

Dentons Flashpoint

Daily Global Situation Report

October 19, 2021

Global Situation Update: October 19, 2021

KEY TAKEAWAYS

Russia suspends its mission to NATO in response to NATO's expulsion of "*undeclared Russian intelligence officers*" earlier this month.

American Express announces long-term policy promising four weeks of full remote work per year.

Scientists say AY.4.2, a new COVID-19 Delta descendant variant, may be more infectious than its ancestor.

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: October 19, 2021

WHAT WE'RE WATCHING

Today, US Defense Secretary Austin continues his tour across the Black Sea region with a stop in Ukraine after his visit to Georgia. Austin next heads to Romania before taking part in the in-person defense ministers summit at NATO in Brussels on October 21-22. The tour is a show of American and NATO support for Black Sea countries that have active and frozen conflicts with Moscow and will also thank allies that contributed to Afghanistan over the years.

Austin made a major declaration that there is an “open door to NATO” for Georgia and Ukraine, while Romania is a current member of the alliance. This statement is a significant escalation of tensions with Russia, whose troops occupy territory in each country and considers expanded NATO membership “a red line.”



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Global

Globally, confirmed coronavirus cases topped 240.2 million with 4.8 million deaths; more than 6.5 billion vaccine doses have been administered.

- South Africa announced that it would postpone approval of the Russian **Sputnik V vaccine** because the vaccine contains an adenovirus that studies have linked to increased HIV infection risk in populations where HIV is already widespread.
- Scientists say AY.4.2, a new **Delta descendant variant**, may be more infectious than its ancestor, 10 percent-15 percent more transmissible, and is responsible for a growing proportion of COVID-19 cases in the UK.
- The WHO asked for further data from India's Bharat Biotech to inform its decision on emergency use listing from its **COVID-19 vaccine, Covaxin**, saying it could not "*cut corners*" in its assessment.
- India has reportedly delayed committing supplies of vaccine to the **COVAX** global sharing platform.

Markets & Business

Russia plans to Google a percentage of its annual Russian turnover for repeatedly failing to delete content deemed illegal; the fine could reach which could reach as much as \$240 million.

- **American Express** announced a new company policy allowing employees to work from anywhere for up to four weeks per year, including 15 days of work outside of their country.
- **Apple** announced two new computers powered by its custom “Apple Silicon” chips, giving it an edge in the ongoing chip shortage.
- The world’s largest carmakers could face a potentially crippling shortage of **aluminium**, as China’s power crisis threatens supplies of a key component used to make the lightweight metal, per new Barclays report.
- **Amazon** will seek to hire 150,000 seasonal workers in the US to cope with holiday demand.
- Five members of the US House Judiciary Committee accused **Amazon** of misleading or lying to Congress about Amazon’s business practices.

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Africa

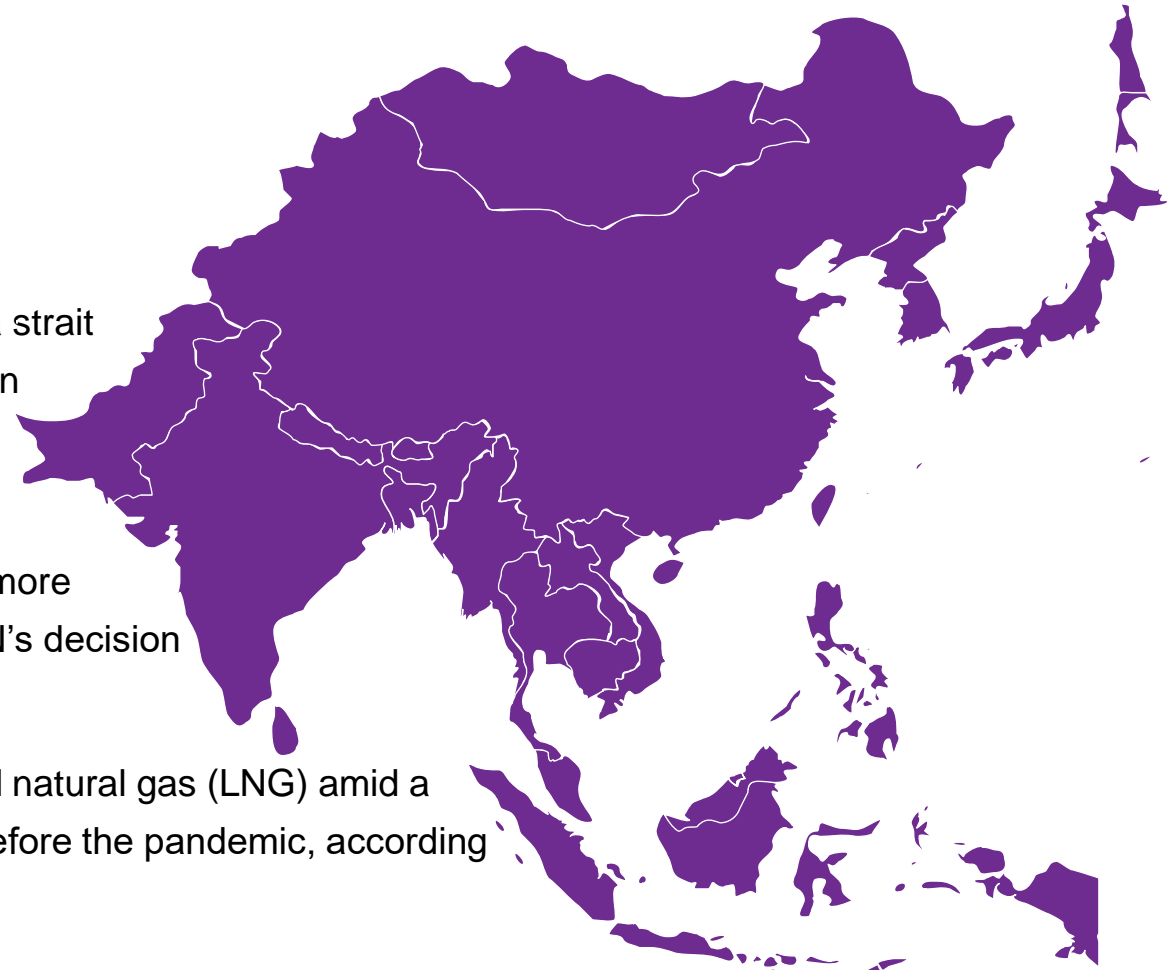
- **Ethiopian** forces hit the Tigrayan capital of Mekele with airstrikes on Monday, killing at least three, signaling a new phase of the yearlong war between the central government and Tigray region.
- An ECOWAS delegation visited **Mali** to announce that elections planned by the military junta for February must go ahead.
- Former **Ivorian** president Laurent Gbagbo, who returned from exile abroad just this year, launched a new party called the African People's Party's Congress, teeing up a political rivalry with current President Ouattara in upcoming polls.
- According to a new report by the US climate agency, Africa's eastern glaciers will vanish in two decades, 118 million poor people face immanent drought, floods or extreme heat, and **climate change** could also shave 3 percent off continental GDP by mid-century.



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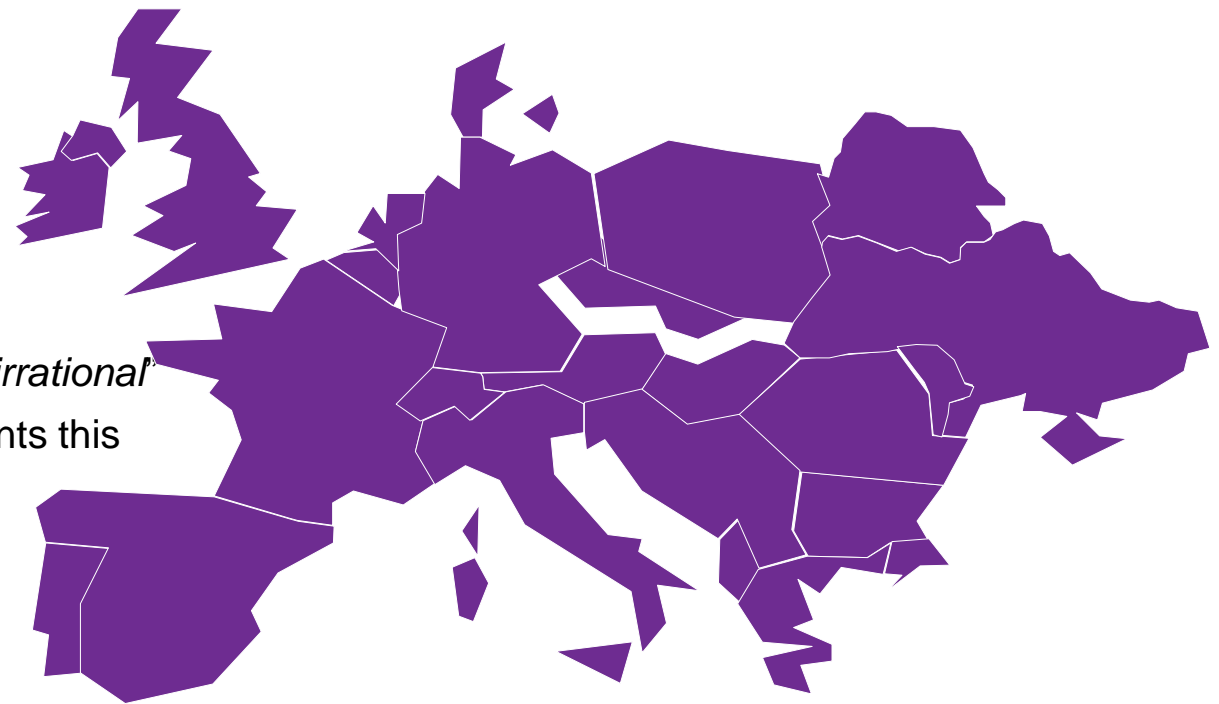
Asia

- A group of 10 naval vessels from **China and Russia** sailed through a strait separating **Japan's** main island and its northern island of Hokkaido on Monday. Japan has territorial disputes with both China and Russia over a group of tiny East China Sea islets.
- The leader of **Myanmar's** military junta announced plans to release more than 5,000 people jailed for anti-coup protests, just days after ASEAN's decision to exclude Myanmar from its upcoming summit.
- **India** is reportedly pressuring Qatar to expedite deliveries of liquefied natural gas (LNG) amid a national power shortage. India's economy is now doing better than before the pandemic, according to a Nomura Singapore index.
- **Japan** began trials of new policies requiring proof of vaccination or negative test results at eateries, in anticipation of a possible winter wave. **New Zealand** Prime Minister Ardern said that Auckland will remain in lockdown for another two weeks.
- Recent court judgements have freed **Hong Kong** authorities to use national security powers to launch investigations into acts that took place before the national security law was imposed a year ago, despite past assurances that the law would not be retroactive.



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Europe



- Societe Generale analysts predict that **Turkey** will take the “*irrational*” move of cutting its key interest rate by another 100 basis points this Thursday.
- **Russia** announced that it will suspend the activities of its mission to **NATO** and strip NATO staff in Russia of their credentials in response to NATO’s expulsion of “undeclared Russian intelligence officers” earlier this month. The escalation in tensions will mean that NATO and Russia will no longer hold high-level military-to-military communications.
- **Latvia** announced a COVID-19 lockdown from October 21 to November 15 in an effort to slow the recent spike in cases. **Russia** reported 34,325 new infections, its highest daily count since the start of the pandemic. **Germany** is planning on lifting its pandemic-related state of emergency as early as November 25. Conditions in the **UK** are worsening, with the country reporting the highest number of daily new cases since July. The **Czech Republic** reported the highest daily tally since late April.

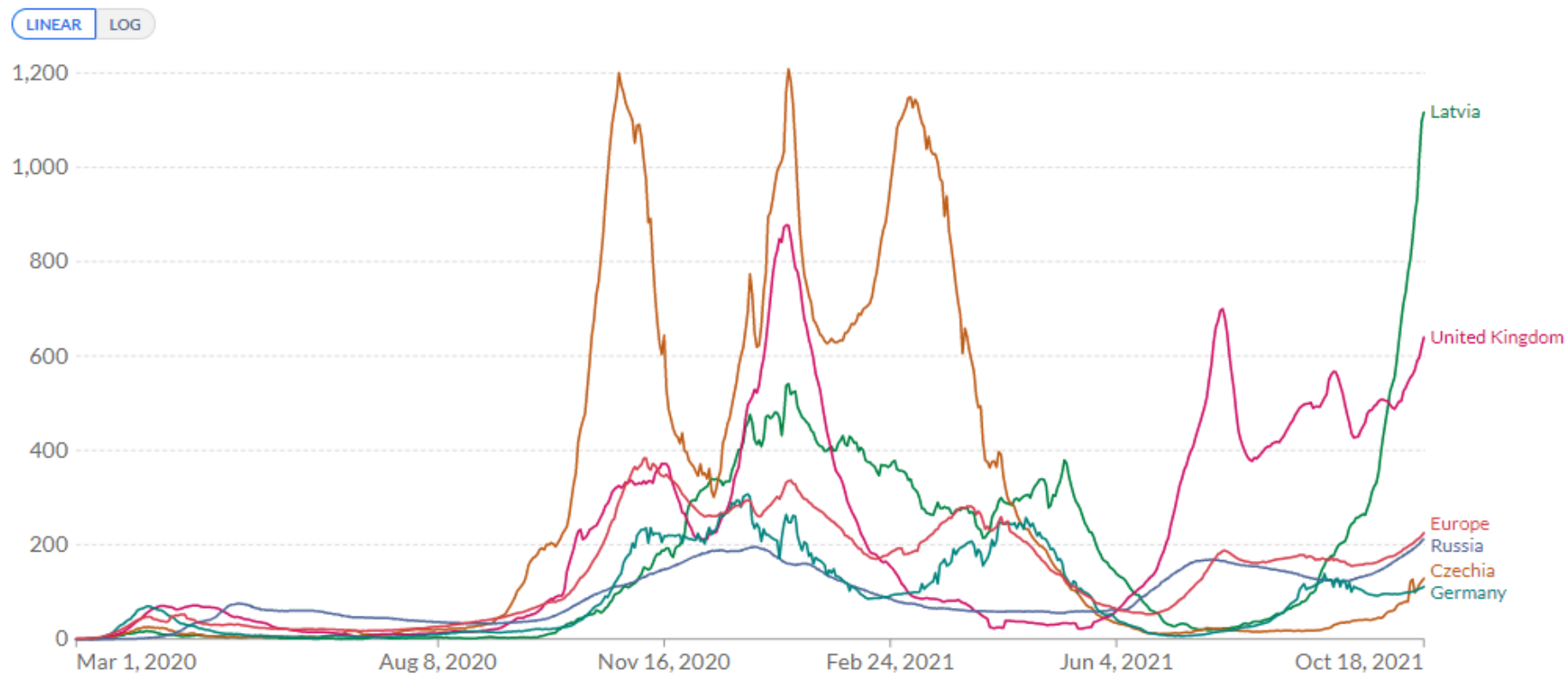
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Europe

Daily new confirmed COVID-19 cases per million people

Shown is the rolling 7-day average. The number of confirmed cases is lower than the number of actual cases; the main reason for that is limited testing.

Our World
in Data



Source: Johns Hopkins University CSSE COVID-19 Data

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How do You Manage Risks?

The coronavirus pandemic has not just added a new layer of risk for business leaders to navigate, but has accelerated drivers of change, including disruptive technologies, political and economic realignments and cultural priorities on equality, justice and conservation, while increasing vulnerabilities that bad actors seek to exploit.

Dentons Intelligence and Security Services Group offers bespoke services to provide business leaders with the intelligence they need to understand and thrive in complex operating environments.

- ❖ due diligence and compliance investigations
- ❖ physical and cyber security assessments
- ❖ country and political risk assessments
- ❖ enterprise risk management and organizational resiliency advice
- ❖ crisis and incident response (physical security breaches and cyber incidents, insider threats and reputational impacts)

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

Middle East



- The **Egyptian** government plans to require public servants to get vaccinated against COVID-19.
- **Dubai** signed an accord to build infrastructure in Jammu and Kashmir, amid a resurgence of violence in the region. Dubai's move marks the first foreign government investment agreement in the region since the withdrawal of Kashmir's autonomy by **India**.
- The leader of **Lebanon's** Hezbollah called last week's violence in Beirut an important event that marks a new phase in internal politics, accusing the Christian Lebanese Forces party of being responsible for the bloodshed. He also said that Hezbollah is stronger than ever and has 100,000 trained fighters.

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Americas

- **Bolivia's** interior minister accused members of the group involved in the assassination of **Haitian** President Moise of conspiring to kill Bolivian President Luis Arce in 2020.
- **Haitians** held nationwide strikes Monday to protest the prevalence of kidnappings in the country, as international attention is focused on the issue by the recent abduction of 16 US missionaries.
- Demonstrations took place across **Chile** yesterday to mark the second anniversary of the start of months of protests against inequality that triggered a social shift and led to formation of a representative assembly to redraft the country's constitution.
- Indigenous communities from **Ecuador's** Amazon sued the government to halt plans to increase oil development in the country, calling the expansion efforts a "*policy of death*."



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Americas: US

- Across the nation, 219 million have received at least one dose of the **vaccine**; or 66.0 percent of the total population. The FDA is expected to say this week that people can get coronavirus vaccine **booster shots** that are different from their initial doses.
- US **homebuilder confidence** rose for the second consecutive month in October on strong consumer demand.
- California recorded its driest year in a century amid a period of above-average **wildfires, extreme heat and extended droughts**.
- The Treasury Department unveiled a revised **sanctions framework** intended to make sanctions more targeted and effective, following a review launched by Biden in January.
- Treasury warned that more action is needed to protect against risks from **cryptocurrencies**.



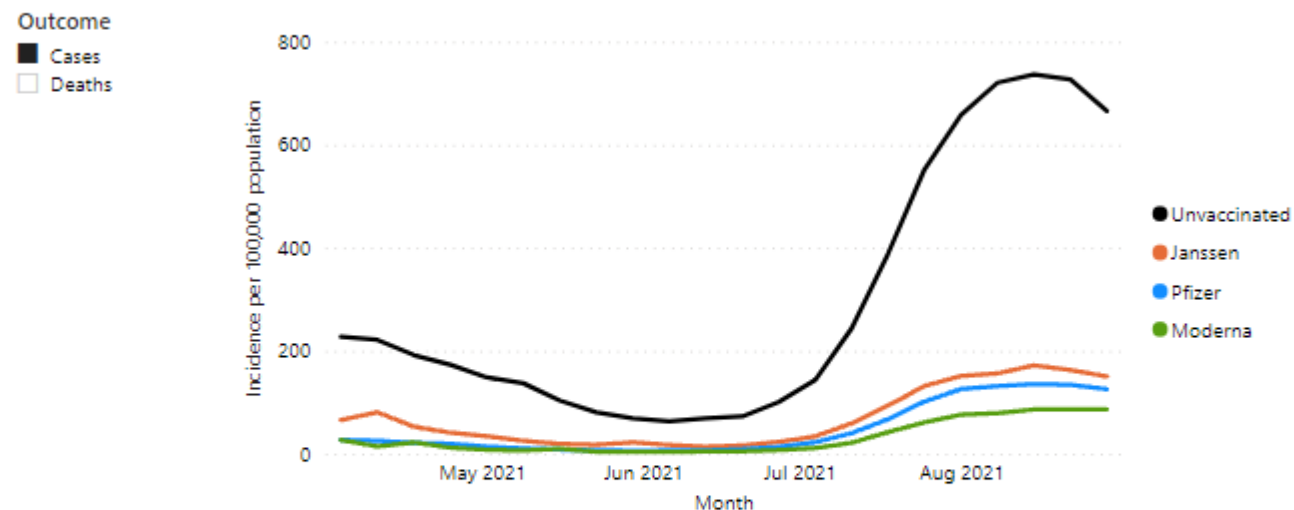
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Americas: US

More than half US states and the District of Columbia have reached the 70 percent vaccination target set by the White House. Many states, particularly in the South and Midwest, are still far from reaching the threshold as vaccine resistance persists despite compelling research by the CDC that unvaccinated Americans are 11.3 times as likely to die from COVID-19 than vaccinated Americans.

Rates of COVID-19 Cases or Deaths by Vaccination Status and Vaccine Product

April 04 - September 04, 2021 (16 U.S. jurisdictions)



In August, unvaccinated persons had:

6.1X

Greater Risk of Testing Positive for COVID-19

AND

11.3X

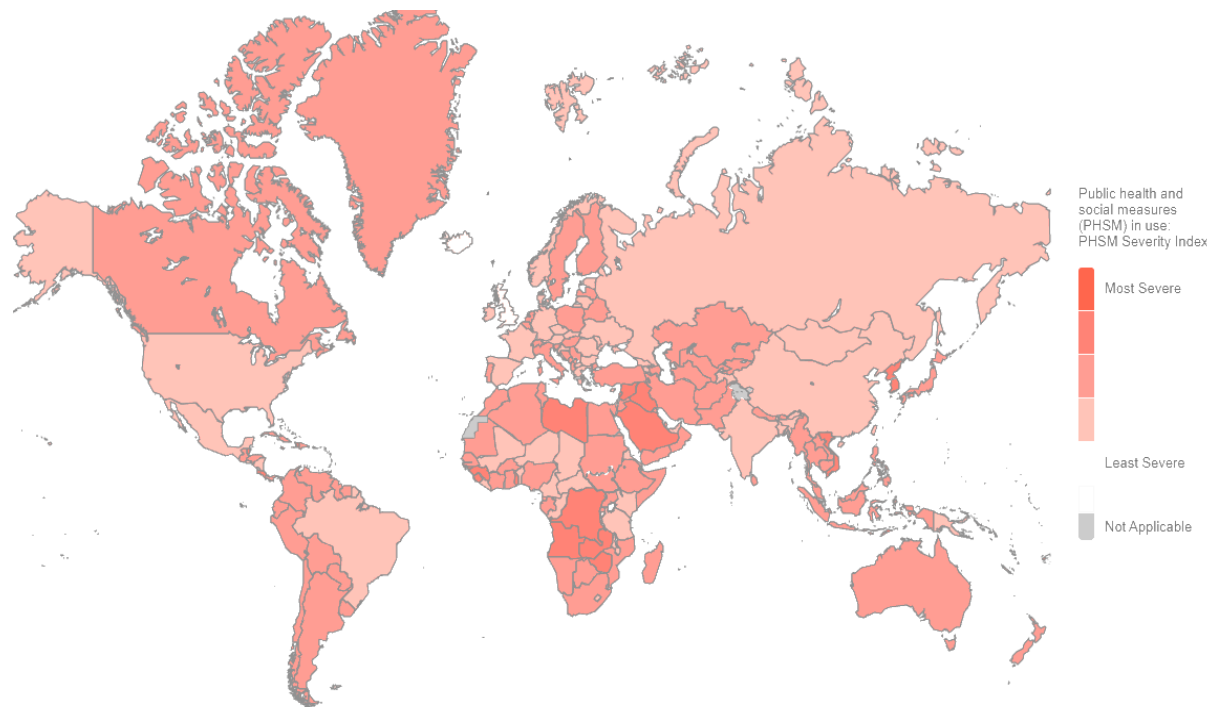
Greater Risk of Dying from COVID-19

compared to fully vaccinated persons

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Visualizing Risk: Mapping Global COVID-19 Restrictions

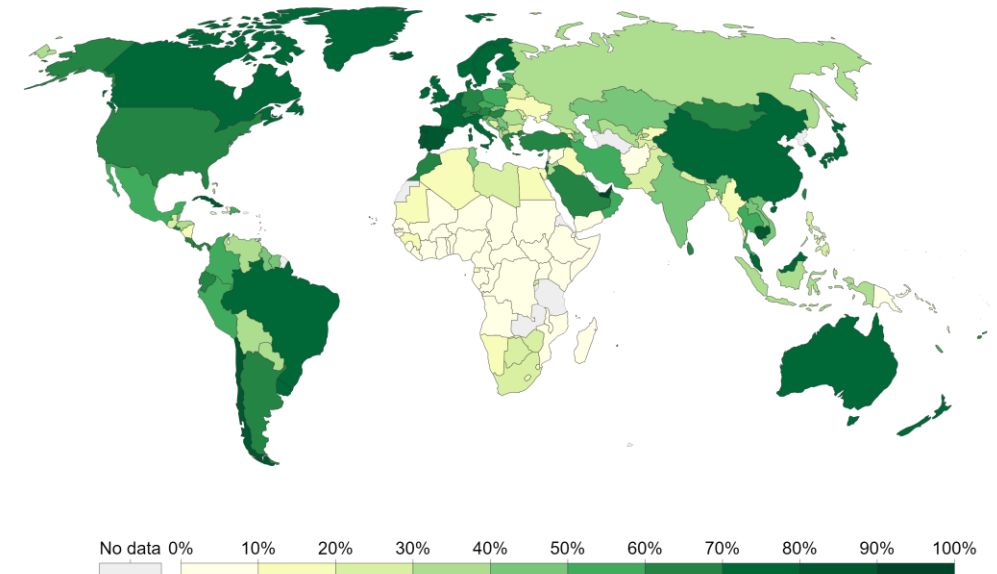
Despite rising uptake of vaccines across most regions, COVID-related restrictions on business and international travel are likely to remain a reality for months to come. The WHO calls these “Public Health and Social Measures” (PHSM), and is continuing to map the evolution of virus response across the world. The severity of PHSMs do not necessarily correlate with levels of vaccination and spread of COVID-19, underlining the difficulty businesses will face in navigating risks posed by COVID-related restrictions during the next phase of the pandemic.



Source: World Health Organization

Share of people who received at least one dose of COVID-19 vaccine
Total number of people who received at least one vaccine dose, divided by the total population of the country.

Our World
in Data

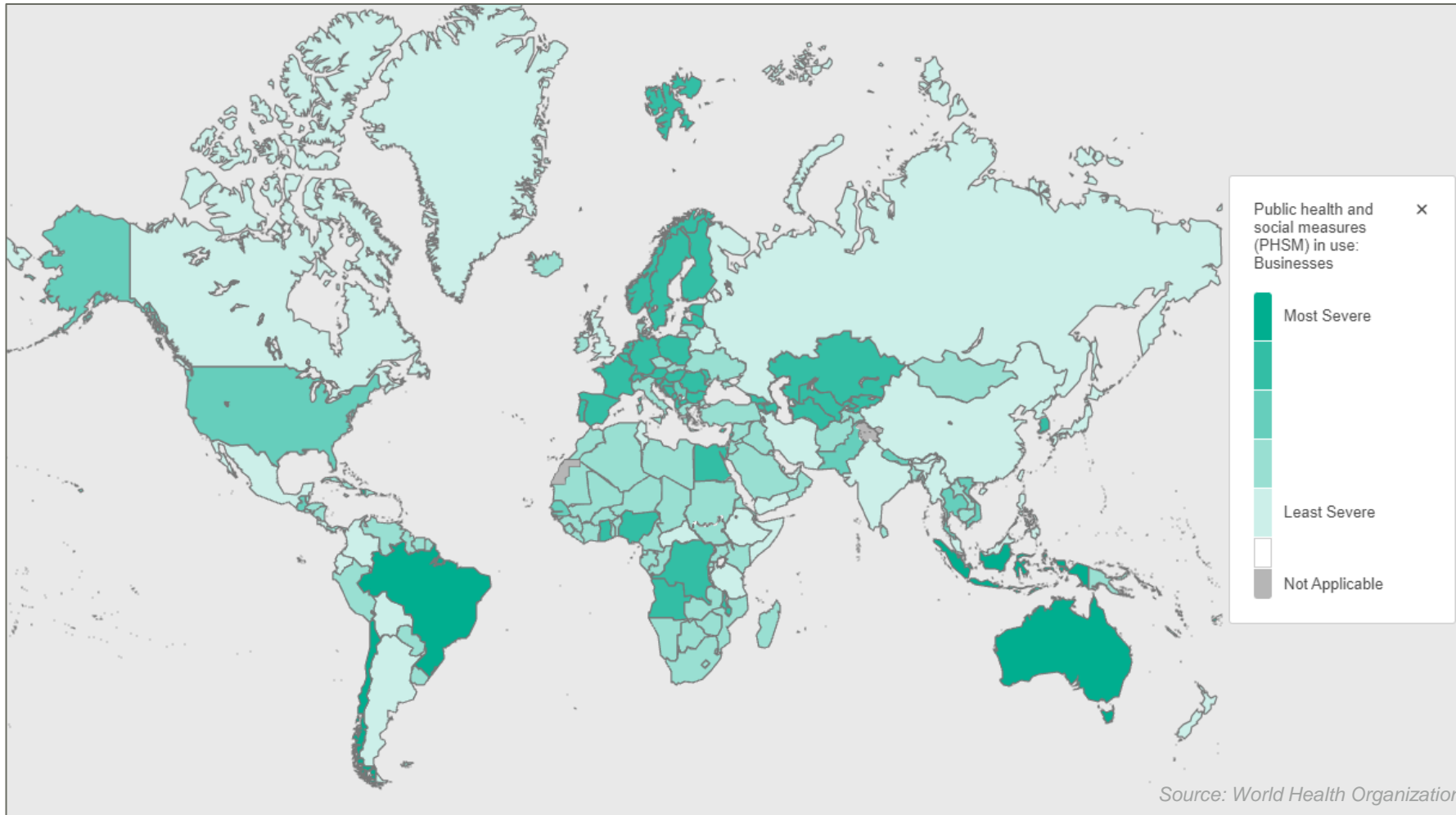


Source: Official data collated by Our World in Data – Last updated 18 October 2021, 10:20 (London time)
OurWorldInData.org/coronavirus • CC BY

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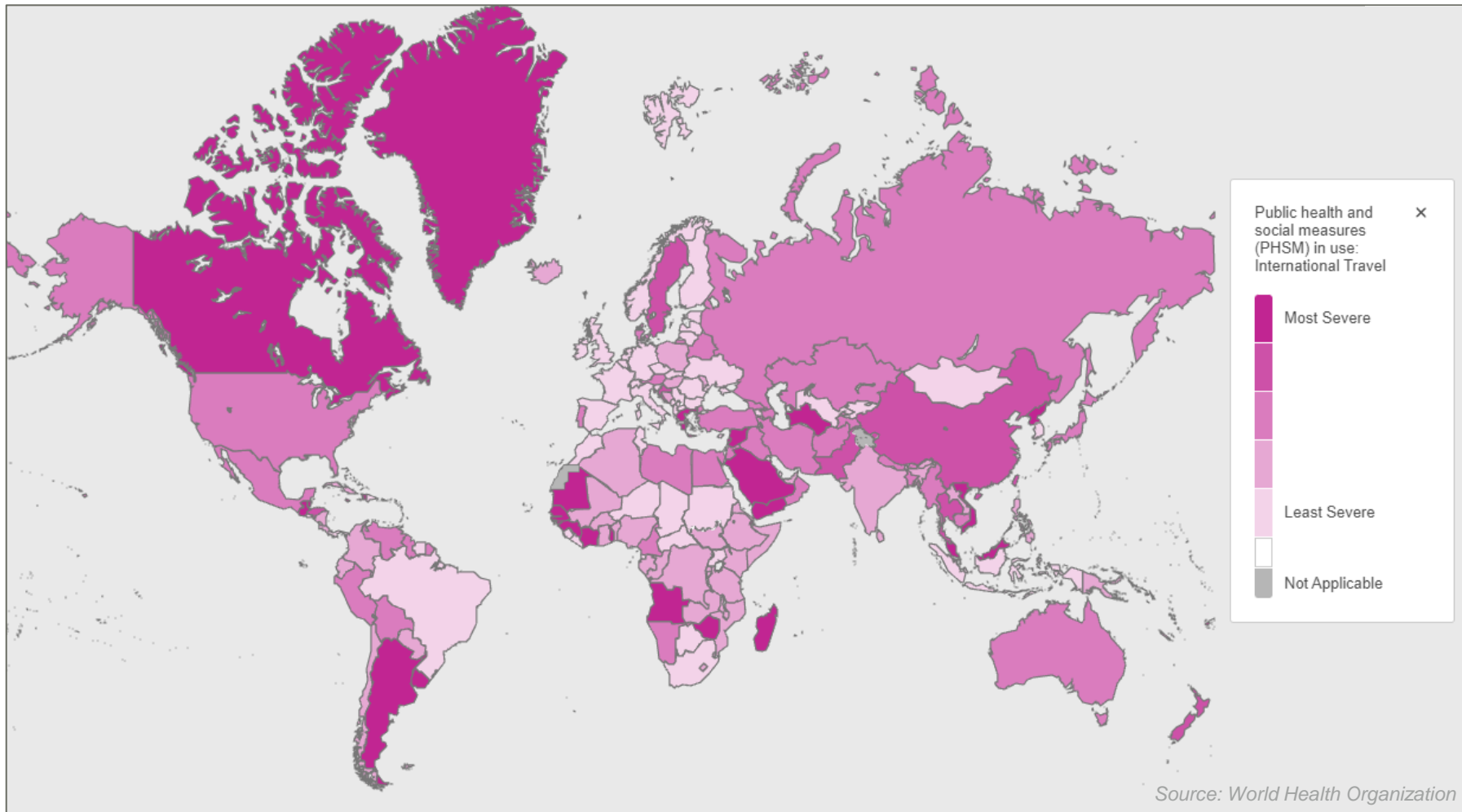
Visualizing Risk: Ongoing Business Restrictions



Business restrictions are broadly easing, with fewer lockdown measures causing capacity limits and mandatory closures. But businesses must still contend with PHSMs - even in highly vaccinated countries. In many cases, business requirements have expanded with vaccination drives, as companies are asked to play a role in either making employees get vaccinated, or checking vaccine status on business premises.

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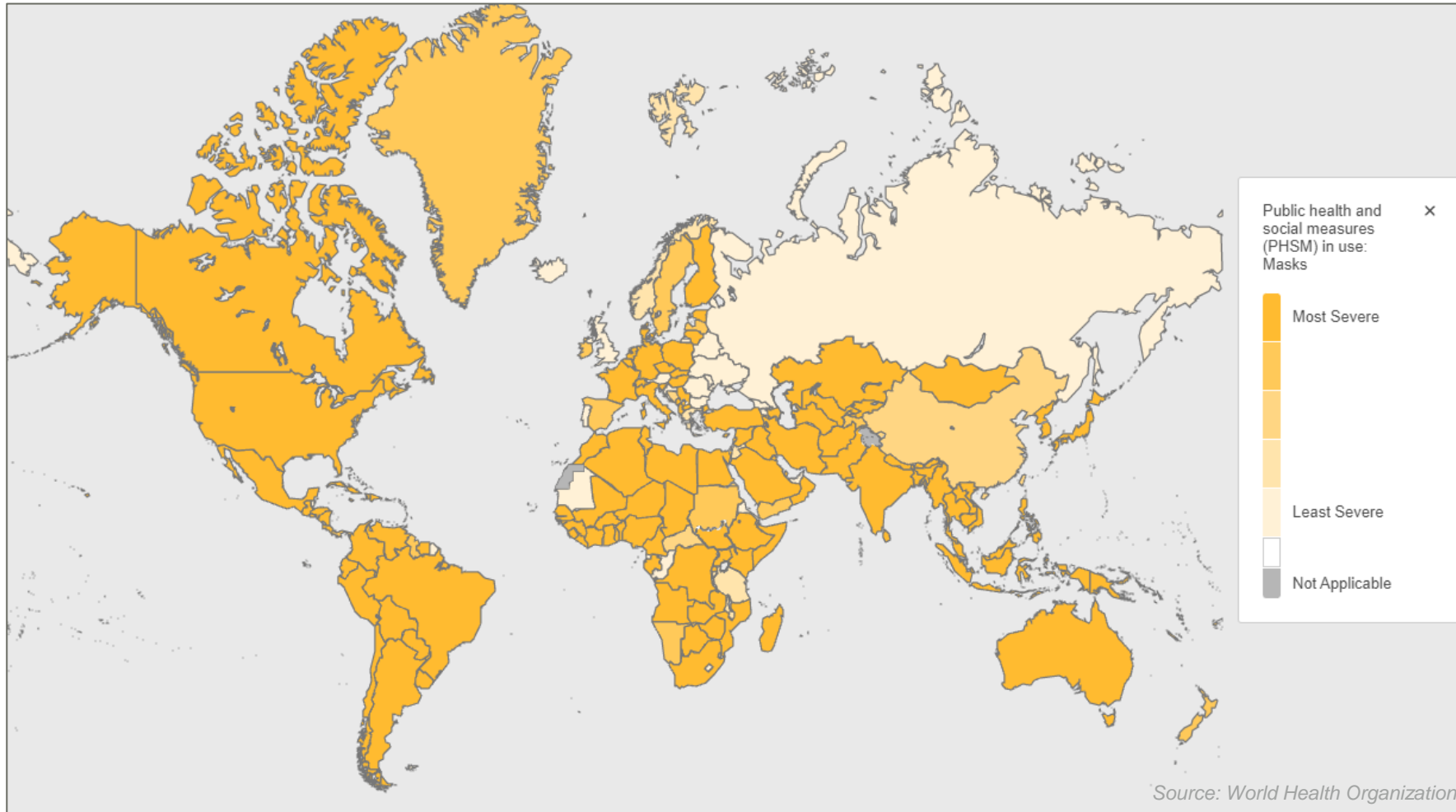
Visualizing Risk: International Border Controls



Many of the countries with low levels of business restrictions within their borders have tighter control on international travel - such as Canada, China, and Argentina. Once again, high vaccination rates do not correlate well with international travel restrictions; Canada and China, for example, both have vaccination rates of over 75%. Companies should not expect international travel to reopen once countries reach high levels of vaccination, but should instead monitor the evolution of COVID-19 policy from different national governments.

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Visualizing Risk: Ongoing Mask Requirements



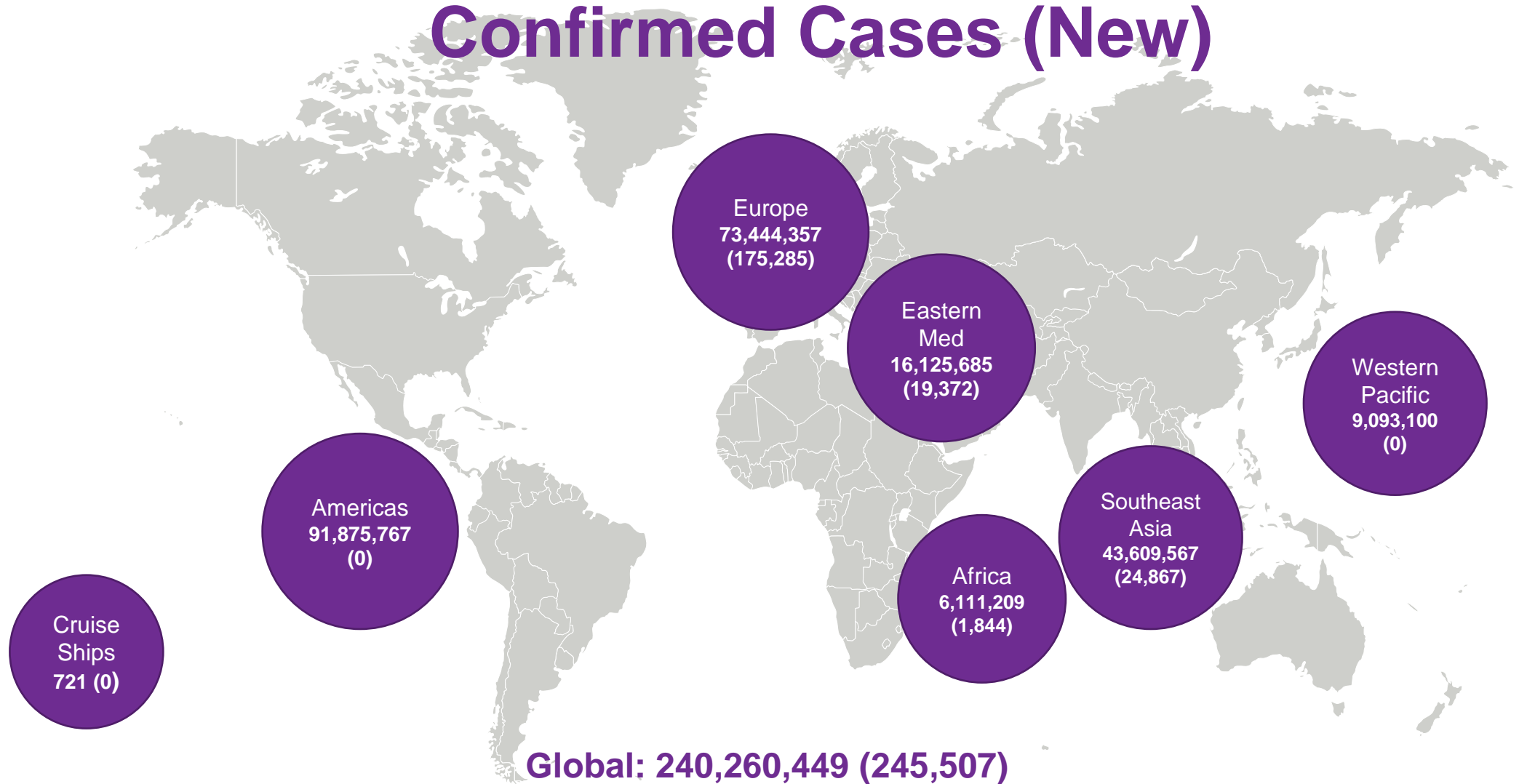
Masks remain a key measure for controlling the spread of COVID-19, particularly given the transmissibility of the Delta variant even among vaccinated populations. But while the WHO tracker shows that mask requirements remain widespread, stated mask policies and actual mask use are often widely divergent. Mask use - like social distancing - is tied more closely to individual compliance than business or border restrictions, demonstrating the challenges of tracking certain PHSMs. However, the WHO map certainly shows that mask requirements should be expected for months to come.

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Coronavirus Condition Updates

As of 5:09 pm CEST on October 19, 2021

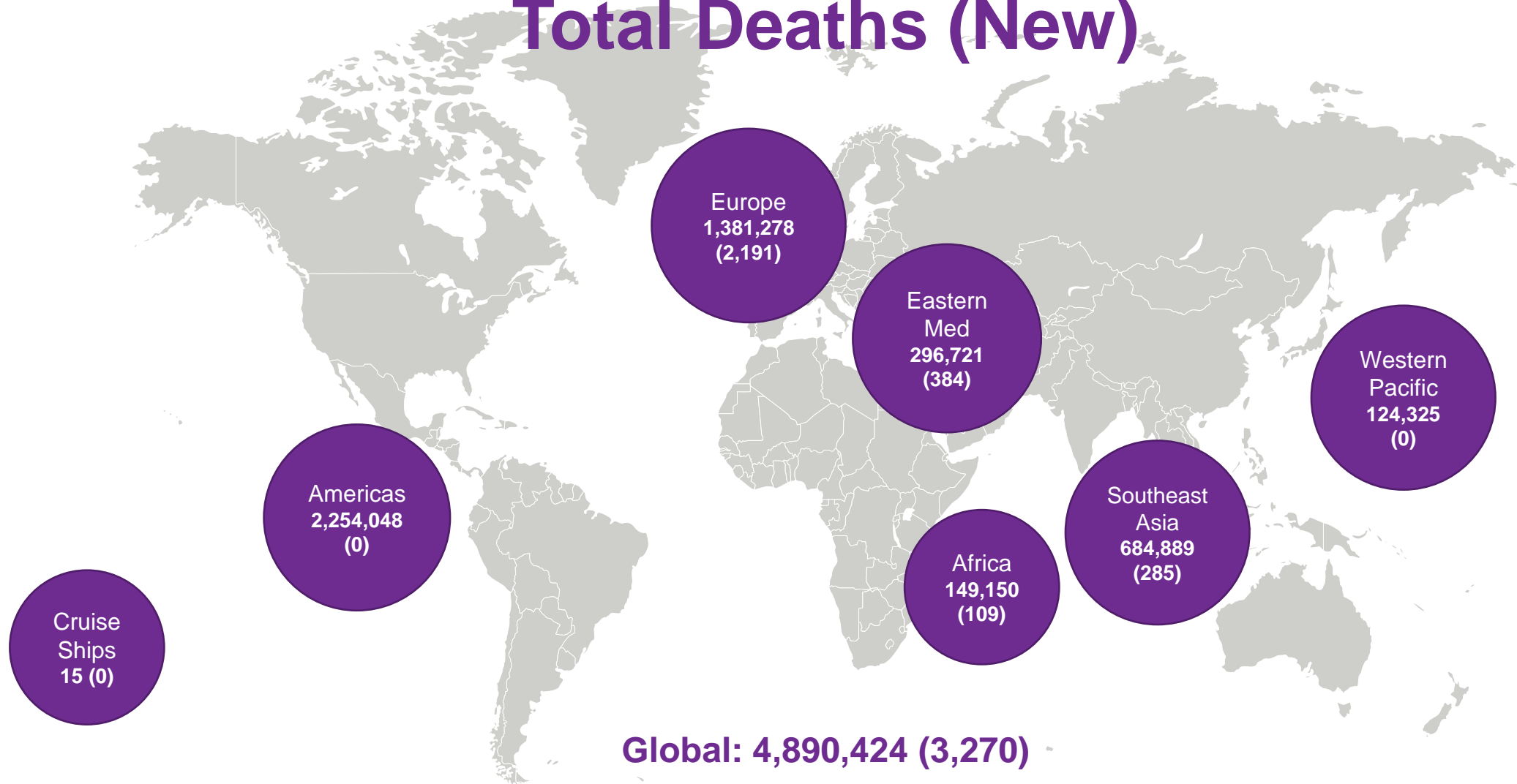
Confirmed Cases (New)



Reflects data as of 5:09 pm CEST on October 19, 2021.
Data Source: World Health Organization

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Total Deaths (New)



Reflects data as of 5:09 pm CEST on October 19, 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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