

Dentons Flashpoint

Daily Global Situation Report

June 23, 2021

Global Situation Update: June 23, 2021

KEY TAKEAWAYS

The Taliban seized several northern towns as it initiated a major offensive outside of its southern strongholds.

AstraZeneca reported that its vaccine is effective against the Delta variant.

The World Bank agreed to boost its spending on climate change.

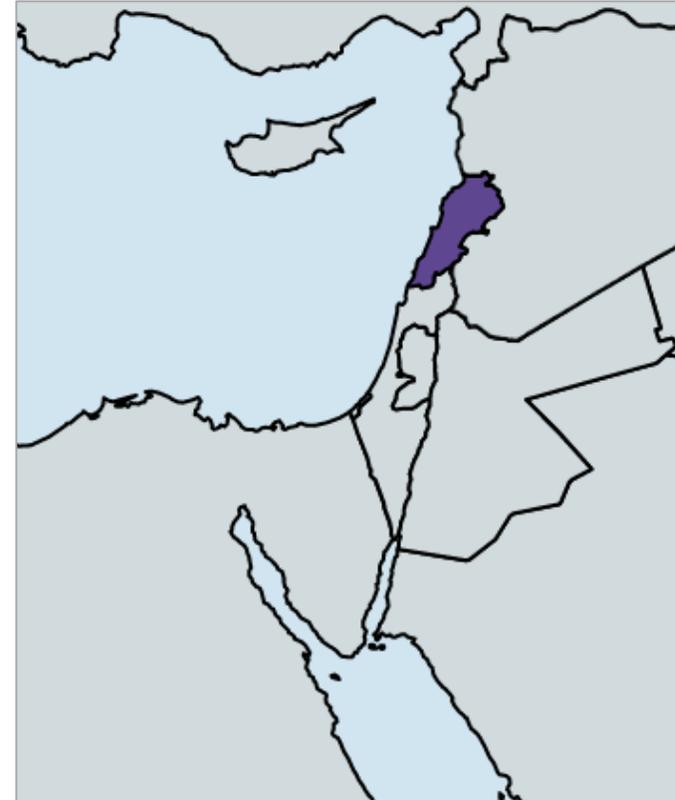
Note: This report is based on sources and information deemed to be true and reliable, but Dentons makes no representations to same.

Global Situation Update: June 23, 2021

WHAT WE'RE WATCHING

The ongoing crisis in Lebanon is set to deepen further this week as the government raised the price of subsidized bread for the fifth time in a year and protests have erupted over the smuggling of fuel to Syria. This comes on the heels of a general strike called by Lebanon's trade unions last week to protest against the lack of progress of government formation talks.

An increase in the cost of bread could trigger the return of mass demonstrations in Lebanon as the poor and many working families are affected. More isolated cries for help have recently come from the country's military which appealed for international aid last week and employees at several Beirut hospitals who protests yesterday for higher salaries. Protests against bread hikes are unlikely to target foreign businesses, but rather government entities and security forces.



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 cases of coronavirus topped 178.7 million with 3.9 million deaths; 2.4 billion vaccine doses have been administered.

- A new Credit Suisse report found that globally, 5.2 million people became **new millionaires** despite the pandemic, and global wealth gaps widened.
- The UN reported that over **8,500 children** were used as **soldiers** in conflicts throughout the world last year.
- **India** declared a new coronavirus variant, locally called the “*Delta plus*,” to be of concern.
- The World Bank agreed to boost its spending on **climate change** to 35 percent from 28 percent and to provide annual progress reports to its board after its draft climate change action plan came under fire for lacking a clear implementation strategy.

COVID-19 Vaccine

AstraZeneca reported that its vaccine is effective against the Delta variant.

- **Israel** empowered health officials to quarantine anyone deemed to have been exposed to the Delta variant of COVID-19, even if they were previously vaccinated or recovered from the disease with presumed immunity.
- **Thailand** opened Phuket, a popular vacation island, to travelers who are fully vaccinated.
- **Britain** will not require delegates attending November's international climate conference in Glasgow to have been vaccinated against COVID-19.

Markets & Business

Morgan Stanley's staff and clients will not be allowed to enter the bank's New York offices if they are not fully vaccinated.

- **Bitcoin** fell below \$30,000 for the first time since January amid a Chinese crackdown on cryptocurrency but rallied later in the day.
- The Indian antitrust watchdog announced an investigation into **Google's** smart TV market share in the country.
- **Apple Daily**, the pro-democracy Hong Kong tabloid founded by media tycoon Jimmy Lai, will close on Thursday after its assets were frozen and its journalists were arrested.
- The UK announced plans to extend **climate-related disclosure rules** to most UK-listed companies.
- **India** announced new restrictions on **e-commerce** platforms which include limiting flash sales and in-house labels.
- Brazilian medical lab company **Fleury SA** said in a securities filing that a cyberattack had resulted in a partial outage of its information technology systems.

How do You Manage Incident Response?

2021 has already seen business disrupted by extreme weather, ransomware attack, the ongoing pandemic and more. The common refrain “It’s not if, but when” rings truer than ever for disruptive incidents that will impact business as usual.

Working with Dentons, you can effectively develop an organizational incident-behavior adopted by all your team members. Dentons will help you build muscle memory through tabletop exercises, which are crafted to fit the business strategy of every client.

Our team plays events and incidents of different severities and complexities and accounts for real-world factors such as inconclusive evidence, mistakes by responders, and the business impact of eradication steps. Our tech-savvy lawyers continuously revise the playbooks per the evolving sector-specific threat landscape.

Dentons tabletop sessions are fluid, and designed to enhance preparedness with services, including:

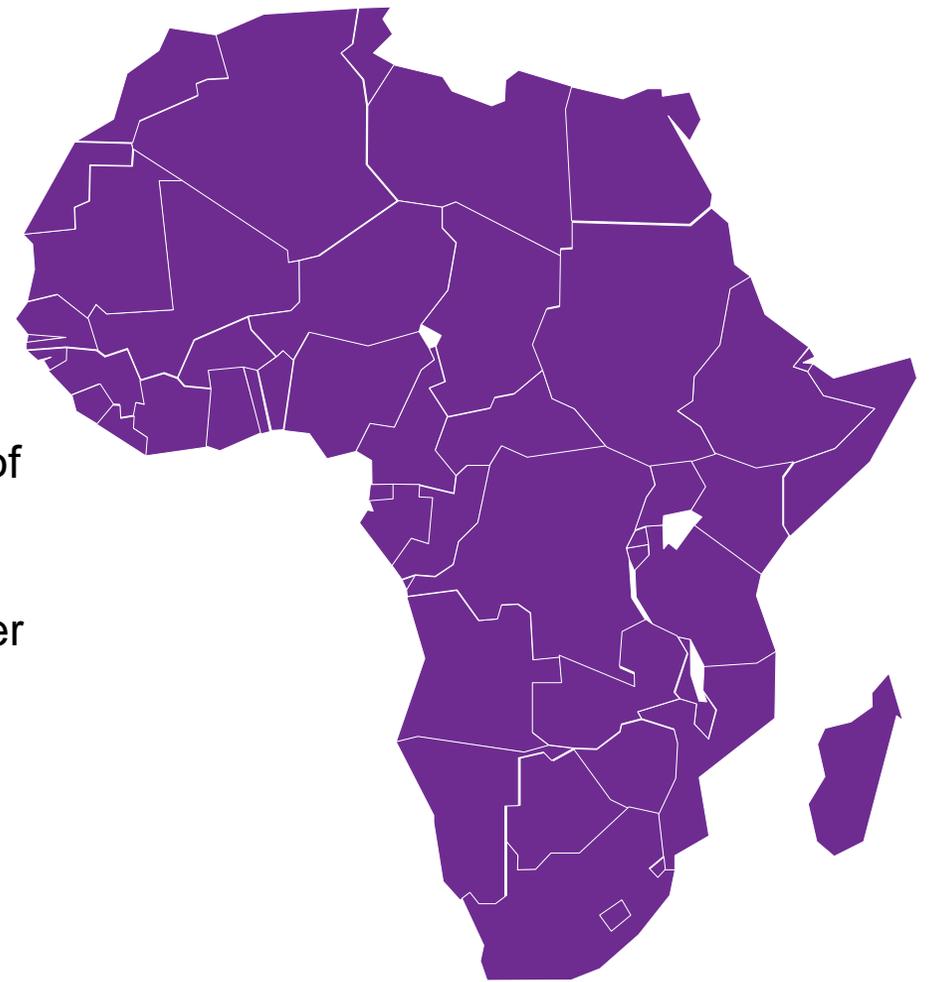
- ❖ Ransomware tabletop exercises
- ❖ Post-tabletop action reports
- ❖ Maturity assessments for preparedness
- ❖ Supply-chain attack simulation
- ❖ Comprehensive incident response plan
- ❖ Threat analysis and monitoring

All interaction with Dentons is attorney-client privileged

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

Africa

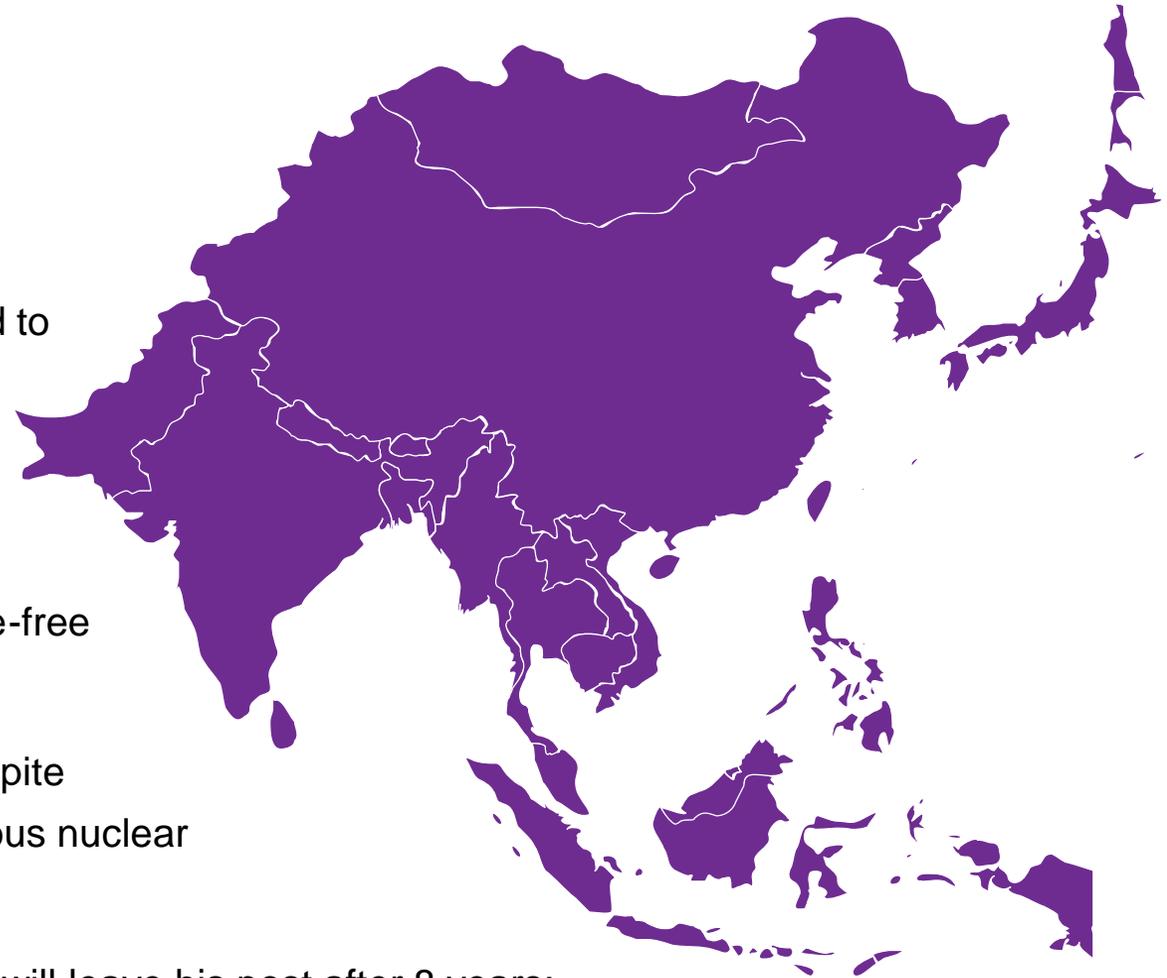
- Vote counting continued in **Ethiopia**. Opposition observers reported being chased away from polling stations. A UN official reported that Eritrea now has “*effective control*” of several areas of the Tigray region.
- The **EU** lifted sanctions on **Burundi** originally imposed over former President Nkurunziza's unconstitutional bid for a third term.
- **Nigeria’s** President Buhari formed a team to engage with Twitter after indefinitely suspending the platform in the country.
- Dozens of militia fighters in the **Democratic Republic of the Congo** surrendered, the first to do so amid a scaled-up anti-militia operation from Kinshasa.



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

Asia

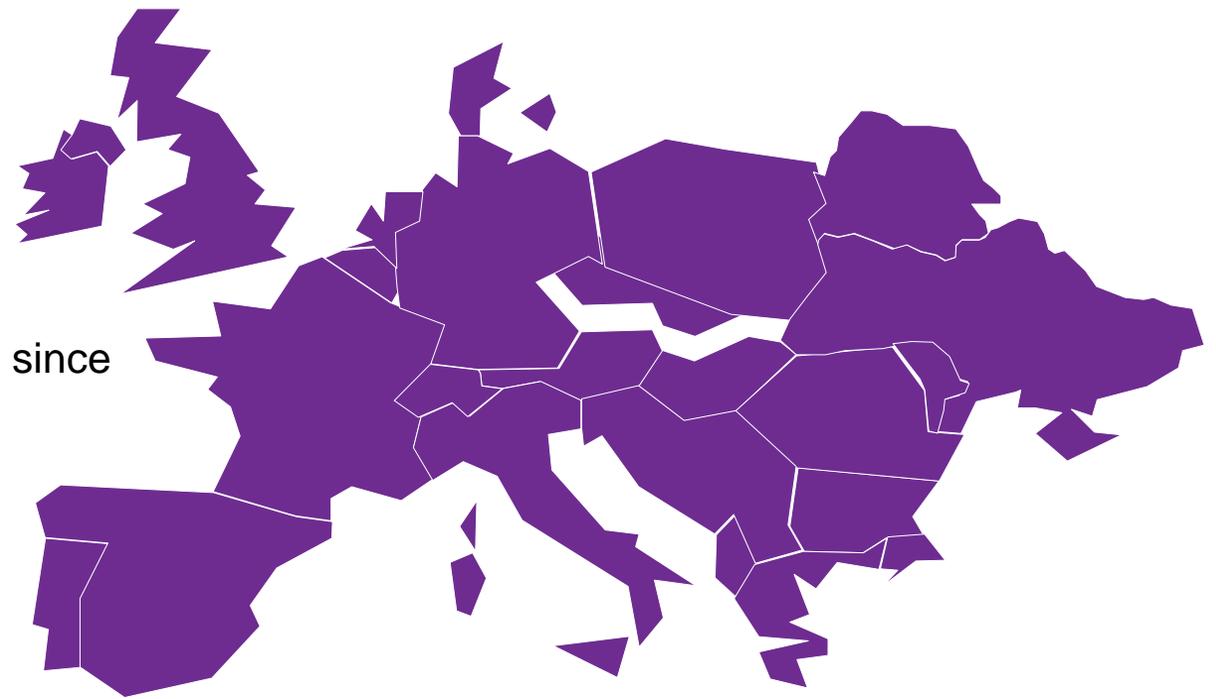
- **Singapore** implemented mandatory testing in one neighborhood to contain a COVID-19 outbreak.
- **China** will maintain its border restrictions for at least a year.
- **Australia's** Sydney state extended mandatory mask mandates indoors amid a case spike, and New Zealand paused quarantine-free travel with the state.
- **Japan** is set to reboot its Mihama nuclear reactor this week, despite warnings from former officials that recommendations after previous nuclear disasters have not been implemented.
- **China's** ambassador to the **US**, Cui Tiankai, announced that he will leave his post after 8 years; Qin Gang, a trusted aide of President Xi, is expected to succeed him. China condemned the US as the region's greatest security "risk creator" after a US warship again sailed through the sensitive waterway that separates **Taiwan** from China. A **Hong Kong** court upheld a decision to deny trial by jury to the first people tried under China's new national security law.



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

Europe

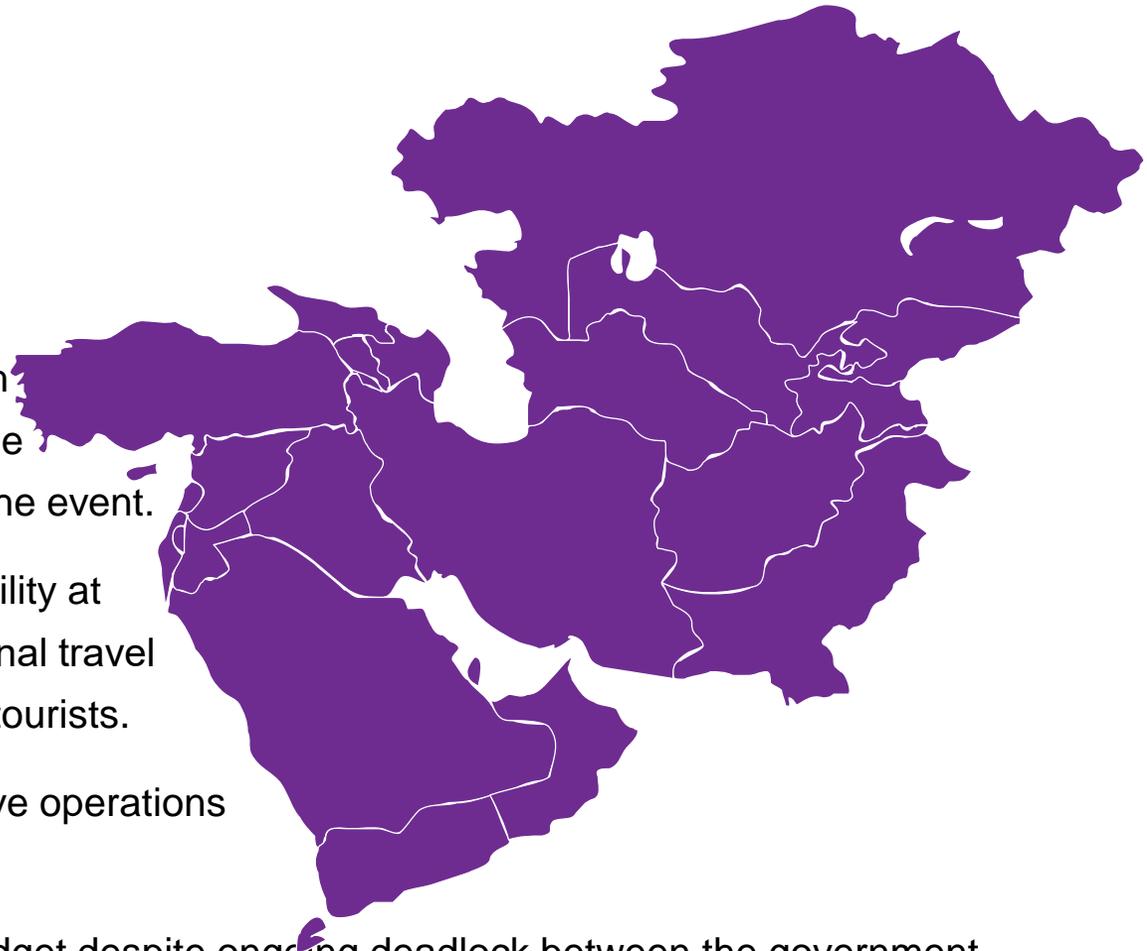
- European consumer confidence rose to its highest levels since 2018.
- A new **Europol** report concluded that the COVID-19 pandemic increased the risk of extremism by increasing time spent online and mistrust in public institutions.
- **Belarus'** Foreign Ministry stated that it views new rounds of western sanctions against Minsk as a “*declaration of economic war.*”
- **Spanish** Prime Minister Sanchez said that he will pardon nine jailed leaders of Catalonia’s failed 2017 independence bid to signal a “*spirit of dialogue.*”
- The COVID-19 crisis could cause lasting damage to western liberal democracies that adopted authoritarian measures during the pandemic, **Estonia’s** prime minister warned.



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

Middle East

- Two **Jordanians** accused of plotting a coup against King Abdullah in April are insisting that Prince Hamzah, who was implicated in the coup, be called to testify; Hamzah has not spoken publicly since the event.
- Dubai opened the world's largest in-house airport PCR testing facility at the Dubai airport in a bid to accelerate Dubai's return to international travel hub. The **UAE** emirate of Abu Dhabi will offer free vaccination to tourists.
- The Taliban seized several northern towns as it expanded offensive operations outside of its southern strongholds in the past several days.
- The **Kuwaiti** parliament successfully approved the 2021-2022 budget despite ongoing deadlock between the government and opposition parties who demand that the prime minister be investigated for fraud.
- **Iranian** state media said on Wednesday a sabotage attempt against a building of the Iranian Atomic Energy Organization had been foiled, saying there was no "*loss of life or property damage*". The nuclear power plant in Bushehr had an emergency shutdown over the weekend.



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

Americas

- **Chile** is studying issuing a third, booster dose of the COVID-19 vaccine.
- International condemnation of the **Nicaraguan** crackdown on anti-Ortega figures, with new reports from the UN and Human Rights Watch on the human rights situation.
- The **US** judged that **Peru's** recent presidential election was "*a model of democracy*," despite efforts by conservative candidate Keiko Fujimori to get ballots thrown out while raising accusations of voter fraud.



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, 177.6 million have received at least one **dose of the vaccine**, or 53.5 percent of the total population. The White House acknowledged that the US will miss its **vaccination goal** of 70 percent nationwide by July 4, saying the new goal will be met no later than “mid-July.” Dr. Fauci joined the chorus of public health officials warning that the **Delta variant** is the greatest threat to eradicating COVID-19 within the US.
- US **median home prices** rose above \$350,000 for the first time.
- New Yorkers voted yesterday in an acrimonious primary mayoral election, the first to use **ranked-choice voting**.
- Federal Reserve Chair Powell testified before Congress, reiterating pledges not to raise **interest rates** too quickly.
- The Senate brought the expansive Democratic "*For The People*" voting bill to a test vote, triggering a **filibuster**.
- Biden is considering a one-month extension for the **federal eviction freeze**.



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

US-Turkey Relations: After the Biden-Erdogan summit, a change in tone, not in substance

Contributed by Dentons Special Advisor Dan Arbell

Last week in Brussels, President Joe Biden met with Turkish President Recep Tayyip Erdogan, on the sidelines of the NATO Leaders Summit. The meeting was framed as an opportunity for the two leaders to address significant tensions in the bilateral relationship and reset relations between NATO partners. As geopolitical rivalries between the US, Russia and China heat up and take precedence over regional disputes, shoring up NATO's southern flank and the western alliance supporting international norms have increased urgency in Washington. From the US and European perspective, Turkey has become an unreliable partner, growing too cozy with Russia. Whereas Ankara believes the US, in particular, has failed to support Turkey on key national security issues it considers existential.

Despite the high stakes, expectations for a breakthrough were low, as the gaps between the US and Turkey on issues in dispute are viewed as too wide and deep to overcome. Moreover, the two leaders have known each other since Biden was Vice President and Erdogan was Turkey's Prime Minister. Their relations over the years have known ups and downs, and in recent years have been tense. During the US presidential election campaign in 2020, Biden was critical of Erdogan's policies, Erdogan openly supported

the re-election of President Donald Trump. After Biden's election, Erdogan was not on the list of world leaders that Biden called during his first few months in office, which led to more speculation that the relationship between the two NATO allies is off to a rocky start under President Biden. This sense was reinforced by Biden's historic recognition of the Armenian Genocide on April 24, a most sensitive issue for a majority of Turks, which further contributed to growing tensions between Washington and Ankara.

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

US-Turkey Relations: After the Biden-Erdogan summit, a change in tone, not in substance

The political atmosphere, however, was not completely negative. In a nod to the importance of the bilateral relationship, Biden's meeting with Erdogan was one of the three bilateral meetings the president held on the sidelines of the NATO summit. The meeting was in person and took place during Biden's first foreign trip as president.

Major irritants on the bilateral agenda

The two core problems on the bilateral US-Turkey agenda are no doubt the purchase of Russian S-400 surface-to-air missile systems by Turkey, a member of NATO, and American cooperation with the Syrian Kurds, which Turkey considers as terrorists.

Ahead of the meeting with Biden in Brussels, Erdogan knew he had to present the president some ideas to resolve the S-400 dispute, which has so far led the US to impose CAATSA sanctions on Turkey and suspend Turkey's participation in the multinational F-35 fighter jet project, which is a major blow to American-Turkish defense cooperation.

As for US ties with Kurdish groups in Syria, Erdogan planned to raise with Biden Turkey's opposition to the continued US support for

the Syrian Kurds, most notably the Syrian YPG, viewed by Ankara as terrorist organizations, affiliated with the PKK, a Kurdish terrorist group engaged in an insurgency against Ankara for decades.

It is believed that if the two countries can compartmentalize the two issues - the S-400 and the Syrian Kurds - relations between them can improve and may allow them to focus on a more positive agenda. In recent years, a possible quid pro quo deal between the two sides (Turkish concessions on the S-400 in return for US concessions on the Syrian Kurds) was suggested by some officials (mostly on the Turkish side), but it did not lead to any breakthrough.

Areas of bilateral cooperation

The Biden Administration which does not see eye to eye with Erdogan on the aforementioned issues does appreciate and understand the importance of Turkey as a US and NATO ally, and the meeting in Brussels from an American perspective was aimed to highlight some positive aspects of the relationship, including the cooperation between the two countries within NATO, on China, Afghanistan, Ukraine, the Black Sea and Libya, and finally on some aspects of Syria policy (except for eastern Syria).

US-Turkey Relations: After the Biden-Erdogan summit, a change in tone, not in substance

As the US prepares to withdraw most of its troops from Afghanistan by September 11, 2021, the expectation is that Turkey will “*step up to the plate*” and take over from the US some of its security responsibilities, including the protection of the Kabul International Airport. The US knows Turkey is accepted by all parties in the war-torn country and can play a constructive role in mediating between the factions.

On the Ukraine and Black Sea issues, the US and Turkey do not accept the Russian annexation of Crimea and want to work together to resolve the problems, although the S-400 dispute does complicate US-Turkey cooperation on these two issues. The US also recognizes there is further room for cooperation with Turkey in Syria (except for the eastern part of the country), Libya and on China.

The Meeting in Brussels

The meeting in Brussels between the two leaders was reportedly 90 minutes long and included a one-on-one session, and then a meeting of the full delegations from both sides. It seemed that the atmosphere in the meeting was not combative, but it was not exactly a dialogue, rather each leader with a monologue reiterating long-

held views on the topics of discussion. Erdogan once again urged the US to end its cooperation and support for the YPG in Syria. Biden did not commit to any changes in US policy. Erdogan expressed willingness to take part in a multinational force in Afghanistan (together with Pakistan and Hungary) which will provide security to the Kabul airport, if circumstances allow. Biden raised US concerns over the S-400 issue and showed no signs of flexibility in Washington’s position, just days before the Biden-Putin summit in Geneva. Briefing the media after the meeting, Biden’s National Security Advisor Jake Sullivan noted there was not a resolution of the S-400 issue but added the two sides agreed to continue with their discussions. Asked in a press conference whether the Armenian Genocide issue was raised, Erdogan surprised many by stating it did not come up.

In the aftermath of the summit

Several days after the meeting in Brussels, Erdogan in a public address noted that the US and Turkey are “*entering a new era*” in their relations, which will be based on a positive and constructive agenda. He emphasized that his meeting with Biden was

US-Turkey Relations: After the Biden-Erdogan summit, a change in tone, not in substance

comprehensive and productive and added that the two leaders agreed to meet again. Erdogan said he believes the two countries will resolve the problematic issues in their relationship in time, and expressed optimism there is no issue the two countries cannot overcome, while the potential for cooperation between them is great. Erdogan did however state that the US has to respect Turkey's political and economic sovereignty (hinting to the S-400 issue), as well as its determination to fight against terrorism (hinting to the Syrian Kurds issue).

While Erdogan's comments demonstrate a change in the atmosphere of the relationship, they do not represent a change in policy nor progress toward the resolution of the problems. At best they reflect an attempt to compartmentalize the problems, as well as an intention to continue cooperating where possible and agreeing to disagree on issues in dispute. Pragmatism has been one of Erdogan's most known traits, and he has often launched a charm offensive vis-a-vis the US and Europe when he believed it suited his interests. His comments may be just that. Nevertheless, very few, if any, decision makers in Washington are taking Erdogan's charm offensives and positive spins seriously.

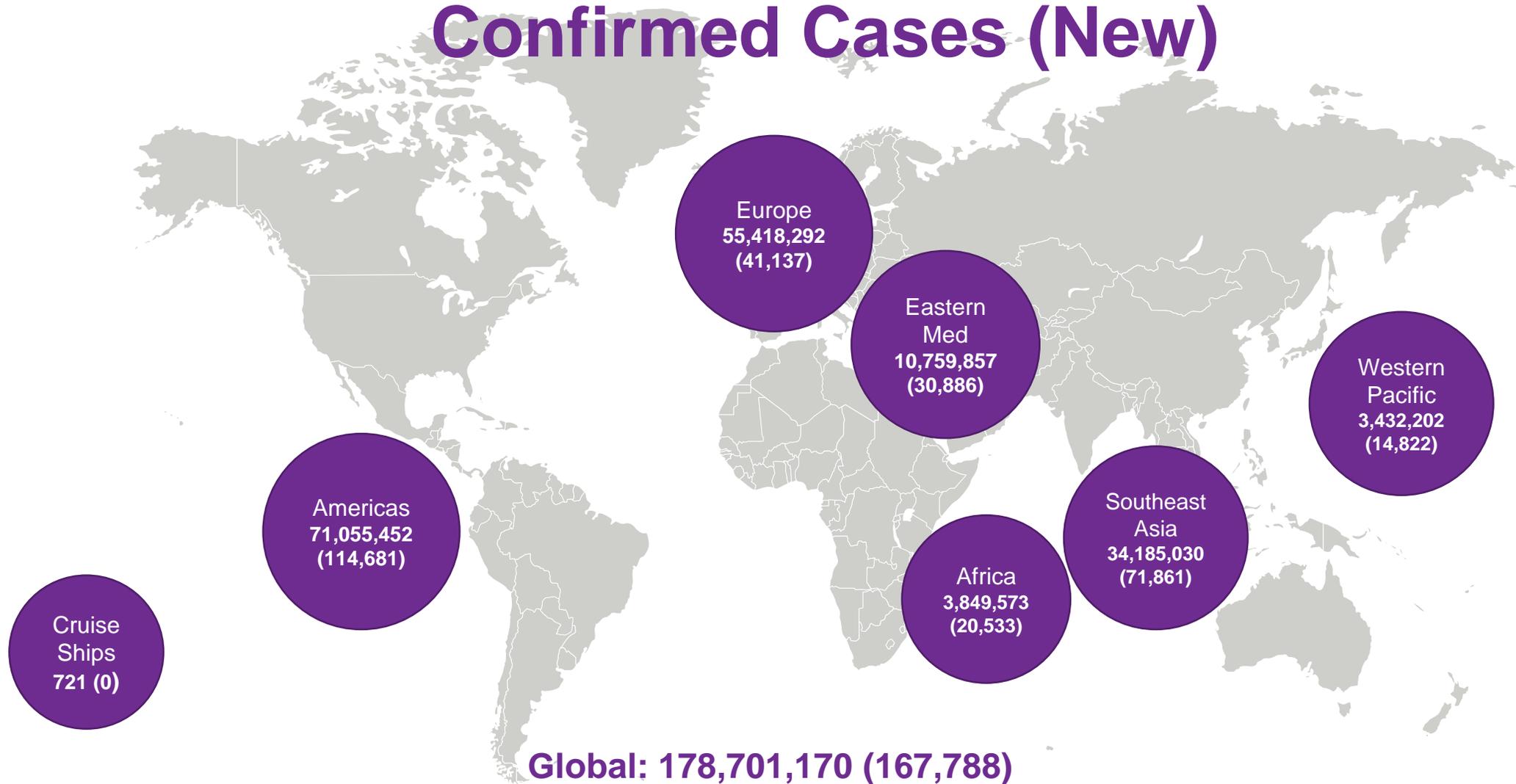
The Biden Administration on its part does not seem to be planning any policy adjustments on the issues in contention. It is leading toward a more institutionalized relationship with Turkey, keeping Erdogan at bay, and at the same time trying not to rock the boat, at least until elections are held in Turkey in two years.

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 12:25 am CEST on June 23, 2021

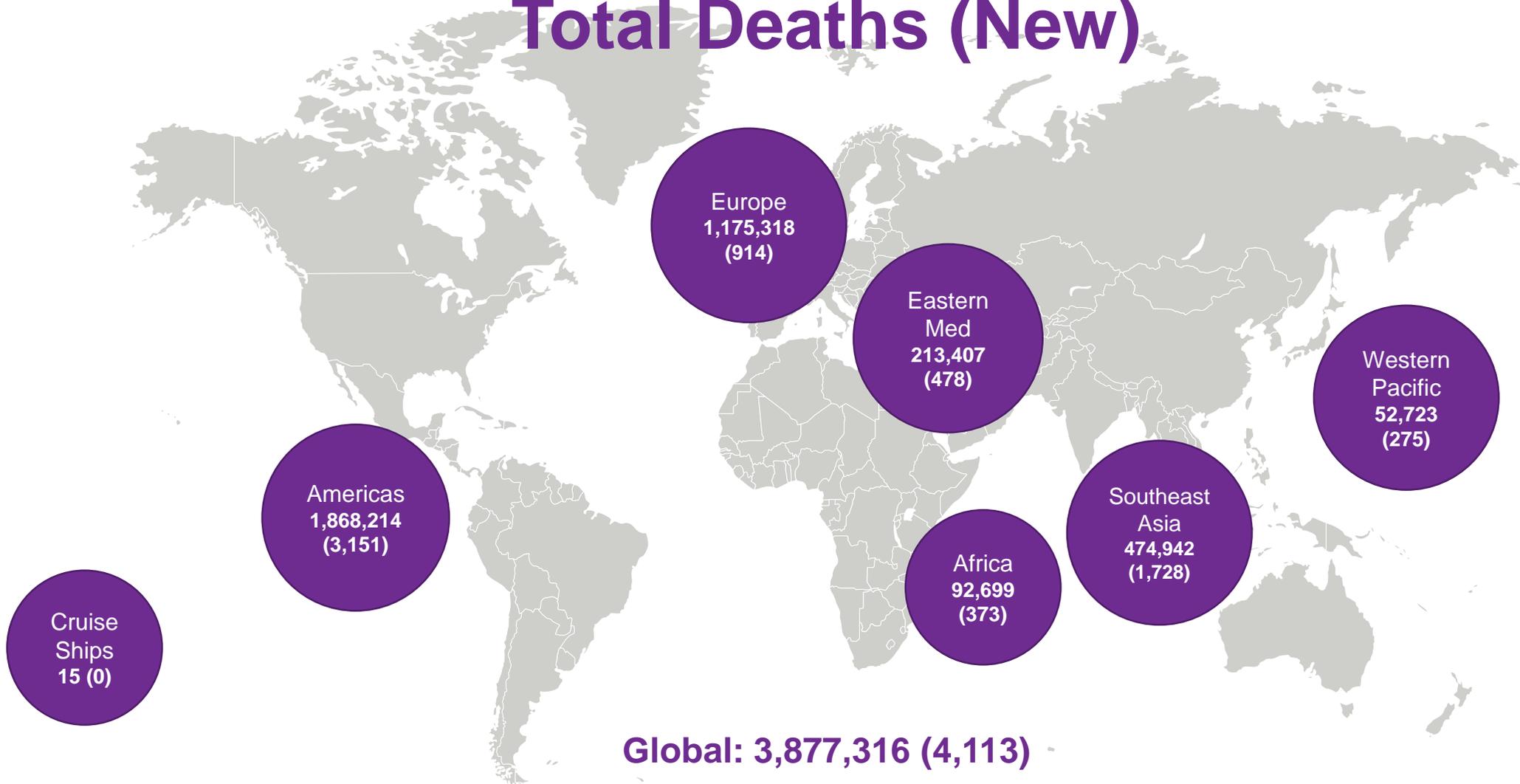
Confirmed Cases (New)



Reflects data as of 12:25 am CEST on June 23, 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 12:25 am CEST on June 23, 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