

Dentons Flashpoint

Daily Global Situation Report

August 8, 2022

Global Situation Update: August 8, 2022

KEY TAKEAWAYS

China extends military drills around Taiwan and cuts off military and climate change talks with the US.

IAEA warns of grave risks of shelling at the Zaporizhzhia nuclear power plant in Ukraine.

Four more ships carry agricultural products out of Ukraine to global markets.

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, an Egyptian-brokered ceasefire between Israel and Palestinian Islamic Jihad (PIJ) is in place after three days of fighting. Both sides have warned that any violation could reignite the battle. The arrest of a senior PIJ member by Israeli soldiers last week kicked off the latest trouble, which led to reprisals that included missiles fired into Israel and top PIJ leaders assassinated in Gaza. More than 50 people are reportedly dead and hundreds injured.

Hamas, the Islamist movement that governs Gaza, did not enter the fighting, which was the bloodiest in the past year. This may indicate there are deep divisions within the Palestinian camp or be a strategic move by Hamas to continue replenishing its capabilities after a devastating 11-day war with Israel in May 2021.



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Global

The head of the International Atomic Energy Agency (IAEA) raised grave concerns about the shelling at the Zaporizhzhia nuclear power plant in Ukraine, saying the action showed the risk of a nuclear disaster.

- China has extended military drills around **Taiwan**, stoking fears of a drawn-out period of heightened tensions. Taiwan's defense ministry said it had detected 66 Chinese air force planes and 14 Chinese warships conducting activities in and around the Taiwan Strait on Sunday.
- BioNTech expects to begin deliveries of two Omicron-adapted **COVID-19 vaccines** as soon as October, pending regulatory approval.
- Four more ships carrying almost 170,000 tons of corn and other foodstuffs sailed from Ukrainian Black Sea ports on Sunday under a deal to unblock the country's exports after Russia's invasion, to relieve the **global food crisis**.

Markets & Business

Russia has banned investors from so-called unfriendly countries from selling shares in key energy projects and banks until the end of the year, stepping up pressure against the sanction regime imposed on Russia for the Ukraine war.

- **CVS Health Corp** is seeking to buy **Signify Health Inc** as it looks to expand in-home health services.
- **Amazon** is buying **iRobot**, the company best known for its Roomba robot vacuum, for \$1.7 billion as the ecommerce group expands its portfolio of home electronics products and personal services.
- Financial trading firm **XTX Markets** is suing accounting firm **Mazars** for racial discrimination over its refusal to work for XTX Markets because its owner is a Russian citizen and who is not under sanctions.
- **SoftBank Group Corp.** has begun talks to sell asset manager **Fortress Investment Group**, as the Japanese company grapples with record losses.

Environment, Sustainability & Governance

Tensions are mounting ahead of this year's UN climate summit, as vulnerable countries demand rich countries to pay compensation for losses inflicted on the world's poorest people by climate change.

- **Flash flooding** triggered by a near-record downpour on Friday over one of the hottest, driest spots on Earth has stranded nearly 1,000 people inside California's Death Valley National Park and forced its temporary closure.
- France is bracing for a fourth **heatwave** this summer as its worst drought on record left parched villages without safe drinking water and farmers warned of a looming milk shortage in the winter.
- Switzerland is adding to its energy supply an **underground hydropower plant** that will have the capacity to store 900 MW, making it one of the most powerful pumped storage plants in Europe.
- Ground staff of Germany's Lufthansa and management reached a **pay deal**, averting further walkouts during the busy summer travel season.

Africa

- **Ivory Coast** President Alassane Ouattara has offered a presidential pardon to longtime rival Laurent Gbagbo, as part of a reconciliation drive with his predecessors ahead of elections in 2025.
- Suspected Islamist militants from the Allied Democratic Forces killed around 20 people in attacks on two villages in eastern **Congo** over the weekend. The ADF is a **Ugandan** militia that moved to eastern Congo in the 1990s. The group was responsible for 1,050 violent deaths in 2021.
- A UN investigation found that **Malian** government troops and "*white-skinned soldiers*" detained 33 civilians in central Mali in March who were later found shot dead and their bodies burned. The report did not identify the white soldiers. **Russia's** Wagner Group began supplying hundreds of fighters last year to support the Malian military and has since been accused by human rights groups and local residents of participating in massacres of civilians.
- **Chad's** transitional authorities and rebel groups signed a peace agreement in Doha, **Qatar** today ahead of a broad national reconciliation dialogue to take place later this month.



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Asia

- **China** announced it was halting dialog with the **US** in a number of areas, including between military commanders and on climate change, in retaliation over US House Speaker Nancy Pelosi's visit to **Taiwan**.
- **Sri Lanka** has asked **China** to defer the planned visit of a Chinese survey ship to the island country after an objection from **India**. India is concerned that the Chinese-built and leased port of Hambantota will be used by China as a military base in India's backyard.
- **US** Secretary of State Blinken assured the **Philippines** over the weekend that the US would come to its defense if attacked in the **South China Sea**, seeking to allay concerns about the extent of the US commitment to a mutual defense treaty.
- **Hong Kong** announced that the seven-day hotel quarantine period will be replaced with three days of hotel isolation followed by four days of home medical surveillance effective today.



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How do You Manage Incident Response?

2022 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:

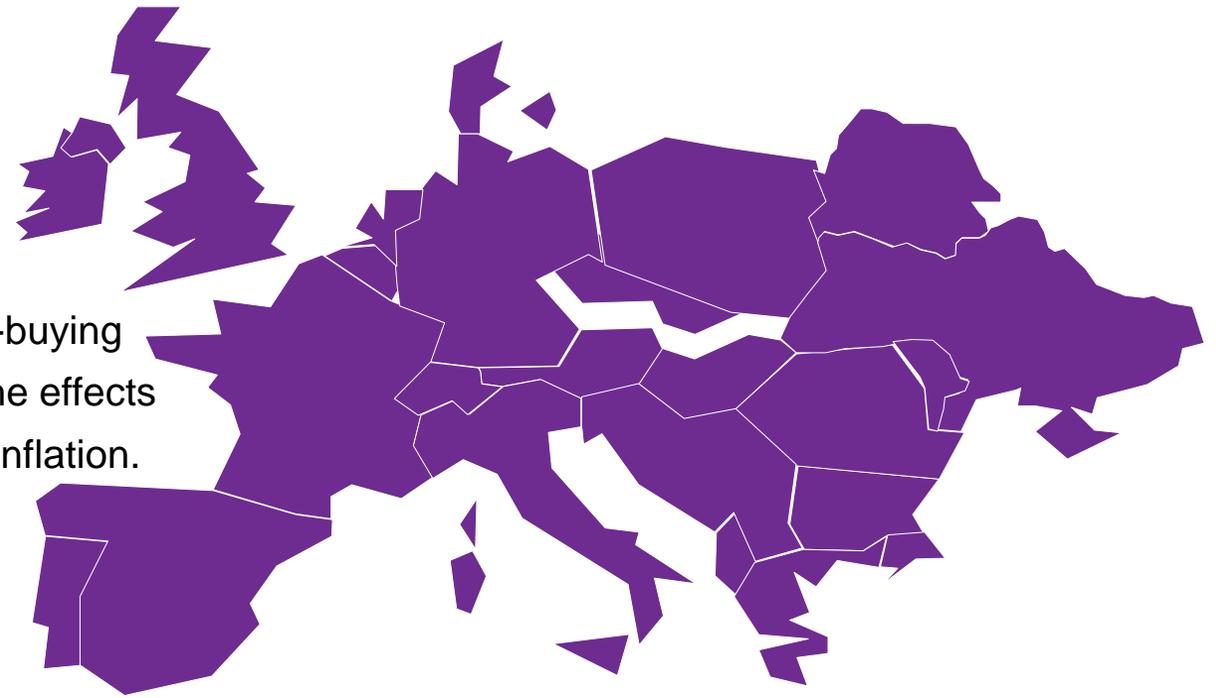
- ❖ Ransomware tabletop exercises
- ❖ Post-tabletop action reports
- ❖ Maturity assessments for preparedness
- ❖ Supply-chain attack simulation
- ❖ Comprehensive incident response plan
- ❖ Threat analysis and monitoring

All interaction with Dentons is attorney-client privileged

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

Europe

- The **European** Central Bank is using its pandemic-era bond-buying program to shield highly indebted eurozone countries from the effects of its decision to unwind stimulus programs in its bid to fight inflation.
- **Italy's** centrist Azione party is leaving a center-left election alliance, dealing a blow to the coalition's odds ahead of a September 25 ballot. Polls show that a conservative alliance is poised to win next month's election, with the far-right Brothers of Italy set to be the largest single party. Italy's election law favors parties that form broad alliances.
- **Ukraine** said on Sunday that renewed **Russian** shelling had damaged three radiation sensors and hurt a worker at the Zaporizhzhia power plant, in the second attack in consecutive days on Europe's largest nuclear facility.
- People living in **Europe** are crossing borders to obtain the monkeypox jab as authorities in their own countries struggle to provide doses because of severe vaccine shortages. The **UK** Health Security Agency said there were "*early signs*" that the monkeypox outbreak is plateauing across the country and that its expansion has slowed.



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Middle East

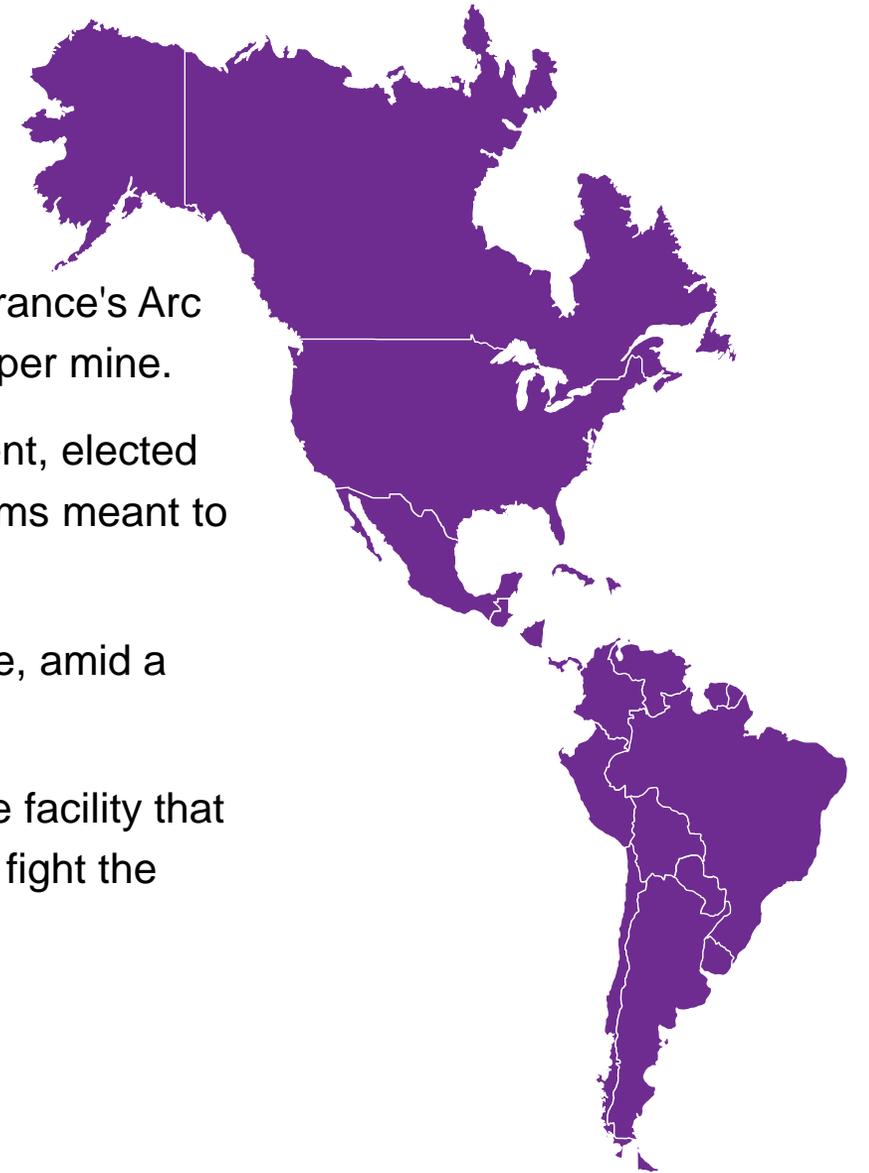


- In the continuing downward spiral of the economic crisis, **Lebanon's** banking association ABL announced that banks would go on strike starting Monday over a build-up of “*populist, harmful stances*” taken against the sector.
- **Yemen's** government appealed for emergency humanitarian assistance for thousands of internally displaced people who were affected by torrential rains and flash floods that hit the central city of Marib.
- **Saudi Arabia and Jordan** condemned Israeli settler storming of Al-Aqsa Mosque courtyard in what the Riyadh called a “*serious violation of international law.*” Jordan urged **Israel** to “*respect [the mosque's] sanctity and halt measures aimed at altering the historical and legal status quo.*”
- **Israel** and Palestinian militants have agreed to a truce in **Gaza**, starting Sunday evening, after a weekend-long clashes, triggered longer-range rocket attacks against Israeli cities. The Palestinian Islamic Jihad movement on Sunday confirmed the killing of one of its senior armed commanders in an Israeli air strike on the Gaza Strip.

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Americas

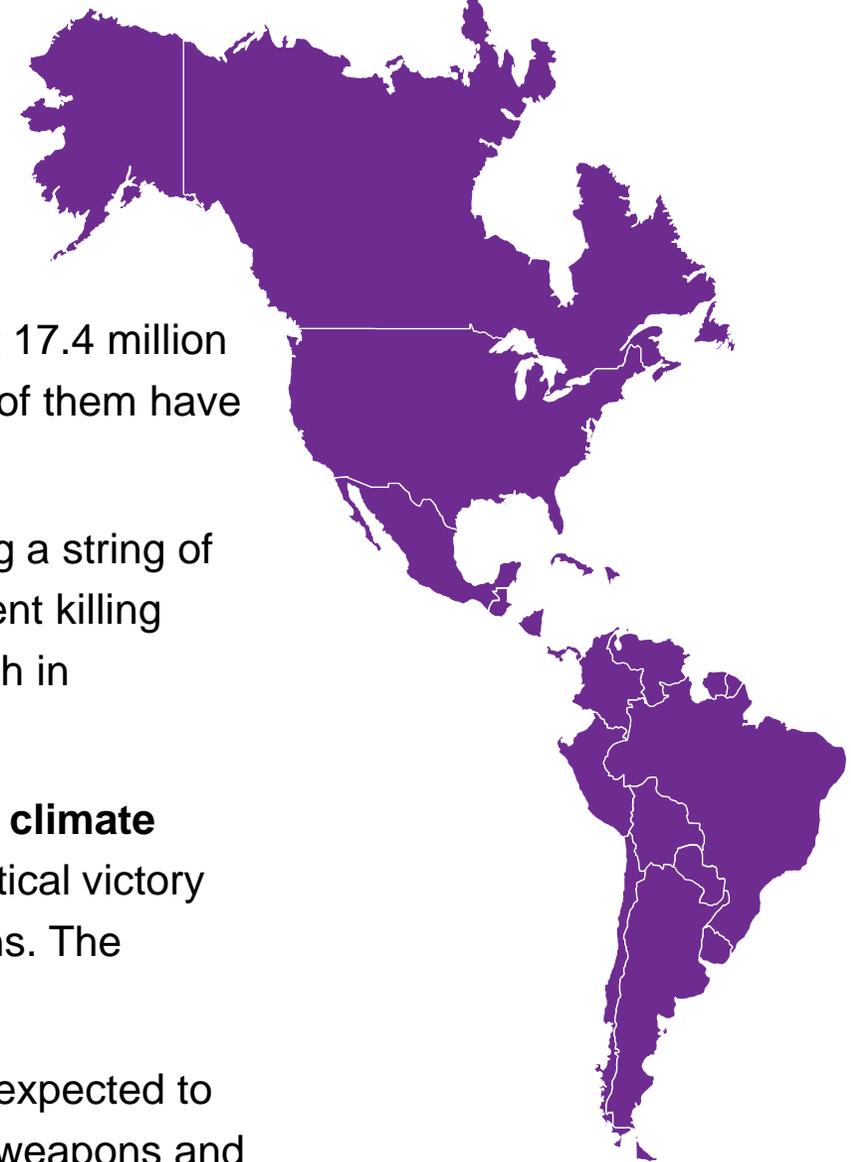
- A sinkhole in **Chile** has doubled in size, growing large enough to engulf France's Arc de Triomphe and prompting officials to order work to stop at a nearby copper mine.
- Gustavo Petro on Sunday was sworn in as **Colombia's** first leftist president, elected by voters who hope he can carry out ambitious social and economic reforms meant to reduce violence and deep inequality.
- Gangs killed a former **Haitian** senator in an affluent area of Port-au-Prince, amid a spike in violence by criminal groups in the Caribbean nation's capital.
- **Cuba** sought on Sunday to bring under control a fire at its main oil storage facility that has killed one firefighter, drawing on help from **Mexico and Venezuela** to fight the raging flames. The fire was started by a lightning strike.



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Americas: US

- More than a month after the CDC recommended **COVID-19 shots** for about 17.4 million **children** ages 6 months through 4 years, only about 4 percent to 5 percent of them have received a shot.
- State and federal law-enforcement agencies in New Mexico are investigating a string of **murders of Muslim men** in Albuquerque as possibly related. The most recent killing occurred on Friday night, following two others in July and August and a fourth in November.
- The Senate passed a sweeping **\$430 billion bill** yesterday intended to fight **climate change, lower drug prices and raise some corporate taxes**, a major political victory for President Biden and Democrats, just months before the midterm elections. The legislation now goes to the House of Representatives.
- The Biden administration's next security assistance package for **Ukraine** is expected to be \$1 billion, one of the largest so far, and include munitions for long-range weapons and armored medical transport vehicles.



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The Future of Work: The Use of Robots

By Matthew Gardell

Robots are reshaping the modern workplace as more companies consider introducing robotic automation into their operations. The pandemic and tight labor market have catalyzed more robotics development, particularly in the restaurant industry. Robots could revolutionize the workplace and fill gaps for businesses, but some workers worry about job security and the long-term implications.

Amazon recently unveiled an advanced autonomous mobile robot (AMR) called Proteus that is designed to move packages throughout the company's warehouses. Proteus is the latest development in robotics technology that is increasingly being used in workplaces. This robot will also work alongside humans, rather than being separated, and could portend the possibility that more humans will actually work closely with physical robots in the future. Companies utilize robots for a variety of reasons, including automation, improving efficiency, increasing production quality and compensating for worker shortages. Although robots may be a boon for business operations, there is some empirical research to suggest that robots reduce employment and suppress wages while also having adverse effects on human workers, including causing mental health issues.

Robot Uses

Robotic automation has gradually developed to become a feature of the modern workplace. In the US, four manufacturing industries account for the majority of robot uses in the workplace: the automotive, electronic, plastic and chemical, and metals sectors. Robots can be faster, more precise and better at sensing sound and movement than humans; in a sector such as the automotive industry, that level of precision and efficiency can make all the difference in a company's operations. Robots also often take on dangerous jobs such as inspecting offshore oil rigs, defusing bombs and inspecting unstable structures.

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The Future of Work: The Use of Robots

Robots are not just becoming a feature in advanced manufacturing but also in industries where there is interface with customers. In the restaurant and hospitality industries, labor-saving robots are becoming more ubiquitous in the workplace as the pandemic induced big labor shortages. In the future, when you step into a restaurant, a physical robot may pour your drink or cook your meal. Robotic bartenders are cropping up, and major companies like McDonalds and Burger King have innovation teams in place looking at how robots can improve operations. Miso Robotics has even developed an autonomous robotic kitchen assistant called Flippy that is featuring in more restaurants. Far from being a novelty, the use of these robots speaks to just how much the pandemic roiled labor markets in these industries to the point where businesses are now accelerating the integration of robots into their operations.

Business Risks and the Effects on Workers

The integration of robots in workplace operations appears to be an accelerating trend, but there are risks for business leaders and concerns for workers. From a risk perspective, many businesses assume that robots will lead to less accidents and a safer workplace, but the human programmers that give robots instructions can make

mistakes. Workplace accidents can lead to liability lawsuits and be an onerous cost for companies. There are examples of robots allegedly causing accidents at automobile plants and hospitals. Cybersecurity could also be a risk, as robots could be programmed to be connected to corporate networks or to each other which would increase enterprise, cloud and security risks. Given that robots could also feature in government operations, such as the US Department of Homeland Security's potential use of robot dogs to patrol the US-Mexico southern border, there could also be nexus between the use of robots and criminal gangs and other geopolitical risks.

New research and studies are emerging that suggest that humans working alongside robots experience heightened stress. According to a University of Pittsburgh study, exposure to robots could negatively affect employees' mental health. Researchers found that in areas that had a higher integration of robots with humans in workplaces, drug-or alcohol-related deaths were higher. For businesses, this is a worrying proposition given the increasing focus and conversation on mental health in the workplace (many employers are introducing new mental health benefits as a retention measure). In a tight labor market that continues to boom, the introduction of robots in the workplace could therefore be a retention risk for employers.

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The Future of Work: The Use of Robots

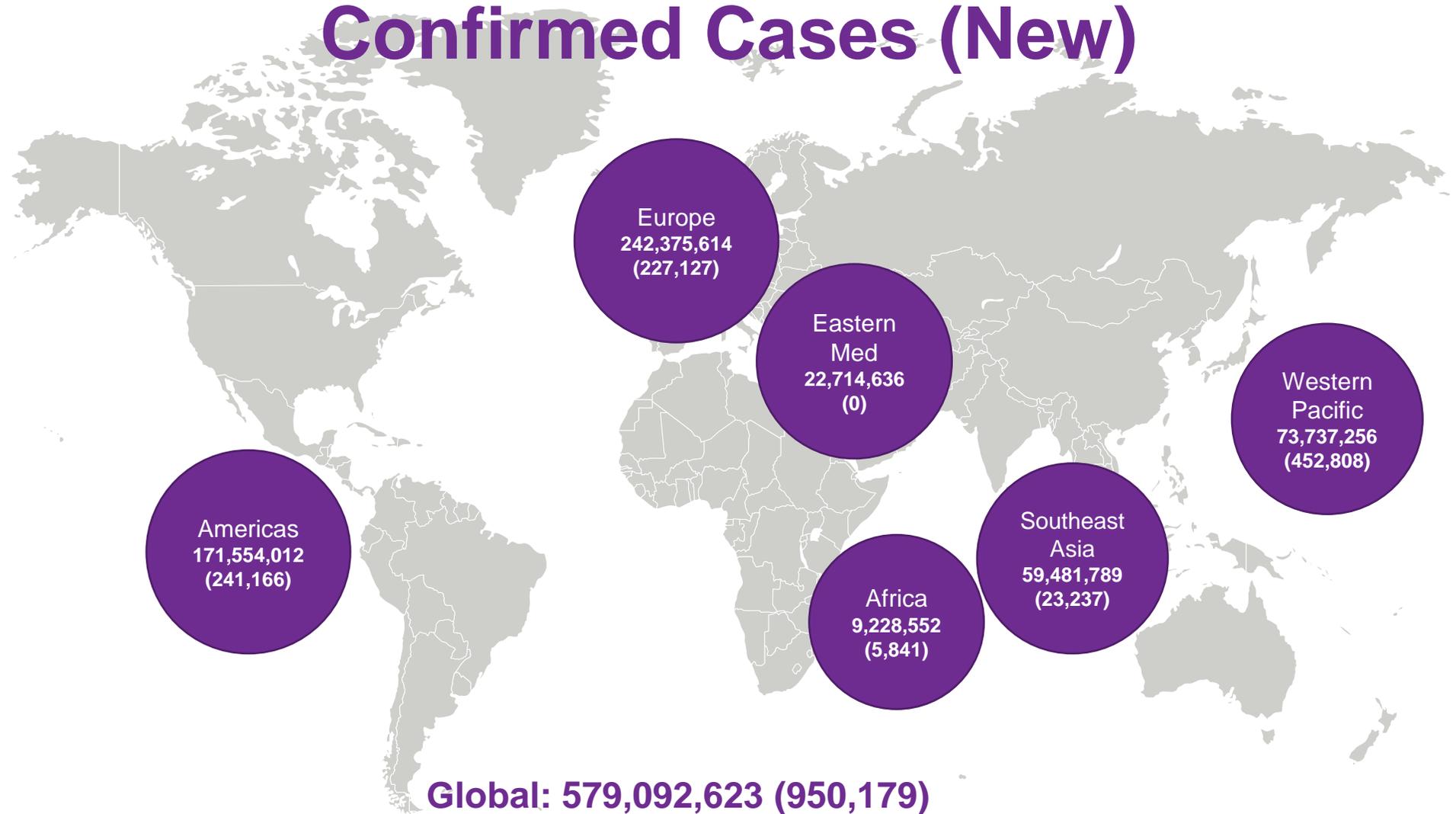
Given technological advances and the increasing use of automation, robots are expected to be a mainstay of the future of work. Some analysts argue that we are in the midst of a new “industrial revolution” with robots at the center of this transformation. In 2017, McKinsey Global Institute found that up to 800 million workers around the world will lose their jobs by 2030 and be replaced by robotic automation. Given the high stakes, business and government leaders will have to reckon with this transformation that shows no signs of slowing down. This may mean preparing workers for more automation and investing in opportunities for those whose jobs are at risk to robotic automation. On the other hand, some studies suggest the move to more robotics use is a net benefit that will actually create jobs while leading to greater global productivity, workplace safety and living standards. The debate over robots and the future of work will continue but given the technological transformation that is already happening, more robots in the workplace may be inevitable.

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Coronavirus Condition Updates

As of 5:26 pm CEST on August 5, 2022

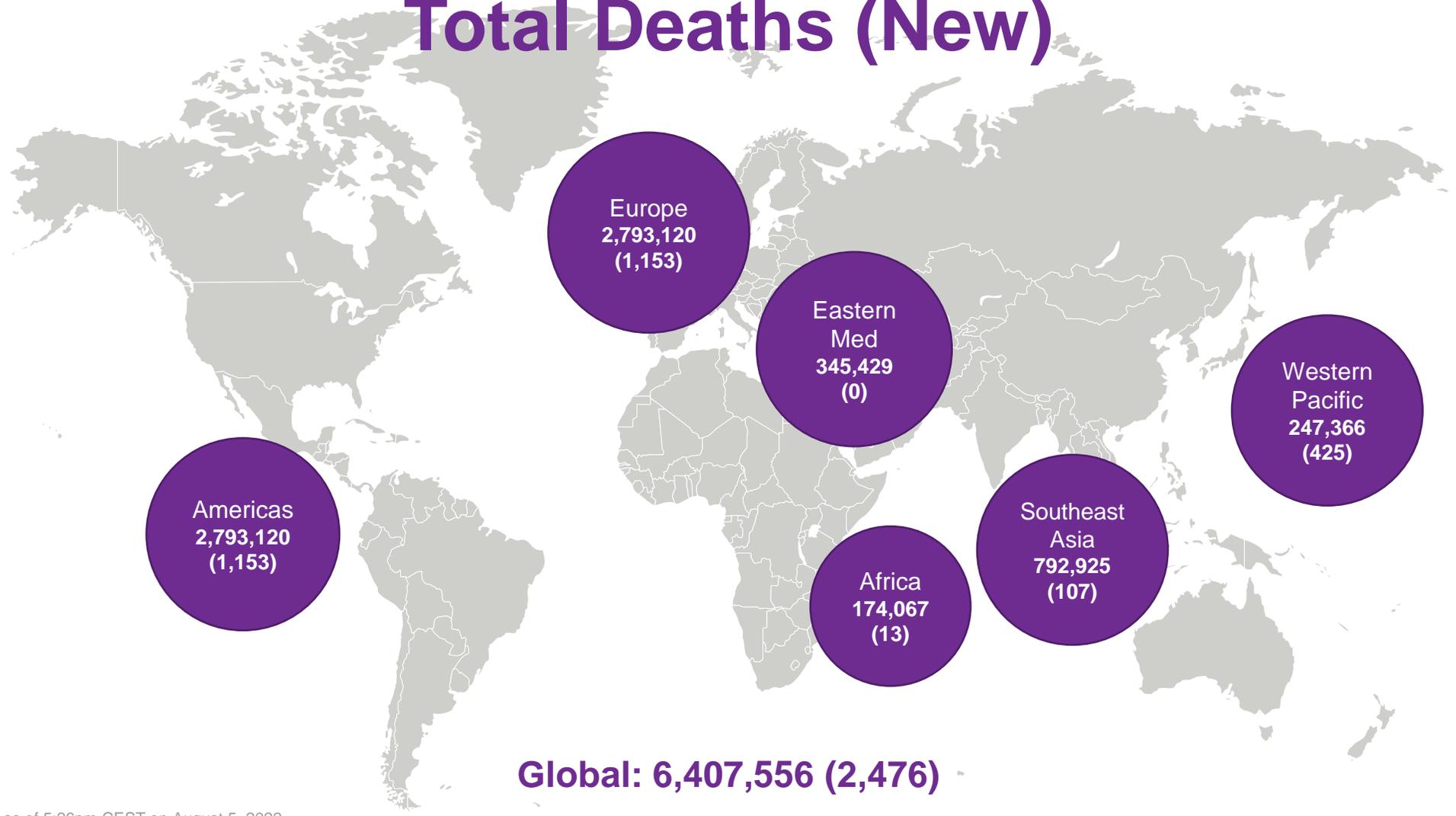
Confirmed Cases (New)



Reflects data as of 5:26pm CEST on August 5, 2022.
Data Source: World Health Organization

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Total Deaths (New)



Reflects data as of 5:26pm CEST on August 5, 2022.
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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