

# Political Risk Update: March 31, 2021

- Mozambique: Palma killings raise pressure on government
- Indonesia: Attack highlights latent terrorist threat in Sulawesi
- Bangladesh: Anti-Modi unrest will not hurt Delhi-Dhaka ties
- Mexico: Revising official figures upwards may encourage COVID vaccine assistance
- Ukraine: Latest battle against corruption targets anti-reform judges

## Mozambique: Palma killings raise pressure on government

### Event

The ministry of defence said on March 29 that dozens of people have been killed in the town of Palma in northern Cabo Delgado in recent days, in apparently coordinated attacks by Islamist-inspired insurgents.

### Outlook

The attacks and subsequent chaos of recent days is one of the most serious crises that the government has faced during the Cabo Delgado insurgency; reports suggest that, beyond the figures that the government admits, many more people may be dead. The situation will raise renewed questions about the viability of forthcoming LNG projects given that security forces and private military contractors are clearly not in control.

### Analysis

An attempted rescue attempt on March 26 for 170-180 people, including foreign workers, staying at the Amarula Palma hotel saw at least seven killed after a convoy of vehicles was ambushed by insurgents. Palma is located near a major Total-led liquefied natural gas (LNG) project; the company has reportedly said that it has reduced its workforce at the site to a minimum and evacuated staff, while the planned recommencement of construction work -- announced on March 24, the same day the attacks began -- has also been deferred. Hundreds of people have reportedly fled to neighbouring Tanzania.

## Indonesia: Attack highlights latent terrorist threat in Sulawesi

### Event

At least 19 people were wounded in a bomb attack outside a church in Makassar, capital of South Sulawesi province, on March 28.

## Outlook

The bombing is a reminder of the threat posed by Jamaah Ansharut Daulah (JAD), a militant group linked to Islamic State (IS). Targeting churches has long been a favoured tactic of the region's IS-aligned militants, and the authorities are concerned that more attacks may follow around the Easter period.

## Analysis

The two suspected assailants -- a husband and wife -- were killed in the blast. They tried to enter the church at the end of a service to mark Palm Sunday, which for Christians is the first day of the Holy Week preceding Easter. In May 2018, JAD attacked churches in Surabaya, capital of East Java province. A JAD-affiliated husband and wife from Makassar were involved in twin church bombings in Jolo, capital of the Philippines's Sulu province, in January 2019. In January this year, Indonesia's special counterterrorism unit, Densus 88, arrested several JAD members during a raid on their hideout in Makassar.

## Bangladesh: Anti-Modi unrest will not hurt Delhi-Dhaka ties

### Event

Islamist hardliners attacked Hindu temples in Bangladesh on March 28 as demonstrations against the visit of Indian Prime Minister Narendra Modi continued.

### Outlook

The violence points to rising anti-India sentiment among Bangladeshi hardliners, which now goes beyond antipathy towards Modi specifically. It also reflects the growing determination on the part of organisations like Hefazat-e-Islam to resist crackdowns on dissent. India-Bangladesh relations are unlikely to be much affected, as the personal rapport between Modi and Sheikh Hasina, his counterpart in Bangladesh, remains strong and the two governments are keen to deepen their engagement.

### Analysis

Protests began in the lead-up to Modi's two-day visit to Bangladesh, which concluded on March 27. They intensified after a handful of protesters were killed by police. The Hefazat-e-Islam group tried to enforce a nationwide strike in the wake of the deaths. Anger towards India has grown in Bangladesh due to the Modi government's citizenship agenda, which has produced claims of discrimination against India's Muslim minority. Modi was visiting Bangladesh as part of celebrations to mark the birth centenary of the country's founder, who was also the father of Sheikh Hasina, and the 50th anniversary of Bangladeshi independence. Modi and Hasina held talks and signed a handful of agreements covering areas such as connectivity and trade.

## **Mexico: Revising official figures upwards may encourage COVID vaccine assistance ensions with Pakistan may ease, but only slightly**

### **Event**

On March 27, the government published data suggesting that Mexico's real COVID-19 death toll had surpassed 321,000, some 60% more than the official figure.

### **Outlook**

Mexico's latest death figures will increase criticism of the government's pandemic response, but may also encourage further assistance from the United States that would help to speed up the pace of the government's vaccination programme. Increased tourism over the Easter holidays will pose renewed contagion risks, even if visitor numbers are lower than normal.

### **Analysis**

The new government data show that there were 417,002 excess deaths in 2020-21, 70% of which are attributed to COVID-19. Nearly 27,000 more COVID-19 deaths have been confirmed since February 15. Mexico's official confirmed death toll is the world's third-highest, at 201,623, but the report suggests that the country's true figures may surpass those of Brazil, putting Mexico behind only the United States in terms of total fatalities. Mexico's vaccine rollout is trailing that of its northern neighbour, which has now inoculated, at least partially, more than 40% of its population; Mexico's equivalent figure is 5.2%. A shipment of 1.5 million doses of AstraZenica vaccine, loaned by the United States, landed in Mexico on March 29 with the proviso that will be replaced from Mexico's order of AstraZenica vaccine once it arrives. A further 1.2 million doses are reportedly expected by the end of this week, as are unrelated shipments of Pfizer (600,000 doses) and Sputnik V (500,000).

## **Ukraine: Latest battle against corruption targets anti-reform judges**

### **Event**

On March 29, two Constitutional Court judges asked Ukraine's Supreme Court to annul a decree from President Volodymyr Zelensky which removes them from their posts.

### **Outlook**

Zelensky is belatedly tackling some of Ukraine's powerful interest groups, and is forced to fight them on several fronts. Recent US sanctions against a leading businessman have signalled support for Zelensky's efforts but they also amount to a warning from Washington that he must show willingness to tackle corruption head-on, rather than engaging in half-measures and backsliding.

## Analysis

The president's decree technically annuls the original appointment of the two judges in 2013 by then President Viktor Yanukovich. It is a response to Constitutional Court rulings last year that were clearly designed to obstruct anti-corruption agencies. In February, prosecutors charged three former senior executives of Privatbank in connection with a massive fraud. Businessman Ihor Kolomoisky has been pursuing a restitution claim from the state, as the now nationalised Privatbank's former part-owner. On March 5, the United States announced sanctions against him, based partly on suspicions that laundered Privatbank money was invested in US property. The fact that Kolomoisky has past business links with Zelensky and ongoing connections with his party make this case difficult for the president, and so US support is welcome, but it also comes with the message to pursue corruption with more vigour.

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