

Dentons Flashpoint

Daily Global Situation Report

July 9, 2021

Global Situation Update: July 9, 2021

KEY TAKEAWAYS

Pfizer and BioNTech prepare for trials of new vaccine version tailored to fight the Delta variant.

Norwegian telecoms company Telenor sold its Myanmar business, citing difficulties operating under the military junta.

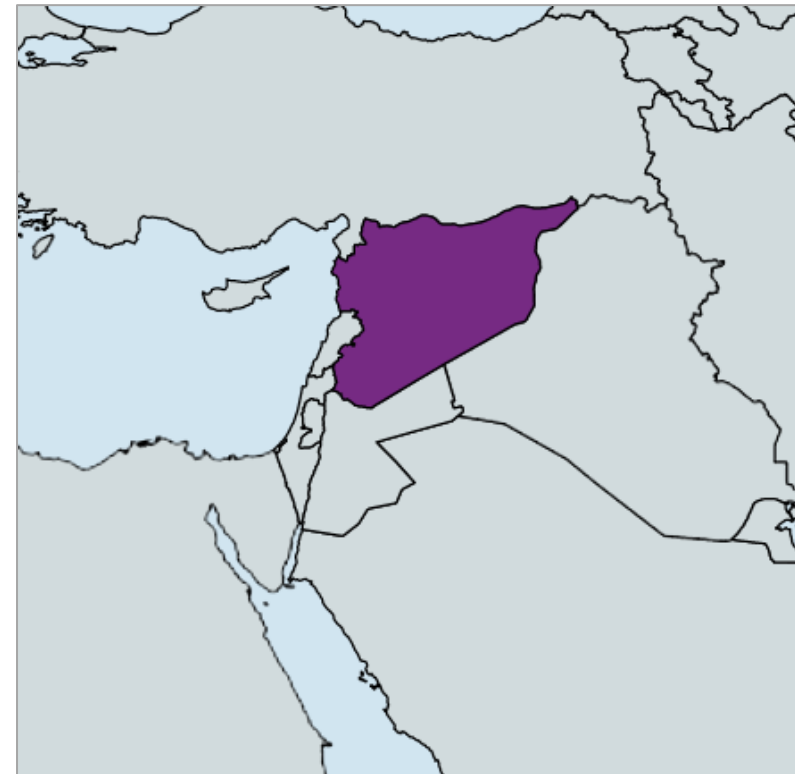
Israel doubles water supply to Jordan in a sign of efforts by the new government to improve relations.

Global Situation Update: July 9, 2021

WHAT WE'RE WATCHING

Today, the UN Security Council will vote on a resolution that impacts humanitarian aid to millions of vulnerable Syrians. The Council's authorization for the Bab al-Hawa crossing on the Turkey-Syria border expires tomorrow and it is the last crossing with a UN mandate allowing aid to be delivered directly to rebel-held areas, without having to first go through the Assad regime in Damascus.

Western nations seek a 12-month extension of the cross-border aid operation, while Moscow says it undermines Syria's sovereignty and should only be extended by 6 months. Russia has used its veto power in the Security Council to prevent extensions of three other such aid crossings. A resolution to extend the Bab al-Hawa mission needs nine votes in favor and no veto by any of the permanent members.



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

Global

Japan announced that the 2020 Tokyo Olympics will proceed without spectators as the Tokyo area declared a state of emergency due to a rise in COVID-19 cases.

- A JPMorgan study found the Philippines, Peru, South Africa, Thailand, and Colombia to be the emerging market countries most vulnerable to the Delta variant and **delayed economic recovery**.
- **Youth under 18** are at '*extremely low*' risk of severe illness or death from COVID-19, according to new studies from a group of UK universities.
- A World Economic Forum survey of adults in nine countries found that most people plan to continue wearing a **mask and social distancing** even once being vaccinated against COVID-19.

Global

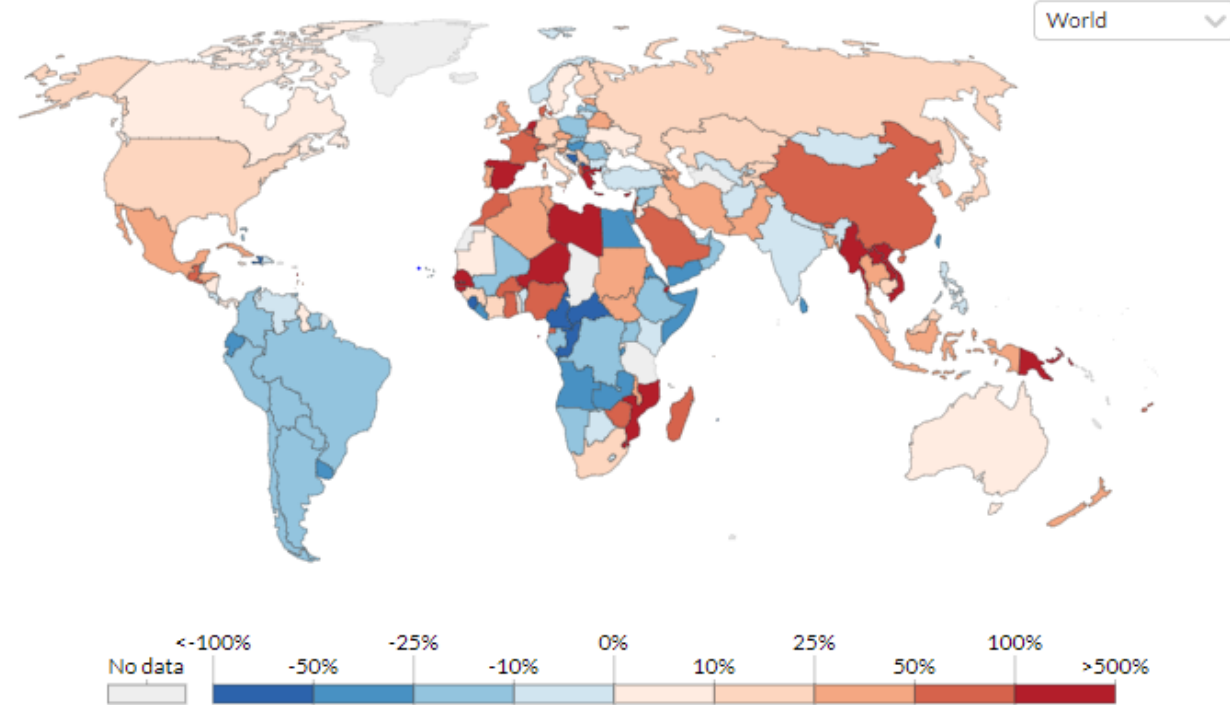
Globally, confirmed coronavirus cases topped 184.8 million with 4.0 million deaths; more than 3.0 billion vaccine doses have been administered.

The upward trend in new cases gathered steam over the past week.

Week by week change in confirmed COVID-19 cases, Jul 8, 2021

The weekly growth rate on any given date measures the percentage change in the number of new confirmed cases over the last seven days relative to the number in the previous seven days.

Our World in Data



Source: Johns Hopkins University CSSE COVID-19 Data - Last updated 9 July, 09:02 (London time)
OurWorldInData.org/coronavirus • CC BY

Feb 4, 2020

Jul 8, 2021

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COVID-19 Vaccine

A new study published in the journal Nature found that a single dose of the Pfizer or AstraZeneca vaccines “barely” conveys protection against the Delta variant.

- **Pfizer and BioNTech** are preparing to start clinical trials of a version of their COVID-19 vaccine that specifically targets **the Delta variant**.
- **Pfizer Inc** plans to seek US authorization for a **booster dose** of its COVID-19 vaccine within the next month, based on evidence of greater risk of reinfection six months after inoculation.
- **Covax** announced plans to deliver 250 million doses of vaccine to **Africa** by the end of the year.
- **Indonesia and Thailand** are considering offering **booster shots** to medical workers amid concerns over Sinovac’s efficacy against the Delta variant.
- **Cuba** announced its two-shot **Soberana 2 vaccine**, delivered with a booster called Soberana Plus, had proven 91.2 percent effective in late stage clinical trials

Markets & Business

The first half of 2021 saw an all-time record in Venture capital spending, totaling \$288 billion in investments; the 2020 full year total is expected to be surpassed within days.

- Global index publisher **FTSE Russell** said it will delete a further 20 Chinese companies from its indexes, citing an updated US executive order that bars U.S. investment in companies with alleged ties to China's military.
- **Amazon** has closed 340 online stores operated by a large Chinese retailer in the first half of this year, in an effort to crackdown on paid reviews and other violations.
- British firm **Lloyd's Banking Group** was fined \$125 million for misleading insurance customers.
- **Levi Strauss** expects sales to exceed pre-pandemic levels in the second half of 2021, in a sign of rebounding clothing demand.

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How do You Manage Cyber Risks?

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

All interaction with Dentons is attorney-client privileged

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

Africa

- Former **South African** President Zuma turned himself in to the police to serve a 15-month sentence for contempt of court after attempting to challenge the ruling.
- **South Sudanese** officials canceled independence celebrations due to COVID-19 concerns.
- UN Security Council members backed African Union mediation efforts between **Ethiopia, Egypt and Sudan** in a dispute over the operation of a giant hydropower dam on the Blue Nile in Ethiopia.
- Finance ministers from **Ghana, the Democratic Republic of Congo, Ivory Coast and Nigeria** urged rich countries to reallocate at least \$30 billion of new money from the IMF towards investments in Africa to help countries battling the effects of coronavirus and climate change.
- **Zimbabwe** received 2 million COVID-19 vaccines from **China's** Sinovac, its single largest shipment that it hopes will boost a vaccination campaign that had been slowed by shortages while infections and deaths rise.



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Asia

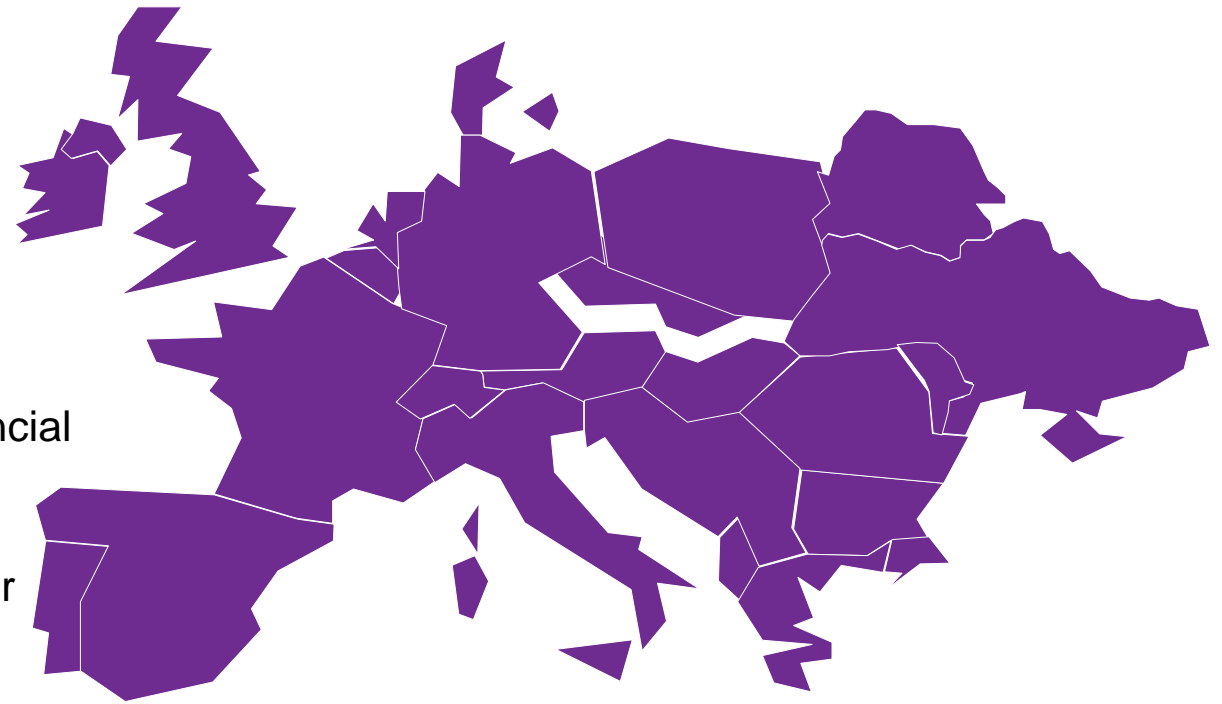
- A **Thai** court ordered a longtime “*red shirt*” political activist back to prison over a 2017 defamation case.
- **Sri Lankan** President Rajapaksa appointed several of his family members to the cabinet in a government reshuffle.
- **Indian** Prime Minister Modi appointed a veteran diplomat as the country’s new energy minister, amid outrage over high fuel prices and a broader cabinet reshuffle.
- A newly released official photo appears to indicate that **North Korea** has removed a key nuclear official from its top leadership.
- **Norwegian** telecoms company Telenor sold its **Myanmar** business, citing difficulties operating under the military junta.



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Europe

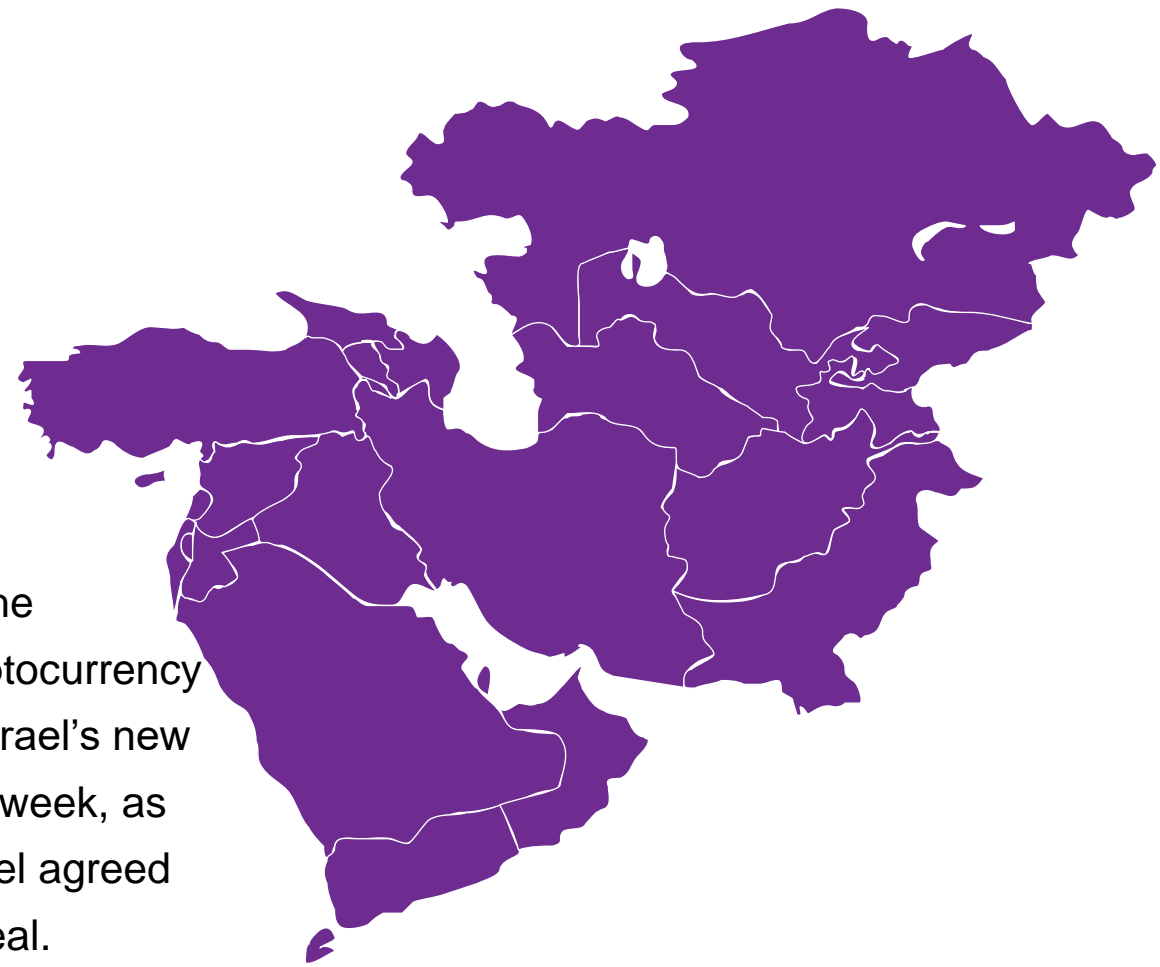
- The **EU** is reportedly planning to create a new anti-money-laundering agency with increased direct financial supervisory abilities.
- **Turkey** is reportedly considering new capital injections for state banks to help with post-COVID financial healing.
- Ursula von der Leyen said that the EU would “never, ever” accept a two-state deal on **Cyprus**.
- **Belarus** blocked the website of a popular newspaper that has covered Lukashenko negatively; the wife of the editor said that they had been brought in for questioning.
- **UK** citizens returning from medium-risk countries will no longer have to self-isolate after arrival. More than 50,000 cases of the Delta variant were recorded in the UK in the first week of July.
- The **UK** signed a trade deal with **Iceland, Norway and Liechtenstein**. The UK has pulled most of its troops out of **Afghanistan**.



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Middle East

- The Biden Administration criticized the **Israeli** military for demolishing a **West Bank** home belonging to a Palestinian American accused of terrorism.
- **Israel's** Supreme Court upheld a controversial law defining the country as a Jewish state. Israel said it will begin seizing cryptocurrency accounts used by Hamas. An Israeli official confirmed that Israel's new prime minister met secretly with **Jordan's** King Abdullah last week, as Israel looks to improve ties with its neighbor. Jordan and Israel agreed Thursday to a new water purchasing and West Bank trade deal.
- The **US and French** ambassadors to Beirut made a rare joint visit to **Saudi Arabia** to discuss solutions to **Lebanon's** crisis.
- **Tunisia** reported a record of new daily coronavirus cases at almost 10,000 new cases; the country's health ministry said its healthcare system is "collapsing."



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Americas

- **Haiti's** Ambassador to the US said that the assassination of President Moïse was carried out by foreigners, but with inside help. Authorities have killed or detained the suspected killers but are still looking for the “*masterminds*” behind the assassination. The UN Special Envoy for Haiti said that Prime Minister Joseph would remain in office for the time being, despite confusion over his term.
- **Brazilian** inflation rose to 8.4 percent in June, a five year high. Brazilian President Bolsonaro's disapproval ratings rose to the highest level since he came to power 2-and-a-half years ago.
- **Canadian** Prime Minister Trudeau said that unvaccinated tourists will not be permitted to visit the country “*for quite awhile.*”
- Talks between **Venezuela's** government and opposition politicians are set to begin in August to discuss ending the country's political crisis. Venezuelan authorities closed roads around Caracas due to gunfights between security forces and organized crime.

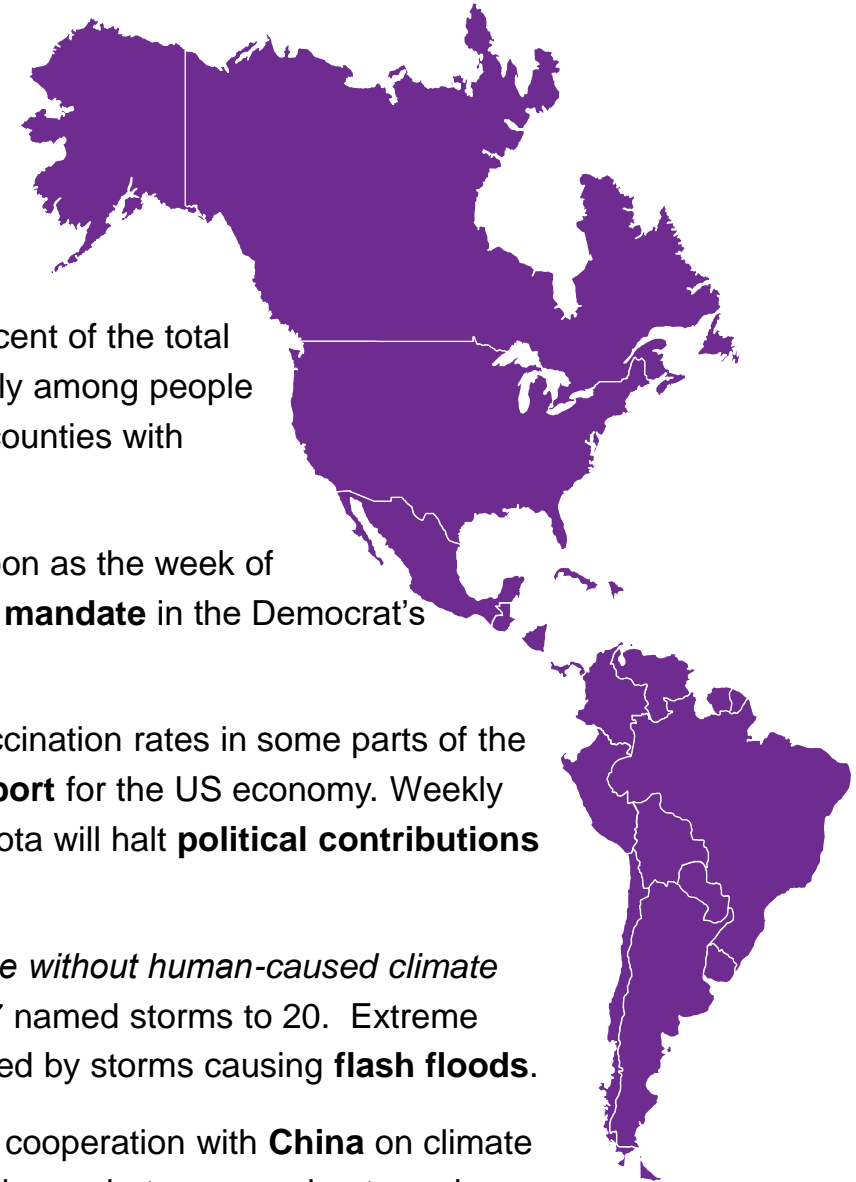


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Americas: US

- Across the nation, 183.2 million have received at least **one dose of the vaccine**, or 55.2 percent of the total population. **COVID-19 cases** are up around 11 percent over the previous week, almost entirely among people who have not been vaccinated. Around 93 percent of cases in recent days have occurred in counties with **vaccination rates** of less than 40 percent, per the CDC.
- Media reported that a bipartisan **infrastructure bill** could be brought to the Senate floor as soon as the week of July 19. The White House is sending strong signals that it will push for a **zero-carbon power mandate** in the Democrat's future social safety net package, which they hope to pass through reconciliation.
- A top Federal Reserve official warned the spread of the Delta coronavirus variant and low vaccination rates in some parts of the world pose a threat to the **global recovery** as she urged caution in removing **monetary support** for the US economy. Weekly **jobless claims** held near their pandemic-era low of last week, remaining under 400,000. Toyota will halt **political contributions** to members of Congress who voted against certifying President Biden's election victory.
- A new study found that the Pacific Northwest **heat wave** would have been "*virtually impossible without human-caused climate change.*" Colorado State researchers boosted their predictions for **hurricane season** from 17 named storms to 20. Extreme heat is expected to continue this weekend in the West, while the East Coast is being pummeled by storms causing **flash floods**.
- A group of over 40 progressive groups sent a letter to President Biden urging him to prioritize cooperation with **China** on climate change and curb confrontation on human rights, in a sign of intra-party debate on China shaping up between moderate and progressive Democrats. The Biden Administration will announce today an additional 10 Chinese companies to be added to its economic blacklist over alleged human rights abuses and high-tech surveillance in Xinjiang.

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Emerging and Existing Hotspots: Tide Turns in Ethiopia-Tigray Conflict

By Anni Coonan

In late June, the grinding ethnic conflict between the central Ethiopian government and the Tigray region seemed to reach a tipping point as government forces left Tigray and rebels retook the regional capital, Mekele. Alongside rising ethnic tensions throughout Ethiopia, dire humanitarian crisis in Tigray, and heightened tensions between Addis Ababa and its regional neighbors, the conflict runs the risk of threatening Ethiopian unity and destabilizing the Horn of Africa at large.

The conflict began in November over Tigray's decision to hold regional elections in defiance of a central decision to pause them for COVID-19; the instance was the flashpoint for several years of friction between Addis Ababa and the semi-autonomous Tigray region, after popular protests ousted the Tigrayan People's Liberation Front (TPLF) from the central government and installed Abiy Ahmed, who is Oromo, as the leader. After invading, the Ethiopian offensive was soon bolstered by troops from neighboring Eritrea, historic rivals of Tigray due to conflict over a contested region. Eritrea and Tigray were on opposite sides of a 1998 war over the region, and Ahmed's government officially recognized

Eritrean rights to it into 2018. Since then, a drawn-out guerrilla war has taken place mostly beyond international observation (Ahmed has mostly resisted calls to permit broader humanitarian access, and has rebuffed reports that Eritrean troops have carried out atrocities against Tigrayans).

On June 28th, Prime Minister Abiy Ahmed's government in Addis Ababa declared a unilateral ceasefire and vacated Ethiopian troops from the region; concurrently, or shortly after, Tigrayan rebels retook key towns in the region, most prominently Mekele (accounts are confused on whether Ethiopian troops were driven out, or chose to

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Emerging and Existing Hotspots: Tide Turns in Ethiopia-Tigray Conflict

leave before they could be). Since then, Tigrayan rebel leaders have met Ethiopian calls for dialogue and a ceasefire with demands for a full withdrawal and even complete independence, dimming prospects for productive dialogue in the near future. While it appears that Ethiopian troops have mostly withdrawn or been captured, the number of Eritrean forces remains unclear (a persistent issue throughout the conflict - Addis Ababa took several weeks to confirm that hostilities were underway, and months to concede that Eritrean troops had joined). At the same time, Tigray is experiencing a worsening humanitarian crisis that is among the worst famines in the world (the UN estimates that some 400,000 people are experiencing famine conditions, while USAID puts the number at 900,000), and the problem of inadequate access for aid, humanitarian organizations, and journalists persists. Earlier this week, Ahmed announced that he would allow flights from the capital into Tigray to deliver aid, but the head of the civil aviation authority reported that no planes had left. Additionally, Eritrean forces reportedly destroyed a key bridge into the region, constricting land access.

Concurrently, Addis is facing rising ethnic turmoil in Ethiopia's Oromia region, where clashes between splinter militia groups and

the state military have persisted over several months; if Ahmed's party regains control in last week's elections, as seems likely, the anti-government Oromo Liberation Army (OLA) will likely cause further disruption and refuse to accept the results. Although analysts largely believe that the risks in Oromia do not rise to the level of an armed conflict, the dissent highlights the Prime Minister's faltering popularity in the country and increasing inability to maintain the ethnic compromises within the country.

Further conflict in Tigray and increasing ethnic strife in Ethiopia will pose problems for other regional developments. If hostilities continue, as seems likely due to the intractable positions of Tigrayan rebel leaders, refugee flows to other countries and violence spillover is a distinct possibility. A more tumultuous domestic political landscape will likely lead Prime Minister Ahmed to double down even further on the controversial Grand Ethiopian Renaissance Dam, a source of significant tension between Ethiopia and its neighbors Egypt and Sudan but that is deeply popular within the country. Ethiopian-Sudanese tensions are also on the rise on another front: an ongoing border dispute over the al-Fashaga region between Sudan and Ethiopia's Tigray and Amhara regions wherein

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Emerging and Existing Hotspots: Tide Turns in Ethiopia-Tigray Conflict

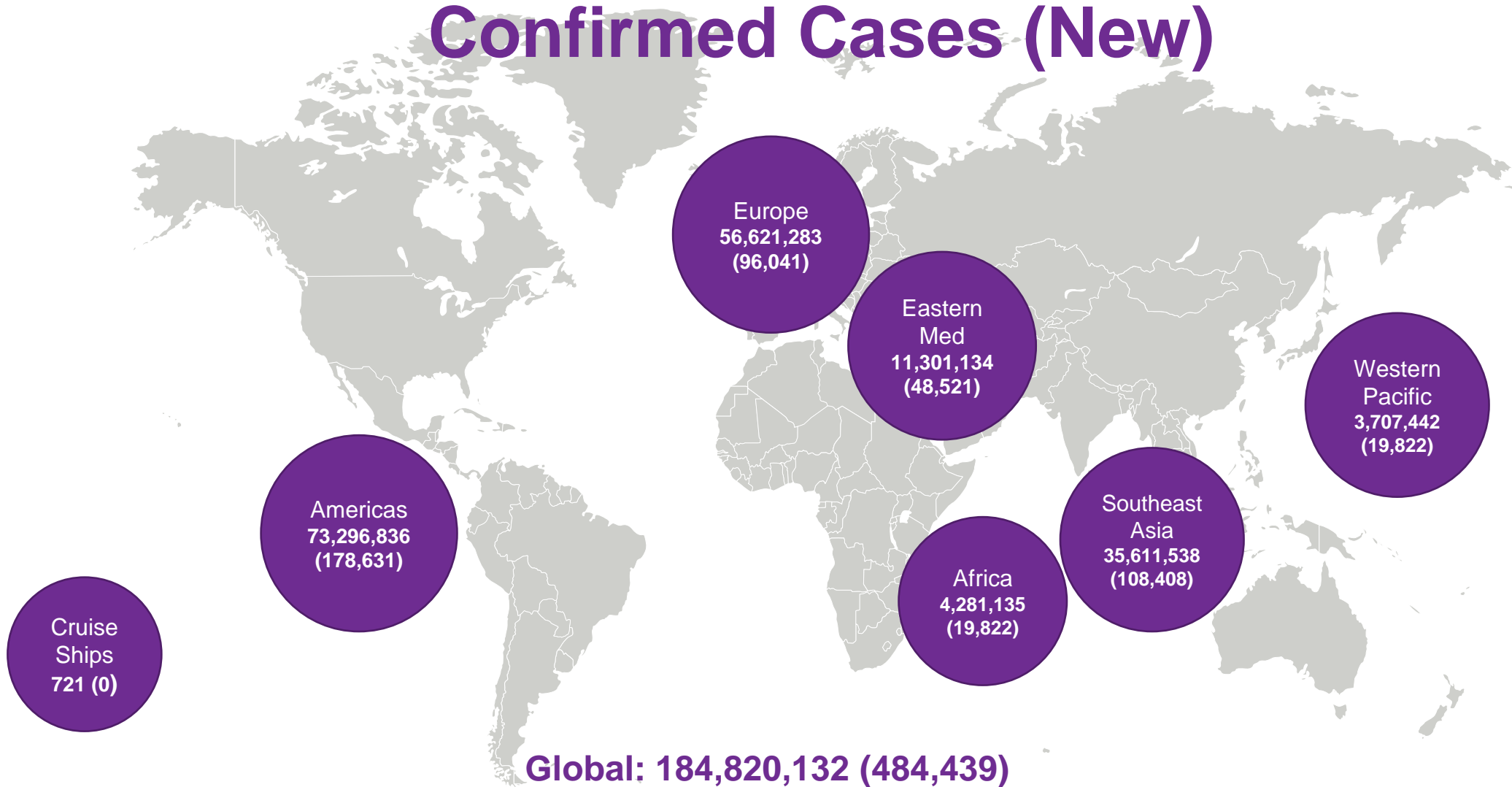
Ethiopia has accused Sudan of taking advantage of the security vacuum created by the Tigrayan conflict to expand its influence in the territory, and Sudan has accused Ethiopia of allowing militias to help farmers to expand further into al-Fashaga. Ahmed cited the need to focus on the al-Fashaga front as a reason for the withdrawal from Tigray. Taken together, increased tensions within Ethiopia and with its neighbors pose significant risks to the stability of both the country and the region.

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Coronavirus Condition Updates

As of 6:18 pm CEST on July 8, 2021

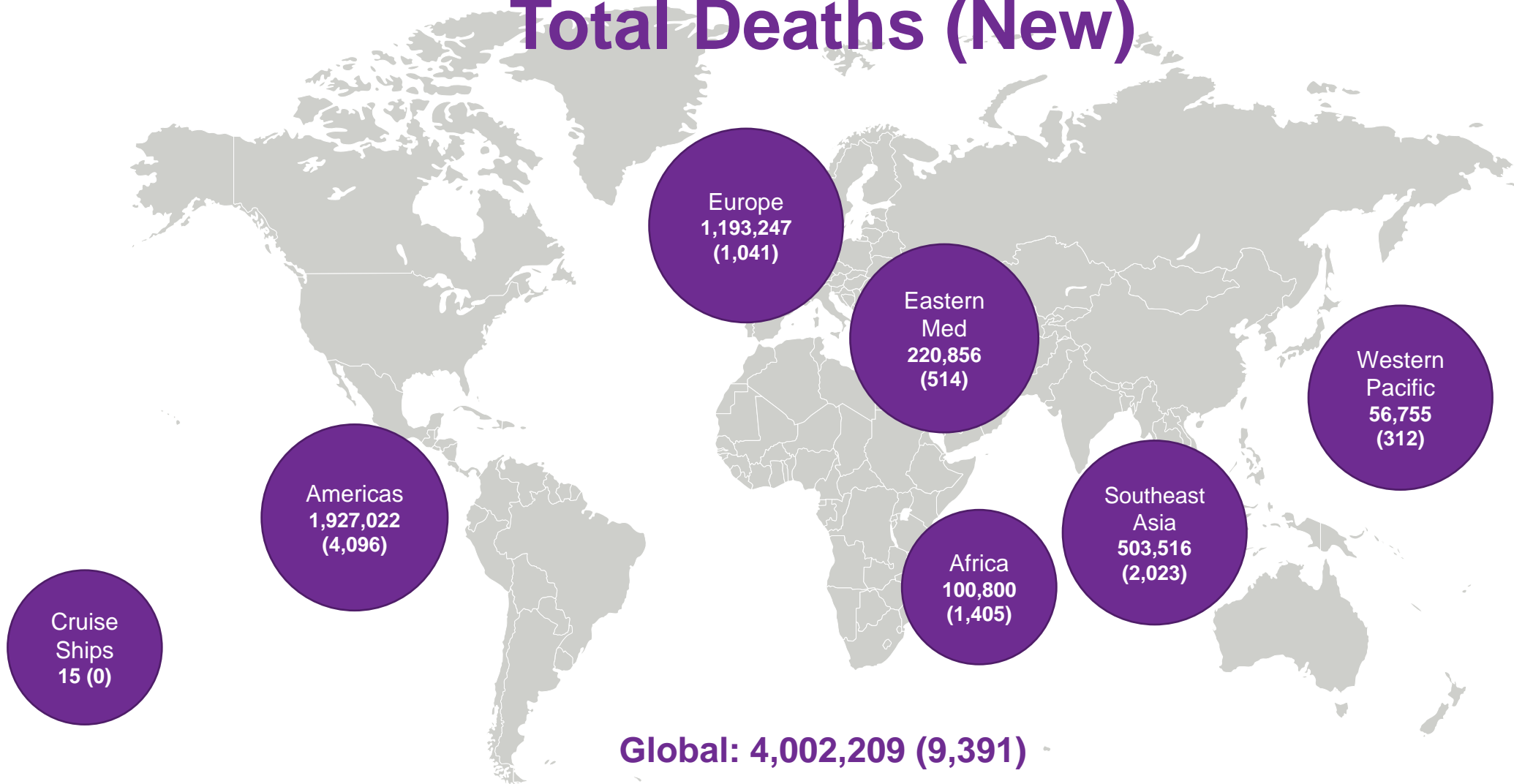
Confirmed Cases (New)



Reflects data as of 6:18 pm CEST on July 8, 2021.
Data Source: World Health Organization

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Total Deaths (New)



Reflects data as of 6:18 pm CEST on July 8, 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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