

Dentons Flashpoint

Daily Global Situation Report

August 30, 2021

Global Situation Update: August 30, 2021

KEY TAKEAWAYS

Hurricane Ida made landfall in the US near New Orleans as a catastrophic Category 4 storm.

A new COVID-19 variant has been detected in South Africa, with substantial mutations.

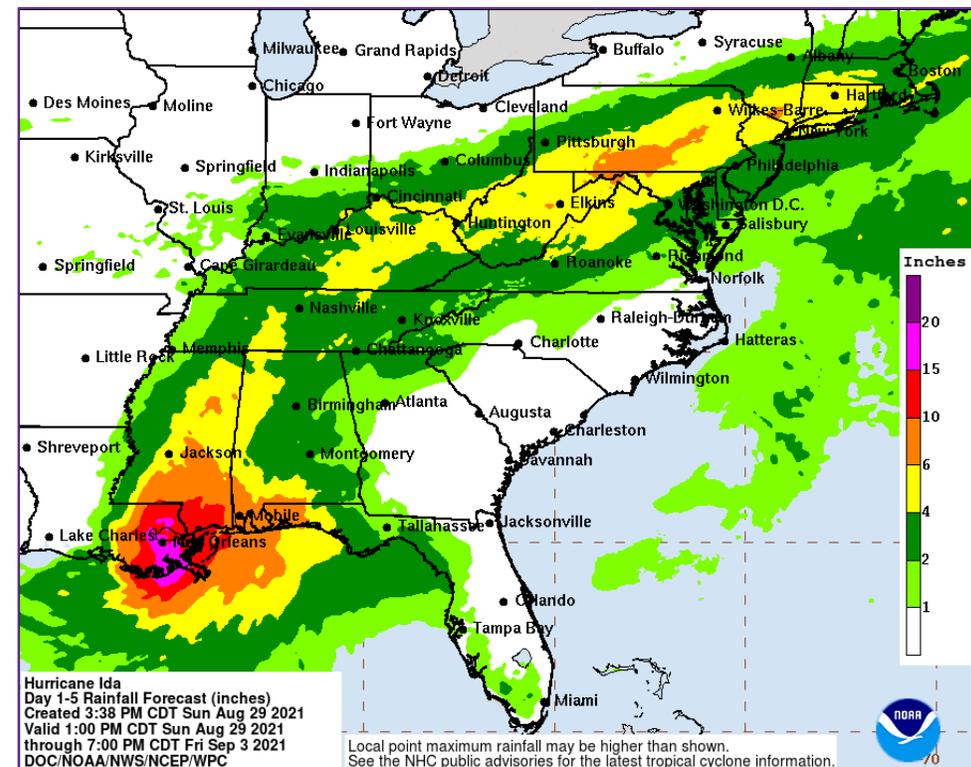
North Korea appears to have restarted a critical nuclear reactor.

Global Situation Update: August 30, 2021

WHAT WE'RE WATCHING

Hurricane Ida hit Louisiana Sunday as a Category 4 storm, testing the storm protection upgrades constructed since Hurricane Katrina 16 years ago. Already, over 500,000 people have lost power, and state officials are concerned about the impact of the storm's damage on a hospital system already stretched thin by COVID-19.

Weather officials have warned that Ida may bring storm surge waters across large parts of the region, reaching as far as Ocean Springs, Mississippi. The fallout from the storm will stretch much further, sending heavy rains northeast. Some areas face risks of flash flooding; Tennessee authorities, for one, have warned that rains could again hit areas still recovering from devastating recent deadly floods.



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

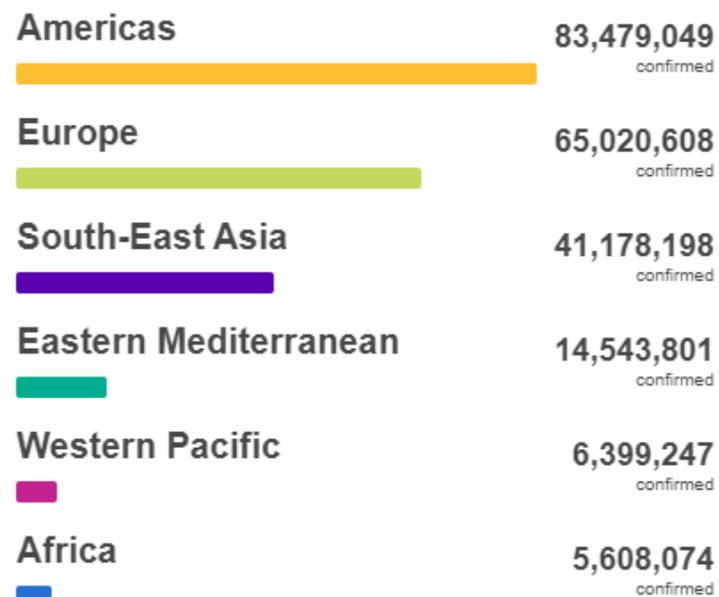
Global

Globally, confirmed coronavirus cases topped 216.2 million with 4.4 million deaths; more than 4.9 billion vaccine doses have been administered.

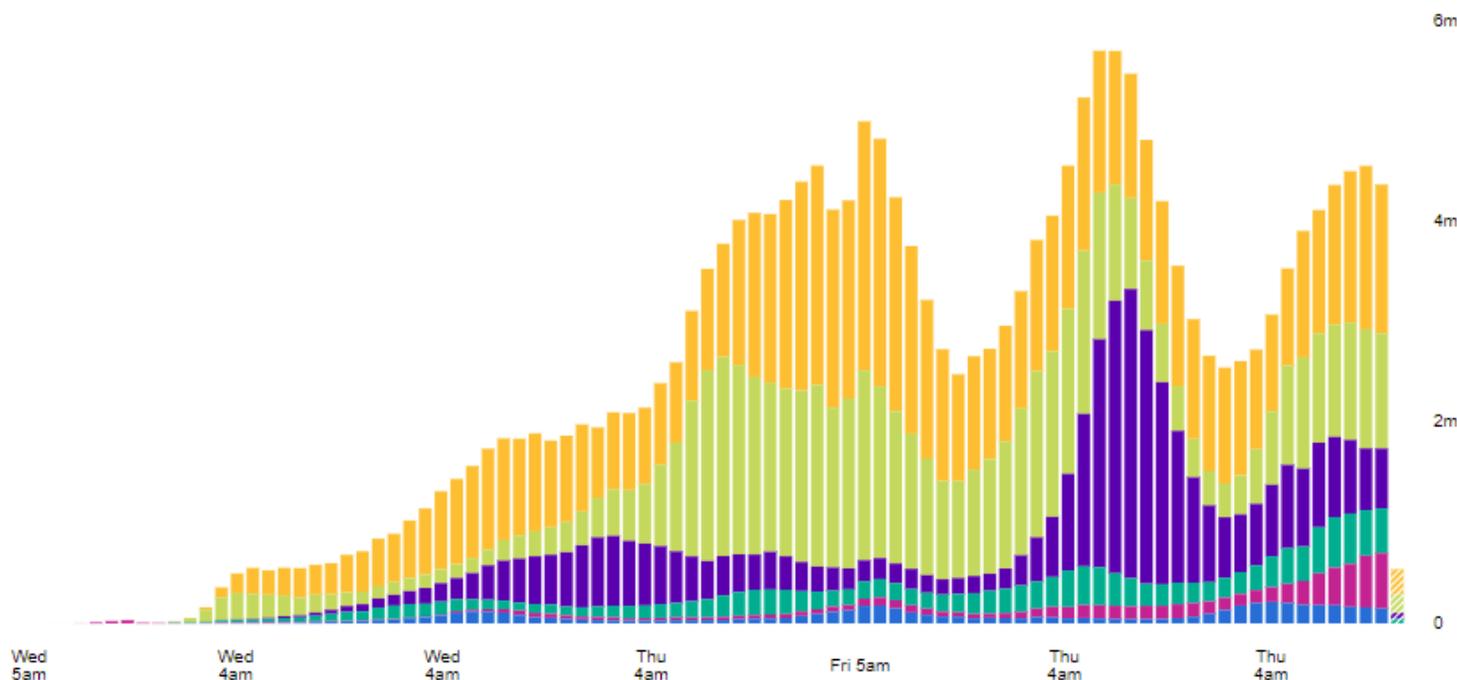
- South Africa has detected a **new COVID-19 variant of interest**, C.1.2, which health experts are warning could give rise to another ferocious wave in the future. According to the experts, C.1.2 is a deadly coronavirus variant that is associated with increased transmissibility and reduced neutralization sensitivity. Compared to C.1, the new variant has "mutated substantially" and is more mutations away from the original virus detected in Wuhan than any other variant of concern.
- The IMF's chief economist warned that emerging markets cannot "*afford*" a repeat of the 2013 "taper tantrum" market disruption that occurred when the US Federal Reserve signaled a sooner-than-expected withdrawal of stimulus, sparking a surge in **global borrowing costs**.

Global

Situation by WHO Region



Source: World Health Organization
Data may be incomplete for the current day or week.



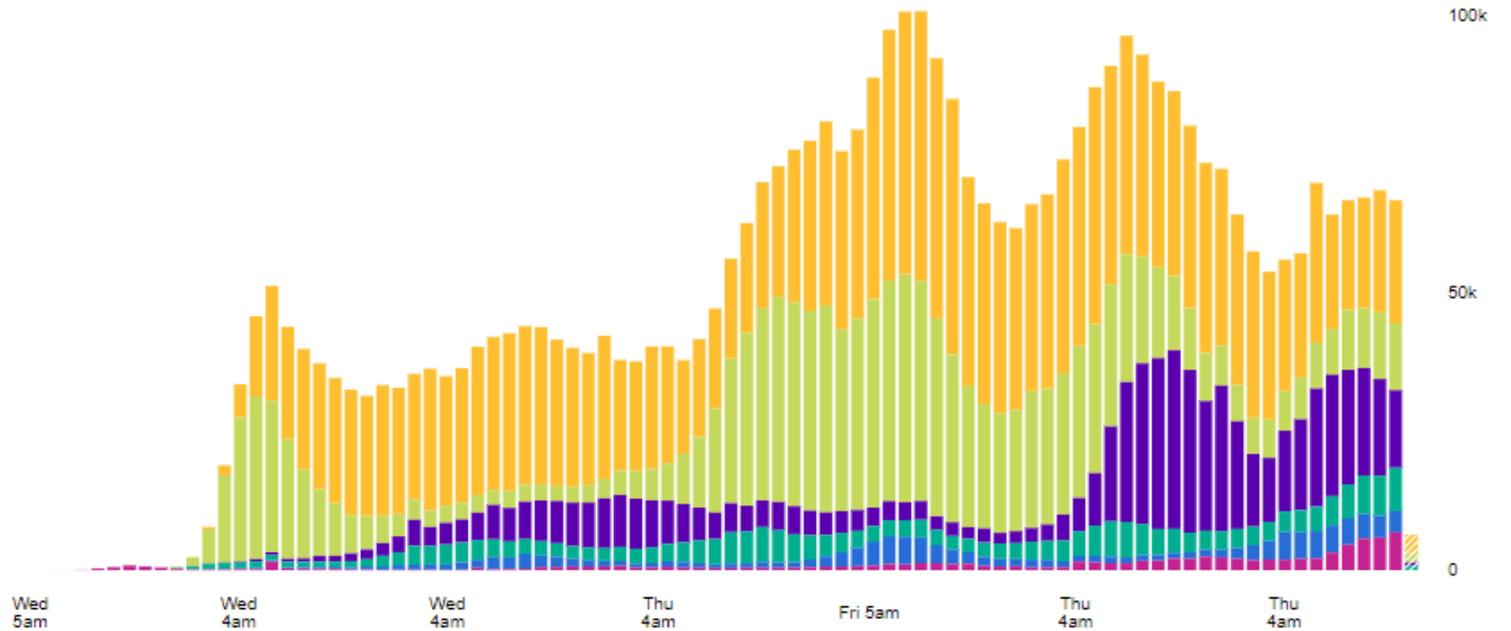
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Global

Situation by WHO Region

Navigation controls:

Americas	2,097,836
Europe	1,268,691
South-East Asia	642,510
Eastern Mediterranean	265,187
Africa	134,276
Western Pacific	88,168



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COVID-19 Vaccine

Japan has until now pulled 2.6 million Moderna doses because of contamination; two have died after receiving contaminated doses.

- **Germany** will make up to 70 million doses of COVID-19 vaccine available to **African countries** this year, doubling a previous pledge of 30 million doses.
- **Sudan** has received a shipment of 218,400 doses of the AstraZeneca COVID-19 vaccine as a donation from **France** through the Covax facility.
- **India** administered more than 10 million COVID-19 vaccine doses on Friday, a national record.
- **England's** health service is preparing for a mass COVID-19 vaccination program for **children** aged between 12 and 15 starting in September.
- Japan is considering mixing shots of AstraZeneca COVID-19 vaccine with those developed by other drug makers in a bid to speed up its vaccine rollout as it will shorten the interval between doses.

Markets & Business

Aluminum prices are reaching 10-year highs, as buyers compete to line up shipments for use in beverage cans, airplanes and construction as supply chain disruptions in Asia persist.

- Researchers who discovered a massive flaw in the main databases stored in **Microsoft Corp's Azure** cloud platform on Saturday urged all users of the Azure cloud platform to change their digital access keys after a security flaw was discovered by researchers.
- A BlackRock report to the EU Commission found that **Europe's banks** are slow to act on sustainability and have only a limited grasp of their exposure to **environmental, social and governance-related risks**.
- **China Petroleum & Chemical Corp** reported a 39.15 billion yuan (\$6.05 billion) net profit for the first six months of 2021 on the back of renewed fuel demand.
- The **global air cargo** sector is flying planes at almost 90 percent of capacity as record amounts of goods crisscross the globe. Flying goods by air is an expensive option for many manufacturers and retailers to move products through a global supply chain snarled by pandemic-driven closures of Chinese seaports and widespread labor shortages.

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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

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

Africa

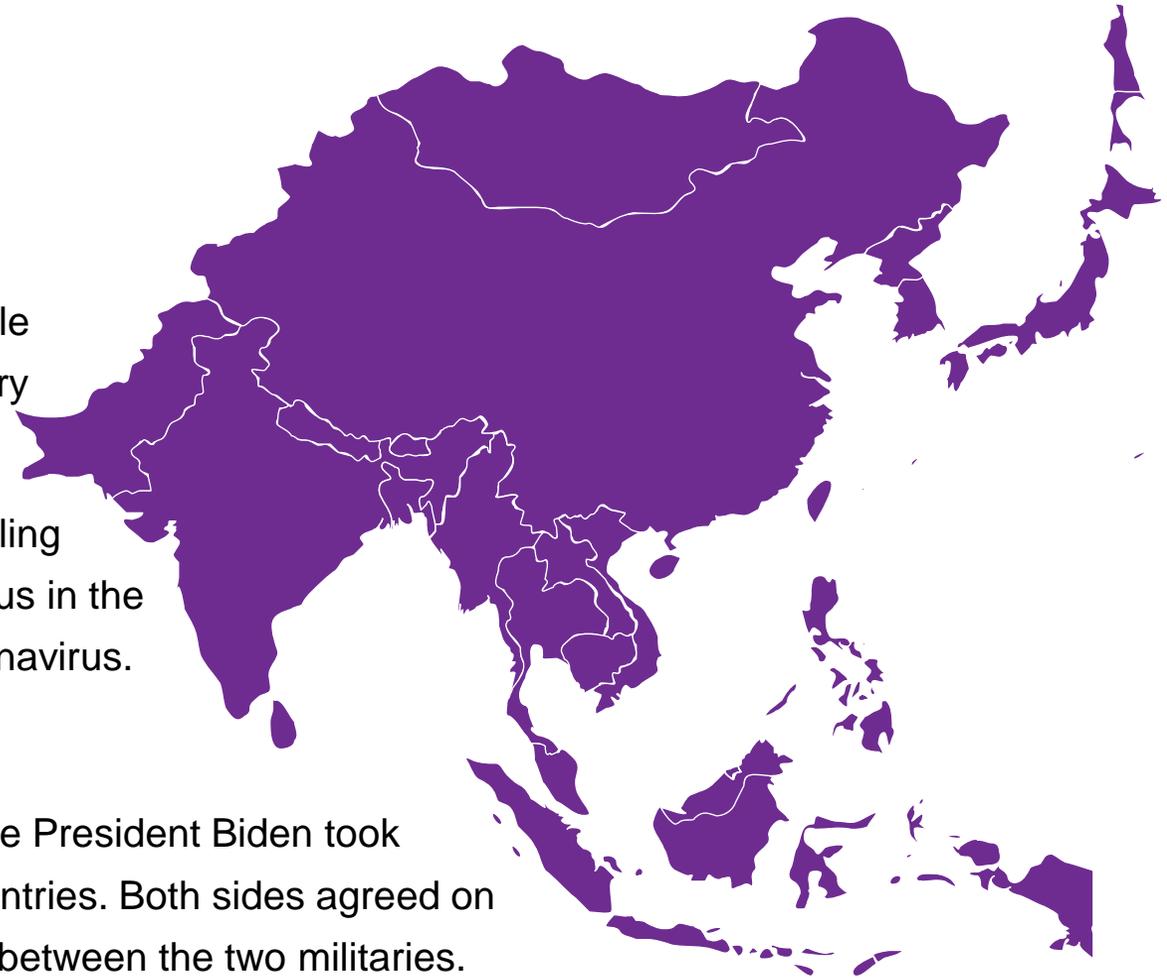
- **Mali's** former interim president Bah Ndaw and prime minister Moctar Ouane have been released from house arrest by the authorities who ousted them in May. The coup leaders had been under pressure to release them as a demonstration of their commitment to return to civilian rule via democratic elections scheduled for February 2022.
- **Democratic Republic of Congo** is reviewing its \$6 billion "infrastructure-for-minerals" deal with Chinese investors as part of a broader examination of mining contracts, per the finance minister.
- **Algerian** authorities arrested **Tunisia's** media mogul and former presidential candidate Nabil Karoui, after he entered Algeria illegally. Karoui is the owner of the Nessma television channel and head of the Heart of Tunisia political party, the second largest in parliament.



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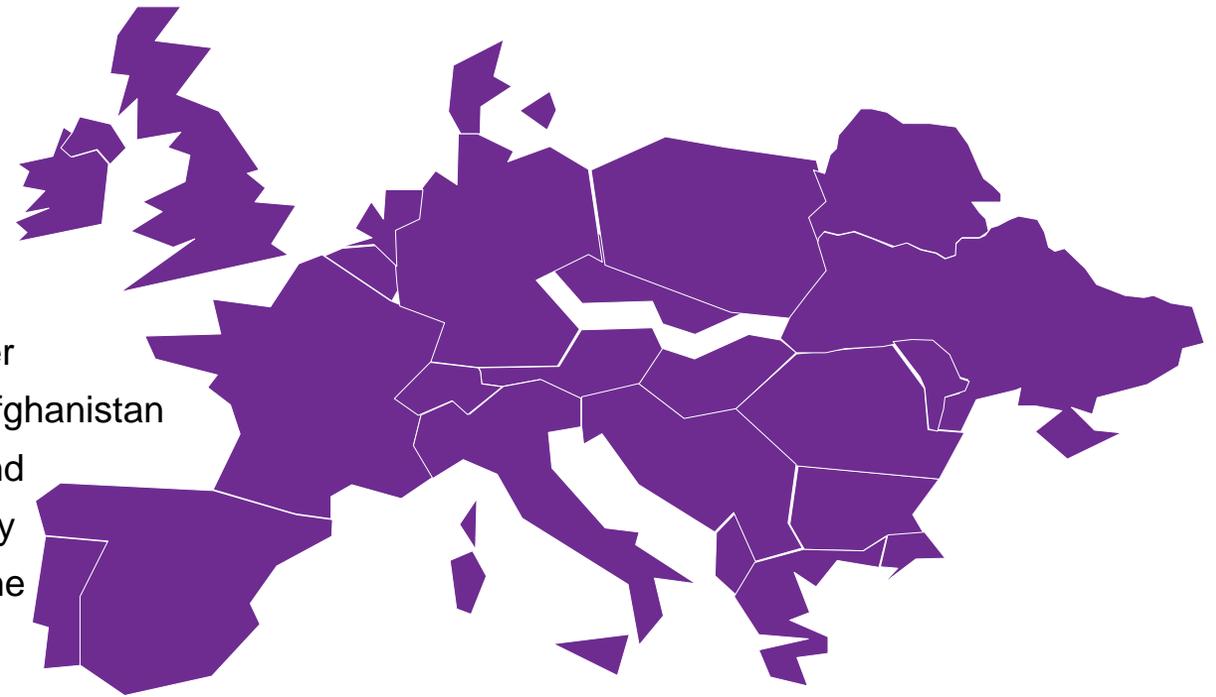
Asia

- **Singapore** has fully inoculated 80 percent of its 5.7 million people against COVID-19, becoming the world's most vaccinated country and setting the stage for further easing of curbs.
- **Australia** recorded 1,323 local COVID-19 cases on Sunday, fueling the debate on whether the country should start living with the virus in the community, after initially being successful with suppressing coronavirus.
- **New Zealand** extended a lockdown in Auckland by two weeks.
- **US and Chinese** military officials held talks for the first time since President Biden took office in January to focus on managing risk between the two countries. Both sides agreed on the importance of maintaining open channels of communication between the two militaries.
- The UN's nuclear watchdog warned that **North Korea** appeared to have restarted a critical reactor at its biggest nuclear materials complex.



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Europe



- **Britain's** last military flight left **Afghanistan** late on Saturday after evacuating more than 15,000 people over two weeks since the Afghanistan fell to the Taliban. **Germany** has left at least 5,000 former staff and their families behind in Afghanistan, a support network founded by German troops said, vowing to keep pressing for them to leave the country after an August 31 deadline runs out.
- Around 500 **Russian** motorized infantry troops carried out drills in the mountains of **Tajikistan** against the backdrop of instability in neighboring **Afghanistan**. The current set of drills is the third one carried out by Russia close to the Afghan border this month.
- The **EU** is set to recommend halting nonessential travel from the US because of the spread of COVID-19. At least one region in **Germany** is planning to impose tougher restrictions on people who are not vaccinated against COVID-19, banning unvaccinated adults from restaurants and concerts altogether, and restricting their contacts. Police tussled with protesters as thousands of people marched through Berlin on Saturday chanting slogans and waving banners against COVID-19 restrictions. Thousands of people also demonstrated in **France** over the weekend against the health pass for the 7th weekend in a row, although a majority of French people are now vaccinated.
- **England** is considering banning single-use plastic plates, cutlery and cups.

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Middle East

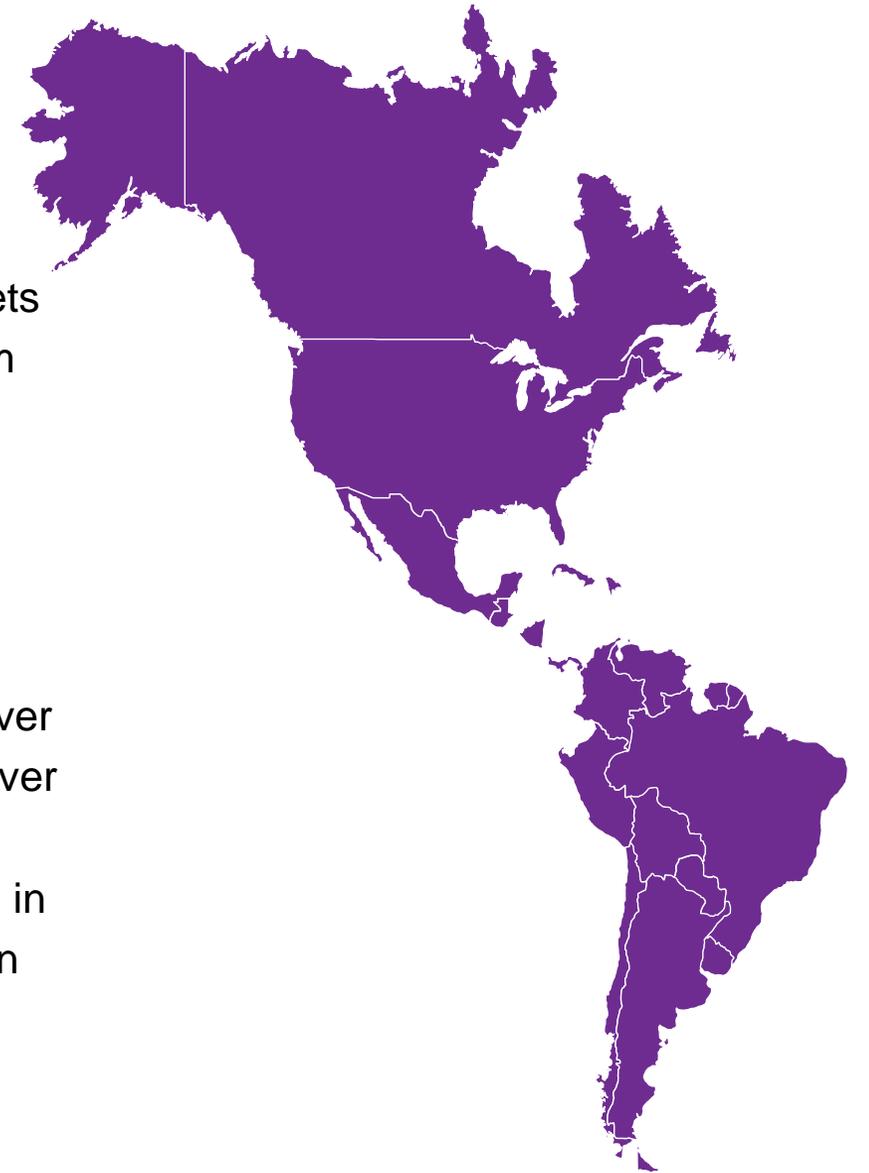
- **Israeli** aircraft struck Hamas sites in **Gaza** early on Sunday in response to incendiary balloons launched from the Palestinian enclave, the violence testing the fragile truce that ended fierce fighting in May.
- The foreign ministers of **Iran, the UAE and Kuwait** met in Baghdad on Saturday on the sidelines of a regional summit that **Iraq** hoped would encourage its neighbors to increase diplomatic engagement to manage their rivalries.
- **US** President Biden told **Israeli** Prime Minister Bennett that he was putting "*diplomacy first*" to try to rein in Iran's nuclear program but that if negotiations fail, he would be prepared to turn to other unspecified options.
- A dispute over scarce fuel supplies ignited sectarian tensions in southern **Lebanon** over the weekend, forcing the army to intervene.
- In **Afghanistan**, the Taliban say they are ready to take control of Kabul Airport as the US prepares to evacuate military forces by the August 31 deadline. The Taliban announced they were preparing a new cabinet and they expected that sharp currency falls and economic turmoil following their takeover of Kabul two weeks ago would subside. On Sunday, a **US** drone strike killed an ISIS-K suicide car bomber preparing to attack the airport and on Monday, anti-missile defenses intercepted as many as five rockets that were fired at the airport.



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Americas

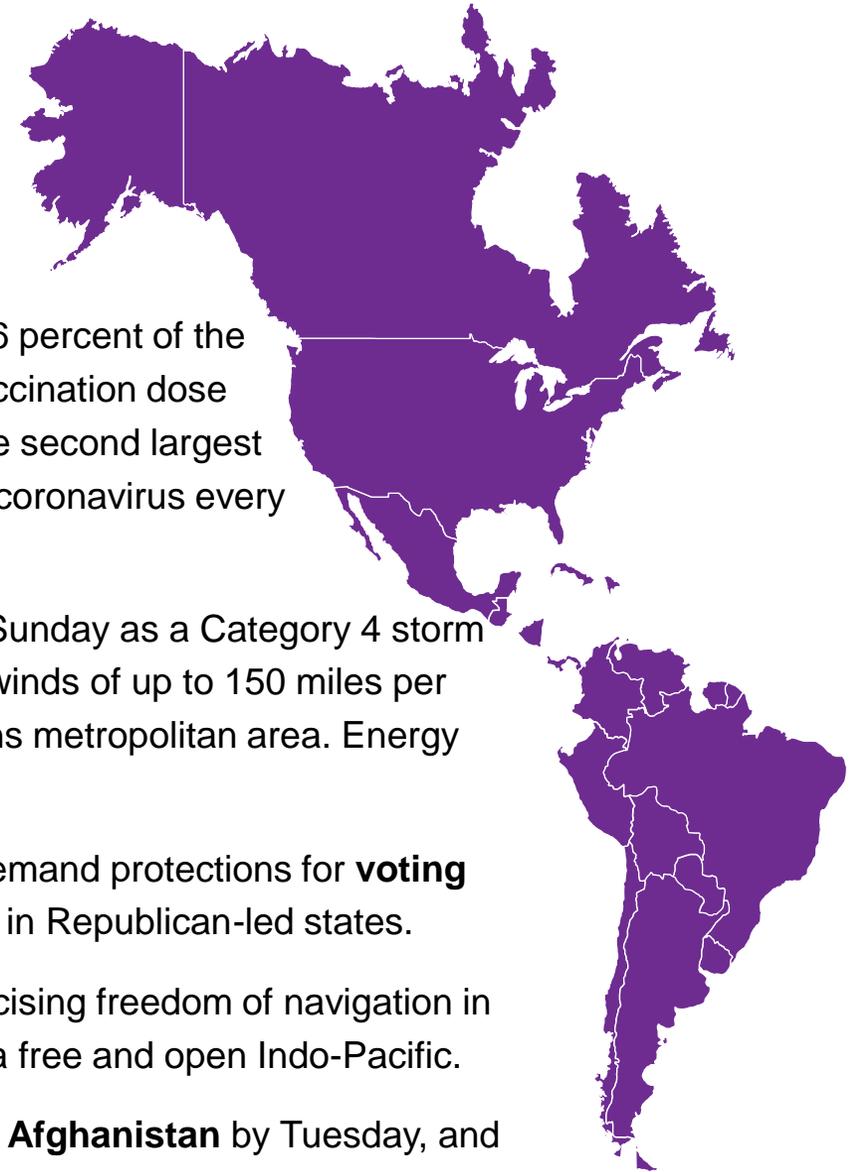
- **Japanese** oil company Inpex Corp sold two **Venezuelan** oil and gas assets to Caracas-based Sucre Energy Group, as multinational firms retreat from the crisis-stricken nation.
- **Cuba**, which to date had deployed exclusively its homegrown COVID-19 vaccines, will start using the **Chinese** Sinopharm vaccine in an effort to contain one of the worst coronavirus outbreaks in the world.
- Grains ships and vessels transporting other products on the Paraguay River are loading at around half capacity due to a historic drought that has hit river levels in **Paraguay**, hurting trade of key agricultural commodities. Low rainfall has drastically reduced the level of the waterway, which originates in **Brazil**, crosses landlocked Paraguay and empties into the Paraná River in the north of major grains producer **Argentina**.



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Americas: US

- Across the nation, 204.4 million have received at least one dose of the **vaccine**, or 61.6 percent of the total population. Half of US **children** aged 12 to 17 have received at least their first vaccination dose against COVID-19, per the White House. Los Angeles County Public School district, the second largest in the nation, will require every **student, teacher and administrator** get tested for the coronavirus every week, regardless of vaccination status.
- Ida, the first major **hurricane** to strike the US this year, made landfall around noon on Sunday as a Category 4 storm over Port Fourchon, Louisiana, a hub of the Gulf's offshore oil industry, with sustained winds of up to 150 miles per hour (240 km per hour). Power was knocked out Sunday night to the entire New Orleans metropolitan area. Energy firms suspended oil production in the US Gulf of Mexico.
- Over the weekend, thousands of **protesters** rallied in Washington and other cities to demand protections for **voting rights**, pressuring lawmakers to pass legislation to counter a wave of ballot restrictions in Republican-led states.
- A US warship and Coast Guard cutter sailed through the **Taiwan Strait** on Friday, exercising freedom of navigation in the sensitive waterway that separates Taiwan from **China** in a show of commitment to a free and open Indo-Pacific.
- President Biden is planning to withdraw the U.S. ambassador and all diplomatic staff in **Afghanistan** by Tuesday, and it is unclear if the US will maintain a diplomatic mission in Kabul.

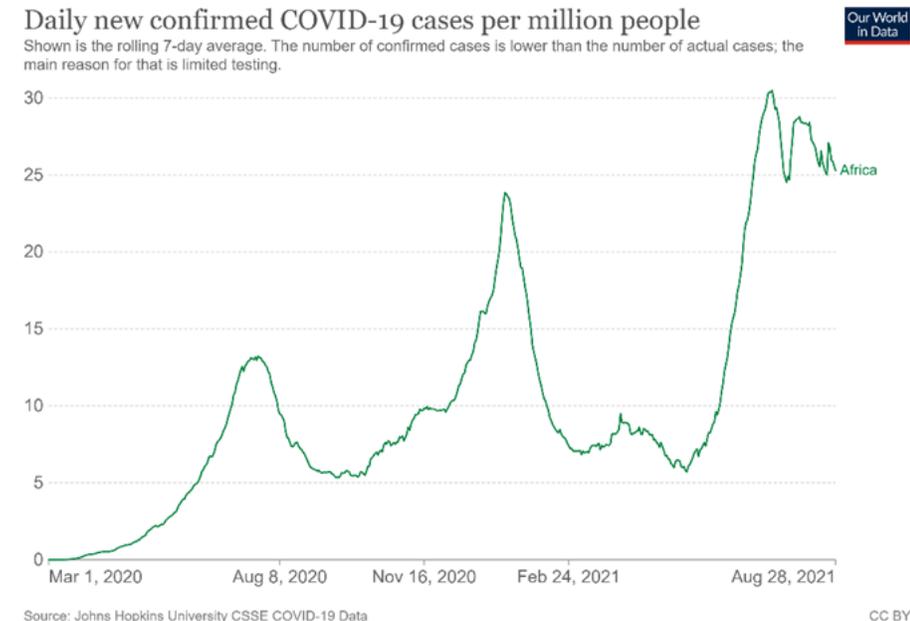


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COVID-19 Update: Africa's Third Wave

Throughout the summer, the Delta variant has driven a wave of COVID-19 across Africa, causing record daily case counts and death tolls. However, even as the continent remains almost entirely unvaccinated, Africa's third wave of COVID-19 has gained little international attention.

In part, this is likely due to the low number of deaths associated with COVID-19, along with the fact that the spread of the Delta variant across other regions dominated international headlines. While official death tolls remain low, Africa's status amid a third wave of COVID-19 plays a key role in the global conversation around vaccine inequality and booster shots. Less than 5 percent of the continent's 1.3 billion residents have received even one shot, far lower than any other region. With COVID-19 at all-time highs and nations reeling from the socioeconomic impact of the pandemic, the pursuit of booster shots in richer countries could further prolong vaccine supply issues across Africa.



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COVID-19 Update: Africa's Third Wave

Why Does COVID-19 Seem to be Causing Fewer Deaths in Africa?

Over the past two months, a wave of COVID-19 cases spreading through a largely unvaccinated population in Africa has unsurprisingly caused a spike in COVID-19 deaths. But in comparison to death rates in Europe, North America, or even India, the number of officially recorded COVID-19 deaths in Africa has been low – with some exceptions. Several theories exist as to why Africa, or at least sub-Saharan Africa, has lower COVID-19 death rates than other parts of the world. A July paper in *Global Health: Science and Practice*, titled “The Conundrum of Low COVID-19 Mortality Burden in sub-Saharan Africa: Myth or Reality,” reviewed a list of possible reasons, including age demographics, lack of nursing homes, potential immunity build from previous exposure to other coronaviruses, limited testing causing undercounting of deaths, and the effectiveness of government responses. While the paper concluded that the primary reason for lower COVID-19 impact

is Africa's young population and small percentage of vulnerable elderly groups, it noted that only further study can confirm the full picture of why deaths seem low in Africa.

Daily new confirmed COVID-19 deaths per million people

Shown is the rolling 7-day average. Limited testing and challenges in the attribution of the cause of death means that the number of confirmed deaths may not be an accurate count of the true number of deaths from COVID-19.

Our World
in Data



Source: Johns Hopkins University CSSE COVID-19 Data

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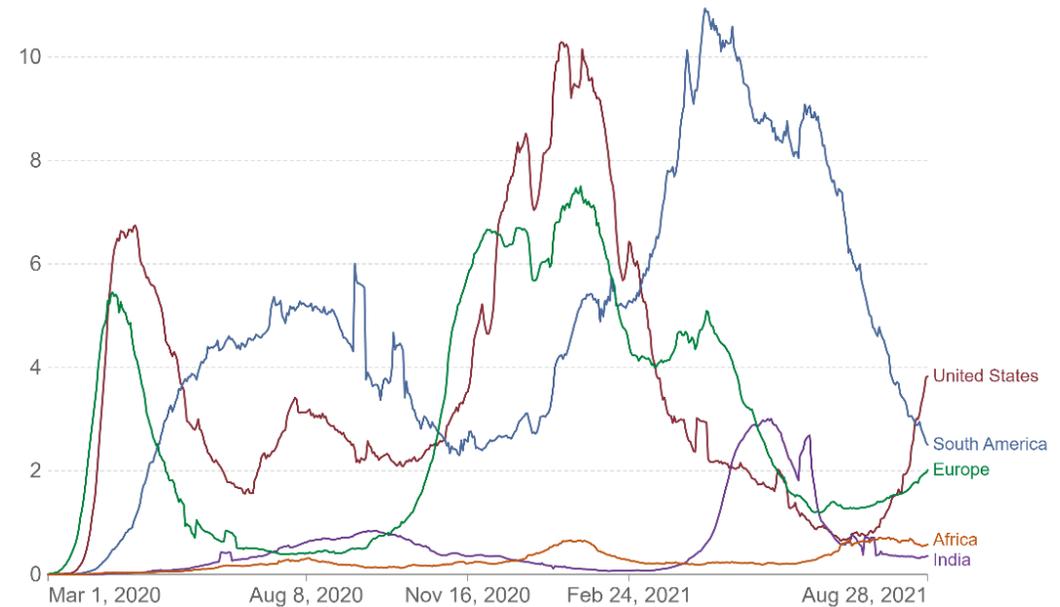
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COVID-19 Update: Africa's Third Wave

Some countries buck the trend of low impact: South Africa, with a higher percentage of elderly and otherwise vulnerable populations, has seen far higher death rates than neighbors. Moreover, excess mortality data released by the South African Medical Research Council (SAMRC) in May suggested that over twice as many people actually died from COVID-19 than official numbers showed, even given South Africa's relatively high levels of COVID-19 testing. While other sub-Saharan African countries have not published comparable data to assess excess deaths, it is likely that low levels of testing mean that some COVID-19 deaths go uncounted – but without more data, it is impossible to determine how severe undercounts might be

Daily new confirmed COVID-19 deaths per million people

Shown is the rolling 7-day average. Limited testing and challenges in the attribution of the cause of death means that the number of confirmed deaths may not be an accurate count of the true number of deaths from COVID-19.



Source: Johns Hopkins University CSSE COVID-19 Data

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COVID-19 Update: Africa's Third Wave

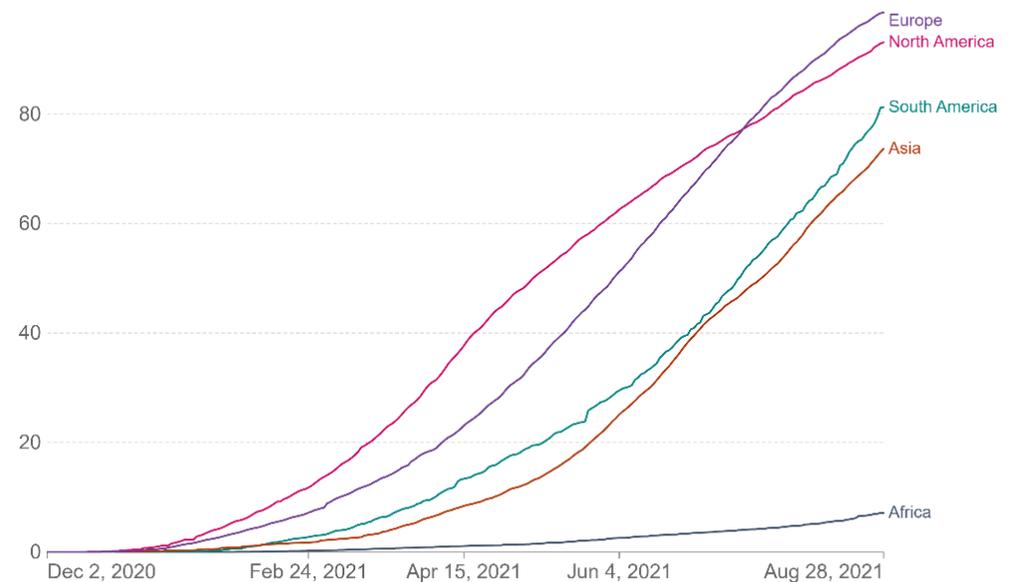
Driving the Dialogue on Vaccine Inequality

COVID-19 vaccinations across Africa tripled over past week – but the continent is still likely to struggle with the WHO's goal of vaccinating 10 percent by the end of September. With such low levels of vaccine access, public health officials in Africa have been among the most vocal critics of booster shot programs in other parts of the world. WHO Africa Director Matshidiso Moeti famously criticized booster shots programs as making a “*mockery of vaccine equity*,” later arguing that COVID-19's spread is “*a preventable tragedy if African countries can get fair access to the vaccines*.” However, protestations from countries without sufficient vaccine access is not slowing booster campaigns across the rich world. Once booster campaigns do get underway more widely in the coming months, they will likely continue to be a focal point for grievances with global vaccine inequality. Moreover, if booster shots slow the vaccination drive in places like sub-Saharan Africa, the potential for future dangerous variants to emerge will

be higher than in places with high vaccination rates – particularly as virus sequencing capacity to monitor the emergence of new variants is low in most African countries.

COVID-19 vaccine doses administered per 100 people

Total number of doses administered, divided by the total population of the country.



Source: Official data collated by Our World in Data. For vaccines that require multiple doses, each individual dose is counted. As the same person may receive more than one dose, the number of doses per 100 people can be higher than 100. CC BY

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COVID-19 Update: Africa's Third Wave

Socioeconomic Impacts of COVID-19 and Mitigation Measures

While the death toll from the COVID-19 pandemic is lower in Africa than other regions, the socioeconomic and political impacts of the past year and a half are certainly being felt. This spring – before the region's most recent COVID-19 wave – the IMF predicted that Africa's economy would resume economic expansion at just 3.4 percent, about half the global expectation of 6 percent expansion. Along with the economic impact, the pandemic spotlighted government failures and extreme inequality in many countries. In each unique national context, underlying conditions worsened by the pandemic may fuel unrest. Recent widespread violence in South Africa shows how difficult it can be to pinpoint the role of COVID-19 in driving unrest; the reasons that South Africans took to the streets were a combination of political grievances (in this case, the arrest of former president Zuma) and frustration with socioeconomic conditions. While COVID-19 played no role in Zuma's court

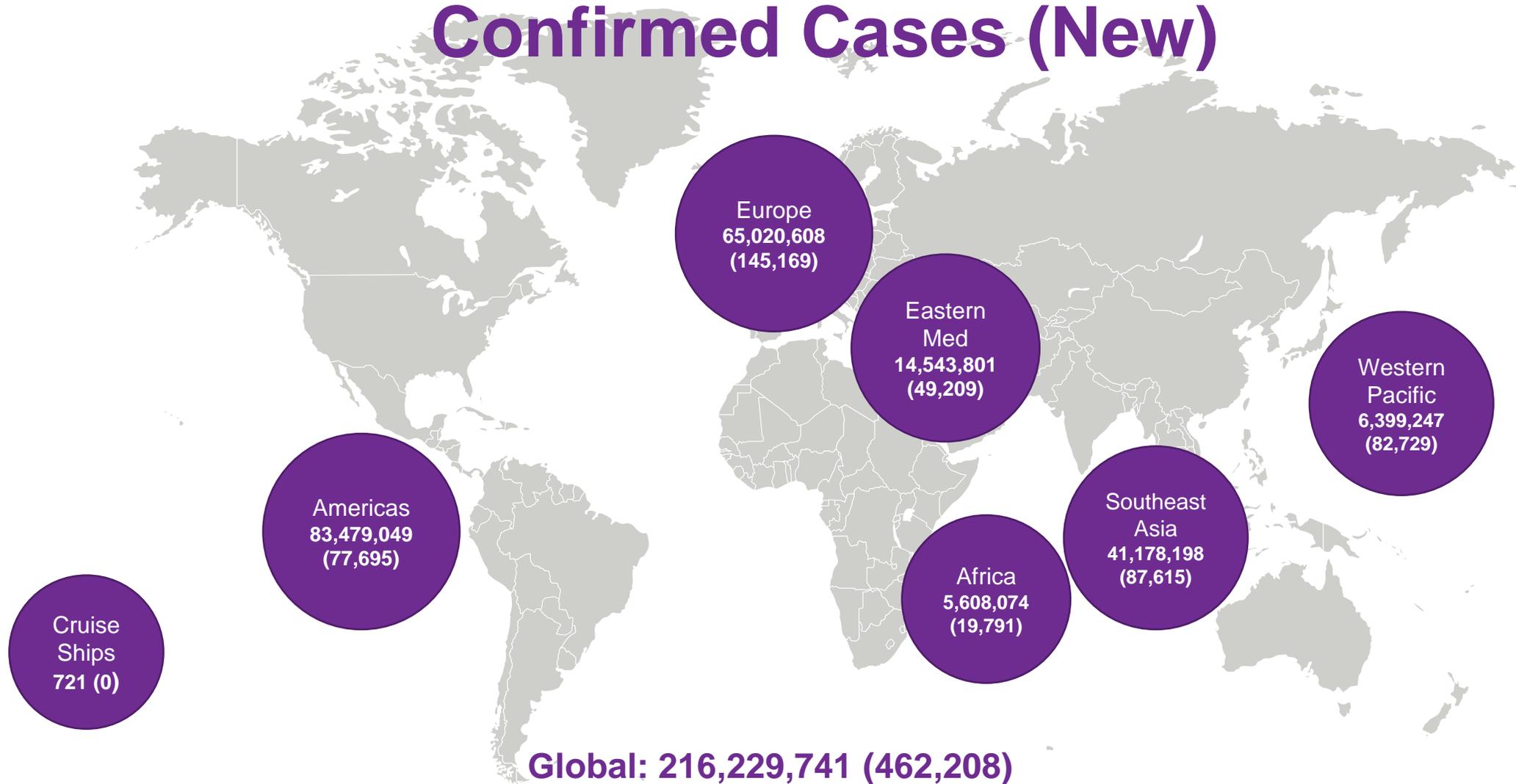
summons, the virus certainly caused increased unemployment, now at a record 34.4 percent, and stifled hopes of a quick economic rebound in 2021.

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Coronavirus Condition Updates

As of 9:48 am CEST on August 30, 2021

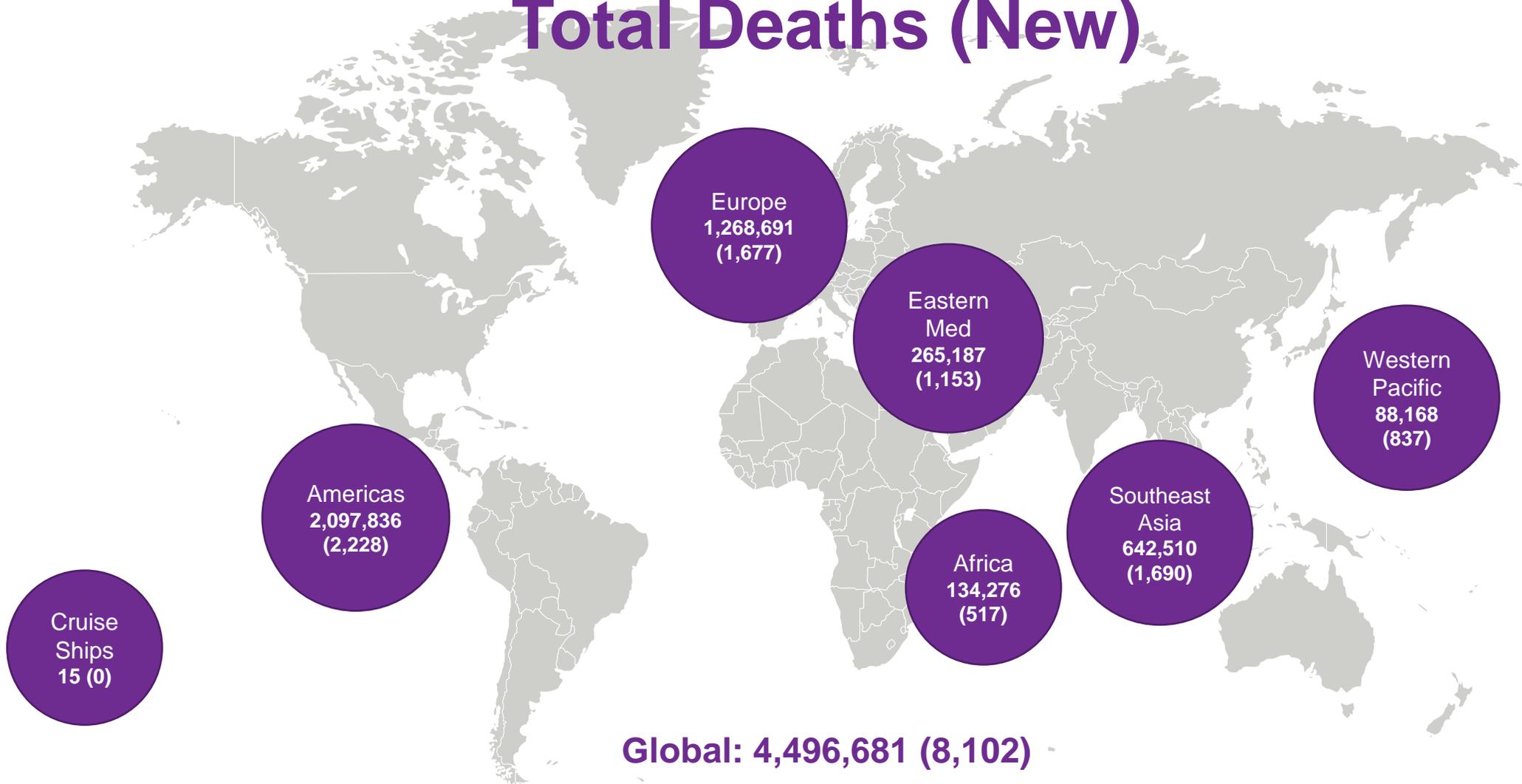
Confirmed Cases (New)



Reflects data as of 5:51 pm CEST on August 26, 2021.
Data Source: World Health Organization

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Total Deaths (New)



Reflects data as of 5:51 pm CEST on August 26, 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.

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.

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