

# Dentons Flashpoint

## Daily Global Situation Report

August 31, 2021

# Global Situation Update: August 31, 2021

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## KEY TAKEAWAYS

Rising vaccine output and adult vaccination rates in India raise hopes for a return of Indian vaccine exports.

The EU's carbon price hits an all-time high of €61 as expectations for higher environmental regulations rise.

Beijing will require foreign vessels to report to Chinese authorities when entering territorial waters, including claims in the South China Sea.

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

# Global Situation Update: August 31, 2021

## WHAT WE'RE WATCHING

Today, airline carriers that shuttle between the US and European Union, as well as other industries that rely on trans-Atlantic travel, are likely to be set back once again as EU members countries are advised to stop nonessential from the US. This is a reversal from June when EU countries lifted restrictions on American travelers ahead of tourism season and flights across the Atlantic were increased.

The move comes amid an uptick in coronavirus cases in the US due to the Delta variant. The recommendation is non-binding, meaning individual EU countries can decide if they still wish to allow US visitors with proof of vaccination, negative tests, or quarantine. The US, meanwhile, has maintained a ban on European non-essential travel since March 2020.



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# Global

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**Globally, confirmed coronavirus cases topped 216.3 million with 4.4 million deaths; more than 5.0 billion vaccine doses have been administered.**

- The UN Environmental Program announced Monday that the use of **leaded petrol** has been eradicated around the world.

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# COVID-19 Vaccine

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**Patients who receive two doses of Moderna's Covid-19 vaccine produce more than twice as many antibodies as those who have been given the BioNTech/Pfizer vaccine, per a new study.**

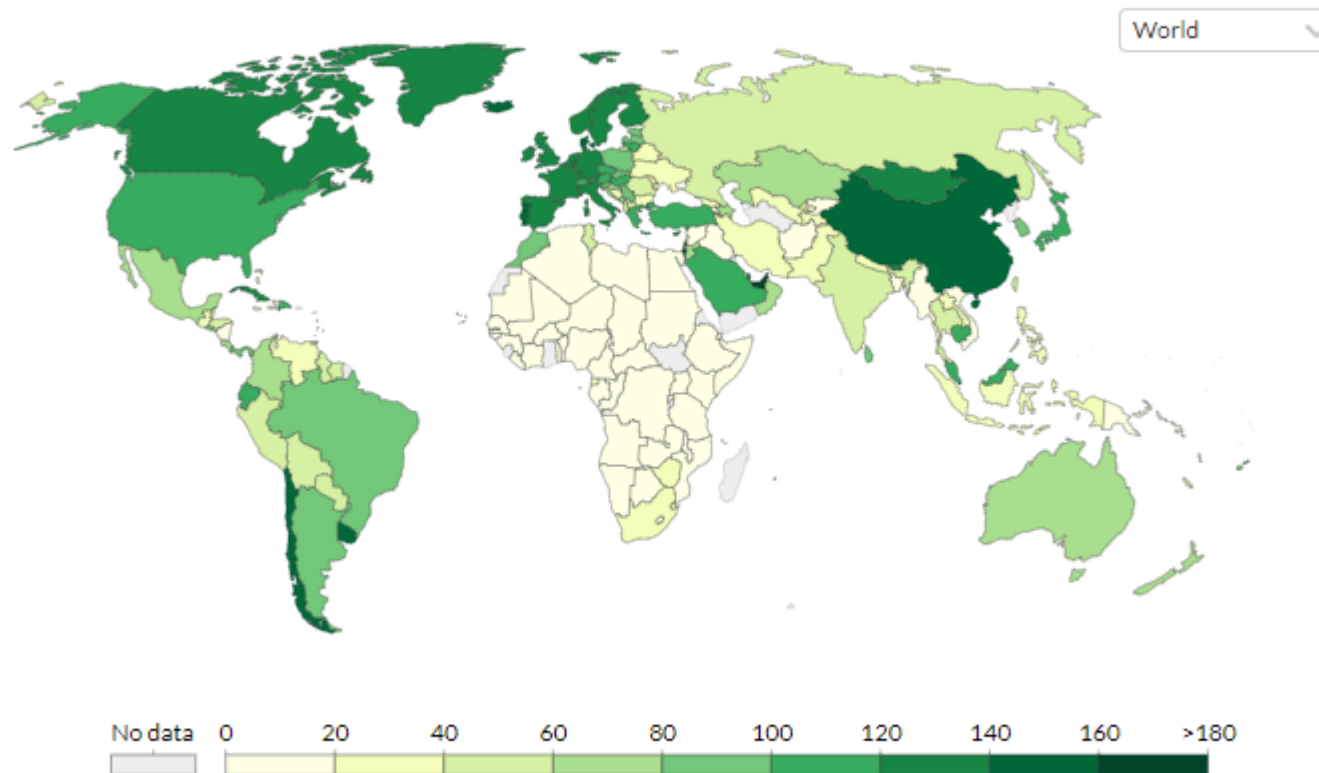
- **India** has now given half of its adult population at least one dose of COVID-19 vaccine; this milestone, combined with a rising output of COVID-19 vaccines, are raising hopes that Indian **vaccine exports** may return to the global vaccine drive in the next few months.
- **SK bioscience**, a South Korean vaccine producer, is recruiting 4,000 people for late-stage trials of a COVID-19 vaccine that will be manufactured in conjunction with **GlaxoSmithKline**.

# COVID-19 Vaccine

France announced that it will send 10 million COVID-19 vaccine doses to Africa over the next three months, through Covax and the African Union's Vaccine Acquisition Trust (AVAT).

COVID-19 vaccine doses administered per 100 people, Aug 30, 2021  
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.

Our World  
in Data



Source: Official data collated by Our World in Data - Last updated 31 August 2021, 11:00 (London time)  
OurWorldInData.org/coronavirus • CC BY

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# Markets & Business

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**QR codes are replacing service staff as pandemic spurs automation in US, as diners are ordering and paying for food directly with their phones.**

- More than three-quarters of **S&P 500 companies** have reported a higher revenue for 2021 than in 2019.
- Retail investors are rallying around the stock of **Support.com**; retail traders appear to be hoping to set up a short squeeze, based on recent conversations recorded online.
- **US airline bookings** declined in August as the spread of the Delta variant limited travel plans.
- **United Airlines** may be unable to fly Boeing 777 jets like the one that lost an engine over Denver in February, due to longer-than-expected deliberation from federal regulators.
- China's **Huarong Asset Management**, a top manager of distressed debts, confirmed losses of roughly \$16 billion last year.
- Chinese food delivery tech giant **Meituan** reported a jump in quarterly revenue but remained unprofitable for a third consecutive quarter due to expenditures aimed at expansion.
- **McDonalds** and some other **US fast-food restaurants** are considering closing indoor dining or limiting hours of operation due to the spread of the Delta variant across the US.

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# Africa

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- The International Committee of the Red Cross (ICRC) said that over 44,000 people, 45 percent of them children, are currently declared missing across **Africa**; **Nigeria** accounts for over half of the tally.
- **Zambia's** new President Hakainde Nichilema replaced the country's top military commanders and head of police forces, saying that the move will help reassert citizen oversight of security forces.
- The UN's cultural organization, UNESCO, is conducting training for young Africans on how to spot and counter disinformation about the coronavirus pandemic. The most recent two-day courses attracted 347 young people from universities and youth and civil society groups in **Kenya, Tanzania, Uganda, Rwanda, Burundi, Somalia and Seychelles**.

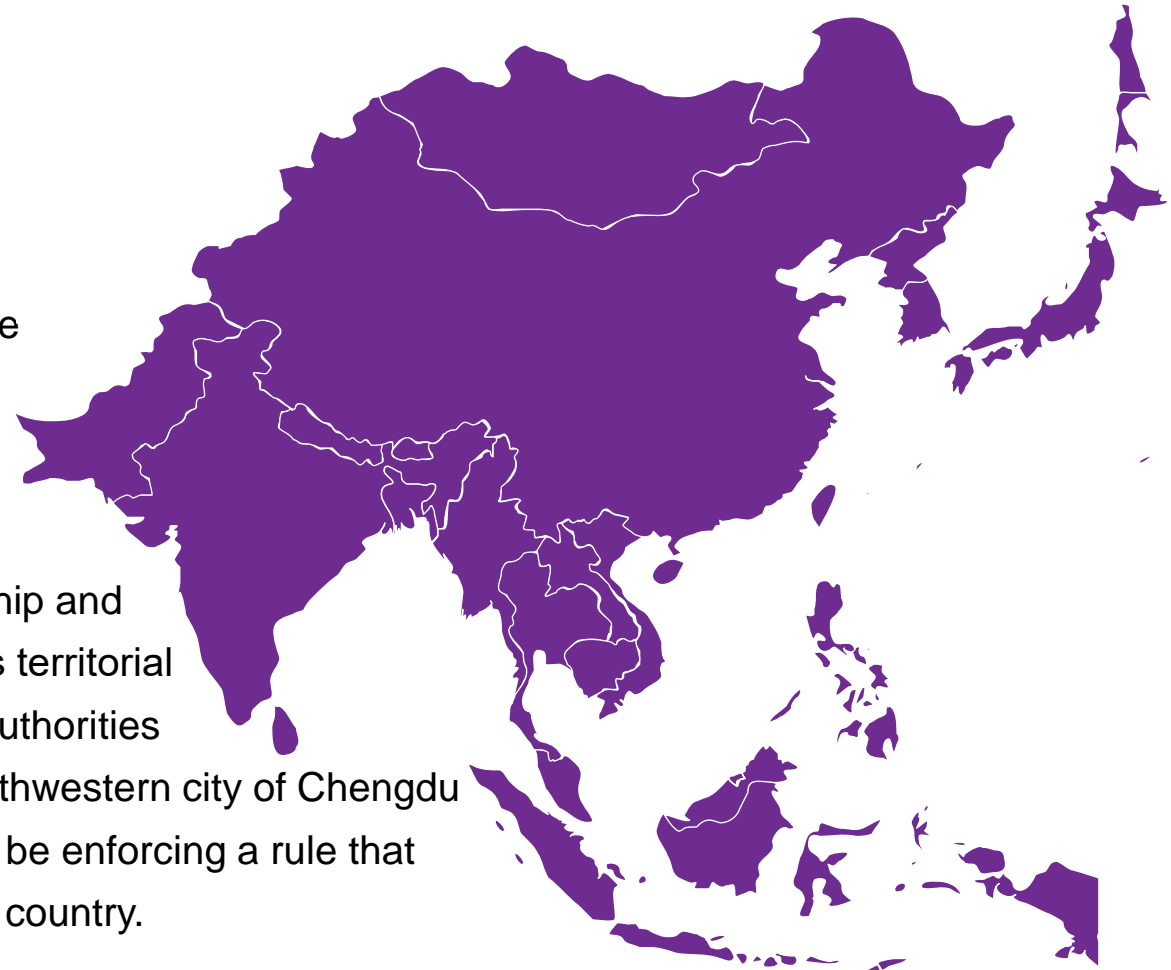


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# Asia

- **Chinese** authorities announced severe new restrictions on online gaming, limiting minors to only three hours of gaming per week. Under-18s can now play online games only from 8-9 pm on Fridays, Saturdays and Sundays, as well as public holidays.
- From Wednesday, Beijing will require foreign vessels to report ship and cargo information to **Chinese** authorities before entering China's territorial waters – including its claims in the South China Sea. Chinese authorities have instructed an **American** Chamber of Commerce in the southwestern city of Chengdu to cease operations; China's Ministry of Civil Affairs appeared to be enforcing a rule that countries maintain only one official chamber of commerce in the country.
- The surge in COVID-19 cases across **East and Southeast Asia** is threatening to disrupt the production of multilayer ceramic capacitors (MLCCs), key components for smartphones, gaming systems, and other advanced electronics.
- **Singapore** Prime Minister Lee Hsien Loong said the country must remain open to preserve its status as a global business hub; the city-state has surpassed 80 percent vaccination. **Indonesia** eased COVID-19 restrictions for more areas, including Solo and Malang, as COVID-19 cases fall.



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# How do You Manage Political Risk?

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*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

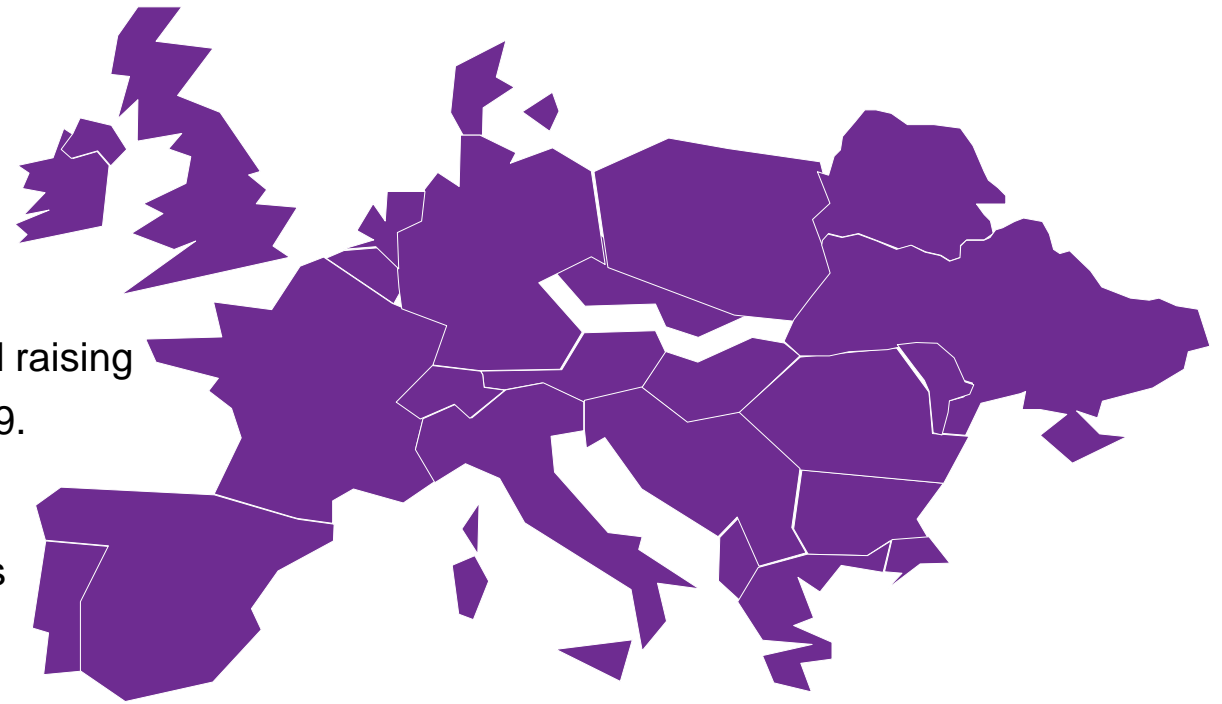
*All interaction with Dentons is attorney-client privileged*

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

# Europe

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- Representatives from all 27 **EU** states agreed to recommend raising restrictions for **US** travelers due to concerns about COVID-19.
- The **EU's** carbon price hit an all-time high of over €61 on Monday, as expectations of higher environmental regulations and winter demand for coal power drove prices.
- The **European** Central Bank's governing council will meet next week to discuss whether the bloc's economic recovery should justify a tapering of its bond-buying. Inflation in the **eurozone** has risen to its highest level in almost a decade.
- **Turkey's** foreign trade deficit widened 51.3 percent year-on-year in July to \$4.278 billion according to the Turkish Statistical Institute. However, Turkey's economy is bouncing back from a pandemic-induced slump with close to 10 percent growth expected this year as manufacturing and consumption soars.
- **Germany's** center-left Social Democrats (SPD) extended their lead over Chancellor Merkel's conservatives in a new poll released Monday.

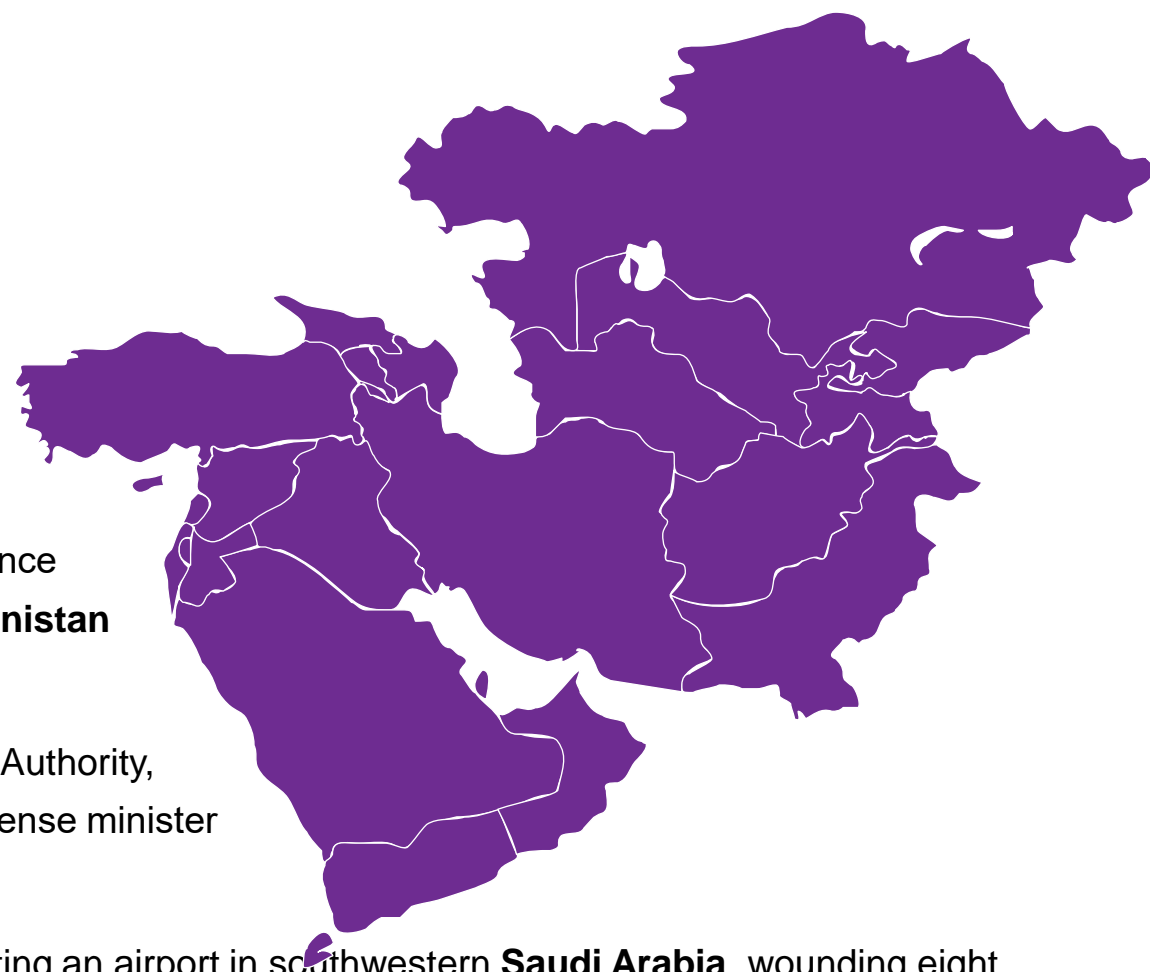


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# Middle East

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- Taliban fighters took control of the airport before dawn, after the withdrawal of the last US troops. A US drone strike targeting ISIS-K members reportedly killed 10 Afghan civilians, according to witnesses. The Taliban's spokesman said that ISIS attacks are expected to end once foreign forces leave the country. The first WHO plane arrived in **Afghanistan** since the Taliban takeover, delivering needed medical supplies.
- **Israel** announced a series of measures to strengthen the **Palestinian** Authority, including a \$150 million loan, following a meeting between Israel's defense minister Benny Gantz and Palestinian President Abbas.
- The **Yemeni** Houthis launched a bomb-laden drone on Tuesday targeting an airport in southwestern **Saudi Arabia**, wounding eight people and damaging a civilian plane. The attack comes just days after missiles and drones hit a key military base in Yemen's south, killing at least 30 Saudi-backed Yemeni troops and marking one of the deadliest attacks in the country's civil war.
- The economic crisis in **Lebanon** is prompting a significant number of **Syrian** workers residing in the country to return to Syria., per the latest UNHCR census.



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# Americas

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- **Canada's** tax agency released details of a secret study linking high home prices to suspected fraudulent millionaire migration and tax evasion. Canadian Prime Minister Trudeau resumed campaigning after protestors caused him to cancel an election rally last week.
- **Venezuela's** opposition parties are expected to announce candidates for upcoming governor and mayoral races this week.
- **Brazilian** President Bolsonaro said that **US** President Biden's Administration "*tends to the left*" and is obsessed with the environment. Roughly 28 percent of Brazilian gold exports in 2019 and 2020 likely came from illegal mines, per a report by public prosecutors and the Federal University of Minas Gerais.

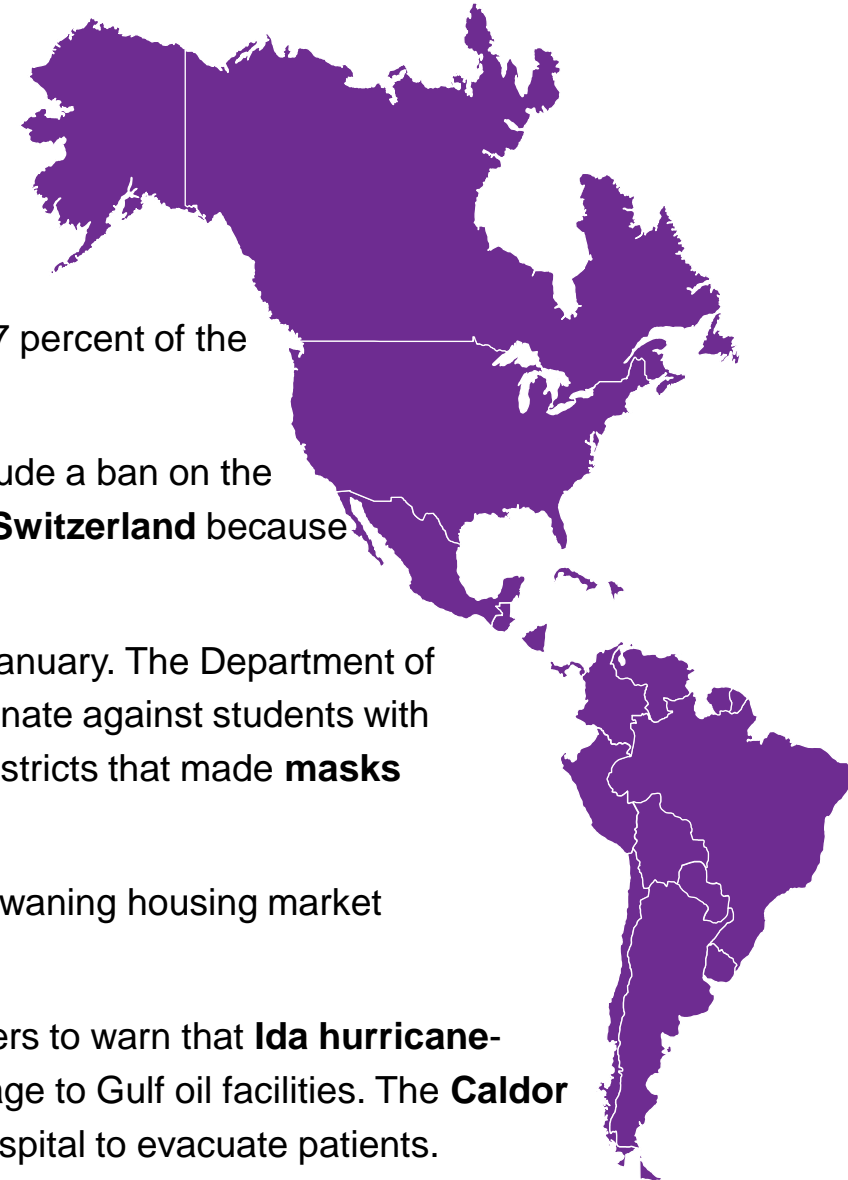


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# Americas: US

- Across the nation, 204.7 million have received at least one dose of the **vaccine**, or 61.7 percent of the total population.
- The Biden Administration warned that future **travel restrictions** for foreigners may include a ban on the unvaccinated. The US has raised its travel advisory levels for **Canada, Germany and Switzerland** because of Covid-19 infection rates in those countries.
- COVID-19 **hospitalizations** have remained over 100,000 for a full week, a first since January. The Department of Education has opened investigations into five states over **mask bans** that may discriminate against students with disabilities. The Florida Department of Education has withheld funds from two school districts that made **masks mandatory** in classrooms this fall.
- **Pending home sales** fell in July for the second consecutive month, in a further sign of waning housing market momentum.
- Oxygen supplies are critically low in a number of Louisiana hospitals, prompting suppliers to warn that **Ida hurricane**-related disruptions could be disastrous. Energy companies are still assessing the damage to Gulf oil facilities. The **Caldor Fire** forced evacuations of some residents of South Lake Tahoe, California forcing a hospital to evacuate patients.
- The number of **hate crimes** in the US rose in 2020 to the highest level in 12 years, propelled by increasing assaults targeting Black and Asian people, per the FBI.

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# The Risks of Corporate “Greenwashing”

By Anni Coonan

***With both corporate leadership and concern about climate change on the rise, proving a company’s green credentials is becoming ever more important for increasing market share, maintaining brand loyalty, and attracting new talent. But while many companies are rushing to project a more eco-friendly image to align with current trends, publicly pledging a heightened focus on climate issues without backing it up, or “greenwashing,” carries serious risks.***

In addition to financial and legal risks from violating disclosure laws or misleading investors, popular backlash against greenwashing from consumers, investors and prospective employees can increasingly damage companies with outdated or insufficiently vetted climate policies.

Some of these consequences depend on the current regulatory environment, while others appear to be turning into permanent cultural fixtures. The regulatory consequences of greenwashing have varied - the Trump Administration did away with the EPA’s authority to require “*supplemental environmental projects*,” for example, removing discretionary punishments that have often been the costliest consequences of environmental violations. Legal consequences for Volkswagen’s high-profile “Dieselgate”

scandal, in which it faced legal action in several countries for making false claims about their cars’ emissions, were likely reduced in the US when the Trump Administration eliminated “*supplemental environmental projects*.” Sometimes, however, even the threat of regulatory investigation is enough to prompt damaging backlash - just last week, shares of German asset manager DSW dropped 13% in a day amid the announcement of US and European investigations that the firm misled clients about its sustainable investing efforts.

Nonetheless, a regulatory consensus around ESG practices is beginning to emerge: just this month, the UK government launched an investigation into brands that label themselves as green or 100% renewable, and the Competition and Markets

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# The Risks of Corporate “Greenwashing”

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Authority is set to publish guidance on eco-friendly marketing claims in September. In April, the Securities and Exchange Commission issued an alert to investors about the risks posed by fuzzy definitions of ESG among firms; since then, several US business leaders, including a former BlackRock sustainability investor and Harvard Business School professors, have called current ESG practices a “deadly distraction” and “*mostly for show*.” As evidence builds that some ESG standards are ineffective or insufficiently upheld, conscious investors will increasingly seek more transparency and firm commitments beyond current best practices.

Popular backlash to greenwashing is likely here to stay, despite fluctuating political environments. In a May poll conducted by the Pew Research Center, “Gen Z,” which comprises Americans about 6 to 24 years old, displayed the strongest commitment to climate issues: 67% said that the climate should be the “*top priority*” of the government to ensure a sustainable planet for future generations, and displayed much more willingness to forgo fossil-fuel based energy for the good of the

environment than older generations. As Gen Z ages and commands more and more of the market, this commitment to the environment will increasingly dominate both the consumer economy and the job market (in a 2020 report by Deloitte, nearly half of Gen Z youth polled said that their personal ethics had guided their job choices, higher than any other age cohort). Last year, law students from Harvard and Yale garnered headlines when they pledged to boycott a law firm over its representation of ExxonMobil. As concern for the environment takes hold, industry leaders will need to increasingly take care to implement forward-looking climate policies, ensuring that they are both talking the talk and walking the walk to guard against legal and financial consequences as well as less tangible reputational costs, such as decreased consumer loyalty and interest from young job prospects. While the evolving regulatory environment and constantly-updating science on climate change make perfection out of reach, today’s consumers, investors and job seekers feel increasingly strongly that corporate leaders must make sincere and transparent commitments to green policies.

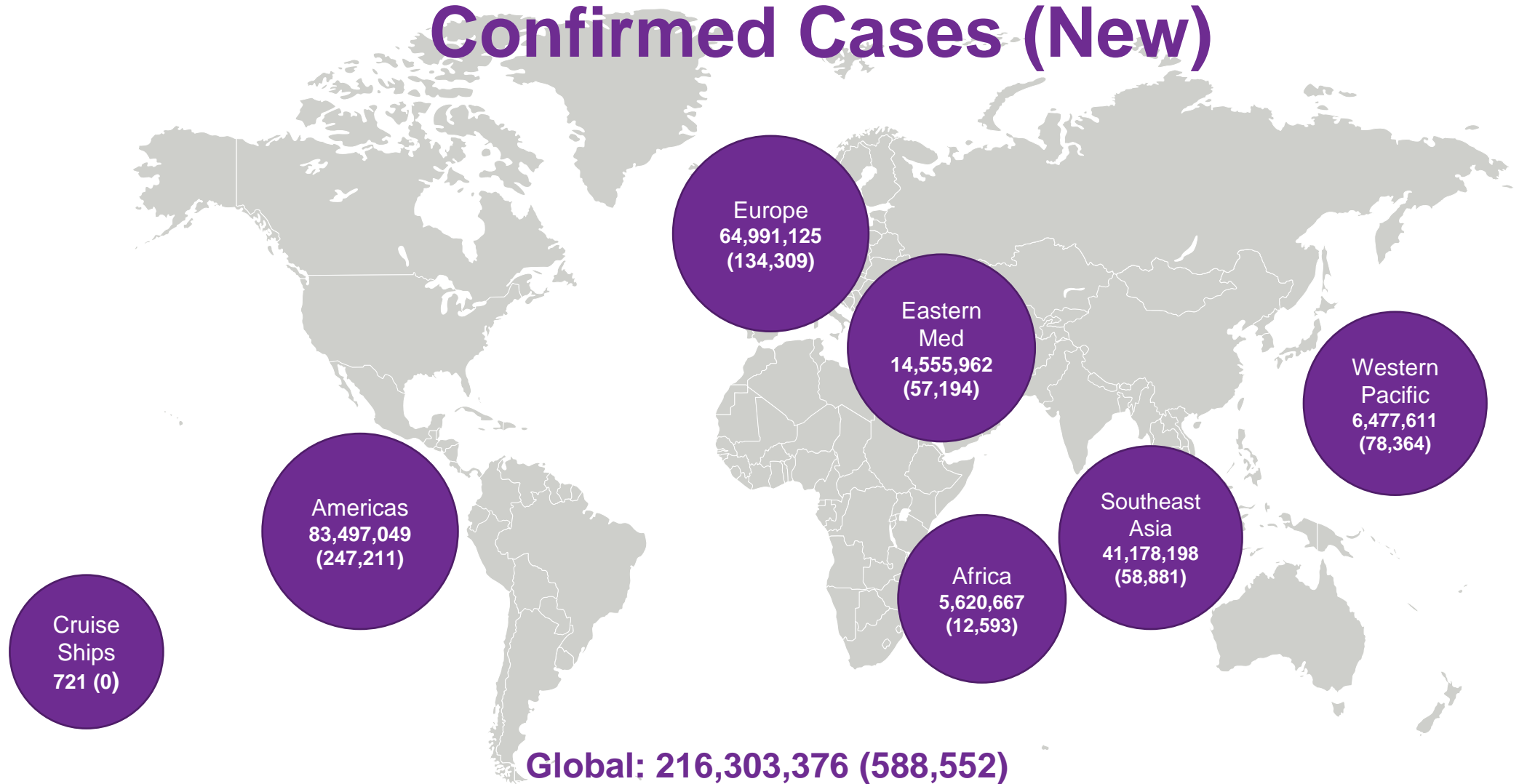
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# Coronavirus Condition Updates

As of 5:51 pm CEST on August 30, 2021

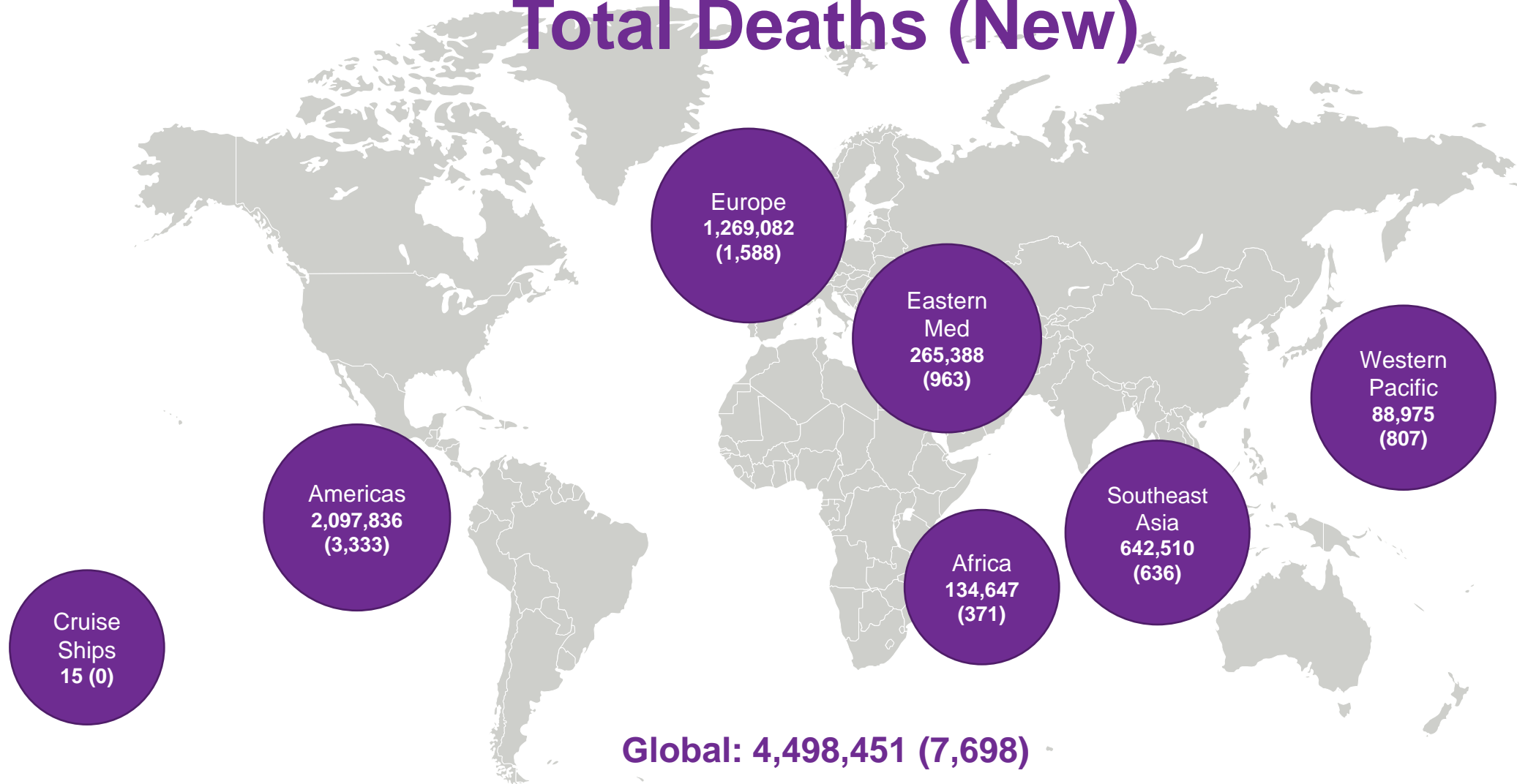
# Confirmed Cases (New)



Reflects data as of 5:51 pm CEST on August 30, 2021.  
Data Source: World Health Organization

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# Total Deaths (New)



Reflects data as of 5:51 pm CEST on August 30, 2021  
Data Source: World Health Organization

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# Contacts

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*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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