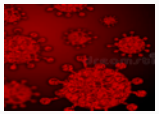
Q2, 2020

Events Driving Global Instability and Risk



Global: Coronavirus Cases Continue to Rise in April-June 2020

- The Covid-19 outbreak continued to spread globally across the second quarter of 2020, with a total of over 10.6m cases and 505K deaths, and estimated 50-60% higher exces deaths, to date
- Several nations including China and South Korea have begun to see a second wave of infections spread across the country
- The crisis has cost governments around the world more than US$10tn in lost revenues and support measures such as additional spending, business loans and guarantees
- The IMF have estimated that the global economy will shrink 4.9% in 2020, the worst global economic contraction since the Great Depression

United States

- The US has the highest death count in the world and has spread quickly across the country, with over 2.6m cases and 128K deaths until date
- Additionally, the economy has been severely impacted with the unemployment rate rising to 14.7%, the highest since Great Depression
- Following a premature opening up across most states, the country has seen a resurgence of infections with record daily cases

India

- India has become the latest epicentre with over 567K cases and 16K deaths
- The government imposed a lockdown with stringent restrictions from mid-March onwards to control the spread of Covid-19
- This has caused major economic disruption, with millions of migrant workers left stranded in economic hardship

Latin America

- Brazil is now the world's second most infected country with over 1.3m cases and 58K deaths; Other nations such as Peru and Chile have been severely impacted as well
- Months of strict lockdowns have failed to flatten the curve with the region suffering half of the world's new coronavirus deaths
- Policymakers fear the region's economies will be damaged more severely than other developing regions

Europe

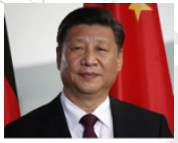
- The number of new cases and deaths across Europe have receded to normal levels after nearly four months
- Despite a seven-week long lockdown, Russia has struggled to curb the spread of Covid-19 with 647K cases and 9K deaths, making it the third most affected nation in the world
- The UK has the highest death toll in Europe and the third highest in the world

US: Black Lives Matter Protests in May-June 2020

- Tens of thousands protested across the US following the killing of George Floyd in police custody
- The movement against racism, social inequality and police violence has been the most significant civil unrest in the country for decades
- The protests have spread globally with mass demonstrations against racism across Europe, Asia and Australia

US-China: Tensions Escalate Amid Covid-19 Outbreak in Apr-June 2020

- US-China relations have deteriorated further with the spread of Covid-19 with mutual recriminations about the virus origin
- The US is curbing investment flows between the two countries and altering supply chains
- US passed a bill against the listing of Chinese companies and tightened export controls on Huawei
- Investors are braced for a revival of tensions last seen during the trade war in 2019



India-China: Dispute on India-China Border in May-June 2020

- Following a month-long border standoff, 20 Indian Army personnel were killed during a violent clash with Chinese troops
- This is first time in 45 years that either country has reported casualties during a face-off, leading to a major escalation of tensions
- A potential conflict between the two nations could have enormous global geopolitical consequences

China-Hong Kong: China Passes New National Security Law in Hong Kong in May-June 2020

- Following a year of anti-government protests, China passed a new security law reducing Hong Kong's autonomy
- This law has been condemned by the US, Europe and Australia and could severely impact their future relations with Hong Kong
- The bill has also given renewed momentum to the protests

Source: FT, NYT, WSJ, Vox

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Events Driving Global Development and Progress

Politics, Economics and Society

Politics: US passes a US$1.5tn infrastructure funding bill in June 2020

- The legislation would spur construction or improvements of roads, bridges, ports, clean energy, schools, etc
- This will create more employment at a time when the US faces record high unemployment rates

Politics: NASA unveils 'Artemis Accords' for 2024 mission to the Moon in May 2020

- NASA spearheading new US space exploration agreements with foreign governments
- Artemis Accords is a set of principles to use as the basis of bilateral agreements

Society: PayPal pledges c.$530m to support minority-owned US businesses in June 2020

- An economic opportunity fund to be created that will invest in black and minority businesses
- Funding will be invested through community banks and credit unions serving minority communities

Society: Bank Of America commits US$1bn to fight racial and economic equality in June 2020

- This commitment will include programmes that focus on communities of colour, support to small businesses owned by minority groups

Environment: US approves plan to build largest solar project in May 2020

- The US$1bn project, 8th largest globally is expected to generate electricity to power 260K homes
- It will inject an c.US$713m in the economy

Environment: EU pledges to raise US$22bn annually to boost biodiversity in June 2020

- The funding will be raised for the next 10 years to to protect 30% of the EU's land and oceans as part of the European Green Deal

Science & Technology

Healthcare: Smart contact lenses allow diabetics to monitor glucose levels in May 2020

- The lens is wireless and remotely operated, which means glucose levels will be monitored in the blink of an eye

Technology: Technology developed to generate energy from surface of metal in April 2020

- Device works like a battery as well as a harvester
- It has 10x more power density than the best energy harvesters and 13x more energy density than lithium-ion batteries

Cleantech: World's biggest liquid air battery under construction in June 2020

- The battery will store renewable electricity and reduce carbon emissions from fossil-fuel power plants
- It can power 200K homes for a whole day and store renewable energy for weeks

Healthcare: Robots use light beams to kill hospital viruses in April 2020

- Each robot is a mobile array of powerful short wavelength UV lights
- These robots can disinfect patient rooms and operating theatres in hospitals

Cleantech: Platform to generate power from waves, wind and solar in May 2020

- The floating ocean hybrid platform can generate renewable energy from waves, wind and solar sources
- It can contribute to the worldwide implementation of offshore wind farms

Healthtech: Self-cleaning electric mask in May 2020

- These masks, can reduce the global masks shortage and provide better protection from the coronavirus

Environment: Portugal plans US$5.4bn clean energy projects in April 2020

- Projects include a new hydrogen plant and revival of the solar auction
- The solar-powered hydrogen plant is expected to attract investments of US$5.4bn

Society: MoU signed to promote digital education across Middle East in June 2020

- MoU between leading K-12 EdTech company and Innovera Middle East aims to make UAE and Egypt as hubs for digital education and educational innovation
- This partnerships marks a major transformation in education in the Middle East

Technology: New brain implants lets blind people 'see' letters in May 2020

- Device passes images from camera to the brain, skipping the eyes in the process
- Researchers used implanted electrodes to relay visual information

Technology: NASA's SpaceX Demo-2 Launched in May 2020

- SpaceX became the first private company to launch a crewed mission into the orbit, previously only achieved by three nations
- This launch has also ushered in a new era in commercial space travel

Environment: Amazon launches US$2bn climate venture investment program in June 2020

- The fund will invest in the development of sustainable technologies and services
- The aim is to enable Amazon and other companies to be net zero carbon by 2040

Politics: US house passes 'George Floyd' police reform bill in June 2020

- The bill will hold police officers personally liable for damages in lawsuits, ban no-knock warrants used by police in drug raids and halt the flow of military surplus equipment to police departments

Society: Microsoft to help 25m people worldwide acquire new digital skills needed in June 2020

- The new global skills initiative aims at providing digital skills access to people hardest hit by job losses for accelerating economic recovery by end of 2020