weekly testing, the employers of some 80 million Americans face the prospect of new logistical challenges and expenses surrounding unvaccinated workers. While businesses still await

formal rules from Occupational Safety and Health Administration (OSHA) to provide further clarity on new federal requirements, employers will need to make tricky decisions about how to deal with the testing requirement for unvaccinated workers. Some companies are likely to avoid the issue altogether by requiring the vaccine for all workers. But for many employers, maintaining business operations will mean balancing the costs of weekly testing with the need to retain unvaccinated workers.

How the logistics of testing will work – and who will pay for it – remains a source of uncertainty, likely to be addressed differently across businesses. Companies could either set up testing services themselves through a private healthcare provider or direct their employees to public testing facilities. However, access to prompt public testing is under strain, and is a particular challenge in rural areas.

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On the question of costs, insurance is unlikely to cover the scale of testing needed (current federal guidance only requires insurers to cover COVID-19 tests when ordered by a doctor or for individuals with known contact to COVID-19, not testing for the purpose of widespread surveillance testing). This means that employers may be left with the choice to either cover costs themselves or pass them on to employees. While some industry experts have predicted that employers will put testing costs on employees as a means to incentivize vaccination, those companies with a strong need to retain unvaccinated workers may end up assuming increased costs themselves.

Widespread Shortages and Longer Wait Times are Likely

Even before Biden's announcement raised the likelihood of an employer rush for COVID-19 tests, the US was facing a COVID-19 test supply crunch amid the summer Delta wave. Federal data shows that demand for COVID-19 tests rose nearly six-fold during the summer, from around 250,000 per day in July to nearly 1.5 million in August. The sudden spike in test demand put significant strain on the test supply chain, after a number of producers began

either slowing production or shifting away from making COVID-19 tests in June. While the Biden Administration recently granted billions in additional federal funding to aid the expansion of test production, the rise of surveillance testing along with demand related directly to rising case numbers will make it difficult for production to keep up with the needs of both healthcare infrastructure and employers. Earlier this month, the CDC issued a Lab Advisory warning of a "temporary shortage" of rapid tests, predicting that the rapid test shortage would cause increased demand for laboratory tests. With all types of tests facing heightened demand and various shortages, long lines and long wait times for test results may become a more common issue in coming months, hindering not only employer efforts to monitor COVID-19 spread among workers, but also access to test results for the broader public and health authorities.

At-Home Tests Could Cause Data Gaps

Over the past year, the FDA has approved a number of at-home COVID-19 tests, taking an important step towards broadening test access – and convenience – for Americans. As over-the-counter

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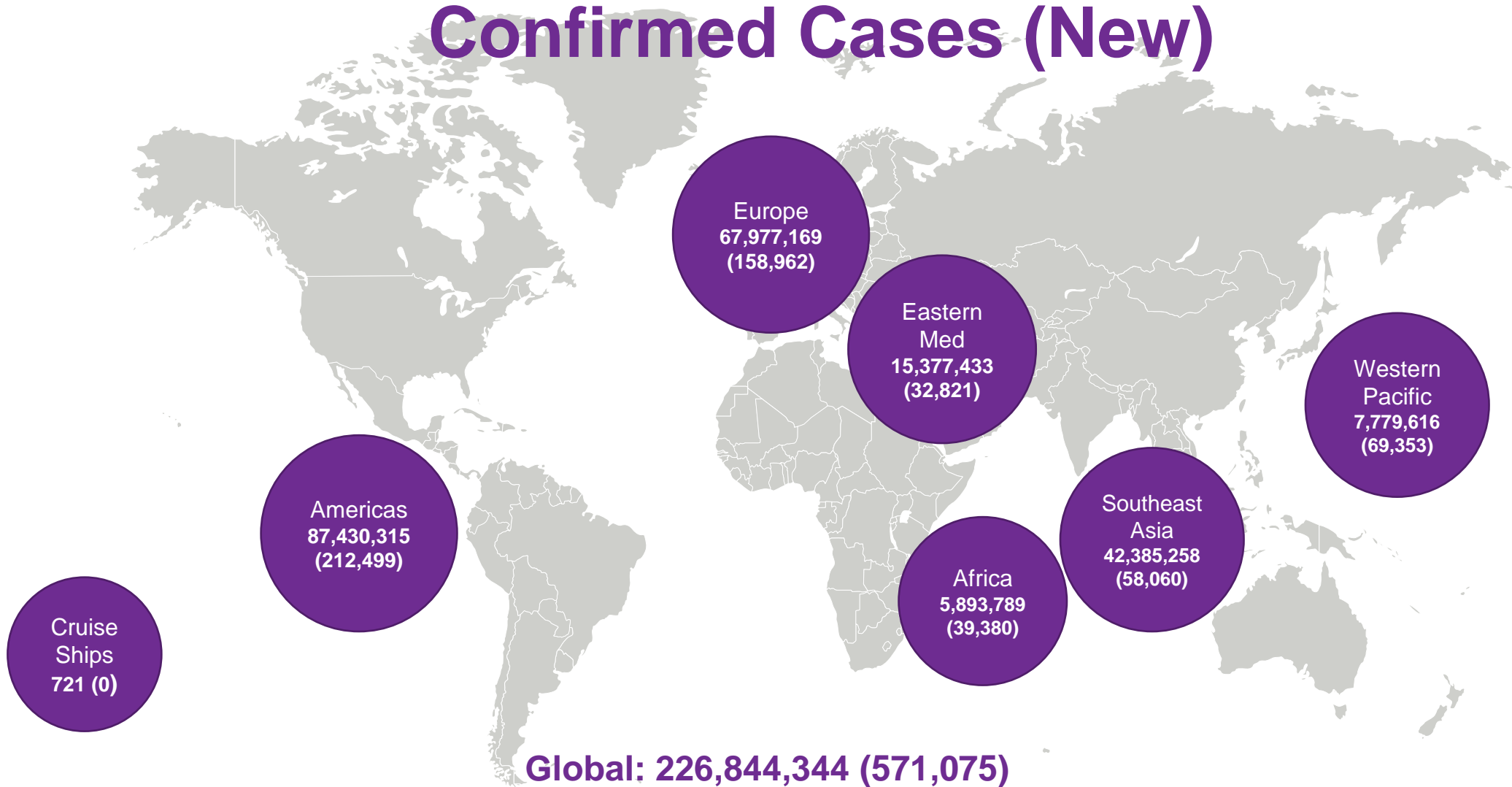
test kits gain popularity, health experts worry that their use could cause blind spots for authorities the spread of COVID-19. Unlike testing sites and labs, popular at-home tests including those produced by Quidel and Abbott Laboratories lack a mechanism to send test results to health officials, making reporting a matter of personal initiative, rather than a requirement. Widespread strain on testing sites resulting in longer wait times could prove just the push needed to boost the appeal of at-home tests. While convenient for users and important for increasing test accessibility, growing use of at-home tests may also require a reassessment of data collection methods.

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Coronavirus Condition Updates

As of 9:50 am CEST on September 20, 2021

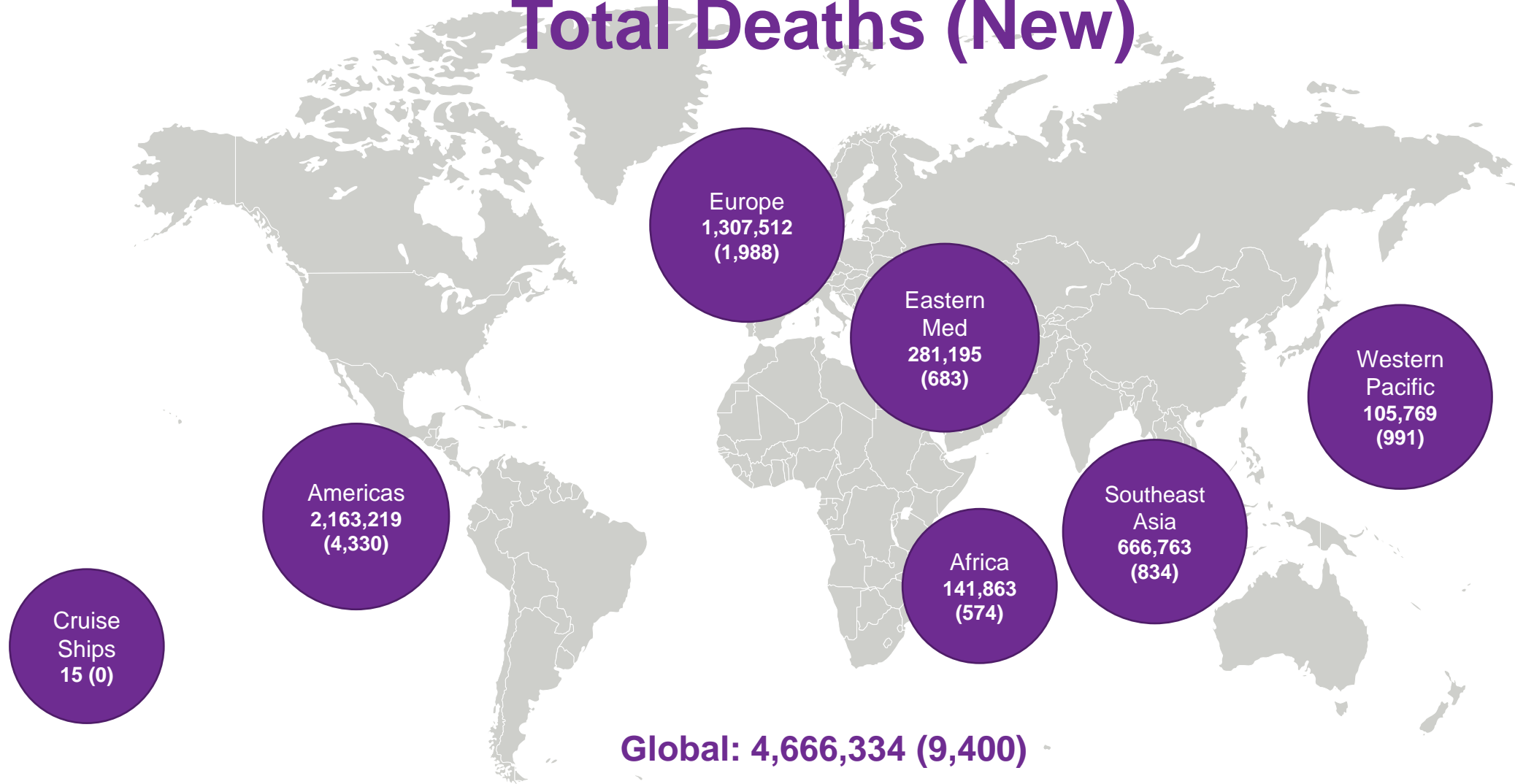
Confirmed Cases (New)



Reflects data as of 9:50 am CEST on September 20, 2021.
Data Source: World Health Organization

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Total Deaths (New)



Reflects data as of 9:50 am CEST on September 20, 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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