

# Dentons Flashpoint

## Daily Global Situation Report

July 1, 2021

# Global Situation Update: July 1, 2021

---

## KEY TAKEAWAYS

Amazon pushes the Federal Trade Commission to recuse Chair Lina Khan from antitrust investigations targeting Amazon.

New satellite images show that China has begun construction of more than 100 new silos for intercontinental ballistic missiles.

Covax announced a deal with Chinese biotech startup Clover for up to 414 million doses of its vaccine, if it is approved by the WHO.

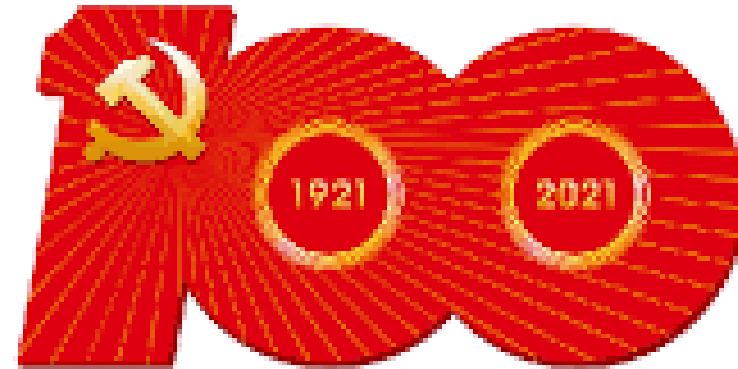
*Note: This report is based on sources and information deemed to be true and reliable, but Dentons makes no representations to same.*

# Global Situation Update: July 1, 2021

## WHAT WE'RE WATCHING

Today marks the 100th Anniversary of the Chinese Communist Party's founding, an event marked with massive celebrations in China and an important policy milestone for China's ruling party. Internationally, analysts and policymakers are watching the event for insight into the CCP's vision for the future and how it seeks to define the Party's image as it enters its second century.

It is also the 24<sup>th</sup> anniversary of the handover of Hong Kong to China from the UK and the one year anniversary of the Hong Kong National Security Law. As of today, all incoming passenger flights from the UK to Hong Kong are temporarily banned due to COVID concerns.



庆祝中国共产党成立100周年

The 100th Anniversary of the Founding of  
The Communist Party of China

# Global

---

**Globally, confirmed coronavirus cases topped 181.6 million with 3.9 million deaths; 2.6 billion vaccine doses have been administered.**

- Japan's prime minister said on Thursday it was possible the **Olympics**, scheduled to begin on July 23, would be held without spectators.
- The OPEC+ group of **oil producers** meets today to decide on a further easing of output cuts next month and could also consider extending its overall supply pact beyond April 2022.

# COVID-19 Vaccine

---

**Covax announced a deal with Chinese biotech startup Clover for up to 414 million doses of its vaccine, if it is approved by the WHO.**

- **CureVac** said its COVID-19 vaccine was 48 percent effective in the final analysis of its pivotal mass trial, only marginally better than the 47 percent reported after an initial read-out two weeks ago. Despite the disappointing results, CureVac said it will pursue European approval for its vaccine candidate.
- **Dubai** began vaccinating pregnant women with the **Pfizer vaccine**.
- **Turkey** will begin administering third doses of COVID-19 vaccine to healthcare workers and citizens over 50, regardless of whether they received **Pfizer or Sinovac** shots.
- **Indonesian** airline Garuda is offering free vaccines to travelers in a bid to reduce COVID-19's impact on the country's key travel sector.

# Markets & Business

---

## Dallas Federal Reserve leader Kaplan reiterated that the central bank should soon slow the pace of its bond-buying.

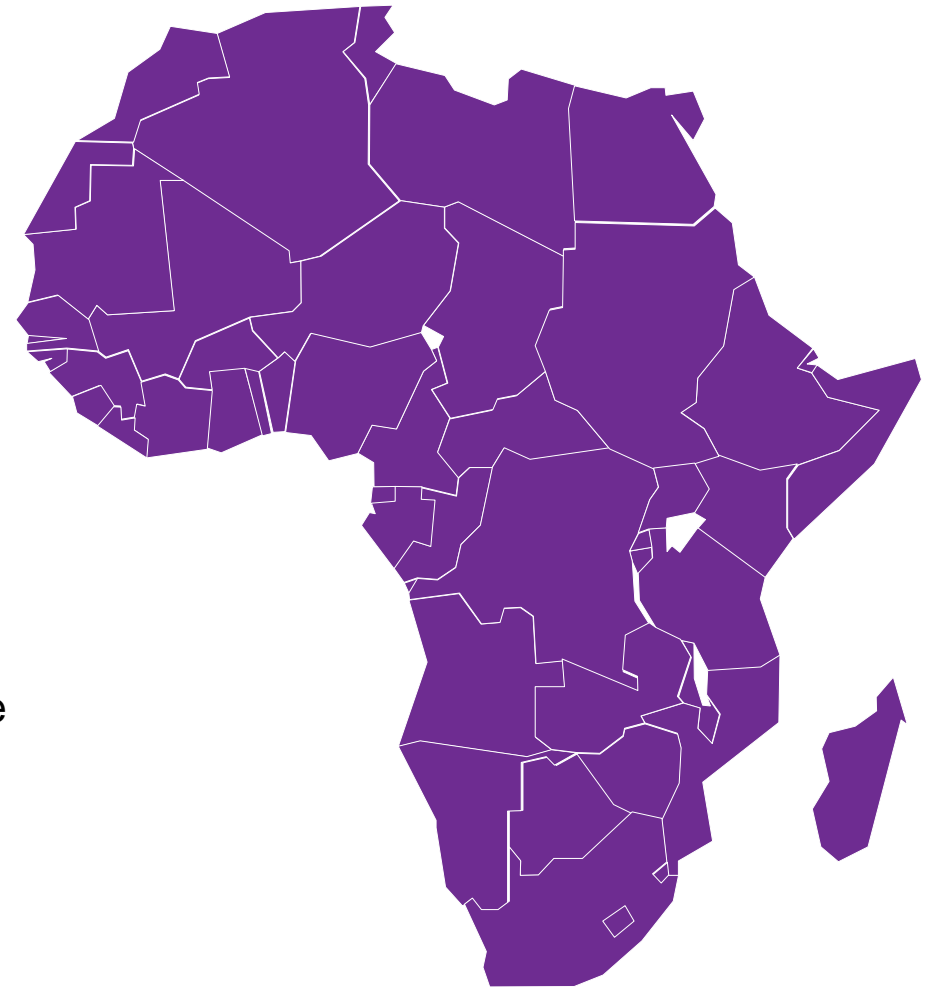
- **Robinhood** has agreed to pay nearly \$70 million to settle allegations in a regulatory investigation of whether it misled customers.
- **Amazon** is pushing the US Federal Trade Commission to recuse Chair Lina Khan from antitrust investigations targeting the company over her past statements about Amazon.
- **General Mills** forecast that its annual sales will slip this year as more consumers eat out.
- Saudi Arabia's Crown Prince announced plans for a new **national airline** as part of a broad strategy to strengthen the country's travel and logistics industry.
- **Hertz** has emerged from bankruptcy protection and tapped a new board and owners.
- **TikTok** said it removed over 7 million accounts in the first quarter of the year alone for potentially belonging to people under the age of 13.
- The **China Passenger Car Association** said that Chinese manufacturers are benefiting from the global semiconductor shortage, with outbound shipments soaring.
- **Ford** said it will cut output in a number of US factories this month due to the chip shortage.

*Note: This report is based on sources and information deemed to be true and reliable, but Dentons makes no representations to same.*

# Africa

---

- The **Central African Republic** rejected a UN report that concluded that members of the CAR military and Russian instructors were guilty of human rights abuses.
- **Rwanda** imposed new COVID-19 restrictions amid a case spike.
- **Ethiopian** Prime Minister Ahmed acknowledged that Ethiopian troops had left Tigray, days after Tigrayan leaders claimed to have seized the regional capital but said that Tigray is “no longer the center” of the conflict.
- **China’s** largest bank abandoned a plan to finance a \$3 billion coal-fired power plant in **Zimbabwe**.



*Note: This report is based on sources and information deemed to be true and reliable, but Dentons makes no representations to same.*

# Asia

---

- The **US and Japan** have been conducting joint military exercises and tabletop war games amid rising concerns about an attack on **Taiwan**.
- **Hong Kong** police re-arrested a prominent democracy activist and revoked her bail on the eve of sensitive anniversaries that could provoke demonstrations.
- New satellite images show that **China** has begun construction of more than 100 new silos for intercontinental ballistic missiles, in a move that could provide major growth for China's nuclear abilities. Chinese President Xi Jinping pledged on Thursday to complete "*reunification*" with self-ruled **Taiwan** and vowed to "*smash*" any attempts at formal independence.
- **Myanmar's** military junta freed over 2,000 detainees, including a number of journalists and protest participants. Myanmar's military threatened to take legal action against foreign media organizations who refer to them as a "*junta*" or call their February seizure of the government a "*coup*."
- As **India's** death toll nears 400,000, India's supreme court ordered the country's disaster management agency to set guidelines for COVID-19 victims' families to receive compensation.



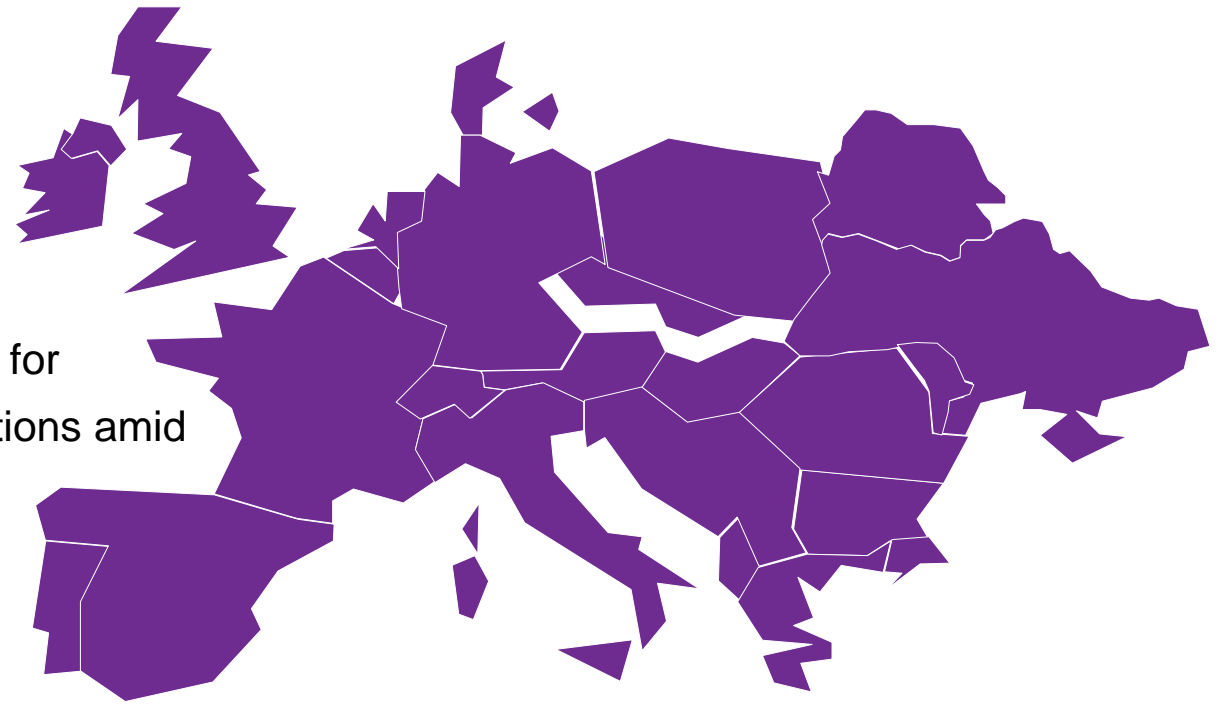
*Note: This report is based on sources and information deemed to be true and reliable, but Dentons makes no representations to same.*



# Europe

---

- **France** lifted its last restrictions on businesses, including for gyms and restaurants, but delayed some regional restrictions amid concerns over a fourth wave.
- The **UK** education secretary said that restrictions in schools will be lifted on July 19.
- The **EU and the UK** agreed to extend a three-month grace period for shipments of certain meats from Britain to **Northern Ireland**, declaring a ceasefire in “sausage war.” EU member states are pushing for legal action over the UK’s residency regulations for EU citizens.
- **Germany’s** data protection commissioner called on government bodies to take down Facebook pages due to the company’s failure to comply with privacy laws.
- The **UK** is expected to secure an exemption for financial services from new rules for taxing global multinationals; talks at the OECD will conclude today.



*Note: This report is based on sources and information deemed to be true and reliable, but Dentons makes no representations to same.*

# Europe

Europe is seeing a growing gap in vaccination levels between different countries; while 50.2 percent of people in the EU have received at least one dose, a number of eastern European countries remain at extremely low vaccination rates, including Ukraine and Kosovo.

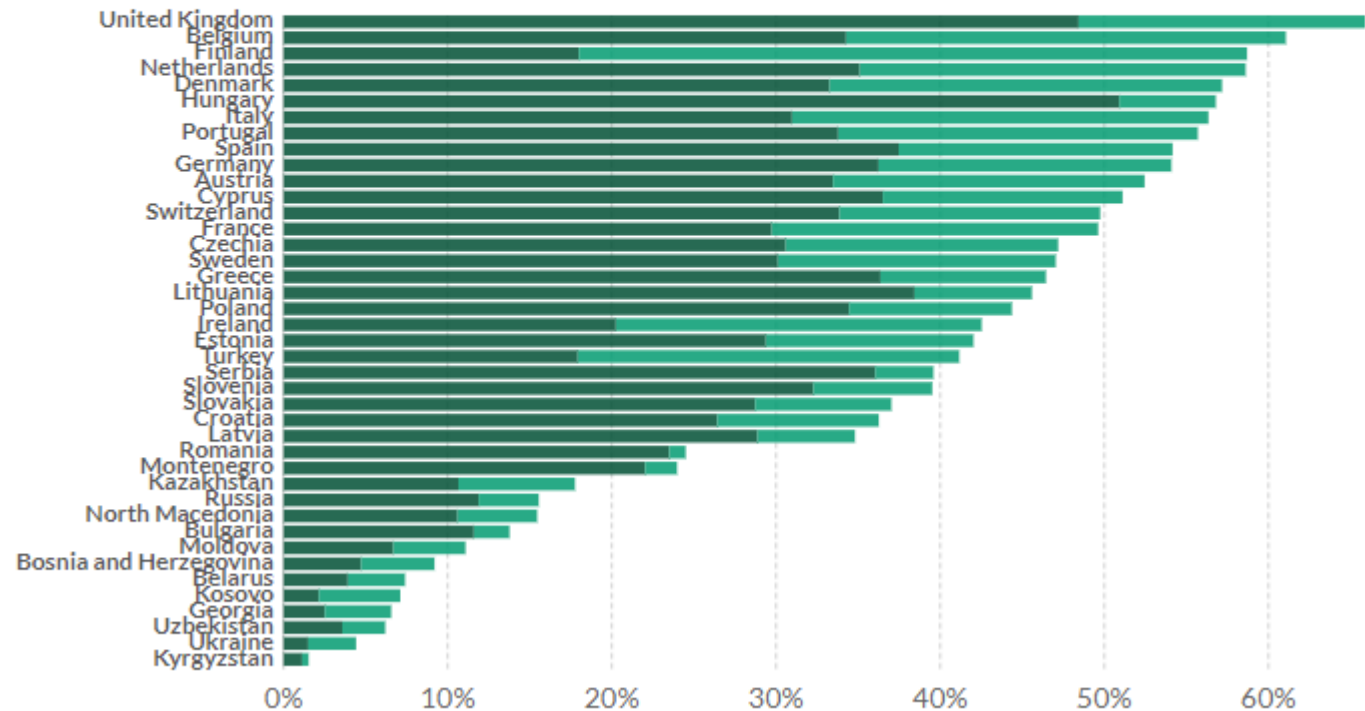
## Share of people vaccinated against COVID-19, Jun 30, 2021

This data is only available for countries which report the breakdown of doses administered by first and second doses.



[+ Add country](#)

■ Share of people fully vaccinated against COVID-19 ■ Share of people only partly vaccinated against COVID-19



Source: Official data collated by Our World in Data

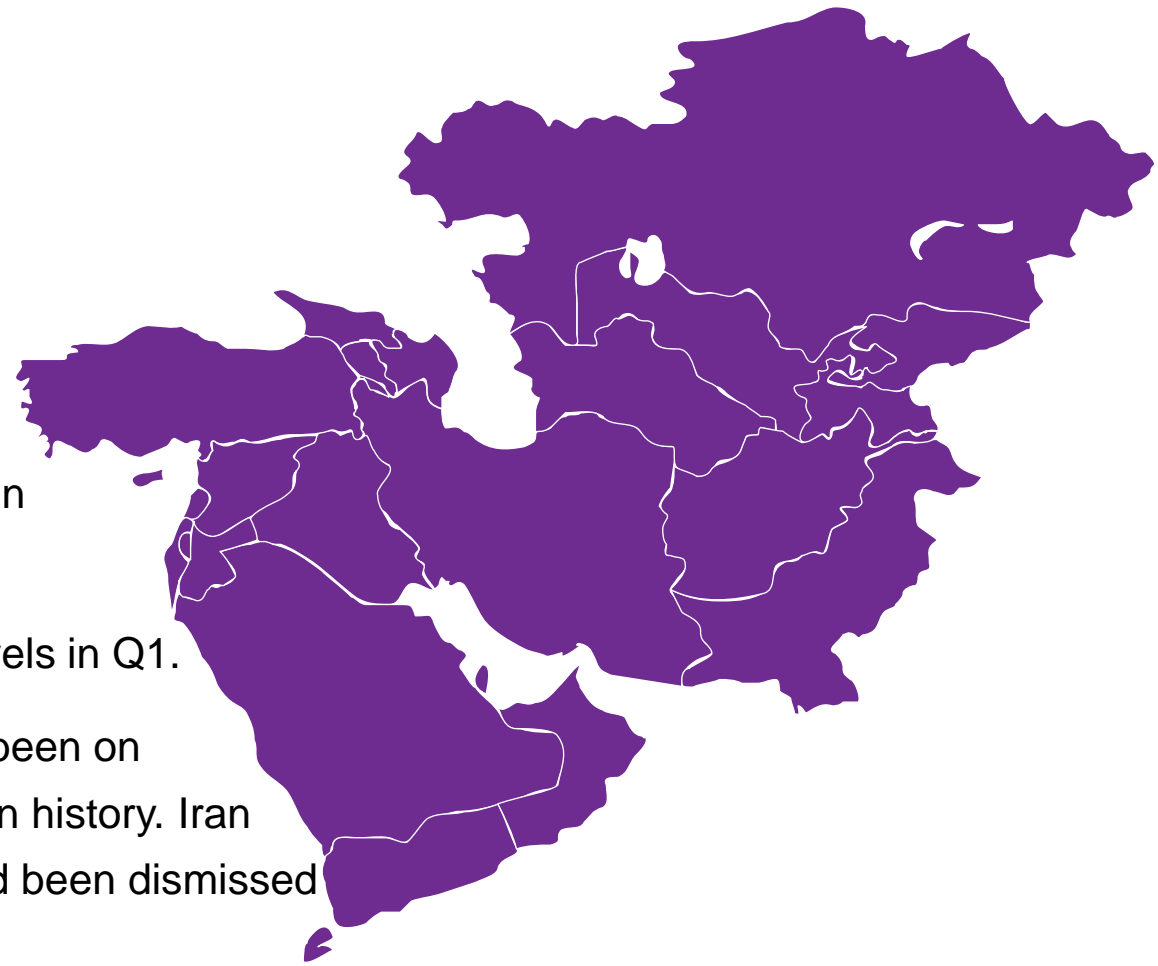
CC BY

Note: This report is based on sources and information deemed to be true and reliable, but Dentons makes no representations to same.

# Middle East

---

- The **Lebanese** parliament approved monthly direct payments to poor families, intended to offset planned cuts to subsidies. Violence between armed protesters and the police broke out in Tripoli over the economic crisis.
- Unemployment in **Saudi Arabia** dropped to pre-pandemic levels in Q1.
- Energy sector workers at 60 energy companies in **Iran** have been on strike for 11 days, constituting the largest strike in the sector in history. Iran appointed a new central bank chief, replacing a chief who had been dismissed after registering to run in the presidential election.
- **Sudanese** police detained at least 200 members of the former ruling party on charges of “*plotting acts of destruction.*” Sudanese protesters called for the government to resign over IMF-backed economic reforms. Sudan was approved for debt relief and \$2.5 billion in funding by the IMF.



# How do You Manage Political Risk?

---

*Today, the economic and political changes affecting international business are more complex than ever. Conflicts, coups and the coronavirus pandemic continue to impact governments and people worldwide and shape the business landscape in 2021.*

*Dentons offers business leaders routine and one-off political risk assessments on specific interests. Many clients also retain our team of attorneys and former intelligence and military professionals, equipped with the latest big data analytics tools, deep substantive knowledge and extensive networks of contacts, to provide services, including:*

- ❖ Political and country risk forecasts and analysis
- ❖ Market-entry assessments
- ❖ Legislative and government action forecast
- ❖ Comprehensive project analysis
- ❖ Coronavirus vaccine tracker and return-to-work monitoring
- ❖ Investment risk analysis

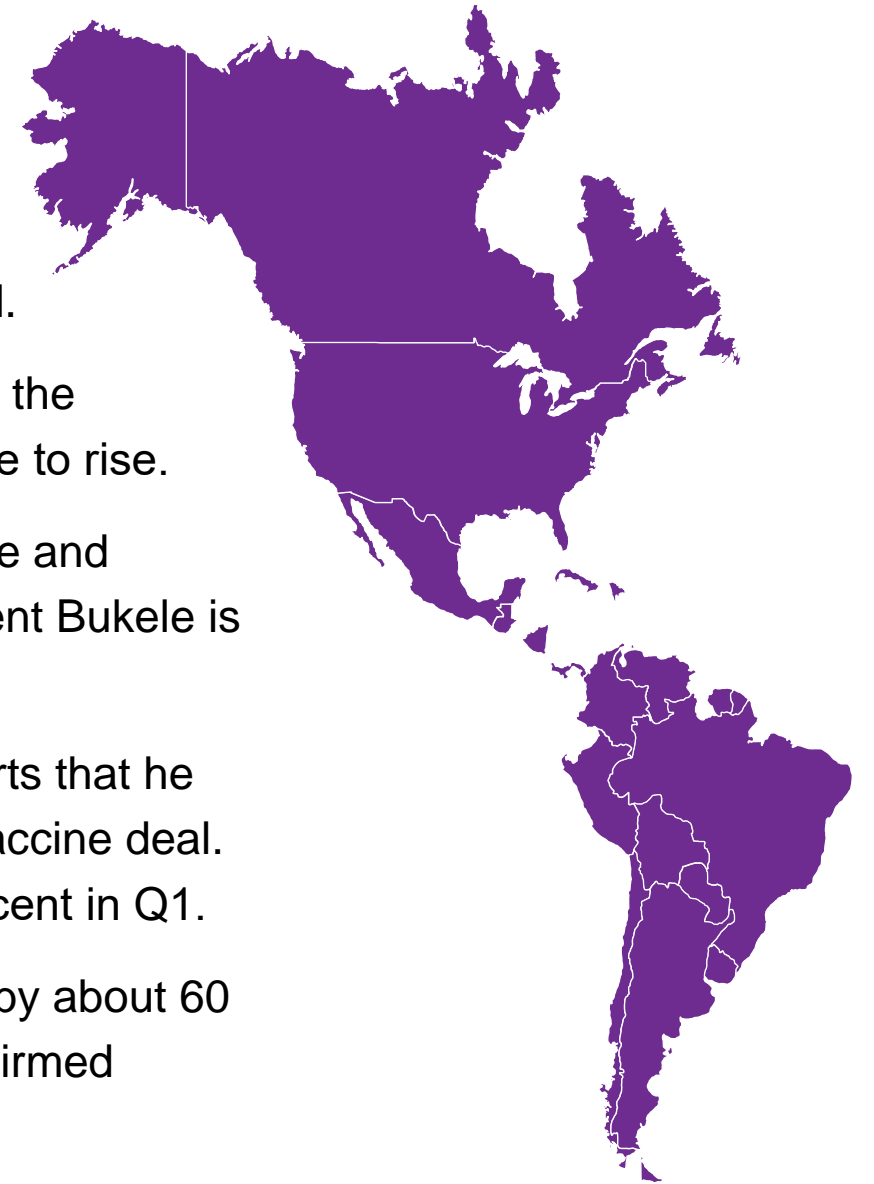
*All interaction with Dentons is attorney-client privileged*

*To learn more about the bespoke intelligence and risk services from Dentons, contact [Karl Hopkins](#).*

# Americas

---

- More than 30 percent of **Canada's** population is now fully vaccinated.
- The **Pan-American** Health Organization (PAHO) said that the end of the COVID-19 pandemic remains "*in the distant future*" as cases continue to rise.
- **Ecuador's** parliament voted to keep in place a Supreme Court justice and appoint five new justices, raising fears among observers that President Bukele is seeking to consolidate power.
- **Brazilian** President Bolsonaro fired a health official after media reports that he had accepted a bribe in ongoing graft investigations into an Indian vaccine deal. Brazil's unemployment rate held steady at a historic high of 14.7 percent in Q1.
- COVID-19-related deaths in **Mexico** likely exceed the confirmed toll by about 60 percent, per Health Ministry data; Mexico has recorded 221,647 confirmed deaths, while registering an additional 351,376 excess deaths.

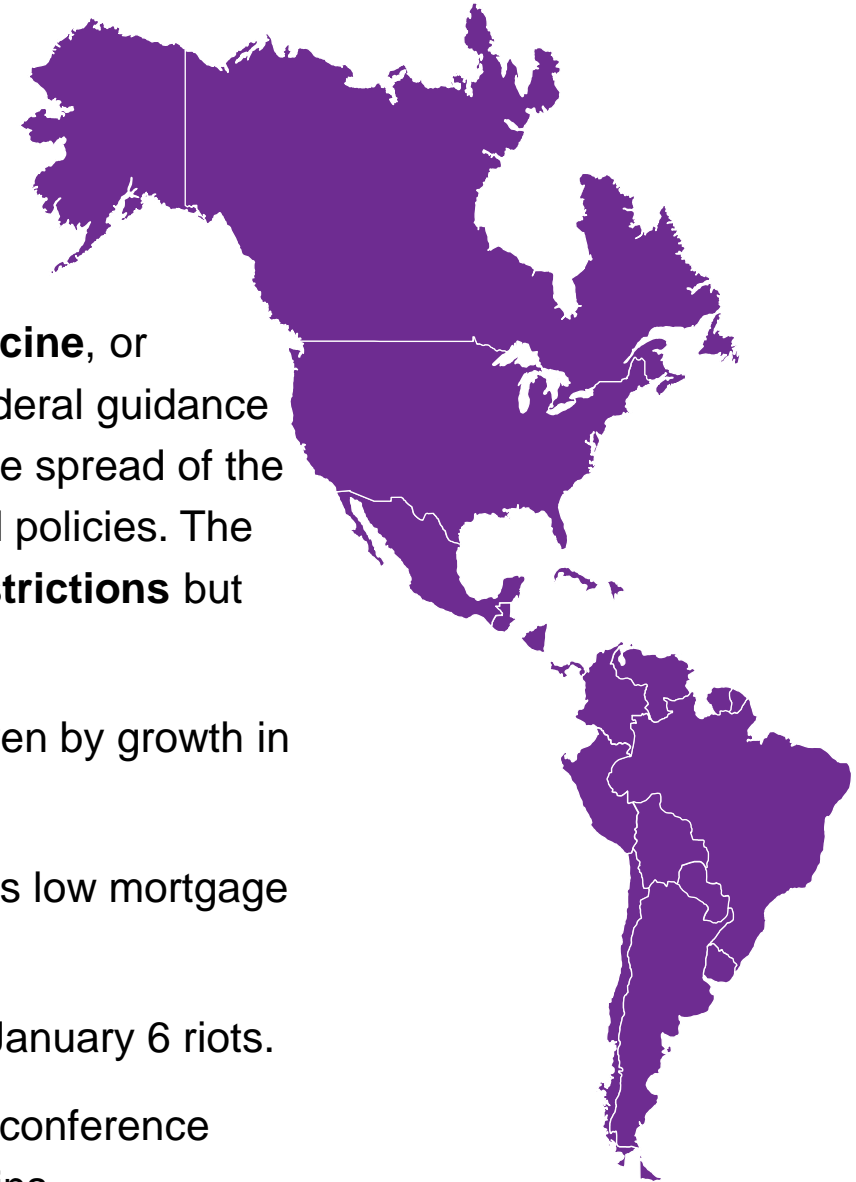


*Note: This report is based on sources and information deemed to be true and reliable, but Dentons makes no representations to same.*

# Americas: US

---

- Across the nation, 180.7 million have received at least **one dose of the vaccine**, or 54.4 percent of the total population. CDC Director Walensky clarified that federal guidance for fully vaccinated individuals to stop wearing **masks** still stands, despite the spread of the Delta variant, but local policymakers are still allowed to make their own local policies. The White House said the US is still considering its current COVID-19 **travel restrictions** but does not intend to ultimately require vaccination for entry.
- The private sector added a higher-than-expected 692,000 **jobs** in June, driven by growth in leisure and hospitality sectors, per payroll processor ADP.
- US **pending home sales** rose in May to their strongest levels since 2005, as low mortgage rates continue to attract buyers despite high house prices.
- The House voted to approve an **independent commission** examining the January 6 riots.
- **Taiwan-US** trade and investment negotiations restarted, with an initial videoconference including a pledge to cooperate on fighting forced labor in global supply chains.



*Note: This report is based on sources and information deemed to be true and reliable, but Dentons makes no representations to same.*

# Recent Court Victories and Climate Science Boost Prospects for Climate Litigation

---

*Climate lawsuits serve as a major avenue for environmental activists and citizen groups to pressure both governments and private companies to take action to reduce climate impact. In recent months, a number of high-profile victories have created a sense of momentum for success in climate litigation, including the Dutch court order for Royal Dutch Shell to further cut future emissions and the German Supreme Constitutional Court's ruling that government climate protection measures were insufficient. Moreover, advances in climate science make it increasingly possible to prove causal links between climate impacts and the actions of individual entities, which a new study argues could improve the prospects of climate litigation. Better use of scientific evidence in the court room and growing enthusiasm for the success of climate lawsuits and public enthusiasm could increase the scope and efficacy of climate litigation, raising levels of risk for businesses operating in emissions intensive sectors.*

In late May, a Dutch court issued the first ruling to order a major oil company – Royal Dutch Shell – to revise its emissions plans into better alignment with Paris Climate Agreement targets. The court found that Shell's existing emissions reduction plans, which were already among the most ambitious of major oil companies, were insufficient and could result in human rights violations. Though Shell says it intends to appeal, the case is expected to have major consequences both domestically and internationally. It shows that companies must account for global climate policies in their emissions plans, along with existing emissions regulations. Moreover, the court ruling is driving enthusiasm for climate lawsuits as a venue for

climate activism, with perceptions of the efficacy of climate litigation also boosted by the late April German Supreme Constitutional Court ruling that the German government must improve its Climate Protection Act to ensure that 2030 emissions goals are reached more quickly. Both cases were hailed as major wins for environmentalists, helping to bolster the belief that courts can deliver climate action. The Shell ruling was particularly significant for targeting a private company, versus the more common target of a government, opening the likelihood that environmentalists may expand focus on private as well as public entities.

*Note: This report is based on sources and information deemed to be true and reliable, but Dentons makes no representations to same.*

# Recent Court Victories and Climate Science Boost Prospects for Climate Litigation

Momentum for climate litigation may also be aided by use of cutting-edge climate science, which, per a new study published this week in *Nature Climate Change*, has been underutilized in past climate lawsuits. The study, titled “*Filling the evidentiary gap in climate litigation*” and authored by a group of researchers from European Institutions and Harvard Law School, highlights improvements in climate “attribution” science, the field that assesses the role of human-caused factors in the likelihood or severity of extreme weather events. Examining 73 court cases, most of which were unsuccessful, the researchers found that plaintiffs often are not using the latest or most compelling scientific evidence in court cases, concluding that better use of existing science could improve the prospects for climate litigation.

With many of the examined legal cases based on “*causal claims*” and compensation requests for climate-related losses, establishing the link between the actions of a certain company or government and subsequent climate impact is key. In many failed cases, courts found that it was too difficult to determine how an individual emitter has caused certain climate impacts – a basis that the researchers

believe could be clarified with “*state of the art*” climate science and methodologies. For example, the scientists behind the study assert that it is now possible to break down the role of a single emitter – like a major oil company – and assess its individual climate impacts.

As new climate litigation moves forward, it remains to be seen whether the conclusions of the *Nature* study will translate into shifting legal strategy and better scientific evidence in the court room. Along with this growing potential for climate science to improve the prospects of climate litigation, recent court victories are boosting enthusiasm for climate lawsuits among environmentalists and broader publics. Either or both factors have the potential to grow the scope and efficacy of climate litigation, bringing a higher level of risk for businesses in sectors like oil and gas, as well as for national governments that fall short of global climate goals. As the COP26 climate conference in Glasgow approaches, international focus on global climate policy and enforcement is also sharpening, prompting governments, companies and activists alike assess progress towards Paris Climate Agreement goals – and examine how to best ensure that old and new targets are actually met.

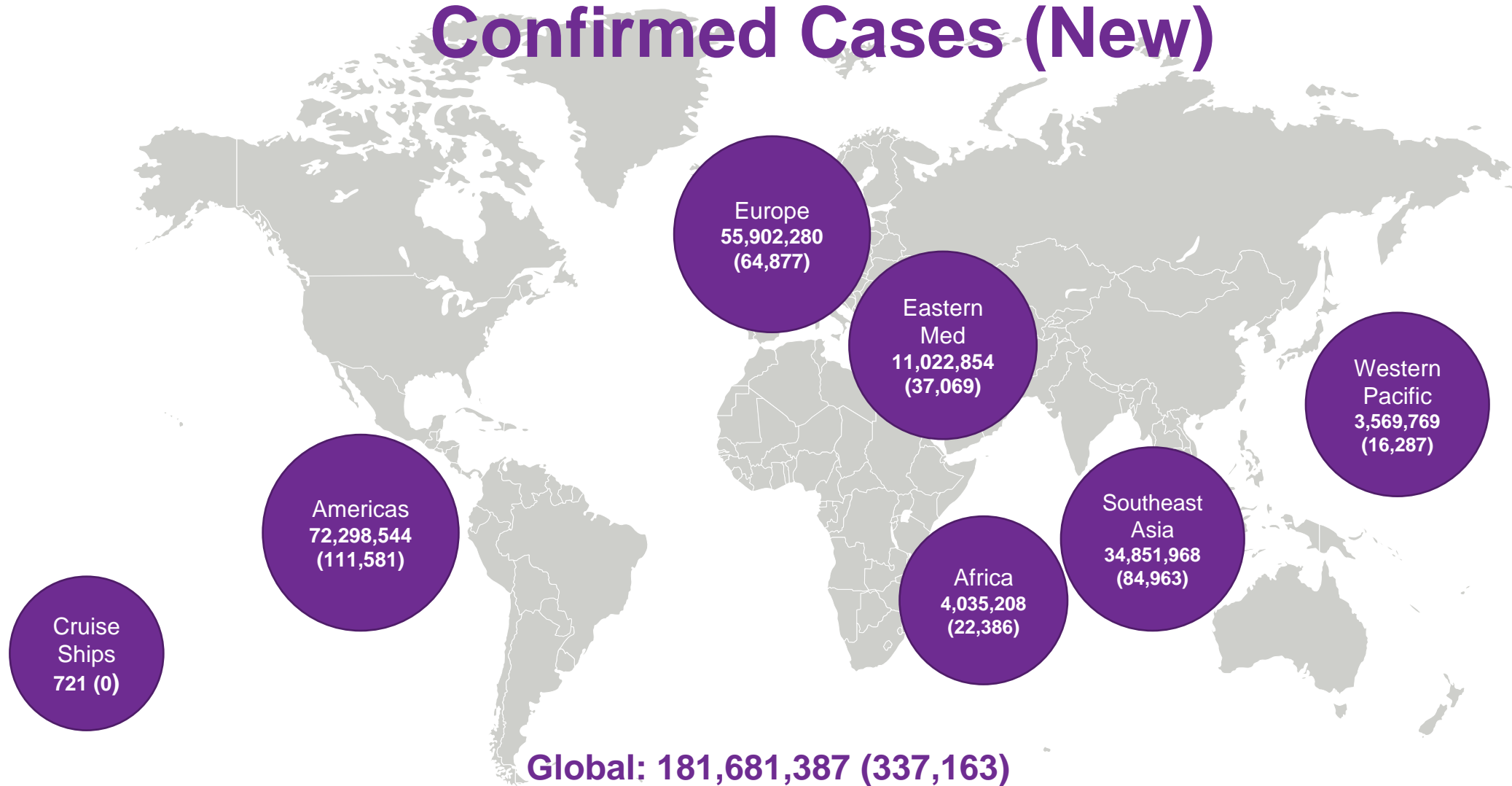
*Note: This report is based on sources and information deemed to be true and reliable, but Dentons makes no representations to same.*



# Coronavirus Condition Updates

As of 6:09 pm CEST on June 30, 2021

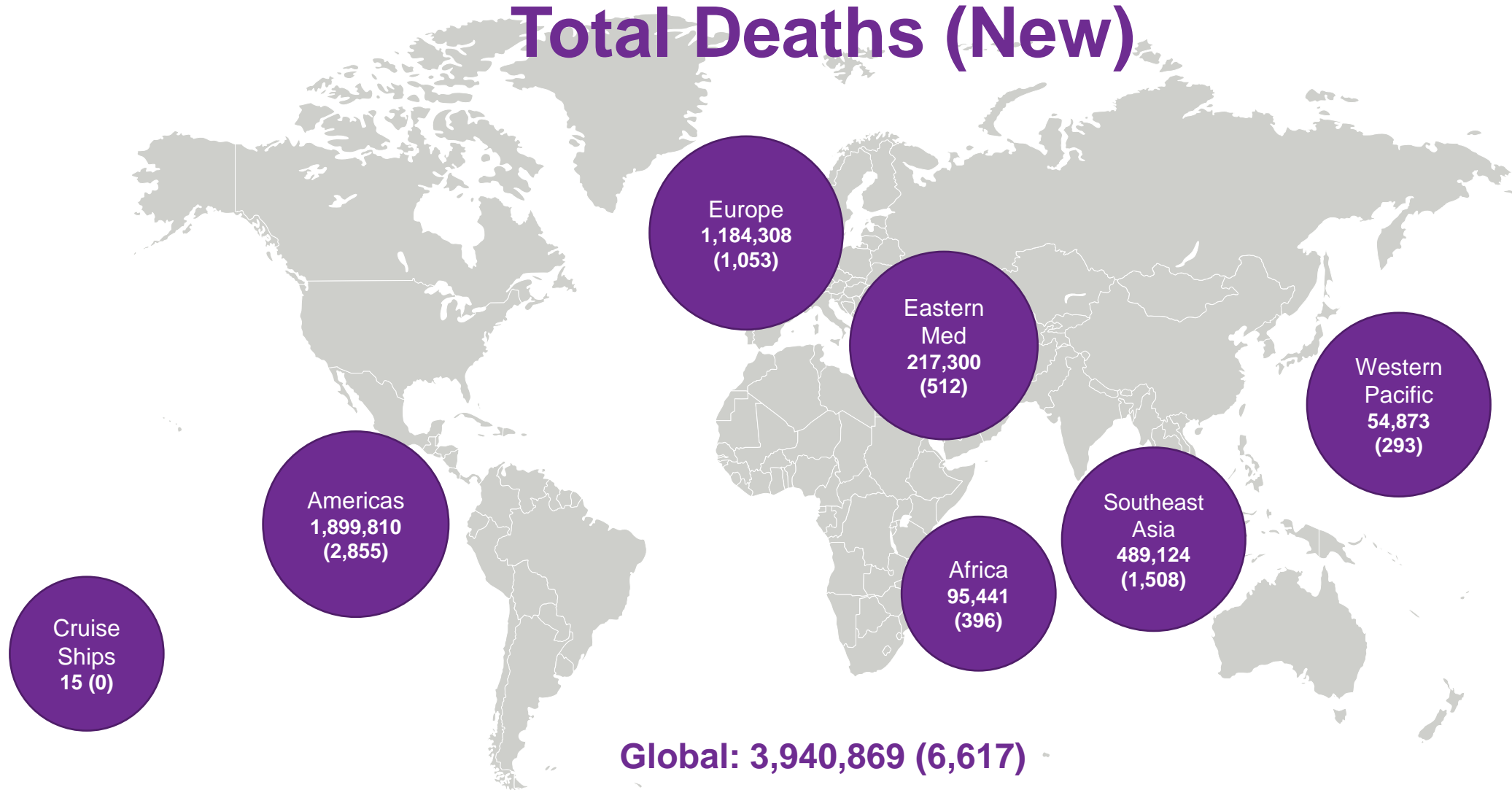
# Confirmed Cases (New)



Reflects data as of 6:09 pm CEST on June 30, 2021.  
Data Source: World Health Organization

*Note: This report is based on sources and information deemed to be true and reliable, but Dentons makes no representations to same.*

# Total Deaths (New)



Reflects data as of 6:09 pm CEST on June 30, 2021.  
Data Source: World Health Organization

*Note: This report is based on sources and information deemed to be true and reliable, but Dentons makes no representations to same.*

# Contacts

---

*This summary is based on reports sourced from among the 75 countries in which Dentons currently serves clients as well as from firms in other locations, some of which will formally join Dentons later in 2020. We are pleased to share this complimentary summary and contemporaneous assessment, with the caveat that developments are changing rapidly. This is not legal advice, and you should not act or refrain from acting based solely on its contents. We urge you to consult with counsel regarding your particular circumstances.*

*To read additional analysis, visit the [Dentons Flashpoint portal](#) for insights into geopolitics and governance; industry and markets; cyber and security; science, health and culture; and economic and regulatory issues.*

## **Karl Hopkins**

Partner and Global Chief Security Officer  
Dentons  
Washington, DC

D +1 202 408 9225  
[karl.hopkins@dentons.com](mailto:karl.hopkins@dentons.com)

## **Melissa Mahle**

Senior Analyst  
Dentons  
Washington, DC

D +1 202 408 6383  
[melissa.mahle@dentons.com](mailto:melissa.mahle@dentons.com)