

Dentons Flashpoint

Daily Global Situation Report

July 19, 2021

Global Situation Update: July 19, 2021

KEY TAKEAWAYS

Asia-Pacific economies are likely to prove resilient to continuing COVID-19 outbreaks, per a new Deutsche Bank report.

New COVID-19 cases surged 70 percent this past week in the US.

Record flooding in Germany kills hundreds.

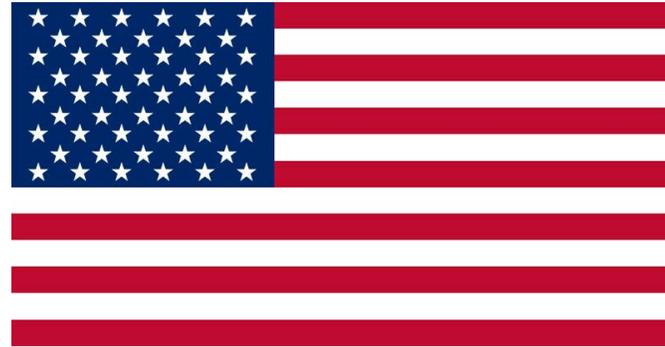
Note: This report is based on sources and information deemed to be true and reliable, but Dentons makes no representations to same.

Global Situation Update: July 19, 2021

WHAT WE'RE WATCHING

Last week, the EU and US each issued guidance to business on conducting due diligence relating to forced labor in international supply chains. Both sets of guidance come after the G7 named eradicating forced labor in global supply chains as a priority at the Group's June meeting and years of efforts by policymakers and activists to strengthen "modern slavery" laws.

Both sets of guidance are advisories and do not impose legal or regulatory requirements on business, but their introduction underlines a trend of growing political, regulatory, civil society, shareholder, and stakeholder pressure for companies to conduct robust supply chain due diligence.



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 189.9 million with 4.0 million deaths; more than 3.4 billion vaccine doses have been administered.

- Four days before the opening ceremony, two-thirds of people in Japan do not believe the country can host a safe and secure **Olympics** amid the coronavirus pandemic. Two South African football players tested positive on Sunday, becoming the first athletes in the Olympic Village to contract the virus.

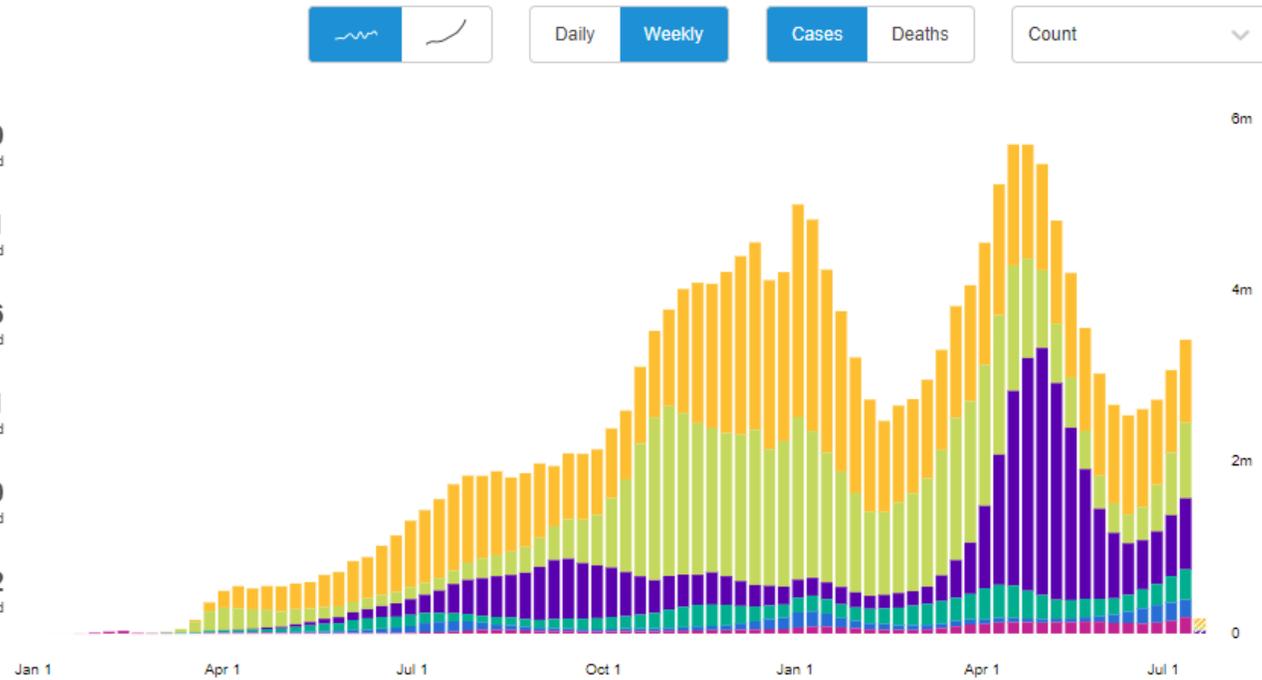
Note: This report is based on sources and information deemed to be true and reliable, but Dentons makes no representations to same.

Global

Situation by WHO Region

Americas	74,832,520 confirmed
Europe	57,893,591 confirmed
South-East Asia	36,760,906 confirmed
Eastern Mediterranean	11,845,711 confirmed
Africa	4,589,220 confirmed
Western Pacific	3,999,252 confirmed

Source: World Health Organization
Data may be incomplete for the current day or week.



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

COVID-19 Vaccine

Leaders of the Asia-Pacific Economic Cooperation forum have pledged to increase coronavirus vaccine output and distribution against a COVID-19 resurgence that has again made the region a front line in the pandemic.

- Facebook defended itself against assertions that the social media platform is "*killing people*" by allowing **misinformation about coronavirus vaccines** to proliferate, arguing it should not be blamed for the US failing to meet vaccine goals.
- **Taiwan** approved its first domestic COVID-19 vaccine, MVC-COV1901, for production and use.
- **Turkey** has started phase 3 clinical trials of its homegrown vaccine candidate.
- **India** vaccinated an average of 3.7 million people a day last week, up 3 percent from the previous week, amid growing warnings about the potential for a third wave.

Markets & Business

The proportion of women on the board at 200 of Britain's top financial firms has risen to nearly a third in the five years since the government launched an initiative to improve gender balance in the sector.

- OPEC+ ministers agreed on Sunday to boost **oil supply** from August to cool prices which have climbed to 2-1/2 year highs as the global economy recovers from the coronavirus pandemic.
- Israeli company **NSO Group's** spyware was used in attempted and successful hacks of 37 smartphones belonging to journalists, government officials and human rights activists around the world, according to an investigation by 17 media organizations; NSO's statement rejected the report as full of wrong assumptions and uncorroborated theories.
- **Zoom Video Communications Inc** announced a \$14.7 billion all-stock deal to buy cloud-based call center operator **Five9 Inc** in its largest-ever acquisition.
- **Ermenegildo Zegna**, the Italian luxury fashion group, go public in \$3.2bn US Spac deal.
- **Johnson & Johnson** is exploring a plan to offload liabilities from the Baby Powder litigation into a newly created business that would then seek bankruptcy protection.

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

How do You Manage Risks?

The coronavirus pandemic has not just added a new layer of risk for business leaders to navigate, but has accelerated drivers of change, including disruptive technologies, political and economic realignments and cultural priorities on equality, justice and conservation, while increasing vulnerabilities that bad actors seek to exploit.

Dentons Intelligence and Security Services Group offers bespoke services to provide business leaders with the intelligence they need to understand and thrive in complex operating environments.

- ❖ due diligence and compliance investigations
- ❖ physical and cyber security assessments
- ❖ country and political risk assessments
- ❖ enterprise risk management and organizational resiliency advice
- ❖ crisis and incident response (physical security breaches and cyber incidents, insider threats and reputational impacts)

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

Africa

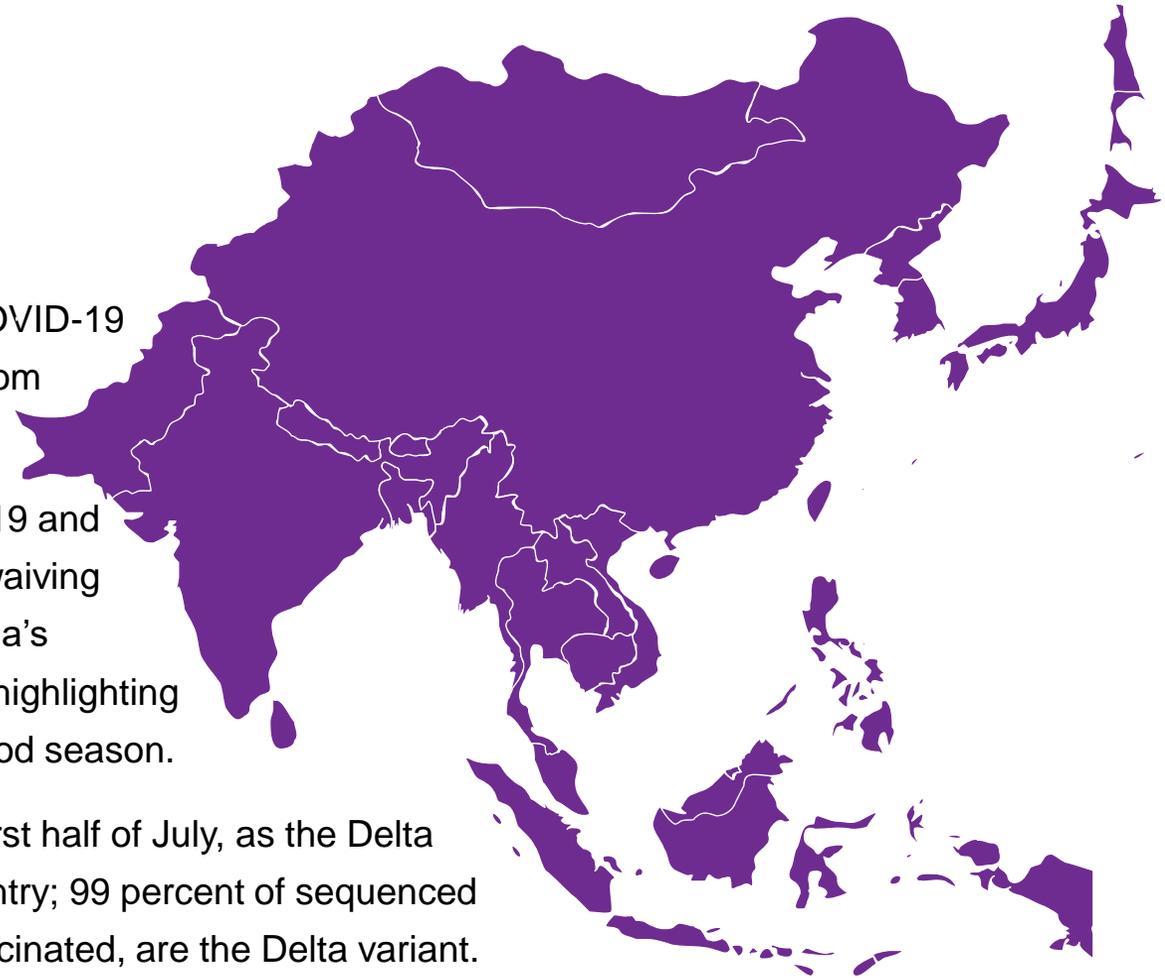
- **Nigeria** has put six states on red alert after seeing a "worrisome" rise in COVID-19 infections; a red alert allows authorities in the states to restrict celebrations and gatherings to a minimum.
- **Senegal's** President Sall threatened to close the borders and re-impose a state of emergency after the country registered a new record number of daily COVID-19 cases for the third time in a week.
- President Ramaphosa stated that the unrest over the past week was stabilizing, and calm has been restored to most of the affected areas, but the destruction will cost the country billions of rand. The trial of former **South African** president Zuma, whose jailing triggered riots, will resume today.
- Three **Chinese** nationals and two **Mauritanians** were abducted from a construction site in northern **Mali** on Saturday when gunmen raided the site for equipment and took hostages.
- The China-backed Asian Infrastructure Investment Bank has approved its first project in sub-Saharan Africa, providing a \$100m loan to **Rwanda** under its COVID-19 Crisis Recovery Facility.



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

Asia

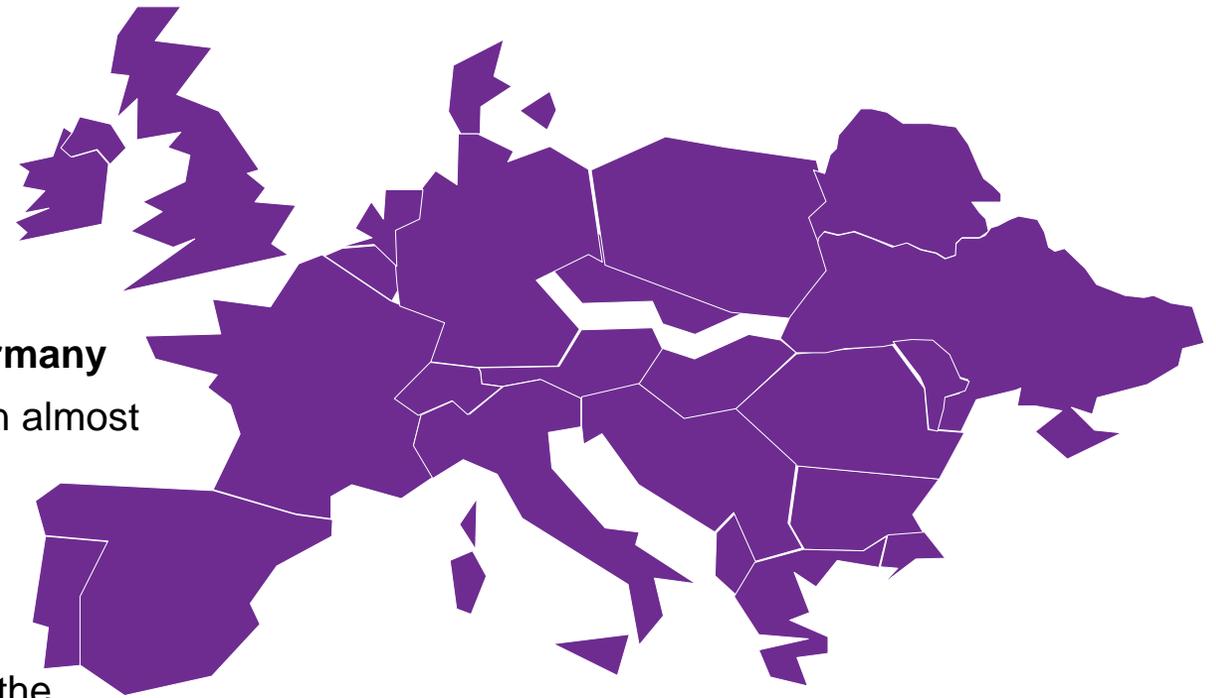
- **Asia-Pacific economies** are likely to prove resilient to continuing COVID-19 outbreaks, due to limited lockdowns and increased export demand from the **US and EU**, per a new Deutsche Bank report.
- **China** has financed the setup of a fund under APEC to fight COVID-19 and fuel economic recovery, per President Xi Jinping. Xi also supported waiving the intellectual property rights on COVID vaccines. Two dams in China's northwestern region of Inner Mongolia collapsed after torrential rain, highlighting the safety risks posed by ageing infrastructure during the summer flood season.
- Deaths of doctors from COVID-19 in **Indonesia** rose sharply in the first half of July, as the Delta variant of the coronavirus fueled a surge in infections across the country; 99 percent of sequenced cases in Indonesia, where just 6 percent of the population is fully vaccinated, are the Delta variant.
- Domestic flights to and from Bangkok and other provinces classified by the **Thai** government as high risk from COVID-19 will be suspended starting July 21. **Vietnam's** capital Hanoi urged its citizens to stay at home from Monday and ordered a halt to all non-essential services due to new clusters of COVID-19 infections. More than 80 percent of personnel aboard a **South Korean** destroyer on anti-piracy patrol in the Gulf of Aden tested positive to COVID-19.



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

Europe

- Record rainfall and floods that have killed at least 157 in **Germany** alone in recent days, in the country's worst natural disaster in almost six decades.
- A survey in **Germany** found that 13 percent of respondents from large cities with more than 500,000 residents plan to leave in the next 12 months, as working from home leads to the desire for more space and less crowded locations.
- **France** reported more than 12,500 new coronavirus cases on Sunday, the third day that the tally has held above 10,000, attributed to the spread of the Delta variant. The Eiffel Tower reopened after an eight-month shutdown because of the COVID-19 pandemic, its longest closure since World War Two.
- **UK** Prime Minister Johnson urged the public to remain cautious as the country ends its year-long lockdown even as infections are surging.
- Authorities have imposed a curfew on the popular **Greek** island of Mykonos, as well as banning music at bars and restaurants as COVID-19 cases surge.



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

Europe

Russia has reported a record weekly death toll for the fourth successive seven-day period; the Delta variant accounted for about 85 percent of sequenced viruses in Russia over the past four weeks. Only 14 percent of the population is fully vaccinated.

Russian Federation Situation

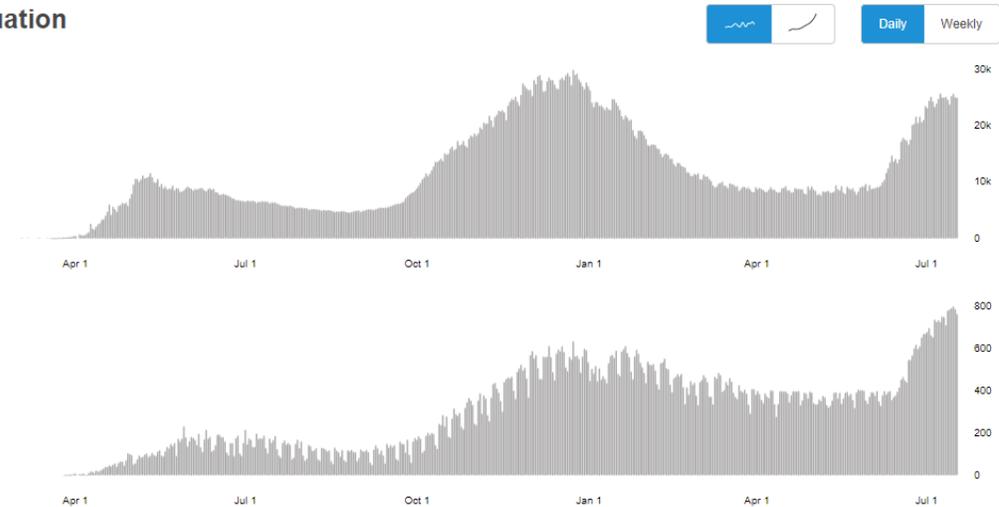
5,958,133

confirmed cases

148,419

deaths

Source: World Health Organization

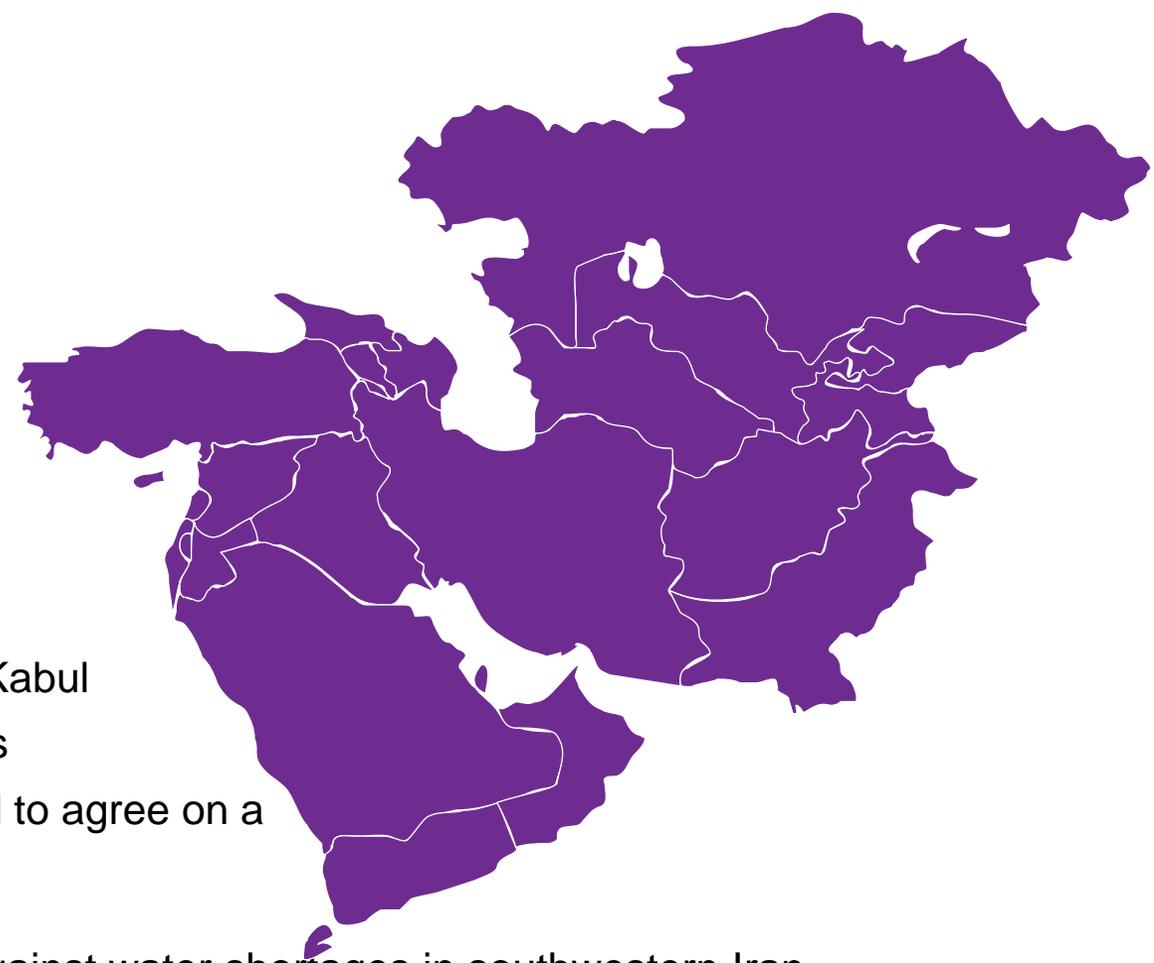


Source: WHO

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

Middle East

- The **Algerian** foreign ministry recalled its ambassador to **Morocco** on Sunday in the latest flare-up of tension between the North African neighbors over the disputed territory of **Western Sahara**.
- Fifteen diplomatic missions and the NATO representative in Kabul collectively urged the Taliban to halt military offensives across **Afghanistan**, just hours after a peace meeting in Doha failed to agree on a ceasefire.
- **Iranian** police opened fire late Sunday night amid protests against water shortages in southwestern Iran, a video showed. The country has faced rolling blackouts for weeks now, in part over what authorities describe as a severe drought.
- As **Tunisia's** health system shows signs of collapse under a surge of coronavirus infections, **Saudi Arabia and the UAE** are sending supplies of vaccines and medical aid in regional vaccine diplomacy.



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

Americas

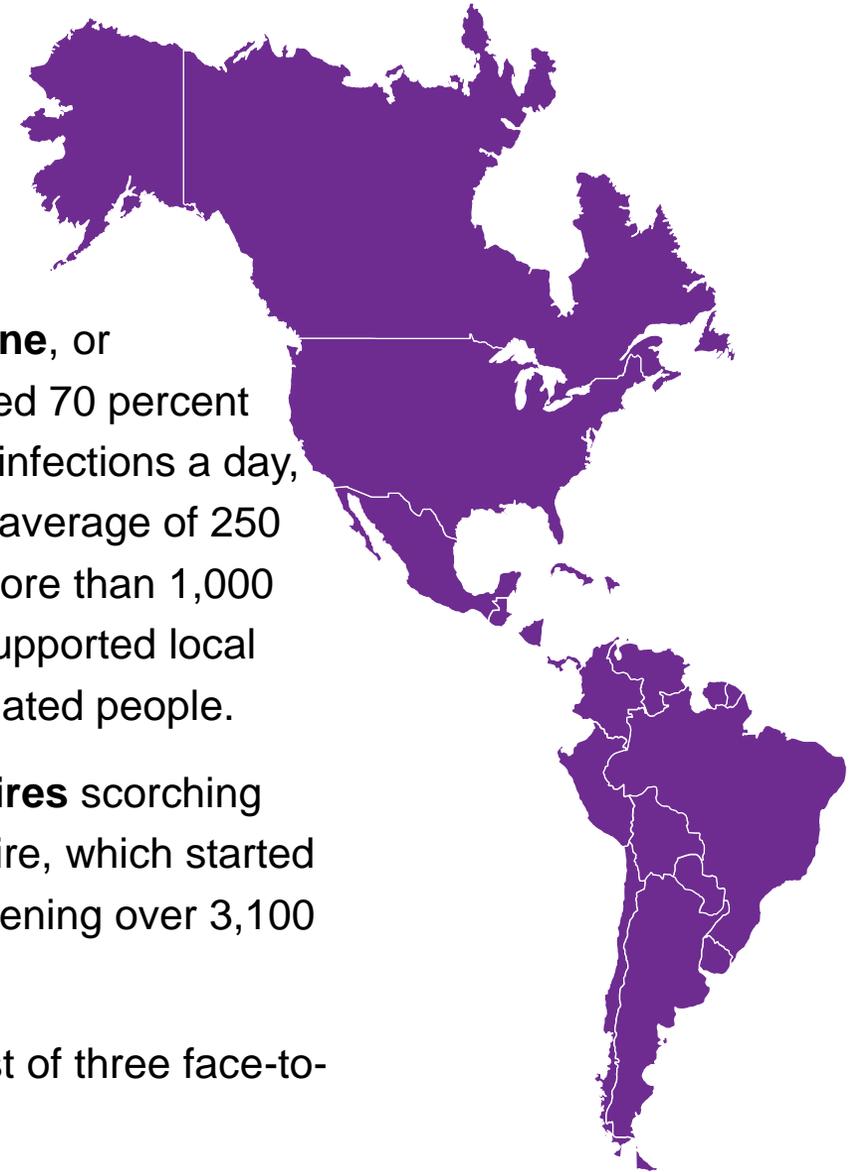
- The **Cuban** government government-organized rally in Havana on Saturday to denounce the US trade embargo and reaffirm their support for Cuba's revolution.
- The pitched gun battles between police and a collection of gangs at least 300-strong based in a cluster of barrios in western Caracas are another sign President Maduro is losing control over parts of **Venezuela**, with a protracted breakdown of the rule of law.



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

Americas: US

- Across the nation, 186 million have received at least **one dose of the vaccine**, or 56.0 percent of the total population. Nationwide, new COVID-19 cases surged 70 percent this week compared with the prior seven days to an average of 30,000 new infections a day, fueled by the **Delta variant**. **Deaths** rose 26 percent week-over-week to an average of 250 lives lost a day, mostly in unvaccinated patients. **New York** state reported more than 1,000 new cases in a day for the first time since mid-May. The Surgeon General supported local **mask mandates** to combat local surges of the coronavirus among unvaccinated people.
- Gusty winds and dry, hot weather are increasing the size of dozens of **wildfires** scorching vast stretches of Oregon, California and other western states. The Bootleg fire, which started just north of the California state line, remains 22 percent contained, is threatening over 3,100 homes.
- President Biden on Monday will host **Jordan's** King Abdullah in what the first of three face-to-face meetings with leaders from the Middle East this month.



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

Back-to-School: Immediate Risks and Long-term Impacts from COVID-19

In about one month, many of K-12 schools across the United States will reopen and face new challenges of balancing new COVID-19 policies, changing politics around pandemic restrictions, and ongoing threats from new coronavirus variants.

Since the spring semester ended, the pandemic situation across the US has shifted: much of the country is near-fully reopened, over-12s are eligible for the vaccine, and a patchwork of mask policies means that students in many states and jurisdictions will probably forgo mask-wearing in the autumn. But while the coming school year will be much more “normal” than the last one, the impact of the pandemic will continue to be felt. Hybrid and virtual learning will still be a feature of the 2021/22 school year and may gain a permanent place in how schools operate and accommodate students’ needs. Perhaps most importantly, the disruption of school closures due to COVID-19 may be felt for years to come in long-term impacts on graduation rates, teacher retention, and the deepening of socioeconomic and racial inequities in education.

Students and parents preparing for the start of the school year face two immediate questions: what will schools require in terms of COVID-19 precautions, and what are the risks posed by reopened schools? Earlier this month, the CDC released new recommendations urging K-12 schools to fully reopen in the fall even if some virus precautions like social distancing are not feasible. However, the CDC also emphasizes that schools should be using COVID-19 prevention measures, including mask-wearing for those who are not fully vaccinated, maintaining three feet of physical distance between students within classrooms where possible, and establishing systems for testing and contact tracing to limit school outbreaks.

Back-to-School: Immediate Risks and Long-term Impacts from COVID-19

Though the CDC noted that localities should monitor local transmission and vaccination rates to guide decisions on prevention strategies, politics may play a stronger role in determining whether students will be wearing masks. According to Burbio's mask policy tracker, the majority of state governments will not enforce mask policies in schools, with many leaving local authorities and school districts to decide on the requirement. However, a number of states are taking more rigid approaches either for or against masks in schools. Eight states have banned mask mandates in schools (Texas, Oklahoma, Arkansas, Arizona, Utah, Iowa, South Carolina and Vermont), while nine others will require masks (Washington, California, New Mexico, New York, Connecticut, Hawaii, Delaware, North Carolina and Virginia). That most of the states banning mask mandates are Republican-led and most with mask mandates are Democrat-led is no coincidence; partisan politics continue to drive debates over pandemic restrictions and promise to play a leading role in determining school precautions over the coming year.

As schools prepare to reopen, the spread of the delta variant is a key driver of uncertainty around the risks of reopening. With delta's

higher transmissibility, schools full of unvaccinated children could prove a key vector of virus spread to more susceptible communities – particularly in states with low vaccination rates. Over the past two months, summer camps have already caused a number of outbreaks, foreshadowing the risk for schools in the fall. Moreover, a recent study in the British Medical Journal found that delta has been driving outbreaks in UK primary schools, causing hundreds of thousands of absences as pupils were forced into quarantine.

Given the remaining risks of COVID-19 in classrooms, remote learning will continue to play a role in learning next year – although fully virtual schools will be rare, barring a major change in COVID-19 outbreaks. Rather, hybrid models with elements of remote learning are likely to be a feature of the coming school year. Many in-person school districts will offer all-remote options for students who want virtual learning, as some families remain concerned about COVID-19's threat high-risk members or risk to unvaccinated students themselves. Other families have expressed different reasons for seeking a remote learning option; over the past year, numerous Asian and Black families have cited concerns about

Back-to-School: Immediate Risks and Long-term Impacts from COVID-19

racism at school as a reason to keep children at home, while for other families, remote learning has helped make education more accessible for students with disabilities. And for working students, hybrid or remote learning provides flexibility to balance school and a job – or school and helping with childcare at home.

While the flexibility of remote learning may help serve the needs of some students, the long-term effects of remote learning could ultimately worsen inequalities in education. During the pandemic, many well-resourced schools used technology to maintain relatively high-quality teaching, while many poorer students faced issues from lack of internet access and low-quality technology. If used poorly, education experts worry that hybrid and virtual learning could become a way for schools to cut costs through creating bigger class sizes, ultimately lowering teacher-to-student ratios and likely damaging quality of education. Moreover, the challenges of balancing in-person and remote teaching – as well as the overall stress of working through a pandemic – has taken its toll on teachers, prompting waves of early retirement, and potentially reducing the appeal of a teaching career to many would-be educators.

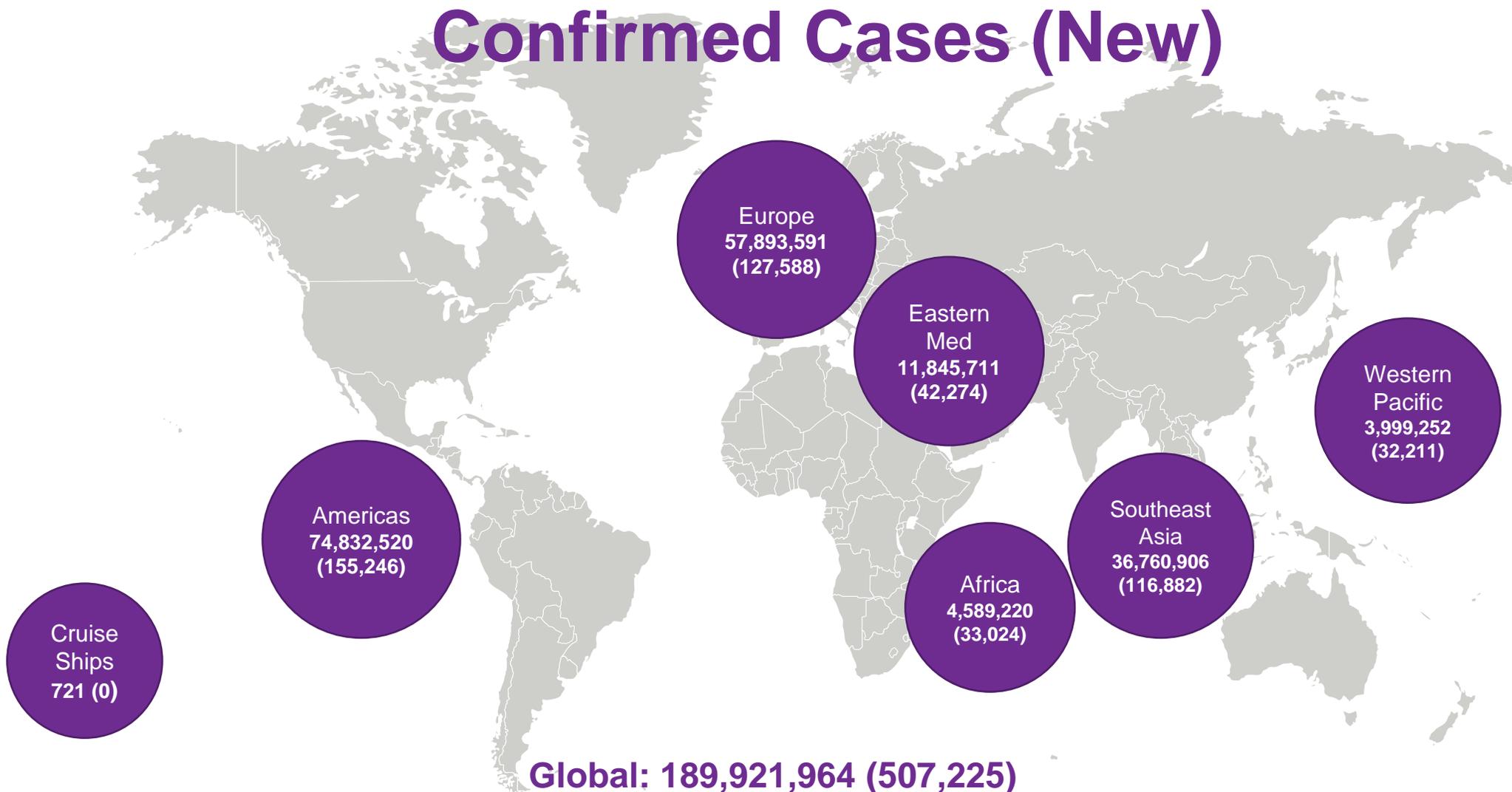
Beyond the use of remote learning, the pandemic will have long-term impact on education inequality in ways that may never be definitively measured. In the US and beyond, school closures will leave many students with gaps in their education – gaps that disproportionately affect children along lines of existing economic, racial and gender divides. In the most serious cases, school closures can lead to higher drop-out rates and increased risk to the safety of students. Studies of the Ebola epidemic in West Africa have shown that school closures were linked to increased vulnerability to physical and sexual abuse, as well as higher teenage pregnancy rates. While schools in the US will face hurdles to full reopening – whether in the form of new delta outbreaks or political fights over reopening requirements – access to vaccines puts the US in a relatively privileged position heading into the school year. Uncontrolled, delta-driven outbreaks across countries with low vaccination numbers mean that for many students outside the US, a safe return to the classroom is a faraway prospect.

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

Coronavirus Condition Updates

As of 11:37 am CEST on July 19, 2021

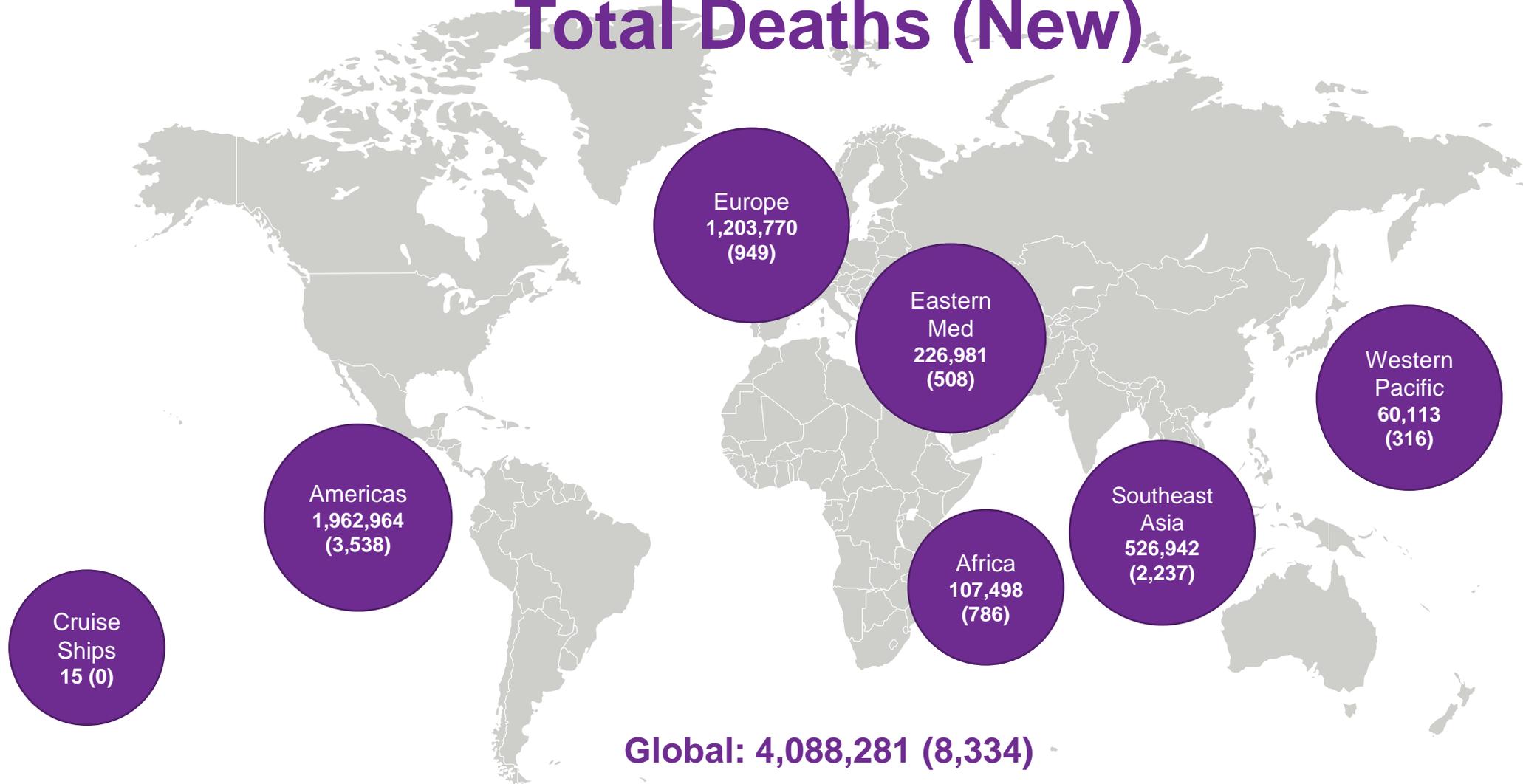
Confirmed Cases (New)



Reflects data as of 11:37 am CEST on July 19, 2021.
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)



Reflects data as of 11:37 am CEST on July 19, 2021
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.

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.

Karl Hopkins

Partner and Global Chief Security Officer
Dentons
Washington, DC

D +1 202 408 9225
karl.hopkins@dentons.com

Melissa Mahle

Senior Analyst
Dentons
Washington, DC

D +1 202 408 6383
melissa.mahle@dentons.com