

# Dentons Flashpoint

## Daily Global Situation Report

August 26, 2021

# Global Situation Update: August 26, 2021

---

## KEY TAKEAWAYS

Delta Air Lines will begin charging unvaccinated employees a \$200 per month healthcare plan surcharge, starting November 1.

TSMC told clients that it will raise prices on semiconductors by as much as 20 percent amid the global chip shortage.

The US and allies urged people to move away from Kabul airport due to the threat of a terror attack by Islamic State militants.

# Global Situation Update: August 26, 2021

## WHAT WE'RE WATCHING

Today, there are new avenues for business leaders in the US to participate in strengthening the nation's cybersecurity posture after an important summit held at the White House. The Biden administration announced that it will work with industry to develop new guidelines to help American companies and government agencies build secure technology and assess the security of existing technology.

Those participating in the new initiative include Amazon, Apple, Bank of America, Google, IBM, JP Morgan Chase, Microsoft, and more. Some companies called for a crackdown on cryptocurrency that fuels hackers, while others made a vow to train cybersecurity professionals to meet the 'challenge of the decade.' IBM said that it will start to develop a product that will help organizations recover from hacks 'within hours.'



*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 coronavirus cases topped 213.0 million with 4.4 million deaths; more than 4.6 billion vaccine doses have been administered.**

- China criticized the U.S. "*politicization*" of efforts to trace the **origin of the coronavirus**, demanding without any evidence that American labs be investigated, ahead of the release of a US intelligence report on the virus.
- Credible threats by **Islamic State militants** against the Kabul airport are causing foreign governments to end evacuation flights from Afghanistan early and accelerating departure of military forces.

# COVID-19 Vaccine

---

**The Pan-American Health Organization said that vaccine inequity between countries remains the “Achilles heel” of the COVID-19 fight in the Americas.**

- **Moderna** submitted data to the US FDA for **full approval** of its two-dose COVID-19 vaccine.
- **Pfizer** plans to seek U.S. approval for COVID vaccine **booster**, finding it spurs a more than threefold increase in antibodies against the coronavirus.
- The US FDA is reportedly weighing approving **booster shots** for six months after vaccination, rather than eight months.
- **Israel** lowered the age of eligibility for a COVID-19 **booster** to 30.
- **Indonesia** plans to allow citizens to purchase vaccine **booster** shots starting in early 2022.
- **Brazil** will begin giving **booster** shots to those over 70 and those with compromised immune systems.

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

# Markets & Business

---

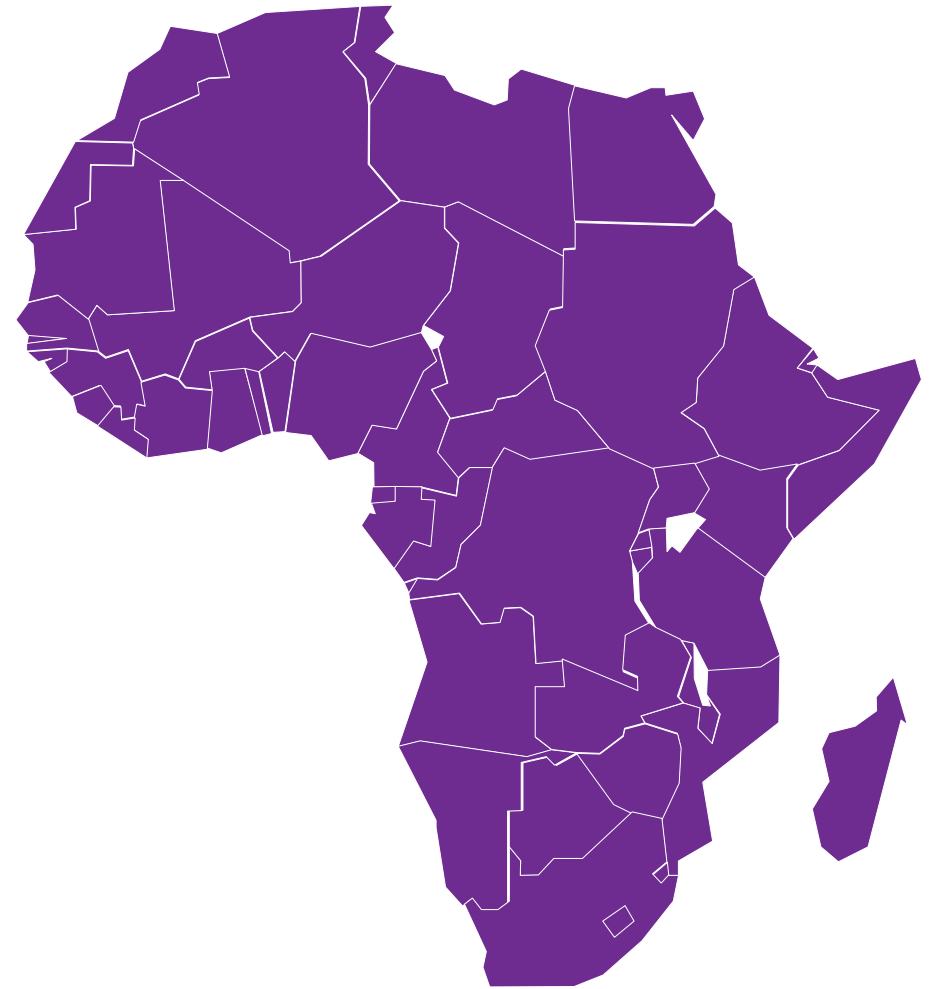
## US authorities are investigating Deutsche Banks's DWS Group, which is under suspicion of overstating how much it used sustainable investing criteria in asset management.

- US markets hit record highs on Wednesday, as investors anticipate that central bankers will remain cautious in tapering **monetary policies** at the Jackson Hole meeting later this week.
- **Ford** delayed its planned return to office until 2022, citing uncertainty due to the Delta variant.
- **Yahoo Japan** will vacate 40 percent of its Tokyo office space this year under the assumption that working from home will be a long-term feature of corporate employment.
- **Delta Air Lines** will begin charging unvaccinated employees a \$200 per month healthcare plan surcharge, starting November 1. **Air Canada** mandated vaccinations for all employees. **American Airlines** warned that rising COVID-19 cases have hurt revenues in August as cancellations are on the rise.
- **TSMC** told clients that it will raise prices on semiconductors by as much as 20 percent amid the global chip shortage.
- Major retailers agreed to a two-year extension of a labor safety agreement with Bangladeshi **garment workers**.

# Africa

---

- An unidentified gunman killed several in an attack outside the **French** embassy in **Tanzania**.
- **Kenyan** President Kenyatta reassured the country that he would not seek to extend his term beyond ten years, and would leave office as planned in 2022, despite concerns that he had been attempting to block opposition politicians from running.
- Tribal leaders in **Nigeria** pledged to cooperate with the national petroleum company to allow oil exploration, despite controversy over the percentage set aside for indigenous residents of oilfields in a new petroleum law.
- **Sudan** said that the controversial Grand **Ethiopian** Renaissance Dam, which many expect to reduce water supply in downstream countries, has had no impact on the country's floods this year.



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

# Asia

---

- **Japan** withdrew 1.6 million doses of the Moderna vaccine over concerns about contamination.
- **Russia** will deliver a Pantsir missile defense system to the **Myanmar** government as planned, despite the coup.
- **Japan** is preparing to host **Afghans** who worked for its aid organization and embassy, in a rare move for a country with historically high barriers to refugee resettlement. Nearly 400 evacuated Afghans arrived today in Seoul; the government said it was amending the law to allow long-term stays for those who worked on **South Korean** projects in Afghanistan.
- **US** Vice President Harris called on **Vietnam** and other regional countries to “*raise the pressure*” on **China** and Beijing’s compliance with the UN Convention on the Law of the Sea. Vietnam is deploying troops to industrial Binh Duong province, a major manufacturing hub in the Southeast Asian country, to help contain an expected 50,000 additional coronavirus infections there over the next two weeks.



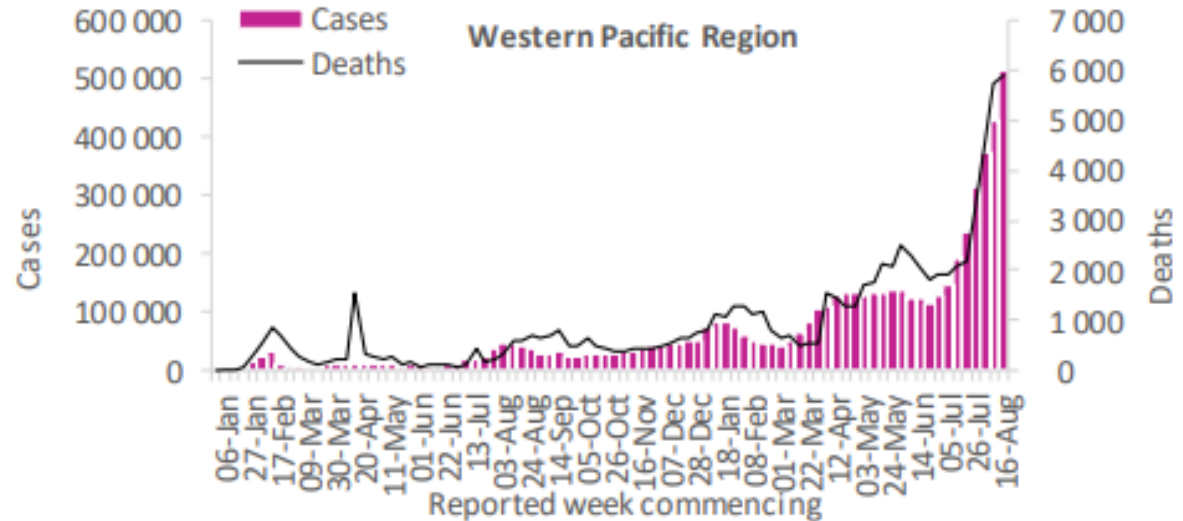
*Note: This report is based on sources and information deemed to be true and reliable, but Dentons makes no representations to same.*



# Asia

The number of new cases of COVID-19 in the Western Pacific Region continued to increase this week with over 513,000 new cases, a 20 percent increase as compared to the previous week.

Regionally, 14 of the 18 countries (78 percent) reported increasing trends this week, although sharp increases in case incidence in Malaysia, Vietnam, Japan and Philippines are responsible for much of the regional increase.



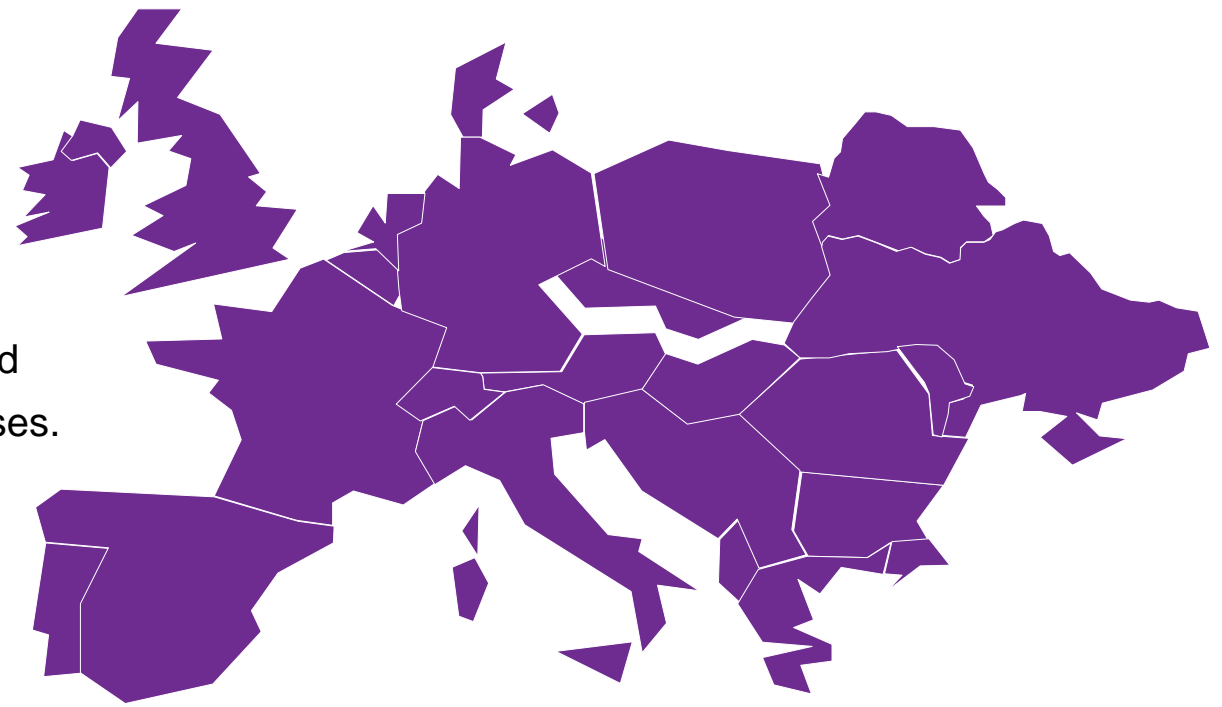
The number of deaths remained similar to the previous week with just under 5,900 new deaths reported, a quarter of the countries in the region reported significant proportionate increases (<30 percent) in the number of new deaths reported.

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

# Europe

---

- A **UK** government adviser said that music festivals in England over the summer are likely causing a surge of COVID-19 cases.
- Armin Laschet, the successor candidate to Angela Merkel, lost his polling lead in a new survey from Forsa, with the **German** Social Democrats (SPD) pulling ahead with 23 percent of support.
- Over the past two years, **Europe** has seen a revival of sleeper trains amid increased public concern about the climate impact of short flights.
- **Russian** opposition activist Alexei Navalny gave his first interview from prison, comparing his surroundings to a “*Chinese labor camp*.”
- **Hungary** is ending evacuations in **Afghanistan** after airlifting 540 people including Hungarian citizens and Afghans and their families who worked for Hungarian forces previously. The **Dutch** government said it expects to carry out its last evacuation flight out of Afghanistan today, leaving some who are eligible to leave behind due to a deteriorating security situation.



*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 **Iranian** parliament approved almost all of new President Raisi's cabinet picks. An Iranian official acknowledge that leaked videos of abuses at a prison are real, and pledged reform. Israel accused Iran of carrying out the deadly drone strike on an oil tanker last month.
- **Saudi** Crown Prince Mohammed bin Salman met with his **Qatari** counterpart in Saudi Arabia, a further sign of warming ties between the two countries after the mending of a four-year diplomatic rift.
- The **Israeli** military used tear gas and rubber bullets to disperse renewed protests at the **Gazan** border, where Palestinians are protesting for an end to the blockade. **Egypt** will open its Rafah crossing for three days after closing it due to the unrest.
- In **Afghanistan**, the **US** and allies urged people to move away from Kabul airport due to the threat of a terror attack by Islamic State militants The Taliban reportedly asked Turkish officials for help running the Kabul airport; however, Turkey said that it would withdraw its troops from the airport, in a further sign of the worsening security situation. Questions about the timelines of different nations evacuation efforts are mounting; the **UK** said it would continue efforts until "*the last minute*" of August 31, while **France** said it could end in two days, and **Germany** said it would continue but that it requires robust US presence.



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

# 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
- ❖ Comprehensive project analysis
- ❖ Market-entry assessments
- ❖ Coronavirus vaccine tracker and return-to-work monitoring
- ❖ Legislative and government action forecast
- ❖ 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

---

- The death toll in **Venezuelan** floods has risen to at least 20. More than 1,200 houses had been destroyed in the western state of Merida.
- Murders of human rights activists in **Colombia** fell from 90 to 78 in the first half of 2021 compared to 2020, according to the country's ombudsman.
- The head of **Brazil's** electoral body called the push to adopt paper ballots, sparked by President Bolsonaro's argument that electronic voting presents opportunities for fraud, a "*waste of focus.*"
- **El Salvador's** government will present a proposal this weekend to reform the Constitution, seeking to extend the presidential term, include the possibility of revoking the president's mandate and replacing the electoral tribunal.



*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, 202.5 million have received at least one dose of the **vaccine**, or 61.0 percent of the total population. The **Pentagon** will require employees to be vaccinated. New York Governor Hochul revealed 12,000 more people **died of COVID-19** than was reported under her disgraced predecessor. There are more than 100,000 people **hospitalized** with COVID-19 in the US, a level not seen since January 30. More than 17,000 people are currently hospitalized in Florida, which has the most hospitalizations for COVID-19 of any state in the country, followed by Texas, which has more than 14,000.
- A gauge of US business investment, **non-defense capital spending** excluding aircraft, fell flat in July following months of gains, underperforming analyst expectations.
- **Nursing homes** are struggling with shrinking staff; employment in the industry has dropped by 380,000 workers since February 2020.
- US Secretary of State Blinken said that less than 1,000 US diplomats are likely still in **Afghanistan**, amid a chaotic withdrawal process and reports of planned ISIS-K attacks on the airport. President Biden reportedly asked the State Department and the Pentagon to draw up contingency plans in the case of delayed withdrawal.
- President Biden and **Israeli** Prime Minister Bennett will meet today, seeking to reset the tone of US-Israeli relations and find common ground on Iran despite differences on how to deal with its nuclear program.



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

# Visualizing Risk: States and Companies Navigate Vaccine Mandates

By Briana Boland

*The combination of Delta's virulent spread, a drop-off in Americans readily seeking out vaccinations, and the long-awaited full FDA approval of the Pfizer vaccine is reinvigorating momentum towards vaccine mandates. Different governments, companies, and institutions have introduced vaccine requirements of varying strengths, creating a regulatory patchwork for employees to navigate.*

While a trend towards more vaccine mandates is clear, numerous companies and local governments still lack vaccination requirements. For businesses, balancing employee retention amid a shortage of labor with the business and societal benefits of pushing vaccinations is a difficult path. For states, the politics of vaccine mandates is proving a major factor in predicting whether new requirements are introduced.

## **States Strengthen Vaccine Requirements**

Though state vaccine requirements are certainly gaining momentum, a majority of states still lack any statewide

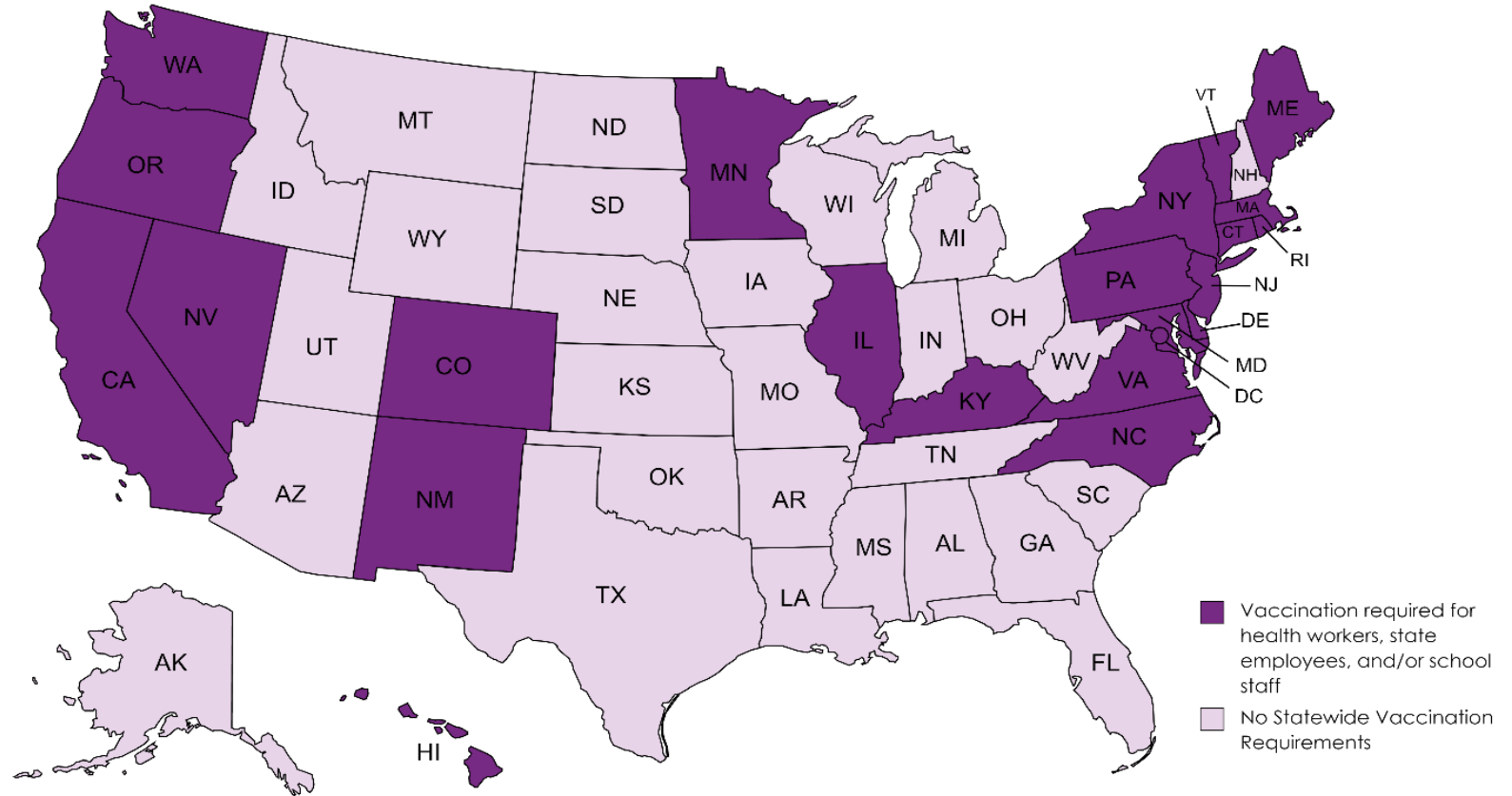
requirements. In others, vaccine mandates range in strength. On the most limited end of the spectrum, states like Maine only have requirements for certain healthcare workers. On the more sweeping side, states like California require all state employees, healthcare workers, and school staff to get vaccinated. In most cases, states still offer the option to either show proof of vaccination or undergo regular testing. However, New York's recent move to drop the testing option for patient-facing healthcare workers may herald a future trend of tightening existing mandates to ensure that vaccines are public workers' only option.

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

# Visualizing Risk: States and Companies Navigate Vaccine Mandates

## State-Level Vaccine Mandates

*\*jurisdictions may have vaccination requirements within states that have no statewide requirements.*



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



# Visualizing Risk: States and Companies Navigate Vaccine Mandates

## *Different Industries Diverge on Vaccine Strategy*

The FDA's full approval of the Pfizer vaccine ramps up the pressure on private companies to strengthen vaccine requirements; upon the FDA's announcement, President Biden called on businesses to "step up" with vaccine mandates in order to reach more Americans. However, companies across the United States are taking a wide variety of approaches that often do not include flat-out vaccine requirements. Companies that are proactive in requiring vaccines stand out against a crowd of employers who are either pursuing partial mandates or declining to introduce any requirements. For example, Tyson Foods and United Airlines have both caught headlines for their sweeping vaccine requirements. As the only major US airline to require employee vaccinations (Delta requires the vaccine for new hires), United has urged others to follow suit. Tyson Foods, meanwhile, announced that in early August that all workers must be vaccinated by November 1 - at the time, only 47% of Tyson's 120,000 employees had received the jab. Along with its mandate, the company continues to pursue an ambitious incentives program, offering \$200 to get the vaccine, and localized programs that offer the chance to win as much as \$10,000.

Following is a table of the vaccine policies for America's ten largest employers:

Company	No Requirement	Partial Vaccine Mandate	Full Vaccine Mandate
Walmart		<i>Corporate employees be vaccinated by October 4</i>	
Yum! Brands	<i>Yum! Brands said early in 2021 that it will not mandate vaccines for employees</i>		

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

# Visualizing Risk: States and Companies Navigate Vaccine Mandates

Company	No Requirement	Partial Vaccine Mandate	Full Vaccine Mandate
McDonald's		<i>Corporate employees must be vaccinated by September 27</i>	
IBM			<i>Only fully vaccinated employees will be able to return to office from September 7</i>
United Parcel Service		<i>Certain US offices will require vaccination to return to the office</i>	
Target	<i>Target is offering vaccine incentives, but no requirements</i>		
Kroger	<i>Kroger has encouraged employees to get the shot and is exploring "all options"</i>		
Home Depot	<i>Home Depot co-founder Ken Langone pledged to mandate the vaccine at all of his businesses after FDA approval, but the company has yet to announce any mandate</i>		

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

# Visualizing Risk: States and Companies Navigate Vaccine Mandates

Company	No Requirement	Partial Vaccine Mandate	Full Vaccine Mandate
Hewlett-Packard Enterprises (HPE)			<i>All employees and contractors must be vaccinated to enter HPE sites</i>
General Electric	<i>CEO Larry Culp said in late July that the company had no plans to mandate vaccines</i>		

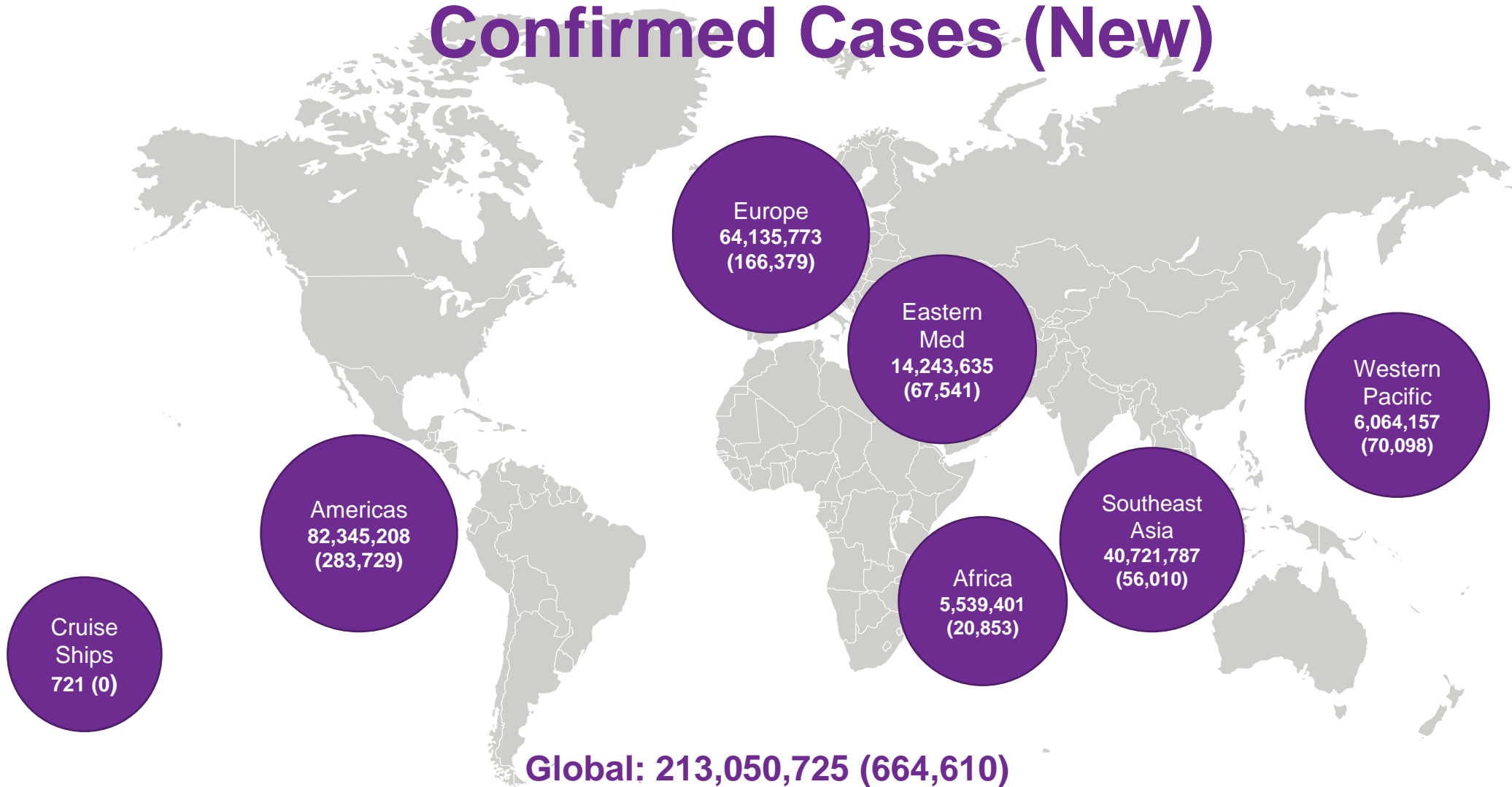
Despite a variety of approaches to vaccine mandates, one trend is clearly emerging across companies: for employees with the option of remote work, vaccines are required if they wish to re-enter the office. As the Delta variant has pushed back white-collar office reopening timelines, the issue of requiring vaccines for returning office workers seems to be an easier option than creating mandates for front-line workers. Even companies like Walmart and McDonalds, which do not require vaccines for most workers, are introducing mandates for corporate office employees. Numerous leading tech, finance, and professional services firms including Blackrock, Citigroup, Deloitte, Facebook, Google, Goldman Sachs and Morgan Stanley have established a “vaccine required to re-enter office” status quo, paving the way for other firms to follow suit. For businesses that require in-person work, shifting to a status quo of vaccine mandates will prove more difficult, particularly given widespread worker shortages. But continued government pressure and decisions by major employers could turn the tide towards vaccine mandates. In the words of United CEO Scott Kirby: *“the more companies that do it, the harder it will be to not require it.”*

*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 4:38 pm CEST on August 25, 2021

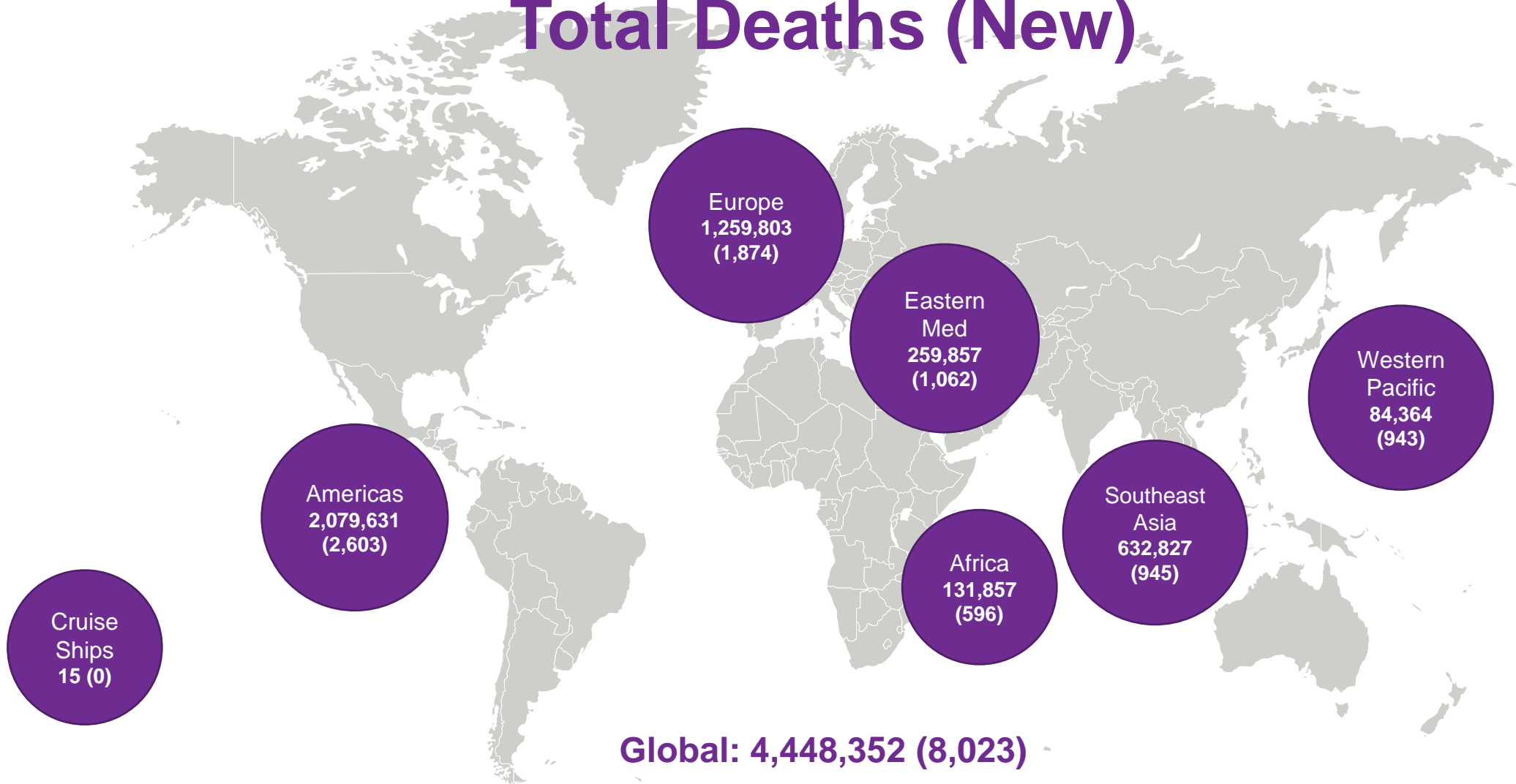
# Confirmed Cases (New)



Reflects data as of 4:38 pm CEST on August 25, 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 4:38 pm CEST on August 25, 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)