

Dentons Flashpoint

Daily Global Situation Report

June 11, 2021

Global Situation Update: June 11, 2021

KEY TAKEAWAYS

The ILO found that child labor increased in 2020 for the first time in two decades.

The WHO warns that the Indian Delta variant is *“poised to take hold”* in Europe.

France ends Operation Barkhane, the French-led multinational counterterrorism operation in the Sahel.

Global Situation Update: June 11, 2021

WHAT WE'RE WATCHING

Today, there are heightened concerns among some multinational companies that they may be increasingly pressed to choose between Chinese and foreign laws due to the new Anti-Foreign Sanctions Law. China's top legislature passed the measure yesterday without public consultation.

The new law creates Beijing's most wide-ranging legal tool yet to retaliate against foreign sanctions. Executive leaders at several business associations have said they were surprised by the move because the first reading of the bill was never announced and there is no draft to examine.



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

Global

According to official counts, more people have now died of COVID-19 in 2021 than in all of 2020.

- Researchers from the Intergovernmental Panel on **Climate Change** said that popular measures like tree planting can be counterproductive to fighting climate change by damaging wildlife and natural habitats. The amount of carbon in Earth's atmosphere reached its highest level in modern history in May.
- The International Labor Organization found that the world recorded an increase in **child labor** in 2020 for the first time in two decades.
- Indonesia, South Africa and Mexico backed a **global tax** ahead of the G7 meeting.

COVID-19 Vaccine

British Prime Minister Johnson expects the G7 to agree to donate 1 billion COVID-19 vaccine doses to poorer countries during its summit starting on Friday.

- The **US** FDA agreed to extend the shelf life of the **Johnson & Johnson vaccine** from three months to four and a half months. **Moderna** applied to the US FDA for authorization of its vaccine for use in children.
- A number of **US** lawmakers, including Senator Elizabeth Warren (D-MA), sent a letter to **Pfizer** expressing concerns that the company will raise COVID-19 vaccine prices after the pandemic eases.
- The **US** CDC found that a higher-than-expected rate of young men experienced heart inflammation after receiving the **Pfizer or Moderna vaccines**.
- **Bahrain's** Ministry of Health reported that the Russian **Sputnik V vaccine** had demonstrated 94.3 percent efficacy in domestic trials.
- **China's** domestic vaccination campaign continues at a quick pace, having now administered over 800 million shots.

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Markets & Business

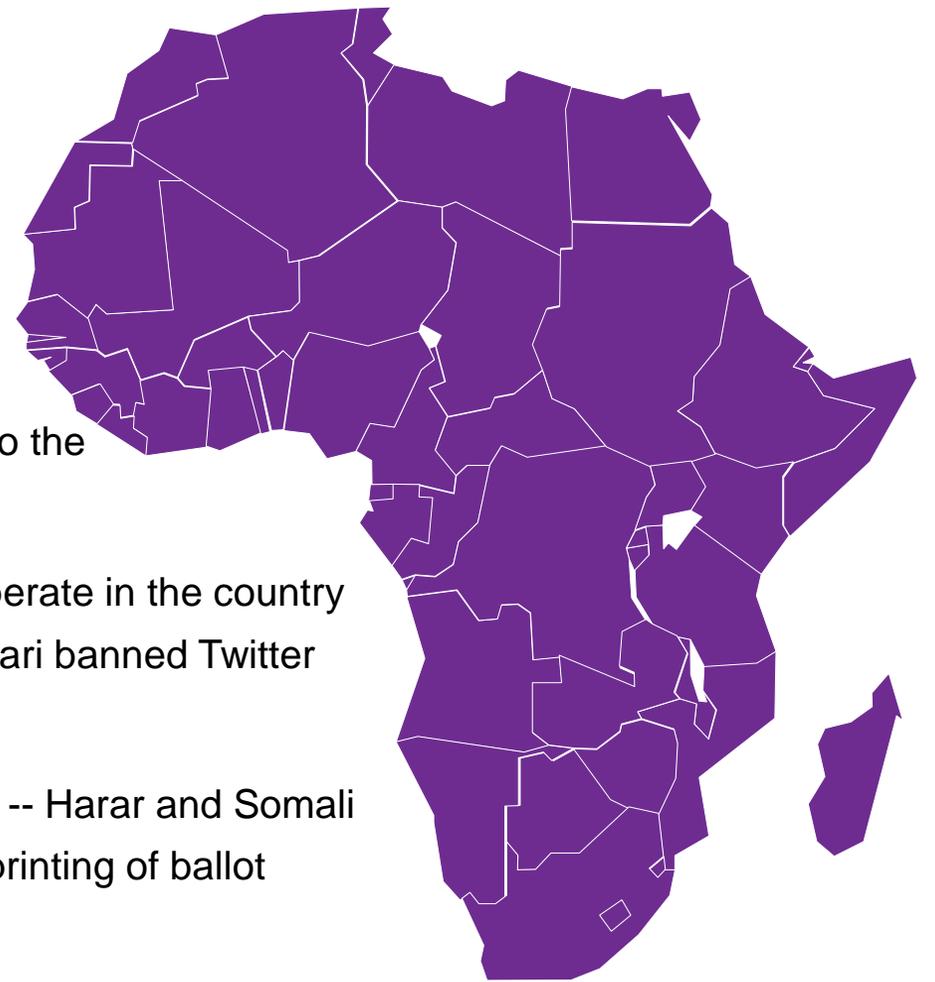
Goldman Sachs will require all US bankers to disclose their vaccination status ahead of next week's planned return to office.

- The IMF said it has legal and economic concerns with El Salvador's recent move to make **bitcoin** legal tender.
- China's ride-hailing company **Didi Chuxing** made its IPO papers public, setting the stage for a July US listing which could be valued upwards of \$70 billion.
- An EU privacy regulator proposed a fine of over \$425 million against **Amazon**.
- **Taiwan Semiconductor Manufacturing Company** (TSMC) is considering building its first chipmaking plant in Japan.
- The world will need a lot more oil from OPEC+ as **global oil demand** is on track to return to pre-pandemic levels at the end of next year, per the International Energy Agency.
- **Oil prices** hit a two-year peak.
- **Toyota Motor Corp** plans to make all its global factories carbon neutral by 2035, moving forward the goal by 15 years from 2050.

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Africa

- **French** President Macron declared the end of Operation Barkhane, a French-led multinational counterterrorism operation in the **Sahel**, reducing most of the French presence in the region; the move is likely in response to the second military coup in **Mali**, where Barkhane is headquartered.
- **Nigeria** announced that it will require social media platforms seeking to operate in the country to register as a local entity and seek a license, a week after President Buhari banned Twitter for deleting his Tweet.
- **Ethiopia's** electoral board announced that elections in two regional states -- Harar and Somali regions -- would be postponed, citing irregularities and problems with the printing of ballot papers.
- **Kenya** has received a \$750 million loan from the World Bank to support its budget and help the economy recover from the effects of the pandemic.
- **South Africa** has entered its third wave of coronavirus infections, per the National Institute for Communicable Diseases, as daily new cases topped 9,000 for the first time since January.



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Asia

- **China's** top legislative body passed new legislation banning “*slander*” against military personnel. The **Hong Kong** government on Friday enacted new guidelines that allow authorities to censor films on the basis of safeguarding national security, escalating concerns over freedoms.
- In vaccine diplomacy, **China's** government invited **Taiwanese** to come and get vaccinated against COVID-19 in China and called on Taiwan to remove obstacles to travel. A poll by Taipei's National Chengchi University last month showed most Taiwanese would not be willing to get a Chinese vaccine.
- Protests by **Indian** farmers continued, despite the move by New Delhi to raise the price it pays for rice from farms.
- The **US** embassy in Phnom Penh said its defense attaché had been refused full access to **Cambodia's** largest naval base during an invited visit, just days after Washington expressed concern about **China's** military activities at the base.



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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:

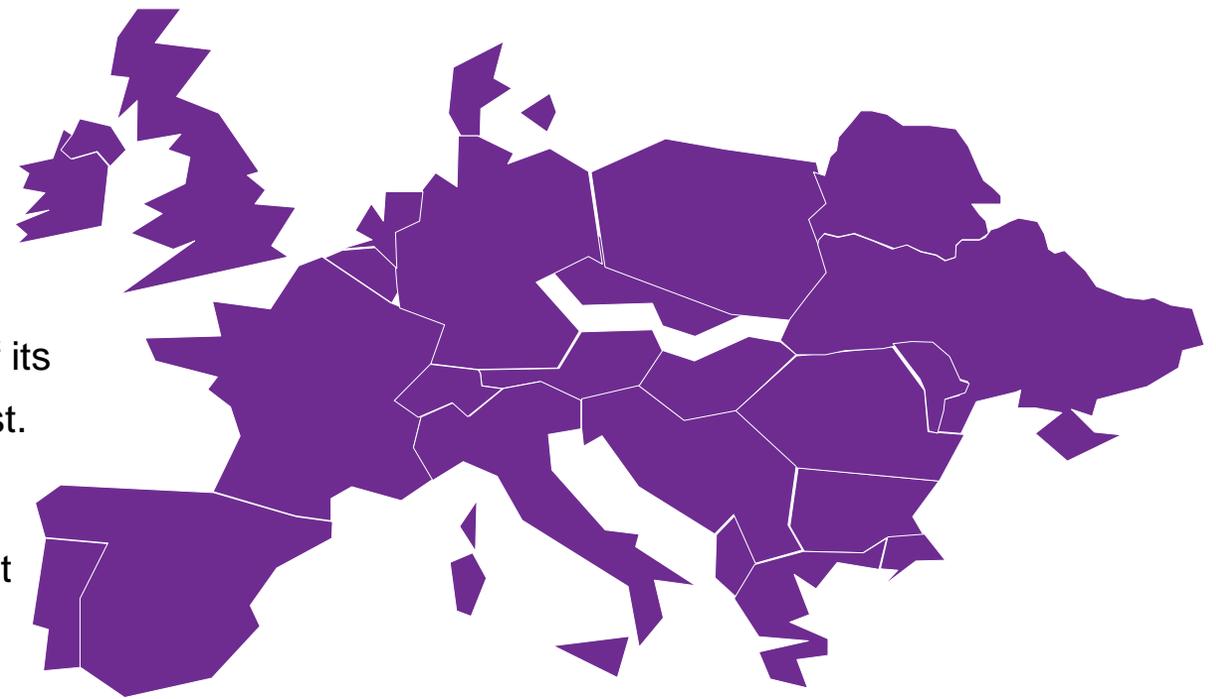
- ❖ Ransomware tabletop exercises
- ❖ Post-tabletop action reports
- ❖ Maturity assessments for preparedness
- ❖ Supply-chain attack simulation
- ❖ Comprehensive incident response plan
- ❖ Threat analysis and monitoring

All interaction with Dentons is attorney-client privileged

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

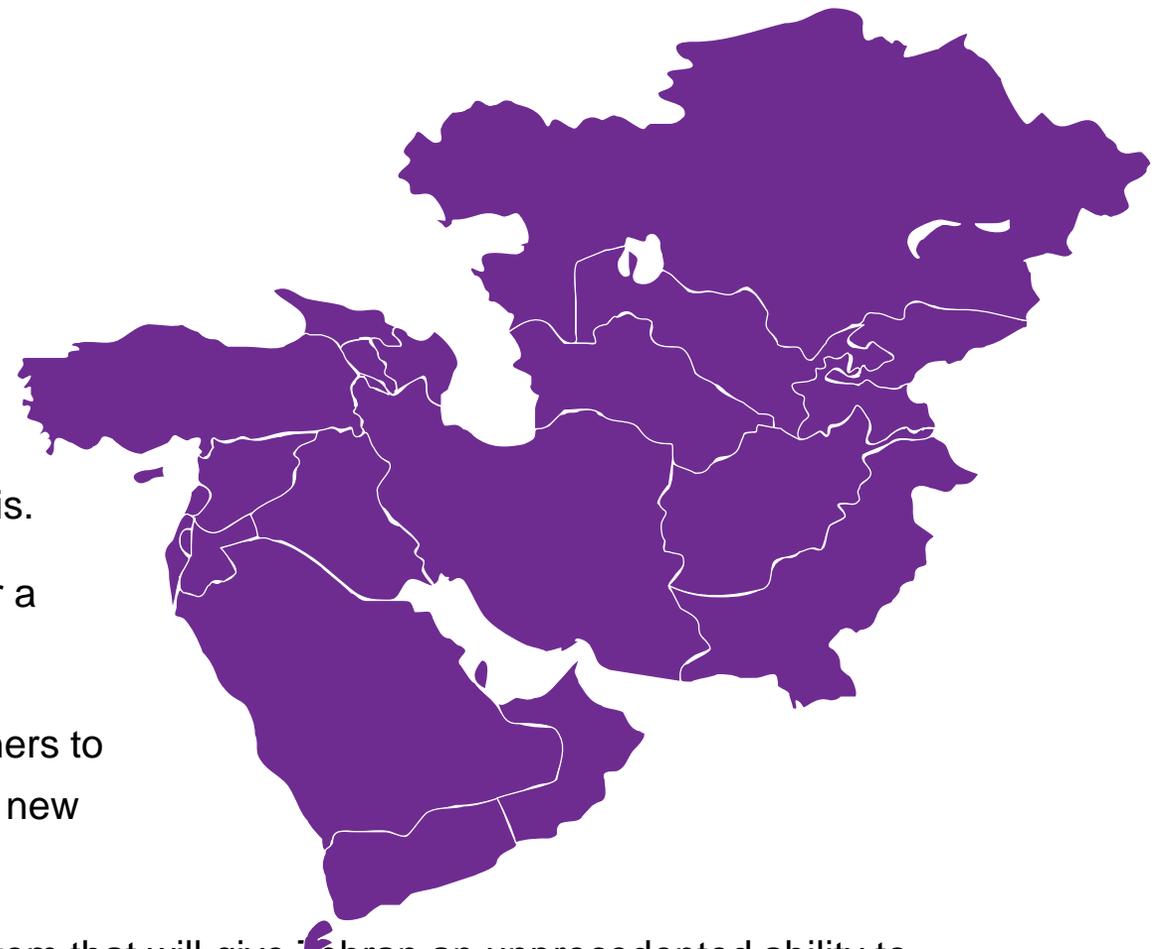
Europe

- The **European** Central Bank said it will stick with the pace of its bond-buying despite increasing its eurozone inflation forecast.
- **Britain's** recovery sped up in April as lockdown measures eased, with the fastest monthly growth since July, with output a record 27.6 percent higher than a year earlier,
- **Switzerland** is drawing up plans to provide subsidies and other incentives to maintain its competitive tax rates under the G7's new global taxation plan.
- The WHO warned that the Delta variant, first discovered in India, is "*poised to take hold*" in **Europe**; the Delta variant is now dominant in the **UK**. COVID-19 cases in the UK have more than doubled in the last week, driven by the Delta variant. The UK government said that wastewater analysis has contributed to mapping the spread of different coronavirus variants in the country. **EU** countries agreed on Friday to an easing of travel restrictions over summer that will allow fully vaccinated tourists to avoid tests or quarantines and broaden the list of EU regions from which it is safe to travel.



Middle East

- Houthi attacks on the Marib city center in **Yemen** killed at least eight and injured 27. The **US** imposed new sanctions on members of a smuggling network that reportedly funds the Houthis.
- The **UAE** emirate of Abu Dhabi will require proof of vaccination or a negative PCR test to enter public spaces.
- **French** President Macron said he is working with European partners to ensure funding for key **Lebanese** utilities, while still pushing for a new government.
- **Russia** is preparing to supply **Iran** with an advanced satellite system that will give Tehran an unprecedented ability to track potential military targets across the Middle East and beyond. The **US** dropped sanctions on the managing director of the National Iranian Oil Company (NIOC), in what it said is a routine step ahead of JCPOA negotiations.
- **Jordanian** King Abdullah formed a committee tasked with achieving a “*qualitative leap*” in the country’s political system.



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Americas

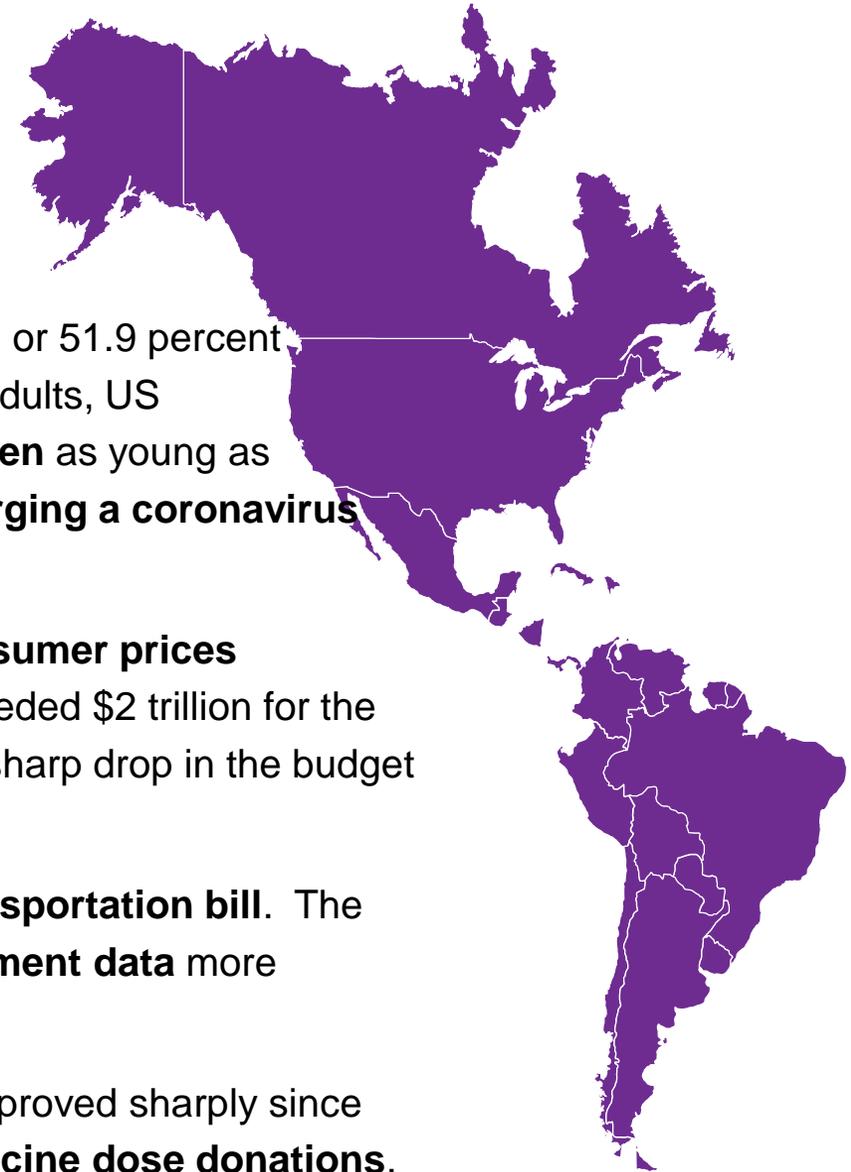
- **Peruvian** socialist Castillo came closer to cementing his presidential win as vote counting continued.
- The top **Canadian** privacy regulator found that the country's police violated the law in using Clearview AI to identify suspects. The Bank of Canada said that inflation could remain higher than projected if supply imbalances and pressures on capacity persist, which might lead it to reduce stimulus more quickly than currently expected.
- **Mexican** President Obrador floated constitutional changes to weaker terms for foreign and private energy companies in favor of state utility CFE.
- **Chilean** health authorities announced a blanket lockdown across the capital Santiago on Thursday following some of the worst COVID-19 case numbers since the pandemic began.



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Americas: US

- Across the nation, 172.4 million have received at least **one dose of the vaccine**, or 51.9 percent of the total population. With coronavirus vaccines available to adolescents and adults, US regulators are now turning their attention to possibly authorizing **shots for children** as young as 6 months. New York state lawmakers passed a bill Thursday that would make **forging a coronavirus vaccination card a felony**.
- New **weekly jobless claims** fell to a new pandemic-era low of 376,000. US **consumer prices** accelerated at their fastest pace since 2008 in May. The US **budget deficit** exceeded \$2 trillion for the first eight months of the fiscal year, though a change in the tax deadline led to a sharp drop in the budget gap in May.
- The Senate Commerce Committee unveiled a bipartisan \$78 billion **surface transportation bill**. The Biden Administration launched a new initiative Thursday aiming to make **government data** more available to AI researchers.
- A new Pew research study found that **America's image** around the world has improved sharply since President Biden took office. In his official announcement of 500 million Pfizer **vaccine dose donations**, President Biden said the US has a "*humanitarian obligation*" to helping save lives from COVID-19.



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What to Watch at the G7 Leaders' Summit

By Briana Boland

Leaders of the Group of 7 (G7) countries – the US, UK, Canada, France, Germany, Italy and Japan – will meet today in Cornwall for their first in person summit since the start of the pandemic, offering an opportunity for the seven allies to reaffirm alignment on key geostrategic issues, build momentum for climate action and issue new pledges to support the global rollout of COVID-19 vaccines.

The summit is particularly important for President Biden, marking both his first travel abroad in office and a key opportunity to make good on promises of revitalizing US alliances. Along with Biden, the Cornwall G7 is the first such summit for both Japanese Prime Minister Suga Yoshihide and Italian Prime Minister Mario Draghi, while Chancellor Angela Merkel will represent Germany for the last time.

Ministerial level meetings ahead the today's summit have already paved the way for progress in policy alignment between the seven countries – in particular, the agreement reached last weekend between G7 finance ministers on global taxation rules. The June 5 agreement sets the groundwork for setting a global minimum tax rate, as well as overturning rules that allow for only taxing companies in jurisdictions where they have a physical presence.

While the G7 countries are still not 100 percent synchronized on global tax rules, the recent agreement indicates increasing alignment between the seven governments, creating momentum for such rules to be taken on to larger forums like the OECD and G20.

Previous ministerial meetings also yielded important commitments on climate, including the May agreement to stop financing international coal projects by the end of the year and a statement of support from finance ministers for mandatory climate-related financial disclosures. Climate action is set to become a key theme of the next three days; this year, the UK is also hosting the UN Climate meeting COP26 in November and is expected to use the G7 summit to begin building momentum for the critical climate-focused conference. Moreover, like taxation, the G7 will use their summit to set the stage for expanding the climate agenda of the G20 meeting

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What to Watch at the G7 Leaders' Summit

G20 meeting in October. As the first G7 summit since the formal implementation of Brexit, this meeting will be especially important for the UK to establish its image as an international leader on climate issues – as well as to push the idea of a “Global Britain” still engaged on the world stage despite leaving the EU.

G7 leaders will also address growing pressure to increase their support for vaccine rollout around with world, with Prime Minister Johnson reportedly set to urge other leaders to commit to helping the world reach global vaccination by the end of 2022. The Biden Administration's announcement that it will donate 500 million Pfizer vaccine doses to poorer countries over the next two years, with 200 million set to be distributed before the end of 2021, also appears designed to increase pressure on fellow rich nations to ramp up vaccine dose donations. While more pledges of money and doses are likely over the next three days, the G7 is unlikely to align on support for vaccine patent waivers, which a number of European partners – namely Germany – oppose. Along with addressing vaccinations, a draft communique leaked yesterday suggests that the G7 will call for a fresh WHO inquiry into the origins of COVID-19.

Perhaps the most closely watched aspect of the Cornwall G7 will be its handling of geopolitical issues, and in particular, China. The UK extended summit invitations to the leaders of Australia, India, South Korea and South Africa, in an effort to broaden the meeting into a more inclusive group of leading global democracies. While Indian Prime Minister Modi is not traveling to the UK due to his country's domestic COVID-19 crisis, the other three leaders will join, with the addition of Australia and South Korea of particular importance as the G7 seeks to develop an aligned approach to perceived threats from China. President Biden is expected to press G7 allies to take a tougher stance on relations with Beijing, and the meetings may produce joint condemnations of China's crackdown in Hong Kong, repression of Uighurs in Xinjiang and military activity in the South China Sea. For the US, the summit comes after weeks of culminating legislative and executive actions aimed at China, including the Senate's passage of a bipartisan bill aimed at boosting America's competitive edge in key technologies, a Pentagon review of China's challenges to the US defense strategy, and a new ban on investing in 59 Chinese companies linked to defense or surveillance. Any statements out of the G7 come at a tense time for Beijing,

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What to Watch at the G7 Leaders' Summit

which, in the midst of preparations for the 100th anniversary of the Chinese Communist Party, may react strongly to moves seen as persecution of China.

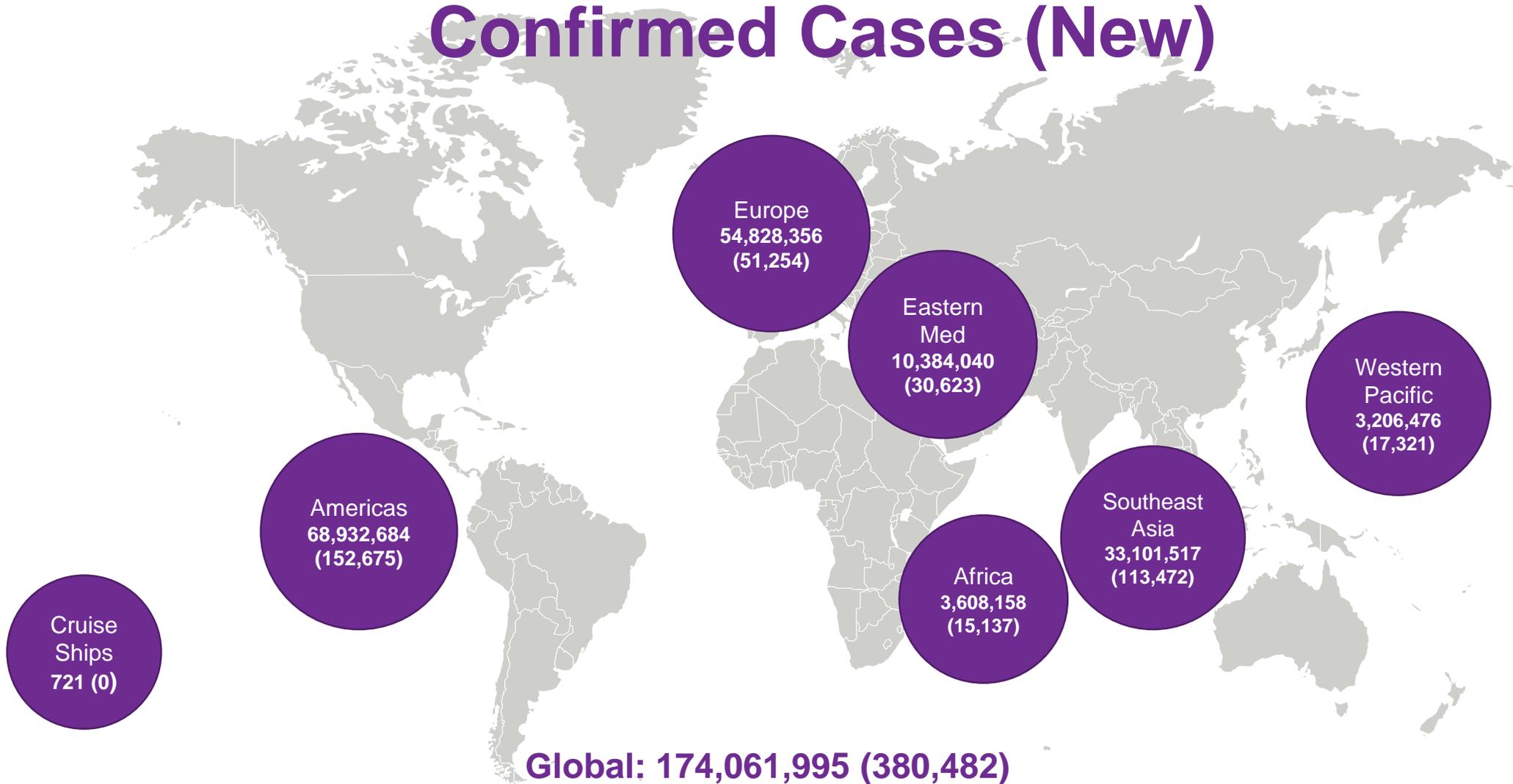
Along with attempting to coordinate strategy on China, the G7 is expected to address other key foreign policy issues, including Russia and Belarus. Both topics are particularly consequential as the G7 meeting will set the tone for President Biden's meeting with Russian President Putin on June 16 in Geneva, where Biden has pledged to press Putin on both Belarus and Ukraine. Between the G7 and meeting with Putin, President Biden will travel to Brussels for meetings with NATO leaders, including private talks with Turkish President Tayyip Erdogan in an effort to bring Turkey back into the western fold and strengthen NATO's southern flank.

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Coronavirus Condition Updates

As of 4:00pm CEST on June 10, 2021

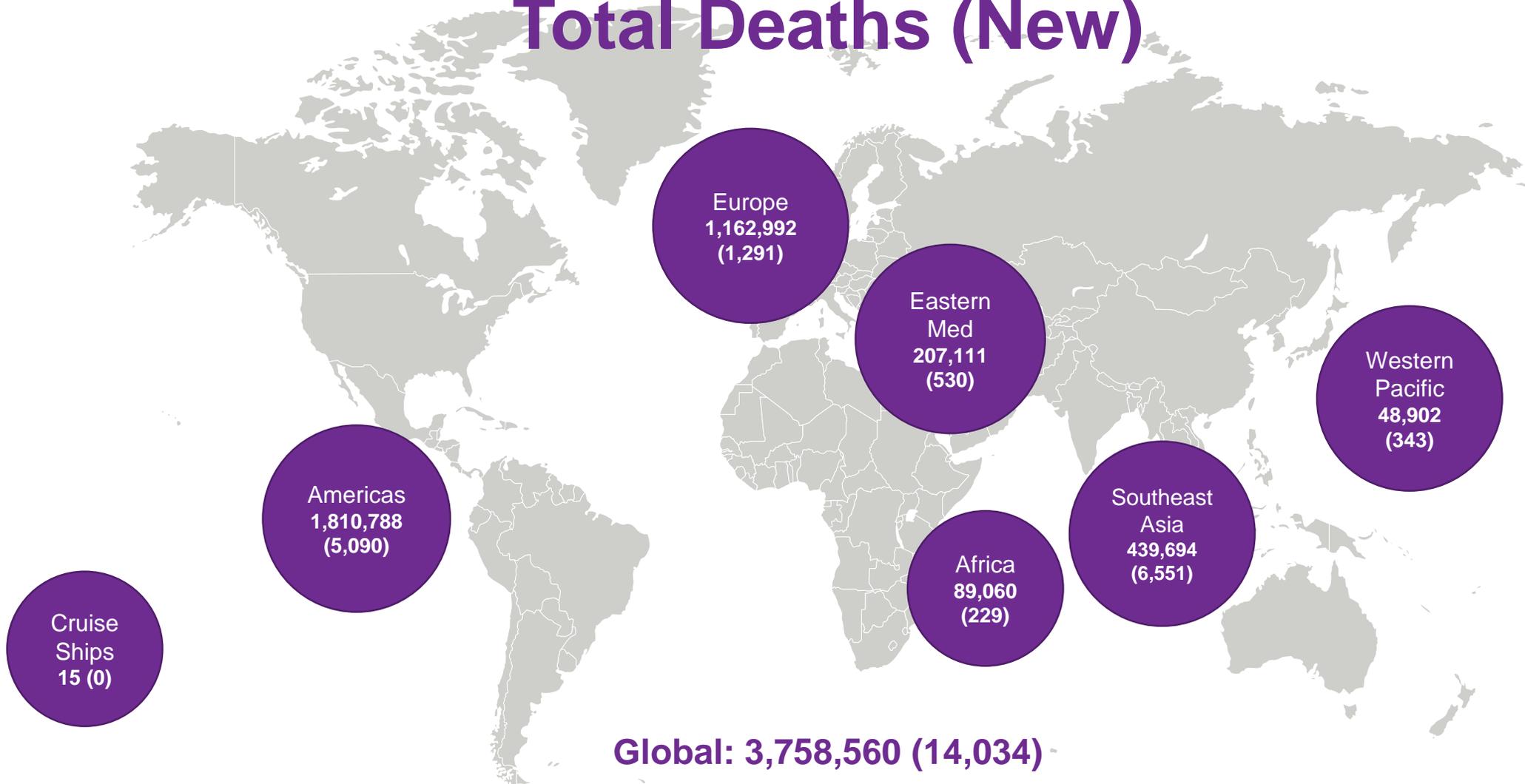
Confirmed Cases (New)



Reflects data as of 2100 hours the evening before the date of the situation report.
Data Source: World Health Organization

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Total Deaths (New)



Reflects data as of 2100 hours the evening before the date of the situation report.
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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