

Dentons Flashpoint

Daily Global Situation Report

August 11, 2021

Global Situation Update: August 11, 2021

KEY TAKEAWAYS

Ethiopian Prime Minister Ahmed called on “*all able-bodied Ethiopians of age*” to join the fight against Tigray rebels.

Per a WHO adviser, the highly transmissible nature of the Delta variant renders “*herd immunity*” impossible.

SoftBank will hold back on new investments in China as it monitors the country’s regulatory crackdown on tech.

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, Lithuania and Latvia are taking steps to stem the rising number of refugees from Belarus entering their countries. Latvia has declared a state of emergency that enables it to deploy military and police to support border guards. Lithuania, meanwhile, will start construction of a 13 foot high metal fence topped with razor wire to keep out illegal migrants from Belarus.

Belarussian President Lukashenko is accused of redirecting the flow of thousands of migrants from the Middle East, Africa and Asia into the Baltic nations since the start of 2021 in an effort to destabilize the European Union and NATO's frontline with Belarus and Russia.



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Global

Globally, confirmed coronavirus cases topped 203.2 million with 4.3 million deaths; more than 4.0 billion vaccine doses have been administered.

- A WHO adviser said that the highly transmissible nature of the Delta variant means that “***herd immunity***” is not possible.
- Coronavirus will become an **endemic disease** with seasonal outbreaks, according to the UK director of the UCL Institute of Epidemiology and Health Care.
- There are currently 353 container ships stuck outside ports around the world, more than double the number from earlier in the year, ensuring that **supply disruptions** will persist due to logistical logjams.

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COVID-19 Vaccine

Facebook removed a network of Russia-based accounts it identified as recruiting influencers to create anti-vaccine content.

- **Moderna** reached an agreement to develop a new mRNA facility in **Canada**.
- **Pfizer** shares hit a 20-year high on vaccine demand.
- Three quarters of **UK** adults are now fully vaccinated.
- The **German** government announced plans to end free COVID-19 testing for the unvaccinated, in a further bid to **incentivize vaccination**.
- **Portuguese** health authorities recommended that children 12-15 should be vaccinated.
- **Bangladesh** began a vaccination drive targeting Rohingya refugees.

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COVID-19 Vaccine

Israel is increasing its rollout of third vaccine doses for vulnerable groups as the country's COVID-19 wave reaches levels last seen in February, despite 62 percent of the population being fully vaccinated.

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



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Markets & Business

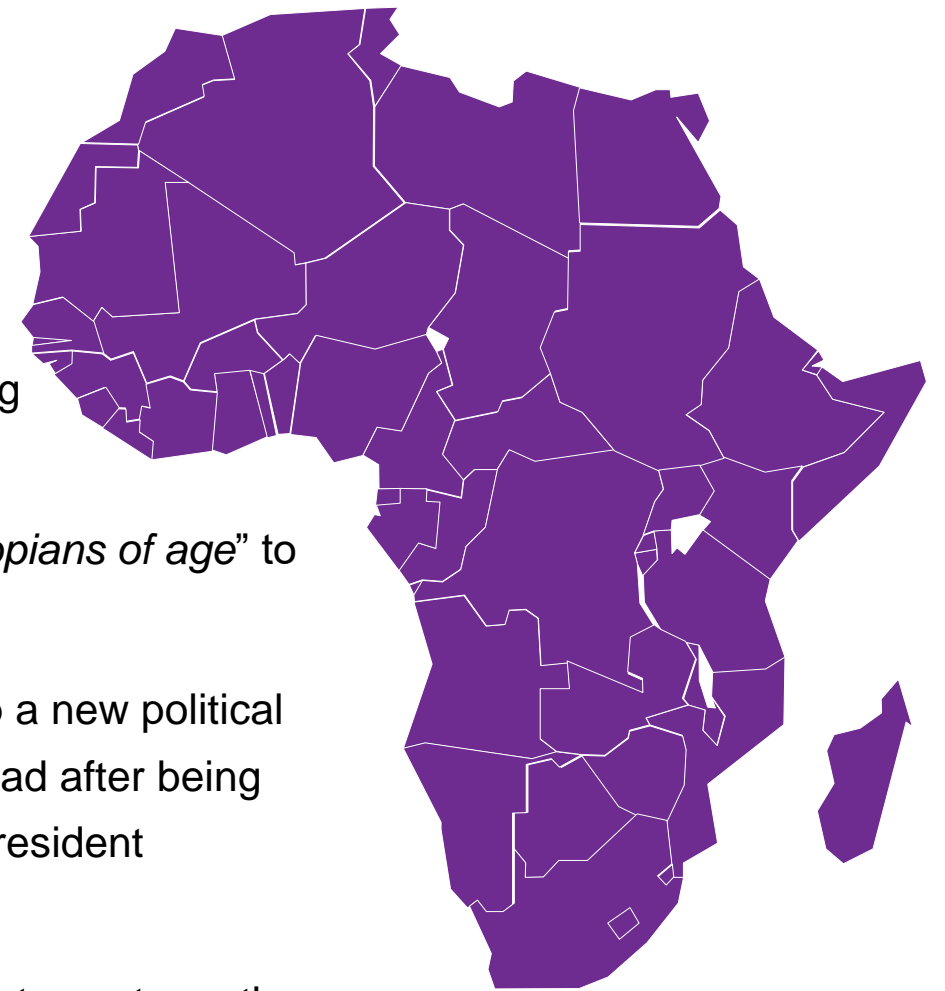
IHS Markit expects electric vehicle sales to grow from 3 percent of sales this year to 32 percent by 2030.

- **SoftBank** said it will hold back on new investments in China as it monitors the country's regulatory crackdown on tech
- Chicago Federal Reserve President Evans became the latest Fed official to signal openness to reducing **asset purchases** later this year.
- The **US Postal Service** is planning to introduce holiday surcharges to offset rising delivery costs.
- **Citi** is the latest bank to require vaccines for workers returning to office.
- **New York Film Festival** will require proof of vaccination attendees of its in-person screenings.
- **Dominion Voting Systems** sued two conservative media outlets and a businessman for defamation over their claims that it rigged the 2020 US Presidential election.
- Cryptocurrency network **Poly Network** said that hackers had stolen \$600 million worth of cryptocurrencies in what may be one of the biggest heists recorded in the industry.
- Cryptocurrency exchange **BitMEX** has agreed to pay \$100 million to resolve a regulatory lawsuit with the US.

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Africa

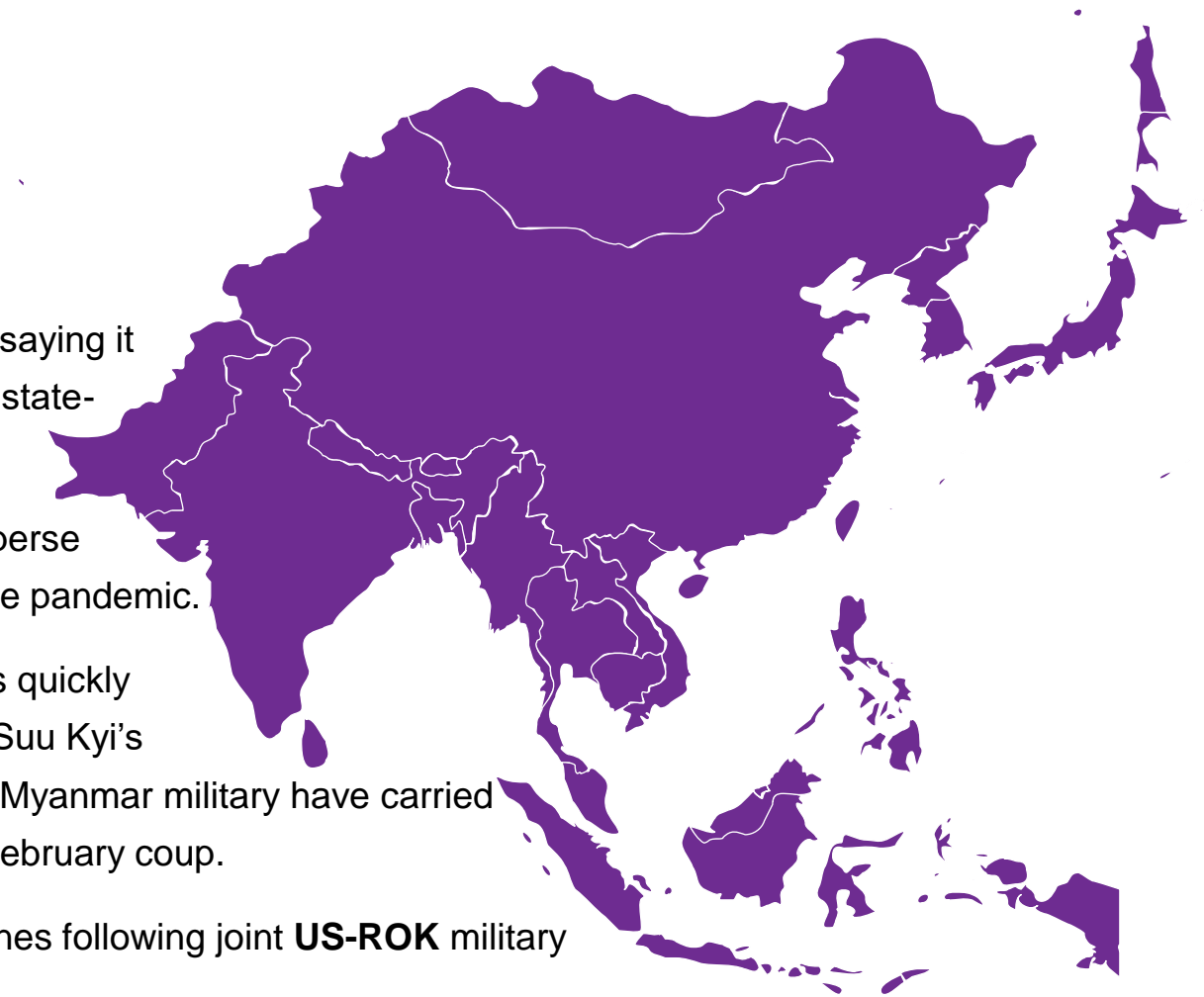
- WHO experts will travel to **Guinea** after the country reported a death from the Ebola-like Marburg virus, the first confirmed death of Marburg in West Africa.
- **Ethiopian** Prime Minister Abiy Ahmed called on “*all able-bodied Ethiopians of age*” to join the fight against Tigray rebels.
- Former **Ivory Coast** president Laurent Gbagbo proposed standing up a new political party to replace his fractured former bloc; Gbagbo returned from abroad after being acquitted of war crimes at the ICC and is a potential rival of current President Ouattara.
- **South Africa** postponed the corruption trial of former President Zuma to next month following his illness.
- **Algerian** President Tebboune ordered the sale of stakes in several government-owned companies and banks, beginning a long-awaited privatization process.



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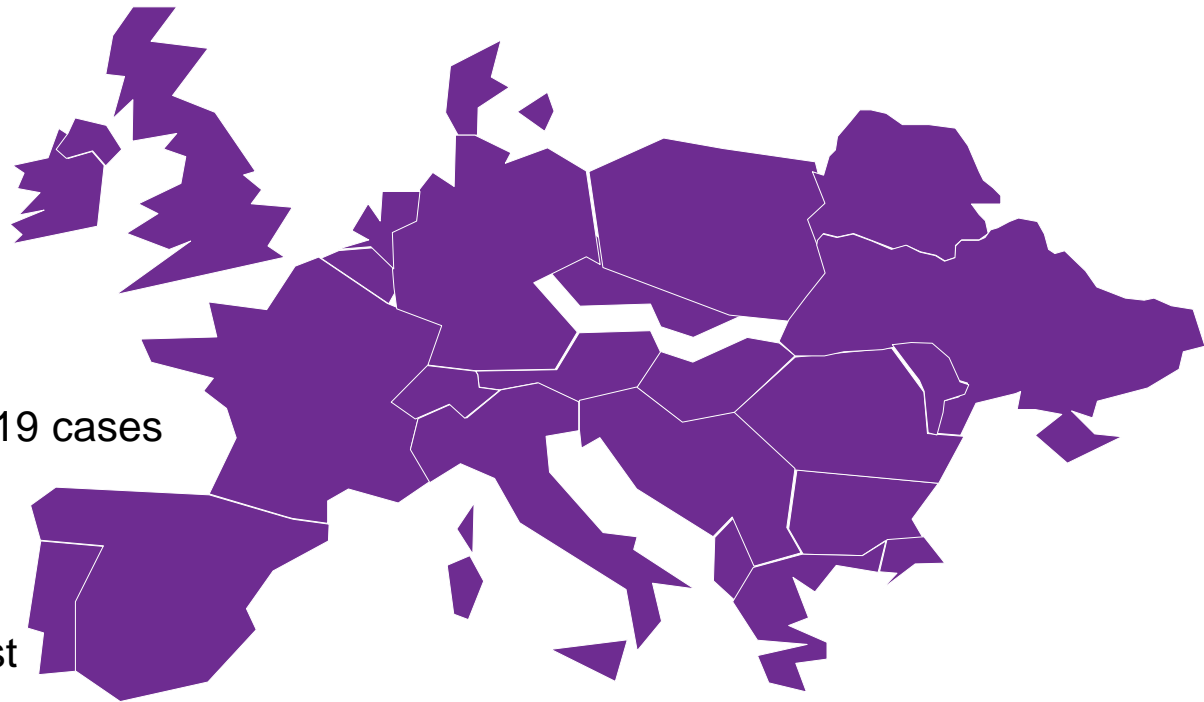
Asia

- **Hong Kong's** largest teacher's union announced its disbandment, saying it had no choice after Hong Kong's education authorities cut ties and state-backed media attacked the union over its past protests.
- **Thai** police used tear gas, water cannons and rubber bullets to disperse protests against Prime Minister Prayuth Chan-ocha's handling of the pandemic.
- The UN Special Envoy on **Myanmar** warned that the coup leader is quickly consolidating his power, and that ousted Prime Minister Aung San Suu Kyi's political party may soon be disbanded. A rights group reported that Myanmar military have carried out at least 252 attacks and threats on medical workers since the February coup.
- **North Korea** did not answer routine calls from **South Korean** hotlines following joint **US-ROK** military drills.
- A **New Zealand** health council advised that the country should keep its borders closed until early 2022, only opening when a vast majority of adults have been vaccinated. Signs of a third COVID-19 wave in **India** have emerged in at least 10 states. **China's** ongoing COVID-19 outbreak is driving debate about the country's "*zero tolerance*" approach to coronavirus cases, potentially signaling a shift as vaccination numbers rise.



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Europe



- The costs of shipping from **Asia to Europe** has risen dramatically over recent months, partially due to COVID-19 cases in **China**.
- The **UK** recorded its highest daily coronavirus death toll in six months; new infections have begun to creep up, last week averaging an increase of 7 percent.
- **China** recalled its ambassador to **Lithuania** over the country's plan to open a **Taiwanese** representative office; Lithuania's decision came after withdrawing from China's 17+1 cooperation framework earlier in the year. A group of **British** MPs called for the government to ban China's ride-hailing app Didi from launching in the UK over data protection concerns.
- **Latvia** declared a state of emergency on its border and **Lithuania** began erecting a border fence to deter migrants they say **Belarus** is encouraging to cross illegally as a form of pressure on the EU.
- **Germany** arrested a British national working in the **UK** Embassy in Berlin, under suspicion spying for **Russia**.

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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](#).

Middle East

- The **Saudi** government has arrested over 200 government employees this month on corruption charges.
- **Syrian** President Assad issued a decree forming a new government under Prime Minister Arnous, three months after Assad's reelection; most key ministries remained unchanged.
- **Iraq** announced plans to increase its oil output to 27 million bpd by the end of 2027. Iraq's electricity minister reported that a reduction in **Iranian** gas supplied to central Iraq resulted in a loss of power.
- An **EU** official estimated that the Taliban now holds 65 percent of **Afghanistan** following its rapid gains, capturing the eighth regional capital in six days. A Taliban spokesperson said that the group remains committed to peace negotiations in Doha, **Qatar**.
- **Iran's** Shia Muslims have started a 10-day religious festival this week despite the risks of spreading COVID-19 through large gatherings.



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Americas

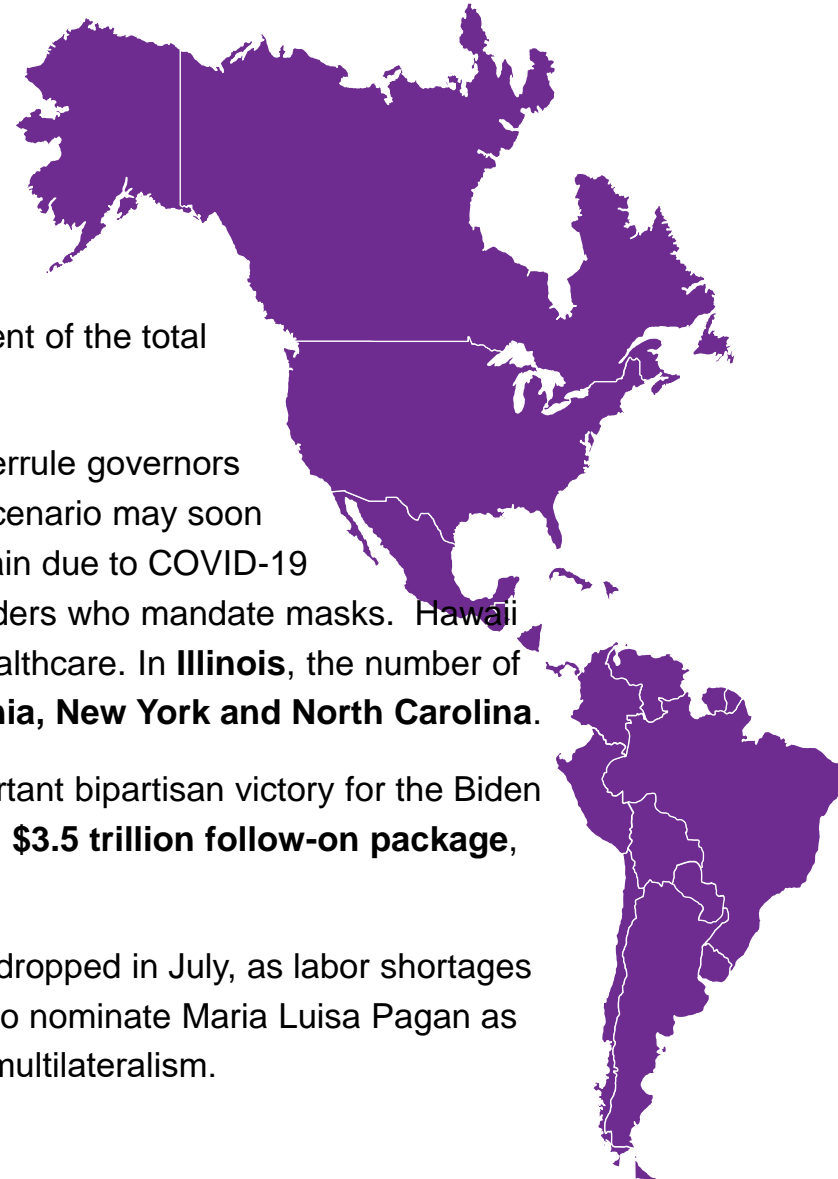
- The **Brazilian** military held a parade outside of President Bolsonaro's presidential palace, an unusual show of strength amid a Bolsonaro-backed voting regulations overhaul attempt in Congress.
- **Colombia's** transitional justice court reported that over 18,000 children were recruited by FARC in a 20-year period.
- **Mexican** President Obrador offered protection to a journalist facing death threats from a drug cartel.
- **Canada's** Prime Minister Trudeau said a **Chinese** court's sentencing of Canadian businessman to 11 years in prison for espionage on Wednesday was "*absolutely unacceptable*" and called for his immediate release.



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Americas: US

- Across the nation, 195.6 million have received at least one dose of the **vaccine**, or 58.9 percent of the total population.
- President Biden said he is “*checking*” whether the federal government has the authority to overrule governors who have banned **mask mandates**. **Louisiana** health officials warned that a “*catastrophic*” scenario may soon face hospitals if the current COVID-19 wave continues. **Texas** hospitals are near capacity again due to COVID-19 infections. **Florida** Governor DeSantis (R) warned that pay could be withheld from school leaders who mandate masks. Hawaii will re-impose COVID-19 restrictions limiting social gatherings to avert straining the state's healthcare. In **Illinois**, the number of states on Chicago’s travel advisory list rose to more than 30, following the addition of **California, New York and North Carolina**.
- The Senate voted 69-30 to approve a **\$1.2 trillion infrastructure package**, marking an important bipartisan victory for the Biden Administration’s agenda. The Senate immediately kicked off debate on the more controversial **\$3.5 trillion follow-on package**, which focuses on less “hard infrastructure” and lacks Republican support.
- The National Federation of Independent Businesses said its **small business** optimism index dropped in July, as labor shortages and supply chain issues continue to hamper recovery. The Biden Administration is expected to nominate Maria Luisa Pagan as ambassador to the **World Trade Organization**, in a continuation of Biden’s efforts to bolster multilateralism.
- Wisconsin’s Governor Evers vetoed six Republican-backed **voting restriction bills**.
- New York State Governor Cuomo resigned following an investigation on **sexual harassment**. Lieutenant governor, Kathy Hochul, will become the first woman to lead the state in its 233-year history.



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Russia Update: Political Implications of Calvey Sentencing

By Alexander Lucaci

Last week, a Moscow court sentenced a prominent American financier to a five-year suspended term after finding that the businessman, Michael Calvey, embezzled millions of dollars from a Russia-focused private equity group he founded and directed. It is the latest in a series of recent lengthy convictions handed down to American defendants in Russia and has heightened both political and economic tensions between Washington and Moscow.

The case, which began after Calvey's arrest in February 2019, is widely viewed as the result of a business dispute with a Russian businessman with close ties to the Kremlin. The Calvey case not only represents a disruption of US-Russia bilateral relations, it has also shaken the confidence of both the Russian and international finance communities, particularly firms with direct investments in the Russian oil & gas sector. Despite the substantial regulatory and macroeconomic reforms in Russia over the last 20 years, Calvey's arrest is a reminder that political connections remain the most important factor for doing business in the country, and that Russia's broader political and economic trajectories remain in conflict with Europe and the US.

The Calvey case has reached its conclusion during a time of both political and economic stagnation within Russia contrasting with significant external geopolitical pressures on the Kremlin. Over the past year, Moscow has been forced to navigate several crises on its borders, including a hot war between Armenia and Azerbaijan, political upheaval in Belarus, as well as shifting centers of power in Central Asia. Russian-backed forces continue to occupy eastern Ukraine, which combined with the 2014 annexation of the Crimean peninsula presents an enormous geopolitical hurdle to progress in Russian-Western relations. Michael Calvey's arrest and subsequent conviction have further degraded Russia's standing among European

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Russia Update: Political Implications of Calvey Sentencing

and Western business leaders and politicians. Despite these challenges, Moscow has racked up several important wins, the most important of which is the Biden Administration's recent decision to allow the completion of Nord Stream II, a natural gas pipeline directly linking Russia to the European continent. The Kremlin also achieved a minor public relations victory last August in being the first to develop a COVID-19 vaccine, although the subsequent public health diplomacy has been marred by unfulfilled international contracts and opaque Russian medical data reporting. Nevertheless, Russia has been severely affected by the virus, with the government's aversion to lockdowns and public health mandates compounding the existence of a highly vaccine-hesitant population.

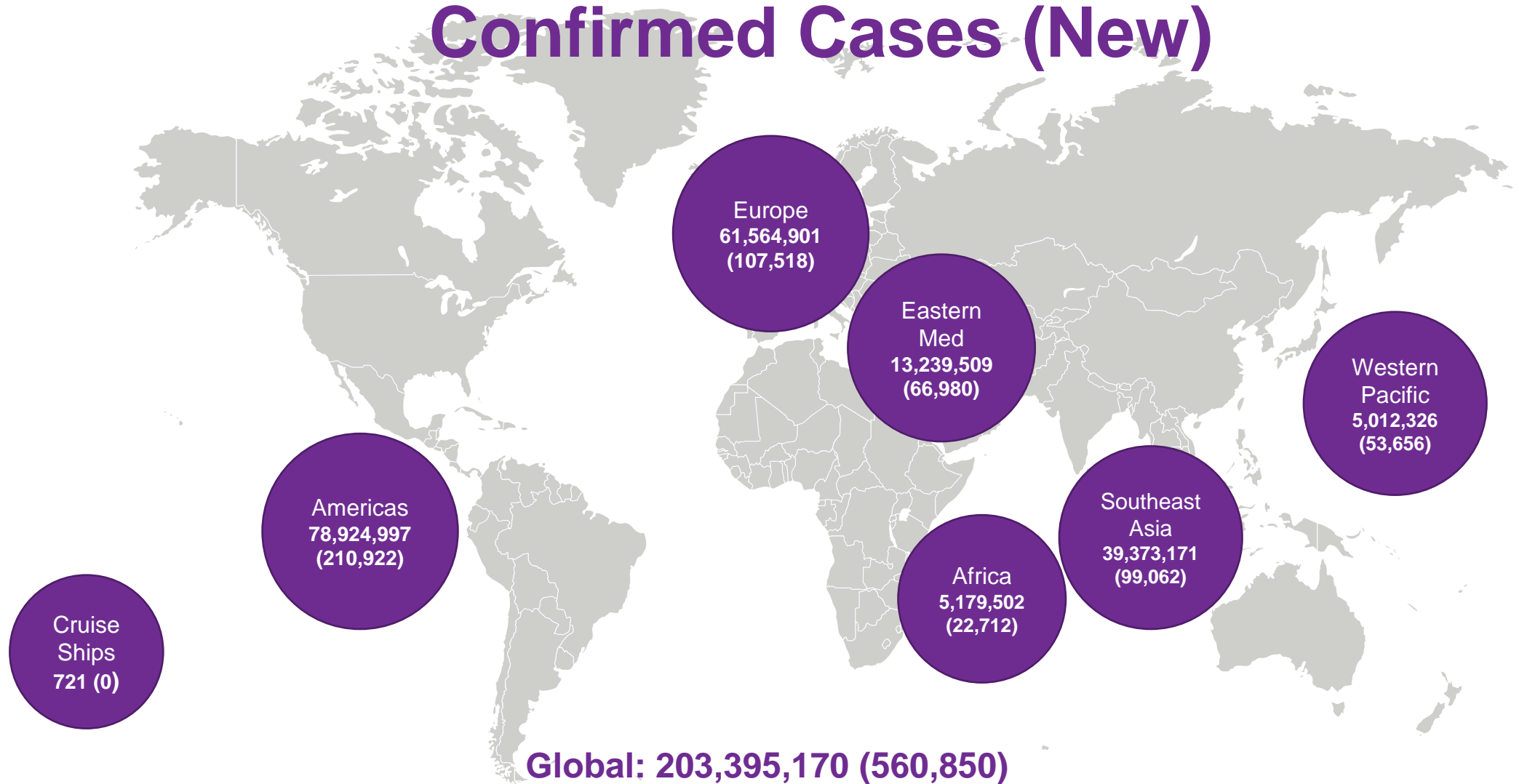
Next month's Russian parliamentary elections will pose several risks to both Moscow's internal stability and nearby regional security. Russia's ruling party, United Russia, has partially rebranded itself as "Team Putin," indicating further movement towards a cult of personality system. The elections themselves are likely to be less free and open than previous cycles - the Organization for Security and Cooperation in Europe (OSCE) announced last week that they will not send any observers due to limitations and institutional barriers

imposed by the Kremlin. Furthermore, President Putin has already acted swiftly in barring legitimate opposition candidates from the ballot, including through imprisonment and politically motivated criminal charges. Localized, mass protests are a likely outcome next month once the election results are announced, although there is potential for much larger movements outside of Moscow and St. Petersburg should the results be particularly manipulated. It is also possible that the nascent opposition movement in Belarus may cooperate with Russian activists to coordinate demonstrations and protests. The reality remains however, that barring any unprecedented domestic upheaval (short of a revolution), President Putin will, if he chooses, remain in power until 2036 as a result of the arranged constitutional referendum last summer. As a result, the same political, economic, and security risks will remain in place for the short to medium term.

Coronavirus Condition Updates

As of 6:22 pm CEST on August 10, 2021

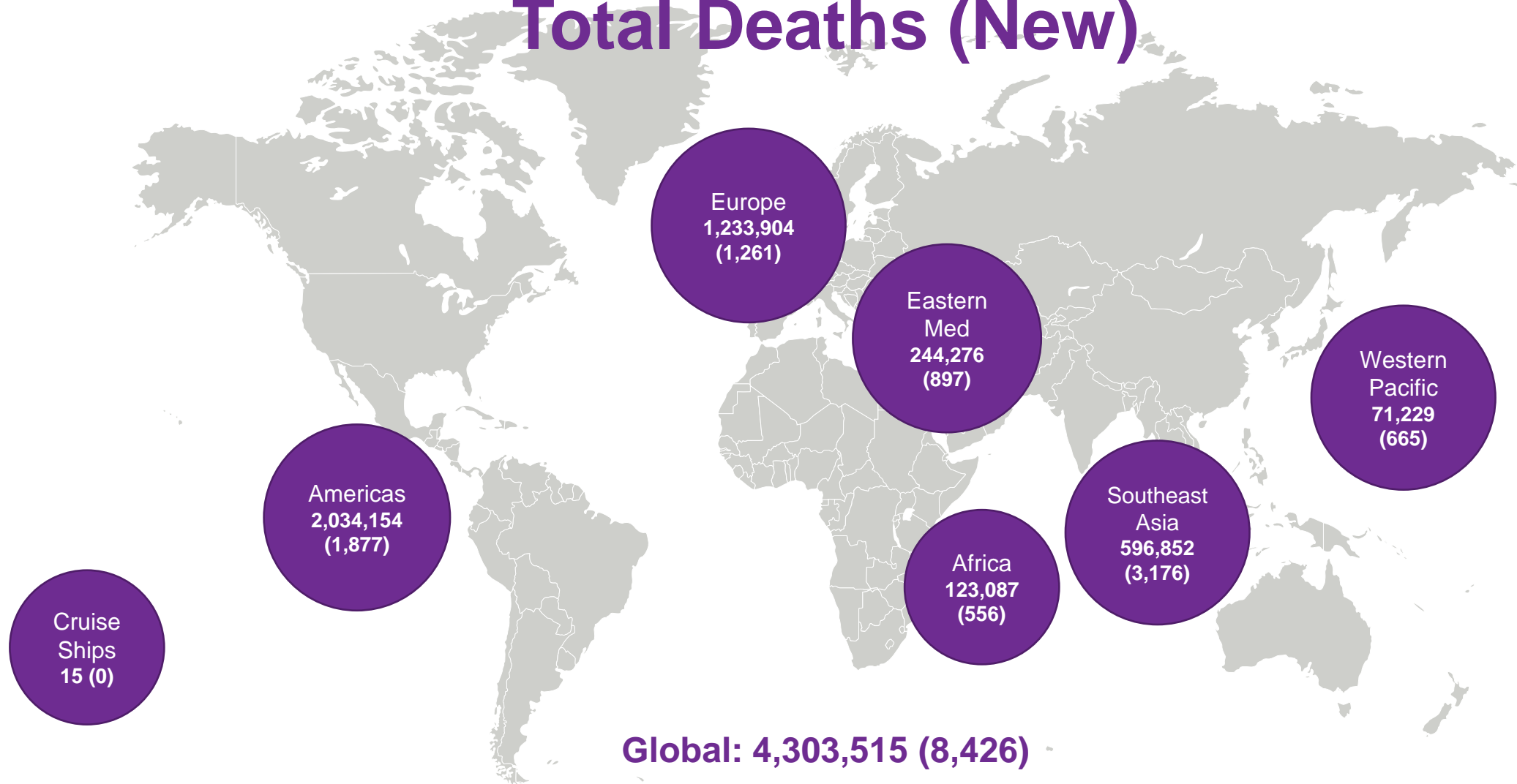
Confirmed Cases (New)



Reflects data as of 6:22 pm CEST on August 10, 2021.
Data Source: World Health Organization

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Total Deaths (New)



Reflects data as of 6:22 pm CEST on August 10, 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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