

Dentons Flashpoint

Daily Global Situation Report

June 14, 2021

Global Situation Update: June 14, 2021

KEY TAKEAWAYS

G7 leaders criticized China for a range of policies, prompting denunciation by Beijing for interference in domestic affairs.

US central bankers could signal this week that they anticipate raising interest rates sooner than previously expected.

In Dubai, 20 percent of those testing positive for the coronavirus had already been vaccinated with the Chinese Sinopharm vaccine.

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WHAT WE'RE WATCHING

Today, the NATO Summit of Allied Leaders will bring together the heads of 30 alliance member countries in Brussels. Among the issues on the agenda are discussions on how the alliance should engage Russia and China, what to do about cyber attacks and disruptive technologies, and the security implications of climate change.

During the summit, Turkish President Erdogan is expected to ask US President Biden to leave behind past disagreements, such as its purchase of Russia's S-400 missile system. The alliance is also expected to oppose deploying ground-based nuclear missiles in Europe, which is seen as a move to lower tensions with Russia.



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

Global

Globally, confirmed cases of coronavirus topped 175.3 million with 3.7 million deaths; 2.2 billion vaccine doses have been administered.

- In a communique issued on Sunday, G7 leaders criticized China over **human rights** in its Xinjiang region, called for Hong Kong to keep a high degree of **autonomy** and demanded a full and thorough investigation of the **origins of the coronavirus** in China; Beijing denounced the statement as a gross interference in the country's internal affairs.
- Following the G7 agreement to increase contributions to help poorer countries cut carbon emissions and cope with **global warming**, Canada said it would double its climate finance pledge to C\$5.3 billion (\$4.4 billion) over the next five years and Germany would increase its by 2 billion to 6 billion euros (\$7.26 billion) a year by 2025 at the latest.

COVID-19 Vaccine

Novavax Inc. COVID-19 vaccine is 90.4 percent effective at preventing symptomatic disease in adults in a large clinical trial, the company said, results that move the shot a step closer to global use.

- **European** Medicines Agency assessed that **AstraZeneca's coronavirus vaccine** had a favorable risk-benefit profile for all age groups and particularly for those aged over 60.
- **Brazil** health regulator Anvisa has approved use of the **Pfizer/BioNTech COVID-19 vaccine** for children over 12 years of age.
- The **Dubai** Health Authority said that 20 percent of those testing positive for the coronavirus had already been vaccinated; Dubai's vaccination program relied heavily on the **Chinese Sinopharm vaccine**.
- The effects of the **Pfizer/BioNTech** COVID-19 vaccine are impaired in patients receiving chimeric antigen receptor therapy, a cancer therapy, a study has found.

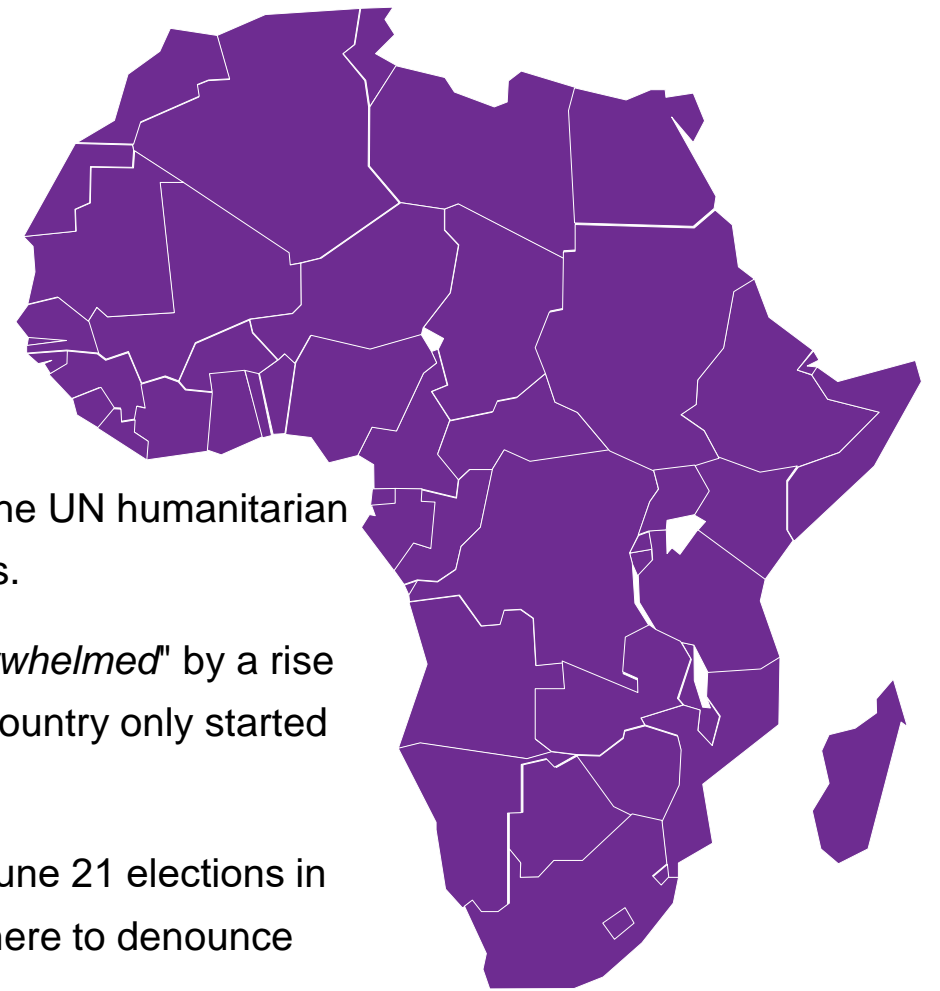
Markets & Business

British telecoms group Vodafone has chosen Samsung Electronics to supply its 5G network equipment in Britain, a breakthrough for the South Korean company in Europe's telecoms market.

- British oil major **BP** will join Norway's **Statkraft** and **Aker Offshore Wind** to bid for permits to build offshore wind power projects off Norway.
- US data center firm **Equinix Inc** has signed agreements for additional joint ventures with Singapore's sovereign wealth fund **GIC** to add \$3.9 billion to expand a data center program.
- Mall owner **Washington Prime Group** filed for chapter 11 bankruptcy protection after the pandemic forced it to temporarily close roughly 100 shopping centers across the US with businesses unable to pay their rent.

Africa

- The UN's top humanitarian official, Mark Lowcock, accused **Eritrean** forces of "*trying to deal with the Tigrayan population by starving them.*" **Ethiopia's** government, the UN and aid agencies have delivered food and other help to some 3.3 million Tigray residents since March, according to the UN humanitarian agency OCHA, but most of that aid is going to government-controlled areas.
- Hospitals in **Democratic Republic of Congo's** capital Kinshasa are "*overwhelmed*" by a rise in COVID-19 infections. The Delta variant is driving the outbreak and the country only started its vaccination program in mid-April.
- The **US** expressed "*grave concerns*" about the environment in which the June 21 elections in **Ethiopia** will be held and urged politicians and other community leaders there to denounce violence.
- Violent demonstrations in **Nigeria** continued over the weekend, with people protesting the country's worsening security situation.



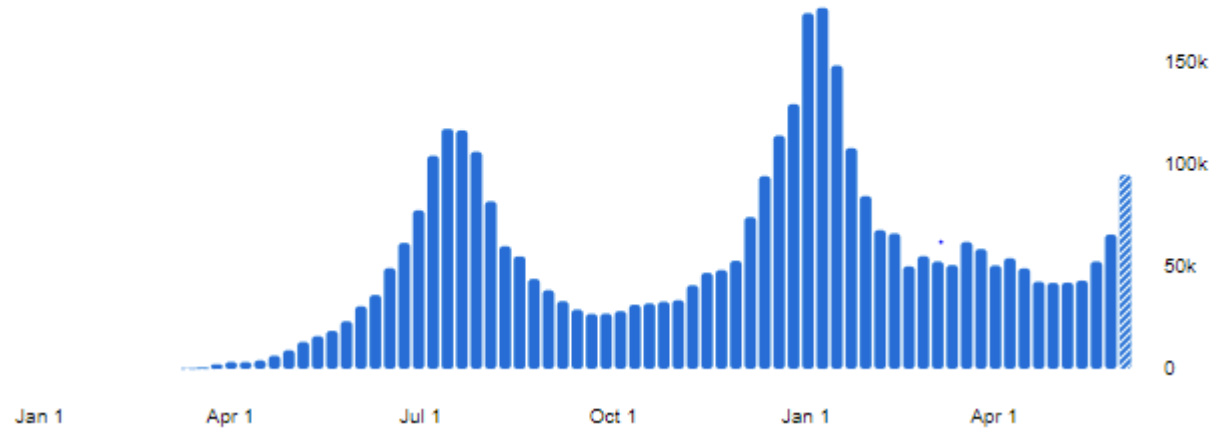
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Africa

While most regions in the world are on the pathway to recovery, Africa is tending in the wrong direction. Africa Centres for Disease Control director Nkengasong warned in a news conference that 14 African countries were "aggressively" heading towards a third wave of the coronavirus pandemic.

Africa

3,658,976
confirmed cases



Source: World Health Organization

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Asia

- The trial of **Myanmar's** ousted leader Aung San Suu Kyi starts today. The military junta has arrested the chief of its vaccination program for high treason even as the country battles against a second wave of the virus. US journalist Nathan Maung has been released from detention and will be permitted to depart Myanmar.
- As the number of new infections dropped to the lowest in more than two months, **India** is easing restrictions today, including the capital Delhi, where authorities allowed all shops and malls to open.
- A series of coronavirus outbreaks in 130 **Thai** factories is raising concerns that the export sector could be hit hard, threatening to further undermine an economy as it struggles to recover.
- **Hong Kong** pro-democracy activist Agnes Chow was released early from prison after serving nearly seven months for her role in an unauthorized assembly during anti-government protests in the city in 2019; fellow activist Joshua Wong remains in jail.



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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:

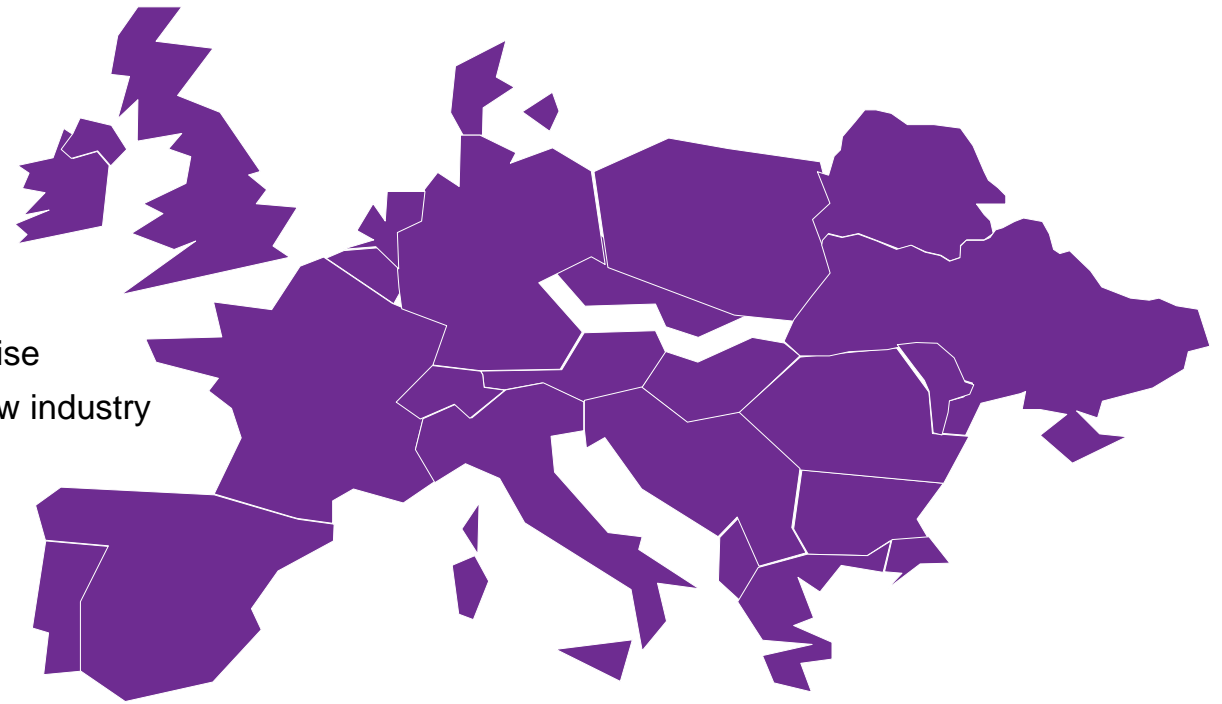
- ❖ Ransomware tabletop exercises
- ❖ Post-tabletop action reports
- ❖ Maturity assessments for preparedness
- ❖ Supply-chain attack simulation
- ❖ Comprehensive incident response plan
- ❖ Threat analysis and monitoring

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

Europe

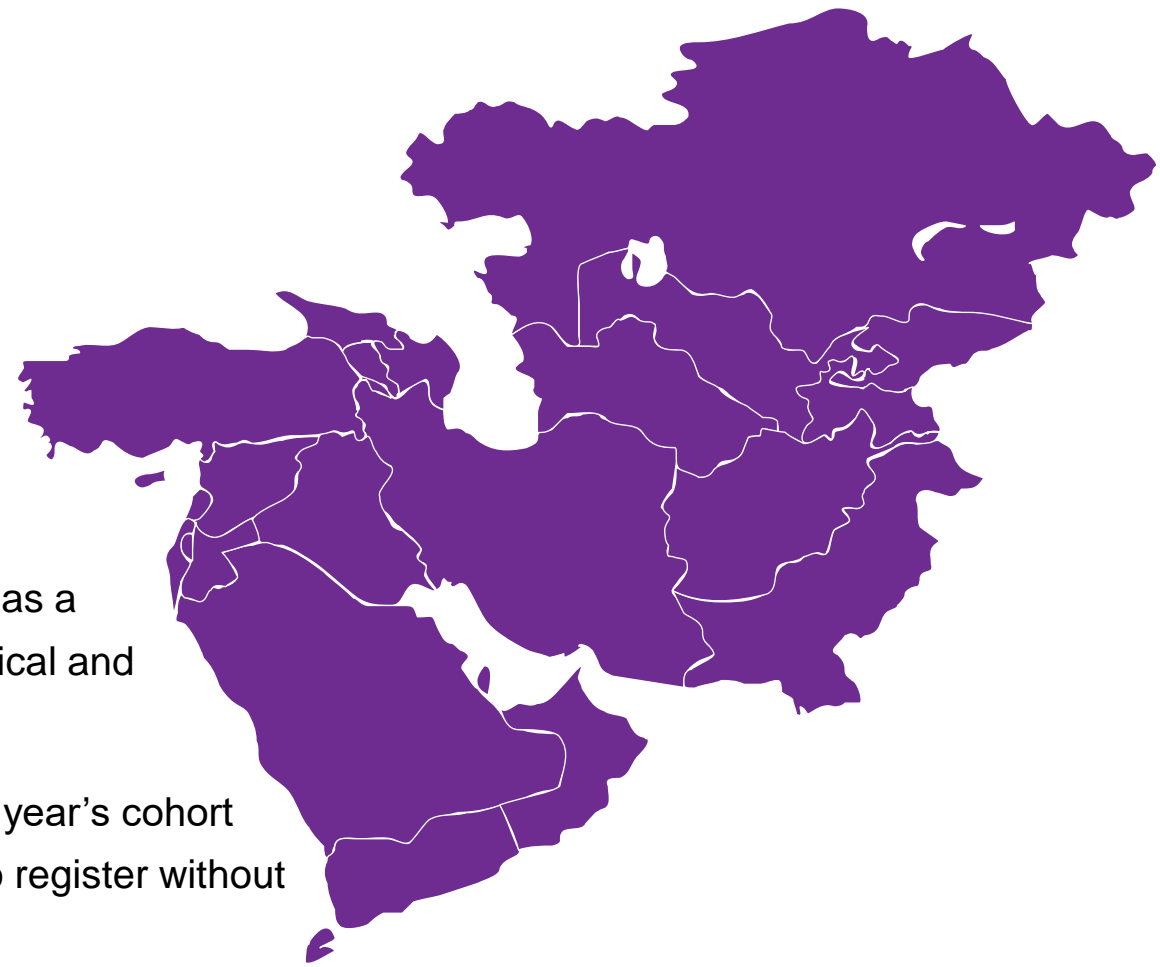
- Carbon prices in the **EU's** emissions trading system are expected to rise significantly in the next decade due to tougher climate goals, per a new industry survey.
- Growing tensions between **Britain and the EU** threatened to overshadow the G7 summit, as leaders traded barbs on Brexit implementation.
- **Swiss** voters rejected three environmental proposals on Sunday, including a new law intended to help the country meet its goal for cutting carbon emissions under the Paris Agreement on Climate Change, making it "*very difficult*" for Switzerland to reach its 2030 goal of cutting carbon emissions to half of their 1990 levels and to become net neutral on emissions by 2050, per the Environment Minister.
- **British** Prime Minister Johnson is expected to announce today a delay of several weeks the lifting of COVID-19 restrictions following concerns about a rapid rise of Delta variant infections. More government support for businesses is likely if there is a delay. Moscow has ordered workers to remain at home this week and reopened a number of makeshift hospitals for coronavirus patients as cases in **Russia** surged to levels not seen since last winter. **Switzerland** will remove its outdoor face mask mandate from June 28. The **European** Council has approved the regulations on the EU digital COVID-19 vaccination certificate, which is due to be introduced from July 1.
- **NATO** leaders are expected to brand **China** a security risk to the Western alliance when they meet on Monday.



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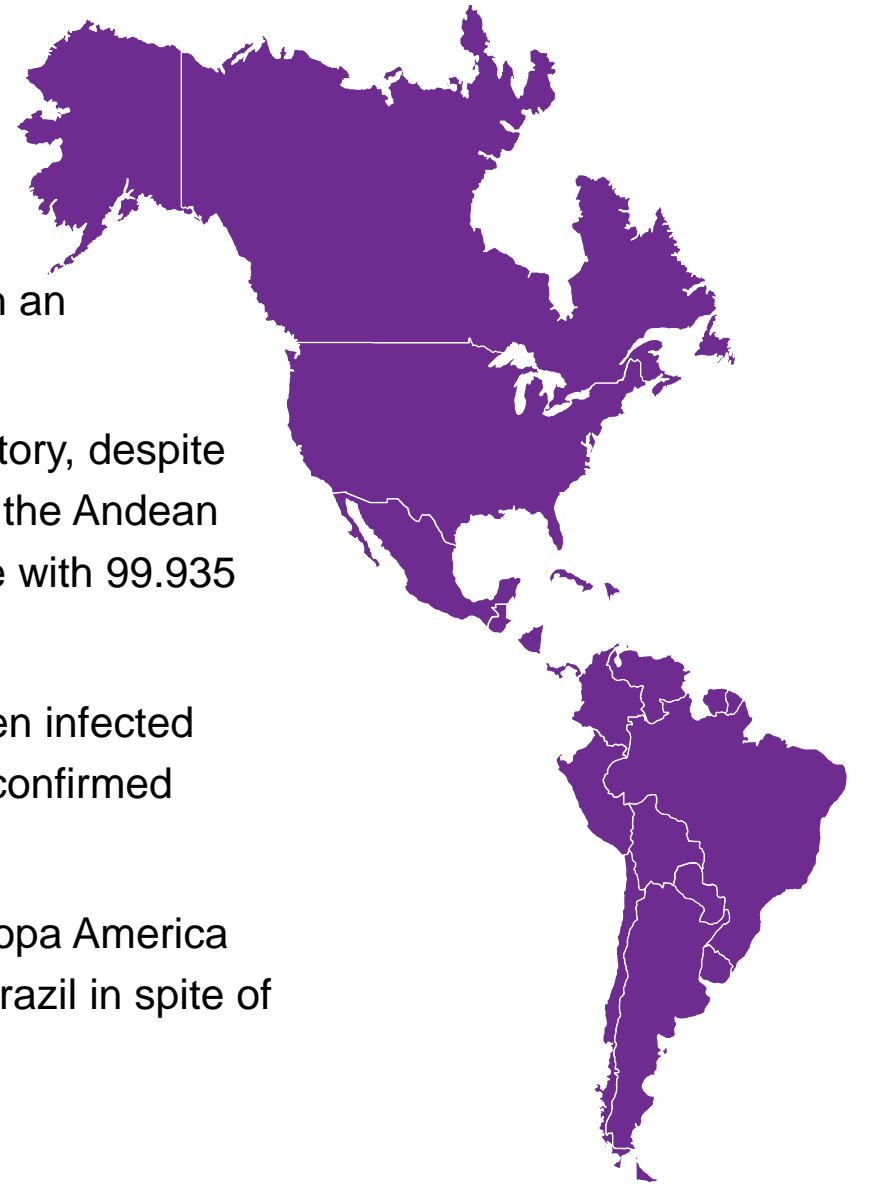
Middle East

- The **Israeli** Knesset approved a new government led by Naftali Bennett, by a narrow majority of one vote, marking the end of Benjamin Netanyahu's leadership after 12 years.
- **Iranians** go to the polls this week for a presidential election seen as a referendum on the Islamic Republic's handling of an array of political and economic crises. Official polls suggest record low participation.
- **Saudi Arabia** opened registration for this year's Hajj, limiting this year's cohort to citizens and residents of the Kingdom and permitting women to register without a male guardian.
- **Egypt** has appealed to the UN Security Council on developments in the Grand Ethiopian Renaissance Dam (GERD) dispute, as it and **Sudan** drafted a resolution about the dam to be presented to Arab foreign ministers next week. Egypt rejects **Ethiopia** seeking to impose a fait accompli on the downstream countries through unilateral measures filling the dam during the upcoming flood season.



Americas

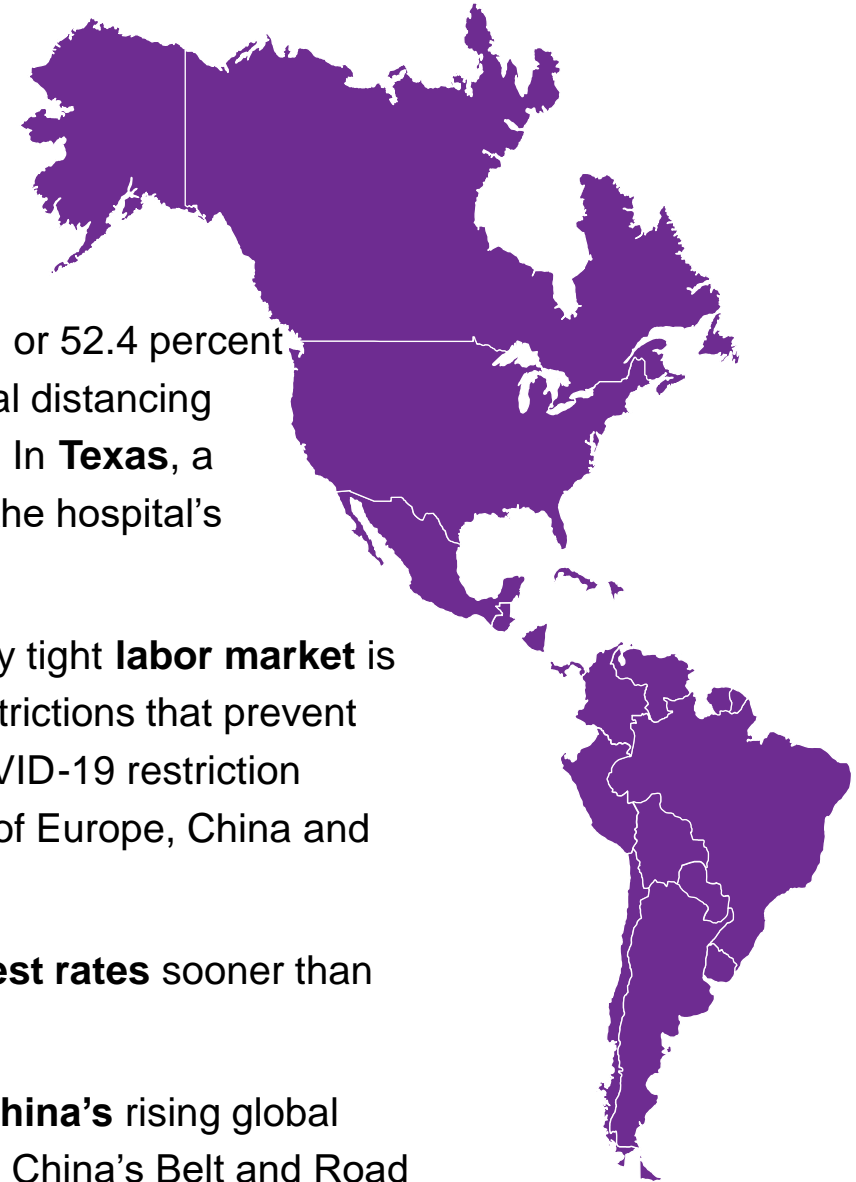
- **Canadian** Prime Minister Trudeau and **US** President Biden failed to reach an agreement on lifting COVID-19 related border restrictions.
- **Peru's** presidential election front-runner Pedro Castillo was poised for victory, despite legal wrangles over the ultra-close vote count that had ignited tensions in the Andean nation. Castillo, a former teacher, is leading with 50.14 percent of the vote with 99.935 percent of ballots tallied.
- About a quarter of **Mexico's** 126 million people are estimated to have been infected with the coronavirus, per the Health Ministry, far more than the country's confirmed infections.
- Mastercard, Ambev and Diageo have pulled their sponsorship from the Copa America football competition in **Brazil**, which kicked off on Sunday, being held in Brazil in spite of the country's raging COVID-19 crisis.



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Americas: US

- Across the nation, 173.8 million have received at least **one dose of the vaccine**, or 52.4 percent of the total population. **California** will fully reopen its economy and lift most social distancing curbs on Tuesday, after having administered more than 40 million vaccine doses. In **Texas**, a federal judge dismissed a lawsuit filed by employees at Houston Methodist over the hospital's coronavirus vaccine requirement for employees.
- For US companies that rely on seasonal hires or foreign professionals, an already tight **labor market** is being further strained by coronavirus-related immigration backlogs and travel restrictions that prevent employees from coming to the country. Although federal officials have eased COVID-19 restriction guidelines, the US still has **travel bans** on 33 countries, including the UK, much of Europe, China and India.
- Federal Reserve officials could signal this week that they anticipate raising **interest rates** sooner than previously expected following a spate of high inflation readings.
- President Biden challenged **G7** leaders to use their financial muscle to counter **China's** rising global influence *"in a contest with autocrats."* Biden pushed backing for an alternative to China's Belt and Road Initiative by offering a broad package of infrastructure funding to poor countries.



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Low Supply Hampers African Vaccination Campaigns

“Barring major intervention, the UN predicts only seven African nations will meet the WHO’s goal of vaccinating one person in every ten by September.”

As vaccinations roll out unevenly throughout the world, some regions have fared well (see North America, where 60 percent of the eligible population is vaccinated) while others have been less able to purchase and administer vaccines. The African continent is faring the worst: despite accounting for 16 percent of the world’s population, less than one percent of the world’s vaccinations have been administered in Africa, and just two percent of the continent’s population has received one dose. Barring major intervention, the UN predicts, only seven African nations will meet the WHO’s goal of vaccinating one person in every ten by September. As the Covax facility continues to face supply issues and vaccine donations will lag behind the campaigns of better-funded countries, risks of continued economic depression, destabilization, and the circulation of more dangerous variants will persist.

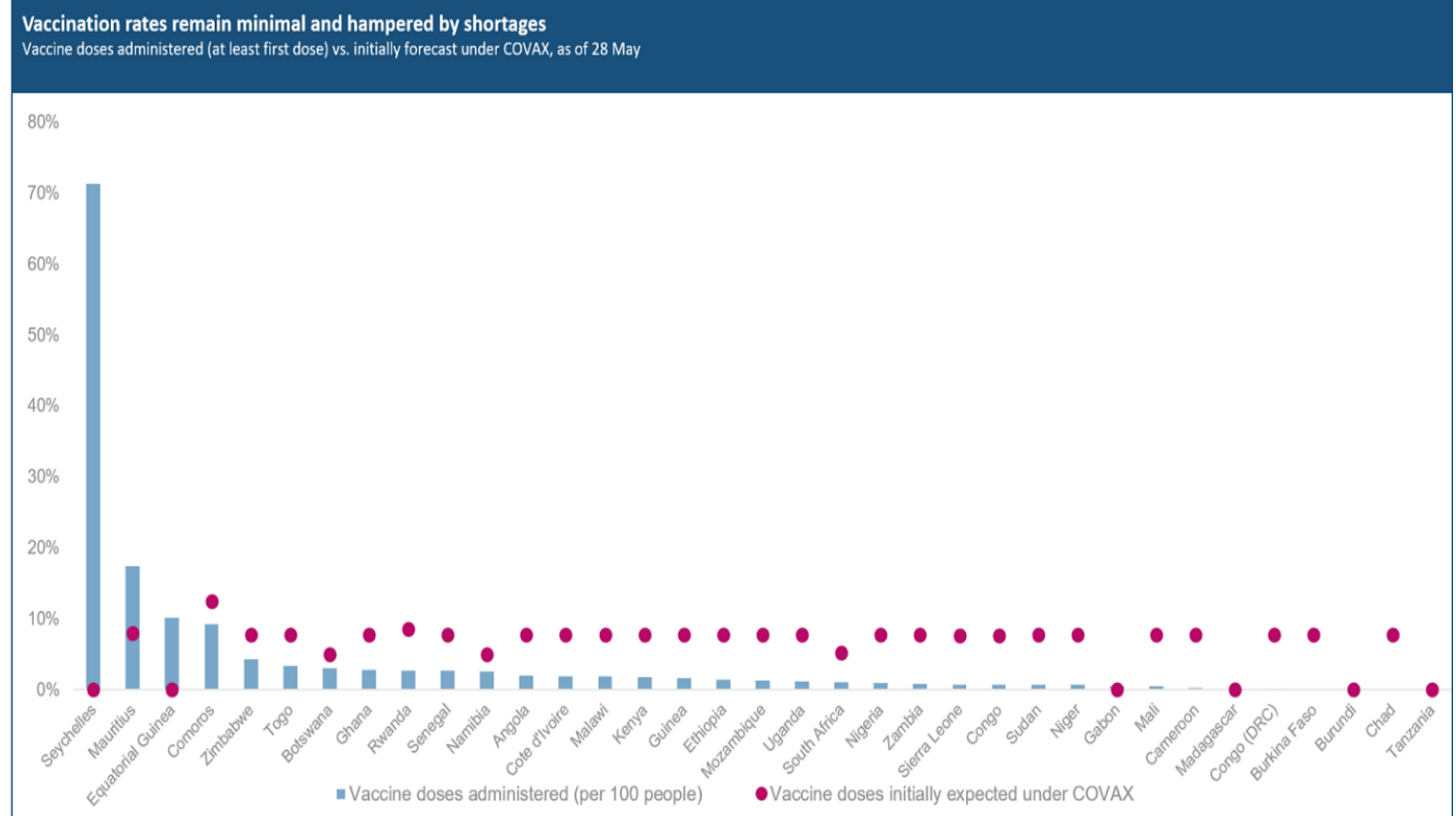
The majority of African countries are relying on the Covax facility, a UN effort involving higher-income countries pledging funding and doses to those less able to fund their own campaigns, to supply their vaccination campaigns. The facility has gotten off to a notably rocky start that has only been exacerbated by the COVID-19 surge in India. Serum Institute was to supply the vast majority of the AstraZeneca doses that Covax was primarily distributing until New Delhi moved to essentially bar vaccine exports until the domestic surge is under control. Some countries have also initiated bilateral vaccine purchasing agreements, most prominently from China, Russia and India. In addition to low supply, African countries are also battling vaccine skepticism fueled by online misinformation, especially surrounding the AstraZeneca vaccine following pauses on its use in Europe.

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Low Supply Hampers African Vaccination Campaigns

A study by the African CDC found that about 20 percent of Africans consider themselves vaccine skeptics, rising to about two-thirds in Senegal and the DRC.

The lack of vaccinations is fueling a COVID-19 case spike throughout the region. After staying mostly flat for the first six months of 2021, African COVID-19 cases have now risen for the fourth week in a row, driven by surges in South Africa, Uganda, Egypt, Eritrea, Namibia, Burkina Faso, and Zambia. The WHO also identifies Botswana, Namibia, Cape Verde and Seychelles as countries where community transmission is “out of control,” signaling a coming spike in hospitalizations and fatalities.



Source: Control Risks

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Low Supply Hampers African Vaccination Campaigns

Prolonging the pandemic's effects in Africa will likely have several regional and global effects. Persistent case rates will prevent African countries from fully reopening, and case spikes will necessitate blunt measures, such as renewed curfews and school closures, hampering economic recovery and contributing to factors like poverty that underlie violence and displacement. As other regions ramp up vaccinations and begin to reopen, Africa's exclusion from safe travel lists will only contribute to economic hardship as the region loses out on tourism and investment dollars. Uncontrolled spread in Africa also risks the development of new, more dangerous COVID-19 strains.

As the year progresses and higher income countries vaccinate more of their populations, more doses will likely become available for Africa; just last week, President Biden announced that the US would donate 500 million doses to low income countries, 75 percent of which will be distributed through Covax, and the G7 announced 1 billion doses for countries in need at the summit over the weekend. Recognizing the need to reduce Africa's reliance on allies for vaccine supplies (the continent imports 99 percent of its vaccines, and 70 percent from India alone) several African countries have

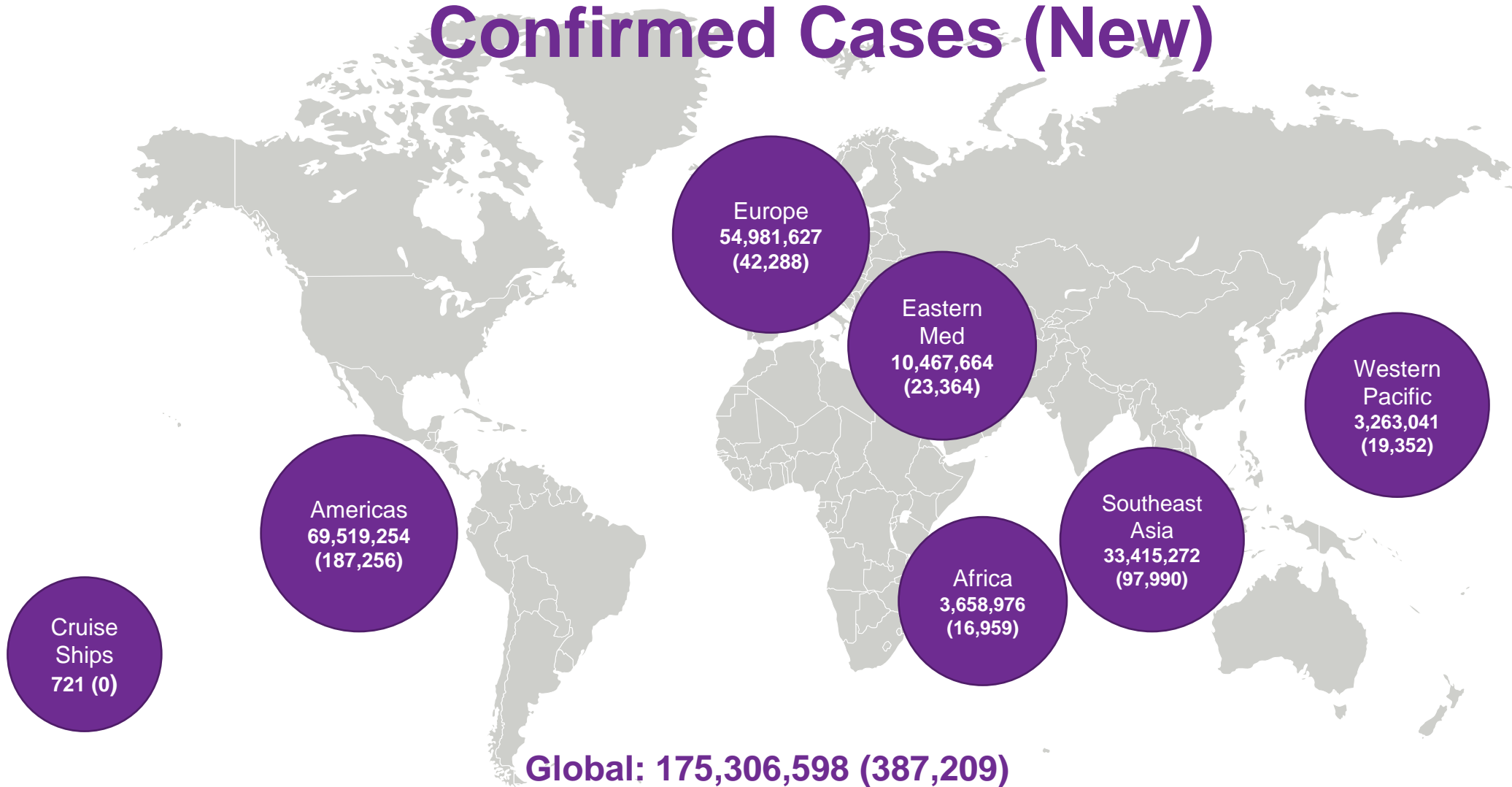
adopted plans to boost Africa's regional vaccine production capabilities. In April, the African CDC and the African Union announced a plan to boost vaccine manufacturing capacity to meet 60 percent of the continent's needs by 2040, and in late May, the EU pledged €1 billion to regulatory reforms to incentivize foreign investment in African pharmaceutical ventures. Regional capitals are also supportive of the push to issue patent waivers, although it is unlikely that such a waiver would have an effect on manufacturing in the next six months, were it to be approved. In short, despite an acknowledgement in western capitals that "no one's safe until we're all safe," targeted aid to Africa has been insufficient, and ramped up efforts in recent weeks from the UN and within Africa itself will take months, if not years, to have an effect.

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Coronavirus Condition Updates

As of 4:00pm CEST on June 13, 2021

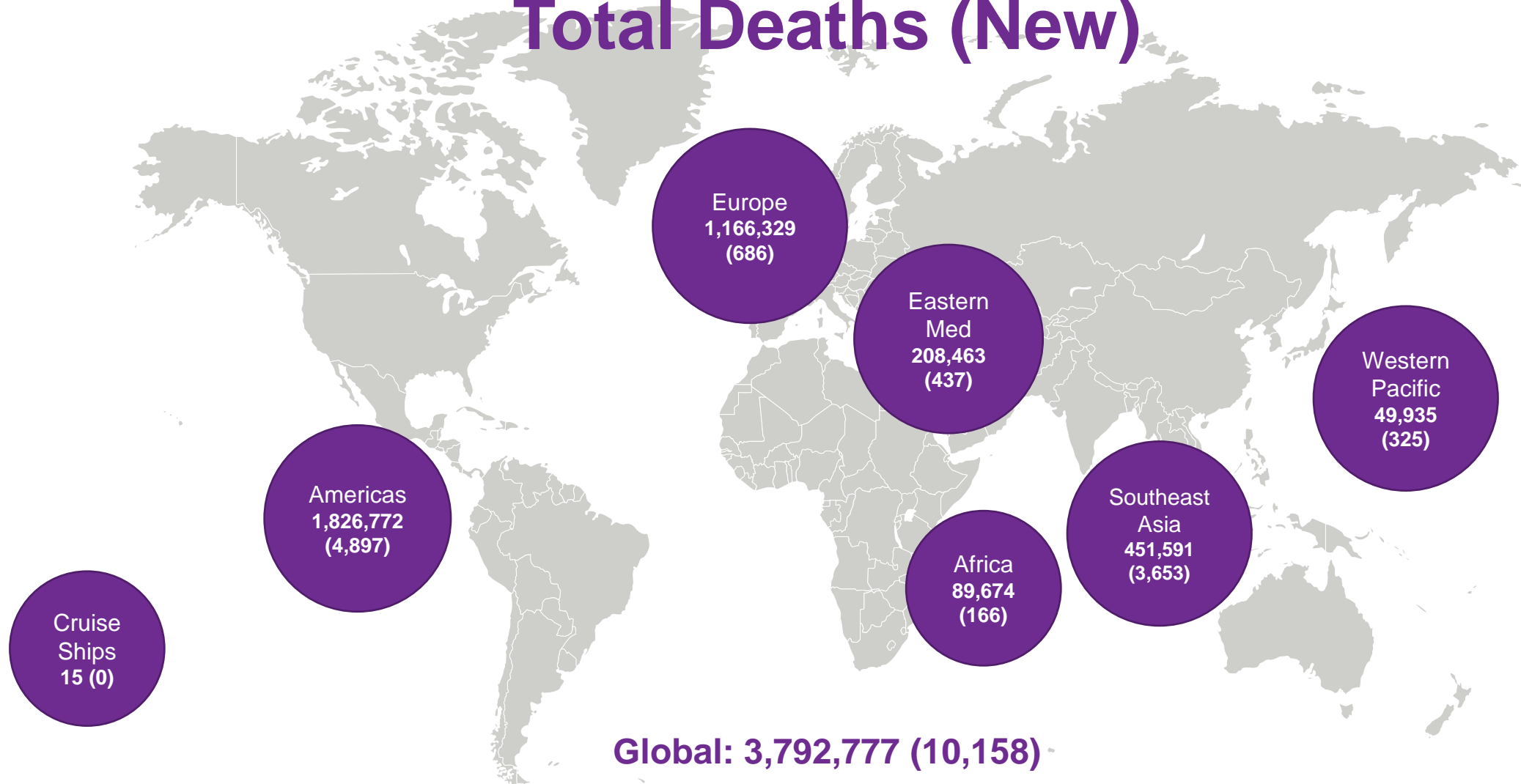
Confirmed Cases (New)



Reflects data as of 2100 hours the evening before the date of the situation report.
Data Source: World Health Organization

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Total Deaths (New)



Reflects data as of 2100 hours the evening before the date of the situation report.
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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