

Dentons Flashpoint

Daily Global Situation Report

July 12, 2022

Global Situation Update: July 12, 2022

KEY TAKEAWAYS

India is set to surpass China as the world's most populous country in 2023.

US President Biden will seek increased oil production from OPEC nations during meetings with Gulf leaders.

Iran plans to sell Russia armed drones for use in Ukraine.

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WHAT WE'RE WATCHING

The Pacific Islands Forum (PIF) is meeting this week in Fiji, drawing together 16 small island nations along with Australia and New Zealand. The opening of the PIF, however, has been overshadowed by the withdrawal of Kiribati due to allegations that the body has failed to address the concerns of Micronesian countries. The exit is a blow to unity of the regional body at a time when the region grapples with a host of issues, including the increasingly severe effects of global warming and the intensifying geostrategic competition between China and the United States.

The region is home to one of the world's richest fishing grounds, and Chinese fleets increasingly seek access to its waterways. The current fisheries treaty is expected to be discussed as well as a US proposal to expand the treaty to cover "other security issues." Beyond fishing, the leaders are expected to break ground on a new long-term regional development plan that will outline future investments.



PACIFIC ISLANDS FORUM

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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Global

The global price of oil could surge by 40 percent to around \$140 per barrel if a proposed price cap on Russian oil is not adopted, along with sanction exemptions that would allow shipments below that price, per a US Treasury official.

- In 2020 and 2021, the **global population** grew by less than 1 percent a year for the first time since the aftermath of the second world war, with Europe's total population actually falling during the coronavirus pandemic, according to a UN report.
- Astronomers reveal images of the oldest and most **distant galaxies** ever seen with the release of the first observations from the world's costliest and most ambitious telescope, the James Webb Space Telescope.

Markets & Business

US antitrust authorities are investigating the PGA Tour over the elite golf circuit's response to the emergence of LIV Golf, a new rival bankrolled by Saudi Arabia's sovereign wealth fund.

- The French government will pay more than 8 billion euros (\$8.05 billion) to bring power giant **EDF** under full state control, with the deal to be completed in the fourth quarter.
- The world's largest crypto exchange, **Binance**, continued to process trades by clients in Iran despite US sanctions and a company ban on doing business there, per a Reuter's investigation.
- Low-cost carrier **Frontier Group Holdings Inc** has declined to further raise its bid for takeover target **Spirit Airlines Inc**, potentially drawing to an end the months-long bidding war with **JetBlue Airways Corp.**
- Italy's data protection authority has formally warned Chinese-owned video-sharing app **TikTok** about breach of existing EU rules to safeguard user privacy.

Environment, Sustainability & Governance

A surge in hydropower output in China this year, boosted by record-breaking rainfall, is helping the world's biggest polluter meet green targets and reduce LNG.

- German labor union IG Metall is demanding an 8 percent **wage hike** for around 3.8 million workers in the metal and electric industry amid spiking inflation.
- Spain will contribute 1.86 billion euros (\$1.87 billion) to the **International Monetary Fund's new Resilience and Sustainability Trust** set up to address climate change challenges, especially in poorer countries facing multiple crises.
- Brazil's state-run oil company Petrobras said it had signed a five-year, \$1.25 billion loan deal linked to **sustainability commitments**.
- **Wildfires** are raging in Portugal, where a state of emergency has been declared amid a record-breaking **heat wave** sweeping Europe, where temperatures are expected to climb even higher in the days to come. Weather experts in Portugal say temperatures of up to 113 degrees Fahrenheit (45 degrees Celsius) could be reported today, with strong winds of 40 mph.

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Africa

- In **Sudan**, organizers of Khartoum's anti-coup sit-ins announced that they were dismantling two of their four camps, likely following Eid disruptions.
- MSF called on the **Nigerian** government and the UN to intervene to address rising numbers of malnourished children in the northwest of Nigeria.
- The **Democratic Republic of the Congo** completed its admission into the East African Community.
- **Chad's** official creditor committee will meet this week amid growing pressure from the International Monetary Fund and others for progress on the country's request for debt restructuring.
- **Zambia** is cancelling more than \$2 billion worth of projects financed by commercial loans to reduce the risk of accumulating more non-concessional debt, the ministry of finance said.



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How do You Manage Incident Response?

2022 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](#).

Asia

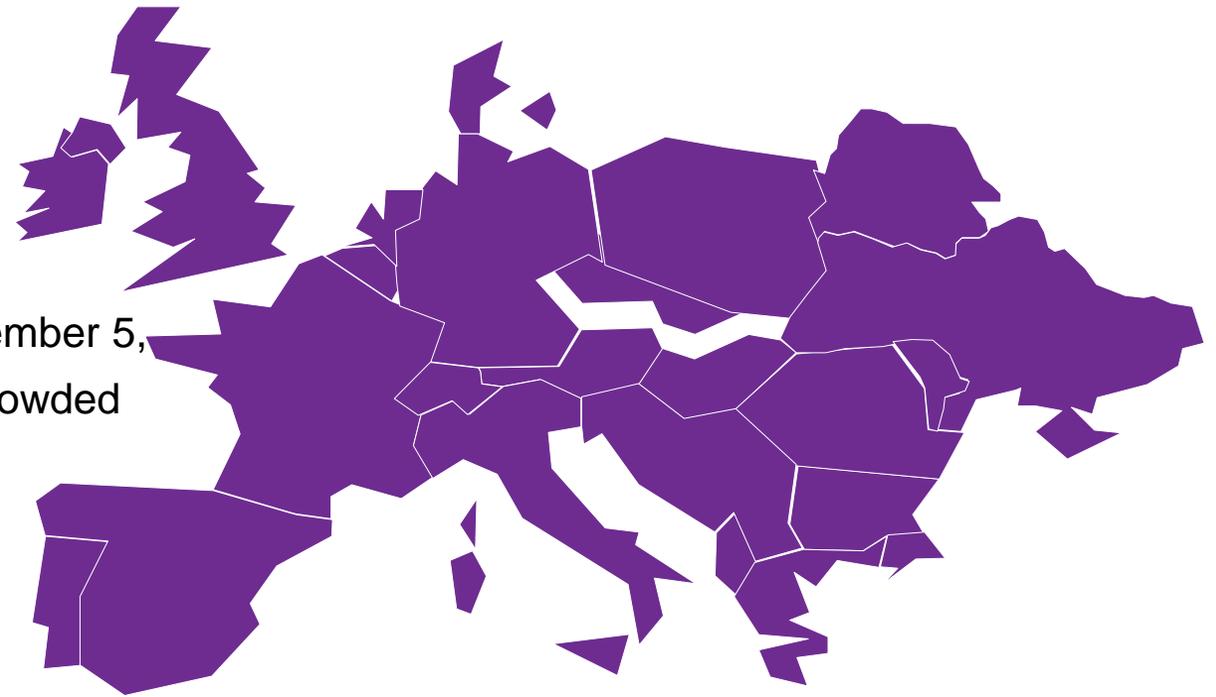
- **Sri Lanka's** parliament will elect a new president on July 20, after protesters stormed the residences of the current president and prime minister, who have both offered to quit amid an economic meltdown. Sri Lankan immigration officials prevented the president's brother and former finance minister Basil Rajapaksa from flying out of the country.
- **India** is set to surpass **China** as the world's most populous country in 2023, with each counting more than 1.4 billion residents this year.
- The top **US** diplomat in **Hong Kong** urged **China** to ease political pressure on the city, warning that the "*crude and chilling*" use of a sweeping national security law threatened its role as an international business hub.
- In **China**, Shanghai kicked off a two-day mass COVID-19 testing program as authorities switched to targeted lockdowns of 200 apartment buildings where new infections have been discovered. Across China, 31 cities were implementing various COVID restrictions as of Monday, up from 11 a week earlier.



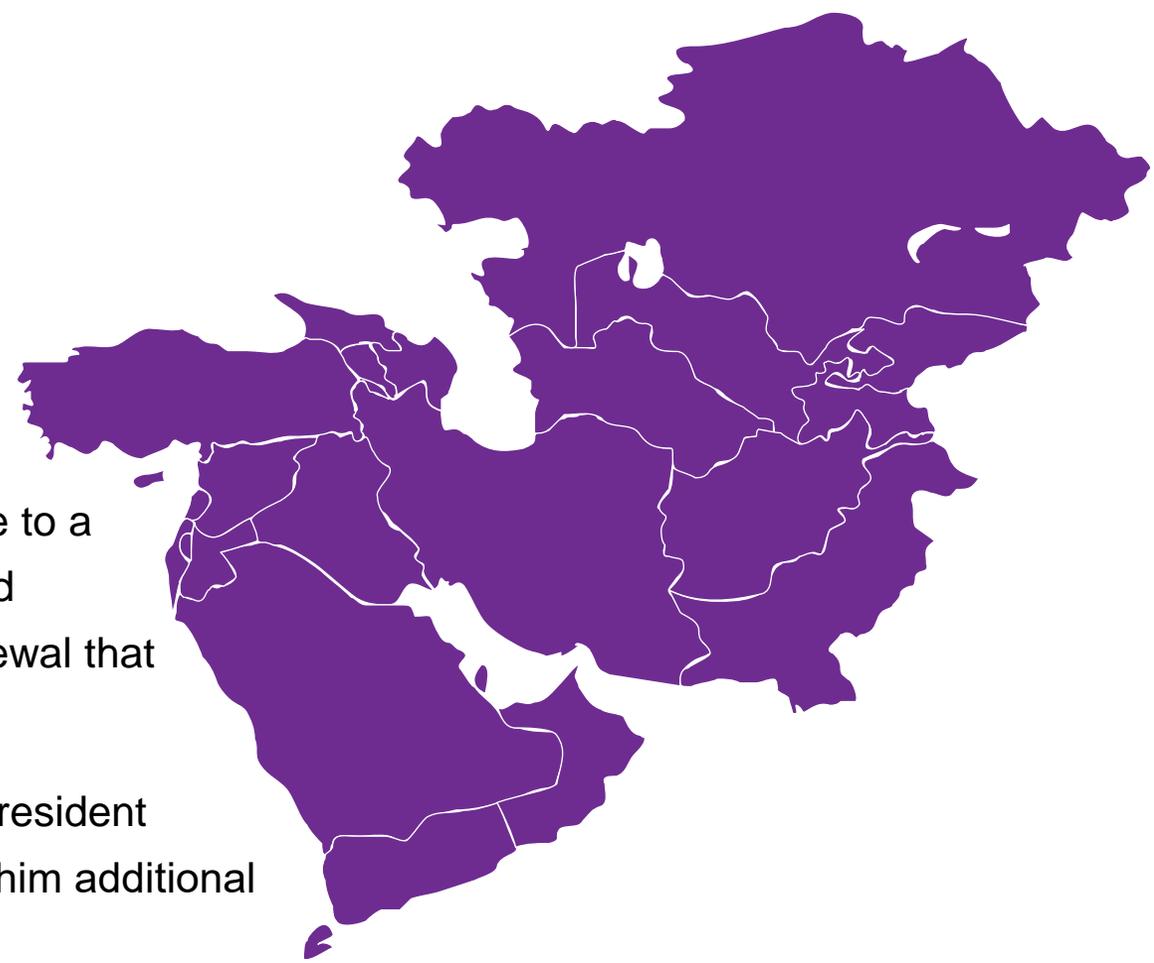
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Europe

- **Britain's** new prime minister will be announced on September 5, with the first votes to begin eliminating candidates in a crowded contest to replace Boris Johnson coming this week.
- **Russian** President Vladimir Putin signed a decree extending a simplified Russian naturalization process to all citizens of **Ukraine**.
- **British** rail travelers face more disruption after drivers at eight train companies voted to strike in a dispute over pay, clearing the way for the first national drivers' strike in a generation this summer.
- The **French** government is working on "*load-shedding plans*" that could see electricity and gas supplies reduced for some companies over the winter.



Middle East

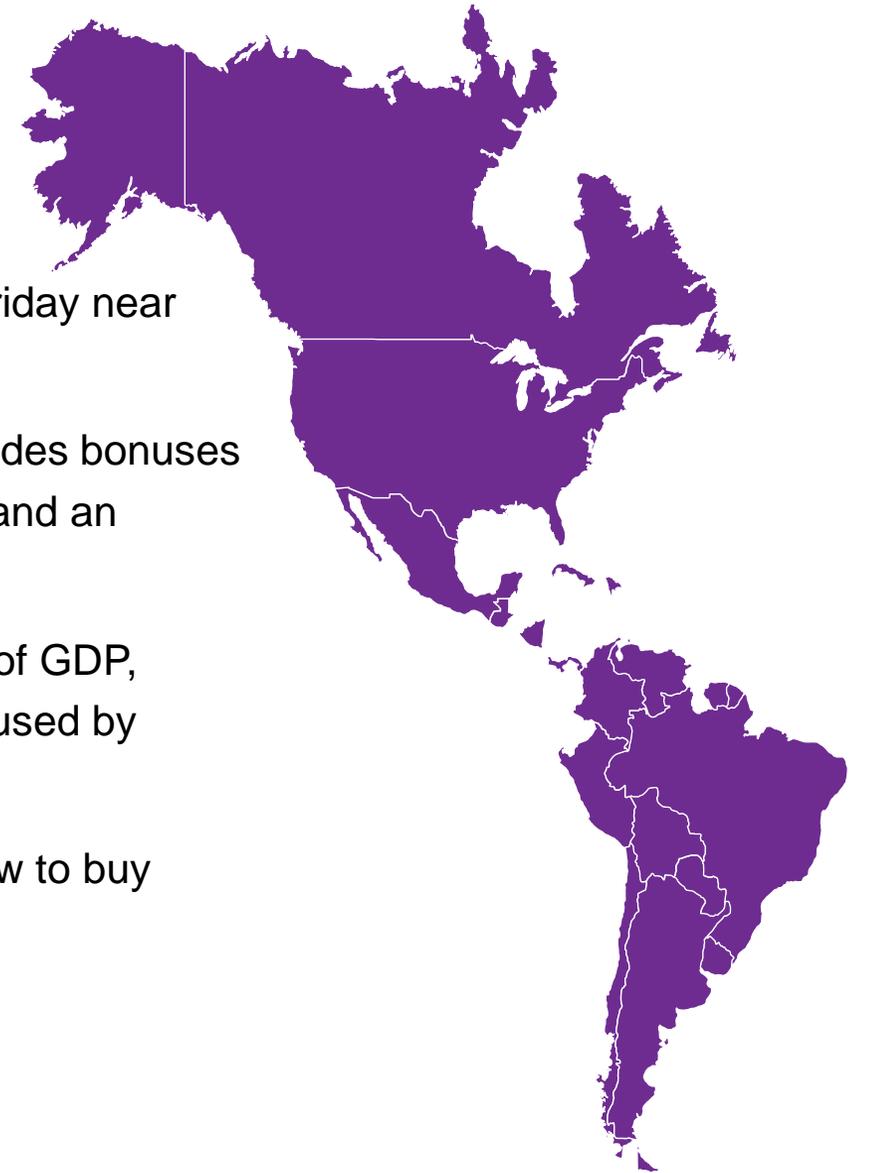


- US officials said that **Iran** is preparing to supply **Russia** with armed drones for use in **Ukraine**.
- Western UN Security Council members are expected to agree to a **Russian** proposal to extend the opening of a humanitarian aid crossing in **Syria** by just 6 months, short of the year-long renewal that Russia vetoed last week.
- **Tunisia's** opposition renewed calls for a national boycott of President Saied's July 25 constitutional referendum, which would grant him additional power.
- **US** President Biden will make the case for greater oil production from OPEC nations to bring down gasoline prices when he meets **Gulf** leaders in **Saudi Arabia** this week.

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Americas

- Gun battles between rival gangs have killed more than 50 people since Friday near **Haiti's** capital Port-au-Prince, a local mayor said.
- **Chile's** government announced a \$1.2 billion economic aid plan that includes bonuses and labor subsidies as the Andean nation struggles with surging inflation and an economic slowdown following a post-pandemic recovery.
- **Ecuador** is holding firm to its fiscal deficit target for the year of 2 percent of GDP, economy minister Pablo Arosemena said, despite losses to oil income caused by weeks of protests by indigenous groups.
- **Brazilian** President Jair Bolsonaro said that a deal was close with Moscow to buy much cheaper diesel from Russia.



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Americas: US

- The Biden Administration is developing a plan to allow all adults to receive a second **coronavirus booster** shot to blunt a virus surge that has sent hospitalizations to their highest levels since March 3.
- Americans are expecting **lower inflation increases** over the longer run, amid a sharp drop in the projected rate of home-price increases, the Federal Reserve Bank of New York reported from its June survey.
- The **record-challenging heat** is forecast to persist in Texas through today, combining with a moist lower atmosphere to produce heat indexes above 110 degrees in the southeast part of the state. The state's power grid issued a public appeal for conservation during the hottest times of day.
- The House of Representatives committee investigating the **January 6 insurrection** holds its seventh public hearing today, focused on the ways in which former president Donald Trump and his allies summoned far-right militant groups to Washington in an attempt to hold on to power.



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The Future of Work: Easing Labor Shortages Through New Ways of Hiring

By Matt Skros

Amid a hot labor market, businesses are changing the way they hire with strategies including dropping college degree requirements and offering tuition assistance for positions that require four-year degrees. Some states are also changing labor laws to allow seasonal workers to better fill staffing shortages. Employers may have to reconsider how they staff positions and compete for talent in a market where job seekers have the advantage.

Facing down a tight post-pandemic labor market, governments and employers are adjusting labor regulations and approaches to hiring to try and fill gaps in the workforce. States are loosening restrictions on employees younger than 18 performing certain jobs, as well as expanding the number of hours they can legally work in a week. Employers, too, are attempting to widen their potential talent pool by dropping college degree requirements for certain jobs. Finally, for high-demand jobs that require a college degree, employers are helping remove financial barriers to earning those degrees via tuition assistance programs. While the job market is showing signs of cooling, employers may still need to find creative and innovative ways to fill positions in their workforces to remain competitive in a still-hot economy.

To fill a record gap between open positions and available workers, some employers have opted to drop the requirement that applicants possess a bachelor's degree. Instead, employers are using a skills-based hiring method to expand their talent pool. Some companies have expanded existing apprenticeship programs to fill more of their entry-level roles. For example, business and management consulting firm Accenture has expanded its apprenticeship program to fill more of its tech-related positions in cybersecurity and platform engineering. Around 80 percent of the people hired through this program do not have a four-year college degree. Dell Technologies has also expanded what it considers "recent graduate" talent to include associate degrees and certificate programs. Bank of America, too, has dropped college degree

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The Future of Work: Easing Labor Shortages Through New Ways of Hiring

requirements for entry-level jobs. Hiring managers are now instructed to focus on specific skills that an applicant may possess that qualify them for the position rather than solely educational credentials.

While companies are attempting to recruit more non-college educated workers, states and local governments are trying to make it easier for summer workers to help meet service-sector demands. This is especially true in the hospitality industry. New Jersey is one state trying to make it easier for seasonal workers to fill shifts. Governor Phil Murphy recently signed a bill allowing 16- and 17-year-old employees to work up to 50 hours a week, while 14- and 15-year-old employees can work up to 40 hours a week. Michigan Governor Gretchen Whitmer also recently signed legislation allowing 17-year-old employees to serve alcohol to alleviate labor shortages in restaurants and bars. New Jersey also enacted legislation to make it easier to get working papers, although this measure will go into effect next summer.

Finally, for positions that still require a 4-year college degree, employers are attempting to lower the financial barriers to achieving this degree by offering tuition assistance to employees seeking

education. Amid a nursing shortage in Kentucky, Norton Healthcare has implemented a tuition assistance program for students seeking degrees in nursing, therapy or laboratory sciences to help fill open positions. Norton offers students up to \$40,000 in tuition assistance for degrees in this field with a post-graduate work commitment based on the amount of tuition assistance money the scholar received. Norton has also partnered with local universities on this initiative, including Bellarmine University in Louisville.

While hiring is steady and the number of vacancies is falling, data from May still indicate that US employers have 11.3 million positions open, a record high. While the loosening of some labor regulations can help businesses (especially hospitality-sector businesses) meet the demands of a hot economy, other employers may have to consider other hiring measures to remain competitive in the job market. Hiring data related to Accenture and Bank of America's programs, for example, seems to indicate that introducing apprenticeship programs and removing four-year degree requirements has improved those companies' ability to staff positions. Bank of America, for example, claimed to have exceeded their goal to hire 10,000 people from low- and moderate-income neighborhoods via its Pathways program, which does not require a

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The Future of Work: Easing Labor Shortages Through New Ways of Hiring

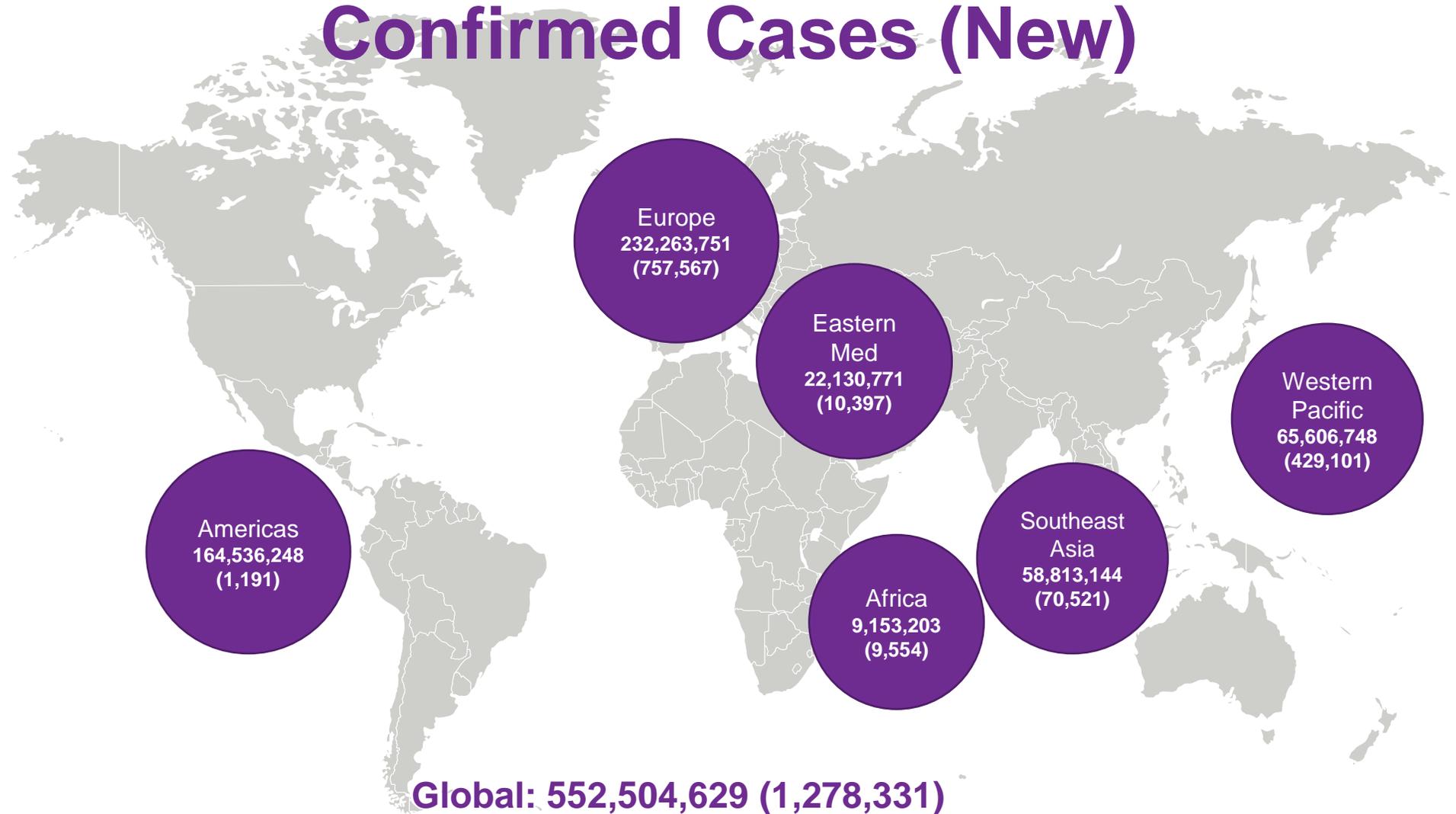
college degree. For employers whose positions absolutely require a four-year degree, incentivizing new talent to join their organization via tuition assistance may be an essential tool. Finally, for employers for whom state regulations now allow their employees to work longer hours, prudent scheduling to meet demand without overburdening employees will be key to keeping those summer hires. As the future of work evolves post-pandemic, employers will need to find new and innovative ways to compete for talent and meet customer demand.

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Coronavirus Condition Updates

As of 5:24 pm CEST on July 11, 2022

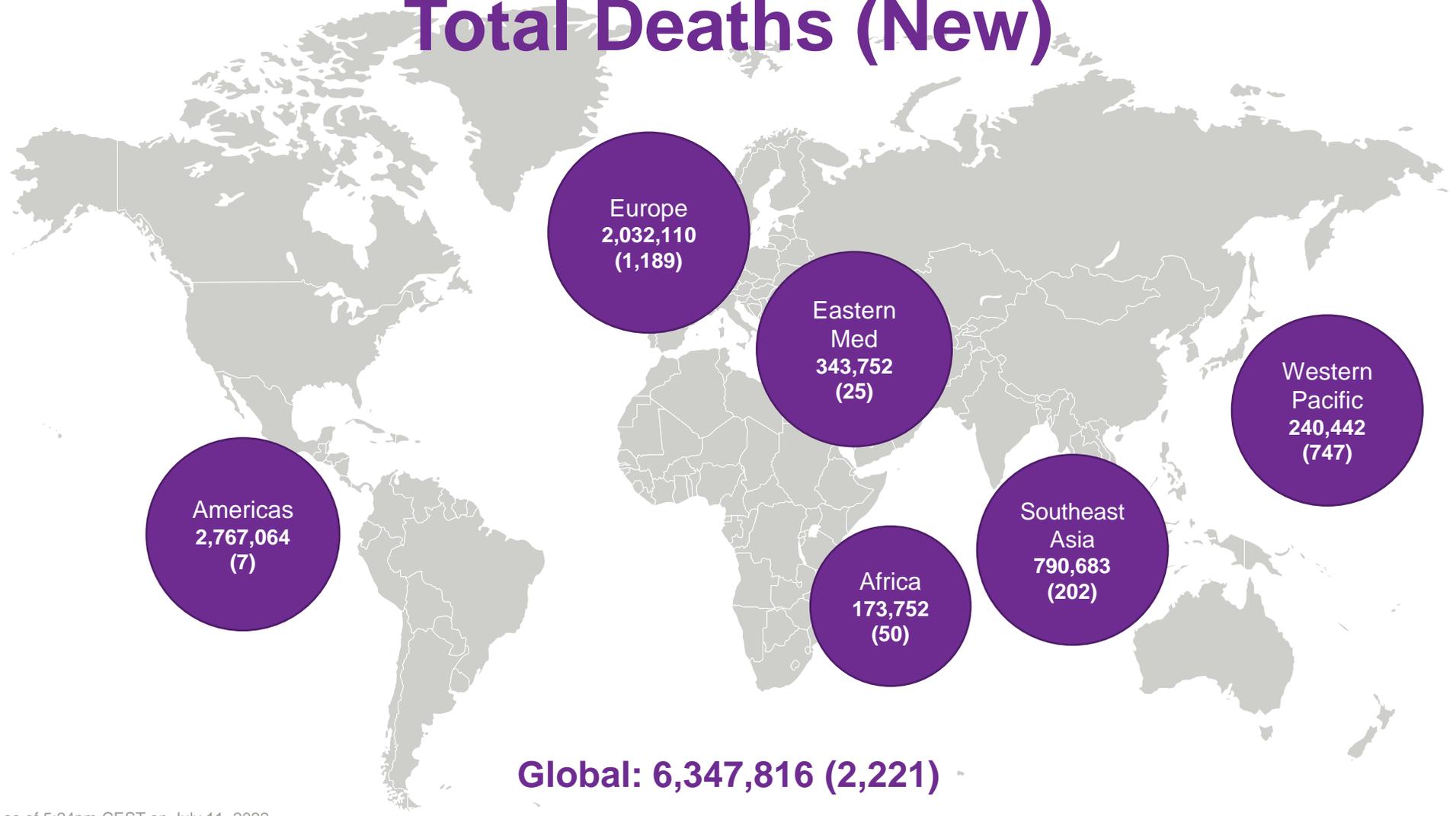
Confirmed Cases (New)



Reflects data as of 5:24pm CEST on July 11, 2022.
Data Source: World Health Organization

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

Total Deaths (New)



Global: 6,347,816 (2,221)

Reflects data as of 5:24pm CEST on July 11, 2022.
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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