

Dentons Flashpoint

Daily Global Situation Report

August 9, 2021

Global Situation Update: August 9, 2021

KEY TAKEAWAYS

A new UN climate report warns of climate catastrophe absent immediate and sustained reductions in methane and CO2 emissions.

The Afgani Taliban overran three provincial capitals over the weekend expanding its grip on the country.

Goldman Sachs revised down its forecast for third-quarter growth in China.

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

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WHAT WE'RE WATCHING

Today, the Afghan Taliban control five provincial capitals across the country after a weekend of intense fighting. Yesterday, the cities of Kunduz, Sar-e-Pol and Taloqan in the north fell within hours of each other, while just the day prior the insurgents took over the capital cities of Jawzjan in the north and Zaranj in the south. On Friday, the Taliban assassinated the Afghan government's top media officer in Kabul.

Afghan government forces continue to fight in many of the fallen provinces, while US B-52 bombers and gunships are increasing support for them from the air. The surge in violence comes as the US has vowed to remove all troops from Afghanistan by the end of August.



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Global

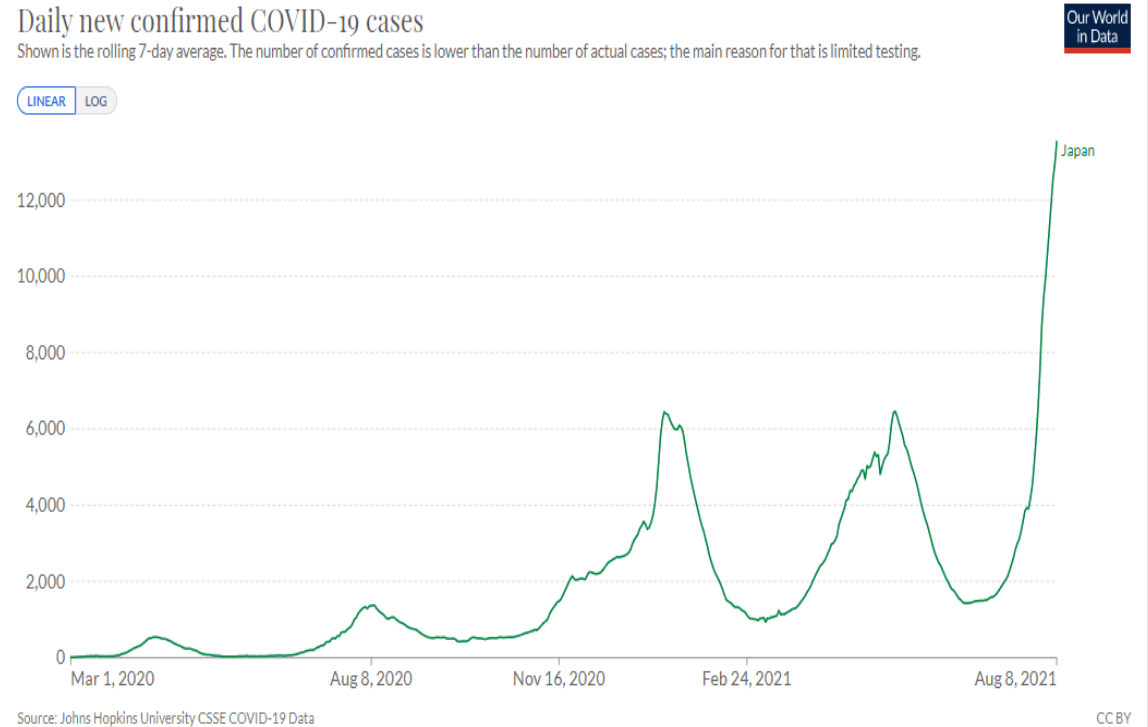
Globally, confirmed coronavirus cases topped 202.2 million with 4.2 million deaths; more than 3.9 billion vaccine doses have been administered.

- Extreme heat waves that previously only struck once every 50 years are now expected to happen once per decade because of global warming, while downpours and droughts have also become more frequent, per a new UN climate science report. Global warming will hit 1.5C by 2040. To save the planet, countries must make "strong, rapid and sustained reductions" in methane emissions in addition to slashing CO2 emissions.
- COVID-19 increases patients' risks for heart attack and stroke, suggests a study from Sweden.

Global

The Tokyo Olympic games drew to a close with a muted closing ceremony absent spectators. Japan now has a \$15 billion bill, double what it initially expected, and with no tourist boom.

The Games' organizers reported another 26 people tested positive for COVID-19, bringing the Tokyo event's total to at least 430.



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COVID-19 Vaccine

Moderna has informed South Korea that it would only be able to deliver less than half the 8.5 million doses it had been due to ship in August, citing delays due to laboratory testing operations.

- Scientists at Public Health England report that there are early signs that people who have been vaccinated against COVID-19 may be able to **transmit the Delta variant** of the virus as easily as those who have not.
- Most people who received a third dose of **Pfizer Inc's COVID-19 vaccine** felt similar or fewer **side effects** than they did after receiving the second shot, per a survey in Israel. Israel began offering the booster shots about 10 days ago to people over age 60.
- Breakthrough COVID-19 infections in fully vaccinated people seem to strengthen their **immune defenses**, suggests a new German study. They found that vaccinated residents who still got the virus had significantly higher levels of antibodies afterward than vaccinated residents who did not get infected, and they also had more antibodies that were capable of neutralizing variants of the virus.

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Markets & Business

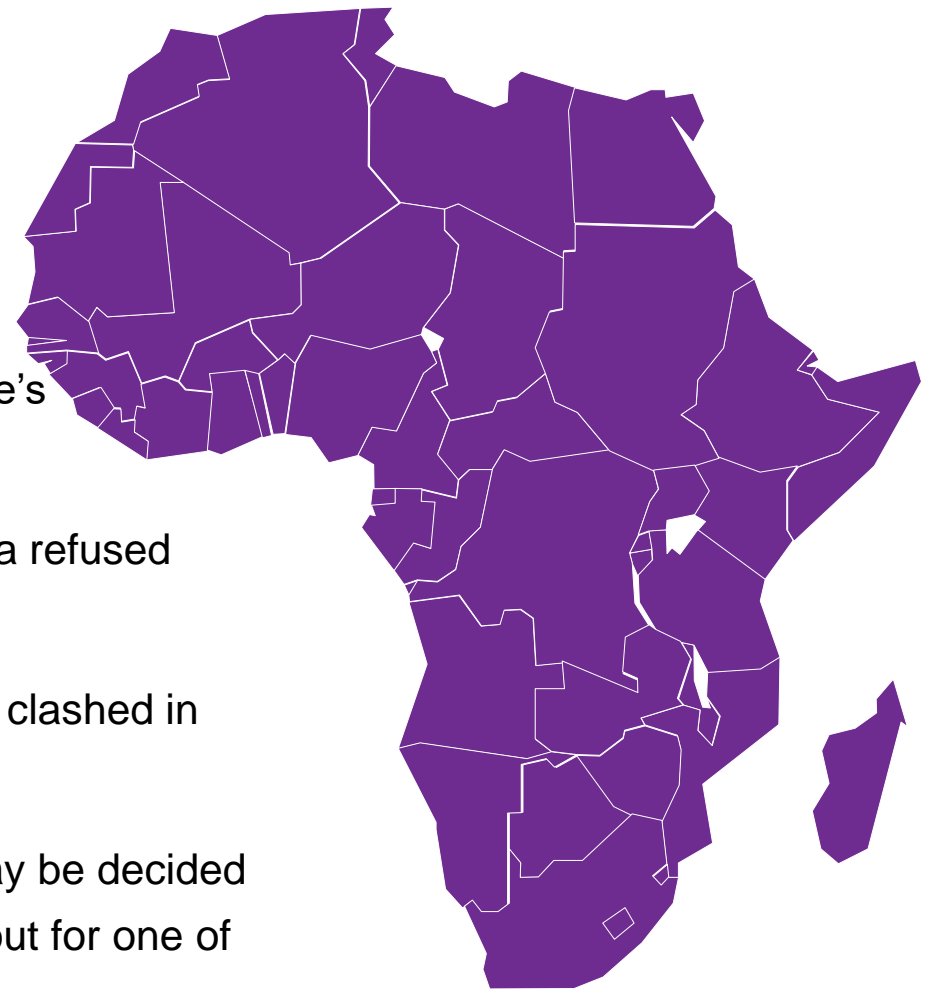
The US Securities and Exchange Commission approved a proposal from stock exchange operator Nasdaq Inc that requires its listed companies to have diverse boards, or explain why they do not.

- **Private equity firms** are rethinking their strategies in China as a widening regulatory crackdown on some of the country's hottest sectors drive investors to seek industries that they hope will be less vulnerable to sudden policy changes.
- **Goldman Sachs** revised down its forecast for third-quarter growth in China as disruption caused by the Delta variant worsens.
- **Liability insurers** in the US and Europe are scaling back the cover they offer companies ahead of an expected wave of discrimination claims as employers call staff back to the office after 18 months of pandemic-induced home working.
- France's **Renault SA** is exploring forming a hybrid vehicle joint venture with **Geely Holding Group**, a year after it ended its previous operation in China.
- China's second-largest music streaming service, **Cloud Village**, has dropped a \$1 billion initial public offering in Hong Kong as concerns about a growing regulatory crackdown.
- A record surge of COVID-19 infections has forced factories to shut in southern Vietnam, disrupting the **supply chain for clothing and footwear**.
- **Exxon Mobil Corp** was suspended from advocacy group Climate Leadership Council that looks to make policies to address climate change after a company lobbyist said that it supports a carbon tax publicly because the plan to curb climate change would never gain enough political support to be adopted.

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Africa

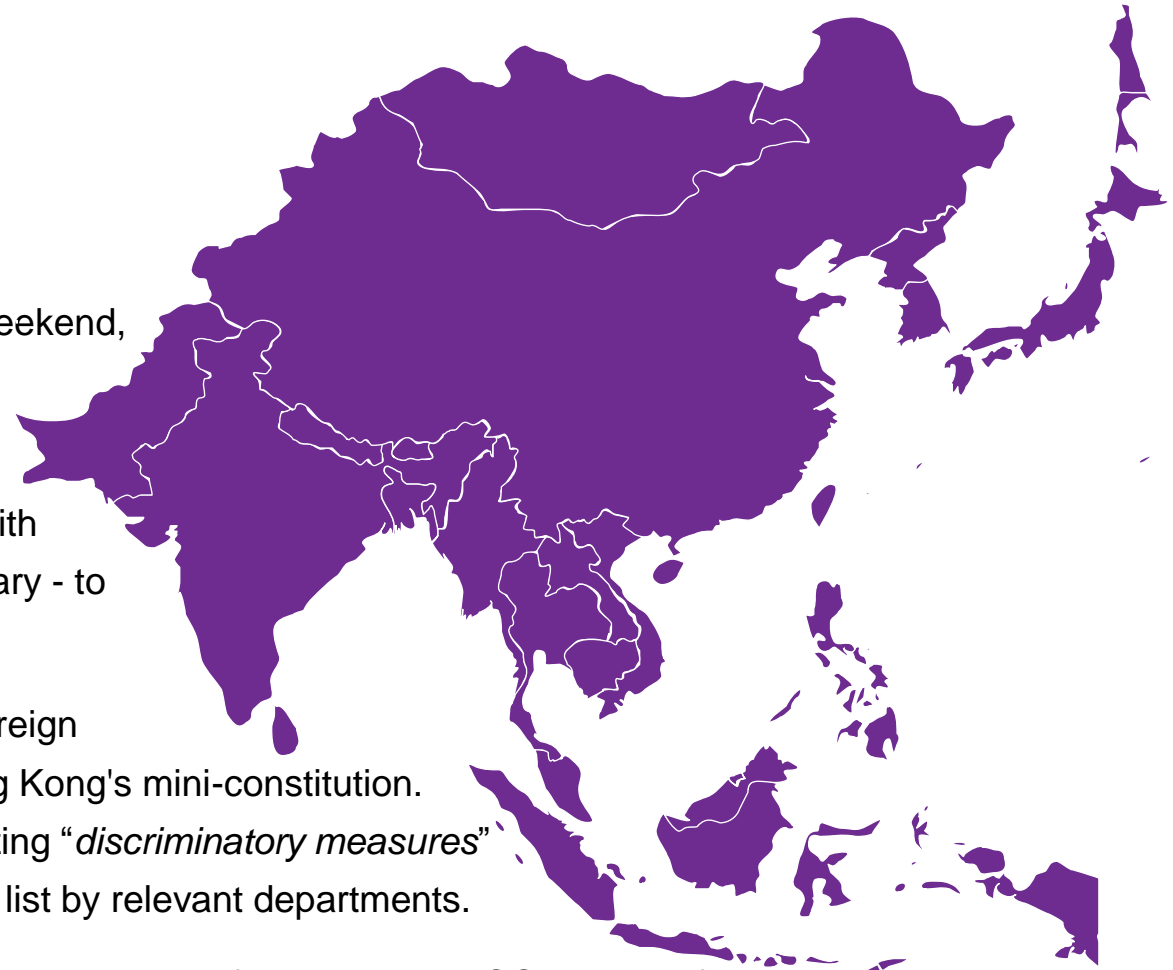
- **Mozambican and Rwandan** security forces have recaptured the port town of Mocimboa da Praia, an insurgents' stronghold, in Mozambique's northern-most province of Cabo Delgado.
- **Sudan** recalled its ambassador to neighboring **Ethiopia**, after Ethiopia refused Sudan's offer to mediate in the ongoing conflict in Tigray.
- Forces loyal to Vice President Riek Machar and a splinter group have clashed in **South Sudan**, threatening the country's fragile peace process.
- **Zambian** voters will go to the polls on Thursday in an election that may be decided by frustrated young voters amid economic turmoil and a pending bailout for one of Africa's most indebted nations.



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Asia

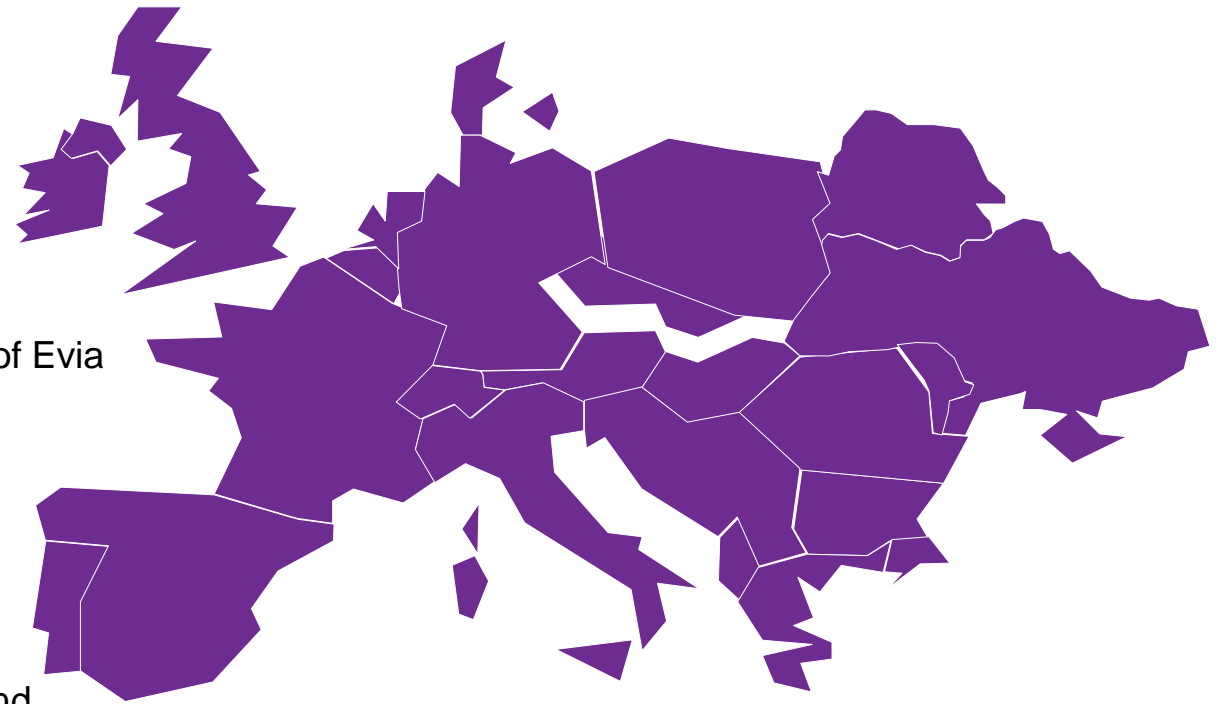
- More than a thousand **Thai** protesters clashed with police over the weekend, as they demonstrated against the government's failure to handle coronavirus outbreaks and its impact on the economy.
- Two **Myanmar** citizens were arrested in New York state for plotting with an arms dealer in Thailand - who sells weapons to the Burmese military - to kill or injure Myanmar's UN ambassador.
- **Hong Kong's** justice secretary said that a **Chinese** law to counter foreign sanctions could also be adopted by Hong Kong by writing it into Hong Kong's mini-constitution. Under the law, individuals or entities involved in making or implementing “*discriminatory measures*” against Chinese citizens or entities could be put on an anti-sanctions list by relevant departments.
- **Australia** expanded a COVID-19 lockdown to a rural town and the coastal region of Byron Bay as COVID-19 infections spread north from Sydney. Nearly a fifth of hospitals in the **Philippines** are close to full capacity with the surge in COVID-19 infections, per the health ministry. **Malaysia** will relax some COVID-19 restrictions for fully vaccinated people in eight states. **China** disciplined at least 15 Communist Party officials from Nanjing and warned them against lax attitudes towards Covid-19 containment.



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Europe

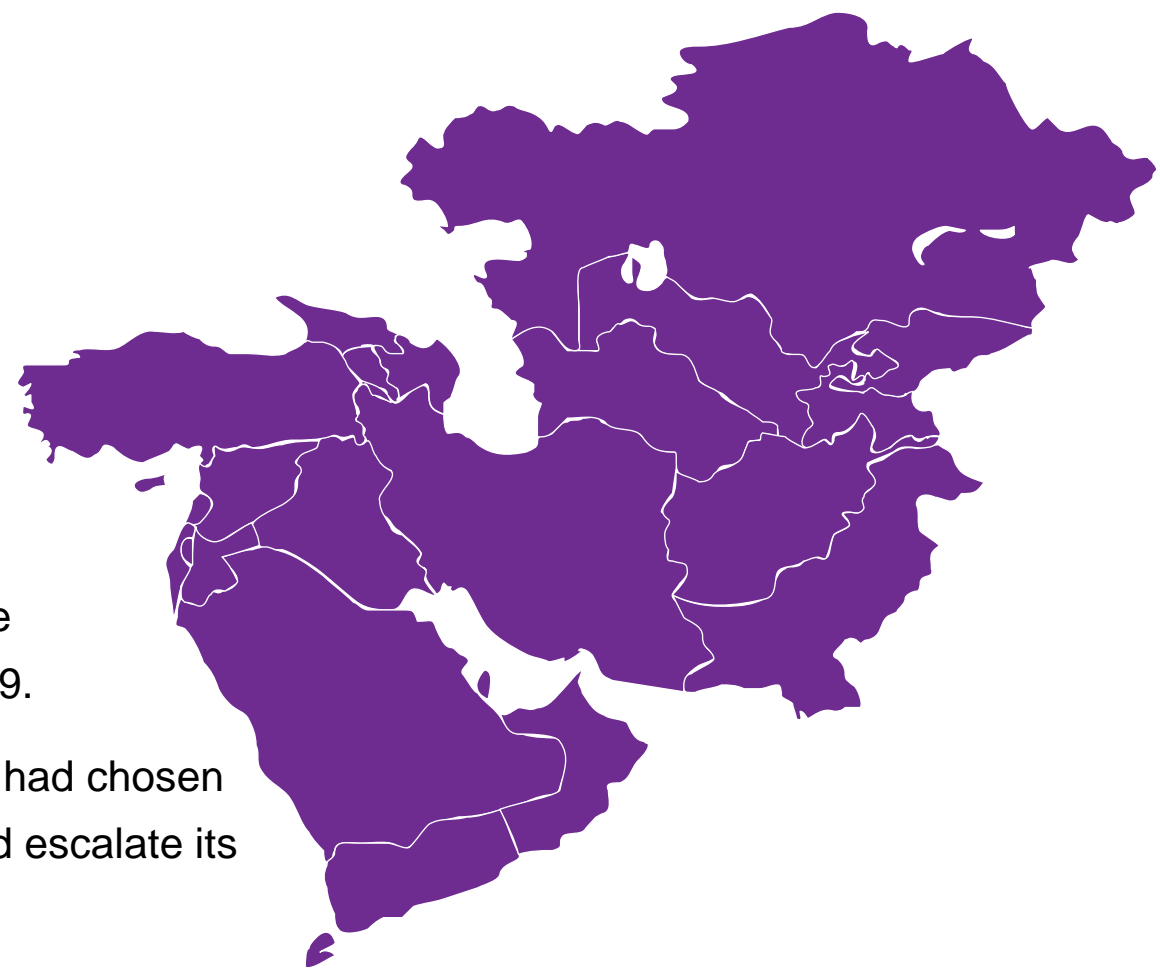
- Thousands of people have fled their homes on the **Greek** island of Evia as wildfires burned uncontrolled for a sixth day on Sunday.
- Lyubov Sobol, a prominent ally of jailed Kremlin critic Alexei Navalny, left **Russia** days after being sentenced to parole-like restrictions amid a crackdown on the opposition.
- **Turkish Cypriot** leader ruled out reunification of divided island and advocated for two-state solution ahead of UN talks, saying that the two sides of the island, segregated along ethnic lines since the mid-1960s, are now too estranged to reunify.
- Berlin nightclubs participated in a test project named “Clubculture Reboot,” opening their doors this weekend to patrons free of masks and social distancing restrictions in a **German** pilot project to assess whether testing for COVID-19 could prevent another lockdown for the city's night life venues. **French** protesters marched in cities across France in a fourth consecutive weekend, denouncing mandatory vaccines for health workers and the health pass requirement for participating in many daily activities. **Estonia** set caps on the number of participants allowed during events and activities without proof of vaccination, a week after mandating face masks for public transport.



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Middle East

- The UN special envoy for **Afghanistan** questioned the Taliban's commitment to a political settlement, assessing the war has entered a "*deadlier and more destructive phase.*"
- **Saudi Arabia** will gradually begin receiving Umrah pilgrimage requests from abroad for vaccinated pilgrims starting August 9.
- **Lebanese** Hezbollah leader Nasrallah warned that his group had chosen to respond to **Israeli** air strikes on unpopulated land but could escalate its actions in the future.
- The chief negotiator for **Yemen's** Iran-aligned Houthi movement rejected talks with the United Nations new special envoy for Yemen without movement on the group's key conditions of opening airports and ports under stalled peace efforts.
- **Iran** rejected the G7 statement that Tehran was threatening international peace and security and that all available evidence showed it was behind the attack on the Mercer Street tanker last week.



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How do You Manage Incident Response?

2021 has already seen business disrupted by extreme weather, ransomware attack, the ongoing pandemic and more. The common refrain “It’s not if, but when” rings truer than ever for disruptive incidents that will impact business as usual.

Working with Dentons, you can effectively develop an organizational incident-behavior adopted by all your team members. Dentons will help you build muscle memory through tabletop exercises, which are crafted to fit the business strategy of every client.

Our team plays events and incidents of different severities and complexities and accounts for real-world factors such as inconclusive evidence, mistakes by responders, and the business impact of eradication steps. Our tech-savvy lawyers continuously revise the playbooks per the evolving sector-specific threat landscape.

Dentons tabletop sessions are fluid, and designed to enhance preparedness with services, including:

- ❖ Ransomware tabletop exercises
- ❖ Post-tabletop action reports
- ❖ Maturity assessments for preparedness
- ❖ Supply-chain attack simulation
- ❖ Comprehensive incident response plan
- ❖ Threat analysis and monitoring

All interaction with Dentons is attorney-client privileged

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

Americas

- Tens of thousands of **Argentines** took to the streets of Buenos Aires on Saturday to protest over poverty and a lack of jobs; organizations working with the unemployed and leftist groups led the protest. Protests also took place in second largest city of Cordoba and the western city of Mendoza.
- **Peru's** new Prime Minister Bellido said the state plans to participate in key industries, including natural gas and new hydroelectric projects, under a new leftist administration, in a shift away from a policy of divesting from state-controlled companies.
- The **US** accused **Nicaraguan** President Ortega of taking new "*undemocratic, authoritarian actions*" after police arrested another rival politician ahead of elections later this year.
- **Mexican** President Andres Manuel Lopez Obrador will meet with **US** Vice President Harris today and discuss the recent surge in COVID-19 cases in both nations, with the Mexican president expected to ask for additional donations of vaccine.

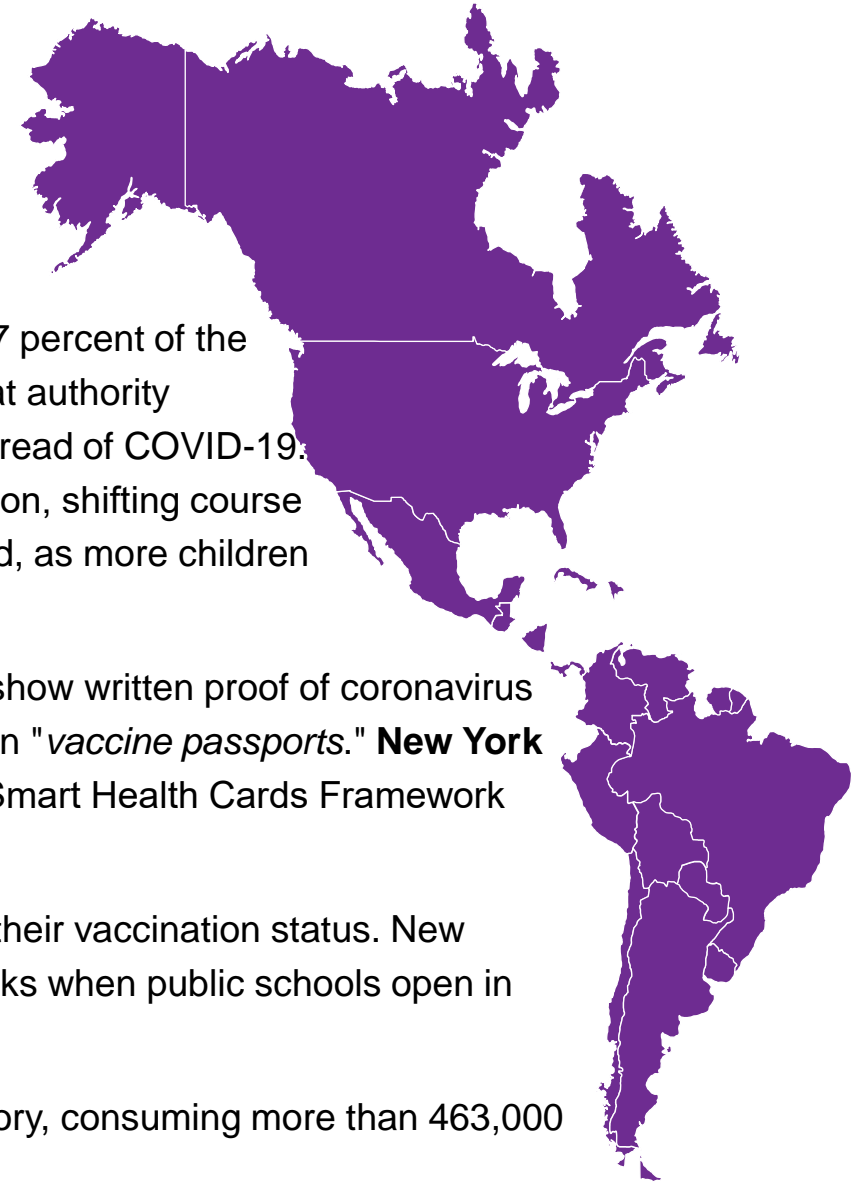


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Americas: US

- Across the nation, 194.9 million have received at least one dose of the **vaccine**, or 58.7 percent of the total population. Labor Secretary Walsh stated that the Administration is examining what authority **businesses** have to mandate vaccines, in an effort to identify more steps to halt the spread of COVID-19. The President of the American Federation of teachers, the second-largest teachers' union, shifting course to back mandated vaccines for teachers to protect **students** too young to be vaccinated, as more children fall ill.
- A judge has allowed Norwegian Cruise Line Holdings Ltd. to demand that passengers show written proof of coronavirus vaccination before they board a ship, blocking **Florida** Governor DeSantis's effort to ban "*vaccine passports*." **New York** state's proof of vaccination card has been integrated with the internationally accepted Smart Health Cards Framework and is now valid as vaccine proof for international flights on American Airlines.
- Amazon.com Inc has ordered all US employees to wear a **mask** at work regardless of their vaccination status. New Jersey kindergarten through 12th-grade students and staff will be required to wear masks when public schools open in the fall regardless of vaccination status.
- A raging **wildfire** in northern California is now the second-largest recorded in state history, consuming more than 463,000 acres, burning structures and forcing thousands to evacuate.
- The administration announced a final extension of a coronavirus relief pause on **federal student loan repayments**, interest and collections until January 31, 2022.

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The Role of New and Lesser-Known COVID-19 Vaccines in Global Vaccinations

By Anni Coonan

Pfizer-BioNTech, Moderna, Oxford-AstraZeneca, Johnson & Johnson, Sinopharm, Sinovac and Sputnik V – around the world, these COVID-19 vaccines have become household names, constituting the vast majority of all shots administered. However, these top seven options for a COVID-19 vaccine are being joined by a growing number of newer contenders, as over 50 vaccines worldwide are still in various stages of testing and authorizations.

Though the leading seven shots are still likely to constitute most of the vaccinations given over the coming year, over a longer time horizon, novel vaccines will play a key role in ensuring global vaccine supplies and potentially in strengthening protections for those already vaccinated with a less effective shot. And in the politics of ending a pandemic, developing new homegrown vaccines is a source of national prestige – as well as a means to ensure self-sufficiency and benefit from the ongoing demand for vaccines.

Where is Novavax?

Throughout the pandemic, high hopes have surrounded the vaccine under development by Novavax, with trial data showing high levels of

efficacy. But the shot has been dogged with delays, despite numerous deals for future supply of its vaccine. Just last week, the EU approved a contract to buy up to 200 million doses of its vaccine, and Novavax had previously pledged to provide over 1 billion doses to Covax. However, Novavax has yet to be approved by any government, and appears to be facing issues with the US FDA. Last Thursday, the company announced that the US government had pulled funding for its vaccine production due to regulator's concerns, and that the timeline for FDA approval would once again be pushed back. While Novavax now plans to seek US approval in the fourth quarter, the company maintains that it will be a major supplier for low- and middle-income countries this year and will apply in the early autumn for regulatory approval in the UK, Canada and Australia.

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China's Other Vaccines: CanSino and mRNA Shots as Potential Boosters

Sinovac and Sinopharm are not China's only COVID-19 vaccine producers; in fact, the first shot approved for limited use in the country was CanSino Biologics' vaccine, developed in partnership with the Academy of Military Medical Sciences. While CanSino's vaccine, named Convidecia, was used as early as June 2020 in the Chinese military, it has not been as successful as Sinovac or Sinopharm in international uptake. However, CanSino is continuing to explore new ways its vaccine may prove uniquely useful. The company developed an inhalable version of its vaccine that is now in Phase 2 trials, and some findings from Phase 1 trials suggest that an initial injected dose followed by an inhaled dose may increase immune response. In June 2021, clinical trial registration data showed that Chinese researchers are testing whether CanSino's shot could be used as a booster for people who have already received other vaccines, such as Sinovac or Sinopharm's.

While China has yet to approve mixing doses of different vaccines, CanSino is not the only candidate raising speculation that the country may pursue mixed booster shots. Suzhou's Abogen Biosciences, in

cooperation with Walvax Biotechnology and the Academy of Military Medical Sciences are developing China's first mRNA vaccine, called ARCoV. Recent comments to the media indicate that Phase 3 trials for ARCoV have been underway in Mexico, Colombia, and Pakistan since May, while ARCoV's developers are also planning domestic clinical trials in Yunnan and Guangxi. ARCoV's advancement comes amid international speculation that the effectiveness of Sinovac and Sinopharm's vaccines may be significantly undermined by the Delta variant, at least in preventing virus transmission from vaccinated individuals. It also comes after a July report in Caixin, a Chinese finance magazine, that Beijing is in the final stages of approving an mRNA booster shot developed by BioNTech and China's own Fosun Pharma. If ARCoV succeeds in becoming China's first homegrown mRNA vaccine, it might similarly have a role to play either in domestic booster shots or as an international export to countries around the world seeking mRNA vaccines.

Approved and Already in Use: Less-Known Vaccines Around the World

A number of governments are already using homegrown vaccines that have not been widely approved or used internationally, including

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Kazakhstan, Iran, Cuba, India, and Russia. While these locally-developed vaccines have yet to gain international recognition, they play an important role in domestic vaccine rollout, and in some cases, providing vaccines for geopolitical allies. Along with providing a source of national pride and vaccine self-sufficiency, the ability to provide vaccines to international partners can prove an important foreign policy tool, particularly if these vaccines can gain broader global trust once more data is provided about their safety and effectiveness.

Most prominent among this group of lesser-known vaccines is India's Covaxin, developed by Bharat Biotech in collaboration with the Indian Council of Medical Research and the National Institute of Virology, which was emergency approval in January 2021. Since early skepticism around its January approval – before Phase 3 trials were complete – Bharat Biotech has released a series of data about the vaccine's efficacy, finding it initially 78 percent effective in preventing symptomatic COVID-19 and later 65 percent effective against the Delta variant. With India's extensive vaccine manufacturing capacity, Covaxin is well positioned to play a major role both in the country's daunting task of vaccinating its 1.36 billion population and in

international vaccine exports. Bharat announced plans to produce up to one billion doses per year and has formed a partnership with America's Ocugen to develop Covaxin for the North American market. In June, Ocugen announced they would pursue full approval from the FDA.

Cuba has developed two of its own vaccines: the three-dose Abdala, from the Center for Genetic Engineering and Biotechnology of Cuba, and Soberana 2, from the Finlay Vaccine Institute. While still in Phase 3 trials, the Cuban government began using both Abdala and Soberana 2 in its mass vaccination campaign starting in May 2021, reporting efficacy rates around 92 percent for both. Venezuela also began using Abdalal in June, while Iran granted Soberana 2 emergency use approval under the local name Pasteur.

Along with its flagship vaccine, Sputnik V, **Russia** has approved two other shots: one developed by the Chumakov Center at the Russian Academy of Sciences called CoviVac, and the other developed by the Vector Institute called EpiVacCorona. Russia's mass vaccination campaign launched in January 2021 included use of EpiVacCorona, which is also approved for use in Turkmenistan. For CoviVac,

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however, Phase 3 trials are still underway (it was granted approval during Phase 2), and the Chumakov Center has said it is too early to determine the vaccine's efficacy.

Using a vaccine developed by the country's Research Institute for Biological Safety Problems (RIBSP), **Kazakhstan** began administering its own vaccine to the public in spring 2021 and announced in July that 25,000 doses would be delivered to neighboring Kyrgyzstan.

Iran, which has banned the import of western vaccines, in June authorized a locally made vaccine called COVIran Barekat, developed by Shafa Pharmed Pars, despite the fact that Phase 3 trials were not fully complete. The country's supreme leader Ayatollah Khamenei received his dose of COVIran Barekat on television in late June.

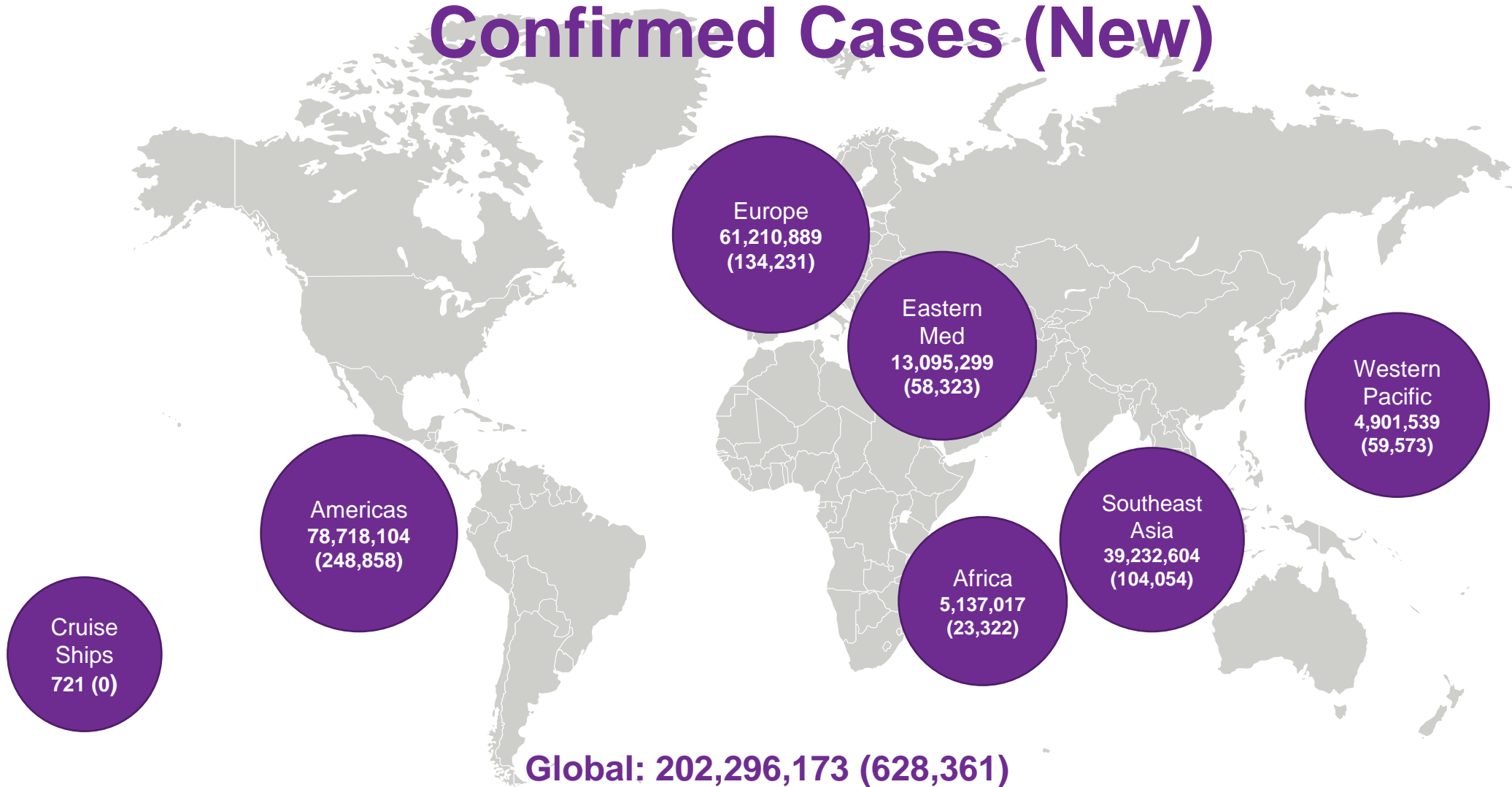
While yet to be rolled out, **Taiwan's** government granted emergency use authorization for Taipei-based vaccine maker Medigen's COVID-19 vaccine on July 19 based on strong Phase 2 trial results, although Phase 3 trials were yet to begin. Medigen says it will produce 10

million doses this year, delivering the first for use in Taiwan as soon as August.

Coronavirus Condition Updates

As of 6:08 pm CEST on August 8, 2021

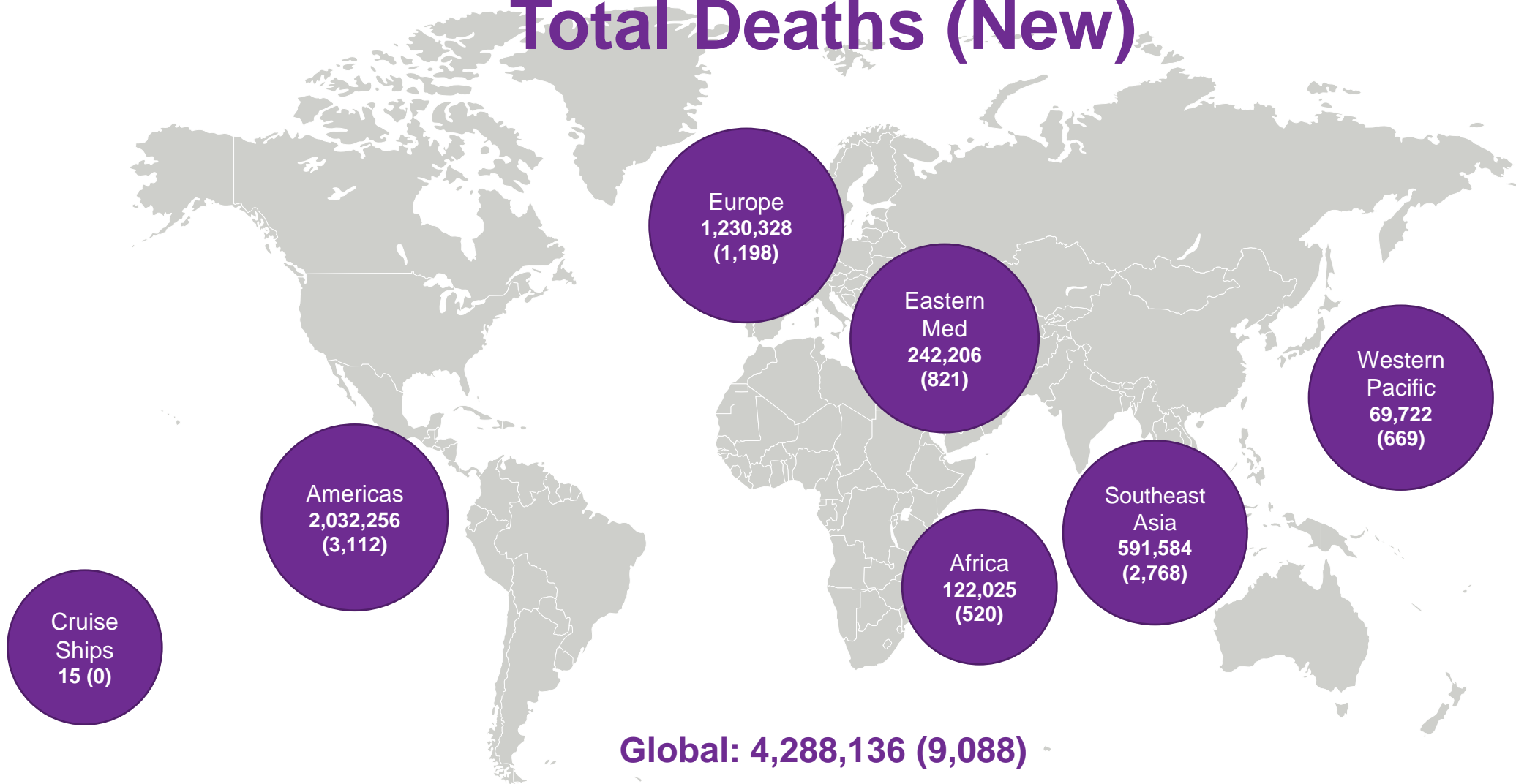
Confirmed Cases (New)



Reflects data as of 6:08 pm CEST on August 8, 2021.
Data Source: World Health Organization

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Total Deaths (New)



Reflects data as of 6:08 pm CEST on August 8, 2021
Data Source: World Health Organization

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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.

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