

Dentons Flashpoint

Daily Global Situation Report

August 10, 2021

Global Situation Update: August 10, 2021

KEY TAKEAWAYS

BioNTech said that the original form of the Pfizer-BioNTech vaccine is effective against new variants, including Delta, without modification.

South Korea and the US will begin conducting military drills today despite North Korean threats.

Oil prices continued to slide throughout Monday to reach its lowest level in 2.5 months.

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WHAT WE'RE WATCHING

Today, a volcanic eruption on Mount Merapi on the Indonesian island of Java continues to send renewed flows of lava and hot ash down its slope. The volcano is the most active in Indonesia and has erupted regularly over the past several hundred years. It is located near the major city of Yogyakarta, home to almost a half million people.

The initial volcanic burst yesterday spewed hot ash 1km into the air and was accompanied by the release of lava and volcanic gas. Worldwide, there are also reports of minor eruptions or rumblings in Iceland and Mexico.



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

Global

Globally, confirmed coronavirus cases topped 202.6 million with 4.2 million deaths; more than 4.0 billion vaccine doses have been administered.

- Across Europe and North America, the number of **people going hungry** rose in 2020 for the first time since the UN began collecting data in 2014.
- **Russia and China** are holding a large-scale joint military exercise in north-central China involving more than 10,000 troops, amid speculation that the two countries are expanding military cooperation.

COVID-19 Vaccine

The US CDC's Advisory Committee on Immunization Practices will meet on Friday to discuss booster doses of COVID-19 vaccines.

- The head of BioNTech said that the original form of the **Pfizer-BioNTech vaccine** is effective against new variants, including Delta, and does not need to be modified.
- South Korea gave vaccine developer SK Bioscience permission for a Phase III study of its COVID-19 **vaccine candidate GBP510**.
- Swiss regulators have granted a temporary authorization for the **Moderna vaccine** to be administered to adolescents aged 12 to 17.
- US military leadership seek to **mandate coronavirus vaccination** for all service members by mid-September and could begin requiring inoculation even sooner if a vaccine receives full approval from the FDA.

Markets & Business

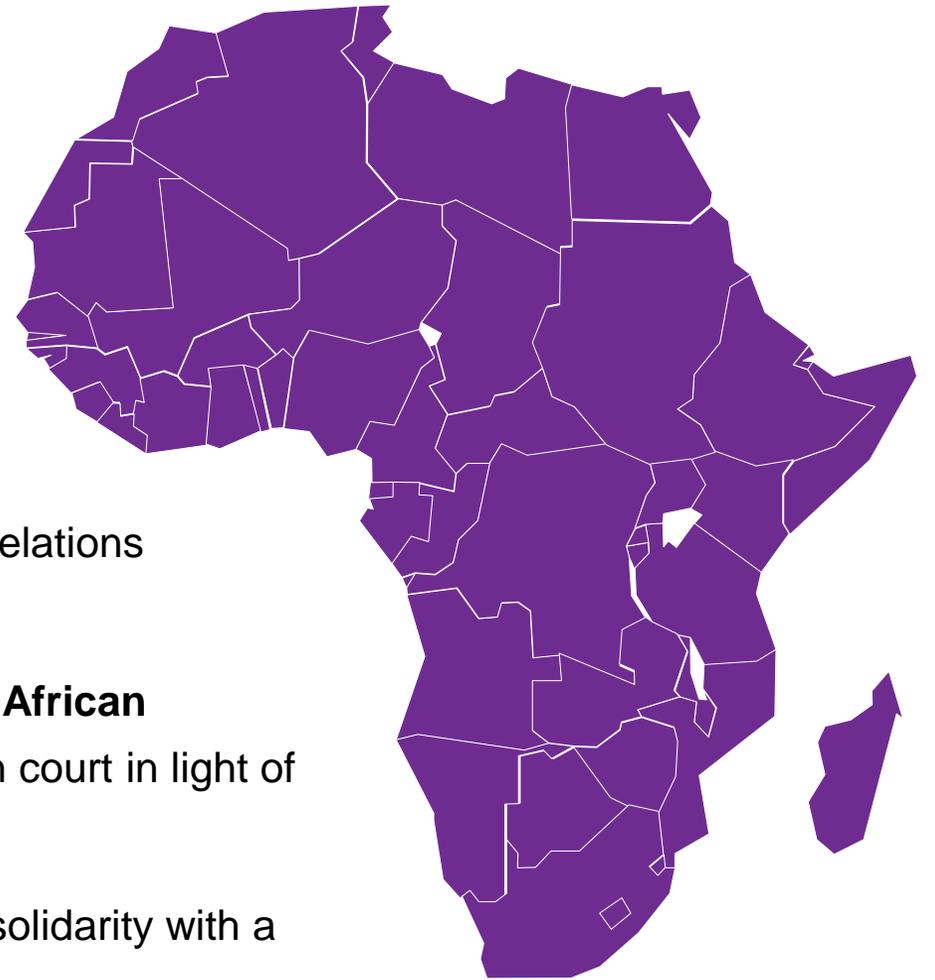
Corporate IT leaders continue to struggle with limited semiconductor supplies, which is stalling orders for printers, new computers, phones, and other work gear.

- **Atlanta Federal Reserve** president Bostic said he supports scaling back bond purchases this year if the labor market continues to make gains.
- **Tyson Foods** raised its full-year outlook as restaurant reopenings boost beef and pork demand.
- **Oil prices** continued to slide throughout Monday to reach its lowest level in 2.5 months on increased concerns about the Delta variant and the UN's dire warning on climate change.
- Unregulated cryptocurrency exchange **Poloniex LLC** agreed to pay \$10 million to settle an SEC investigation.
- Former SEC official Brett Redfearn left cryptocurrency exchange **Coinbase** after only four months on the job.
- The Indian supreme court ruled that **Amazon and Walmart's Flipkart** must face antitrust investigations against them in the country.
- India is reportedly considering cutting import taxes on **electric vehicles** by 40 percent.

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Africa

- The Intergovernmental Authority on Development called for dialogue in **South Sudan** following the weekend's deadly clashes between splinter groups.
- Delegations from **Somalia and Kenya** publicly agreed to mend their relations following several months of tensions.
- Prosecutors and lawyers in the corruption case against former **South African** President Zuma asked the judge to delay his upcoming appearance in court in light of Zuma's hospitalization.
- Southeastern **Nigerians** engaged in a broad work stoppage to show solidarity with a detained Biafran separatist leader.



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Asia

- **Nepal** began administering second doses of COVID-19 vaccine to nearly 1.4 million elderly people, following a months-long delay after **India** halted vaccine exports.
- **Indonesia** extended COVID-19 restrictions on Java and Bali to August 16.
- Morgan Stanley and JPMorgan joined Goldman Sachs to cut their **China** growth forecasts, citing coronavirus spikes and regulatory crackdowns.
- A new terminal opened at Lhasa Gonggar airport is now the largest terminal in **Tibet**, which analysts hope will boost connections within **China** and to Southeast Asia.
- A **Chinese** court upheld a **Canadian** man's death sentence for drug smuggling a day before another court is due to rule on the case of another Canadian accused of spying.
- **South Korea** and the **US** will begin conducting military drills today; **North Korea** has warned that going ahead with the exercises would jeopardize recent progress in inter-Korean relations.
- **US** Secretary of State Blinken criticized **China's** "*provocative actions*" in the South China Sea during a UN Security Council meeting, prompting sharp retorts from China's UN Ambassador.

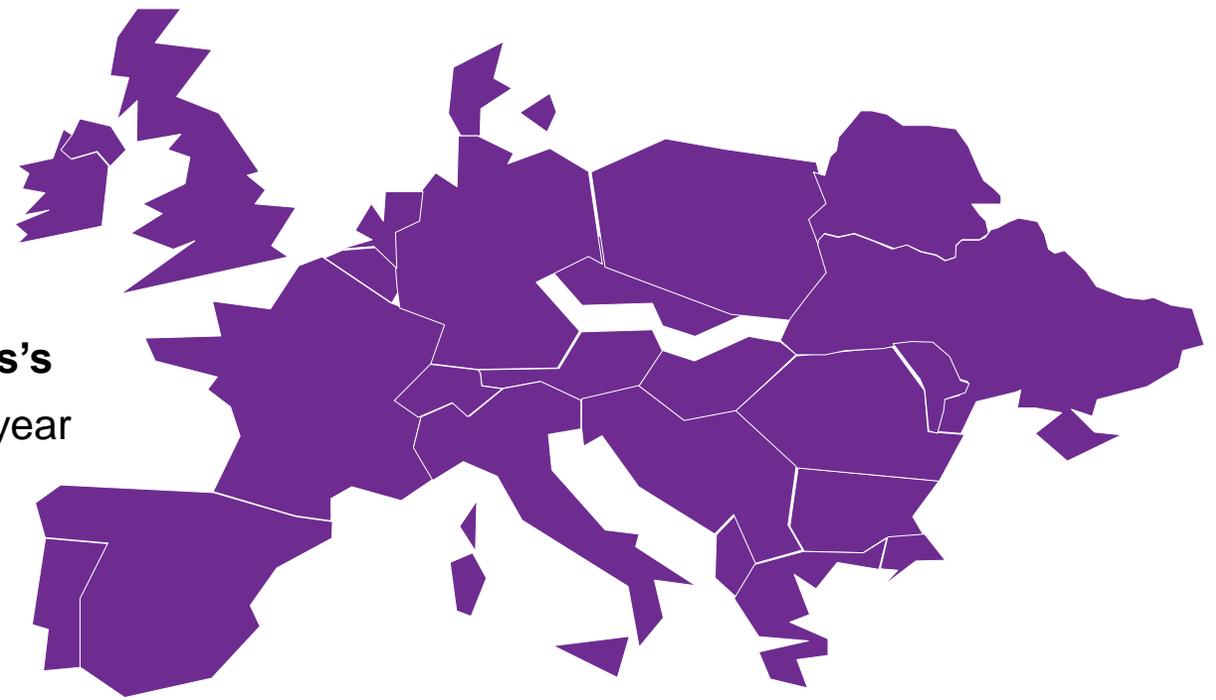


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Europe

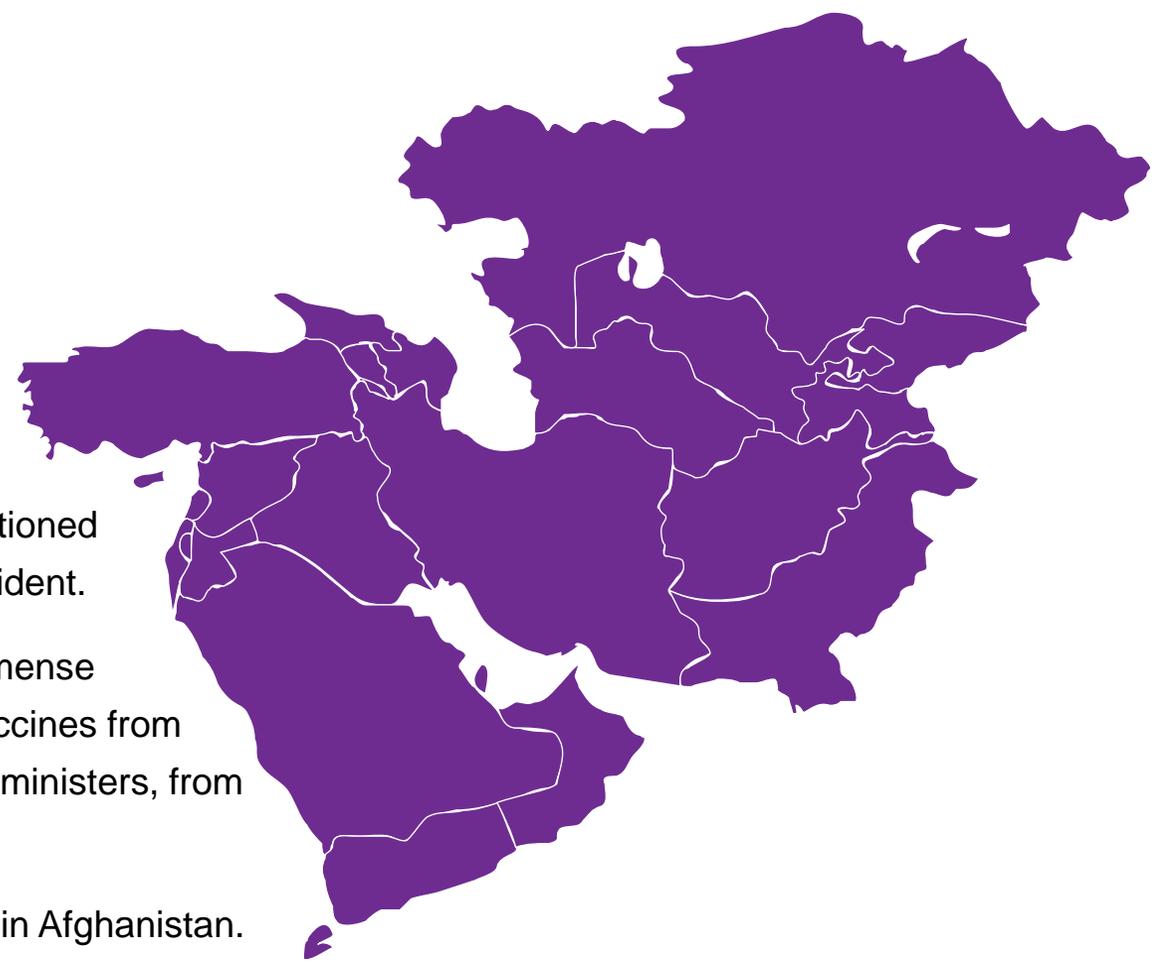
- The **US, UK and Canada** tightened sanctions on **Belarus's** government of Alexander Lukashenko, marking the one-year anniversary his re-election in a vote widely accused of fraud. **Latvia** said it was prepared to declare a state of emergency on its border with Belarus to block migrant flows that it has called a form of “*warfare*.”
- **Greek** Prime Minister Mitsotakis approved a 500-million-euro supplemental budget for relief to those affected by wildfires, and reforestation.
- **Russia** announced visa restrictions on several **UK** officials in exchange for earlier British sanctions.
- **France** will send medical teams to its Caribbean territories, Guadelope and Martinique, as they face a surge of COVID-19. The number of COVID-19 patients in critical care in France rose saw its highest daily increase since April. The **UK** will relax some travel restrictions for the upcoming COP26 summit in Scotland. A group of coronavirus vaccine protesters attempted to storm the offices of British public broadcaster BBC on Monday but they had the wrong address.

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Middle East

- Fuel shortages in **Lebanon** fueled violent fights on Monday, resulting in the death of one man.
- New **Iranian** President Raisi named Mohammad Mokhber, a US-sanctioned former chairman of state-owned foundation the Setad, as his Vice President.
- **Tunisia** vaccinated 500,000 in one day on Sunday, demonstrating immense progress since its COVID-19 crisis spurred significant donations of vaccines from allies. The Tunisian government banned 12 officials, including former ministers, from travelling on suspicion of corruption in phosphate mining.
- The Taliban captured a sixth regional capital, escalating its expansion in Afghanistan.
- Baghdad invited representatives from **Turkey, Kuwait, Saudi Arabia, the UAE, Qatar and Egypt**, along with western allies, to an August summit in **Iraq** on regional issues.



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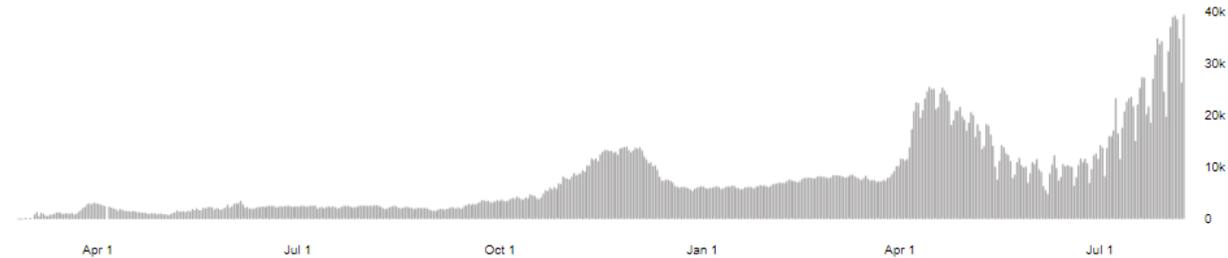
Middle East

The Iranian health ministry reported that one person is now dying every two minutes of COVID-19 in a new case spike (a rate not reflected in the official death toll); more than 5,000 Iranians were admitted to hospitals yesterday.

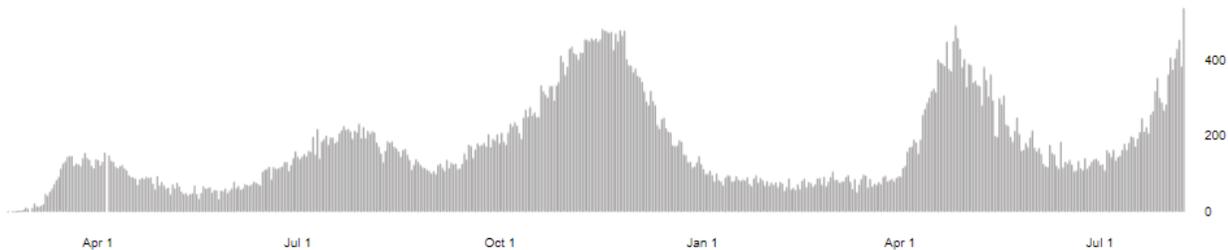
Iran (Islamic Republic of) Situation



4,158,729
confirmed cases



94,015
deaths



Source: World Health Organization

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Americas

- **Canada** opened its borders to nonessential travel from the US for the first time in 16 months.
- **Mexico's** central bank is expected to raise its interest rate to 4.5 percent at its next meeting.
- **Guatemalan** protesters blocked roads across the country amid protests calling for the resignation of President Giammattei over his dismissal of a top anti-graft official.



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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:

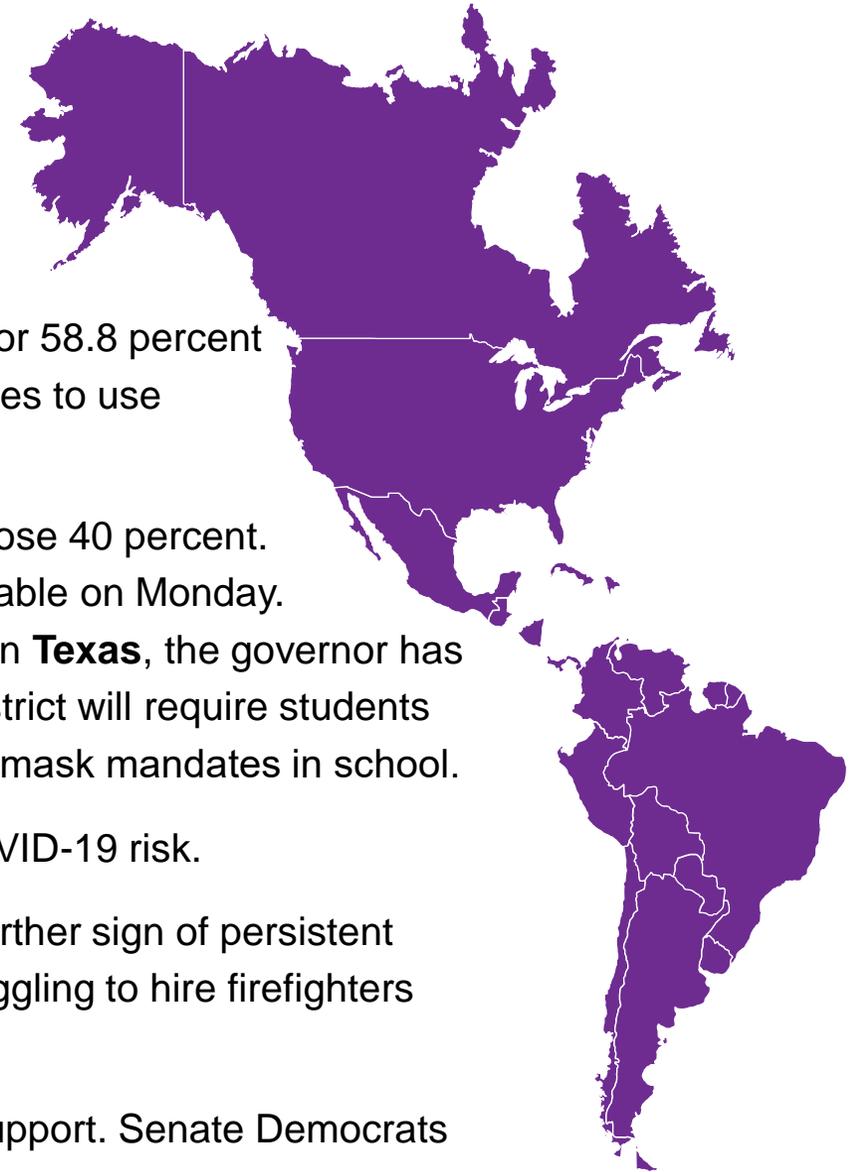
- ❖ Ransomware tabletop exercises
- ❖ Post-tabletop action reports
- ❖ Maturity assessments for preparedness
- ❖ Supply-chain attack simulation
- ❖ Comprehensive incident response plan
- ❖ Threat analysis and monitoring

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

Americas: US

- Across the nation, 195.2 million have received at least one dose of the **vaccine**, or 58.8 percent of the total population. Florida vowed to appeal a federal ruling allowing cruise lines to use “*vaccine passports*.”
- Last week, **new coronavirus infections** rose 35 percent and **hospitalizations** rose 40 percent. **Arkansas’s** governor reported the state has only 8 intensive care unit beds available on Monday. **Florida and Louisiana** on Monday reported hospitalizations at all-time records. In **Texas**, the governor has asked hospitals to postpone elective surgery. The Dallas Independent School District will require students and teachers to wear masks in defiance of a statewide governor’s order banning mask mandates in school.
- The CDC placed **France, Israel, Thailand and Iceland** on its highest tier for COVID-19 risk.
- The Labor Department reported record numbers of **job openings** in June, in a further sign of persistent worker shortages. Worker shortages are hitting the Forest Service, which is struggling to hire firefighters even as wildfires spread across the west.
- The Senate is set to pass a **\$1 trillion infrastructure package** with bipartisan support. Senate Democrats released an outline for their **\$3.5 trillion antipoverty and climate plan**.



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Coming Challenges for Employers: The “Great Resignation”

Just as rising vaccination rates offer a way out of the pandemic, many companies may face a growing new problem: an exodus of employees. In what some economists have dubbed the “great resignation,” worker turnover is expected to spike as the country reopens – and in many cases, the process is already underway. Though the US labor market showed strong growth in July, adding 943,000 new jobs and lowering the unemployment rate to 5.4 percent, job openings are still breaking records. Yesterday, the Labor Department reported that job openings rose to an all-time high of 10.1 million by the end of June, beating economist expectations.

The high demand for workers across the labor market comes as huge numbers of the currently employed plan to search for new jobs and even new career paths in 2021, according to surveys conducted throughout the first half of the year that are being backed up by data on workers quitting their jobs in May and June. The national quit rate was up in all but five of the 21 private industry sectors that the Labor Department reports on in June, led by record numbers in retail. For employers across the labor market spectrum, the “great resignation” will present new challenges for business operations – but also offer opportunities to draw new talent and build a more resilient workforce.

The COVID-19 pandemic already changed the world of work: for many white-collar and technology workers, it ushered in a new era of remote work, while across other sectors, COVID-19 brought new

workplace risks and increased demands on employees. Now, the stresses and opportunities of the past year and a half are showing in worker efforts to change jobs, career paths, and styles of working. Surveys conducted in the first half of 2021 foreshadowed the likelihood of mass worker turnover throughout the year; one study from the Achievers Workforce Institute conducted in March found that 52 percent of workers in North America planned to search for new jobs this year, far higher than typical expectations for worker turnover. Along with classic reasons to search for new employment, including higher pay or wanting a promotion, the Achievers Workforce Institute found that burnout and/or feeling disconnected from company culture were cited by a majority of workers considering a change, impacts driven by the unique stresses of the pandemic and working from home.

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Coming Challenges for Employers: The “Great Resignation”

Numerous anecdotal stories also highlight the trend of employees seeking new jobs in order to continue working remotely, particularly employees who moved during the pandemic or started at a new company in an entirely remote setting. With the Delta variant pushing back the average office reopening timeline, the issue of finding a new job to remain remote may be delayed for many workers – for now. But employers should anticipate new expectations around flexibility and remote work, or on the flip side, preferences to work in the office, to be increasingly important for both attracting new employees and retaining existing ones, particularly in an environment with such a high number of opportunities for workers to switch jobs.

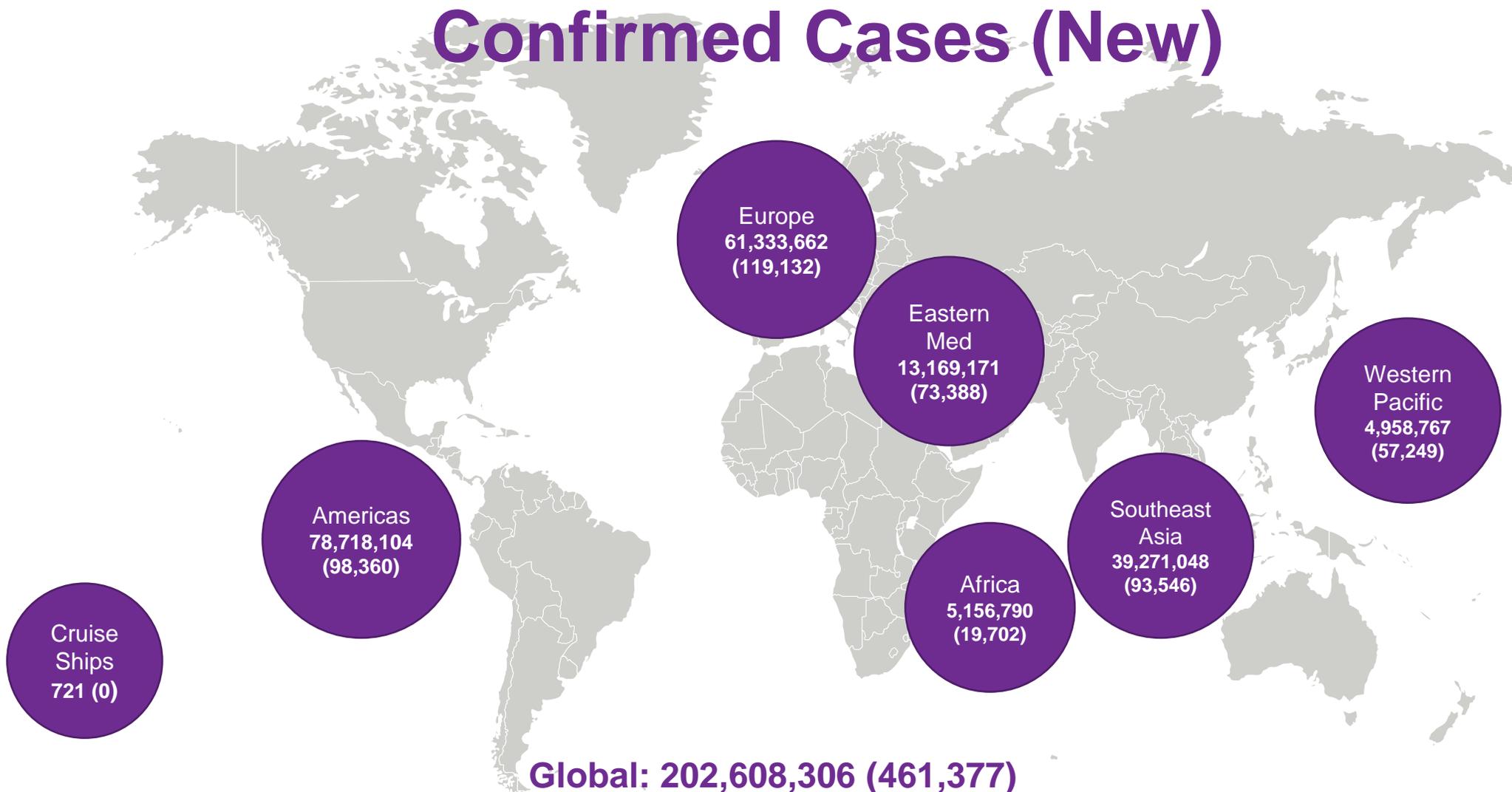
The combination of record high opportunity (in the form of job openings) and pandemic-driven reasons for workers to re-evaluate their current jobs, from the stresses of dealing with COVID-19 in the workplace to new expectations for work-life balance developed while working from home, are driving high turnover – and neither force seems set to diminish anytime soon. For employers, this could mean a prolonged period of heightened turnover and uncertainty within a workforce, posing obstacles to business operations and company

culture. But a phase of pandemic-induced turnover also presents opportunities. Companies that are able to adapt to changes in the world of work and harness new worker expectations may attract new talent, boost worker retention, and create an overall more stable, productive, and resilient workforce. New policies could result in increased flexibility in working hours, such as uptake of a four-day workweek or enduring options to work remotely, or could focus on employee engagement and company culture. Workers that use the turnover period to find a sustainable career path that meets their expectations of work-life balance may be both more satisfied with work and more likely to stay in a position long-term. Throughout the past year, corporate conversations about resilience and flexibility have gained popularity; now, companies will be tested on how successful those efforts to build workforce resiliency truly were. COVID-19 has created a near-constant succession of tests for corporate capacity to adapt and endure. At what is hopefully the tail end of the pandemic, the “great resignation” underscores that the need to reassess and respond to changes in the workforce will continue past the time of COVID-19.

Coronavirus Condition Updates

As of 7:07 pm CEST on August 9, 2021

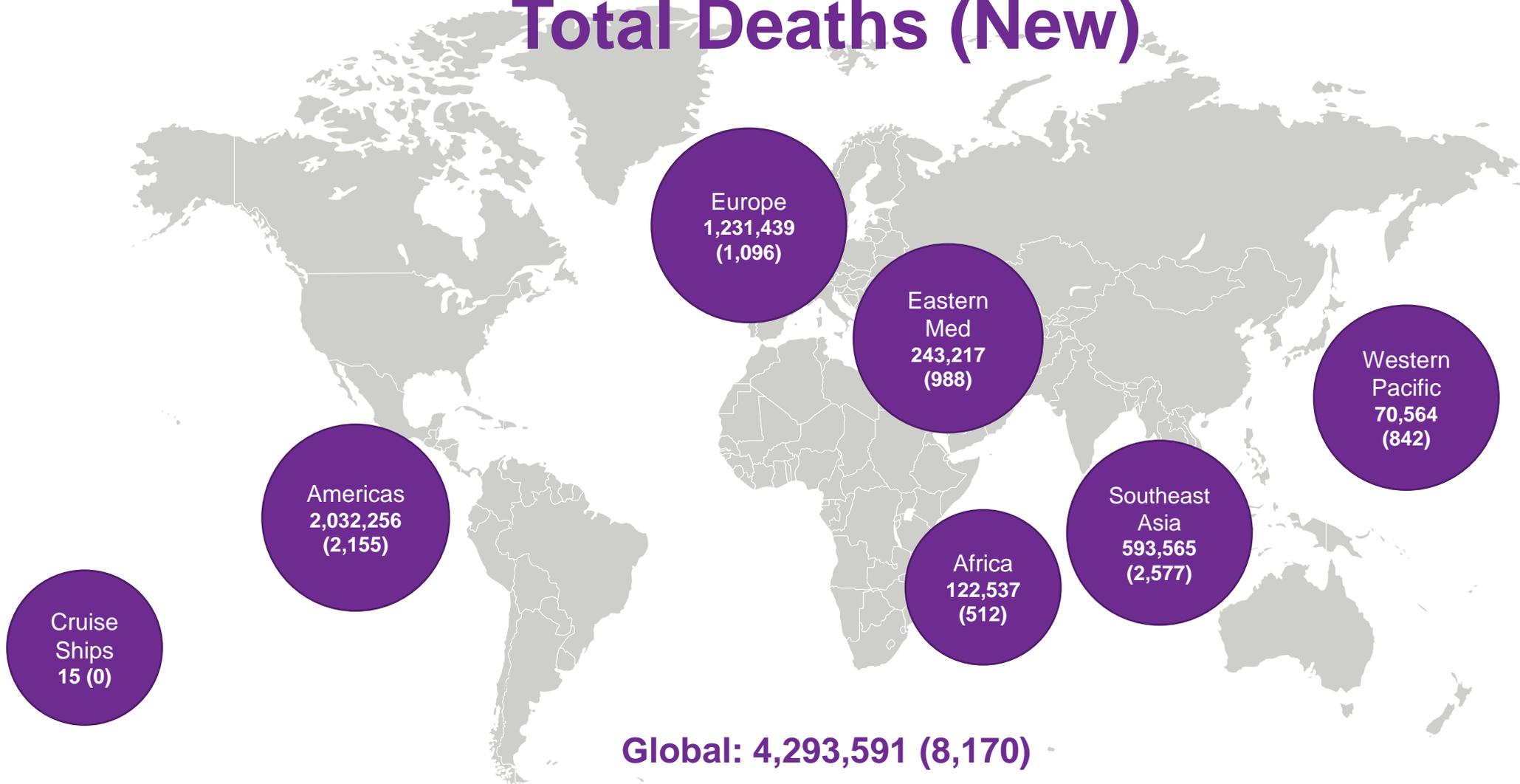
Confirmed Cases (New)



Reflects data as of 7:07 pm CEST on August 9, 2021.
Data Source: World Health Organization

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Total Deaths (New)



Reflects data as of 7:07 pm CEST on August 9, 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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