

Dentons Flashpoint

Daily Global Situation Report

August 13, 2021

Global Situation Update: August 13, 2021

KEY TAKEAWAYS

Extreme weather events including wildfires, winter storms and tornadoes caused an estimated \$40 billion in losses in H1 of 2021.

The US and UK deployed troops to evacuate staff from their embassies in Afghanistan as the Taliban continues its advance towards Kabul.

New Zealand will continue pursuing its “zero COVID-19” policy until the end of the year but may ease entry for fully vaccinated travelers in 2022.

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, Zambia's democracy is being put to the test as the results roll in from an election that saw more than 7 million citizens register to vote for sixteen presidential candidates and 20 political parties. Yesterday's election took place amid a deteriorating economy with Zambian youth demanding better prospects, including more employment opportunities. Social media channels were cut off during the vote.

If the final vote tally indicates a win for Hakainde Hichilema of the opposition United Party for National Development (UPND), there will be more investor-friendly policies, with a reduction in the state's economic role opening up opportunities for the private sector. On the other hand, if incumbent President Edgar Lungu of the Patriotic Front (PF) wins re-election, this could prompt a sharp deterioration in the security environment with accusations of rigging.



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Global

Globally, confirmed coronavirus cases topped 204.6 million with 4.3 million deaths; more than 4.4 billion vaccine doses have been administered.

- **Extreme weather events** including wildfires, winter storms, and tornadoes caused an estimated \$40 billion in losses in the first half of 2021.
- The head of an international WHO delegation sent to China to investigate the **origins of COVID-19** said that a Wuhan worker at an infectious disease lab is a “likely hypothesis” for patient zero.
- Employees are taking sensitive computer code from their own companies at three times the rate they were a year ago, according to new research into **insider threats** by cyber security group Code42, as record numbers of disgruntled workers quit their jobs with pandemic restrictions easing.

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COVID-19 Vaccine

Brazil's parliament approved a bill allowing the president to break patents on vaccines during health emergencies.

- Scammers have been approaching governments across the world claiming access to COVID-19 vaccines in attempts to get government signatures on **fraudulent contracts**.
- A study in Peru found the two-dose COVID-19 vaccine from **China's Sinopharm** was 50.4 percent effective in preventing infections in health workers in Peru, recommending a booster shot. Peru experienced a surge in new infections of the Lambda and Gamma variants February through June.
- The **US** FDA authorized a **booster dose** of COVID-19 vaccines from Pfizer Inc and Moderna Inc for people with compromised immune systems.
- **Israel** lowered to 50 from 60 the minimum age of eligibility for a COVID-19 vaccine **booster shot**.

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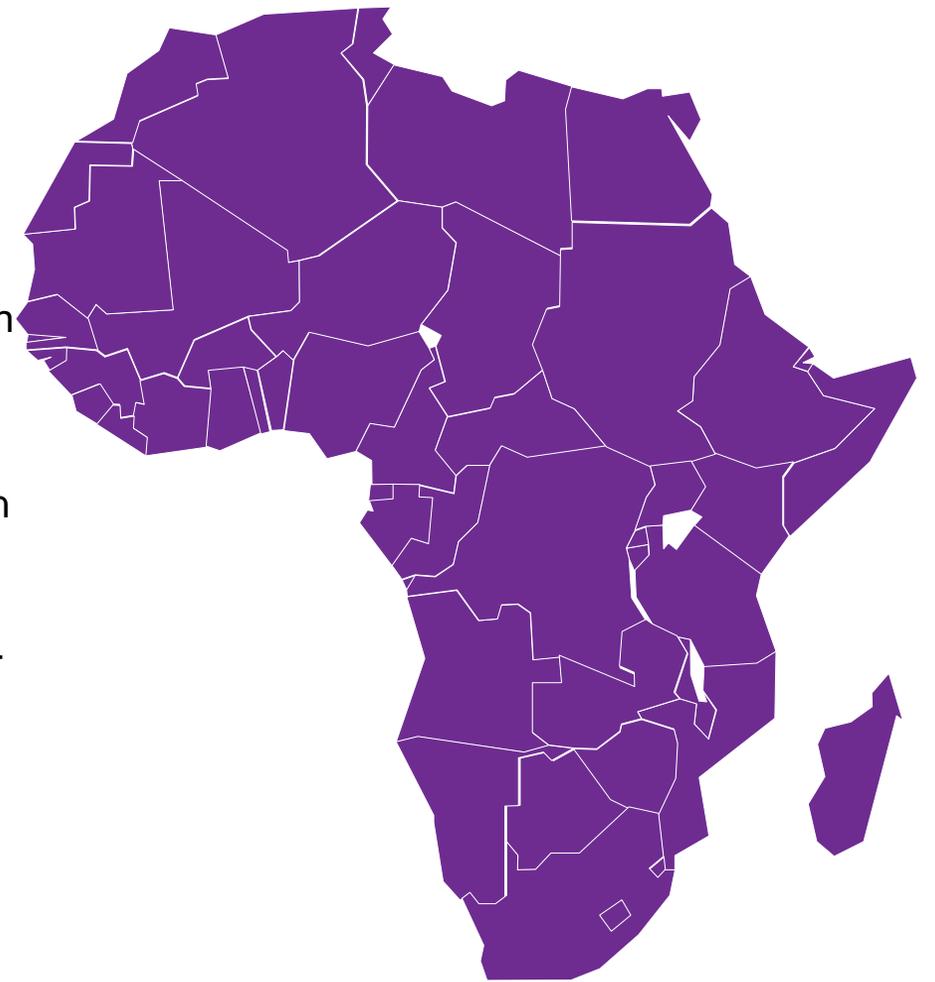
Markets & Business

Blackrock and other leading investors are showing themselves more willing to target climate issues, COVID-19 response, and board seats in shareholder votes, setting the stage for more future boardroom showdowns like the one seen by Exxon Mobil in May.

- **Disney** signed 12 million subscribers in the last quarter, doubling its consumer base from a year ago, while reopened theme parks also helped boost revenues.
- **Airbnb** said that tourists from areas with higher vaccination rates are driving recovery in the travel industry.
- **Facebook** delayed its return to US offices until January.
- The hacking group who stole over \$600 million from crypto platform **Poly Network** will return the second half of the crypto that it stole, according to Poly Network.
- **Nissan Motor** is reportedly planning to halt operations at a US assembly plant next week due to semiconductor shortages.

Africa

- **Ethiopia's** central government denounced a “*destructive alliance*” between the embattled Tigray state and the Oromiya region, signaling that the alliance had in fact been formed after Tigray said they were “*seeking*” a partnership earlier this week. Amnesty International reported that Ethiopian forces have been systematically raping Tigrayan women and girls.
- Shell Oil agreed to pay **Nigerian** communities \$111 million, resolving a 30-year oil spill case.
- **Zimbabwe** will only permit vaccinated people to attend church in person.
- **Algeria's** interior ministry reported that wildfires in the country are of criminal origin.



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Asia

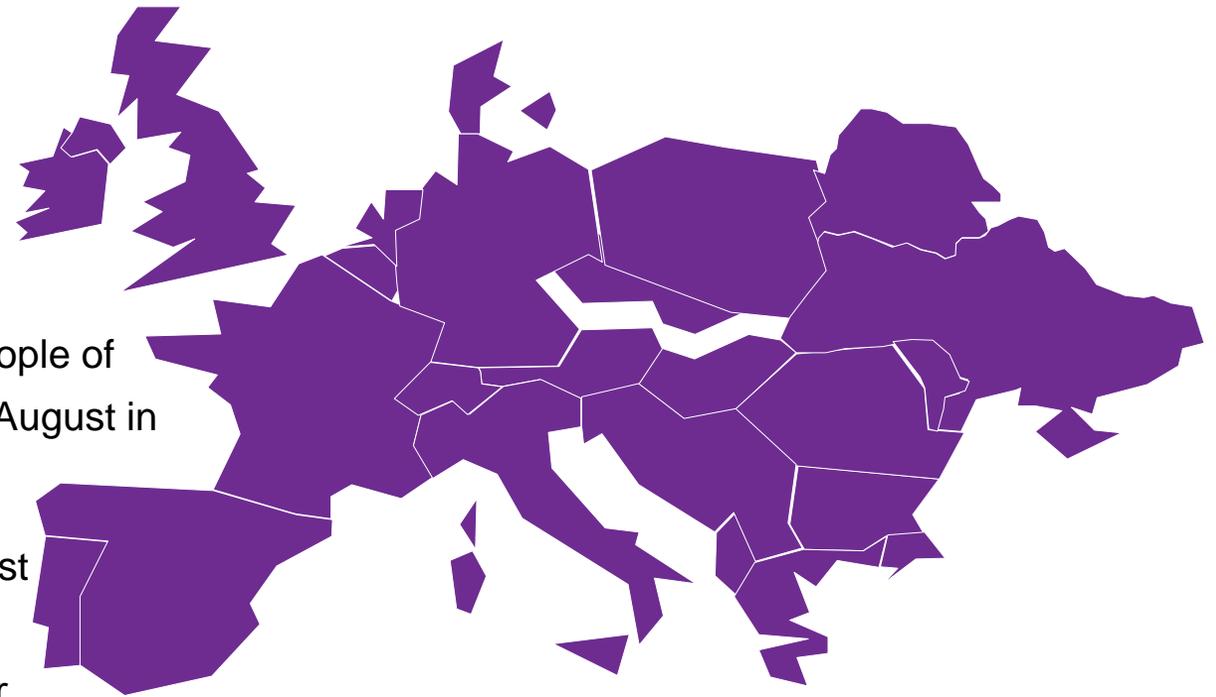
- **Hong Kong's** population shrank by 90,000, or 1.2 percent, in the past year, marking the largest population decline since the city began keeping records.
- **New Zealand** will continue pursuing its “zero COVID-19” policy until the end of the year but might ease entry for fully vaccinated travelers in 2022. **Vietnam's** government said it is facing difficulties over vaccine supply amid its growing COVID-19 outbreak. Sydney, **Australia** reentered lockdown. **China's** Ningbo airport suspended flights to and from Beijing due to a “*public health incident*.”
- Senior diplomats from the “Quad” - the **US, Japan, India and Australia** – held another round of video talks to discuss strategic challenges in the Indo-Pacific.
- **China's** newly appointed ambassador in Washington stressed the utmost importance of **Taiwan** in the Sino-US relationship during his first meeting with a top **US** official since assuming the job. Five cities in the central Chinese province of Hubei have declared “*red alerts*” after torrential rain forced the evacuation of nearly 6,000 people.



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Europe

- The number of “pings” sent by the **UK** NHS app to inform people of exposure to COVID-19 fell by 20 percent in the first week of August in England and Wales.
- **US** media group Discovery said it will take legal action against **Poland’s** government over the new law that would force it to sell its stake in TVN, Poland’s main independent broadcaster.
- Data from the **Irish** Maritime Development Office showed that freight flows between **Great Britain** and the Republic of Ireland have significantly altered, with more Irish businesses sending goods directly to Europe.
- **Russian** authorities arrested a leading specialist in hypersonic technology on suspicion of treason.
- Emergency workers battled to relieve flood-hit areas of **Turkey’s** Black Sea region, the second natural disaster to strike the country this month.



Middle East

- The **US and UK** will deploy troops to evacuate staff from their embassies in **Afghanistan** as the Taliban continues its advance towards Kabul, seizing control of its second and third biggest cities, Kandahar in the south and Herat in the west.
- **Israel and Morocco** announced that they would upgrade their relations and open a full embassy (to replace the current liaison office) in the next few months, during Foreign Minister Lapid's first visit to Rabat.
- A UN-led meeting of **Libyan** representatives failed to come to an agreement on a framework for December elections but will meet again to hold discussions.
- **Lebanese** citizens blocked roads throughout the country in protest of the decision to end fuel subsidies. Lebanese President Aoun summoned central bank governor Salameh following the decision, and caretaker Prime Minister Diab said the decision is illegal.
- **Pakistan** said that the bus attack last month which killed nine **Chinese** workers was carried out by Islamist militants backed by **Indian and Afghan** intelligence services.



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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

- Prime Minister Trudeau of **Canada** is expected to announce over the weekend that he is calling a snap election, following several weeks of parliamentary gridlock.
- **Venezuelan** opposition parties begin talks today in **Mexico** on how to overcome the crises in the country.
- **Nicaragua's** only print newspaper, La Prensa, said that it must cease printing paper versions as the Ortega government is withholding printing paper.
- Thousands of people in the **Dominican Republic** were left without power or running water in the wake of Tropical Storm Fred, which weakened to a depression as it grazed the northern coast of **Cuba** on track to Florida.

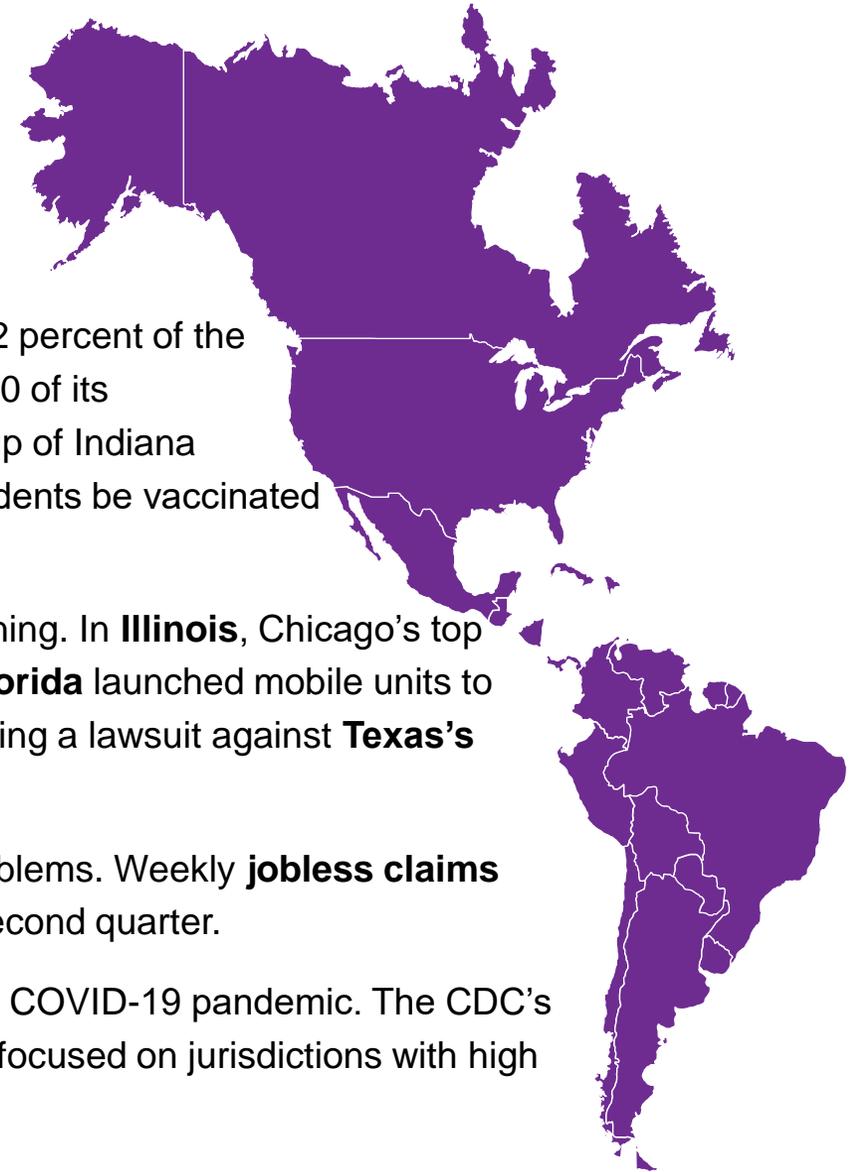


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Americas: US

- Across the nation, 196.5 million have received at least one dose of the **vaccine**, or 59.2 percent of the total population. The Department of Health and Human Services will require over 25,000 of its **healthcare workers** to get vaccinated. The Supreme Court rejected a plea from a group of Indiana University **students** to hear a case on stopping the university's requirement that all students be vaccinated against the coronavirus.
- In **California**, San Francisco will require proof of vaccination for indoor activities like dining. In **Illinois**, Chicago's top doctor says there was "*no evidence*" that Lollapalooza was a super spreader event. **Florida** launched mobile units to treat COVID-19 with monoclonal antibodies. The county surrounding Houston is preparing a lawsuit against **Texas's** state ban on mask and vaccine mandates.
- **US producer prices** rose more than expected in July amid persistent supply chain problems. Weekly **jobless claims** fell for the third straight week to 375,000. **Home prices** surged across the US in the second quarter.
- The US Supreme Court lifted New York state's ban on **residential evictions** during the COVID-19 pandemic. The CDC's 60-day federal moratorium on residential evictions to combat the spread of COVID-19, focused on jurisdictions with high infection rates, will create a barrier for some landlords.
- A memo from Customs and Border Patrol earlier this summer shows that the agency is seeking new technology solutions for making **supply chain origin** identifications, which could become part of requirements for companies to show they did not source from places like Xinjiang.

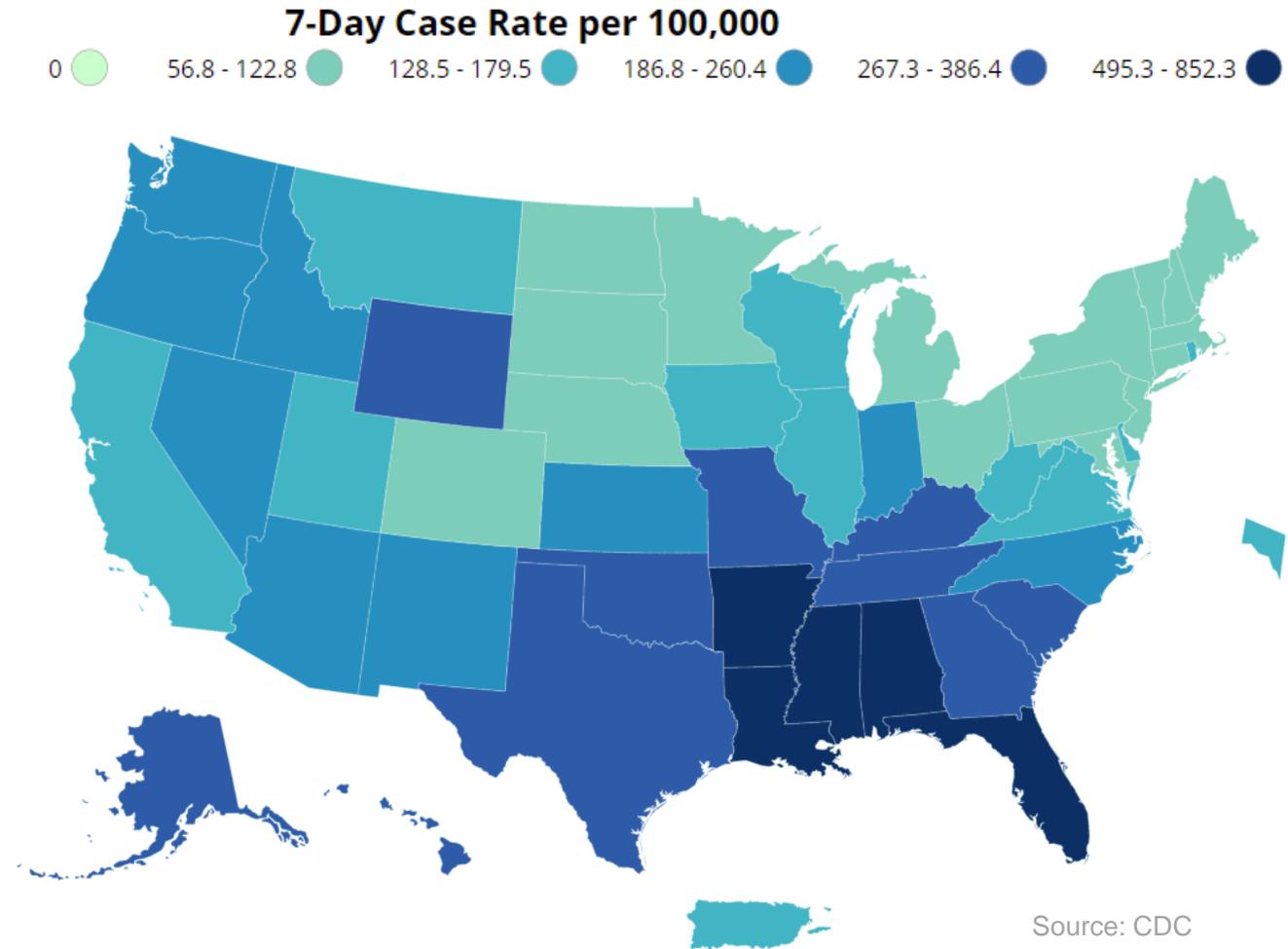
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Americas: US

States in the American South continue to report surges in new coronavirus cases despite federal and state level initiatives to increase the supply of vaccines.

The warning light is flashing in other states, recording a more than 50 percent 7-day average increase in new cases over last week – Delaware, District of Columbia, Maine, Michigan, Ohio, South Dakota, Vermont, and West Virginia.



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US Middle East Posture: Rhetoric in Practice

By Nathaniel Clark

Like many US administrations before him, President Biden's early presidency has been defined by his domestic priorities, but geopolitical trends offer a chance for him to shape US foreign policy long after his time in office. US posture in the Middle East in particular offers a window into how he is turning rhetoric into policy and applying lessons learned.

Unlike many of his recent predecessors, Biden entered office with a deep background in foreign policy, and his decades on the Senate Foreign Relations Committee allowed him to hit the ground running. First becoming SFRC chair in 2001, Biden had a front row seat to the “forever wars” across the Middle East, and now hopes to avoid the pitfalls that plagued previous US policymakers as he navigates the region. While he is not the first president to attempt to pivot away from the region to focus on other challenges, if his new approach succeeds it will establish a template for future presidents to apply elsewhere as the US decides where and how it will use finite assets.

President Biden has touted a “*counterterrorism plus*” strategy as the best option for the Middle East from the earliest days of the campaign, and early moves are clarifying the policy

behind the buzzwords. The strategy's goal is to avoid the trap of withdrawing, only to be pulled back in by spiraling instability that threatens US interests. At the same time, President Biden has said that US interests in the region are “*enduring but not unlimited*,” so the policies to protect these interests need to reflect US priorities. Biden's strategic guidelines of pursuing clear, narrow objectives to protect vital interests do not rule out the use of force or commit to full withdrawal, but instead limit the scope of US military involvement. In practice this means using “*small numbers of special operators and intelligence assets who can leverage local partners, keep the pressure on terrorist networks, and deter aggression*.” This quote accurately describes US policy on the ground in Iraq, Syria, and Yemen in 2021, and is notable because it is from a 2019 interview with then-candidate Biden.

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US Middle East Posture: Rhetoric in Practice

The counterterrorism component may have been planned years in advance to respond to enduring threats, but the “plus” element of the strategy is evolving alongside regional dynamics. It blends diplomacy and aid to strive for peace and address humanitarian needs but appears to have a secondary objective of keeping intractable stalemates from erupting into crises.

Implementation of this approach varies, but the starkest policy changes are emerging where the US assesses that it has the least at stake. In Syria, diplomatic efforts to prevent a humanitarian crisis by preserving UN cross border aid and maintaining a US counterterrorism presence in the northeast are a clear signal of US priorities, but the Administration’s lack of a Syria Special Envoy will keep the scope of engagement limited. Yemen has followed a similar pattern - Biden’s end to offensive support for the Saudi-led coalition did not end US involvement. National Security Advisor Sullivan clarified that US operations against Yemen-based terrorist groups would not be affected, and the US remains the largest aid donor to the country. On the other end of the spectrum is Afghanistan, where the speed and thoroughness of the US withdrawal has surprised observers. Despite the rapid advance of the Taliban, President Biden

is committed to the move, raising the question of what differentiates these conflicts. Influential SFRC member Sen. Chris Murphy (D-CT) captured the unspoken sentiment among policymakers when he said other conflicts “matter more” than Afghanistan and that the swift collapse only proves that the country is “beyond saving.” Though Murphy’s view is only a snapshot of a complex and ongoing debate, it underscores that a conflict’s relative importance and the likelihood of a positive outcome are deciding factors for US policymakers tasked with allocating scarce resources.

While the exact number of Green Berets in Rojava may not matter to business leaders, these early insights into how the US is approaching the critical question of where to serve as global policeman have wider implications for the global economy. The presence of the US forces, diplomats, or aid in every global crisis no longer can or should be taken for granted. As the pandemic, climate change, and an uneven and uncertain global economic recovery heighten the potential for instability around the world, the risks, assumptions, and consequences of the next crisis may need to be reassessed. The unexpectedly rapid deterioration of stability in Afghanistan has tested President Biden’s willingness to walk away,

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US Middle East Posture: Rhetoric in Practice

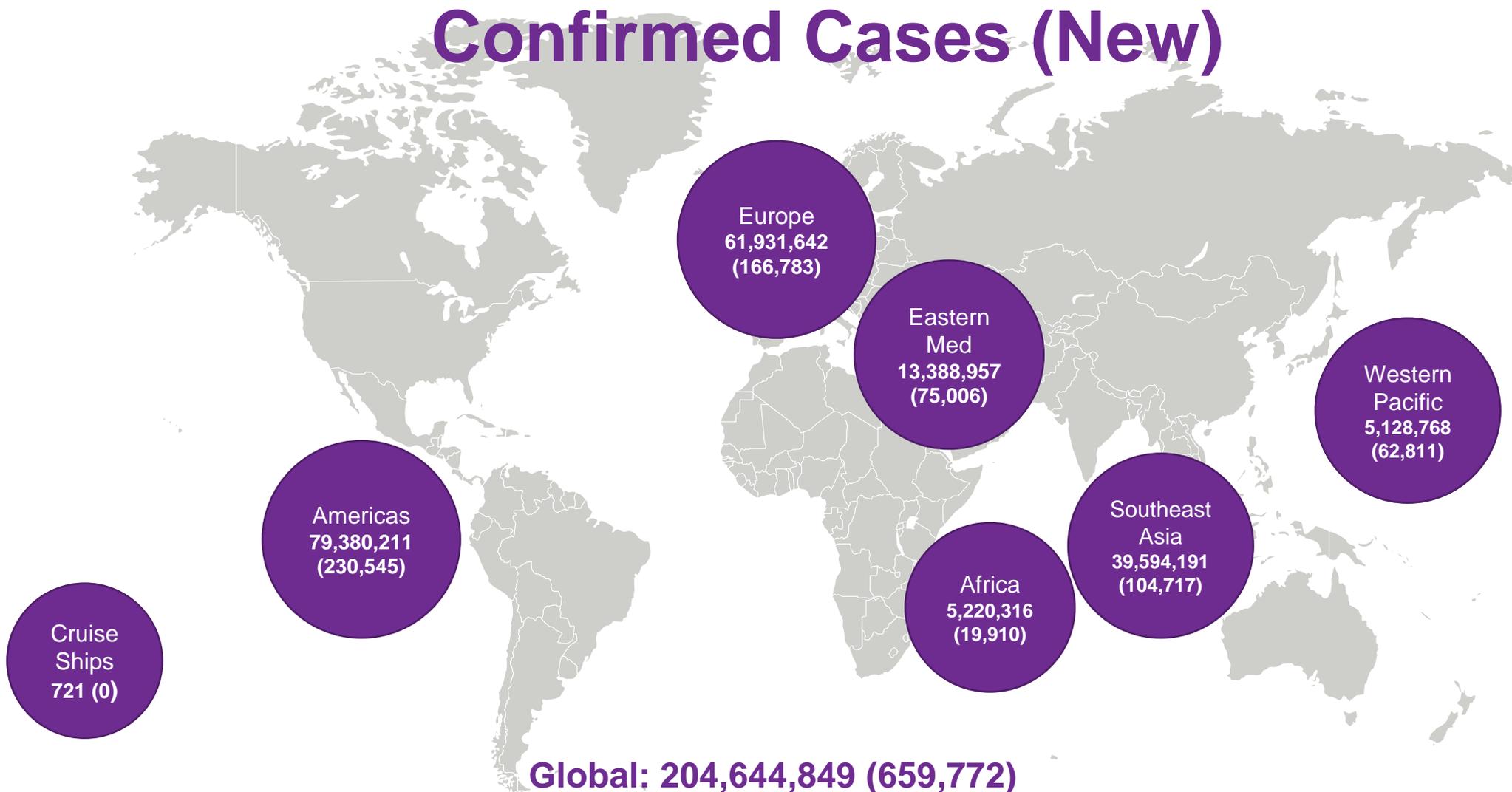
and the yesterday's decision to double down by withdrawing personnel from the Kabul Embassy provided a clear demonstration of his resolve. Whether this resolve holds when and if crises from Beirut to Caracas reach their tipping point will depend on a range of shifting factors and have significant consequences for business around the world.

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Coronavirus Condition Updates

As of 6:11 pm CEST on August 12, 2021

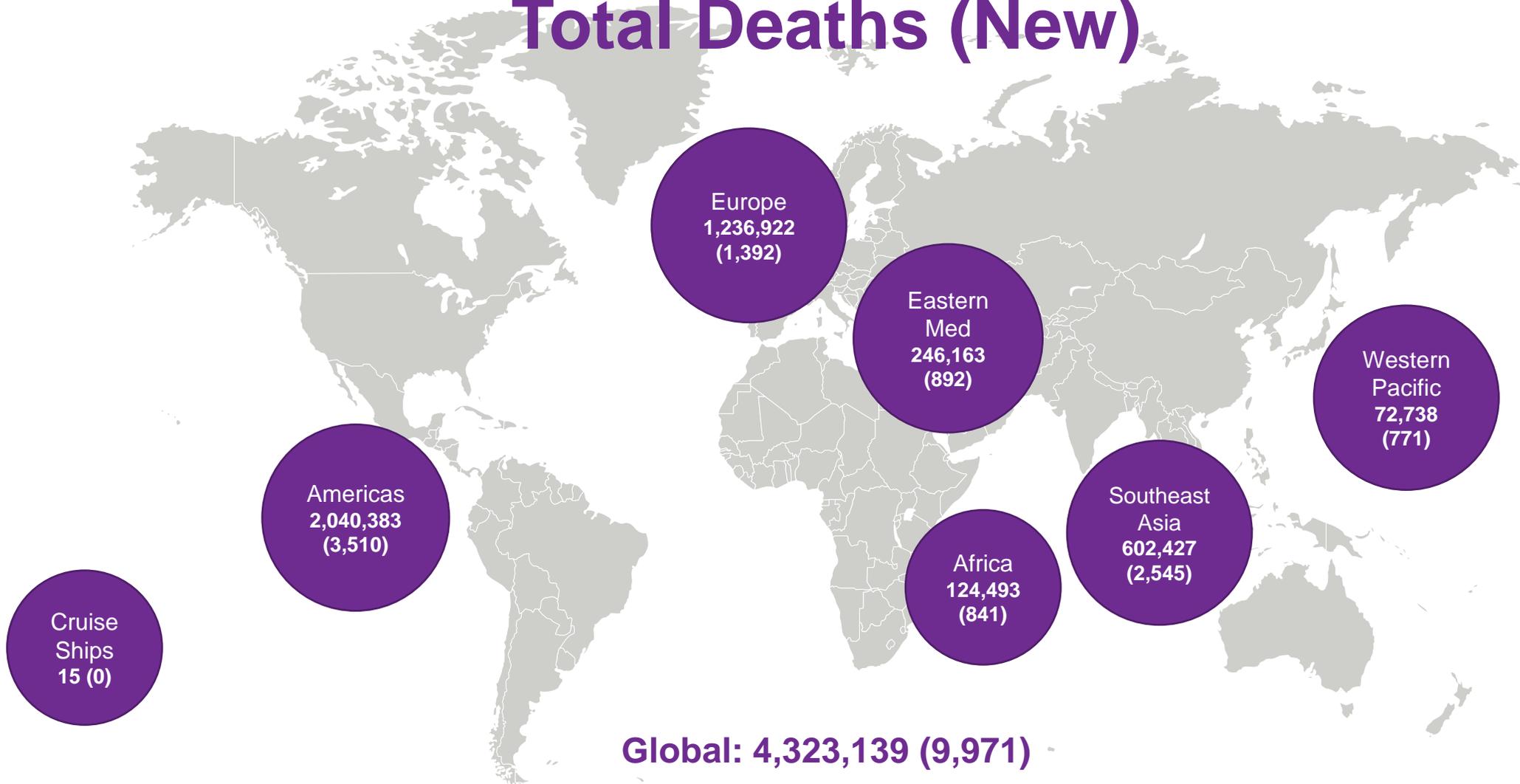
Confirmed Cases (New)



Reflects data as of 6:11 pm CEST on August 12, 2021.
Data Source: World Health Organization

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Total Deaths (New)



Reflects data as of 6:11 pm CEST on August 12, 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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