

Dentons Flashpoint

Daily Global Situation Report

July 6, 2021

Global Situation Update: July 6, 2021

KEY TAKEAWAYS

Big tech warns if Hong Kong authorities proceed with planned changes to data-protection laws they could end services.

Israel reported a decrease in the effectiveness of the Pfizer COVID-19 vaccine with spread of Delta variant.

REvil cybercrime gang is suspected in a mass extortion attack targeting small and medium size businesses.

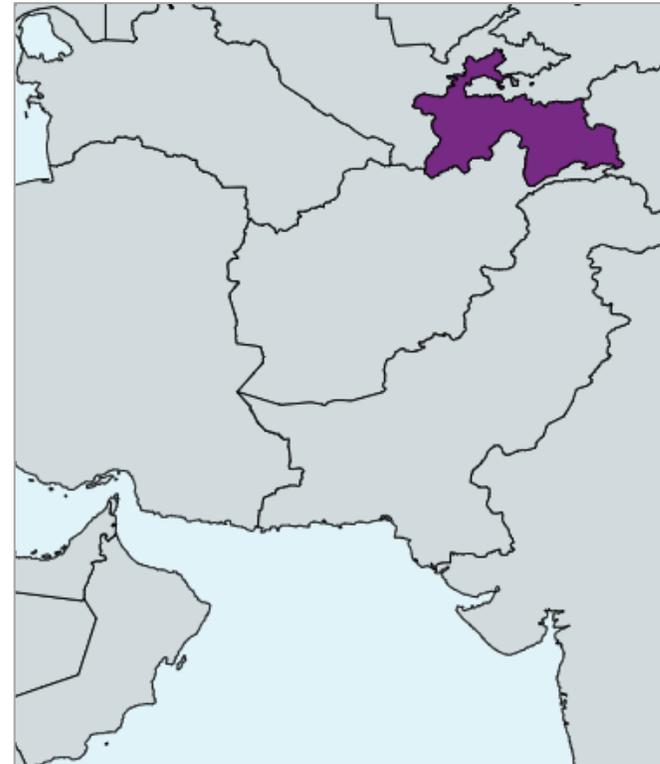
Note: This report is based on sources and information deemed to be true and reliable, but Dentons makes no representations to same.

Global Situation Update: July 2, 2021

WHAT WE'RE WATCHING

Today, Tajikistan is mobilizing at least 20,000 reserve troops to send to the country's southern border with Afghanistan. The move comes as fighting between the Taliban and Afghan security forces intensifies in northern Afghanistan ahead of the completion of the US military withdrawal.

Yesterday, over 1,000 Afghan soldiers fled into Tajikistan after clashes with the Taliban, who have recently captured multiple districts adjacent to the border. The Tajik government is also considering setting up refugee camps for Afghan civilians that are expected to soon flee their nation.



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Global

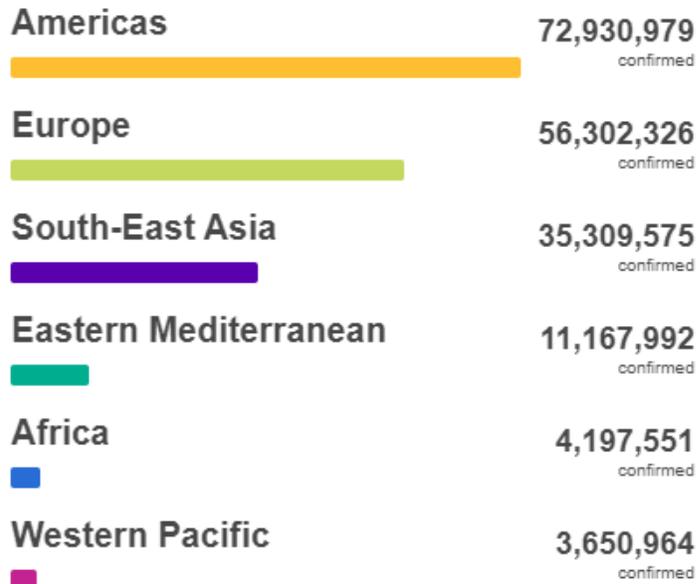
A rebound in global gas demand to 2024 following a record fall last year is poised to knock the world off track for a climate goal of achieving net zero emissions by 2050, per the IEA.

- The WHO pledged to take **women's health** more seriously as the COVID-19 pandemic has highlighted gender inequality; WHO will focus on ending gender-based violence, advancing sexual and reproductive health and rights, and supporting health workers as well as feminist movements and leadership.
- Japan is considering barring all but VIP spectators at the opening ceremony of the **Tokyo 2020 Olympics**.

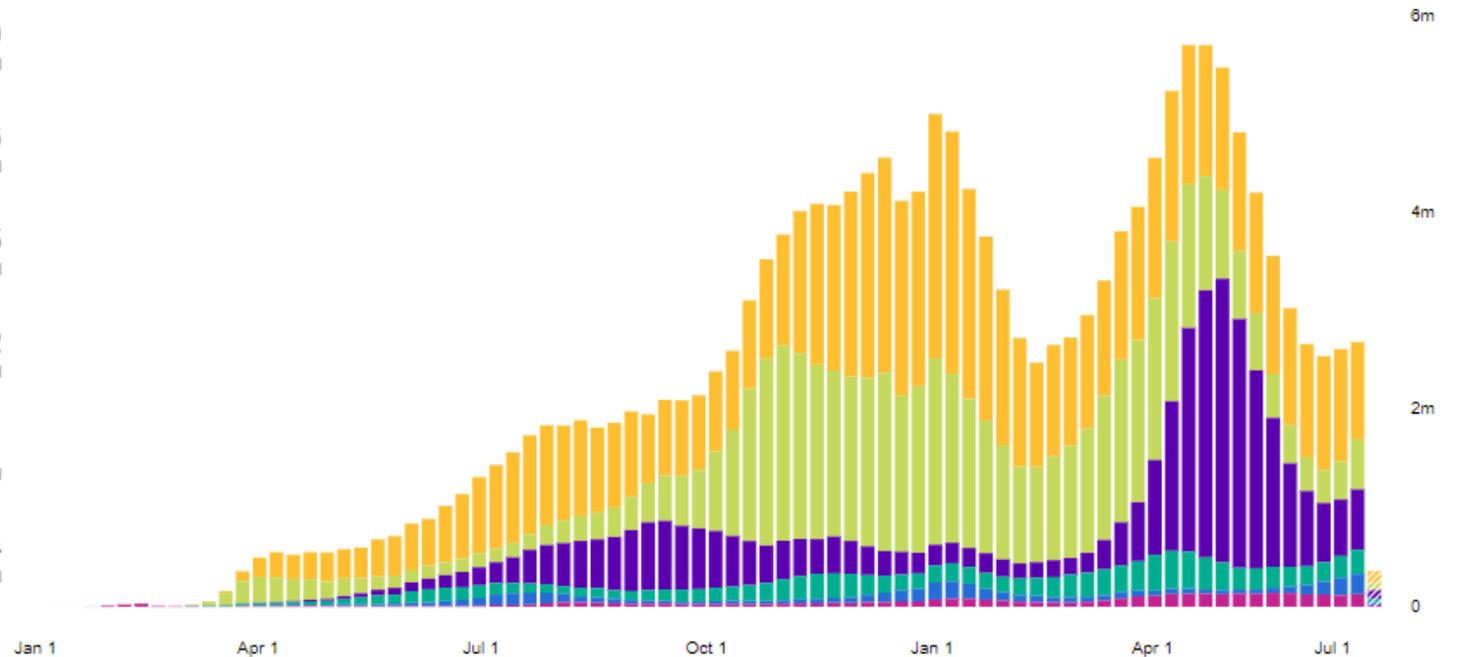
Global

Globally, confirmed coronavirus cases topped 183.5 million with 3.9 million deaths; 2.9 billion vaccine doses have been administered.

Situation by WHO Region



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



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COVID-19 Vaccine

Israel reported a decrease in the effectiveness of the Pfizer/BioNTech COVID-19 vaccine in preventing infections and symptomatic illness but said it remained highly effective in preventing serious illness. The decline coincided with the spread of the Delta variant.

- **South Korea** is in talks with **Pfizer and Moderna** to produce COVID-19 shots in the country and is ready to offer the capacity to make up to 1 billion doses immediately.
- **Venezuelan** President Maduro issued an ultimatum to the **COVAX** system to ship vaccines this week, saying payments have been made; COVAX informed Venezuela that that payments had been blocked by UBS due to economic sanctions on the country.
- The **UAE** has approved **Moderna vaccine** for emergency use, the fifth vaccine to receive such approval by the Gulf Arab state; around 73.8 percent of the UAE's population has received one vaccine dose, making the UAE the global leader.
- **Moroccan** pharmaceutical firm Sothema will soon start production of 5 million doses a month of China's **Sinopharm COVID-19 vaccine**.

Markets & Business

REvil cybercrime gang is suspected to be behind a mass extortion attack that affected hundreds of companies worldwide late on Sunday, demanding \$70 million to restore the data they are holding ransom.

- Cyberspace Administration of China (CAC) ordered the removal of **Didi Global Inc's** ride-hailing app as part of an investigation into the technology firm. Didi debuted on the New York Stock Exchange last week, with analysts suggesting that CAC was targeting US-listed Chinese technology companies. CAC also announced cybersecurity investigations into online recruiting company **Zhipin.com** and truck-hailing companies **Huochebang and Yunmanman**, which have merged to form **Full Truck Alliance**, all recently listed in the US.
- South Korea's **Hyundai Motor Co** has invested about \$100 million to buy a stake in a lithium metal battery startup.
- European truck manufacturers **Daimler Trucks, AB Volvo and Traton** announced plans to form a joint venture to develop an electric battery-charging network for long-haul trucks and buses.

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

- **South Africa** hit a record of 26,000 new COVID-19 cases on Saturday, its second record-breaking tally in as many days, as a rampant third wave of infections coursed through a largely unvaccinated population, where only 5 percent have been vaccinated. South Africa has approved China's Sinovac vaccine against COVID-19.
- The UN warned that 400,000 people in **Ethiopia's** Tigray were now in famine and that there was a risk of more clashes in the region despite a unilateral ceasefire by the federal government.
- About 150 students are missing after armed men raided a boarding school in **Nigeria's** Kaduna state; the police and military are in hot pursuit of the kidnapers.



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Asia

- **India's** state of Maharashtra, home to the country's financial capital Mumbai, is reimposing tougher COVID-19 restrictions as public anxiety mounts about a potential third wave of infections.
- **Japan** will send 1.13 million more doses of AstraZeneca to **Taiwan** and a further 1 million doses each will be sent to **Thailand, the Philippines,** and **Vietnam** this week.
- Senior foreign executives of major telecommunications firms in **Myanmar** have been told by the junta that they must not leave the country without permission. Telecom companies are under pressure to install intercept technology to let authorities spy on calls and web traffic.
- Facebook, Twitter and Google have privately warned the **Hong Kong** government that they could stop offering their services in the city if authorities proceed with planned changes to data-protection laws that could make them liable for the malicious sharing of individuals' information online. Growth in **China's** services sector slowed sharply in June to a 14-month low, weighed down by a resurgence of coronavirus cases in southern China.



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Asia

Indonesia has ordered oxygen makers to prioritize medical needs amid growing demand from COVID-19 patients. The world's fourth most populous nation is facing one of Asia's worst outbreaks, with a record high over 25,000 new cases reported on Monday.

Daily new confirmed COVID-19 cases

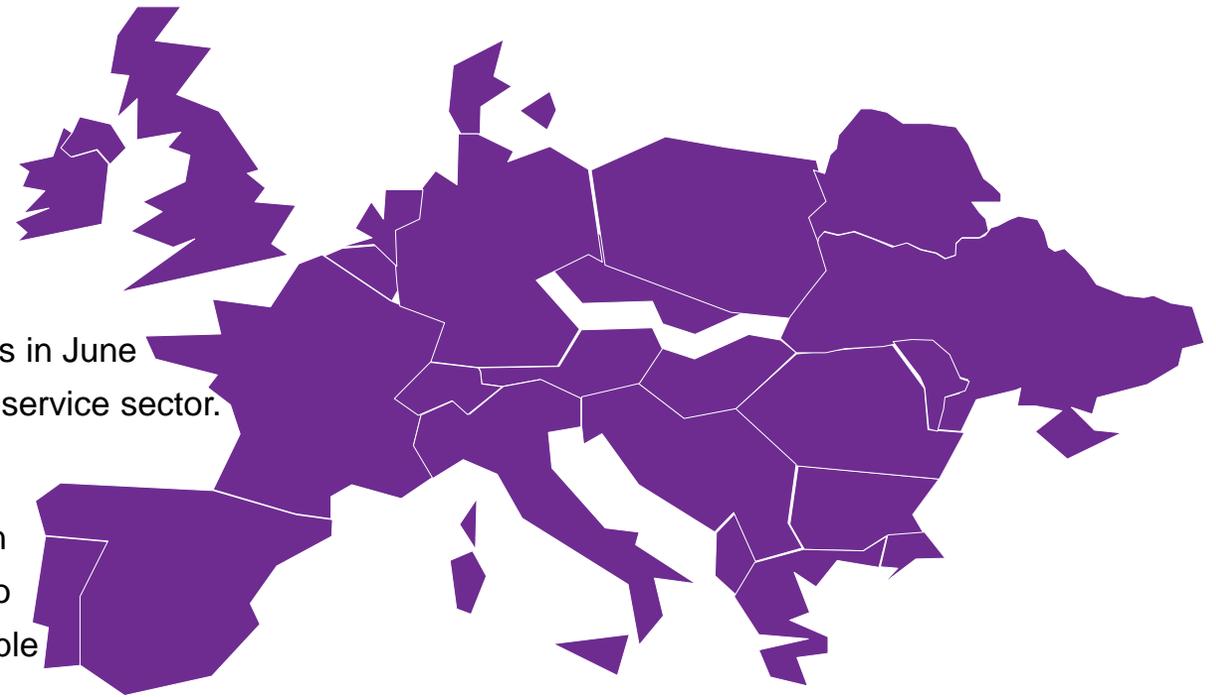
Shown is the rolling 7-day average. The number of confirmed cases is lower than the number of actual cases; the main reason for that is limited testing.

Our World in Data



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Europe

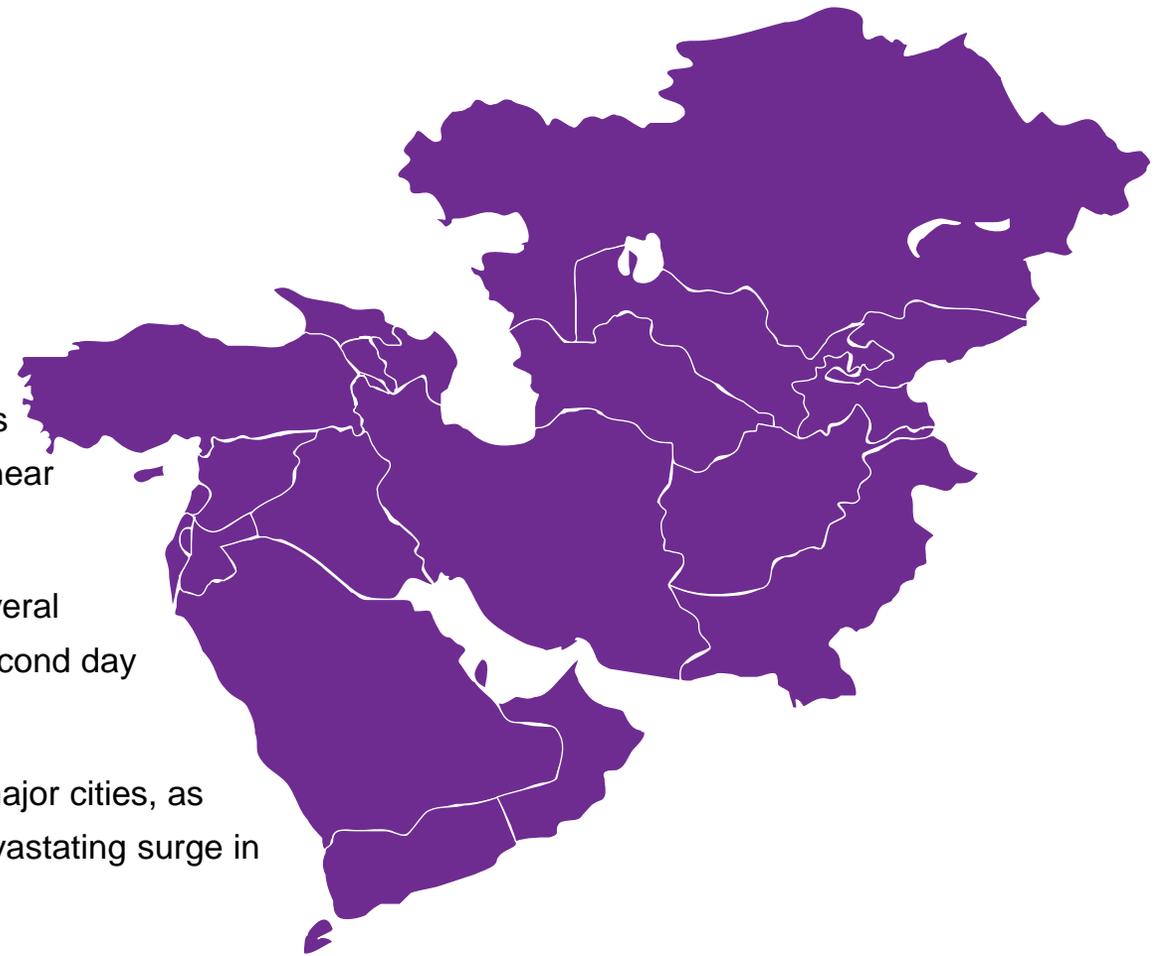


- **Euro zone** businesses expanded activity at the fastest rate in 15 years in June as the easing of more coronavirus restrictions brought life back to the service sector.
- The **EU's** executive Commission will propose rules this year to force companies to find and fix risks to human rights and the environment in their supply chains, finding that taxpayers are too often being forced to pay to clean up environmental damage while the companies responsible dodge the costs.
- A court in **Belarus** sentenced former Belarusian presidential contender Viktor Babariko to 14 years in prison on corruption charges; Babariko's lawyers say charges against their client had been fabricated to thwart his political ambitions.
- **German** Chancellor Merkel said she sees the six **Western Balkan states** as future members of the European Union for strategic reasons, hinting at the influence of **Russia and China** in the region but without naming them.
- The **French** Health ministry urged people as possible to get a COVID-19 vaccine, warning that France could be heading for a fourth wave of the epidemic by the end of the month due to the highly transmissible Delta variant. The **Greek** prime minister stated that there will not be another lockdown due to pandemic if it was just to protect an unvaccinated minority. **Germany** eased travel restrictions on the **UK, India, Nepal, Portugal and Russia**. **British** Prime Minister Johnson presented plans to end social and economic COVID-19 restrictions in England in two weeks.

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Middle East

- UN sponsored talks aimed at paving the way for elections in **Libya** in late December failed to reach an agreement to establish the constitutional basis for presidential and parliamentary elections by July 1 after weeklong talks near Geneva.
- In **Yemen**, government troops and local tribesmen on Sunday liberated several villages and hilly locations in the central province of Al-Bayda during the second day of a military offensive to push **Iran**-backed Houthis from the area.
- **Iran** announced on Sunday it was reimposing coronavirus restrictions on major cities, as the spread of the highly contagious Delta variant spurs fears of another devastating surge in the nation.
- **Israel** believes **Iran** was behind an attack on a cargo ship partially owned by an Israeli company; the ship was hit by a suspected missile while transiting the Indian Ocean on Saturday. Israel is in talks with other countries to offload surplus of Pfizer/BioNtech, COVID-19 vaccines, doses of which are due to expire by the end of the month.
- **Lebanon's** caretaker Prime Minister warned that the country is a few days away from a social explosion, calling on the international community to save a country in deep economic crisis.



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Americas

- Delegates chose a woman on Sunday from **Chile's** majority indigenous Mapuche people to lead them in drafting the country's new constitution - a dramatic turnaround for a group that is unacknowledged in the country's current constitution.
- Protesters took to the streets in **Brazil** over the weekend demanding the impeachment of President Bolsonaro and more vaccines to fight the coronavirus pandemic.
- **Peru's** government rejected a request by presidential candidate Keiko Fujimori to seek an international audit of its June 6 election which selected rival candidate Pedro Castillo by a slim margin.
- Wildfires continue to rage through **Canada's** British Columbia, where high temperatures and dry conditions have sparked more than 200 fires in the province.



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Americas: US

- Across the nation, 182.4 million have received at least **one dose of the vaccine**, or 54.9 percent of the total population. President Biden celebrated the nation's 245th birthday on Sunday by opening the gates of the White House and telling Americans that the most patriotic thing they could do is get vaccinated.
- New York state's **positivity rate** has continued to tick upwards, coinciding with the increasing prevalence of the more contagious Delta strain. Overall, the nation saw an 11 percent decline in **new cases** over the past week, with an increase of 5.4 percent for **hospitalizations**.
- The **US trade deficit** widened in May, as consumers and businesses stepped up purchases of imported products and materials amid a continued economic recovery.
- The Biden administration is revamping the way the US uses **punitive sanctions**, aiming to stem sweeping pressure campaigns, avoid collateral economic damage and act jointly with allies rather than unilaterally.



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How the Delta Variant is Changing the Threat of COVID-19

By Briana Boland

The Delta variant of COVID-19 is swiftly becoming the dominant strain of coronavirus around the world, prompting new fears and questions about the need for further virus-related restrictions and updates to vaccine strategy.

The highly transmissible variant, first discovered in India, poses the biggest threat to areas with low vaccine rates – in particular, concerns are rising that countries across Africa may soon face the type of catastrophic surge experienced in India this spring. Even in countries with advanced vaccination campaigns, the Delta variant is changing the level of risk posed by COVID-19. The strain may be more easily passed on by vaccinated individuals, even if they are protected from severe infection, and different early symptoms could complicate efforts to quickly identify new cases.

The threat posed by the Delta variant is rooted in its high transmissibility. One case of original strain of COVID-19 sequenced in Wuhan, in a context with no natural immunity or vaccinations, could be expected on average to infect about 2.5 further people. For a case of the Delta variant, this “reproductive number” may be as high

as eight, making Delta about twice as transmissible as the Alpha variant first discovered in the UK. The heightened threat is apparent in the UK, where the Delta variant now accounts for over 95 percent of new cases, crowding out the Alpha variant. So far, there is no clear evidence that Delta causes more severe illness – but the high level of transmissibility can still cause health systems to be overwhelmed by sheer numbers of people contracting COVID-19 at the same time.

While not all countries have the same sequencing capacities to detect variant spread, the Delta variant is clearly spreading across the globe, officially reported in over 95 countries. According to data from GISAID, Delta accounts for over 85 percent of sequenced viruses in the UK, India, Indonesia, Bangladesh and Russia, and may soon become the dominant strain in the US, France, Germany, Italy,

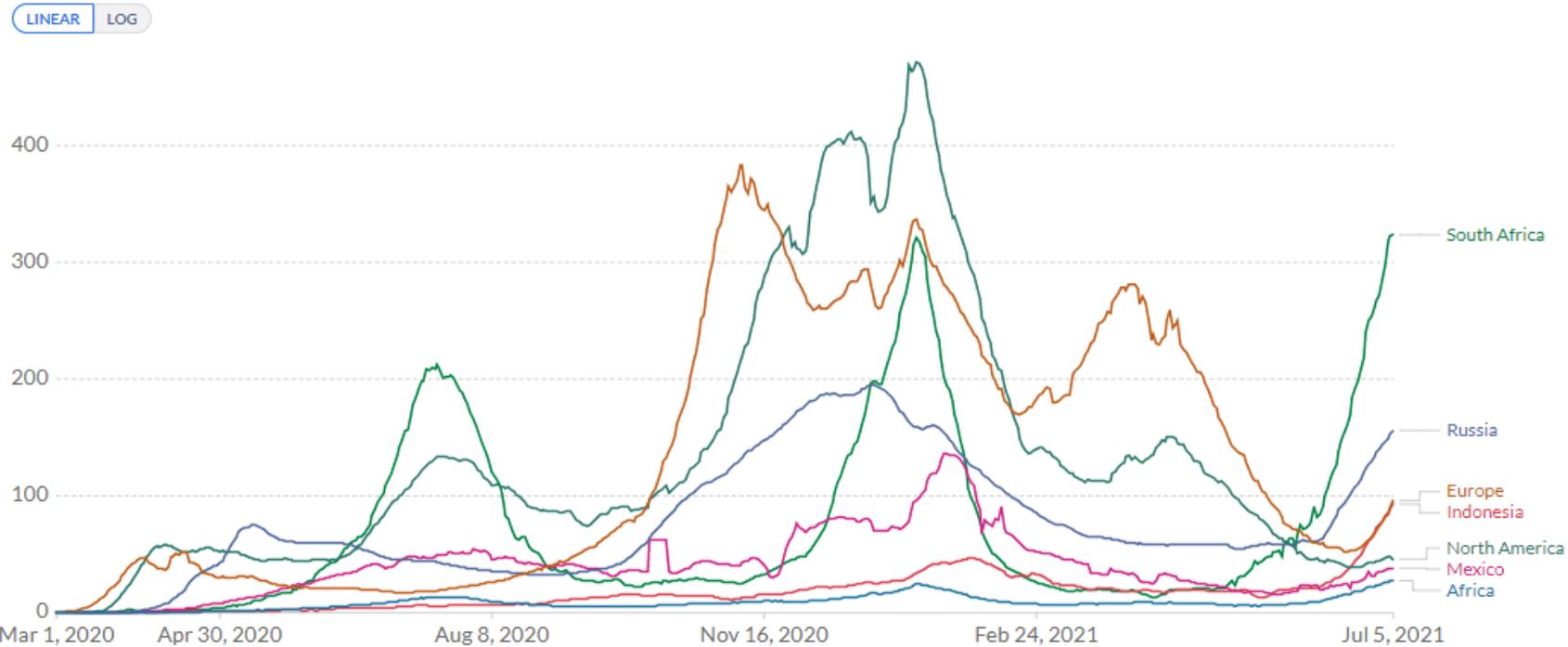
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How the Delta Variant is Changing the Threat of COVID-19

Daily new confirmed COVID-19 cases per million people

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.

Our World
in Data



Source: Johns Hopkins University CSSE COVID-19 Data

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How the Delta Variant is Changing the Threat of COVID-19

Mexico, South Africa, Spain and Sweden. Top health officials around the world have issued dire warnings about the variant: top US infectious disease expert Dr. Fauci called Delta “currently the greatest threat in the US to our attempt to eliminate COVID-19,” while UK Prime Minister Johnson delayed the country’s reopening due to the variant’s spread. Even in China, which has largely controlled the spread of COVID-19 over the past year, the role of the Delta variant in a recent Guangzhou outbreak raised public health alarms.

Beyond sheer transmissibility, the Delta variant seems to be altering the course of COVID-19 through changes to early symptoms and spread through vaccinated people. Researchers in the UK and doctors in the US have found that a different set of symptoms are becoming more strongly associated with the Delta variant. Upper respiratory symptoms, including headaches, a runny nose, and congestion – similar to symptoms of a bad cold – appear more prevalent in Delta cases, rather than the shortness of breath, cough, and loss of taste or smell that are more common to the strain first identified in Wuhan. It remains unclear why cold-like symptoms are increasingly reported, and more research is needed to confirm that

the shift is because of the Delta variant. Still, if the linkage proves true, it could mean that people will have a more difficult time self-diagnosing the virus, resulting in more virus spread and longer periods before people seek out testing.

The Delta variant’s impact on vaccinated people is another key area of concern, even as a growing number of studies indicate that leading COVID-19 vaccines (including Pfizer, Moderna, Johnson & Johnson, and AstraZeneca) are effective at preventing severe infection from the Delta variant. However, the Delta variant has also been associated with multiple spikes in “breakthrough” infections in highly vaccinated countries. In Israel, where 60 percent of the population is fully vaccinated, about half of people infected in one recent outbreak were fully vaccinated with the Pfizer shot – even though very few of the cases were severe. While the Delta variant therefore still appears to pose little threat to the health of the vaccinated, the question of transmission from infected but fully vaccinated people remains crucial. A recent study documenting several cases of fully vaccinated (with the AstraZeneca shot) healthcare workers in India contracting the Delta variant and passing it on shows that the possibility exists. While large segments of

How the Delta Variant is Changing the Threat of COVID-19

the population unvaccinated, even in countries with overall high immunity, the prevalence of breakthrough transmission will be a key determining factor in Delta's spread.

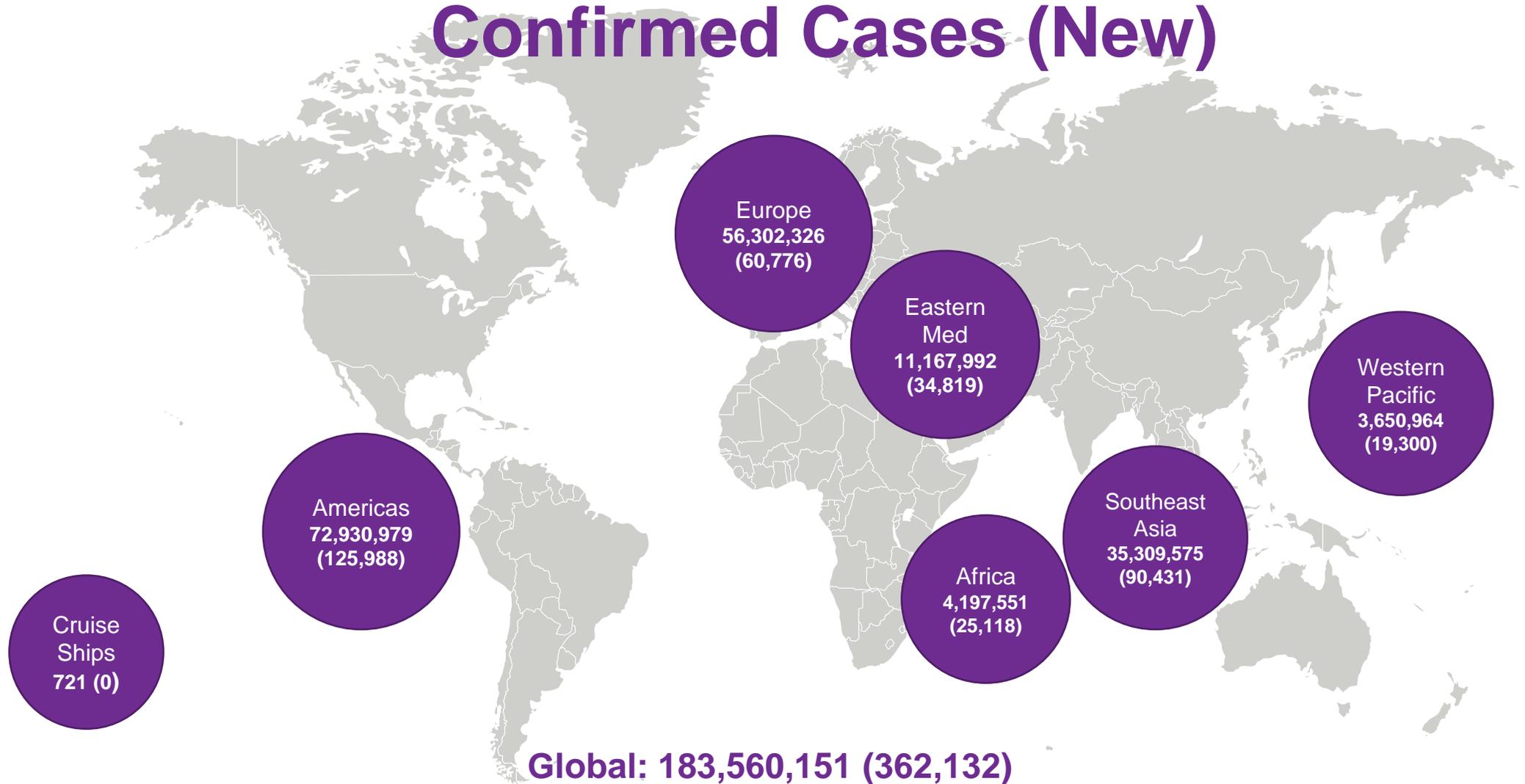
Public policy reactions to the Delta variant have been confusing and sometimes contradictory. In the US, the variant's spread is prompting some local authorities to reimpose mask mandates, while the federal CDC upholds its guidance that vaccinated people may unmask. In Europe, the WHO recently warned that continued loosening of restrictions may unleash a third wave. Meanwhile, different countries are experimenting with third vaccine doses, while drug companies like Moderna develop new booster shots tailored for protection against variants. Some booster shot or third-dose efforts look promising, including "mix-and-match" second or third doses of a different vaccine. However, fixating on extra doses could prove a counterproductive strategy. With vaccine supplies still tight, particularly in poorer countries, first doses are still needed. While diverting doses and production capacity to the already vaccinated may boost their immunity, it may ultimately prolong the pandemic and allow the coronavirus to continue mutating.

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Coronavirus Condition Updates

As of 5:54 pm CEST on July 5, 2021

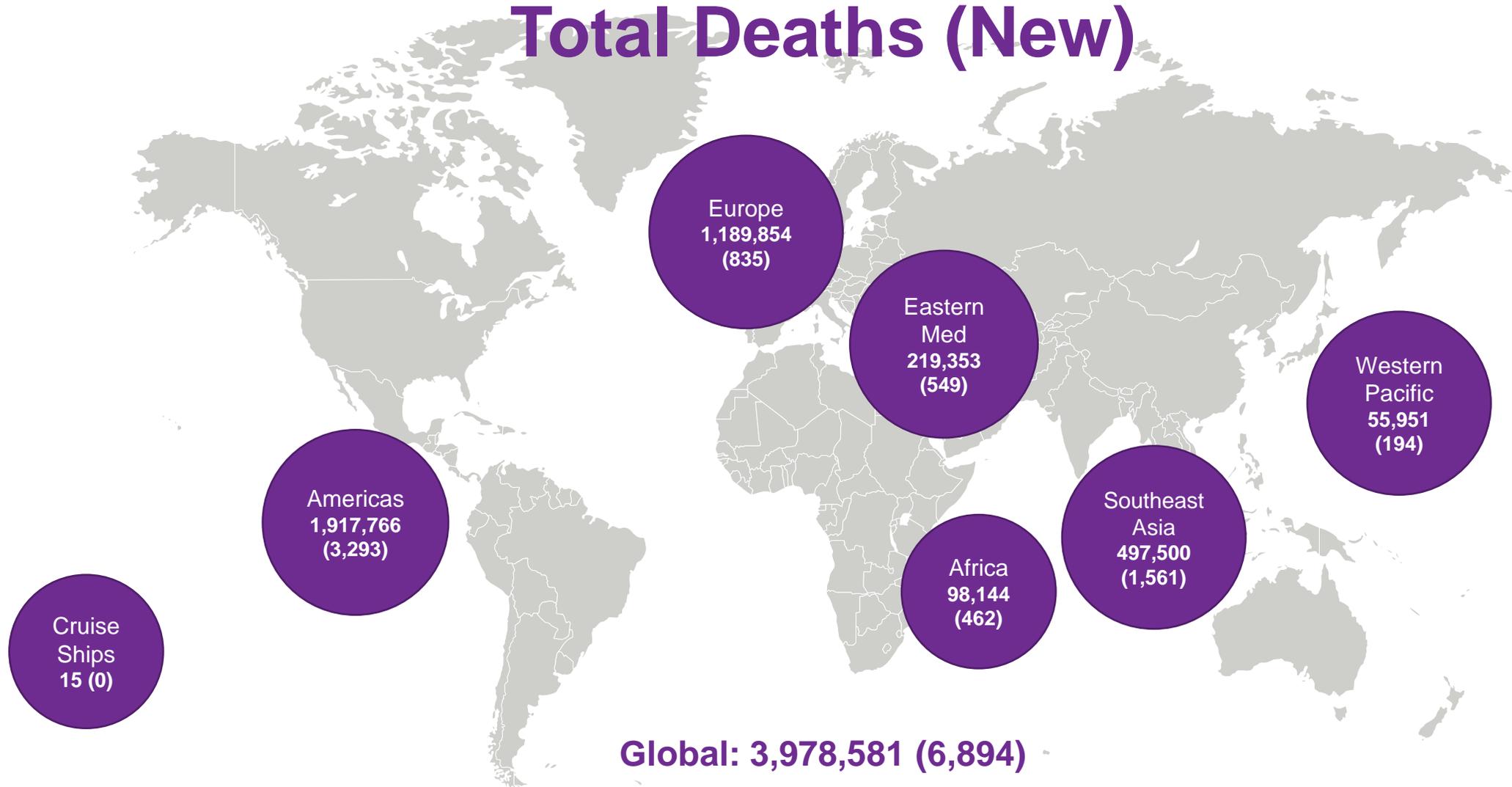
Confirmed Cases (New)



Reflects data as of 5:54 pm CEST on July 5, 2021.
Data Source: World Health Organization

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Total Deaths (New)



Reflects data as of 5:54 pm CEST on July 5, 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.

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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