

# Dentons Flashpoint

## Daily Global Situation Report

July 7, 2021

# Global Situation Update: July 7, 2021

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## KEY TAKEAWAYS

The US is pressuring the EU and Canada to drop plans for a digital tax on tech companies.

Ethiopia informed Egypt that it had begun filling the controversial Grand Ethiopian Renaissance Dam.

Last week, the European Region reported a sharp increase in COVID-19 incidence, 30 percent spike, driven by the Delta variant.

# Global Situation Update: July 7, 2021

## WHAT WE'RE WATCHING

**Widespread electricity blackouts and power cuts continued in Iran, sparking large protests in a number of cities across the countries.**

**The blackouts have added an additional layer of pressure on the Iranian regime, which has been battered by severe droughts, international sanctions and the emergence of another COVID-19 wave.**

**The government in Tehran is facing serious challenges to its legitimacy, especially after last month's historically low-turnout presidential election. Iranian social and political upheaval may have potential spillover effects for the entire region, especially in Iraq, Lebanon, Syria, and Yemen.**



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

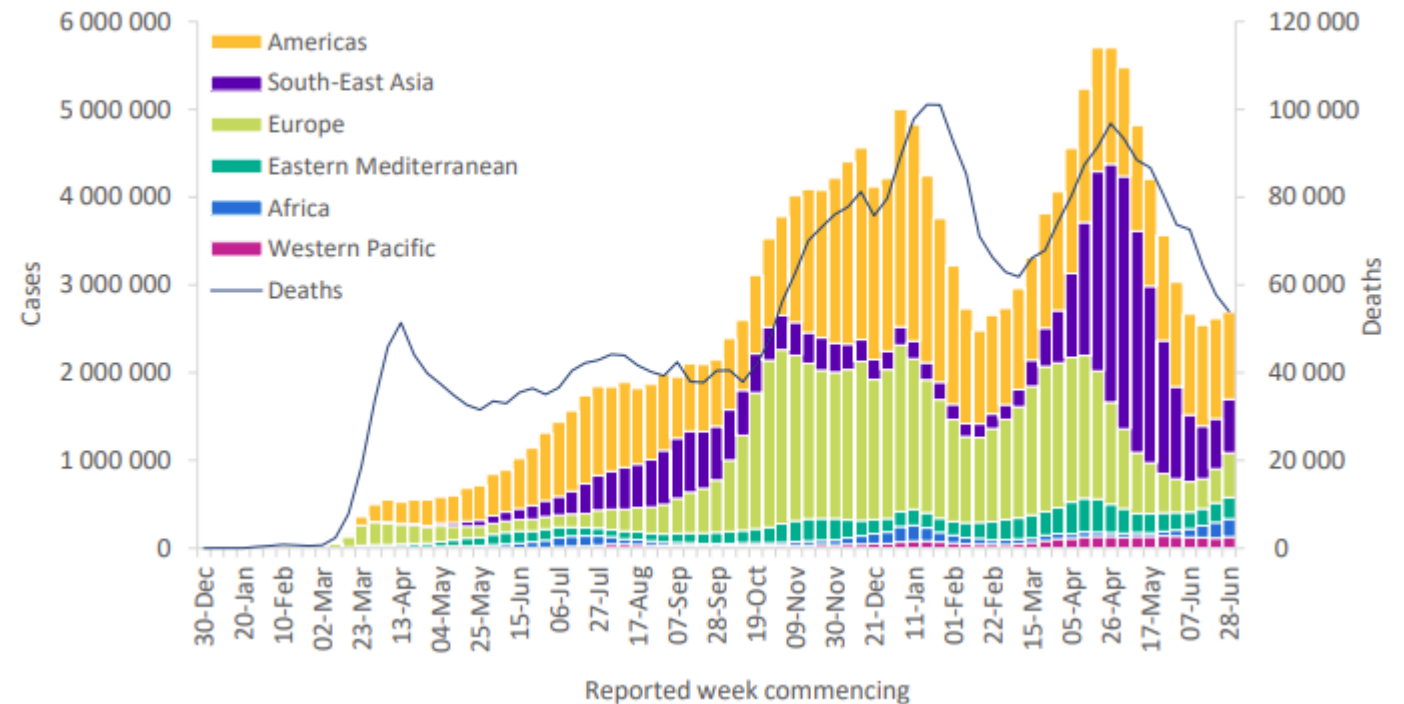
# Global

Last week, the number of new cases increased slightly, while the number of new deaths continued to decrease, with over 2.6 million new cases and just under 54,000 new deaths reported globally. This is the lowest weekly mortality figure since early October 2020.

The cumulative number of cases reported globally now exceeds 183 million and the number of deaths is almost 4 million.

All Regions reported an increase in new cases except for the Americas. The European Region reported a sharp increase in incidence (30 percent) whereas African region reported a sharp increase in mortality (23 percent) when compared to the previous week. All Regions, with the exception of the Americas and South-East Asia, reported an increase in the number of deaths last week.

Figure 1. COVID-19 cases reported weekly by WHO Region, and global deaths, as of 4 July 2021\*\*



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# COVID-19 Vaccine

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**In Indonesia, the COVID-19 crisis is expanding to healthcare providers; 131 healthcare workers, mostly vaccinated with the Sinovac shot, have died since June, including 50 in July.**

- The **Australian** government is turning to businesses to help jumpstart the COVID-19 vaccination program; only 8 percent of Australian adults have been fully vaccinated, a failure that critics warned has left citizens vulnerable to the spread of the Delta strain.
- **New Zealand's** regulatory authority Medsafe granted provisional approval of the **Janssen COVID-19 vaccine** for people aged 18 and over.

# Markets & Business

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**Central bankers are skeptical that bitcoin and other cryptocurrencies will supplant gold as a safe store of value but are upbeat on the prospects for official digital tokens as authorities grapple with how to respond to the crypto boom.**

- **US government bonds** rallied on Tuesday, pushing the yield on 10-year Treasuries to the lowest level in four months.
- **Costco** will discontinue its pandemic-era special shopping hours for seniors later this month.
- T-shirt company **Esquel Enterprises** sued the US government, asking a federal judge to reverse the Commerce Department's blacklisting over allegations of forced labor use.
- **India** will fine stock exchanges that fail to respond to technical difficulties within 45 minutes.
- **Didi Global** shares fell as much as 25 percent after Chinese authorities ordered the app be taken off Chinese app stores.
- The Indian government ruled that **Twitter** is longer immune from liability for user-generated content after repeatedly criticizing the company for non-compliance to the new IT Act.
- **Binance** said it will temporarily suspend payments from the EU's **Sepa network**, following a series of regulatory restrictions pushing back on cryptocurrency exchange.
- The US is pressuring the EU and Canada to drop its plan for a **digital tax** on tech companies.

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# How do You Manage Cyber Risks?

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*Today, there are more risks for cybersecurity and a wider array of threat actors capable of doing damage to organizations due to rapid advances in technology. A single cyber breach risks dealing irrevocable harm to businesses and their critical assets.*

*Dentons offers business leaders a full complement of counseling and advice, regulatory and litigation services, analysis and intelligence products for cyber risk management that helps them thrive in complex operating environments, including:*

- ❖ organizational cyber risk assessment
- ❖ crisis management for cyber incidents
- ❖ privacy law and compromised data advice
- ❖ self-reporting, liaising with law enforcement following cyberattack
- ❖ ransomware attack guidance
- ❖ cybersecurity readiness and remediation
- ❖ cyberattack source and method identification

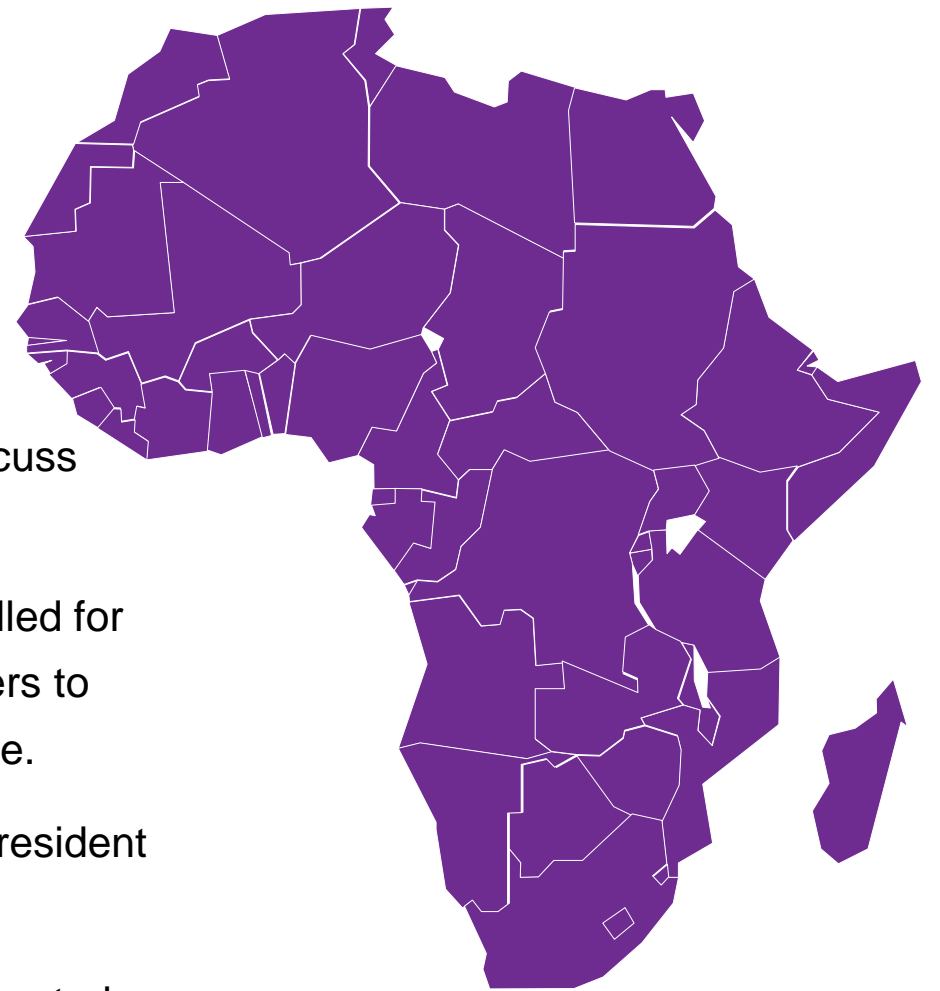
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*To learn more about the bespoke intelligence and risk services from Dentons, contact [Karl Hopkins](#).*

# Africa

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- **Egypt** said that it had been informed by **Ethiopia** that it had begun filling the controversial Grand Ethiopian Renaissance Dam. The UN Security Council had previously scheduled a Thursday meeting to discuss tensions over the dam.
- In a call with **Ethiopian** Prime Minister Abiy, **US** Secretary of State called for an immediate ceasefire with Tigrayan forces and for pre-conflict borders to remain in place. A Tigrayan rebel chief called for a negotiated ceasefire.
- Thousands of youth protesters gathered in Accra, **Ghana** to protest President Akufo-Addo and police violence.
- Human Rights Watch reported that the **Eswatini** army had taken full control following mass pro-democracy protests over the last week in which several died; the HRW regional director characterized the situation as a “*killing spree.*”



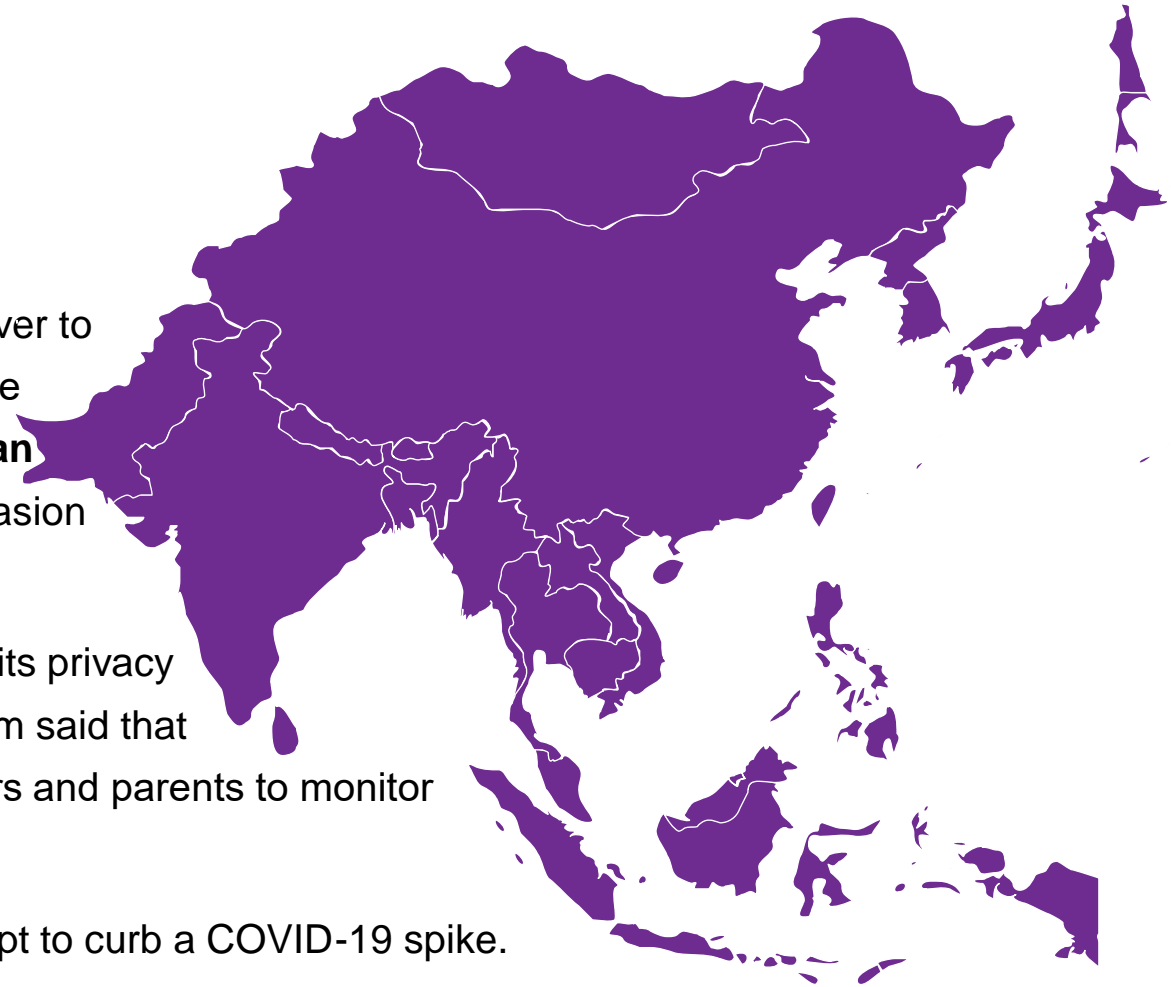
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# Asia

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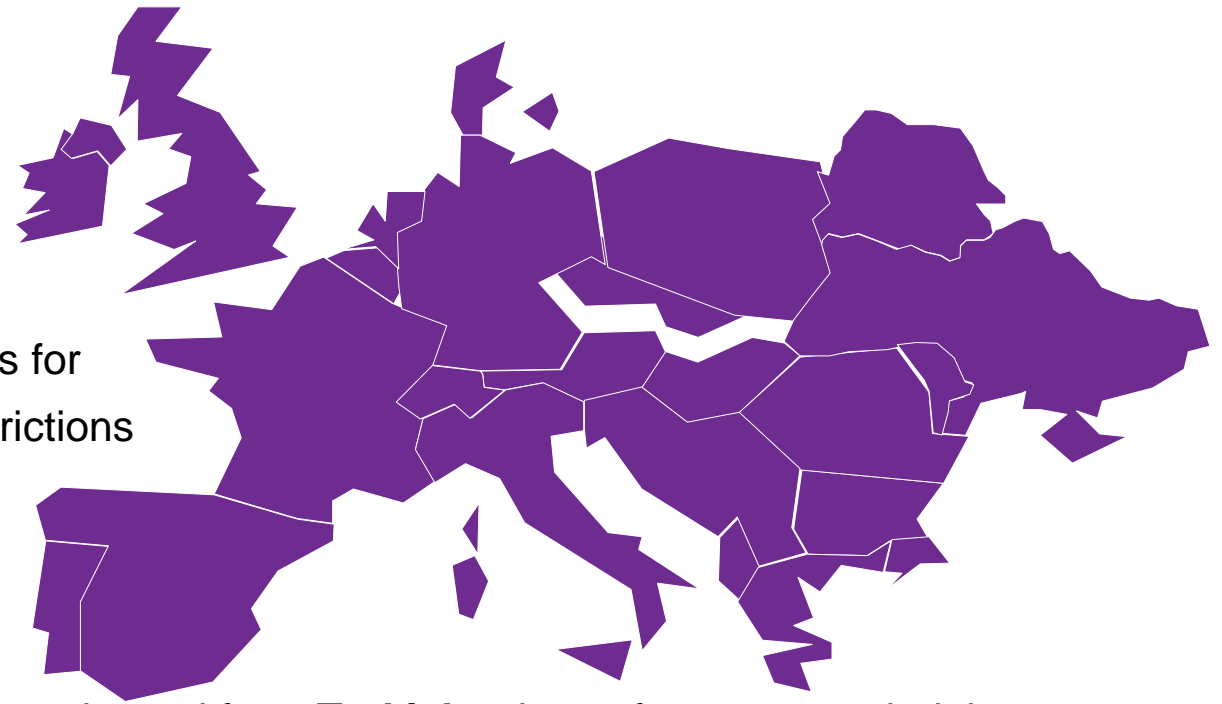
- The **Japanese** government estimated that its economy will recover to pre-pandemic levels by the end of the year. Japan's deputy prime minister said that a peaceful resolution of tensions around **Taiwan** is preferable, but that Japan will defend Taiwan if a **Chinese** invasion threatened Japanese security.
- The **Chinese** government stated that proposed amendments to its privacy law only concern “*doxxing acts*.” **Hong Kong's** leader Carrie Lam said that “*ideologies*” pose risks to national security and called on teachers and parents to monitor teenagers.
- **Vietnam** halted dozens of flights in and out of Hanoi in an attempt to curb a COVID-19 spike.
- The leader of **Australia's** New South Wales state announced an extension of Sydney's lockdown restrictions for one week, citing the spread of the Delta variant. The COVID-19 death rate in **India** hit a record high in June.
- The **US** Envoy for **North Korea** met with his **Chinese** counterpart, after another rejection of dialogue from Pyongyang. White House Asia Advisor Kurt Campbell called for the US to step up its game in Southeast Asia.



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# Europe

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- The **European** Commission raised its economic forecasts for this year and next as the easing of pandemic control restrictions help to unleash a more rapid rebound in activity. The EU expects that its carbon tax on imports will raise nearly €10 billion per year.
- Prominent opposition leader Omer Faruk Gergerlioglu was released from **Turkish** prison after a court ruled that his rights had been violated.
- **Belarus** threatened to stop the transit of **EU** goods through the country to **Russia or China** in retaliation for sanctions. Belarus ordered its embassy staff in **Lithuania** cut to a minimum citing “*unfriendly*” initiatives in Lithuania against Minsk.
- **Estonia** accused **Russia** of setting up an Estonian diplomat to look like a spy and called for his release.
- **Russia** continued to harass ships and aircrafts participating in the Sea Breeze 2021 military drills in the Black Sea.

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# Europe

Britain's health secretary warned that coronavirus case numbers, currently hovering around 25,000 each day, are expected to double ahead of the July 19 deadline to lift restrictions, as the Delta variant takes hold.

The Delta variant and a surge in infections among younger, unvaccinated people have made Spain's coronavirus rate the highest in mainland Europe.

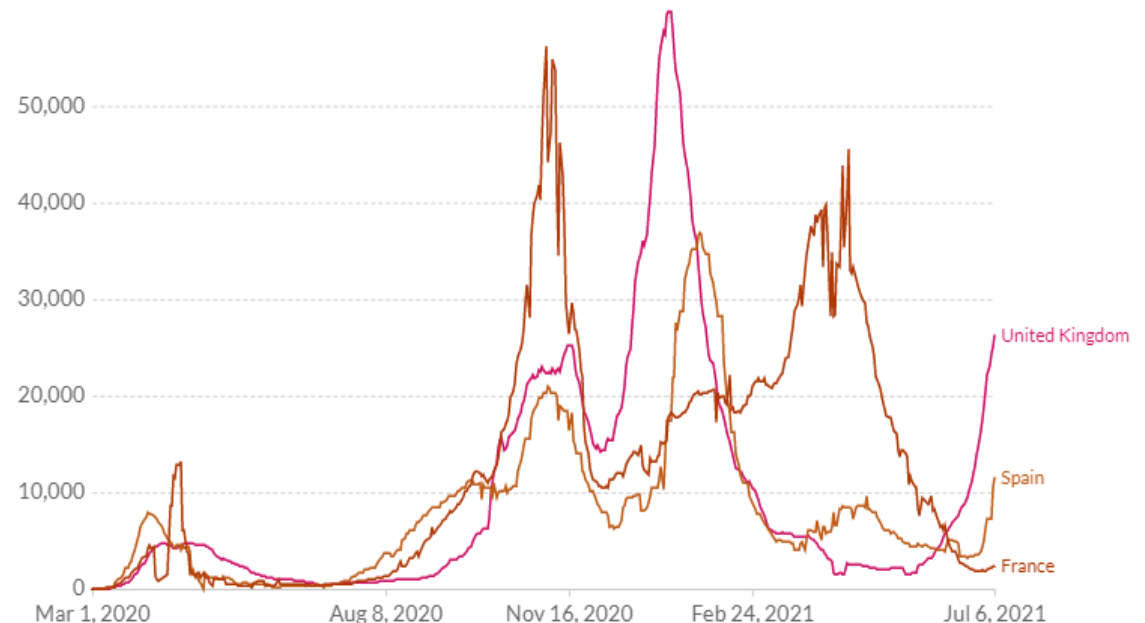
COVID-19 cases have risen above 50 per 100,000 inhabitants in Paris this week, driven by a rise in the number of infections from the Delta variant.

## Daily new confirmed COVID-19 cases

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.

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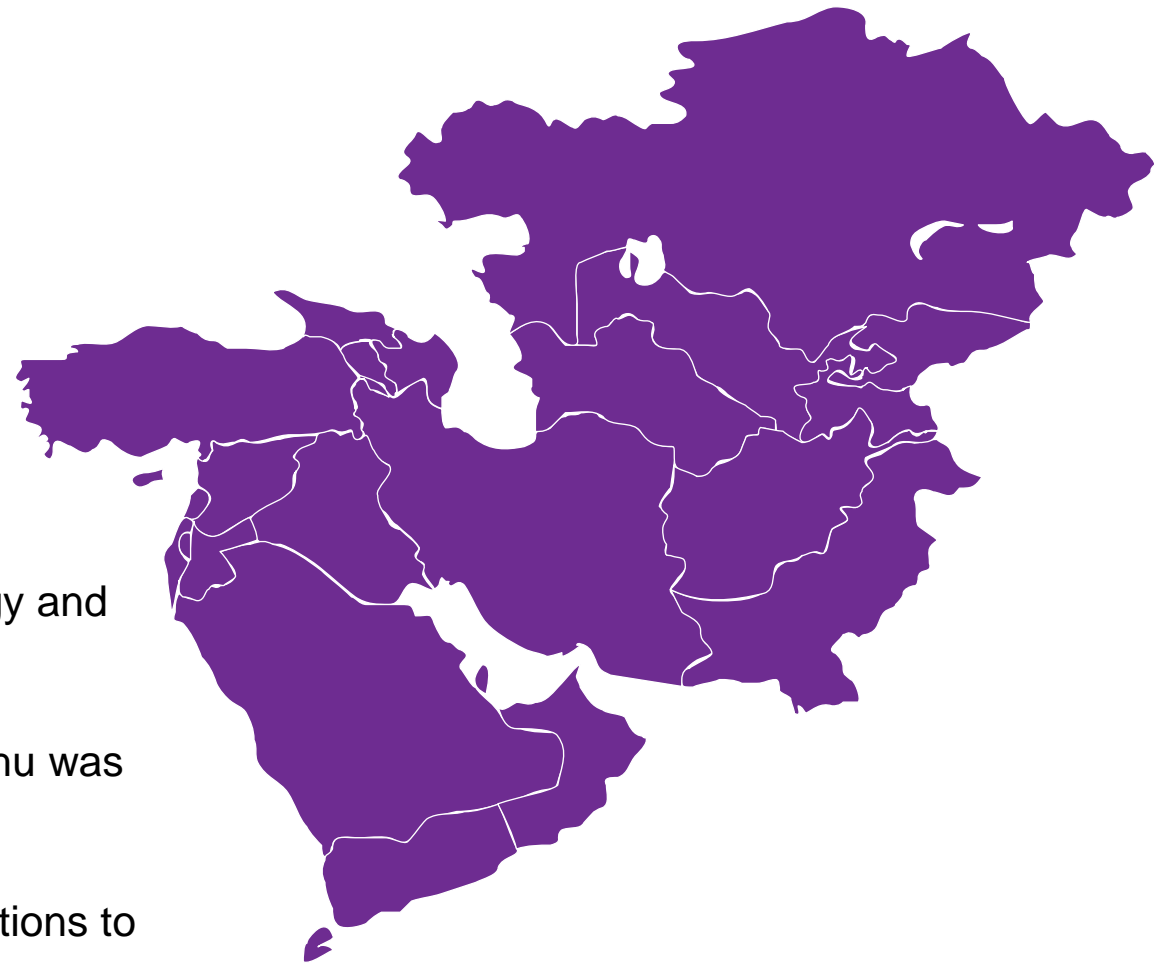


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# Middle East

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- **Iran** notified the IAEA of its progress towards enriching uranium to 20 percent purity, a move quickly criticized by the **US, UK, France and Germany**.
- **Oman** asked the IMF for technical assistance on debt strategy and bolstering fiscal strength.
- A close political ally of former **Israeli** Prime Minister Netanyahu was indicted Tuesday on corruption charges.
- **Israeli** Prime Minister Bennett pledged to cut down on regulations to reduce the cost of living and bolster small and medium enterprises.



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# Americas

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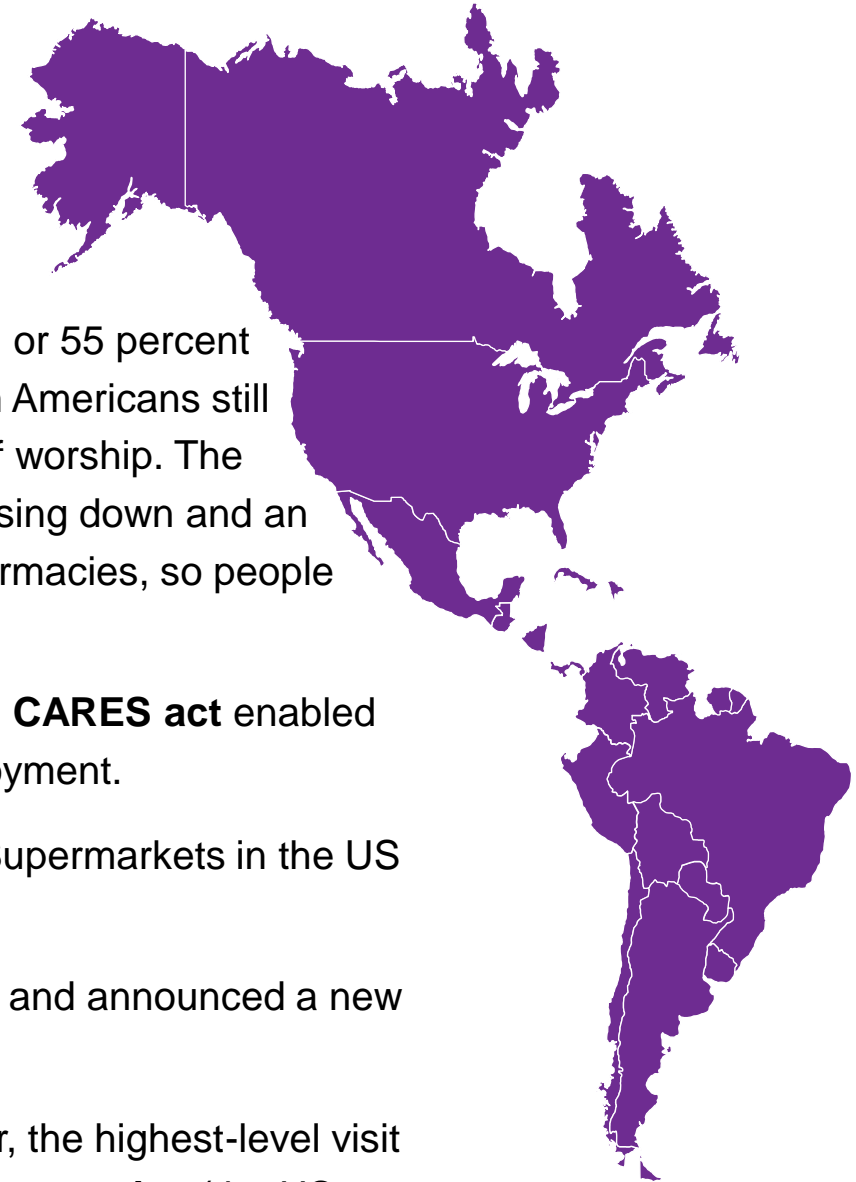
- **Nicaraguan** authorities detained at least five opposition leaders, continuing President Ortega's crackdown on opposition.
- **Colombia's** peace court accused ten members of the military of forcibly disappearing 24 people murdering at least 120 civilians, the first case in which the court has directly accused members of the military.
- The **Mexican** government proposed reopening its border with the US on a city-by-city basis, according to vaccination rates.



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# Americas: US

- Across the nation, 182.7 million have received at least **one dose of the vaccine**, or 55 percent of the total population. President Biden announced a summer-long effort to reach Americans still resistant to getting vaccinated, including going door-to-door and visiting places of worship. The **immunization drive** is moving into a new phase, with mass vaccination sites closing down and an intensified focus on daily destinations, from offices to churches to festivals to pharmacies, so people can get shots when they are.
- A new study found that direct payments and enhanced unemployment aid via the **CARES act** enabled poorer US households to maintain their spending for 43 weeks after losing employment.
- Growth in the **US services sector** slowed in June after a record-breaking May. Supermarkets in the US are stockpiling foods in preparation for **price increases**.
- The Pentagon canceled a \$10 billion **JEDI cloud computing deal** with Microsoft and announced a new multi-vendor deal that will likely include both Microsoft and Amazon.
- Top Biden Administration officials hosted **Saudi Arabia's** deputy defense minister, the highest-level visit since Biden took office. Biden plans to host a summit for the leaders of the **Quad countries** (the US, Japan, Australia and India) this year.



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# New Airstrikes on Iraq-Syria Border Reignite War Powers Debate in Congress

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***Airstrikes in the Middle East and key Congressional votes on military force authorizations over the last several weeks have reignited a long-simmering debate in Congress over the division of war powers between the executive and legislative branches, renewing efforts from Democrats and libertarian-leaning Republicans to increase oversight over presidential war-making powers.***

Per the constitution, Congress retains the sole legal authority to declare war; the power, however, has become all but obsolete - Congress last formally declared war in 1942 - and the President now primarily relies upon Authorizations for the Use of Military Force (AUMFs), ostensibly limited legal justifications for hostilities passed by Congress, and a modern interpretation of Article II powers, which allows the president to use force to prevent an “imminent” attack. Advocates for a stricter interpretation of executive war powers argue that the current AUMFs on the books no longer capture the reality of the US’ defensive needs, and that successive presidents have stretched the authorizations and Article II beyond recognition. The debate reached a fever

pitch, for example, in January 2020, when President Trump justified the targeted killing of Iranian militia leader Qassem Soleimani both on the basis of the 2002 AUMF (initially passed to authorize hostilities against the Saddam Hussein regime in Iraq) and Article II, prompting furious debate over what constitutes an “imminent” attack. The argument over executive war powers has been simmering in Congress for decades: proponents of more robust assertion of Congressional war powers argue that executive latitude results in significant military action without the input of the voters, while opponents argue that expanding Congressional oversight bogs down national self-defense in Congressional logjams and partisan bickering.

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# New Airstrikes on Iraq-Syria Border Reignite War Powers Debate in Congress

Ongoing legislative efforts and renewed strikes against Iranian-backed militias in Iraq and Syria by a new White House have renewed these arguments. Last month, President Biden authorized three airstrikes against weapons storage facilities on the Iraq-Syria border operated by two Iranian-backed militias, Kataib Hezbollah and Kataib Sayyid al-Shuhada, in response to escalating attacks against US troops and facilities in Iraq. The strikes are the most high-profile US attack since Biden became president, and appear to have established a new red line for militia activity in the region wherein the US will respond forcefully even to attacks that do not kill US service members.

Concurrently, the push for repeal of outdated or overstretched executive war powers has recently gained ground in the House, raising hopes that the system may be due for reform. In early June, the House voted to repeal the 2002 Iraq War AUMF, and on the 29th, the House voted to repeal two further AUMFs - the 1991 Gulf War AUMF and a vague Cold War-era AUMF - sending all three repeals to the Senate. Thus far, Senate Democratic leadership and the White House itself has expressed support for repealing the 2002

AUMF, but have largely remained mum on the other two. Practically, repealing both would have little effect on the president's ability to carry out airstrikes - Biden has only used Article II powers and the 2001 AUMF, which was passed in the wake of 9/11 and has been widely interpreted to cover most terrorism-related hostilities in the Middle East.

Despite growing Democratic support for repealing old AUMFs, however, even proponents argue that the time is not ripe for an overhaul of Congressional war powers - leading Republicans have called for comprehensive replacements prior to repealing any AUMFs still in use, and Rep. Spanberger (D-VA), who sponsored the 1991 AUMF repeal, told Politico that the House is "pretty far away" from any broader conversation about an AUMF dealing with Iranian-backed militias. The renewed debate and airstrikes against Iranian-backed militias throw into sharper relief the obstacles to national security posed by partisan polarization and the now decades-old war on terror framework. Barring an especially provocative move by the Biden Administration to reinvigorate the war powers debate to a similar level as that of January 2020, immediately post-Soleimani,

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# New Airstrikes on Iraq-Syria Border Reignite War Powers Debate in Congress

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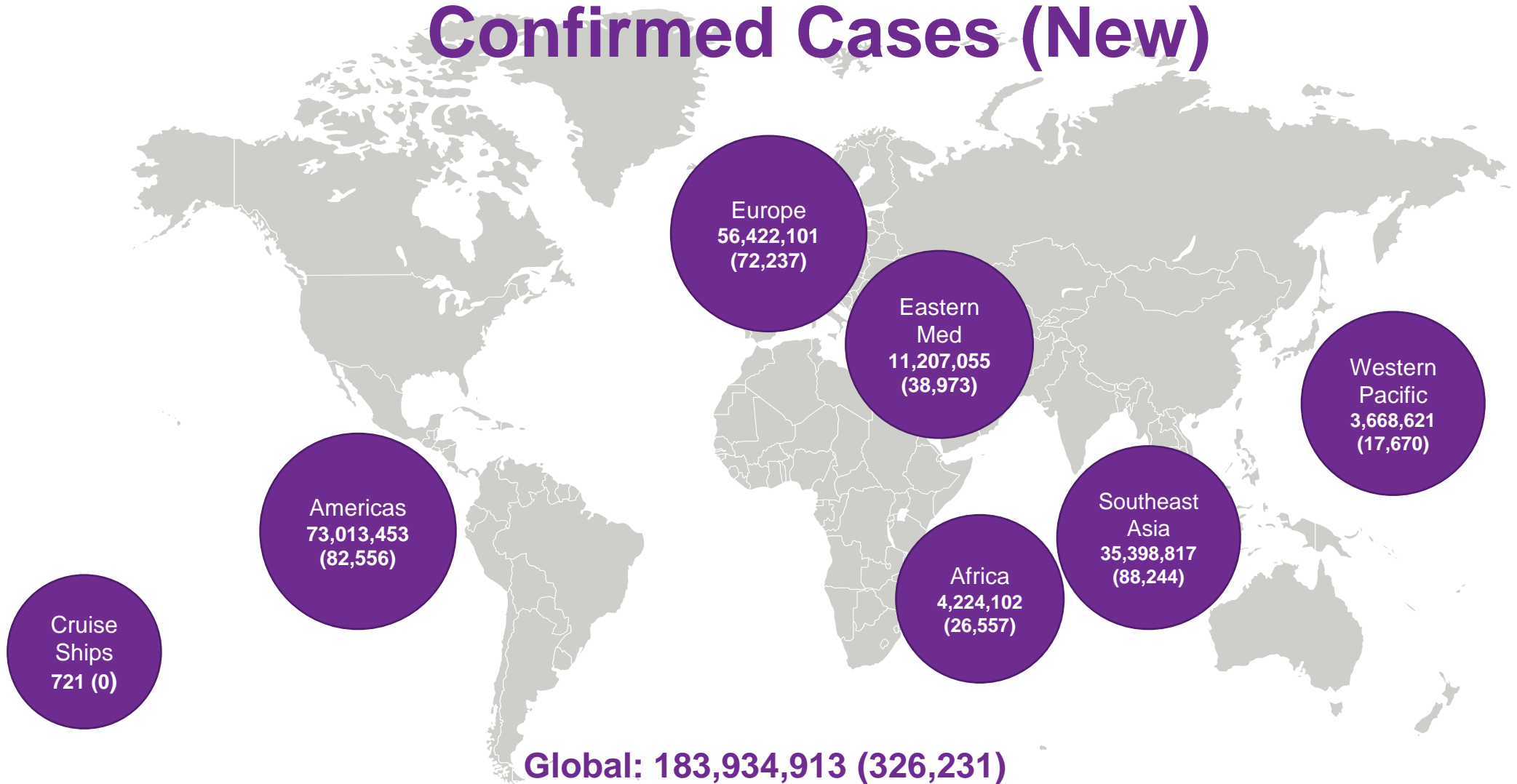
the likelihood of further debate or substantive changes to Biden's foreign policy as a result of Congressional war powers concerns is slim. Nonetheless, the issue will remain on the agenda - war powers are a pet issue for progressive Democrats, whose influence on foreign policy - and ability to drum up popular attention - is on the rise, and some Republicans are more willing to sign into AUMF repeals and stricter war powers interpretations with a Democrat in the White House. Much depends on militia activity in Iraq and Syria remaining below an acceptable risk threshold; if Iran directs further militia provocation or militias go further rogue, Biden will face reinvigorated domestic efforts to curtail his executive power in addition to hostilities abroad. Internationally, there is a risk that this domestic pushback could be interpreted by Tehran, or other rivals, as weakness on the part of President Biden if his options abroad remain constrained by politicking at home.

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# Coronavirus Condition Updates

As of 6:27 pm CEST on July 6, 2021

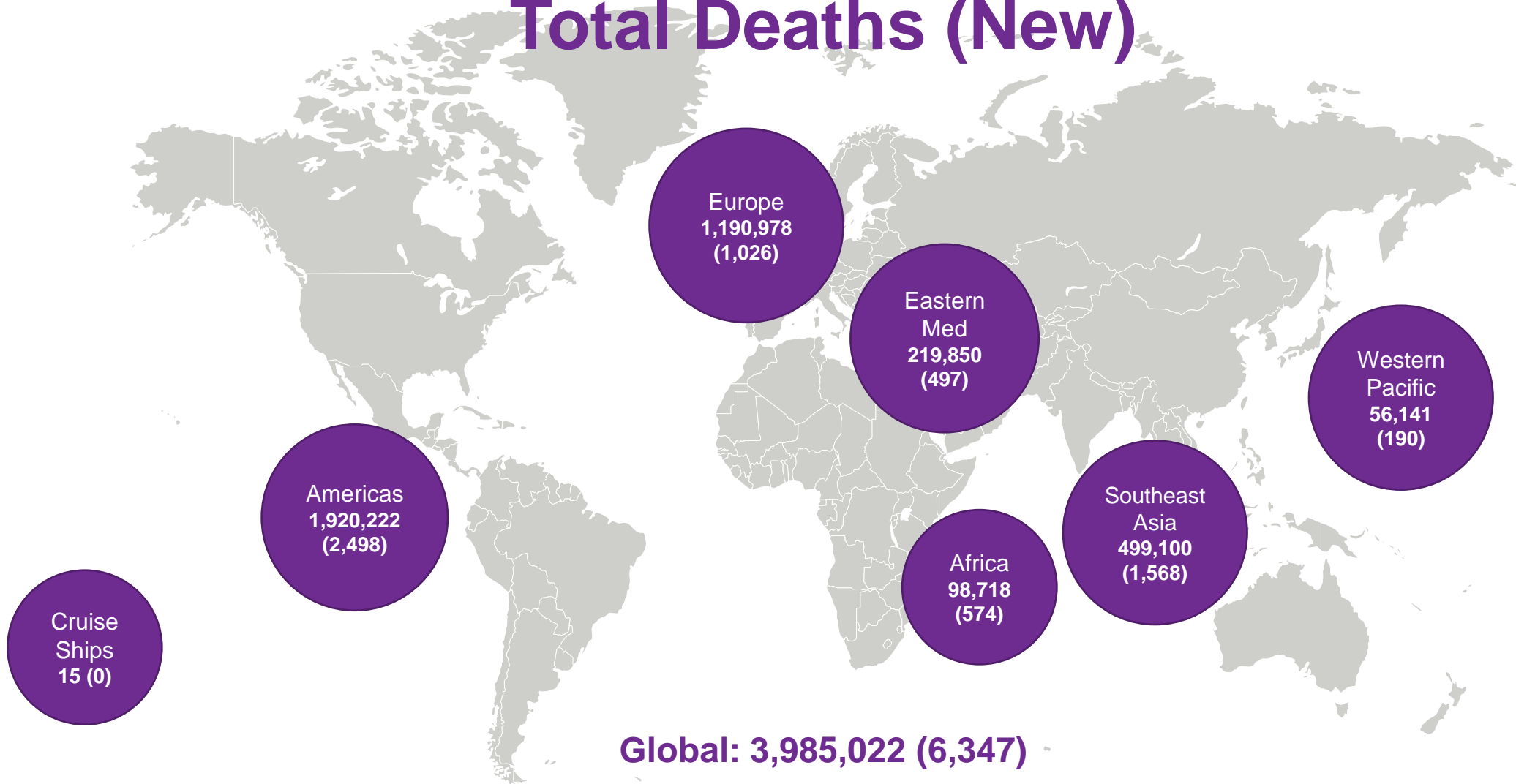
# Confirmed Cases (New)



Reflects data as of 6:27 pm CEST on July 6, 2021.  
Data Source: World Health Organization

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# Total Deaths (New)



Reflects data as of 6:27 pm CEST on July 6, 2021..  
Data Source: World Health Organization

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# Contacts

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*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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## **Karl Hopkins**

Partner and Global Chief Security Officer  
Dentons  
Washington, DC

D +1 202 408 9225  
[karl.hopkins@dentons.com](mailto:karl.hopkins@dentons.com)

## **Melissa Mahle**

Senior Analyst  
Dentons  
Washington, DC

D +1 202 408 6383  
[melissa.mahle@dentons.com](mailto:melissa.mahle@dentons.com)