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NATIONAL INTELLIGENCE COUNCIL

NATIONAL INTELLIGENCE ESTIMATE

April 2022

NIE 2022-02480

(U [REDACTED]) Economic and National Security Implications of the COVID-19 Pandemic Through 2026

(U) This National Intelligence Estimate was prepared under the auspices of the [REDACTED]. It was drafted by the National Intelligence Council [REDACTED].

Questions or requests for copies may be directed to the Director on secure 933-2692.

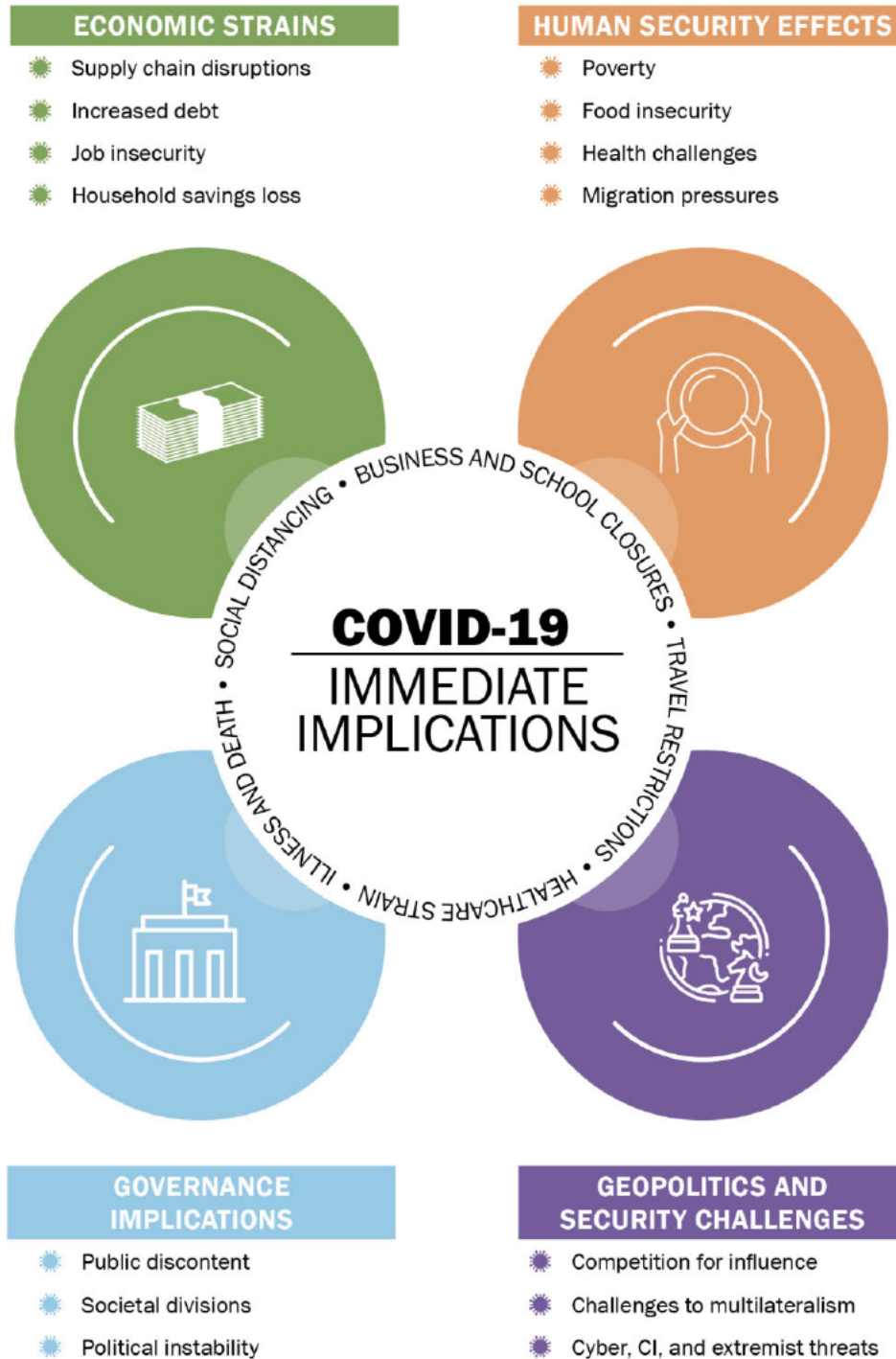
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(U) Cascading Effects of COVID-19

(U) COVID-19 is disrupting economies and societies worldwide, adding to dislocations in human security, governance, and geopolitics that are likely to ripple for years to come.

(U) This graphic is UNCLASSIFIED.





(U [REDACTED]) Economic and National Security Implications of the COVID-19 Pandemic Through 2026

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(U) Key Takeaway

[REDACTED] During the next five years, the COVID-19 pandemic is likely to exacerbate a range of global economic, human security, governance, and geopolitical strains, even as the pandemic's most severe health effects are likely to fade. Developing countries probably will face the most critical and enduring socioeconomic setbacks, which are likely to contribute to increasing humanitarian needs, political instability, and geopolitical tensions. Most advanced economies are likely to be able to manage longer-term economic disruptions, in part because they were able to implement early and aggressive fiscal and monetary measures.

[REDACTED] This NIE was written with a high degree of uncertainty because of the unprecedented and ongoing nature of the health crisis, including the continual emergence of new variants, such as Omicron, and the high levels of vaccine hesitancy globally. We made baseline assumptions about the trajectory of the virus during the next five years to ground our judgments of the broader implications. We assume that the virus that causes COVID-19 will continue to circulate globally during the next five years. For most countries, the most severe health effects of the pandemic are likely to abate during the next year as vaccination coverage expands, immunity from infections builds, and the availability and effectiveness of therapeutics grow.

(U [REDACTED]) **Key Judgment 1: Economics.** During the next five years, as most countries recover from the most severe economic effects of COVID-19, we assess that pandemic-related higher debt burdens, constrained government spending, and ongoing disruptions to the labor market probably will contribute to higher risks of financial instability and elevated rates of poverty, particularly in developing countries. Most advanced economies are better positioned to recover economically from the effects of COVID-19 because they had early and widespread access to vaccines and have a greater ability to apply and sustain supportive monetary and fiscal policies.

(U [REDACTED]) **Key Judgment 2: Human Security.** The COVID-19 pandemic and its economic fallout are likely to continue to have harmful effects for human security—the protection of individuals from threats to their well-being—during the next five years, while stimulating some improvements in global preparedness for future pandemics.

(U [REDACTED]) **Key Judgment 3: Governance.** Through 2026, the combination of economic and human security challenges resulting from the COVID-19 pandemic is likely to further strain the capacities of governments to meet public demands, thereby exacerbating existing public discontent and societal divisions, and raising the risks to democratic governance and political stability in some countries.

[REDACTED] **Key Judgment 4: Geopolitics.** The pandemic is likely to continue to be exploited by US adversaries to build their influence, probably with limited success; to encourage some US partners and allies to prioritize domestic and regional needs over addressing other international challenges; and to drive initiatives to improve multilateral mechanisms to address health security and other transnational issues.

(U) Scope Note

██████████ This IC-coordinated National Intelligence Estimate (NIE) addresses the implications of the COVID-19 pandemic for US economic and national security interests through 2026, in response to a Presidential tasking. This NIE examines four key areas of implications: economics, human security, governance, and geopolitics. We concentrated on implications that we judged are more likely to persist through the next five years, rather than the more ephemeral impacts of the pandemic. Our baseline assumptions about the trajectory of the pandemic during the next five years, presented below, provided the foundation for our judgments on the broader implications of the pandemic. This paper does not draw out every potential impact of COVID-19 nor does it examine conditions or trends unrelated to the pandemic, but instead focuses on the implications of the pandemic that are likely to affect US national security interests. This NIE was written prior to Russia's invasion of Ukraine in February. The conflict's effects on global economic stability and human security, in particular, reinforce the conclusions of this NIE that the COVID-19 pandemic has weakened resilience, leaving many governments and populations less able to adapt to economic and geopolitical shocks.

(U) Key Gaps and Uncertainties

██████████ Our judgments are based on a wide body of open-source reporting and research, including outreach to outside experts, about the effects of the pandemic thus far, across a range of sectors and societal dimensions, coupled with all-source intelligence reporting on the plans and intentions of foreign actors. We acknowledge considerable uncertainty in projecting the longer-term impacts of the ongoing pandemic, given shifting projections on the pace of economic recovery, and the resilience of countries and societies as they manage the persistent spread of the virus. We also have uncertainties surrounding the trajectory of the pandemic itself, including the frequency and severity of emerging variants; government and public responses to surges; the development and deployment of more effective therapeutics; and the speed and comprehensiveness of global vaccine deployment. Finally, we judge that the pandemic could have unforeseen implications not covered herein, owing to the strain that the pandemic may continue to place on governments and populations globally.

(U) Assumptions

██████████ We assume that the virus that causes COVID-19 will continue to circulate globally during the next five years because of imperfect and waning immunity following both vaccination and infection, as well as gaps in vaccination coverage due to hesitancy and constraints on supplies and dispersal. We assume that the virus will continue to cause mostly asymptomatic or mild illness in vaccinated individuals and susceptible children, and combined with improved therapeutics, this will decrease instances of severe disease.

██████████ Finally, we assume that reshoring and improving supply chain resiliency and declining globalization probably will result in structurally higher inflation during the five years of this assessment than has been true for the decades before the pandemic. Although outside the scope of this assessment, we assume that global commodity price increases caused by Russia's invasion of Ukraine in February will aggravate existing inflationary trends but will not be sustained through 2026.



(U [REDACTED]) Economic and National Security Implications of the COVID-19 Pandemic Through 2026

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(U) Discussion

(U) The COVID-19 pandemic marks the most significant singular global disruption since World War II, with resultant economic, human security, political, and security implications that are likely to ripple for years to come. In its first year, the pandemic produced the deepest global recession since the Great Depression and resulted in trillions of dollars of lost economic output. As of early this year, countries had reported more than 6 million deaths from the virus—with the actual death toll probably more than twice as high—while untold others have suffered illness, lost livelihoods, food insecurity, and other challenges to their well-being because of the virus and consequent governmental and societal responses.

(U) The development of effective vaccines by late 2020 changed the course of the pandemic, especially for more economically advanced countries, where vaccines have been widely available for most age groups since mid-2021. Vaccines have significantly lessened the severe effects of the disease, although devastating resurgences of the virus have continued because of the appearance of new variants, relaxation of public health measures, waning vaccine protection, and inadequate vaccination coverage. Vaccine hesitancy, misinformation about the vaccine, and—particularly for poorer countries—delays obtaining and deploying vaccines have resulted in lower vaccination coverage in some populations.

(U [REDACTED]) Pandemic Disrupting Growth, Straining Finances, and Increasing Disparities

(U [REDACTED]) **Key Judgment 1:** During the next five years, as most countries recover from the most severe economic effects of COVID-19, we assess that pandemic-related higher debt burdens, constrained

government spending, and ongoing job disruptions probably will contribute to higher risks of financial instability and elevated rates of poverty, particularly in developing countries. Most advanced economies appear better positioned to recover economically from the effects of COVID-19 because they had early and widespread access to vaccines as well as the ability to apply and sustain monetary and fiscal policies to help mitigate the pandemic's damaging effects.

(U) The COVID-19 pandemic, with its attendant shutdowns, has brought massive disruptions to the global economy, pushing many low and middle-income countries (LMICs) to make more difficult economic trade-offs. An unprecedented collective rollout by countries and international financial institutions of financial and monetary support programs helped avert an even deeper global economic downturn. However, these programs are likely to pose a lasting fiscal burden, particularly on countries that rely on external financing.

- (U) In many countries, disruptions stemming from the pandemic have set back socio-economic progress, including rising incomes and wider access to education, with some of these setbacks likely to take years to overcome. Households with lower income levels, even in advanced economies, have been forced to draw down savings to cope with financial demands, potentially resulting in lower spending on education and job training and lower available savings to weather future crises.
- (U [REDACTED]) We assess that greater debt burdens and rising poverty in LMICs probably will not be self-correcting at least within the next several years and will require sustained attention, especially from international financial institutions and to a lesser extent, the G20 and civil society.

- (U) Pandemic-related global shutdowns highlighted existing vulnerabilities in global trade, including in supply chains and trade networks. These have accelerated planning, which was underway before the pandemic began, to realign some supply chains over the longer term. Some supply chains are realigning away from traditional points of origin, most notably China, which will ease reliance on individual countries but decrease these markets' efficiency.

(U) Debt Legacy Weighing Most Heavily on Low- and Middle-Income Countries

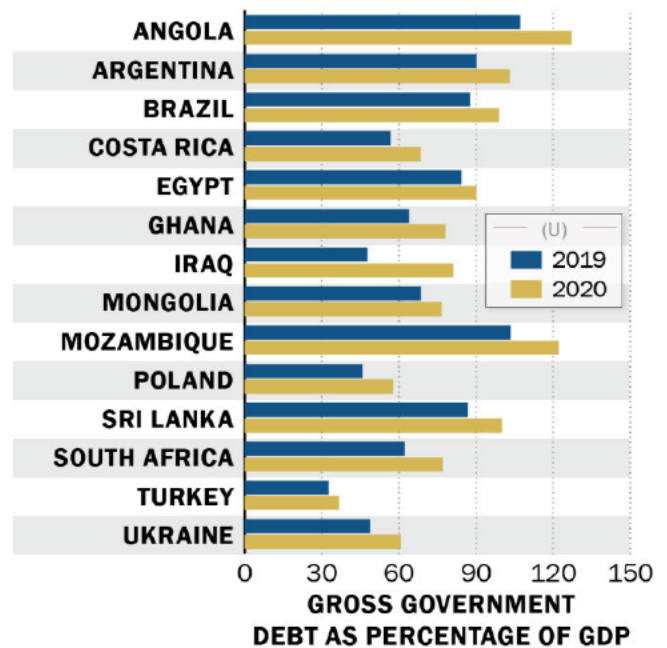
(U) The IC assesses that the record levels of sovereign debt issued to manage higher spending and lost revenue during the COVID-19 pandemic will weigh more heavily on poor and emerging markets than on advanced economies because the high debt-servicing costs in developing countries probably will reduce the funds available for social safety nets and development investment. The higher debt load in developing countries is likely to be compounded by low near-term growth prospects, in part because of the emergence of more virulent COVID-19 variants and relatively low immunization coverage.

- (U) According to IMF debt statistics and the UN Development Program, debt obligations in developing economies were growing even before the pandemic, with a vicious cycle of rising debt leading to a slowdown in growth. The World Bank estimates that the debt build-up from the pandemic has been the largest, fastest, and most broad-based rise in global debt in the past 50 years, warning that each of the previous three waves of debt—in Latin America in the 1980s, East Asia in the 1990s, and Western economies in the early 2000s—preceded financial crises.

- (U) The pandemic also has accelerated the global trend in rising private debt, which includes commercial and household debt. According to the Organization for Economic Cooperation and Development and the UN, private debt had already increased from 79 percent of global GDP in 2008 to 139 percent in 2017. Pandemic-related increases in debt to cope with job losses and healthcare expenditures are now likely to further damage financial stability in poorer countries, where there tends to be little available state-level or household savings.

(U) Pandemic-Induced Debt Burdens Affecting Every Region*

(U) Higher expenditures and loss of revenue have forced countries in every region to dramatically expand their government debt loads, potentially jeopardizing financial stability in some vulnerable countries.



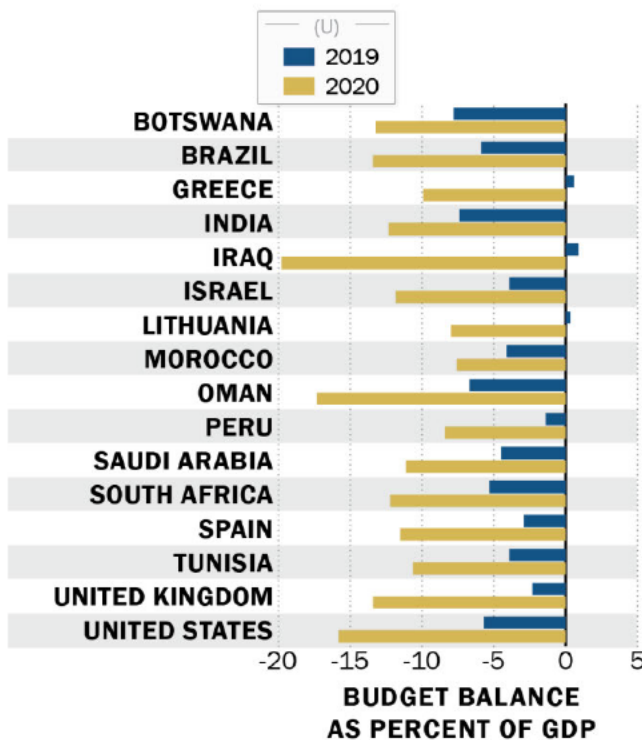
(U) Source: IMF World Economic Outlook, April 2021
 *(U) Selected countries are included to illustrate budgetary impacts of COVID-19 in every region, particularly where changes were large or the country strategically important.

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(U) Developing countries probably will encounter tighter access to international funding from private creditors and higher debt-servicing costs as investors seek greater returns to compensate for potentially higher default risk, which almost certainly will limit their governments' spending maneuverability. By the end of 2021, emerging markets' gross government debt had increased by 10 percentage points since 2019, reaching an average of 64 percent of GDP, according to the IMF. As of November 2021, the World Bank reported that 34 low-income countries were in or at high risk of debt distress.

(U) Massive Deficit Spending Jeopardizing Social Support and Investments*

(U) Higher deficits in nearly every country probably are forcing some governments to curtail social spending or productive investments for future growth.



(U) Source: World Bank, April 2021
 *(U) Selected countries are included to illustrate budgetary impacts of COVID-19 in every region, particularly where changes were large or the country strategically important.

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(U) Advanced Economies Less Vulnerable, Better Equipped for Recovery

The IC assesses that advanced economies are better positioned to recover from the effects of COVID-19 because they had early and widespread access to vaccines and the ability to apply and sustain supportive monetary and fiscal policies, including increased public healthcare spending, sector-specific subsidies and loan guarantees, unemployment insurance, cash payouts, and other measures. As with much of the global economy, advanced economies almost certainly will experience higher economic growth during the next several years, but the strength of growth is likely to depend in part on vaccination rates, the spread of new and more contagious COVID-19 variants, the ability to control inflation without lowering growth, and continued financing of debt by central banks.

- (U) EU member states facing mounting post-COVID-19 debt burdens have large financial support programs from which to draw. These include the 670 billion euro Recovery and Resilience Facility, a blend of European Commission loans and non-repayable grants, according to EU data.
- (U) At the household level, the savings rate in Eurozone countries jumped to more than 20 percent of disposable income in 2020, after averaging about 12 percent during the previous decade, which was a leading factor in preventing widespread financial distress, according to official EU statistics. However, the pandemic's lingering effects on jobs and wages contributed to a reduction in the Eurozone savings rate to 15 percent by the end of 2021, while household debt also increased. For example, average personal debt in the United Kingdom doubled to about \$35,000 in 2021 from 2020.

- (U) Many advanced economies' ability to issue debt in local currency, combined with the long maturities of their bonds, has allowed them to sustain higher debt burdens and use debt to finance future expenses related to recovery and healthcare, so long as there is political support. Countries with excessive debt levels, including Cyprus, Greece, Italy, Portugal, and Spain, are at greater risk of credit stress if political support for financing their deficits falters or if the European Central Bank stops buying their government bonds.

(U) Labor Market Disruptions To Persist

(U) Labor-force disruptions engendered by the pandemic are hastening trends toward automation and remote work, which we assess will more negatively affect the incomes and employment of some workers outside the knowledge sectors in advanced economies.

- (U) The COVID-19 pandemic has accelerated the expansion of e-commerce, online education, digital health, and remote work, widening gaps in digital literacy and excluding poorer populations from educational and employment opportunities in the global digital economy, according to the World Economic Forum and a US investment bank. Many companies have deployed automation and artificial intelligence in warehouses, grocery stores, call centers, and manufacturing plants to reduce workplace density and cope with surges in demand.
 - (U) The expansion of automation and remote work options probably are increasing productivity, especially in large companies, but the effects of efficiency-focused productivity gains and accelerated digitalization could dampen employment, eliminate middle-skill jobs, and constrain consumption over time.
 - (U) At the end of 2021, labor market recovery was fastest in high-income countries, which constitute only about one-fifth of the global labor force, whereas labor forces in low- and middle-income countries have been experiencing a much slower recovery, according to the International Labor Organization.
- (U) Employment losses from the pandemic have disproportionately affected women's job security, reversing, at least for now, the trend toward women's greater participation in the global workforce. According to a private-sector study, the COVID-19 pandemic has increased the unequal burden of childcare carried by women in every region, leading more women than men to leave the labor market during the pandemic. The analysis suggests that if this added burden lasts, for example, because of new outbreaks that reduce the availability of childcare, more women will leave the labor market permanently.
- (U) Before the pandemic, according to the study, women worldwide already spent an average of six hours more than men per week on unpaid childcare, and this time commitment grew to almost eight additional hours per week during the pandemic.
 - (U) Women worldwide are overrepresented in the service sector, where closures of face-to-face businesses have disproportionately affected women's employment. In addition, closure rates of female-owned businesses were higher in every region than those of male-owned businesses during the first half of 2020, with the differences particularly pronounced in Sub-Saharan Africa and Latin America, according to analysis by World Bank researchers. Women in OECD countries will not catch up to their pre-pandemic projected rates of participation until 2030, according to the private-sector study.

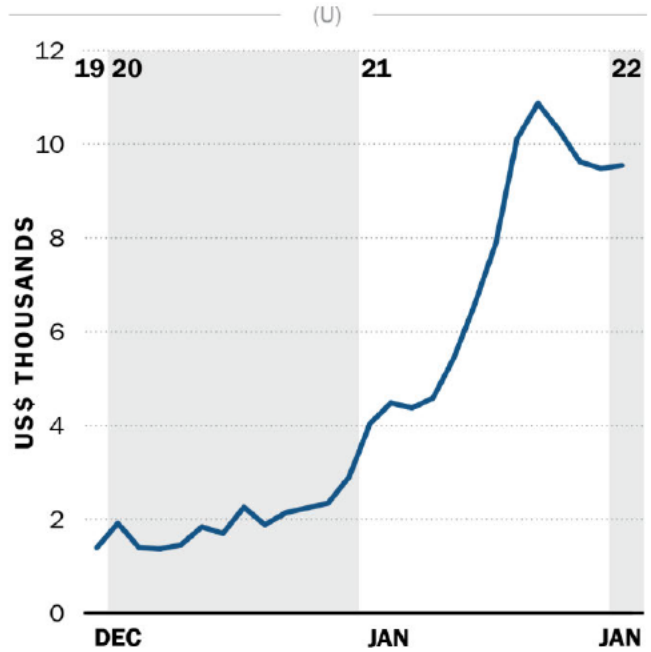
(U) Pandemic Likely To Fuel Shifts in Global Supply Chain

(U) COVID-19-related disruptions to the global economy are aggravating existing vulnerabilities in the supply chains of strategic economic sectors, such as pharmaceuticals, and energy storage production, and catalyzing efforts by countries worldwide to build greater supply chain security.

- (U) Supply chain disruptions tied to the semiconductor industry have been among the most dramatic. The widespread shutdowns or production delays of semiconductor fabrication have underscored the sector’s vulnerability and its importance to other supply chains. As of early this year, global shortages of key semiconductors continued in scores of industries, particularly in the automotive industry, potentially requiring years for industries to build sufficient supply under current demand levels.
- (U) Supply and demand and transportation disruptions, including at China’s Port of Yantian, one of the world’s largest container ports, are continuing to cause delays to shipping and the supply chains that depend on maritime trade, highlighting global trade’s reliance on mega-ports and just-in-time delivery.
- (U) As of October 2021, the German Association of the Automotive Industry continued to experience supply bottlenecks, in particular for semiconductors. The Association predicted that automotive production would not return to pre-crisis levels until 2025, .
- (U) The disruptions are accelerating adjustments to supply chains that had already been under consideration, which might result in the reshoring or nearshoring of some strategic inputs and industries. Numerous countries already were looking to reduce their dependence on China, in

(U) Supply Chain Disruptions Fueling Higher Container Shipping Prices, December 2019–January 2022

(U) Pent-up demand for commodities, supply bottlenecks, and port and labor disruptions have fueled higher shipping prices and forced a re-evaluation of supply chain security.



(U) Note: This chart represents the aggregated average cost of shipping one cargo container anywhere globally.
 (U) Source: Freightos Baltic Index (FBX): Global Container Freight Index, January 2022

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part because of growing unease about China’s unfair business practices and concerns that Beijing might curtail supplies during geopolitical or economic disputes.

- China dominates production of many energy storage technologies, intermediate inputs, and polysilicon. China is also the largest producer of active pharmaceutical ingredients in the world, according to open-source, and FDA reporting.
- (U) Since the onset of the pandemic, several governments have increased their oversight of medical and biotechnology supply chains, reflecting perceptions that these sectors are critical

for national security. Australia, Brazil, France, Germany, India, and Japan have begun encouraging domestic producers of critical medical supplies to reduce dependence on foreign supply chains by reshoring or diversifying to other foreign sources and maintaining stockpiles, [REDACTED]

- (U [REDACTED]) Many global firms also are seeking alternatives to reliance on China, often with the support and encouragement of home governments [REDACTED]

(U [REDACTED]) **Continued Costs to Human Security**

(U [REDACTED]) **Key Judgment 2: The COVID-19 pandemic and its economic fallout are likely to continue to have harmful effects for human security—the protection of individuals from threats to their well-being—during the next five years, while stimulating some improvements in global preparedness for future pandemics.** We expect that human well-being will continue to suffer throughout the next five years because of the economic damage and other indirect effects of the pandemic, particularly in developing countries.

(U [REDACTED]) We assess that the pandemic is likely to continue to take a steep toll on human development and aggravate inequalities, with the greatest and most enduring effects likely to be in less-developed countries and within already-vulnerable populations.

- (U) Depending on the speed of countries' recovery from the pandemic, the UNDP estimates that 41 to 169 million additional people could suffer extreme poverty in 2030, compounding the approximately 585 million expected, based on pre-COVID-19 trends.

- (U) In the past 20 years, major epidemics have significantly increased income inequality within countries during the five years following the event, according to IMF research. Given the severity of this pandemic, inequality may increase more so than with previous epidemics and recessions, according to the same research.

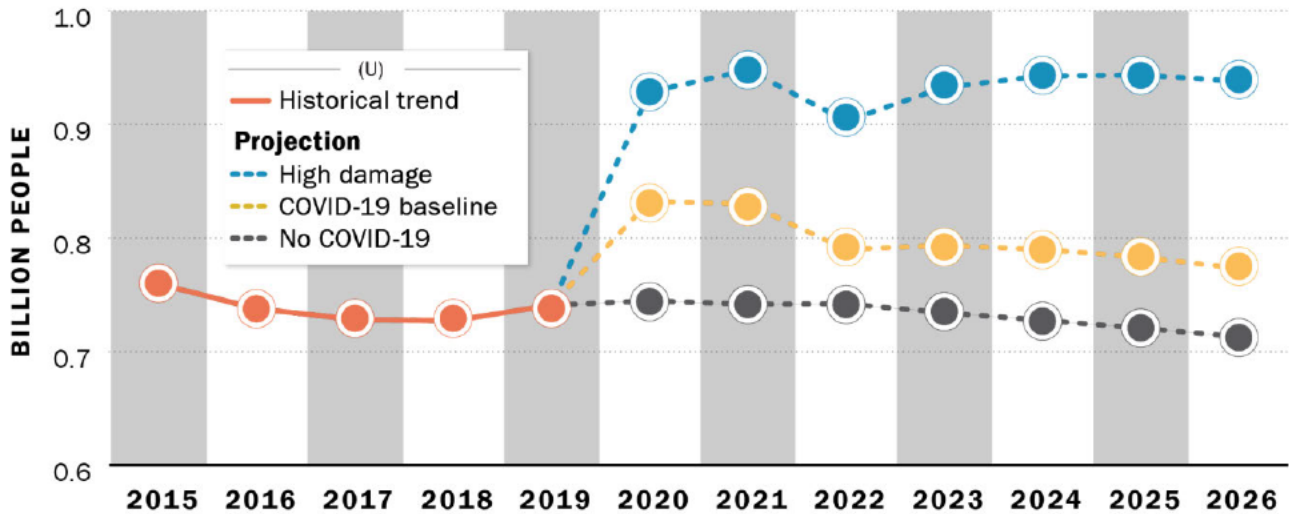
- (U) Pandemic-related school closures have caused major losses in education for students worldwide, probably resulting in long-term human capital losses. Unequal losses have deepened inequalities between and within countries and may cause longer-term disparities. Children in lower-income countries missed three to four times as many days in school as those in wealthy countries, while children from less-educated families had reduced access to remote schooling, according to surveys in South Asia.

- (U [REDACTED]) School closures in at least five African countries—Ghana, Kenya, Namibia, Uganda, and Zimbabwe—have fueled spikes in teenage pregnancies that are likely to increase future demographic pressures because early childbearing typically results in more children. Many new teenaged mothers probably will not return to school, limiting their economic opportunities and potentially reducing GDP in Sub-Saharan Africa by an estimated 1 percent during the next decade, judging from information from US NGOs, the WHO, and a South African academic study.

(U) COVID-19 Led to Uptick in Global Poverty, With Lasting Increase Likely

(U) The number of people experiencing poverty worldwide rose sharply in 2020. While the numbers are likely to decline or at least stabilize during the next five years, levels will remain above those expected had the pandemic not occurred, according to UNDP projections. UNDP projections for global poverty are based on two COVID-19 scenarios and a counterfactual projection of poverty levels in the absence of COVID-19.

- (U) “COVID-19 baseline,” which assumes the effects of COVID-19 on economic growth and mortality will follow trends projected as of early 2021.
- (U) “High damage,” which assumes the economic recovery from COVID-19 will be more protracted than expected as of early 2021.



(U) Note: Poverty defined as living on less than \$1.90 per day.
 (U) Source: UNDP

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(U) Persistent Food Insecurity

(U) We assess that the COVID-19 pandemic and its economic aftermath will continue to exacerbate food insecurity, potentially causing lasting damage to human capital. As of mid-2021, the prevalence of hunger worldwide had risen to its highest level in more than a decade, in part because income losses and food price shocks have reduced the affordability of food for hundreds of millions of people. While the most acute food insecurity resulting from the pandemic probably will subside as the most severe effects of COVID-19 diminish, food insecurity is likely to remain elevated during the next five years compared with pre-pandemic projections, in part because of the continued economic fallout. We assess that populations in parts of Africa, Central America, the Near East, and North Korea will remain at greater risk. Acute food insecurity could also emerge elsewhere, wherever the enduring economic

effects of the pandemic coincide with other drivers of food insecurity.

- (U) The number of people facing acute food insecurity doubled from 135 million in 2019 to more than 270 million in 2020, according to the World Food Program, and was estimated to be about 272 million in 2021, according to the World Bank. Food insecurity most likely will remain elevated for years because of the economic fallout from COVID-19, although the magnitude of the increase will depend on the pace of recovery and the disease’s trajectory in each country, according to the UNDP.
- (U) In December 2021, the UN’s Food and Agriculture Organization’s food price index—which measures a basket of basic foodstuffs including grains, dairy, and oils—reached its

highest point since 2011, most likely because of harvest setbacks, increased demand, and supply chain disruptions, many of which were pandemic-related. Even if relatively short-lived, price increases are likely to contribute to further erosion of savings and assets for vulnerable households, reducing resilience to future nutritional challenges.

- (U) Even the short-term acute food insecurity resulting from the pandemic is likely to have long-term effects. Notably, malnutrition in children impairs cognitive and physical development, weakening human capital formation and economic growth, according to academic research.

(U) Some Drivers of International Migration Exacerbated, Government Restrictions Likely To Endure

(U) We assess that COVID-19 is likely to continue intensifying some core drivers of international migration during the next five years, probably increasing future international flows and altering traditional migration patterns. The acute economic fallout and travel restrictions brought on by COVID-19 contributed to a reduction in global migration flows in 2020.

- (U) The economic shocks from the pandemic and its accelerating impact on socioeconomic inequality have the potential to contribute to new large-scale migration and displacement as well as alter conventional migration patterns.
- (U) The COVID-19 pandemic worsened already poor governance and underlying socioeconomic conditions in parts of Central America and the Caribbean, including food insecurity, lack of job opportunities, and crime and violence, which are likely to remain drivers of US-bound migration from the region for years to come.

(U) At the same time, we expect some governments may seek to harden the restrictive travel and migration policies put in place during the pandemic, amid rising xenophobia, potentially reducing flows in some places or resulting in new, more disruptive migration patterns. Many countries imposed cumbersome conditions for entry, including proof of vaccination or recent negative COVID-19 test results. Others, including some already struggling to manage high levels of migration, may take steps to enact harsher policies toward migrants and asylum seekers and portray them as public health measures.

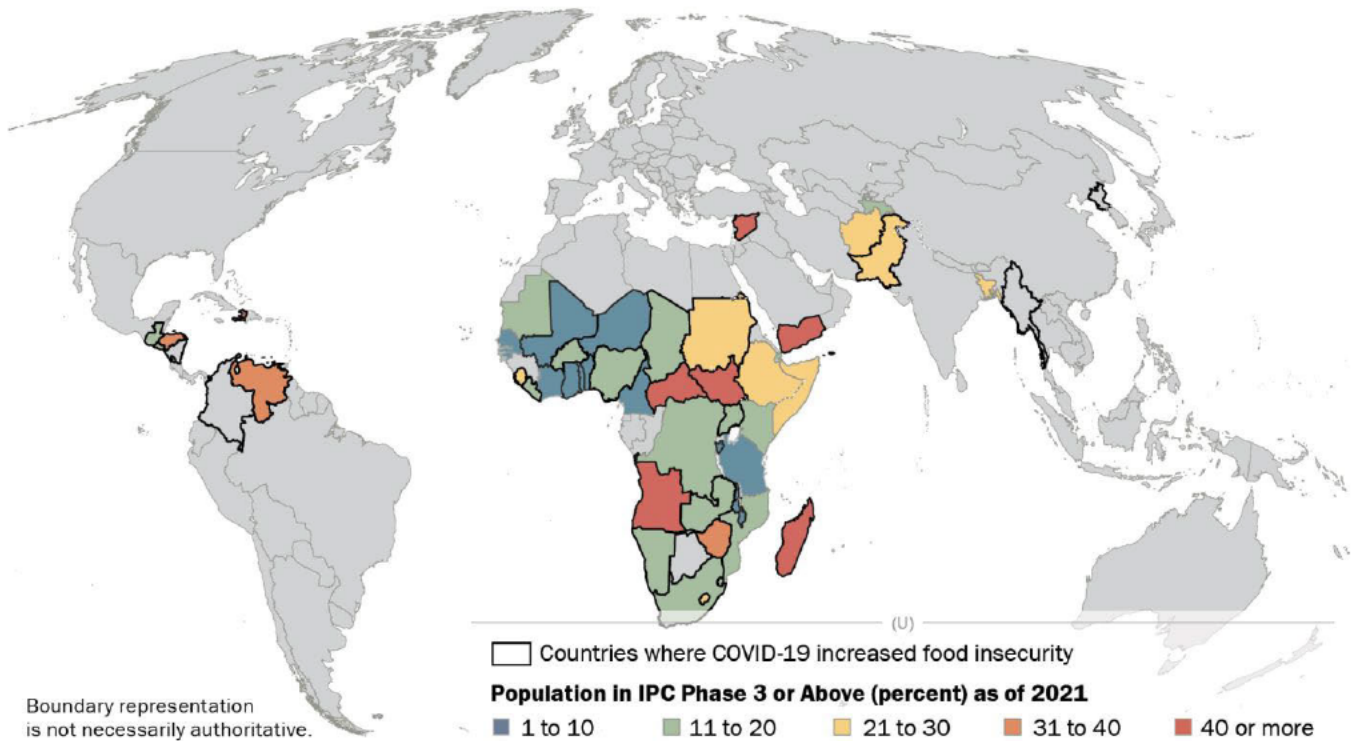
(U) Setbacks for Global Health Likely To Reverberate for Years

(U) We expect that COVID-19 and its aftershocks will continue to strain health systems and disease control during the next five years and potentially longer, especially in less-developed countries, degrading overall population health and constraining countries' ability to respond to emerging infectious diseases. The direct threat of the pandemic to global health will lessen considerably during the next two years as vaccination coverage and recovery from natural infection rise, but its indirect effects are likely to continue to strain health systems, which may in turn increase the chance that other infectious diseases are able to spread. Developing countries in particular are likely to face more prolonged health effects from the pandemic because of slower COVID-19 vaccine rollouts and less resilient health systems, which in some cases already struggled to manage pre-pandemic burdens of disease.

(U) Food Insecurity Hotspots and Impact of COVID-19 as of 2021

(U) Countries designated as food insecurity hotspots are shown on the map according to the percentage of the population in Phase 3 or higher of the Integrated Food Security Phase Classification (IPC), which indicates acute food insecurity, according to the World Food Program. COVID-19 has played a significant role in exacerbating

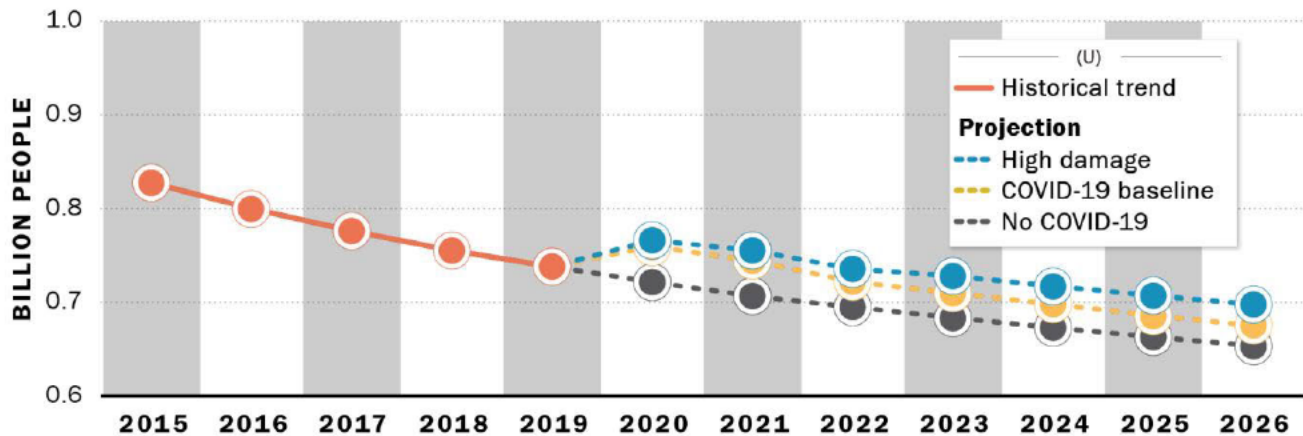
food insecurity in most of these hotspots, according to Food and Agriculture Organization of the United Nations and the World Food Program (see countries outlined in black). While North Korea probably is experiencing high levels of acute food insecurity, the World Food Program has not assessed IPC levels for that country.



(U) COVID-19 Led to An Uptick in Global Malnourishment, With Enduring Impact Likely

(U) The number of people malnourished globally rose in 2020 because of COVID-19. While the number is expected to decline through 2026, it is likely to remain

above levels projected had the pandemic not occurred, according to UNDP projections.



(U) Source: UNDP

- (U) For the next several years, countries are likely to need sustained resources to detect and treat COVID-19 cases and continue to provide vaccinations, while contending with staffing shortages. During the first year of COVID-19, pandemic-related work demands led to burnout in 66 percent of doctors and nurses, according to a meta-analysis of 27 academic studies conducted around the world, probably damaging patient care and causing staff to leave the field earlier than planned. Even before the pandemic, the WHO had predicted a shortage of 18 million healthcare workers in 165 countries by 2030, because of greater need in many countries.
- (U) National health budgets, already strained from the costs of responding to COVID-19, are likely to decline in countries experiencing continued depressed economic growth and tax revenue, according to the Center for Global Development.

(U) We assess that pandemic-related disruptions to healthcare are likely to cause prolonged upticks in some infectious and non-infectious diseases globally. COVID-19 prevention and treatment measures have led to postponement of non-emergency health services, fear-based avoidance of healthcare, and the diversion of health resources that are likely to result in at least some setbacks to the control of infectious diseases and management of chronic disease.

- (U) HIV testing fell by 22 percent, and tuberculosis treatment referrals worldwide fell by 18 percent from 2019 to 2020, according to the Global Fund, probably facilitating the spread of these diseases and elevating infection rates for years.
- (U) Gaps in non-communicable disease prevention and management are likely to harm population health, sometimes with long-term effects. In a global WHO survey in early 2021, 58 percent of countries reported interruptions to at least one chronic disease service, such as cancer screening or treatment of heart disease.

(U) Some Improvements to Preparedness for Future Threats

(U) In contrast to the many challenges to human health and well-being brought on by the pandemic, the global COVID-19 response has hastened the advancement of some biotechnologies and other health security improvements that we assess are likely to enhance preparedness for future outbreaks and pandemics. The pandemic revealed serious shortcomings in most countries' preparedness, leading governments, scientists, and the private sector to improve vaccine development and manufacturing, monitoring for infectious diseases, and stockpiling of medical supplies.

- (U) Platform vaccine technologies, including mRNA vaccines deployed for the first time during the COVID-19 pandemic, have the potential to improve the responses to novel diseases by accelerating vaccine development and manufacturing in response to new and evolving pathogens.
- (U) Advances in diagnostic testing and expanded genome sequencing globally probably will improve surveillance and detection of pathogens during the next five years by allowing near real-time monitoring of viral spread and evolution.
- (U) Countries have begun enhancing stockpiles of materials critical for future pandemic responses, such as ventilators and personal protective equipment, including N95 respirators.

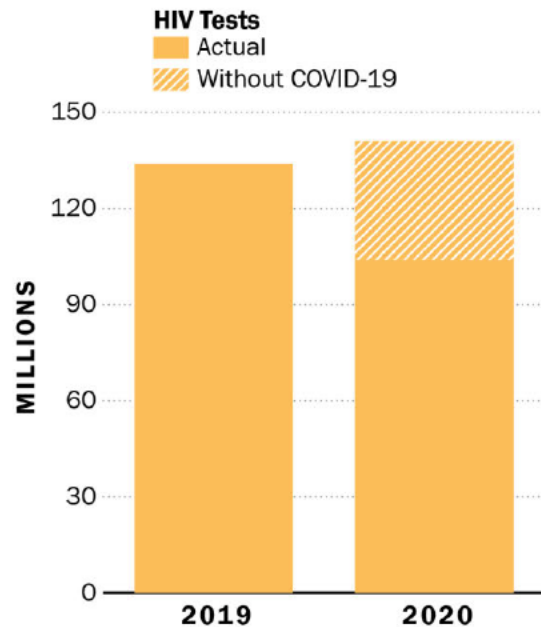
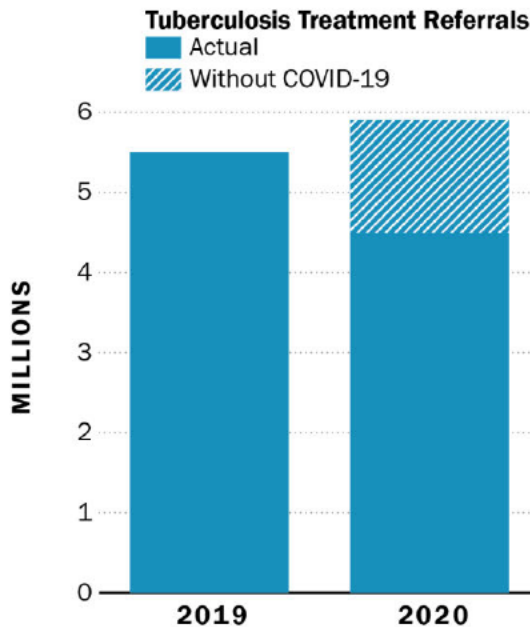
(U) COVID-19 Disruptions Likely to Have Lasting Damage for Population Health

(U) COVID-19 has led to gaps in disease treatment and prevention, lower vaccine coverage, and strains on health systems and budgets, which are likely to worsen health outcomes during the next five years.

(U) Pandemic Caused Drops in Tuberculosis Treatment and HIV Testing

(U) Drops in tuberculosis treatment and HIV testing increase the number of untreated people who are likely to transmit their infections to more people, resulting in elevated rates of these diseases for years. Tuberculosis infections carry a lifetime risk of developing active disease, and HIV infections require lifelong treatment to avoid death from AIDS.

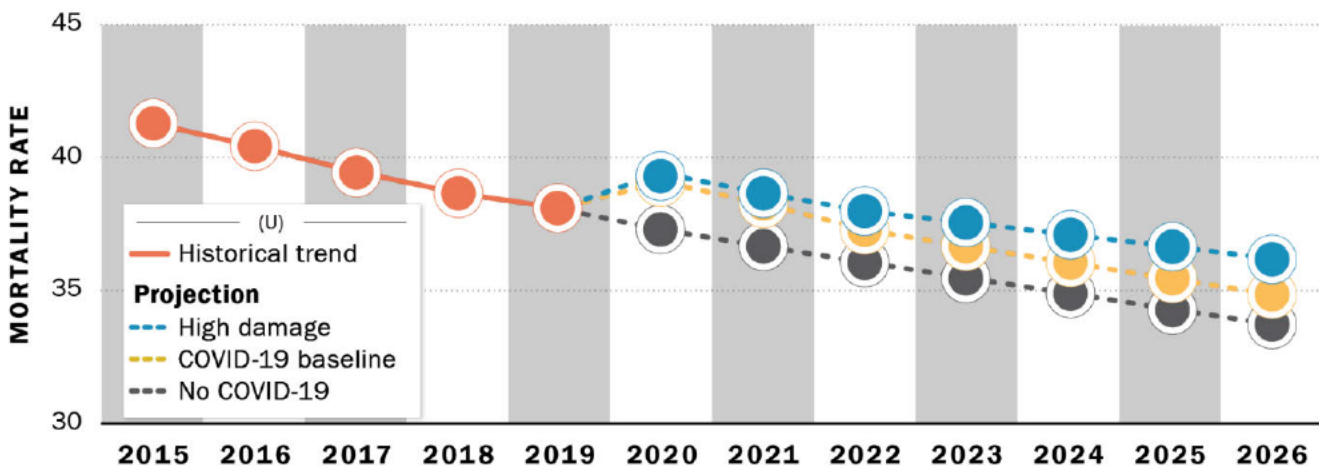
(U) These charts are UNCLASSIFIED.



(U) Source: The Global Fund

(U) COVID-19 Led to Uptick in Child Mortality, With Lasting Increase Likely

(U) Mortality rates in children under five years of age rose sharply in 2020. The mortality rate is expected to decline through 2026 but will remain above levels expected had the pandemic not occurred, according to UNDP projections.



(U) Source: UNDP

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(U) Pandemic Straining Societal Cohesion, Increasing Risks of Instability

Key Judgment 3: Through 2026, the combination of economic and human security challenges resulting from the COVID-19 pandemic is likely to further strain the capacities of governments to meet public demands, exacerbating existing public discontent and societal divisions, and raising the risks to democratic governance and political stability in some countries.

During the next five years, we assess that COVID-19 is likely to intensify various combinations of economic, social, and political drivers of public discontent in many countries. The effects of the pandemic on public discontent are likely to be most acute in countries and regions where the economic recovery is slow, faltering, or lagging behind public expectations, or where the crisis itself lingers longer. Pandemic-related aggravations of economic inequalities across divides, including economic class, gender, race, and ethnicity, as well as inequalities in access to vaccines, have the potential to heighten public anger and lead to greater social tensions.

- The extent to which pandemic-related costs translate into public discontent probably will vary widely, depending in part on the standard of living and level of government accountability to which the public was accustomed. In Latin America, for example, the deterioration in the standard of living, inadequate social safety nets, and governments' new austerity measures have the potential to fuel public anger and street protests.

We assess that the enduring toll of the pandemic in many countries and regions, combined in some countries with assertive government responses, has the potential to deepen polarization and damage societal cohesion and trust in many countries.

Polarization and lower trust, in turn, may hinder efforts to contain the pandemic and delay economic recovery by contributing to political gridlock and reduced public consensus for government actions, judging from academic research.

- The pandemic has already introduced new friction points and dividing lines that overlap and interact with other societal and political divides. Even as the pandemic recedes and the public debates about health issues wane, social fissures are likely to remain and complicate efforts to make progress on existing issues.
- (U) The economic, health, and social insecurities aggravated or in some cases generated by the COVID-19 pandemic also have the potential to worsen existing identity and sectarian divisions, and heighten xenophobia. For example, since the outbreak of the pandemic, racially motivated harassment and attacks have occurred against residents of Asian descent in the West and against Muslims in India, according to open-source reporting.
- (U) Widespread disinformation and misinformation about the efficacy of vaccines and the appropriateness of government responses, from both domestic and external actors, almost certainly are continuing to harden societal divisions and undermine trust. (See Annex B)

(U) Pandemic Adding to Risks of Political Instability

The COVID-19 pandemic and its social, economic, and political fallout are likely to increase the risk of political instability in many countries during the next five years. modeling indicated that the global risk of political instability^a in 2022 is the highest it has been since at least 1996, when the

^a (U) We define political instability as an event that marks a significant discontinuity in a country's internal politics—such as a coup or revolution—or an outbreak of organized, lethal violence between state and nonstate combatant groups. Regime-threatening and violent instability can sometimes occur in tandem.

(U) Key Attributes of State Resilience

█ The pandemic's threats to social cohesion, democratic governance, and political instability are not universal or insurmountable, and many countries and regions are likely to withstand or even reverse these pressures, based on their responses, resources, and resilience. █ has identified three attributes of state resilience, based on a review of 163 countries during a 22-year period exploring why countries assessed to be at risk of instability, in fact, did not experience instability:

- █ **International integration**, including trade, foreign investment, and aid, increases resilience because it offers the state access to a variety of resources to help manage internal problems and unforeseen shocks.
- █ **A strong innovation environment** helps a government manage shocks by bolstering the state's ability to develop responses rapidly and pursue opportunities.
- █ **Agile technocrats** effectively manage a spectrum of overlapping risks, notably in the areas of macroeconomics, food security, health, and education, and can often anticipate and respond to second- and third-order implications of disruptions.

breakup of the Soviet Union continued to destabilize successor states and former clients. The current risk of an instability outbreak in any country in the world is 55 percent higher than the low in 2007, according to this modeling. These heightened levels of risk are likely to persist and potentially increase because the pandemic continues to affect several key features associated with instability.

- (U █) **Economic Recessions.** Prolonged economic downturns are likely to increase the risk of regime breakdowns by stoking societal divisions

and protests and thereby hampering the ability of governments to respond to the pandemic. Relatedly, increased debt burdens will crowd out social spending, weakening faith in public institutions.

- (U █) **Poor Quality of Life Outcomes.** The pandemic's deleterious effects on human development will heighten risks of instability, particularly in low- and middle-income countries.
- (U █) **Political Polarization and Exclusion of Identity Groups.** The pandemic and its fallout are likely to deepen polarization and further isolate people in already marginalized identity groups, adding to the risks of instability in affected countries.

(U █) The pandemic and its effects are also likely to spur unpredictable "triggering" events, such as delays in vaccine distribution, vaccine mandates, government austerity measures, or security crackdowns, which could ignite further social unrest.

- (U) The timing, location, and catalyzing potential of these events are highly uncertain and difficult to anticipate.

█ Contributing to Global Erosion of Democracy

█ We assess that the pandemic is likely to contribute to the ongoing erosion of the quality of democratic governance worldwide, both by creating another pretext for some leaders to whittle away at democratic practices and by adding to the underlying conditions enabling backsliding in open political systems. The quality of democracy has been eroding worldwide during the past decade, according to multiple respected measures of democracy worldwide as well as IC analysis. The pandemic has introduced several new dynamics that are further contributing to this erosion.

- (U █) The pandemic is providing another pretext for leaders in some weak democracies █



██████████ to expand executive powers or crack down on the media and opposition groups. Such expansions of executive powers or violations of democratic practices may be difficult to reverse after the crisis has subsided.

- ██████████ As the pandemic fuels public discontent and division, it has the potential to translate into greater support or acceptance for illiberal leaders or movements that chip away at democratic norms and institutions, if publics believe they will deliver what democratic leaders have not. Even the leaders of established democracies may face difficult choices in balancing democratic freedoms against measures to reduce social interactions and stem the spread of the disease. ██████████

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- ██████████ Beyond these already eroding democracies, populist or outsider leaders or parties may take advantage of public discontent related to the pandemic to advance their political agendas and potentially gain power. For example, in Latin America political polarization and discontent are likely to strengthen outsiders and populist candidates in the coming years, ██████████
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 ██████████. Populist leaders are more likely than other leaders to erode democracy once in power, according to IC analysis of elected populist leaders worldwide since 1991.

██████████ At the same time, we expect that some authoritarian regimes will also face challenges from discontented populations because of the pandemic. Many authoritarian regimes have clamped down on their populations during the pandemic, which may help strengthen their control in the near term but provoke public backlash in the longer term. These challenges from discontented populations—and even regime breakdowns in the most extreme cases—will not

necessarily translate to a process of democratization, judging from previous episodes of authoritarian regime breakdowns, although in some cases they could.

- ██████████ Repressive regimes remain vulnerable to protest movements—such as those that led to the ouster of longtime dictators in Algeria and Sudan in 2019. Although protest activity declined early in the pandemic, more recently, publics in several countries have returned to the streets. We expect autocratic regimes that are unable or unwilling to manage the economic fallout from the virus may face escalating protests or new social unrest.

██████████ **Pandemic Further Complicating International Environment**

██████████ **Key Judgment 4:** The pandemic is likely to continue to be exploited by US adversaries to build their influence, probably with limited success; to encourage some US partners and allies to prioritize domestic and regional needs over addressing other international challenges; and to drive initiatives to improve multilateral mechanisms to address health security and other transnational issues.

██████████ **US Adversaries Seeking Advantage From the Pandemic, But Gains Limited**

██████████ We assess that China and Russia probably will continue to try to influence other countries with their vaccines, while expanding contributions to multilateral initiatives to appear more generous. We doubt that either Beijing or Moscow will accrue long-term gains from these efforts, however, because countries will be less dependent on their assistance when the immediate healthcare crisis wanes and more effective Western vaccines supplies become available. China and, to a much larger degree, Russia have struggled with aspects of vaccine production, distribution, and quality control.

██████████ In addition, many partners are likely to bristle at the long-term conditions for aid that





China has sometimes demanded, particularly as Western-origin and other vaccine alternatives become more widely available. The relatively high efficacy and popularity of Western-origin vaccines provide soft power advantages to the United States and its allies and probably will help countries counter future coercive vaccine diplomacy.

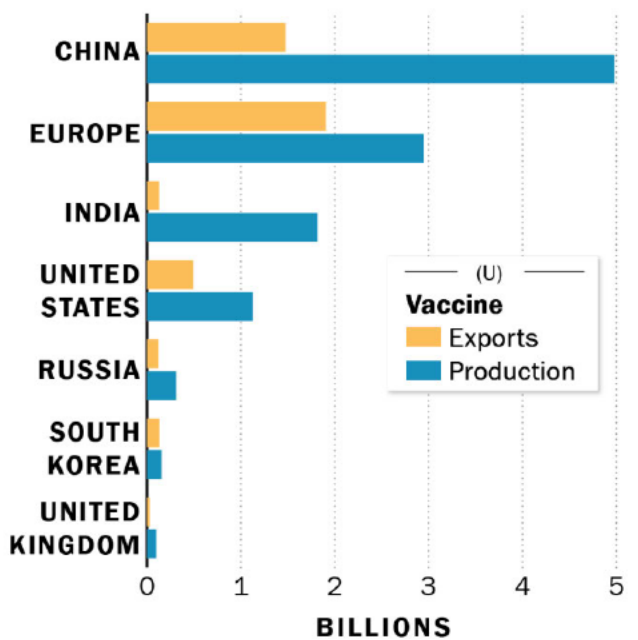
- Many countries already have sought Western-origin vaccines to supplement or replace China's offerings because of concerns about efficacy, according to accounts of poor performance by China's vaccines are widespread globally, according to polling. China's periodic threats to withhold vaccine doses or personal protective equipment (PPE) for partners that fail to support its positions at the UN or in other organizations appear to have already cost China support.

- [REDACTED]

- (U) As of January, following initial delays, the COVID-19 Vaccines Global Access (COVAX) initiative had delivered more than 1 billion cumulative vaccine doses, in large part because donations from the EU, India, and the United States assisted COVAX to close the gap with China's 1.4 billion cumulative doses delivered, the vast majority of which were sales.

- As of early this year, the United States has delivered more than 380 million vaccine donations bilaterally and through COVAX, making it the leading single donor globally.

(U) Vaccine Exports by Country or Region as of January 2022



(U) Source: Airfinity

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Some Allies and Partners Likely To Scale Back External Engagements

- [REDACTED]

Despite tighter budgets, we expect most allies to continue to prioritize defense spending through 2025, given heightened projected costs, external threat perceptions, and modernization needs (see Annex C).

- [Redacted]
- [Redacted]

(U) Despite near-term capacity shortfalls and domestic resurgences, we expect that some US allies and partners probably will be well positioned this year to expand vaccine aid and other assistance to low- and middle-income countries struggling with the effects of the pandemic. Successfully countering future virus resurgences at home will be critical to their ability to support bilateral or multilateral vaccine initiatives.

- (U) Since early 2021, Japan has ramped up public health diplomacy across East Asia, India, and beyond, building on a backlash to China's vaccine diplomacy.
- (U) The EU is increasing its projected aid spending by about 10 percent to \$93 billion during the seven years from 2021-27 compared with the expenditures in 2020, with a focus on climate

programs, digitalization, cyber security, gender equality, and global health, according to the EU's website.

Cyber Adversaries and Other Nonstate Actors Exploiting COVID-19 Related Vulnerabilities

Cyber adversaries are likely to continue to exploit increased private-sector and governmental dependence on virtual engagements and transactions, including telework, digital banking and commerce, social media, and online education. Since the onset of the pandemic, adversaries have become better able to collect intelligence from corporate and government networks

[Redacted]

- [Redacted]

Pandemic-related economic strains, intercommunal conflict, political grievances, and loss of faith in government and social institutions probably will continue to create environments conducive to violent extremists' attracting new recruits and supporters while straining some US CT and counternarcotics partners.

- (U) Extremist groups may take advantage of their ability to provide food in regions left in need by the direct or indirect economic effects of the pandemic, such as in the Sahel, to recruit members and gain influence.

- [REDACTED] In the long term, security services in some key CT and counternarcotics partner countries are likely to face increased fiscal pressures that could weaken counterterrorism efforts and prevention programs.
- (U [REDACTED]) We have seen little evidence of spikes in jihad-related activity directly linked to COVID-19 or COVID-19 prevention measures since the initial lockdowns, however. Insurgent and terrorist groups committed violence at higher levels when some global COVID-19 measures began in early 2020—particularly in Burma, Egypt, India, and across the Sahel. The initial violence stemmed in part from a call to ISIS affiliates to increase attacks and because COVID-19 response measures limited some security services' bandwidth, but these drivers were only observed in the first months of the pandemic.

[REDACTED] We assess that transnational criminal organizations (TCOs) are likely to continue exploiting COVID-19-related opportunities to increase their illicit activities and take advantage of vulnerable groups, such as migrants. Drug traffickers have generally found workarounds for pandemic-related supply-chain bottlenecks, suggesting that they are likely to be able to maintain the production capacity to increase drug shipments as travel restrictions and trade disruptions ease [REDACTED].

- [REDACTED] TCOs will continue to look for new business opportunities emerging from the pandemic. Criminal groups in some regions will continue to take advantage of strained public health systems to profit from the sale of counterfeit or illicitly obtained vaccines or to bolster community support by providing PPE, food, and small business loans. Some in Latin America will also look to profit by moving migrants to the US border. The pandemic will continue to draw some government resources away from countering TCOs.
- [REDACTED] Governments' pandemic-related travel and migration restrictions could

result in expanded efforts by illicit groups to offer smuggling services to migrants, potentially increasing their vulnerability to trafficking or other forms of exploitation.

(U [REDACTED]) Increasing Demands for Multilateral Solutions

[REDACTED] The shortcomings of international responses to the pandemic are likely to generate calls for and attention to new multilateral approaches to try to address the effects of COVID-19 as well as other transnational challenges. Since the onset of the pandemic, major global organizations, particularly the UN and the WHO, have been unable to catalyze and coordinate member states' responses to the global health crisis and initially struggled to secure adequate funding or vaccine supplies to assist poor countries, such as through COVAX. We assess that these failures may encourage some actors to focus on regional or ad hoc approaches to address gaps in the international community's multilateral architecture, especially to better address issues of sovereign debt and global health.

(U [REDACTED]) The rapid increase in sovereign debt is likely to increase calls for multilateral solutions, including debt payment moratoriums, restructuring, and outright debt cancellation. In addition, we assess that existing measures, such as the 2020 Joint Paris Club/G20 Debt Service Suspension Initiative (DSSI), which suspended debt payments owed by selected poor, highly indebted countries to official bilateral creditors, will be insufficient to improve these countries' ability to sustain their debt repayment obligations during the next five years. The DSSI expired at the end of 2021, and the group's follow-on effort, the Common Framework for Debt Treatments, which instead offered preemptive restructurings, had only received three requests for relief as of December 2021. Large emerging markets do not meet the low-income requirement to qualify for Common Framework relief, leaving them to pursue ad hoc negotiations with creditors.

- (U [REDACTED]) Countries under the DSSI and Common Framework plan have committed to using funds freed from bilateral and multilateral

debt payments to cope with COVID-19-related expenditures. However, private creditors—mainly bondholders not participating in the DSSI—make up the fastest-growing segment of debt. As a result, many countries probably will have to repay private creditors to avoid default, and several of them may be unable to do so.

- [REDACTED]

[REDACTED] Global failures to cooperate effectively in combatting COVID-19 have led to more calls for improving multilateral efforts to promote health security, particularly to try to improve mechanisms for more effective responses to the next pandemic. The pandemic underscored weaknesses in the global health architecture [REDACTED]

[REDACTED]

- [REDACTED]
- [REDACTED]

[REDACTED]

[REDACTED] Early this year, China ceased cooperating with the United States on global health because of the US diplomatic boycott of the Winter Olympics [REDACTED]. By contrast, we may see renewed experimentation with regional health security arrangements, such as efforts by African and European leaders to strengthen their existing centers for disease control.

- (U [REDACTED]) African states have invested in regional initiatives such as the African Vaccine Acquisition Trust, established in 2020, which entered into a contract for hundreds of millions of doses with a US company. A global consortium is establishing a first-of-its-kind mRNA COVID-19 technology transfer hub in South Africa.
- (U) Small groups of countries and regional organizations probably will produce some pandemic preparedness-related innovations, but these initiatives may only further reinforce regional disparities and fail to address China’s ongoing lack of transparency.
- [REDACTED] The international community’s episodic attention to global health security in the wake of past disease outbreaks has stymied progress on health governance reforms. We assess that the fractious contemporary geopolitical environment is unlikely to be conducive to breaking the cycle in the timeframe of this NIE.



[REDACTED]

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[REDACTED]





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(U) Annex A: What Could Change Our Assessment?

(U [REDACTED]) We identified four conditions that could radically change our assessments. The first two concern the disease trajectory and public health response, whereas the final two pertain to the global economy.

[REDACTED] COVID-19: Worse Than Baseline Assumptions. Prolonged and severe surges of COVID-19 that occur globally or span several regions beyond this year could result in slower economic and societal recoveries from the pandemic and increased governance and security challenges compared with our baseline assessments. The continued emergence of new, highly infectious, or virulent variants of the virus would raise the risk of these developments, as would significant issues with vaccines, such as rapidly waning vaccine-induced immunity, major safety issues, or catastrophic production and distribution challenges.

[REDACTED] COVID-19: Better Than Baseline Assumptions. The development and widespread deployment of a highly effective vaccine or other treatment within the next few years, resulting in drastic reductions, the stoppage of infection, or a cure that eradicates symptoms following infection, could potentially lessen threats to democratic governance, compared with our baseline assessments. Such a breakthrough vaccine or therapeutic could also shift geopolitical dynamics, particularly if a US adversary developed the breakthrough vaccine or cure. For a new vaccine to drastically reduce or cease viral circulation, it would need to more completely block infection and transmission. The current COVID-19 vaccines are only weakly protective against infection. Similarly, currently available treatments do not cure COVID-19 and only provide partial protection from severe symptoms.

[REDACTED] Consumer Goods Inflation. If global inflation accelerates and is sustained during the next five years, the damage to the world economy will be greater than our forecast of the economic impact of COVID-19. If price increases outpace the growth in wages, household purchasing power would decline, and if monetary authorities tighten credit conditions by sharply raising interest rates, borrowing costs for highly indebted countries could become unsustainable. Persistent higher prices for consumer goods combined with supply chain bottlenecks could dampen economic recoveries of import-dependent countries. Inflation and economic weakness could, in turn, worsen human security and lead to greater political instability than in our baseline assessments.

[REDACTED] Energy Shortages and Price Spikes. Persistent electricity shortages and sustained high energy prices could hobble global economic recovery efforts from COVID-19 and result in a weaker economic outlook, probably affecting some countries' ability to manage the virus. The longer energy shortages persist and prices remain high, the longer their effects are likely to be felt on any economic rebound. Disruptions, such as shortfalls in hydroelectric power production caused by droughts, exacerbated energy shortages early this decade. Historically, energy shocks have been associated with inflation, reduced consumer confidence, and even deep recession. These developments could also be more damaging to human security and further elevate the risk of political instability, compared with our baseline assessments.

(U) Annex B: Misinformation Likely To Continue Damaging Public Health Communications

We assess that US adversaries and local actors worldwide are likely to continue using social media-driven information environments to spread misinformation about COVID-19 and future infectious disease outbreaks in ways that probably will increase publics' hesitancy to be vaccinated, undercut governments' abilities to effectively promote public health, and stoke social discord. We assess that public health communicators are struggling to compete with misinformation actors in part because social media algorithms often favor emotionally compelling content, which is easier for audiences to process than complex, evidence-based health guidance.

- (U) By the end of 2020, a COVID-19 misinformation-tracking project had identified nearly 6,000 narratives across 80 countries, with social media by far the most common means of sharing misinformation. Researchers who examined COVID-19 information circulating on social media in 2020 found that misinformation received six times more "likes," shares, and interactions on Facebook than more authoritative sources, such as the WHO. People who get information solely from social media are more susceptible to COVID-19 misinformation, leading them to be less likely to follow safety protocols, get vaccinated, or encourage others to get vaccinated, according to an academic study of populations in Ireland, Mexico, Spain, the United Kingdom, and the United States.
China, Iran, and Russia have promoted conspiracy theories claiming that the United States created or spread COVID-19, according to official media, press, and intelligence reporting. Since late 2020, China's state media, diplomats, and social media personas have defended its response to the pandemic, sometimes doing so by spreading disinformation that the virus originated in the United States and touting the quality of China's vaccines over Western ones, according to Russian influence actors routinely amplify misinformation about vaccines; Russian-spread misinformation related to lockdowns and other pandemic-related restrictions in Europe may have contributed to outbreaks of rioting and violence.

China, Iran, and Russia probably will draw lessons from their COVID-19-related propaganda campaigns that will enable them to improve their influence efforts in the next five years, particularly in how they penetrate communities of likeminded social media users.

- [Redacted]

- China's efforts to develop influence agents capable of achieving in-group status in media and social media networks are nascent, but intensifying, . In October

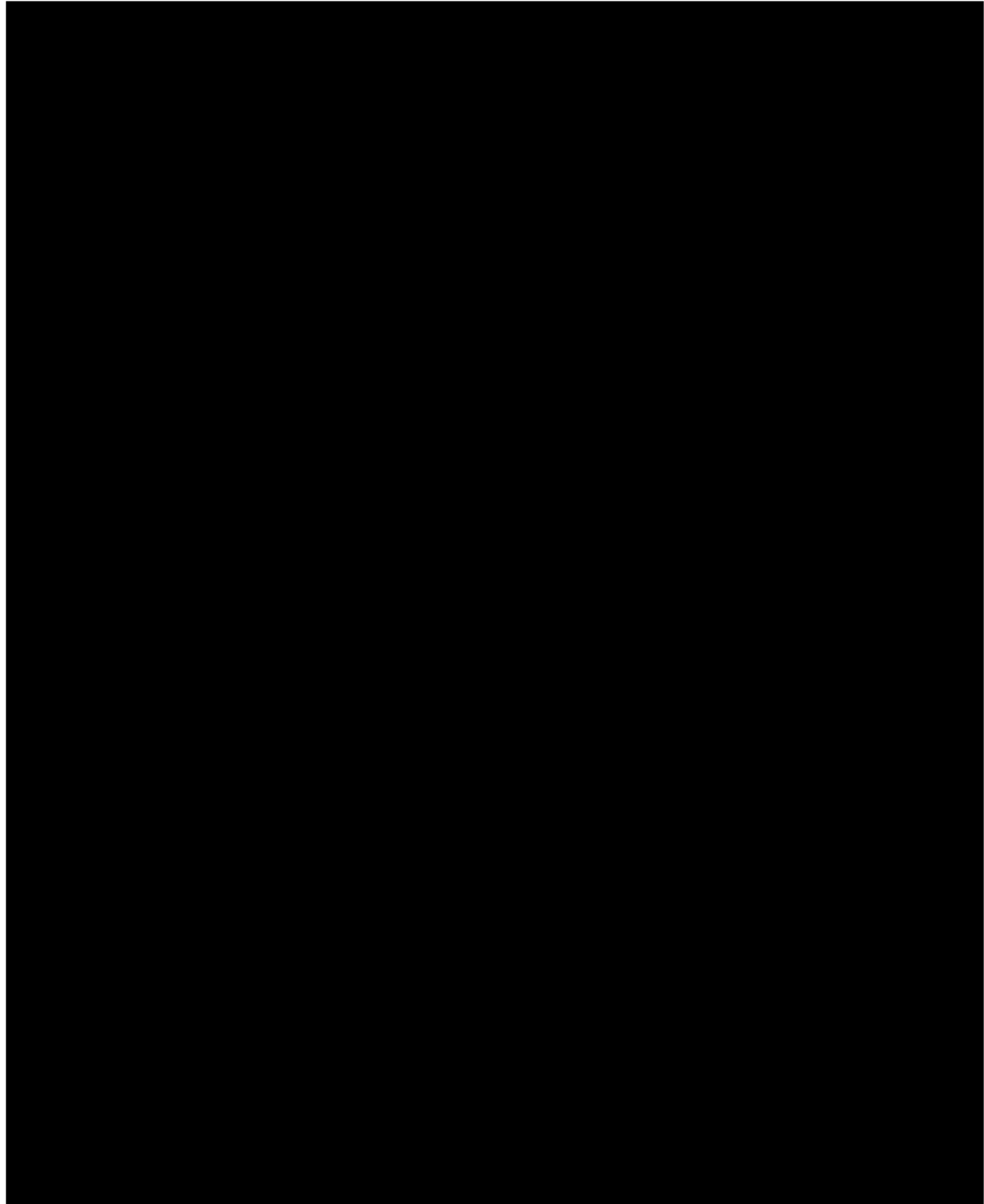


2020, government officials in China recommended recruiting opinion leaders and online influencers in an effort to improve foreign publics' perceptions of China on social media [REDACTED].

- [REDACTED] Since March 2020, Iranian influence actors have used social media to amplify anti-US and pro-China messaging about COVID-19 issues, according to a social media analysis firm. Islamic Revolutionary Guard Corps members gained experience using social media throughout 2020 to inflame ongoing protests and exacerbate socio-political divisions in the United States [REDACTED].



(U) Annex C: Most US Ally and Adversary Defense Budgets Probably Unaffected by COVID-19





(U) Annex D: COVID-19's Implications for Homeland and Personnel Security

██████████ The IC judges that the COVID-19 pandemic could have enduring effects on homeland security by enabling increased criminal, foreign intelligence, or terrorist activities, including foreign cyber and malign influence threats.

██████████ **Transnational Criminal Organizations.** The pandemic has caused extended school and business closures in Latin America, which have provided transnational criminal organizations (TCOs) additional opportunities to recruit new members and develop alternate smuggling routes. Darknet marketplaces, traditionally associated with drug trafficking, saw large revenue increases during the pandemic. Drug traffickers are likely to continue to use the new methods for moving drugs post-pandemic, allowing for a wider range of trafficking options.

- (U) During the first six months of 2020, gangs in Colombia recruited at least 190 minors—a five-fold increase from the same period in 2019, according to a Bogota-based NGO.
- ██████████ Pandemic-induced restrictions on cross-border traffic compelled Mexican TCOs to use new tactics and routes to move drugs ██████████ ██████████.
- (U) Darknet marketplace revenue rose 23 percent during the pandemic to 1.75 billion in cryptocurrency even though total Darknet purchases decreased during this timeframe, according to a US media report.

██████████ **Foreign Intelligence Services.** ██████████
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(U ██████████) **Domestic Violent Extremists.** DVEs are likely to continue citing government restrictions to contain the COVID-19 pandemic, including vaccine mandates and mask requirements, to augment narratives used to justify violence by themselves or others.

- (U ██████████) Since March 2020, multiple DVEs have cited the pandemic as a factor in the timing and motivation of their conducted or planned attacks, ██████████.



(U) Annex E: Outside Reviewers and Related Readings

(U) Outside Reviewers

(U) This NIE was reviewed by [REDACTED]

(U) *My overall view is that the NIE does important work in describing the contours of this problem for this time window. I believe it will be a useful tool for policymakers. I did not find any failure points or problems with the analysis, but had a few specific comments, with a focus on economic issues, given my background.*

(U) *The shift in global supply chains and associated uncertainties is well captured by this NIE. While quantifying the significance of these changes now is simply not possible, anecdotal evidence from US, Japanese, and European firms suggests that the nascent shift in semiconductors is likely evidence of a much larger trend. The NIE correctly notes that governments have accelerated their re-evaluation of China sourcing and production and kick-started the trend for onshoring and “nearshoring” initiatives. This trend is likely to extend across many sectors and involve both manufacturing capacity and services like code writing and software development. The extent to which this trend re-writes production and industrial branding well beyond China is unknowable, but—within the framing of this NIE—will likely be a significant artifact of COVID-19.*

(U) *There is appropriate modesty about the outlook for and impact of inflation. The best analysis and market evidence in Q1 2022 (such as long-term debt pricing almost all at or below 3 percent in a variety of instruments) indicate that the very real inflation indicators may be peaking, and that the vigilance of central banks—and their shared view of the risks—is reducing the danger of a persistent spiral of wages and price rises that threaten growth fundamentally.*

(U) *While inequality is mentioned in the NIE, I wonder if it deserves more attention as, in itself, a driver of global instability. We probably do not understand how much inequality is pulling at the thread of social fabrics globally.*

(U) This NIE was also reviewed by [REDACTED]

(U) *This NIE is a groundbreaking analysis that illuminates the severity and persistence of COVID-19’s impact worldwide. It presents a credible framework within a geostrategic point of view that lays forth impacts and implications to US national interests. As COVID-19 is a unique and dynamic crisis, this NIE creates an understandable conventional context with which to assess and gauge the pandemic’s direct and indirect reach. Several of the graphics and charts, in particular, put gaps and inadequacies in stark relief, reinforcing arguments made in the text. The work forthrightly declares its limits, as any aim of prognostication should, and leaves open the possibility of different scenarios and that circumstances—both favorable or not—could easily be transformed. Ultimately, the NIE crystallizes the strategic challenges ahead in responding to COVID-19 and ongoing competition to attain the full range of national goals.*

(U) *As this NIE engages primarily on the interchange among nations, and bolsters its argument with the fact base at hand, it underweights two emerging areas worth evaluating: 1) the collective psychological impact of the pandemic upon populations and 2) the intergenerational ramifications across economics and societies.*

(U) *The pandemic’s suddenness, compounded by its duration and its many uncertainties, has provoked widespread fear, anxiety, and anger. How such an emotional toll will affect youth and marginalized groups is worthy of examination. Furthermore, how rising generations perceive their own vulnerabilities to illness and death may manifest in their choices of work, finance, and social affinities.*

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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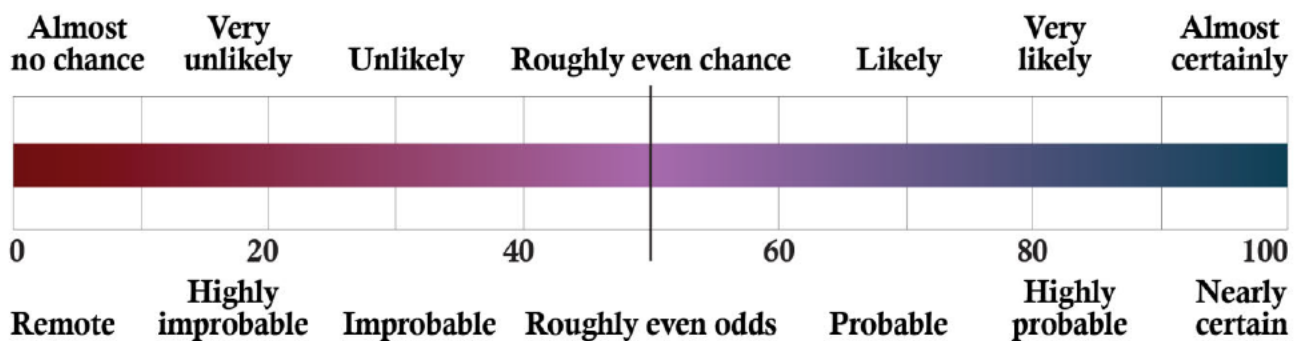
(U) Estimative Language

(U) Estimative language consists of two elements: judgment about the likelihood of developments or events occurring and levels of confidence in the sources and analytic reasoning supporting the judgments. Judgments are not intended to imply that we have proof that shows something to be a fact. Assessments are based on collected information, which is often incomplete or fragmentary, as well as logic, argumentation, and precedents.

(U) Judgments of Likelihood

(U) The chart below approximates how judgments of likelihood correlate with percentages. Unless otherwise stated, the Intelligence Community’s judgments are not derived via statistical analysis. Phrases such as “we judge” and “we assess”—and terms such as “probable” and “likely”—convey analytical assessments.

Percent



(U) Confidence in our Judgments

(U) Confidence levels provide assessments of timeliness, consistency, and extent of intelligence and open source reporting that supports judgments. They also take into account the analytic argumentation, the depth of relevant expertise; the degree to which assumptions underlie analysis; and the scope of information gaps.

(U) We ascribe high, moderate, or low confidence to assessments:

- (U) **High confidence** generally indicates that judgments are based on sound analytic argumentation and high-quality consistent reporting from multiple sources, including clandestinely obtained documents; clandestine and open source reporting; and in-depth expertise; it also indicates we have few intelligence gaps; have few assumptions underlying the analytic line; have found potential for deception to be low; and we have examined long-standing analytic judgments held by the IC and considered alternatives. For most intelligence topics, it will not be appropriate to claim high confidence for judgments that forecast out a number of years. High confidence in a judgment does not imply that the assessment is a fact or a certainty; such judgments might be wrong even though we have a higher degree of certainty that they are accurate.
- (U) **Moderate confidence** generally means that the information is credibly sourced and plausible but not of sufficient quality or corroborated sufficiently to warrant a higher level of confidence. There may, for example, be information that cuts in a different direction. We have in-depth expertise on the topic, but we may acknowledge assumptions that underlie our analysis and some information gaps; there may be minor analytic differences within the IC, as well as moderate potential for deception.
- (U) **Low confidence** generally means that the information’s credibility and/or plausibility is uncertain, that the information is fragmented, dated, or poorly corroborated, or that reliability of the sources is questionable. There may be analytic differences within the IC, several significant information gaps, high potential for deception or numerous assumptions that must be made to draw analytic conclusions. In the case of low confidence, we are forced to use current data to project out in time, making a higher level of confidence impossible.

