

Political Risk Update: September 22, 2021

- China: Hong Kong election committee tightens Beijing's grip
- Cuba: Havana-Hanoi vaccine deal may be the first of many
- Ivory Coast: Jihadist attacks expected to resume
- Iran: Tehran's eastward diplomatic success may prove illusory
- Russia: Kremlin secures desired outcome in Duma elections

China: Hong Kong election committee tightens Beijing's grip

Event

The membership of a new 1,500-member Election Committee was finalised on September 20.

Outlook

The next Legislative Council will include almost no members of the former opposition. The legislative process will be smoother in a chamber no longer deadlocked by political polarisation, but there is probably still scope for genuine debate on many economic and social issues. Beijing will have more direct influence over policy in Hong Kong, but is unlikely to intervene actively except on politically sensitive issues connected with sovereignty and national security -- though it defines both very broadly.

Analysis

The new Election Committee will appoint 40 of 90 Hong Kong lawmakers when a new Legislative Council is elected in December. It will also select the city's next chief executive in March 2022, or choose to reappoint Carrie Lam. The Election Committee was elected under a new system in which the number of people who elected it was cut from 246,000 to 8,000, with candidates vetted for their loyalty to Beijing. The new committee contains only one opposition-friendly member.

Cuba: Havana-Hanoi vaccine deal may be the first of many

Event

On September 20, Cuba agreed to supply Vietnam with 10 million doses of its Abdala COVID-19 vaccine.

Outlook

The deal could prompt more sales to Vietnam, which also appears interested in producing Abdala. The arrangement, if successful, may prove a catalyst for further export deals or for licensing agreements, as these could help circumvent Cuba's production challenges.

Analysis

The deal, struck during a visit to Cuba by Vietnamese President Nguyen Xuan Phuc, follows Vietnam's emergency approval of Abdala last week. The vaccine is one of several under development in Cuba and seems highly effective, with Phase III trials demonstrating an efficacy rate of over 92%, after three doses. Havana had hoped to use only home-grown vaccines in its domestic rollout and to export widely overseas, initially announcing a 100-million-dose production target. Production problems and a surge in cases nevertheless forced it ultimately to import vaccines from China. Although Vietnam is so far the only country other than Cuba to approve Abdala's use, there is international interest; Venezuela has reportedly signed a deal for 12 million doses. World Health Organization approval is pending. Some 72% of Cubans have received a dose of vaccine to date, compared with only 28% of Vietnamese citizens.

Ivory Coast: Jihadist attacks expected to resume

Event

Media reports on September 21 suggested that the authorities are increasingly concerned about a major jihadist effort to infiltrate northern Ivory Coast.

Outlook

A renewal of cross-border attacks into Ivory Coast by jihadist insurgents is likely, particularly as al-Qaida-affiliated fighters consolidate their control on the Burkina Faso side of the border. However, for a sustained insurgency to take root, jihadists will need to build political alliances with local elites and even national-level politicians linked to marginalised northern communities. As of yet, this does not seem to be the case.

Analysis

Burkina Faso intelligence, shared with Ivorian counterparts in early September, has reportedly indicated the delivery of ammunition, explosives and small arms to caches in Diefoula forest along the Burkina Faso-Ivory Coast border. The Ivorian military has raised its alert status and increased patrols in the region, with attack helicopters being used. Ivory Coast's western intelligence partners, notably France, have warned about planned simultaneous attacks on several military targets. Jihadist operatives linked to the al-Qaida-affiliated Group for Supporting Islam and Muslims (JNIM) are also reported to be gathering intelligence in the region.

Iran: Tehran's eastward diplomatic success may prove illusory

Event

Iranian Foreign Minister Hossein Amir-Abdollahian has 45 bilateral meetings planned at the UN General Assembly (UNGA) session in New York but will not meet US Secretary of State Antony Blinken.

Outlook

Iran goes to the UNGA on the back of a major diplomatic success for President Ibrahim Raisi. His first foreign trip was to Tajikistan on September 18, where he secured agreement on Iran's membership of the Shanghai Cooperation Organisation (SCO), 15 years after Tehran first applied. Raisi has emphasised the economic gains for Iran from SCO membership, as well as the security and diplomatic protection -- including at the UN -- offered by a closer partnership with the SCO's leading members, China and Russia. However, the benefits of Iran's acceptance into the SCO may be more symbolic than substantive.

Analysis

Actual admission to the SCO could take time -- India and Pakistan recently waited for two years. The diplomatic help offered by Moscow and Beijing is unlikely to be greater than what they already provide and would face the same limits, for instance if Tehran comes close to acquiring a nuclear weapon. Economically, common SCO membership will not change foreign actors' assessment of the risks of violating US sanctions, if those are not lifted after upcoming nuclear deal discussions in Vienna, or the risks of Iran being blacklisted by the Financial Action Task Force (FATF).

Russia: Kremlin secures desired outcome in Duma elections

Event

Parliamentary and regional elections ended on September 19 following conclusion of a new three-day voting process combined with increased online and early voting.

Outlook

Depending on the final arithmetic, the pro-Putin United Russia party looks set to secure more than 320 seats but perhaps fewer than the 343 it won in 2016.

Analysis

Together with the absence of observers from the Organisation for Security and Cooperation in Europe, the protracted process created unprecedented opportunities for manipulation and outright fraud, critics say. The Golos monitoring group has identified thousands of violations and surveillance footage shows ballot boxes being stuffed. With 98% of ballots counted, United Russia had 49.8% of the proportional representation vote, the Communists 19.05%, the Liberal Democrats 7.48%, Just Russia-Patriots for Truth 7.4% and a new party, New People, 5.36%. Communist wins in the Yakutia and Nenets regions make no difference to overall numbers. Half the 450 seats in the Duma are elected in first-past-the-post constituencies: here United Russia won 88% of seats and the second-placed Communists only 4%.

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