

Dentons Flashpoint

Daily Global Situation Report

July 30, 2021

Global Situation Update: July 30, 2021

KEY TAKEAWAYS

A CDC paper reports that vaccinated individuals infected with the Delta variant may be able to transmit the virus as easily as those who are unvaccinated.

The eurozone's four largest economies have returned to solid growth in the three months to June.

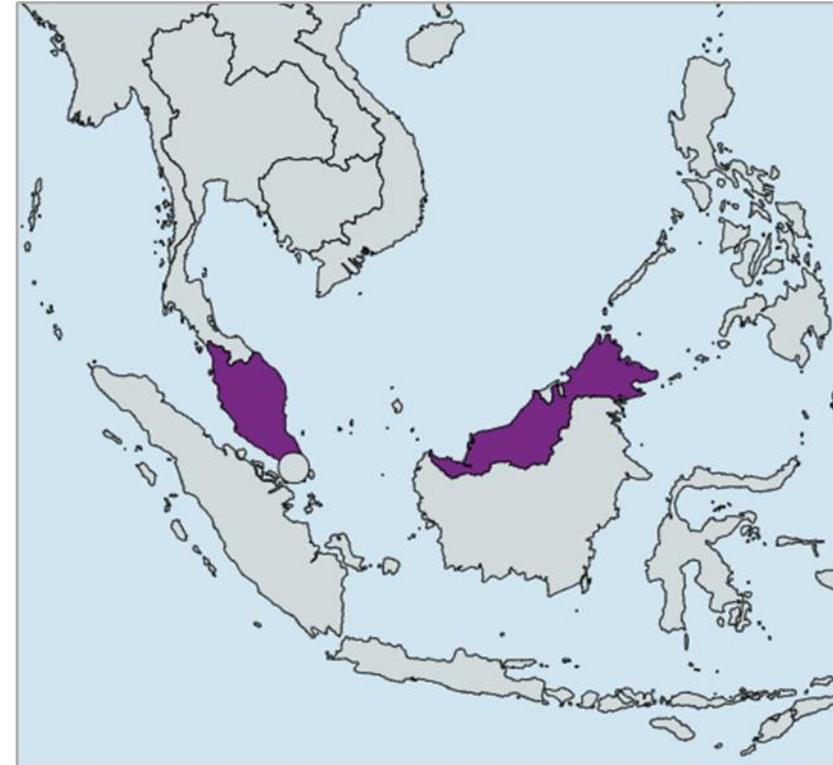
Thousands of Guatemalans protest for the resignation of President Giammattei after he dismissed a high-profile anti-corruption prosecutor.

Global Situation Update: July 30, 2021

WHAT WE'RE WATCHING

Today, Malaysian Prime Minister Muhyiddin Yassin is under pressure to quit his post after the country's king denounced his government for misleading parliament over the revocation of a months-long virus-focused state of emergency. Opposition parties in parliament have accused him of disobeying King Al-Sultan Abdullah's decree to debate the emergency ordinances in parliament rather than unilaterally removing them.

A majority of lawmakers in Kuala Lumpur are said to no longer support PM Yassin, who took power last year without an election and has suffered numerous crises while his coalition governs with a thin majority in parliament.



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 195.8 million with 4.1 million deaths; more than 3.8 billion vaccine doses have been administered.

- Japan has expanded states of emergency to three prefectures near **Olympic** host Tokyo and the western prefecture of Osaka; Japan's daily case rate rose above 10,000 for the first time. Organizers on Friday reported 27 new Games-related COVID-19 cases including three athletes, bringing the total since July 1 to 220.
- Scientists are warning that the world has entered a dangerous new phase of the pandemic, as the coronavirus third-wave creates fertile breeding grounds for more infectious and **potentially vaccine-resistant new variants.**

COVID-19 Vaccine

An internal US CDC paper reports that vaccinated individuals infected with the Delta variant may be able to transmit the virus as easily as those who are unvaccinated.; vaccinated people infected with the Delta variant have measurable viral loads similar to those who are unvaccinated and infected with the variant.

- Next week, China will host an online international forum to promote **equitable vaccine distribution**.
- **Cuba** announced that **Iran** will become the first country produce its domestically formulated **Soberana 2 COVID-19 vaccine**.
- **Israel** will offer a third dose of **BioNTech/Pfizer's** vaccine to its elderly population, turning the nation into a test-case for the safety of the **booster** dose.

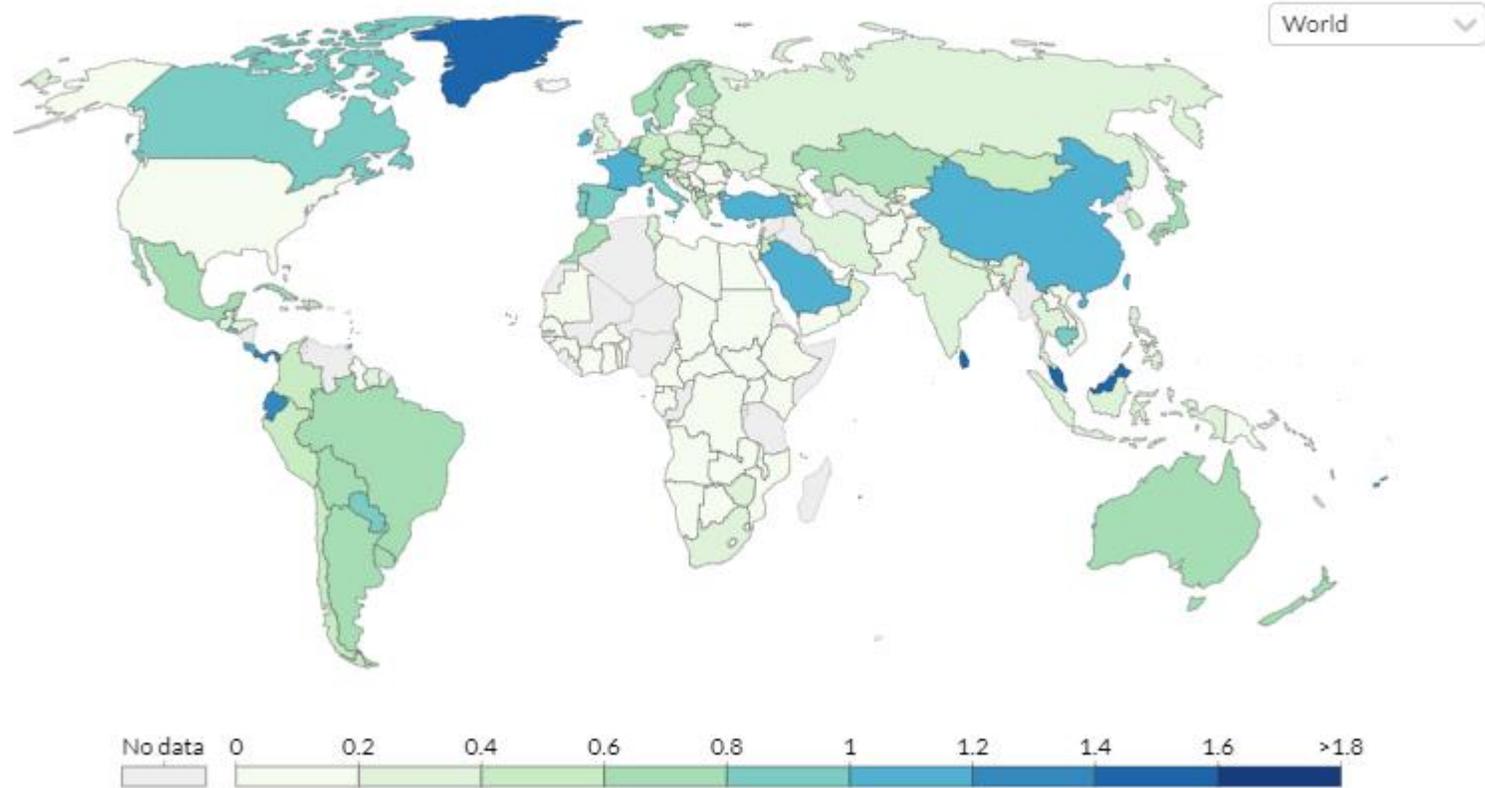
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COVID-19 Vaccine

The EU has now surpassed the US in the percentage of its population which has received at least one vaccine dose, despite a sluggish early rollout.

Daily COVID-19 vaccine doses administered per 100 people, Jul 28, 2021
Shown is the rolling 7-day average per 100 people in the total population. For vaccines that require multiple doses, each individual dose is counted.

Our World in Data



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Markets & Business

The US dollar hit a one-month low Thursday on weaker forecasts of US economic growth.

- **Robinhood** shares dropped Thursday following the company's much-anticipated public debut, in a sign of low investor demand.
- **Nikola** founder Trevor Milton was charged with making false statements about the start-ups products and technology.
- **Didi** is reportedly considering going private in an effort to placate Chinese authorities.
- French carmaker **Renault** reported profits for the first time since the start of the pandemic, in spite of a global microchip shortage.
- **Hilton's** CEO expects a coming surge in leisure travel despite the spread of the Delta variant.
- **Air France-KLM** hailed the "*first signs of recovery*" following the easing of coronavirus travel restrictions in Europe, as it narrowed its losses for the second quarter of the year.
- Danny Meyer's **Union Square Hospitality Group** will require all workers to be vaccinated and will ask diners for proof of vaccination before entry.
- **Disney World and Apple** stores will require customers to wear masks inside again.

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Africa

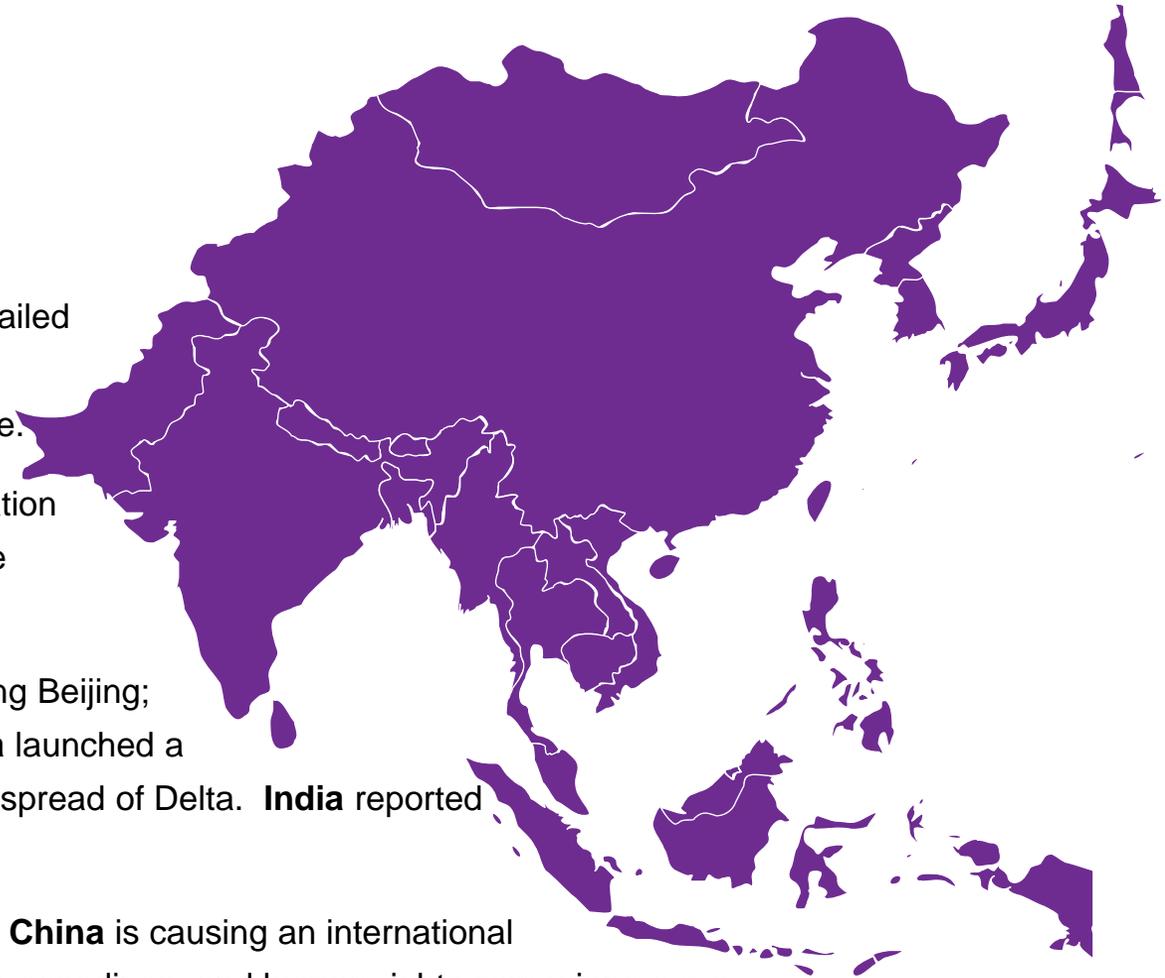
- **Burundi**, one of only three countries not participating in the Covax initiative, announced that it would begin to take vaccines from Covax.
- **Equatorial Guinea** detained a **French** military helicopter and six soldiers onboard.
- The UN extended its arms embargo on the **Central African Republic**.
- USAID Administrator Samantha Power is traveling to **Ethiopia** with a warning of punitive measures if aid is unable to reach the Tigray region, where hundreds of thousands of people are believed to be experiencing famine.



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Asia

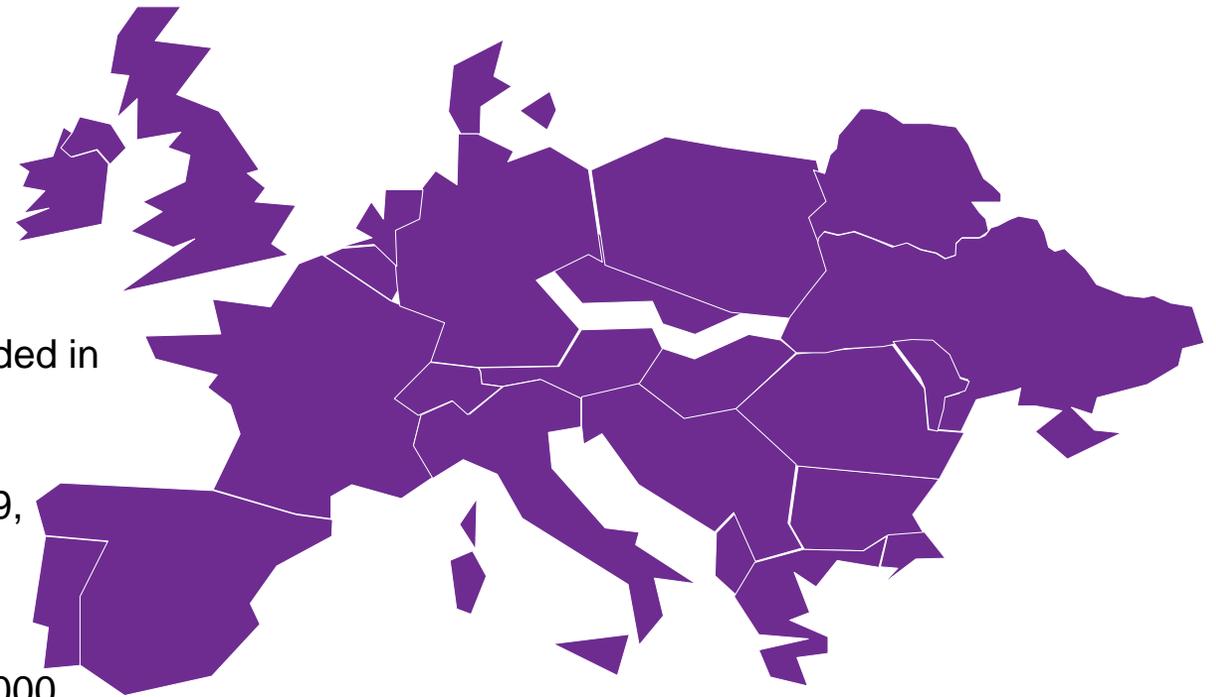
- The first person convicted under **Hong Kong's** national security law was jailed for nine years on Friday for terrorist activities and inciting secession, in a watershed ruling with long-term implications for the city's judicial landscape.
- The **British** ambassador to the UN warned that half of **Myanmar's** population could be infected with COVID-19 over the next two weeks, calling for more vaccines to be sent to the country.
- **China's** most recent coronavirus outbreak has spread to 15 cities, including Beijing; localized restrictions seem increasingly likely in coming weeks. **Cambodia** launched a lockdown in eight provinces bordering **Thailand** in an effort to contain the spread of Delta. **India** reported 44,230 new COVID-19 cases on Friday, the most in three weeks.
- The detention of a Uyghur man in **Morocco** on an Interpol red notice from **China** is causing an international extradition fight; a **US** Congressman has said he will ask Morocco to halt proceedings, and human rights campaigners are urging **France** to intervene.
- The new prime minister of **Samoa** has confirmed she will cancel a China-backed port project. Samoa's former leader, Tuilaepa Sailele Malielegaoi, promised to build the port with **Chinese** help for \$100 million, after a similar project was deemed economically unviable by the Asian Development Bank.



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Europe

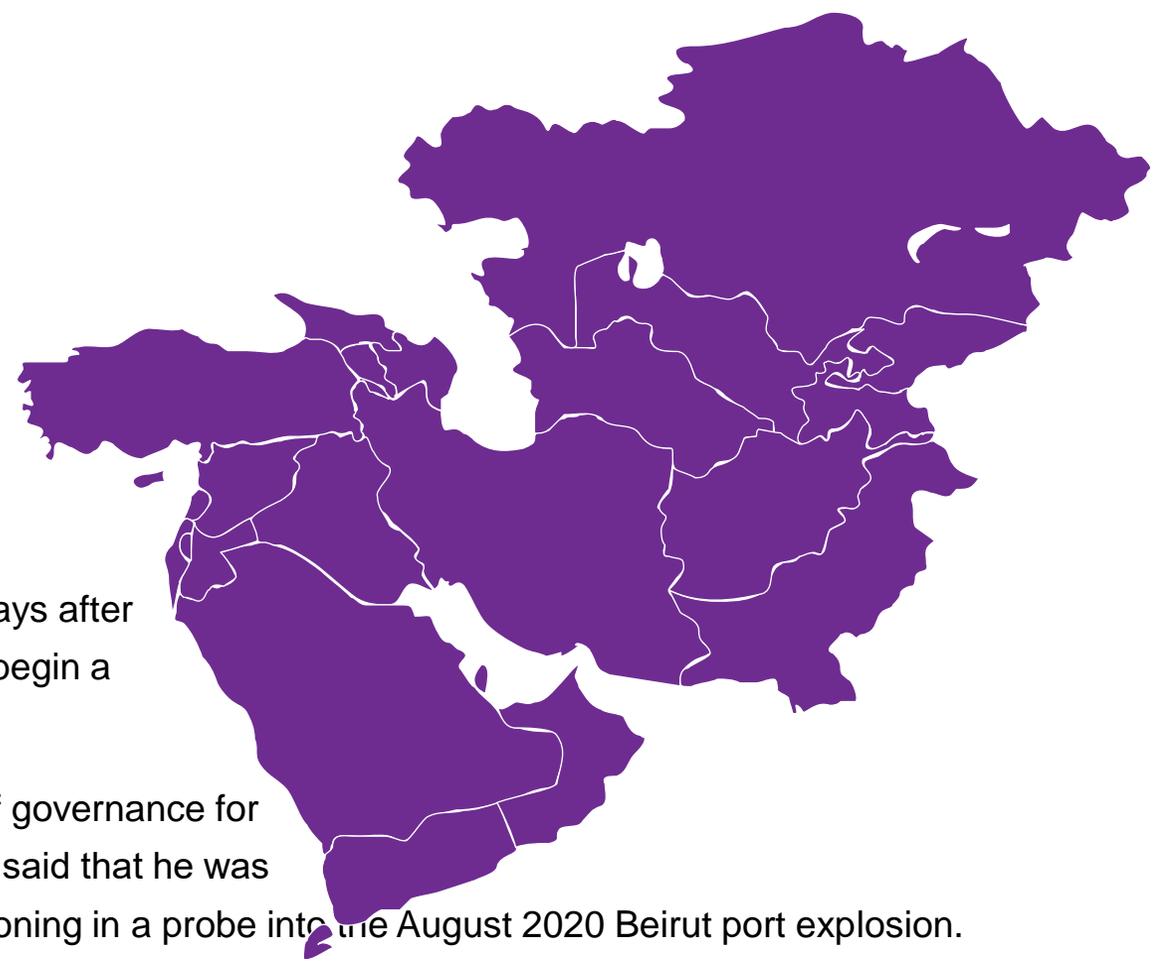
- **Russia** said that it would like **France** and the **UK** to be included in broader nuclear arms control talks with the **US**.
- Belfast is now the **UK** city with the highest rates of COVID-19, two weeks after the Northern Ireland capital saw large gatherings for the Euro 2020 football final. England's deputy chief medical officer said vaccinations have saved some 60,000 lives in England.
- The eurozone's four largest economies -- **Germany, France, Italy and Spain** -- have emerged from their pandemic-driven downturns and returned to solid growth in the three months to June. **German** inflation hit its highest level since 2008, a development lively to revive debate on Europe's loose monetary policy.
- **France** has delayed restructuring of state-owned utility EDF after failing to agree on terms with the **EU**, marking a significant setback for President Macron's promised reforms.



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Middle East

- **Oman** extended its overnight COVID-19 curfew.
- **Pakistan** will require vaccinations for staff at public offices, schools, restaurants, transportation and shopping malls.
- **Tunisian** President Saied appointed a new interior minister, several days after dismissing most ministers and dissolving parliament. Saied vowed to begin a “*war on corruption.*”
- Wildfires are raging in northern **Lebanon**, with many blaming a lack of governance for poor oversight and planning. Lebanon’s caretaker parliament speaker said that he was ready to lift immunity on members of parliament to allow for full questioning in a probe into the August 2020 Beirut port explosion.
- **Qatar** appointed ambassadors to **Egypt and Libya**, in a sign of thawing Gulf-Qatar relations and a vote of confidence for Tripoli. Qatar’s emir approved laws for the country’s first legislative election; in October, Qataris will elect one-third of the advisory Shura Council.
- **Iran’s** parliament okayed a pilot plan to restrict the activity of foreign social networks in the country.
- **Israeli** forces killed a Palestinian man in clashes during the funeral of a 12-year-old boy killed by the IDF the day before.



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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.

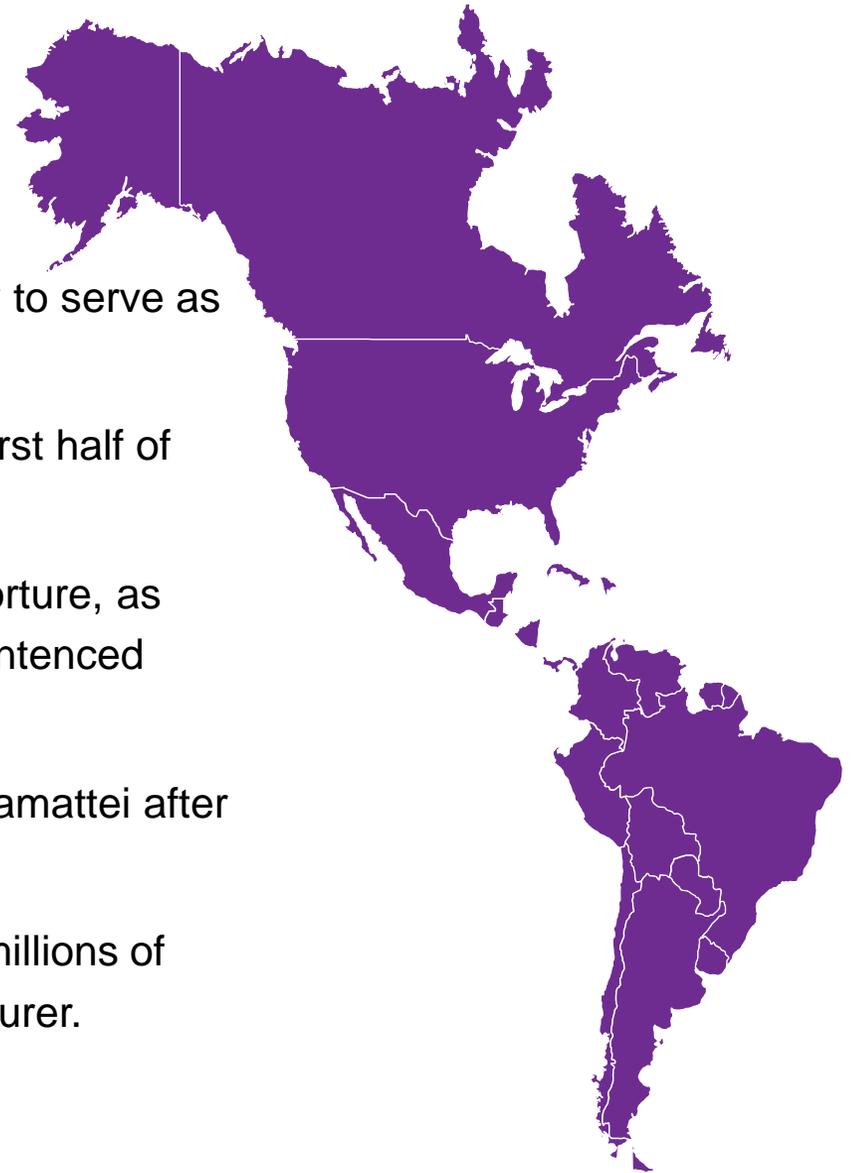
Dentons Intelligence and Security Services Group offers bespoke services to provide business leaders with the intelligence they need to understand and thrive in complex operating environments.

- ❖ 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](#).

Americas

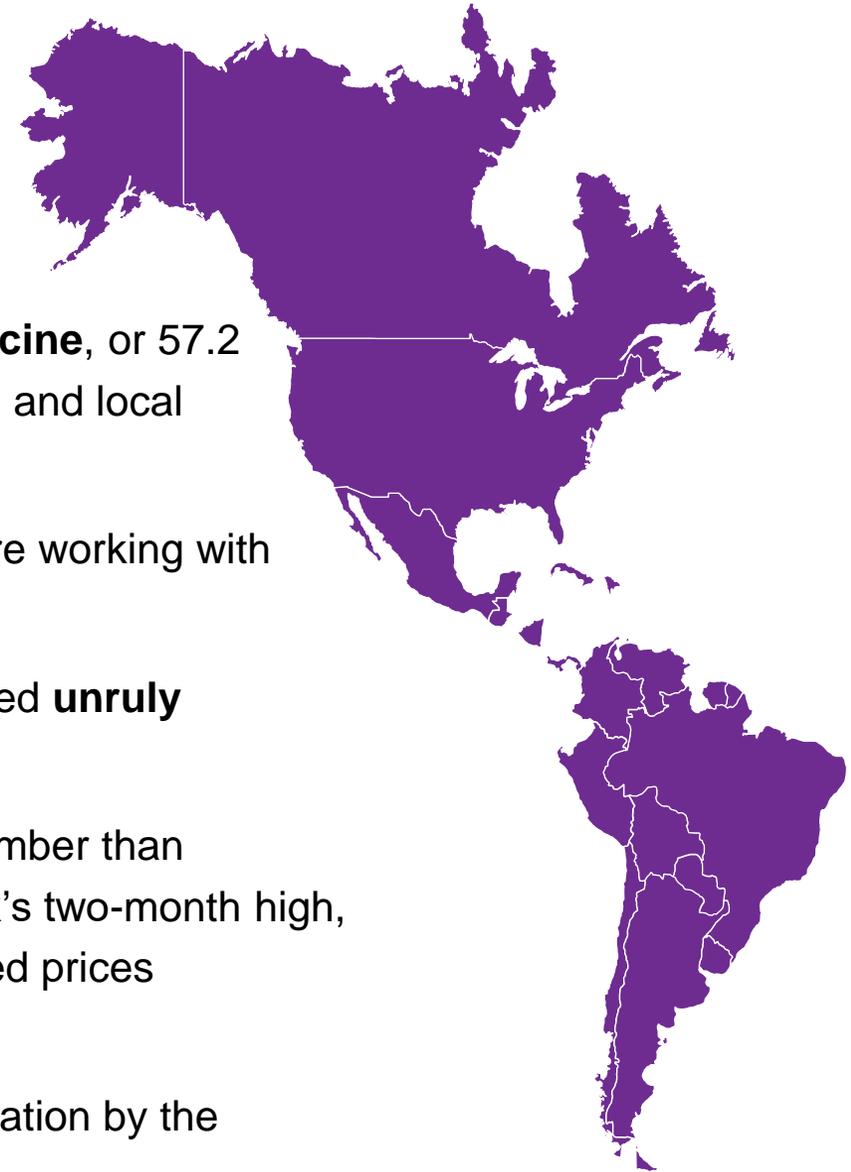
- **Peruvian** President Castillo appointed a colleague from his socialist party to serve as prime minister.
- **Brazil** reported the strongest formal sector job growth since 2010 in the first half of 2021.
- **Mexico** will free thousands of federal prisoners who were the victims of torture, as well as inmates over 75, those over 65 with chronic illnesses, and non-sentenced long-term detainees.
- Thousands of **Guatemalans** protested for the resignation of President Giamattei after he fired a high-profile anti-corruption official.
- A new report found that **Canada and Mexico** ordered and administered millions of AstraZeneca doses without performing due diligence on the **US** manufacturer.



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Americas: US

- Across the nation, 189.9 million have received at least **one dose of the vaccine**, or 57.2 percent of the total population. President Biden called for all state, territorial, and local governments to offer \$100 **incentives** to new vaccine recipients.
- DC reinstated its indoor **mask mandate**; Mayor Bowser also said officials are working with labor unions to create a **vaccine mandate** for DC government workers.
- The US flight attendants union reported that over 4,000 flight attendants faced **unruly passengers** in the first half of 2021.
- Second quarter **economic growth** rose slightly to 6.5 percent, a weaker number than expected by most analysts. **Weekly jobless claims** dropped from last week's two-month high, totaling 400,000. **Pending home sales** fell unexpectedly in June, as elevated prices discourage potential buyers.
- The US evacuated 200 **Afghani** translators and their families at risk of retaliation by the Taliban; the Afghanis will be resettled in the US.



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Emerging and Existing Hotspots: Political Crisis in Tunisia

By Anni Coonan

On Sunday, Tunisian President Kais Saied plunged the North African country into a constitutional crisis when he dismissed his prime minister and suspended the parliament, putting the young democracy in novel constitutional territory and sparking widespread protests and accusations of orchestrating a coup d'état.

Already facing among the world's worst Delta variant spikes, the political crisis will further inflame anti-government protests on both sides, making violence and looting likely, compound persistent unemployment, complicate ongoing debt negotiations, and endanger Tunisia's status as the sole success story emerging from the 2011 Arab Spring uprisings.

The dismissal was the culmination of several months of political tension between Saied, a technocrat and former constitutional law scholar, and the political opposition, led by the then-Prime Minister Mechichi and the longtime majority party of the country, moderate Islamists Ennahda. Saied justified the move as constitutional emergency powers in response to violent protests calling for Mechichi's ouster over his cabinet's mishandling of the pandemic; critics say that Saied is simply consolidating power. Years of political

deadlock have left the country with an empty constitutional court and no venue to contest the legality of Saied's move or prescribe next steps. While the constitution requires parliament to reconvene thirty days after a suspension, Saied may instead dissolve parliament and call snap elections. In the short-term, Saied will likely appoint a caretaker prime minister who will, at least for the next thirty days, evade parliamentary confirmation. Earlier this week, the Tunisian judiciary (likely directed by Saied) opened investigations into Ennahda and other political parties for allegedly accepting foreign donations during the 2019 election cycle, a potential bid to undermine their legitimacy and smooth the way to exclude them from the government. In the meantime, violent protests on both sides are likely to escalate (Saied's promise to respond to violence with military force essentially ensures violent clashes), despite a tightening of ostensibly COVID-19-related curfews and gathering limits, and

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Emerging and Existing Hotspots: Political Crisis in Tunisia

solutions to the deep health and economic crises exacerbating anti-government sentiment will only become further away.

The problems facing Tunisia, which fuel anti-government protests and made possible the current uncontrollable COVID-19 outbreak, run deep. Emerging from the 2011 Arab Spring uprisings as the only successful, albeit fragile, democracy, Tunisia faced issues of consensus-building and economic scars that made building the economy and boosting unemployment difficult. Average economic growth from 2011, when Tunisia's democracy was established, to 2019 was a sluggish 1.5 percent, and unemployment has long hovered around 15 percent (or higher for the youth). The COVID-19 pandemic, which caused the Tunisian economy to contract by over 8 percent in 2020, further exacerbated these issues. Sovereign debt, a perennial issue for Tunisia, ballooned to 88 percent of GDP last year, and negotiations with the IMF for debt relief were stalled even before protests over disagreements on tax and spending reforms to qualify for relief. Anti-government sentiment, which has resulted in protests several times in the last few years, was piqued this time over the country's disastrous COVID-19 spike, driven by the Delta variant, in

which the rolling average of new deaths is second only to South Africa within the continent.

The risks of Tunisian collapse are both symbolic and material. On the one hand, democracy activists and Western powers have long sought to uphold Tunisia, the birthplace of the Arab Spring, as the sole success story from the 2011 uprisings, and an end to Tunisian democracy would deal a moral blow to ongoing democratic transitions and pro-democracy movements in the region. The crisis is also illuminating a key tension in the Middle East: the one between Arab monarchies who managed to weather the Arab Spring protests and Islamist democratic movements, namely the Muslim Brotherhood, which took control in Egypt post-uprising and contributed to the country's backslide into illiberalism. Although Ennahda has mostly been benign, if ineffectual, Gulf Arab monarchies view all Islamist democratic parties as an existential threat to their survival. Leaders of countries like Saudi Arabia and the UAE have come out strongly in support of Saied's move, framing it as a popular rebellion against Muslim Brotherhood influences in the country.

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Emerging and Existing Hotspots: Political Crisis in Tunisia

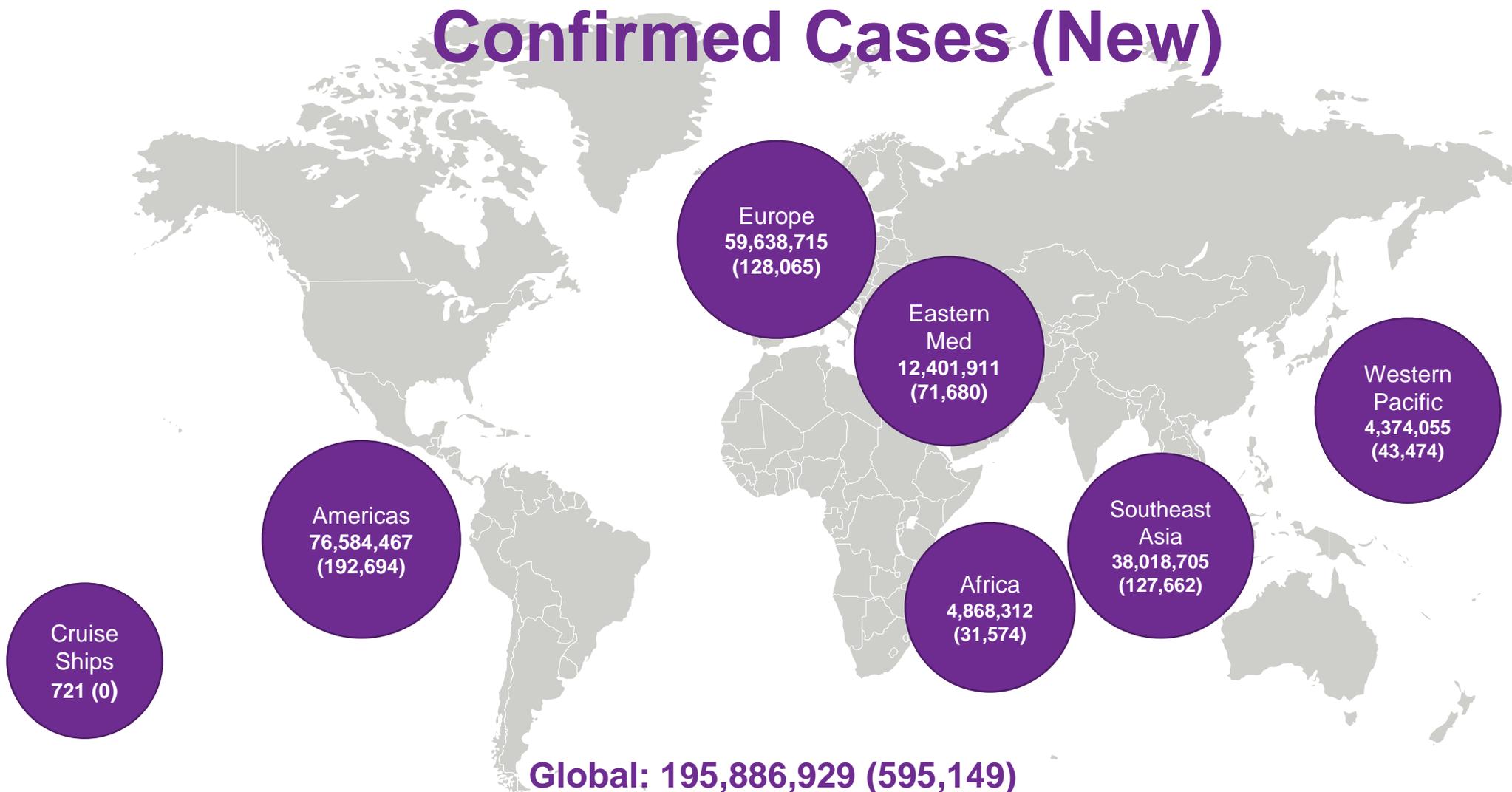
Continued uncertainty will perpetuate both anti- and pro-Saied protests that will increasingly spark violent clashes with the Tunisian military, pursuant to Saied's vow to quash violent protests with military force. Although protests in the northern regions surrounding the capital, Tunis, have been most visible, protests in the impoverished rural south have most frequently spun out of control, and will likely be the site of increasing unrest in the coming weeks. Instability will continue to hamper the country's COVID-19 response and vaccination campaign (despite stepped-up donations from the west and Gulf countries), exacerbating the humanitarian crisis in the country and contributing to the worldwide risks of variant development. Tunisia also acts as an important buffer between African migrant flows and Europe, a function that it may increasingly struggle to perform as instability persists.

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Coronavirus Condition Updates

As of 6:17 pm CEST on July 29, 2021

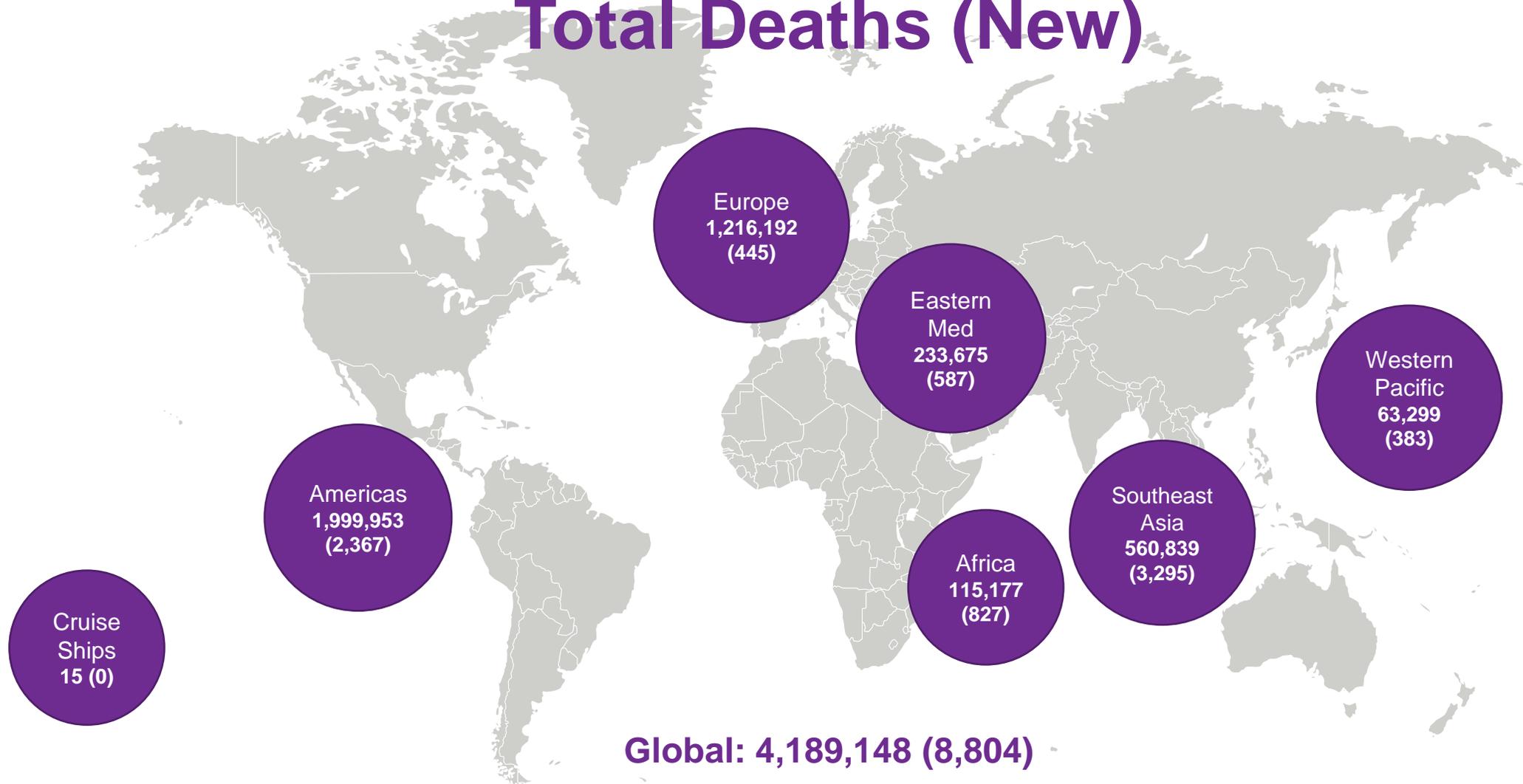
Confirmed Cases (New)



Reflects data as of 6:17 pm CEST on July 29, 2021.
Data Source: World Health Organization

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Total Deaths (New)



Reflects data as of 6:17 pm CEST on July 29, 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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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