

Q3, 2021

Events Driving Global Instability and Risk

Global: Rising deaths, anti-vaccine movement and new variants of Covid-19 create global alarm in Sept 2021

- Over 4.5 million people in the world have already lost their lives due to the pandemic
- The virus has become the deadliest disease in American history, surpassing the death toll of the 1918 flu pandemic
- The power of anti-vaccine mobilization is evident as 22% of Americans identify as anti-vaxxers
- States like Florida, Arizona, Texas and South Dakota have issued orders prohibiting vaccine passports, further propelling the anti-vaccine movement
- 33% of the world population is fully vaccinated, while only 2% of the population in low-income countries has received even a single dose
- Even as the delta variant continues to be the dominant strain, experts have warned of the R.1 variant



Global: IPCC Report States that Some Climate Change Effects May Be Irreversible, in Aug 2021

- Even the most severe carbon emission cuts are unlikely to prevent global warming of 1.5 degrees Celsius above preindustrial temperatures by 2040
- The report highlights human responsibility for record heat waves, droughts, more intense storms and other extreme weather events seen around the world



Europe: Climate change blamed for devastating German and Belgium floods in July-2021

- Over 230 people dead following record floods in Germany and Belgium
- US\$68bn aid package agreed to rebuild devastated areas
- Scientists warn that extreme weather events such as floods, droughts and heatwaves will increase as the planet continues to warm



Israel: Pegasus spying scandal threatens both human rights and cybersecurity in Jul-Sept 2021

- An exposé revealed that the Israeli software company's tech is used by authoritarian regimes to spy on journalists, activists and opposition politicians
- The scandal highlighted how this spyware endangered liberty and human rights
- This could prove disastrous for cybersecurity should it fall into criminal hands

Afghanistan: Taliban Regains Power Following US Withdrawal in Aug-Sept 2021

- Taliban rapidly regained control of the country, 20 years after being ousted from power
- In America's largest air evacuation, 5 cargo jets and a few commercial flights flew out of Kabul, carrying more than 170,000 people and costing over US\$2tn
- A suicide bombing killed more than 100 Afghans and 13 US troops with the US launching a drone strike in response
- International observers fear that the Taliban could allow terrorists to operate within Afghanistan, threatening regional and global security

China: Evergrande crisis triggering the "Lehman moment" in China in Sept 2021

- Evergrande Group, China's second-largest real-estate developer by revenue is in danger of going under
- With over US\$300bn in debt, a default could translate into broader problems for the industry as a whole, the real economy and banks
- investors concerned that a debt default could send shock waves through the Chinese and global economies, similar to that from Lehman Brothers in 2008, unless well managed

China: Social crackdown intensifies in Jul-Sept 2021

- Series of antitrust and internet-related regulation crackdowns have been announced
- Sectors affected are ecommerce, education, fintech and gaming to limit behaviour that could damage social stability and national security
- Severe disruptions impact multinationals operating in China, large Chinese corporations and the financial markets

Data Source: FT, NYT, WSJ, Vox

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Events Driving Global Development and Progress

Politics, Economics, Environment and Society



Politics: Biden's push for US\$3.5tn social welfare and climate bill in Sept 2021

- Drive to expand education, health care and childcare support, tackle the climate crisis and make further investments in infrastructure



Environment: Big investors overseeing US\$14tn in assets demand annual vote on companies' Climate Transition Plans in Jul 2021

- JP Morgan, UBS and 51 other investors have called on companies to disclose a plan to cut their greenhouse gases, make a board director responsible for those actions and allow investors to vote annually on progress on the plan



Society: Annual ESG bonds cross US\$1tn in July 2021

- This is more than double of what was sold in all of 2020 as more borrowers are pushed to sell ethical debt

Society: UN-convened Net-Zero Insurance Alliance Commits US\$4.6tn in assets to Net-Zero Emissions by 2050 at G20 in Jul 2021

- Eight of the world's largest insurance and reinsurance companies have launched the Net-Zero Insurance Alliance (NZIA) at the G20 Climate Summit in Venice, committing to transition their underwriting portfolios to net-zero greenhouse gas (GHG) emissions by 2050

Society: World Bank's US\$157bn pandemic surge is the largest crisis response in its history in Jul 2021

- The Group supported countries to address the health emergency, protect the poor, create jobs and jump start a green and inclusive recovery



Science & Technology

Healthcare: Non-viral Covid-19 nasal vaccine candidate effective at preventing disease transmission in Sept 2021

- The candidate vaccine formulation, NanoSTING is found to be safe, produces rapid immune responses, within seven days and elicits comprehensive immunity



Healthcare: New Alzheimer's drug draws hope with ability to prolong life in Sept 2021

- By attacking the plaque buildup in the brain, Aduhelm is the first drug to go after the biological origins of the disease

Healthcare: New targets for pancreatic cancer detection and treatment identified in Sept 2021

- A large international collaboration has identified promising new targets for pancreatic cancer treatment and early diagnosis

Technology: Jeff Bezos and Sir Richard Branson launch into space in Jul 2021

- The billionaire founders each took a spin in their supersonic, suborbital rockets kicking off a new era of space travel



Technology: Brazil's airline Gol plans to launch electric air taxis in Sept 2021

- The aircraft, designed to transport four passengers plus one pilot, will have power systems designed by Rolls-Royce



Healthcare: Amazon's bet on healthcare in Sept 2021

- Over the past year, a tie-up between a network of eight hospitals and Amazon's cloud computing arm has led to voice activation being built into an experimental operating theatre



Technology: Free green steel produced for the first time in Aug 2021

- A Swedish consortium delivered the first batch of the metal—made using 'green' hydrogen—to an automobile manufacturer for truck production

Technology: World's largest Carbon Capturing Plant launches in Iceland in Sept 2021

- The plant is designed to capture up to 3,600 metric tons of CO2 per year
- That is the same amount of CO2 produced by about 790 automobiles during a year

Environment: EU to target Stimulus Funds of US\$1.25tn to Boost green Industries and Technologies in Sept 2021

- The Commission says the overall package will drive a recovery that boosts "green" industries and technologies, to reduce emissions of the greenhouse gases fuelling climate change

Society: Amazon to pay full college tuition for its front-line employees in Sept 2021

- Amazon to make a total investment of US\$1.2bn by 2025
- The initiative is part of the Company's Career Choice Program



Economics: Record US\$650 billion of IMF Special Drawing Rights come into effect in Aug 2021

- The largest allocation will provide additional liquidity to the global economic system – supplementing countries' foreign exchange reserves and reducing their reliance on more expensive domestic or external debt.