

Dentons Flashpoint

Daily Global Situation Report

August 19, 2021

Global Situation Update: August 19, 2021

KEY TAKEAWAYS

The recovery of the ozone layer is helping the planet avoid 2.5C of potential warming.

China halts direct freight trains to Lithuania in the latest move of an escalating feud over Taiwan.

The US is set to begin offering booster even as the CDC calls for prioritizing vulnerable countries.

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, organizations across a wide range of industries should check to see if they use older versions of BlackBerry's QNX Real-Time Operating System (RTOS), which contains a major vulnerability that could be hacked. The US Cybersecurity and Infrastructure Security Agency (CISA) issued a bulletin this week that warned malicious actors could take control of a variety of products, including cars, medical, and industrial equipment.

The vulnerable BlackBerry technology is used worldwide by over 195 million vehicles and embedded systems in industries including: aerospace and defense, automotive, commercial vehicles, heavy machinery, industrial controls, medical, rail, and robotics. There is no known exploitation of the flaw as of yet, and this is reportedly one of these reasons Blackberry resisted efforts to publicly announce it earlier this year.



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Global

Globally, confirmed coronavirus cases topped 208.4 million with 4.3 million deaths; more than 4.5 billion vaccine doses have been administered.

- The recovery of the **ozone layer** is helping the planet avoid 2.5C of potential warming, in a sign of the impact of curbing ozone-destroying chlorofluorocarbons, per a new report published in Nature.

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COVID-19 Vaccine

Scientists in Singapore are working to develop booster shots that could better counter coronavirus variants, based on findings that SARS survivors have higher antibody levels than the general public after receiving two doses of COVID-19 vaccine.

- A British study has found that protection from **Pfizer-BioNTech and AstraZeneca vaccines** against the now prevalent Delta variant of the coronavirus weakens within three months and that those who get infected after receiving two shots of either vaccine may be of greater risk to others than under previous variants of the coronavirus.
- The WHO reiterated its guidance that **booster shots** are not yet needed, arguing that vulnerable countries should be fully vaccinated before booster campaigns in higher-income countries.
- The Biden Administration is set to begin offering **booster vaccines** of Moderna and Pfizer next month.

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Markets & Business

Minutes from the Federal Open Market Committee July meeting show that a majority of US Federal Reserve officials think the central bank could begin withdrawing its stimulus program this year.

- **Robinhood** saw revenues more than double in the second quarter on an increase of customer trading in cryptocurrency.
- **Lowe's** raised its full-year sales forecast; despite an easing in demand for DIY home improvement, Lowe's is seeing increased demand from professional contractors.
- **Target** reported increased second quarter revenue as more people shopped in store.
- **Goldman Sachs** announced it will buy Dutch insurer **NN Group's** asset management arm for 1.7 billion euros (\$1.98 billion) in the biggest acquisition by the US since 2018.
- **Toyota Motor Corp** will global production for September by 40 percent due to critical shortages of semiconductors. **Volkswagen** warned it too may need to cut production further.
- **Comcast and ViacomCBS** are launching a new streaming service, **SkyShowtime** in several European countries.

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Africa

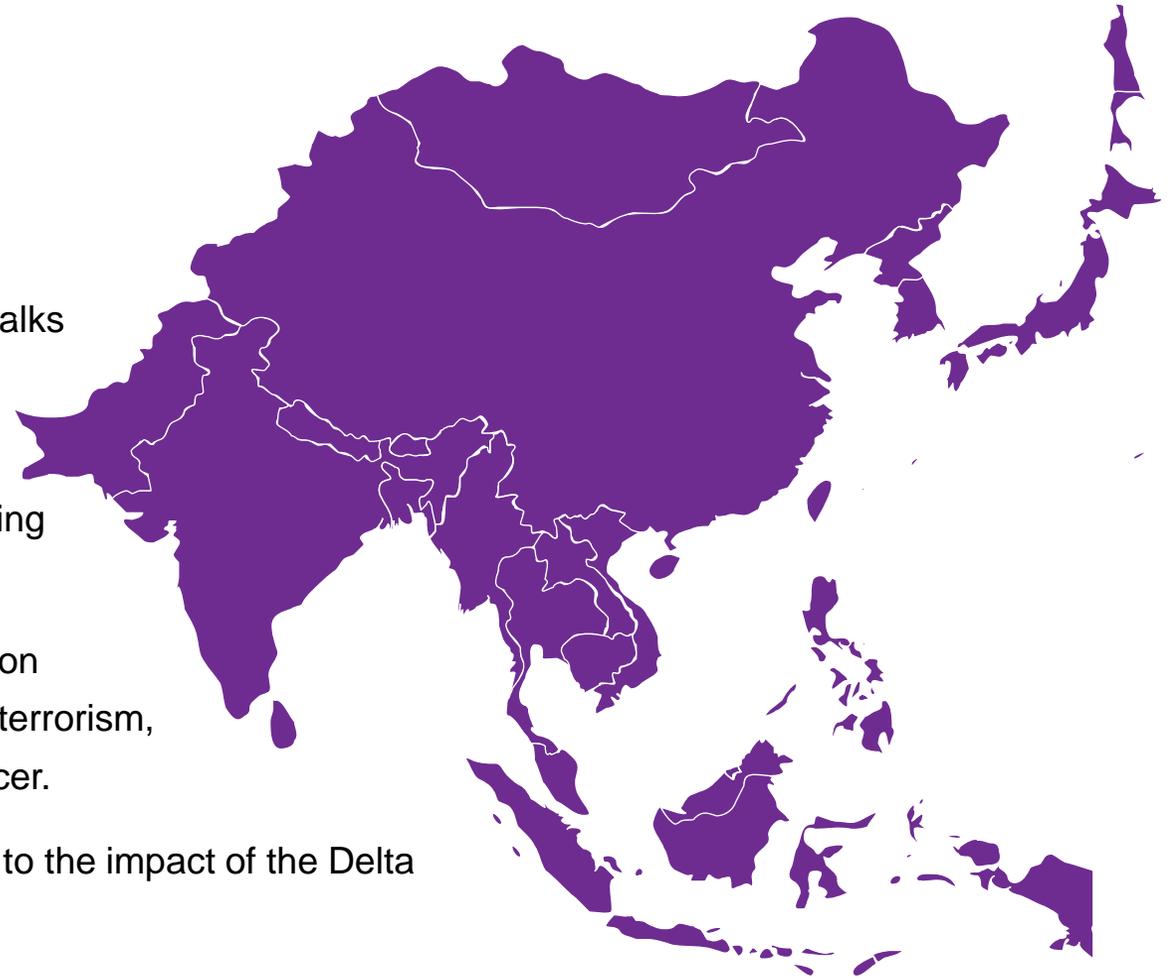
- On the one-year anniversary of the coup in **Mali**, coup leader and interim President Goita delivered a national address justifying the coup as a response to an overwhelming call for change from the Malian people.
- Presidential rival and opposition politician Abdoul Karim Meckassoua escaped the **Central African Republic**, despite a travel ban and charges of being a part of a rebel group.
- At the annual summit of the **South African** Development Community, regional leaders called for an end to vaccine hoarding by western nations and said that SADC forces would join the fight against insurgents in **Mozambique** soon.
- **Sudanese** Prime Minister Hamdok said he would continue to push to mediate the **Ethiopian** conflict. Human Rights Watch reported that ethnic Tigrayans have been forcibly disappeared in Ethiopia's capital.



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Asia

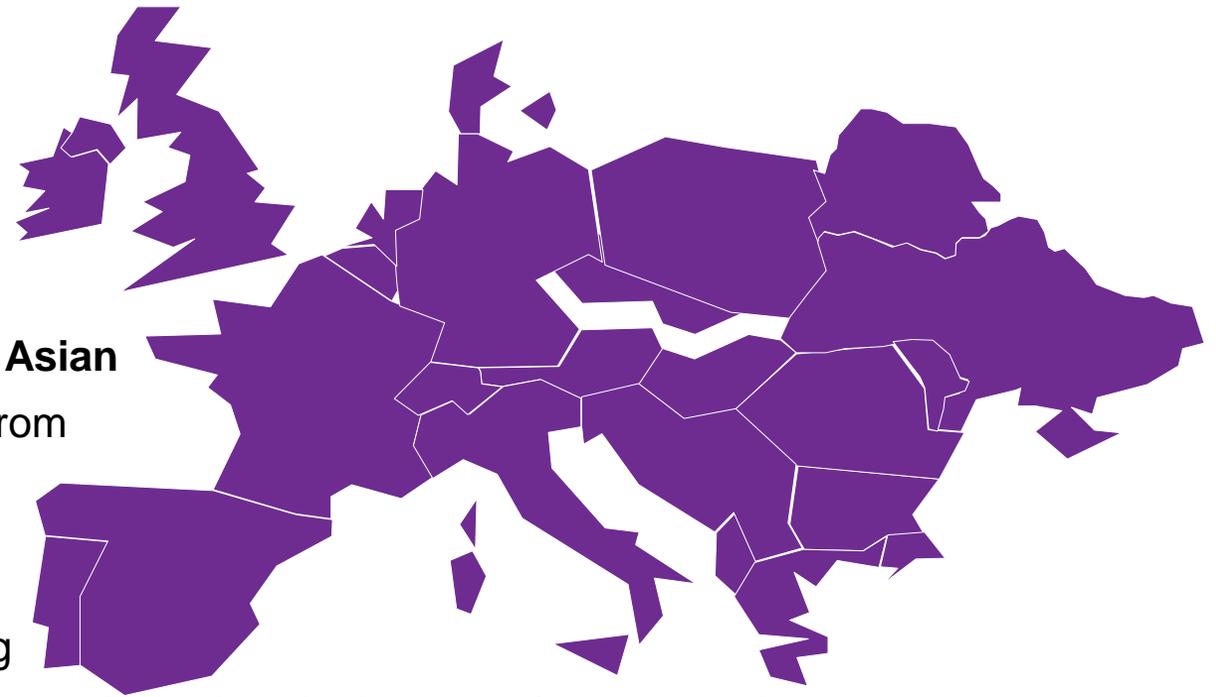
- **Japan's** Liberal Democratic Party is planning to hold virtual security talks with **Taiwan's** ruling Democratic Progressive Party in coming weeks.
- **China** is working with armed ethnic groups on its border with **Myanmar** in efforts to contain the spread of COVID-19, such as offering vaccines, bypassing the military junta in Yangon.
- **Hong Kong** police arrested four University of Hong Kong student union members under the national security law for allegedly advocating for terrorism, over a union motion to pay tribute to a man who stabbed a police officer.
- The **Philippines** lowered its economic growth target for the year due to the impact of the Delta variant.
- **Japan** warned of "*serious*" ramifications if a **South Korean** court ruling to seize assets of Mitsubishi Heavy Industries as compensation over colonial-era forced labor is enforced.



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Europe

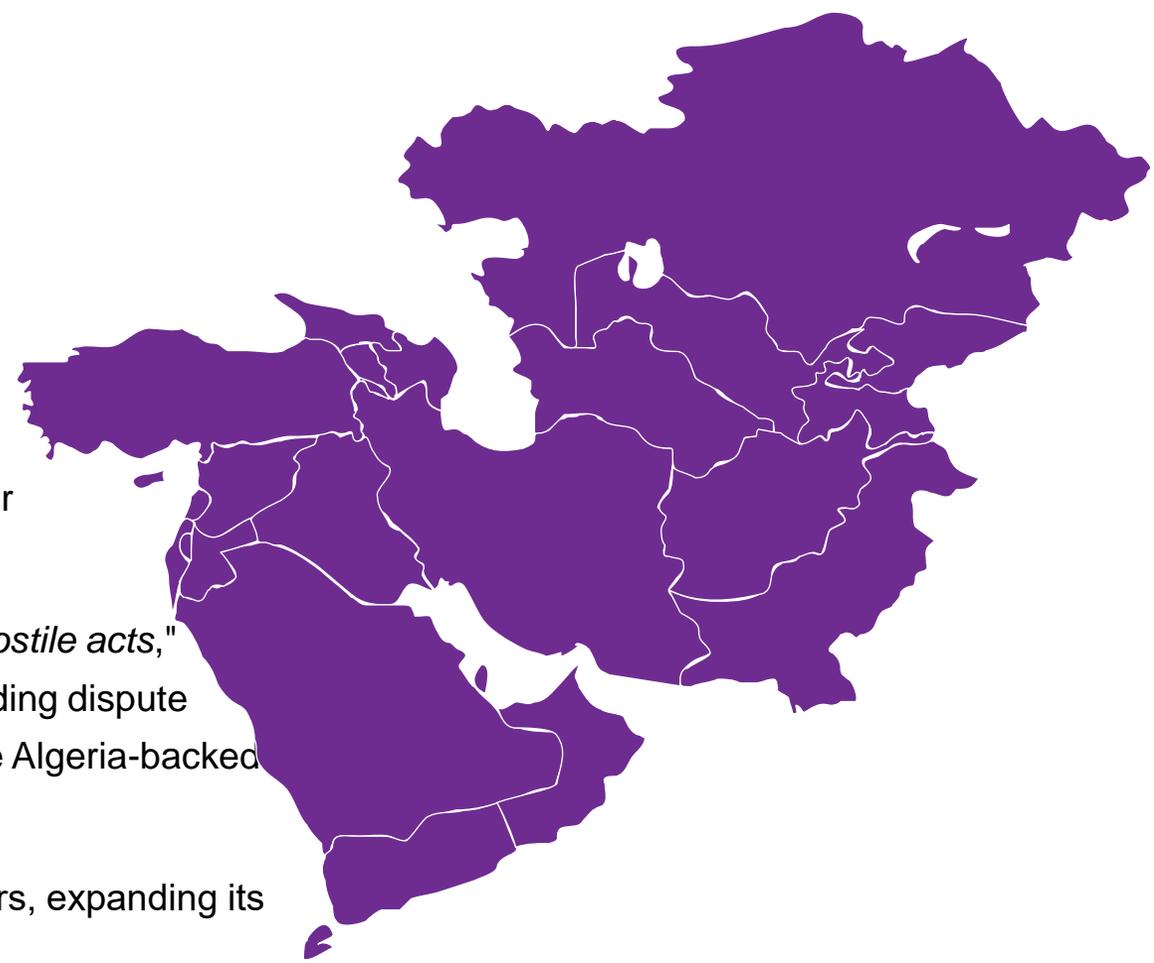
- Across **Europe**, areas that had promoted themselves as **Asian** tourist destinations are continuing to feel severe impact from COVID-19 – particularly **Switzerland**.
- Scotland will go ahead with student exams in 2022 “*if safe to do so.*” Passenger groups in the **UK** are urging ministers to scrap the annual increase in rail fares to prevent sharp rises in the cost of transportation.
- In a rare interview with the *Financial Times*, **German** Green’s chancellor candidate Annalena Baerbock vowed to get tough on **Russia and China** and strengthen the **EU**.
- Since the Taliban’s takeover of Kabul, **EU** officials have expressed concern about the possibility of an influx of **Afghan** refugees in Europe, while also discussing the need to aid evacuations from Afghanistan.
- **China** halted direct freight trains to **Lithuania** in the latest move of an escalating feud over Lithuania’s opening of a **Taiwan** trade office.



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Middle East

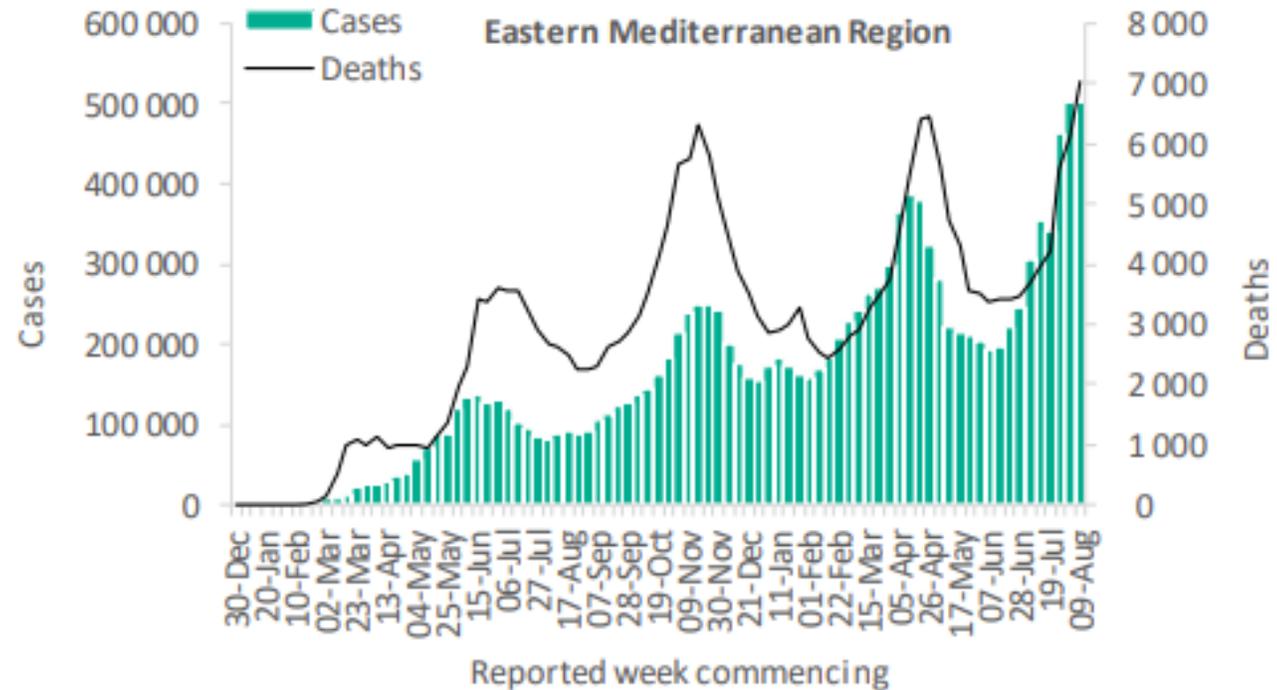
- The UN nuclear watchdog reported that **Iran** had enriched uranium to near weapons-grade. Stalled nuclear talks with Iran will be at the top of the agenda when **US** President Biden and **Israeli** Prime Minister Bennett meet next week.
- **Algeria** said that it will review its ties with **Morocco** over “*incessant hostile acts*,” accusing Rabat of involvement in its current wildfires amid a longstanding dispute over sovereignty of the **Western Sahara**, which both Morocco and the Algeria-backed Polisario Front claim.
- The **UAE** announced long-term “golden” visas for humanitarian workers, expanding its effort to enable expats to settle in the country.
- **Afghanistan** will be ruled by a council under sharia law, confirmed a Taliban commander. New intelligence leaks claim that the **US** intelligence community was more aware of the risks of the rapid collapse of the Afghan government than previously reported. At least three were killed in anti-Taliban protests. **Turkey** sent soldiers to its borders to protect against a potential refugee surge from Afghanistan. The **UAE** confirmed that it is hosting ousted Afghan President Ghani on “*humanitarian grounds*.”



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Middle East

The Eastern Mediterranean Region is in its fifth wave of COVID-19 infections, reporting over 502,000 new cases and over 7,000 new deaths this past week. Iran is the regional hotspot, for new infections and deaths. However, Iraq reported a 17 percent increase in new cases, emerging as the next hotspot. Conditions are deteriorating in Morocco, while the outbreak in Tunisia appears to have peaked.



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How do You Manage Incident Response?

2021 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](#).

Americas

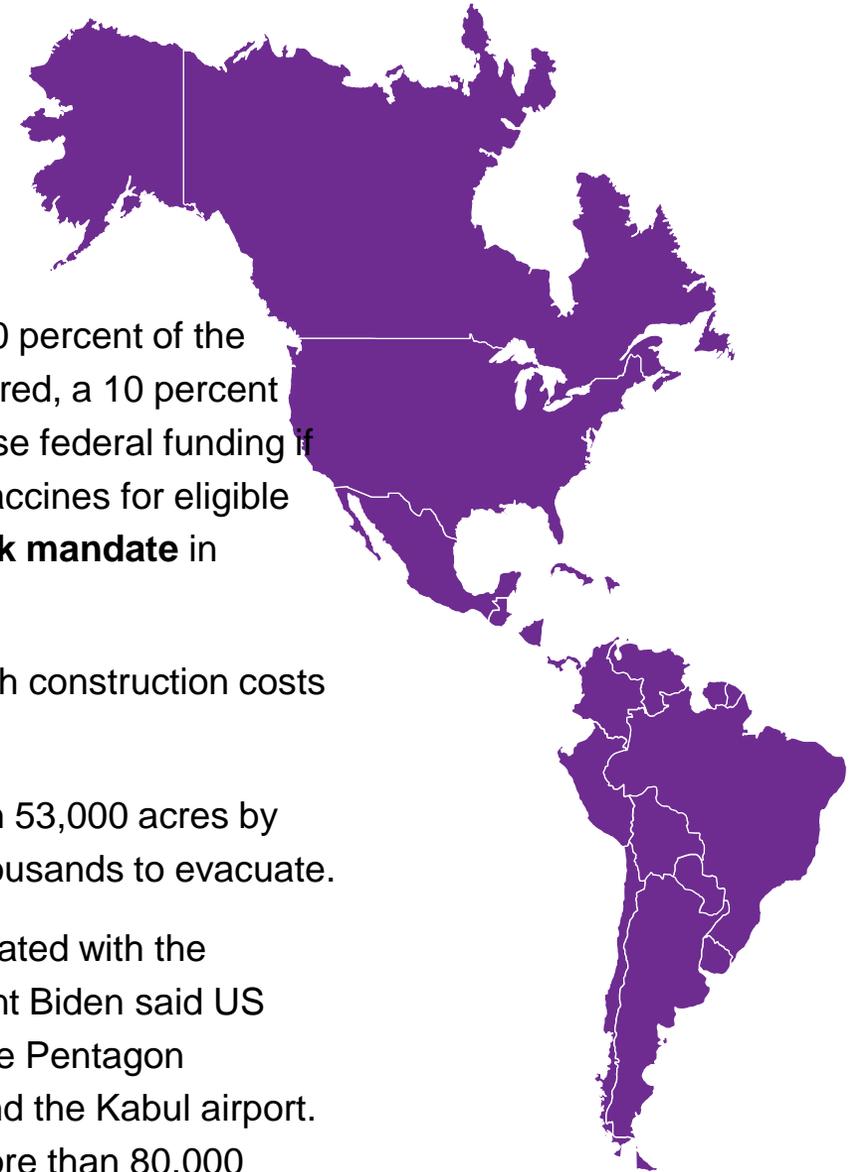
- The **Cuban** government issued a new decree tightening controls on the use of social media, including a ban on materials that tarnish the “*country’s prestige.*”
- HSBC initiated legal proceedings against **El Salvador** for alleged breaches of the country’s investment agreement with the bank.
- The Deputy Speaker of the **Brazilian** parliament said that a tax reform that would impose 20 percent taxes on company dividends will likely not pass.
- **Mexican** President Obrador backed the central bank’s plan to raise interest rates.



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Americas: US

- Across the nation, 199.3 million have received at least one dose of the **vaccine**, or 60.0 percent of the total population. In the last week, an average of 770,600 doses per day were administered, a 10 percent increase over the week before. President Biden told **nursing homes** that they could lose federal funding if they do not vaccinate staff. New York City does not expect it will mandate COVID-19 vaccines for eligible **students** returning to school in the fall. Florida's largest school district imposed a **mask mandate** in defiance of the state's governor.
- The rate of **new home construction** fell more than expected in July as persistently high construction costs limit the market.
- The **Caldor Fire** in El Dorado County exploded from 6,500 acres Tuesday to more than 53,000 acres by Wednesday morning. Placerville is located 15 miles east and as firefighters ordered thousands to evacuate.
- At least two US diplomats stationed in Germany sought treatment for symptoms associated with the mysterious "**Havana Syndrome**" - the first cases reported in a NATO country. President Biden said US troops may stay in **Afghanistan** past an August 31 deadline to evacuate Americans; the Pentagon acknowledge the U.S. military does not currently have the ability to reach people beyond the Kabul airport. About 11,000 people in Afghanistan have identified themselves as Americans, while more than 80,000 Afghans may need to be evacuated.



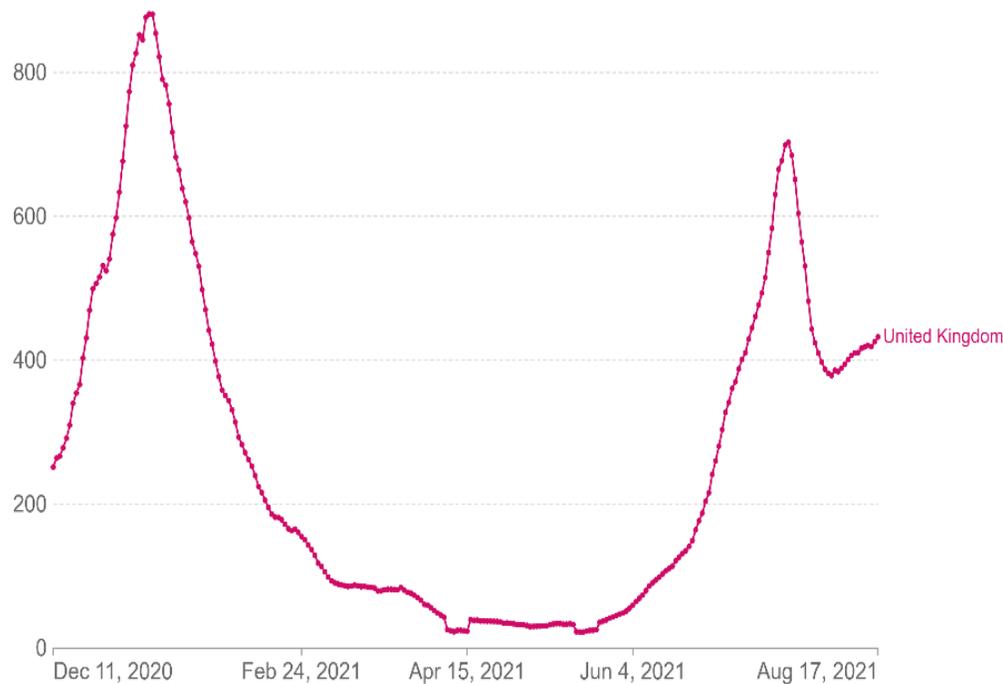
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Visualizing Risk: One Month Since England's "Freedom Day"

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

CC BY

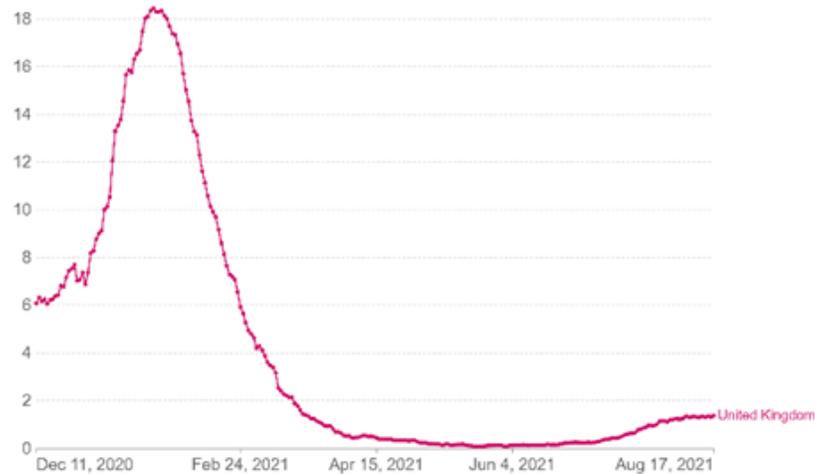
One month ago, England marked its "Freedom Day," lifting almost all COVID-19 restrictions on social gatherings and business operations. At the time, the decision was criticized by many health experts; one article from *The Lancet* even called the full reopening a "dangerous and unethical experiment." Meanwhile, UK officials including Prime Minister Boris Johnson pushed the idea that vaccinated people would serve as a "protective wall" to prevent COVID-19 from causing the health system to be overwhelmed. The outcome of England's Freedom Day gamble is now being watched around the world.

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Visualizing Risk: One Month Since England's "Freedom Day"

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.

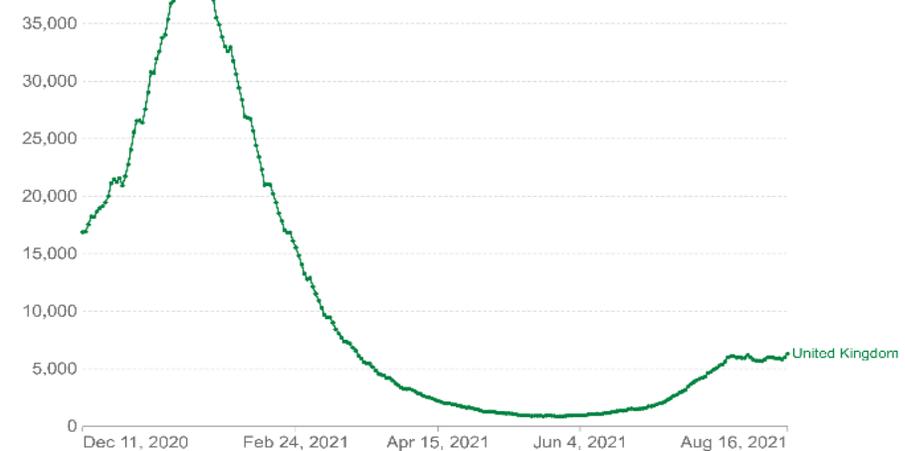


Source: Johns Hopkins University CSSE COVID-19 Data

Our World in Data

CC BY

Number of COVID-19 patients in hospital



Source: European CDC for EU countries, government sources for other countries – Last updated 18 August, 14:01 (London time)
OurWorldInData.org/coronavirus • CC BY

Our World in Data

As it looks increasingly likely that societies will have to live with the persistent presence of COVID-19, the UK provides a model of what it looks like to stop trying to contain the virus with rigid social distancing and masking regulations, instead relying solely on the power of vaccinations. Since Freedom Day² on July 19, England has seen mixed outcomes in the course of its Delta outbreak (Northern Ireland, Scotland and Wales have maintained some levels of COVID-19 restrictions). The UK government has suffered significant backlash as a high-profile outbreak within the government forced Prime Minister Johnson and top aides into self-isolation, while the country also dealt with the

logistical nightmare of a “pingdemic” - vast numbers of people being told to self-isolate by the NHS app due to exposure to COVID-19. Cases did fall in early August, however, and though they are slowly climbing back up again, they remain below a mid-summer peak. Even more encouragingly, hospitalizations and deaths remain at relatively low levels, far below the numbers seen during the UK’s most severe outbreak last winter. However, as data on COVID-19 deaths typically lag behind data on surges in infections by a few weeks, it remains too early to fully assess full impacts.

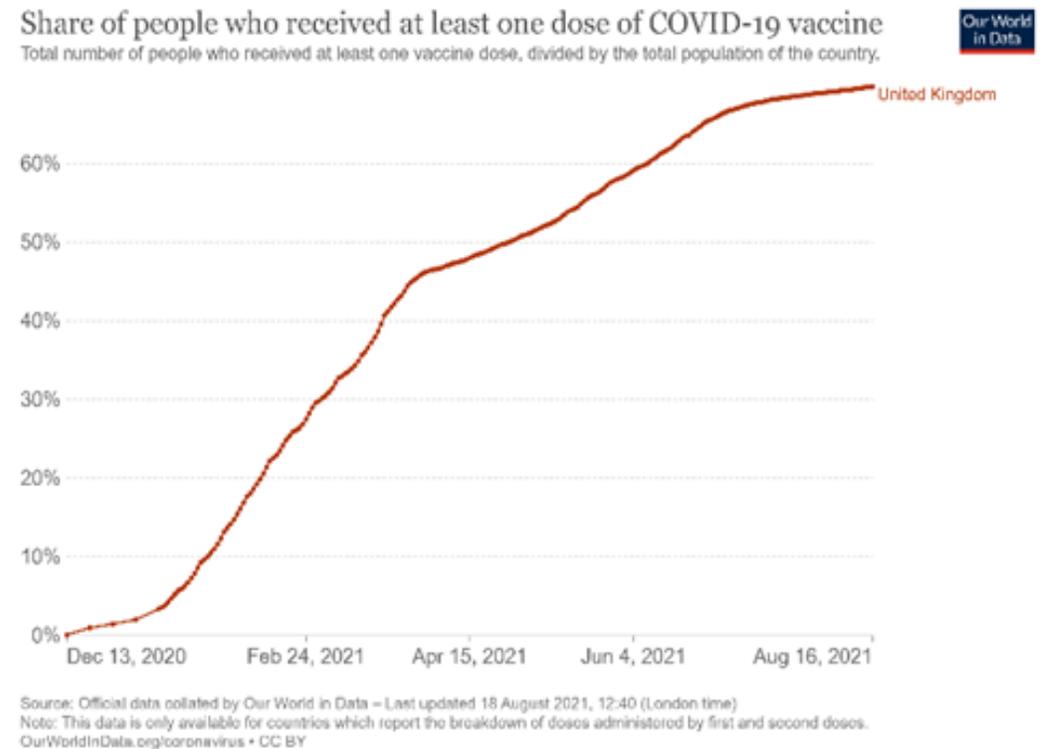
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Visualizing Risk: One Month Since England’s “Freedom Day”

The UK government has suffered significant backlash as a high-profile outbreak within the government forced Prime Minister Johnson and top aides into self-isolation, while the country also dealt with the logistical nightmare of a “pingdemic” - vast numbers of people being told to self-isolate by the NHS app due to exposure to COVID-19. Cases did fall in early August, however, and though they are slowly climbing back up again, they remain below a mid-summer peak. Even more encouragingly, hospitalizations and deaths remain at relatively low levels, far below the numbers seen during the UK’s most severe outbreak last winter. However, as data on COVID-19 deaths typically lag behind data on surges in infections by a few weeks, it remains too early to fully assess full impacts.

As for England’s primary line of defense - vaccinations - the UK has one of the highest levels of vaccination in the world. While the pace of new vaccinations has slowed since April, the UK does not appear to have hit as severe a vaccine plateau as some other countries, including the US and Israel. Moreover, the UK has yet to start offering vaccines to all teenagers, unlike many other European countries. Rollout to 16- and 17-year-olds only began in August, even though the Pfizer and Moderna shots both have been approved

for all people over 12, suggesting that the UK may not hit a vaccine ceiling for some time yet.

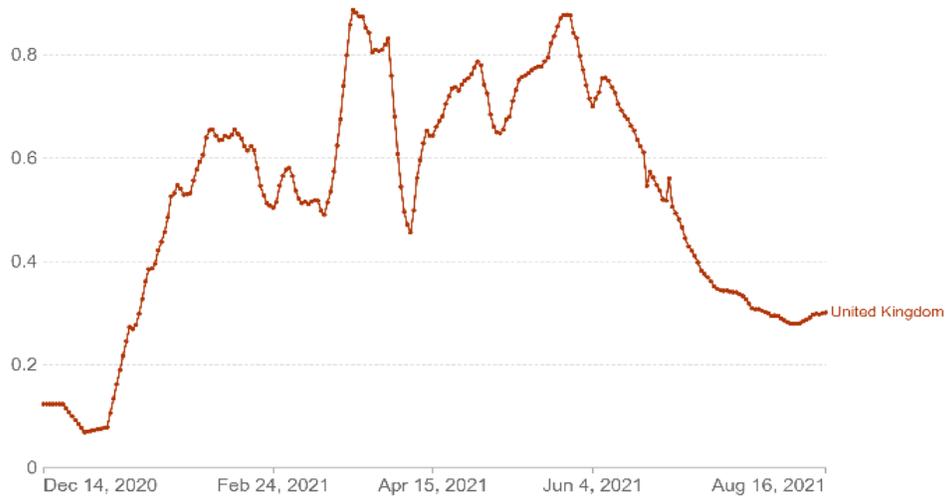


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Visualizing Risk: One Month Since England's "Freedom Day"

Daily COVID-19 vaccine doses administered per 100 people

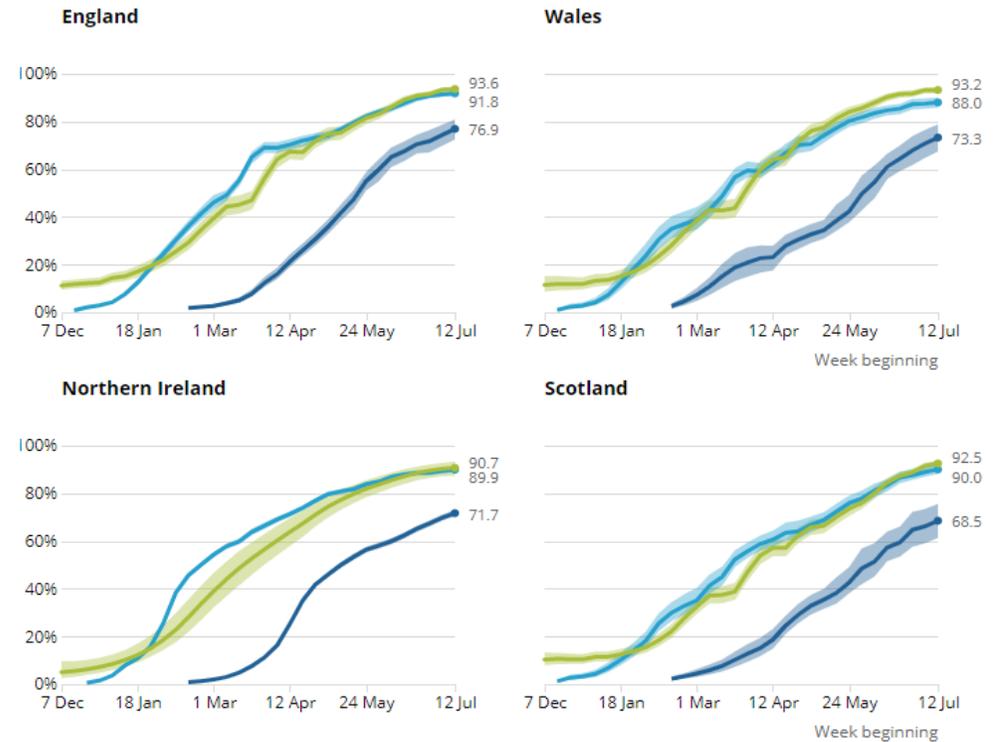
Shown is the rolling 7-day average per 100 people in the total population. For vaccines that require multiple doses, each individual dose is counted.



Source: Official data collated by Our World in Data – Last updated 18 August 2021, 12:40 (London time)
OurWorldInData.org/coronavirus • CC BY

Despite the UK's success in administering vaccines, its chance of reaching "herd immunity" remains highly unlikely.

■ 95% credible interval ■ Modelled % of adults aged 16 and over testing positive for antibodies
 ■ Modelled % of adults aged 16 and over who have received at least 1 vaccination dose
 ■ Modelled % of adults aged 16 and over who have been fully vaccinated



Source: Office for National Statistics – Coronavirus (COVID-19) Infection Survey

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Visualizing Risk: One Month Since England's "Freedom Day"

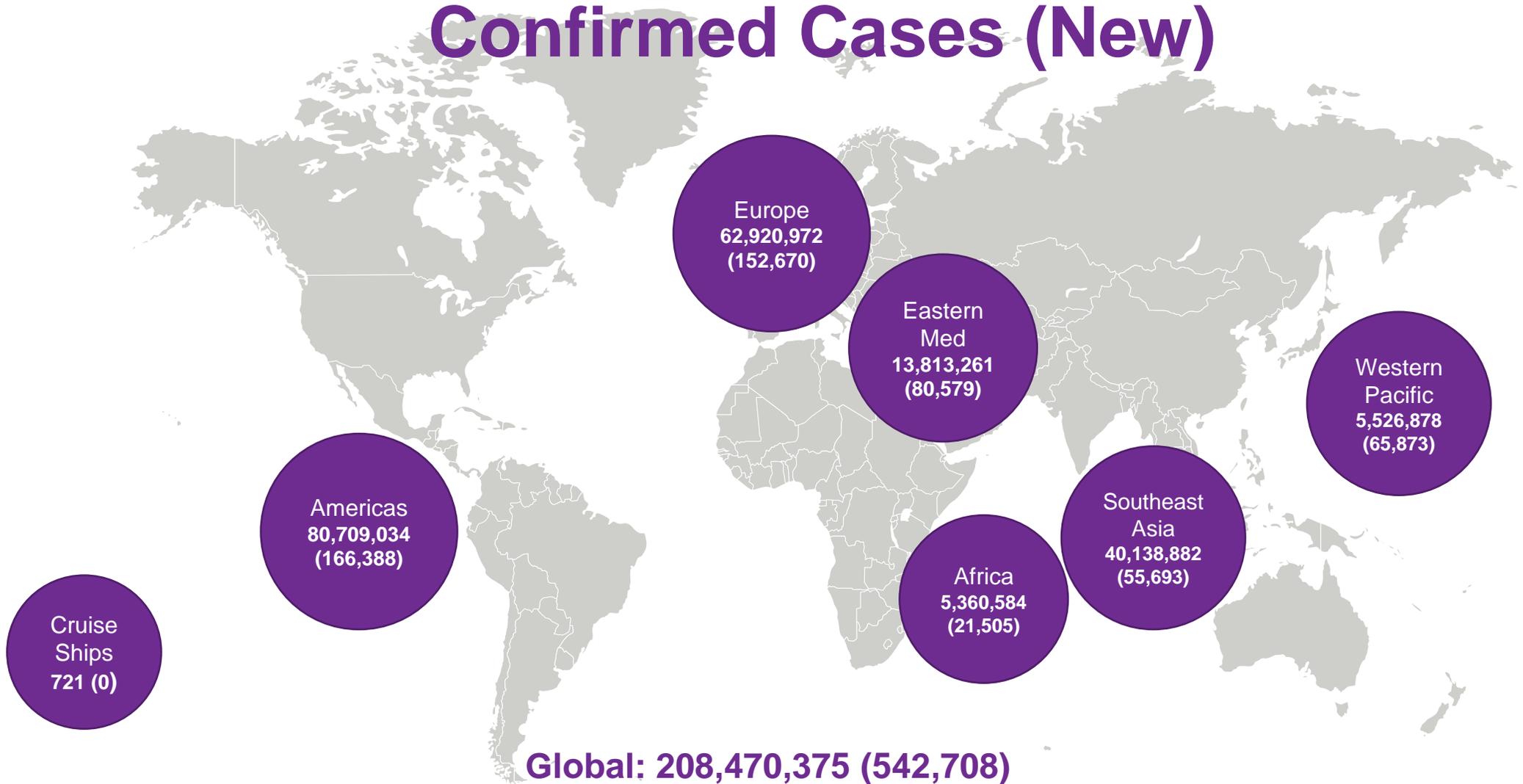
According to the Office for National Statistics, over 90 percent of the adult population across the UK had COVID-19 antibodies as of the end of July, either from vaccinations or prior COVID-19 infection. Still, the country is seeing persistent levels of COVID-19 cases, as the highly transmissible Delta variant continues to spread despite high levels of population immunity. As the UK continues on a path of or low-level restrictions or none at all, all eyes are now on the levels of hospitalization, long-lasting illness, and deaths. Public Health England maintains that the country's two primary vaccines, Pfizer and AstraZeneca, remain highly effective (96 percent and 92 percent, respectively) against the Delta variant in preventing hospitalizations. If the UK's "vaccine wall" does prove effective in protecting the country's health system and preventing deaths, the gamble of Freedom Day could turn into an example followed around the world.

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Coronavirus Condition Updates

As of 4:06 pm CEST on August 18, 2021

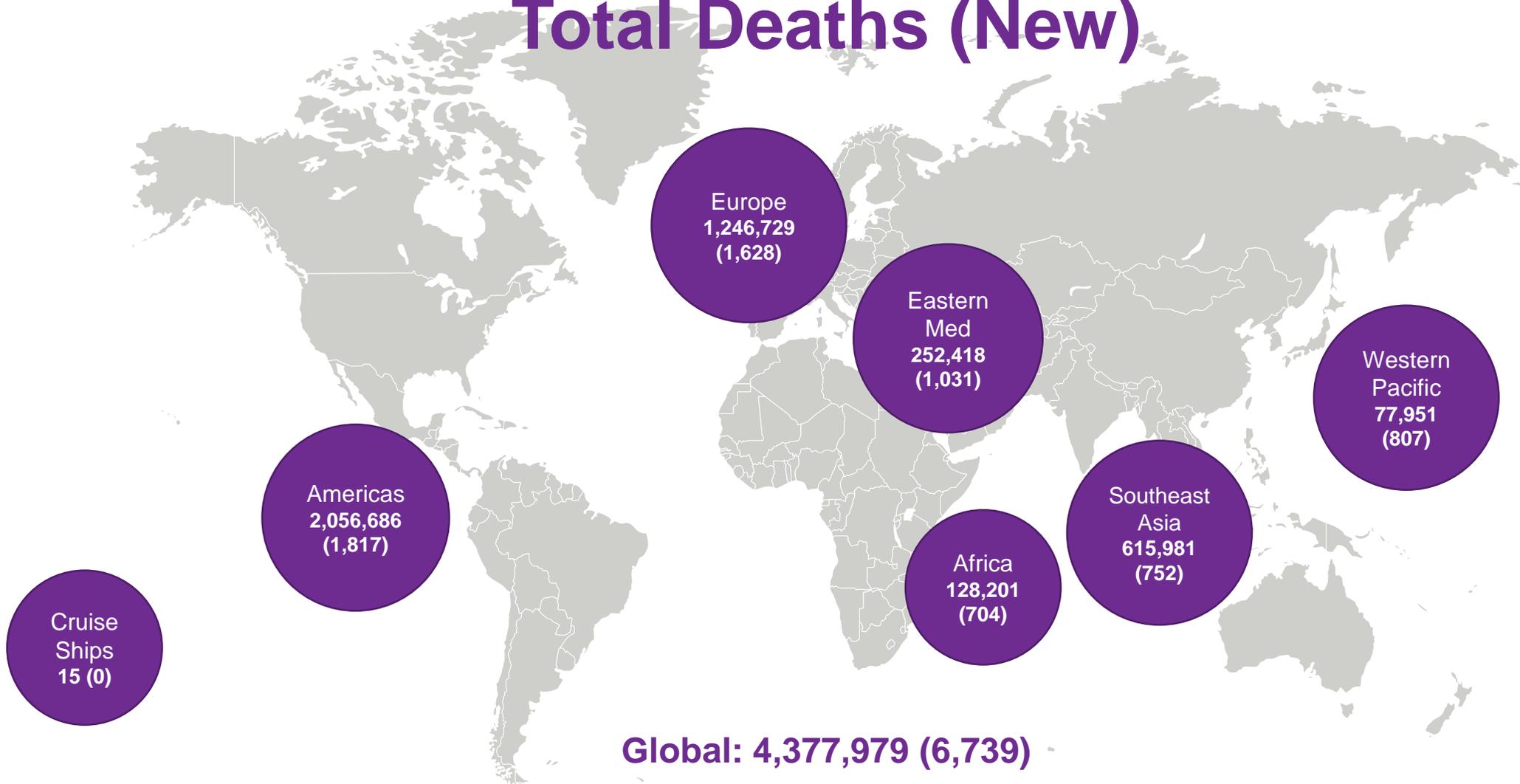
Confirmed Cases (New)



Reflects data as of 4:06 pm CEST on August 18, 2021.
Data Source: World Health Organization

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Total Deaths (New)



Reflects data as of 4:06 pm CEST on August 18, 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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