

Dentons Flashpoint

Daily Global Situation Report

June 4, 2021

Global Situation Update: June 4, 2021

KEY TAKEAWAYS

The Biden Administration bans Americans from investing in a further 59 Chinese companies linked to defense and surveillance technology.

Global food prices recorded their highest monthly rise in a decade in May.

Dr. Fauci urges China to release the medical records of Wuhan lab workers.

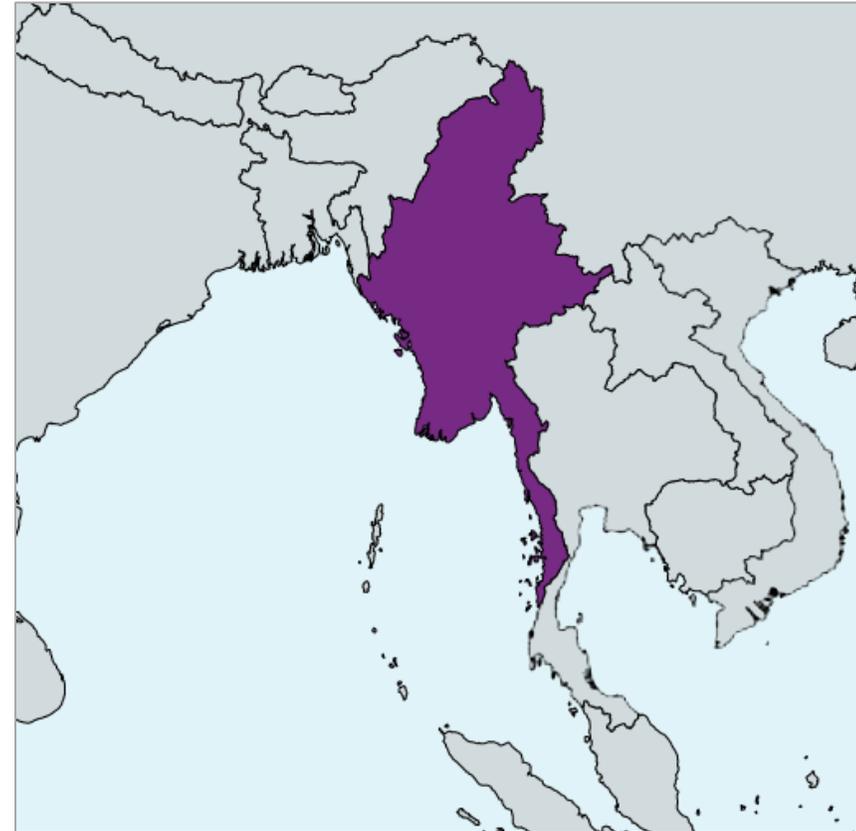
Note: This report is based on sources and information deemed to be true and reliable, but Dentons makes no representations to same.

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WHAT WE'RE WATCHING

Today, a high-level ASEAN delegation led by Brunei's Sultan Hassanal Bolkiah is expected to visit Myanmar and meet with the country's junta leaders. It is unclear if the delegation will meet detained civilian leaders, such as Aung San Suu Kyi, while in Naypyitaw.

The 10-nation bloc remains divided on how to respond to the military coup which has led to a refugee crisis and crashed the country's economy. After visiting Myanmar, the delegation will head to Beijing before returning to ASEAN's headquarters in Jakarta.



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Global

Globally, confirmed coronavirus cases surpassed 171.5 million with 3.6 million deaths.

- **Global food prices** recorded their highest monthly rise in a decade in May; Chinese demand for grain and soyabeans, as well as a severe drought in Brazil, drove up the UN Food and Agriculture Organization's monthly food price index by 40%.
- A new study from University College London found that **the risk of catching COVID-19** is substantially cut for up to 10 months after a first infection.
- **Japan's Olympic committee** head ruled out delaying the games again despite mounting public pressure, saying "*we cannot postpone again.*" Some of the biggest Japanese sponsors for the Olympics called for the games to be postponed by several months.
- **More cyclones** than usual are forecast to hit east Asia this summer.

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COVID-19 Vaccine

The Biden Administration said 75% of its first wave of 25 million vaccine dose donations abroad will go through Covax, with the remaining 25% sent bilaterally.

- The EU is pushing back on US-backed calls to waive **intellectual property protections** for COVID-19 vaccines. The UK approved the **Pfizer** vaccine for 12 to 15-year-olds.
- Thailand's **Siam Bioscience** has started the country's first production of COVID-19 vaccine, using AstraZeneca's technology.
- New research from Oxford and Southampton universities found that individuals who rely on **social media for news** – and particularly YouTube users – are less willing to get vaccinated than non-users.

Markets & Business

Regulators in the EU and UK announced formal antitrust probes into Facebook's Marketplace.

- **United Airlines** will buy 15 supersonic jets from startup Boom Supersonic and has the option to buy 35 more.
- **Twitter** announced a subscription option to allow user features like bookmarks, undoing tweets and a customized app.
- **Google** removed a senior diversity executive after discovering anti-Semitic remarks from 2007.
- **GM** said it expect profits in the first half of 2021 to be better than previously projected, thanks to steps to mitigate the chip shortage's impact.
- **Apple** told employees that they are expected to return to the office three days a week starting in September, becoming the latest company to embrace hybrid work.

Africa

- **Namibian** chiefs accepted Germany's offer of €1.1 billion as restitution for German acts of genocide against Namibians in the early 20th century.
- The UN warned of a worsening humanitarian crisis in the **Democratic Republic of Congo**.
- Thousands of **Sudanese** took to the streets on Thursday to demand justice for protesters killed during 2019 demonstrations against Omar al-Bashir.
- **France** will suspend joint military operations with **Malian** forces in an effort to pressure the military junta into restoring a civilian-led government.



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Asia

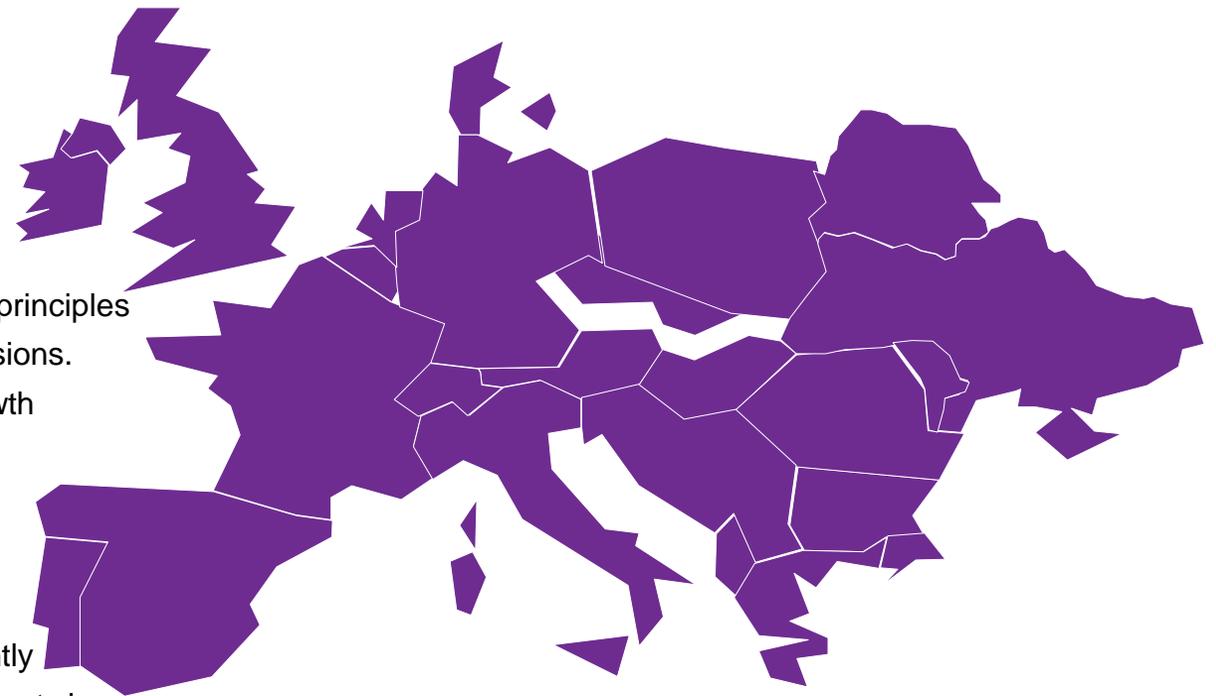
- The **Taiwanese** government said that the island's lack of vaccines is a security issue for the global economy. Japan delivered **1.2 million AstraZeneca** shots to Taiwan. Taiwan raised its **full-year growth forecast** by 0.8%, despite its outbreak.
- **Hong Kong** approved lowering the age requirement for the Pfizer vaccine from 16 to 12; Hong Kong has yet only vaccinated 14% of its population.
- Assemblies and marches on anniversary of the **Tiananmen Square** massacre were banned in Hong Kong; thousands of police have been mobilized to handle any unrest in the city and the organizer of a Tiananmen vigil was arrested Friday.
- A "**Uyghur Tribunal**" examining allegations of human rights abuses and genocide in Xinjiang will begin today in **London**. A group of ex-British foreign ministers sent a letter urging UK Prime Minister Johnson to ensure that Hong Kong is high on the **G7 agenda** next week.
- The EU will impose a new round of sanctions on **Myanmar's military junta** and its economic interest this week. The head of the **International Red Cross** met with the junta leader to make the case for better aid access.
- **Filipino** President Duterte, constitutionally barred from seeking re-election, drew up a list of potential successors including his daughter, boxer and senator Manny Pacquiao, and the son of former President Marcos.



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Europe

- The UK said it is “*cautiously optimistic*” that the G7 can agree on the broad principles of a global deal on **taxing multinationals** following days of intense discussions. Eurozone retail sales fell more than expected in April. **UK** construction growth accelerated “*phenomenally*” in May.
- The **UK** and **EU** reached a deal on fishing rights in a positive sign for bilateral relations.
- The European Court of Justice reprimanded **Germany** for failing to sufficiently address air pollution in its biggest cities, a move that may boost the Green party in coming elections.
- **Ukraine** published a new “*de-oligarchization*” bill that seeks to force powerful business figures to disclose their assets and end political financing.
- A new survey shows that **social mixing** in the UK remains well below pre-pandemic levels, likely due to residual caution among the public. **Rail journeys** in the UK fell to their lowest levels since 1872 in the year ending in March. **Portugal** was removed from the UK’s quarantine-free “green list,” causing European airline shares to dive on Thursday.
- The EU adopted a plan to ban **Belarus** carriers from flying over or landing in the EU. A video confession from detained journalist Roman Protasevich was aired on Belarusian TV.
- **Russia’s** finance ministry said the country would remove the US dollar from its sovereign-wealth fund amid the continuing threat of sanctions.



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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.

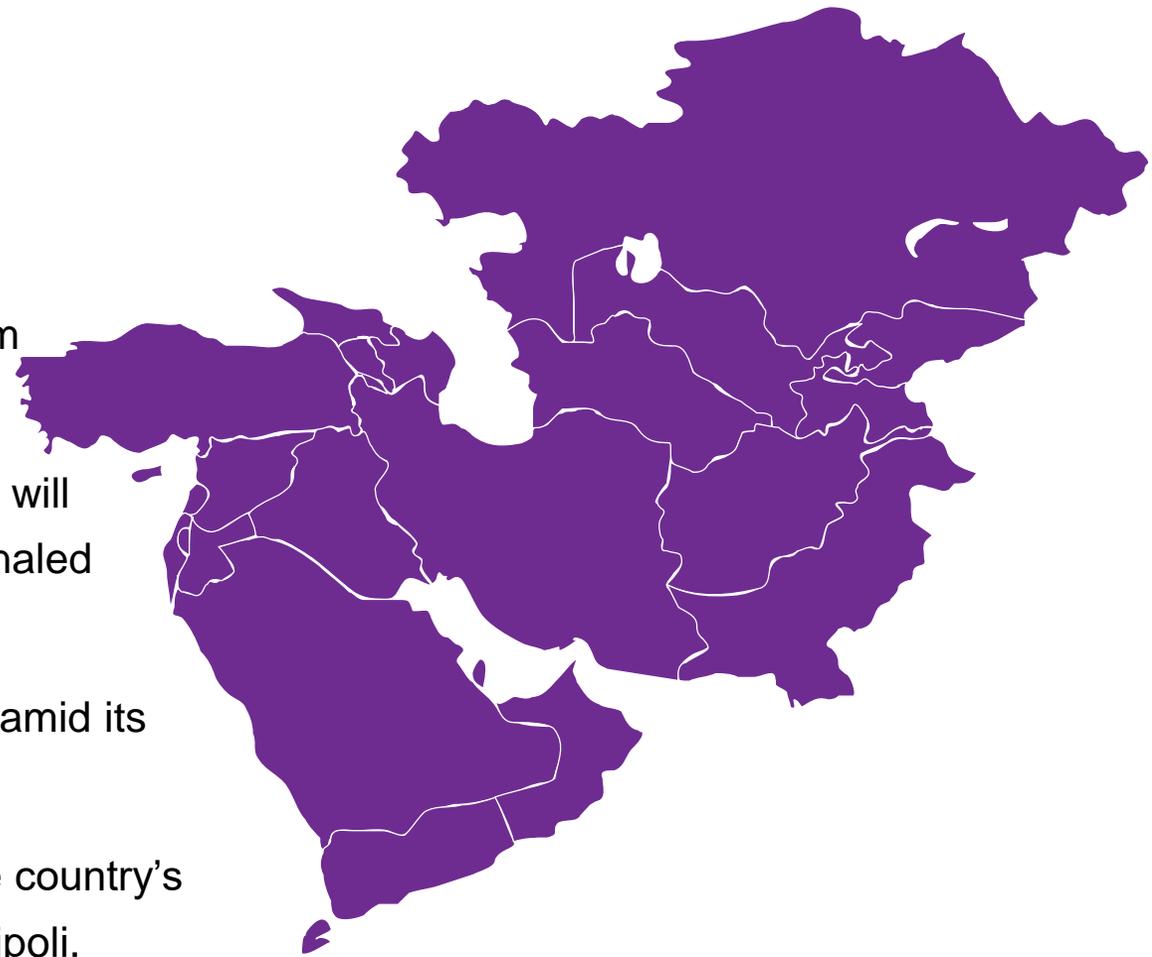
Dentons Intelligence and Security Services Group offers bespoke services to provide business leaders with the intelligence they need to understand and thrive in complex operating environments.

- ❖ 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](#).

Middle East

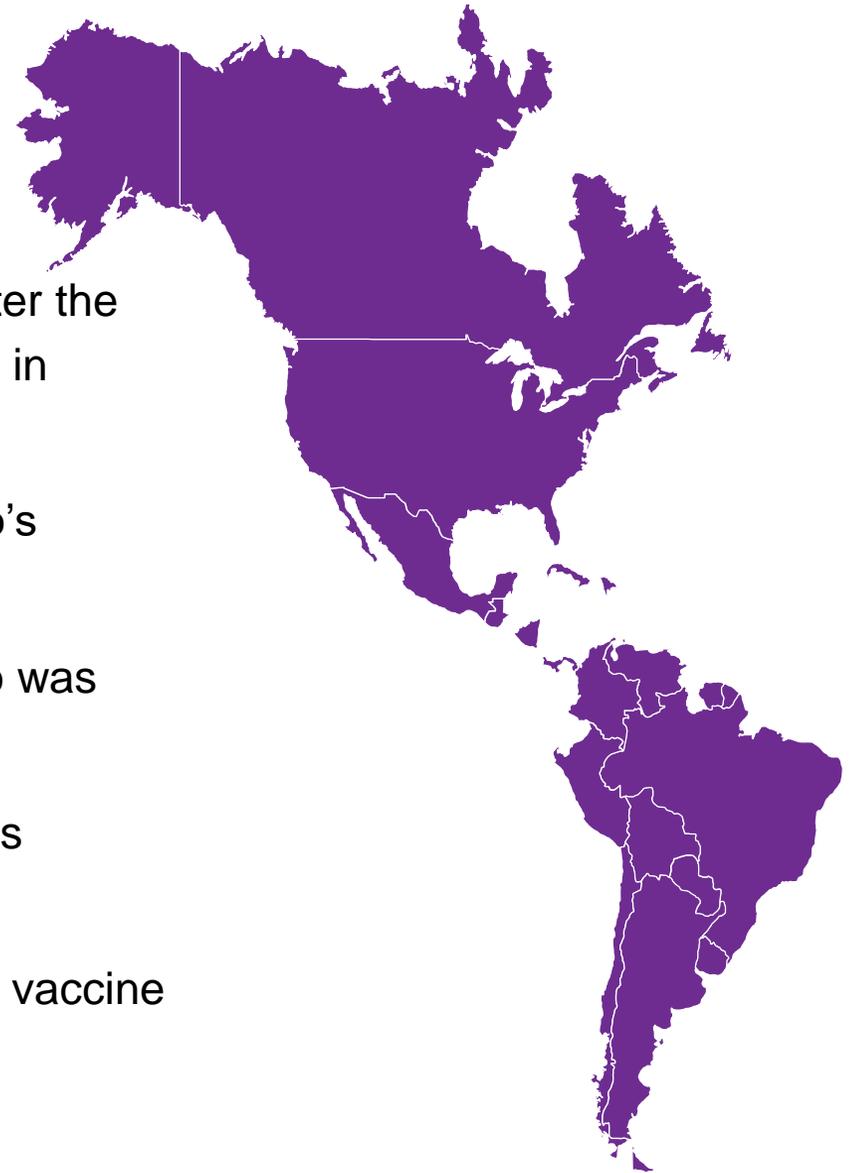
- The **UAE** suspended the entry of travelers from Vietnam from June 5.
- The sixth round of indirect **US-Iran talks** on the nuclear deal will resume in Vienna next week. The US State Department signaled that further talks are expected after the sixth round.
- **Lebanon** reversed its decision to prohibit dollar withdrawals amid its financial crisis after popular outrage.
- Spain's Prime Minister visited **Libya**, pledged support for the country's political transition, and promised to reopen its embassy in Tripoli.
- **Bahrain** signed an agreement to domestically manufacture the **Russian Sputnik V vaccine** for distribution in the MENA region.
- **Egypt** sent a convoy of engineers and building equipment to **Gaza** to begin reconstruction.



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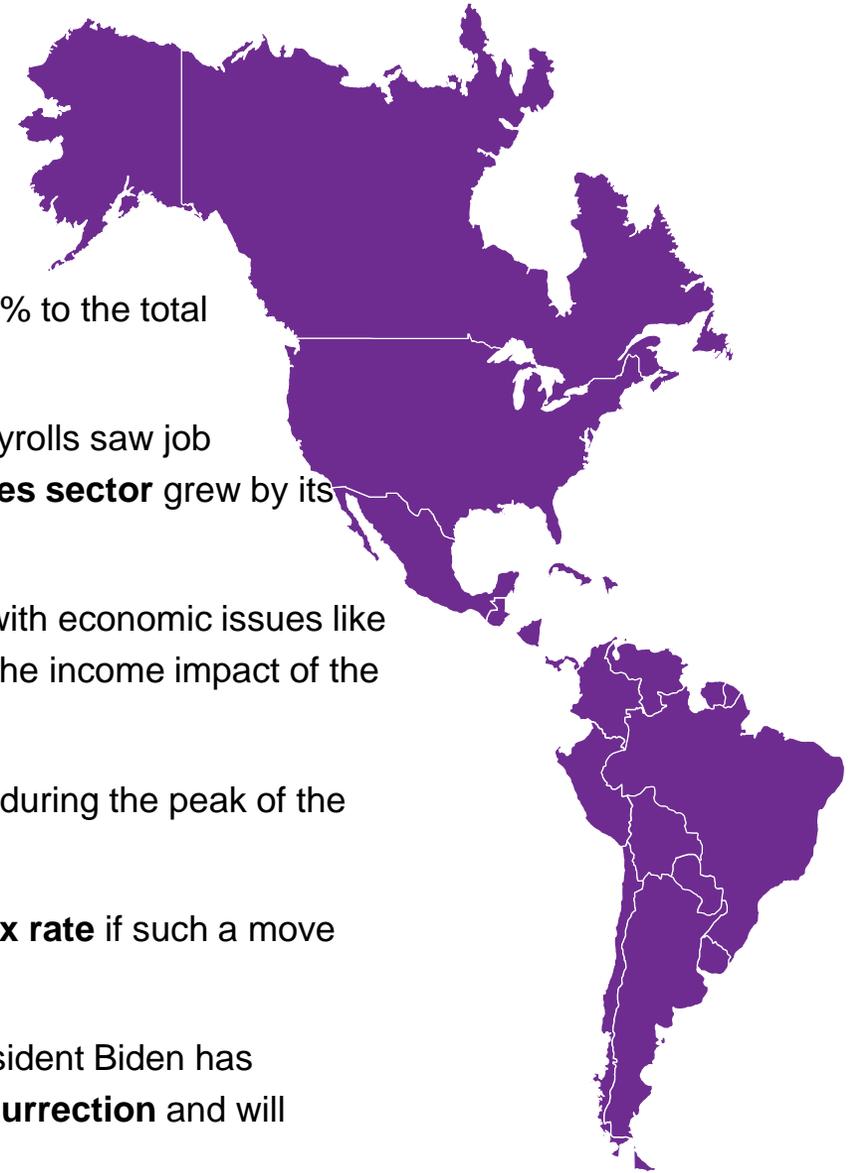
Americas

- Opposition activists called for a national strike in **Nicaragua** a day after the arrest of a popular opposition candidate disqualified her from running in upcoming elections.
- **Mexican** President Obrador suggested cabinet changes after Mexico's upcoming midterm elections, taking place on Sunday.
- The **Brazilian** army will not discipline general Eduardo Pazuello, who was criticized for appearing at a campaign rally with President Bolsonaro.
- **Colombia** approved the reopening of most large events, despite ICUs remaining full of COVID-19 patients.
- **Chile** is raising the minimum age for men to receive the AstraZeneca vaccine to 45 following a blood clot incident.



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Americas: US



- Across the nation, 169.1 million people have received at least one dose of **vaccine**, or 50.9% to the total population.
- New **weekly jobless claims** fell below 400,000 for the fifth straight week. Private sector payrolls saw job creation in May at the fastest pace seen since last June, per an ADP report. The US **services sector** grew by its quickest pace on record in May.
- Dallas Fed President Robert Kaplan said that monetary policy is not well equipped to deal with economic issues like **labor shortage**. A new survey shows that one in four Americans plan to **retire** later due to the income impact of the pandemic.
- California **reservoir levels** are so low that hydroelectric power plant may have to go offline during the peak of the state's fire season.
- Biden has reportedly shown willingness to drop his demands for an increased **corporate tax rate** if such a move would allow his infrastructure plans to pick up sufficient Republican support.
- The FBI is investigating **Postmaster General DeJoy** for campaign fundraising activity. President Biden has reportedly decided against appointing his own commission to investigate the **January 6 insurrection** and will instead focus on pressuring Congress.
- The Biden Administration is banning Americans from investing in a further **59 Chinese companies** linked to defense and surveillance technology. Dr. Fauci urged China to release the medical records of **Wuhan lab workers**.

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COVID-19 Infections Among Fully Vaccinated Individuals

Contributed by the Scowcroft Institute for International Affairs

A recent article in BBC News highlighted the increase in daily new cases in The Seychelles despite the fact that approximately 60 percent of the population is fully vaccinated. In discussing the spike in new cases, the Ministry of Health stated that one-third of them are among individuals that are fully vaccinated.¹ For some, this may raise concerns about vaccine effectiveness, but most cases in vaccinated individuals have been either asymptomatic or mild; keeping with vaccine clinical trial data.

The jump in daily new cases is significant - moving from a stable rate of about 50 new cases per day to roughly 400 new cases per day.² The primary vaccines used in The Seychelles are the Chinese vaccine, called Sinopharm, and the AstraZeneca vaccine. WHO has stated that Sinopharm is 79 percent effective in preventing severe illness and hospitalization³ and, in The Seychelles, 80 percent of the individuals that have been hospitalized in this new spike of cases have been unvaccinated individuals.⁴ And while there is not a large amount of data on the effectiveness of the Sinopharm vaccine, countries running trials have found effectiveness levels that range from 50 percent to 91 percent.⁵ Data from Brazil found that the Sinopharm vaccine is 50.4 percent effective in preventing mild and severe COVID-19, meaning that there will likely be vaccinated individuals that experience some form of symptomatic infection.⁶

Turkey, however, found that Sinopharm was 91.25 percent effective in preventing any form of symptomatic disease.⁷ Clinical trials in Indonesia again found different effectiveness results, stating that Sinopharm prevented 65.3 percent of symptomatic disease.⁸ These variations in Sinopharm effectiveness could partly explain the rise in asymptomatic and mild cases of COVID-19 in The Seychelles.

The second vaccine that has been used extensively in The Seychelles is the AstraZeneca vaccine. Clinical trials run in the United States demonstrated that the AstraZeneca vaccine was 79 percent effective in preventing symptomatic disease and 100 percent effective in preventing severe COVID-19 and hospitalization.⁹ For individuals over 65 years of age, the AstraZeneca vaccine was found to be 80 percent effective in US trials.¹⁰ England also ran their own trials on the effectiveness of the

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AstraZeneca vaccine in older adults and found that it was 73 percent effective in adults over the age of 70.¹¹ Likewise the study found that the AstraZeneca vaccine reduced the risk of hospitalization in adults over 70 years of age by 37 percent.¹²

More recently The Seychelles has begun using the Russian vaccine, named Sputnik V. Sputnik V is a recombinant adenovirus vaccine that increases its effectiveness by using two different types of adenoviruses in its two dose schedule.¹³ Clinical trials have shown the Russian vaccine is 91.6 percent effective in preventing symptomatic infection.¹⁴ This high level of effectiveness makes it a more effective vaccine than both Sinopharm and AstraZeneca in preventing symptomatic illness.

What is important to understand with all three of these vaccines and the three vaccines in use in the US - Pfizer, Moderna, and Johnson & Johnson - is that the vaccines are not measured on their ability to prevent infection entirely. The CDC has tracked approximately 10,000 cases of fully vaccinated individuals who have been infected with the virus. The importance of all the vaccines is that they prevent severe infection, hospitalization, and death. Thus, while there is a large rise in daily new cases in The Seychelles, cases among those who are vaccinated are asymptomatic or mild, while the vast

majority of severe cases and hospitalizations are among those who are unvaccinated. In many ways the case of The Seychelles shows that the vaccines are working as intended and protecting people from the worst effects of COVID-19.

1. Mwai, P. (2021, May 21). Covid: Why has Seychelles seen rising case numbers? *BBC*. Retrieved from <https://www.bbc.com/news/57148348>.
2. Mwai, P. (2021, May 21). Covid: Why has Seychelles seen rising case numbers? *BBC*. Retrieved from <https://www.bbc.com/news/57148348>
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4. Mwai, P. (2021, May 21). Covid: Why has Seychelles seen rising case numbers? *BBC*. Retrieved from <https://www.bbc.com/news/57148348>
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6. Mallapaty, S. (2021, January 15). China COVID vaccine reports mixed results-what does that mean for the pandemic? *Nature*. Retrieved from <https://www.icpcovid.com/sites/default/files/2021-01/Ep%20102-10%20China%20COVID%20vaccine%20reports%20mixed%20results%20%E2%80%94%20what%20does%20that%20mean%20for%20the%20pandemic.pdf>

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COVID-19 Infections Among Fully Vaccinated Individuals

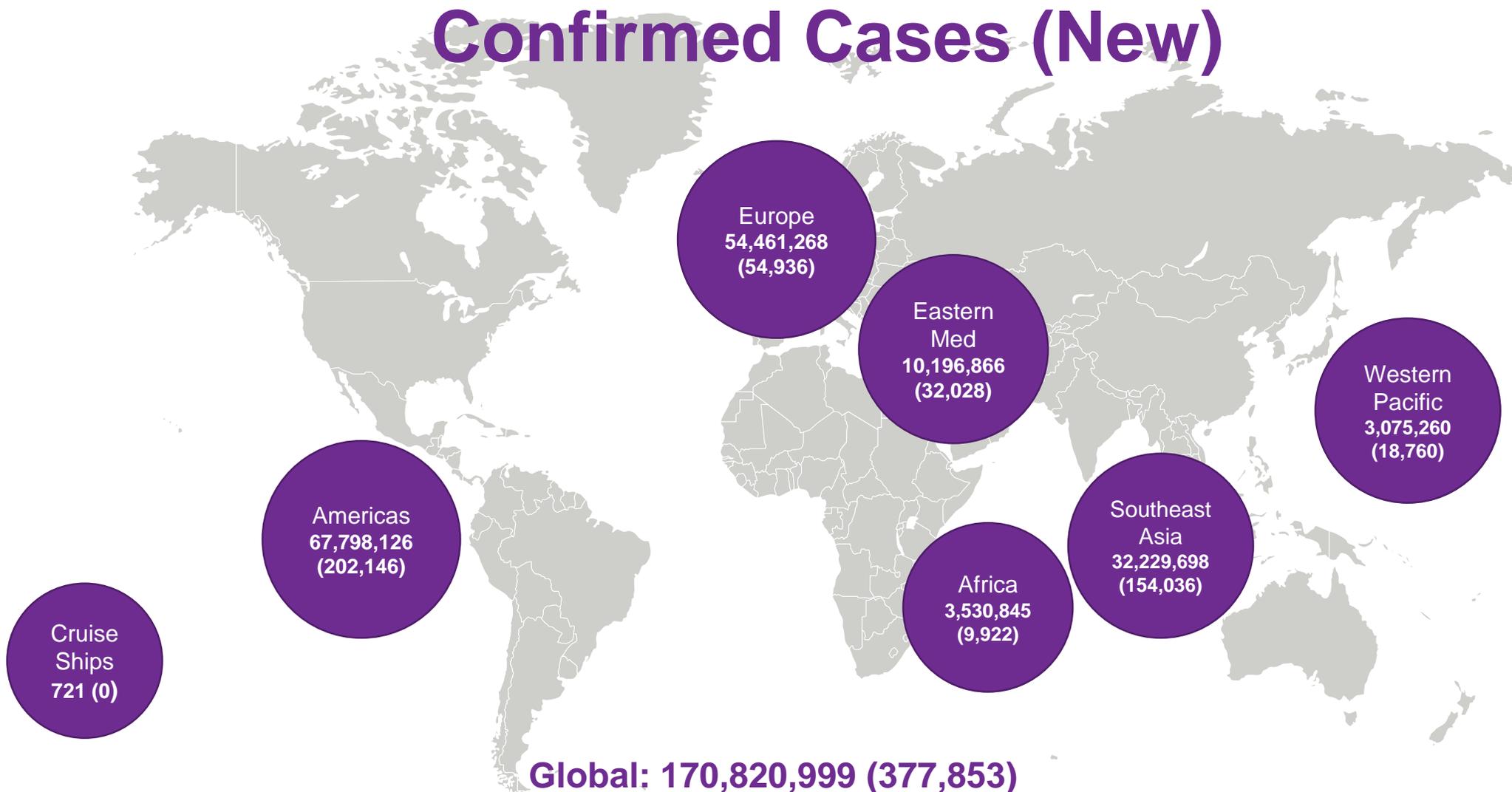
1. Mallapaty, S. (2021, January 15). China COVID vaccine reports mixed results- what does that mean for the pandemic? *Nature*. Retrieved from https://www.icpcovid.com/sites/default/files/2021-01/Ep%20102-10%20China%20COVID%20vaccine%20reports%20mixed%20results%20%E2%80%94%20what%20does%20that%20mean%20for%20the%20pandemic_.pdf
2. Griffin, S. (2021). Covid-19: AstraZeneca vaccine prevents 79% of symptomatic disease and 100% of severe disease, US study finds. *BMJ*, 372(793). <https://www.bmj.com/content/372/bmj.n793.full>
3. Griffin, S. (2021). Covid-19: AstraZeneca vaccine prevents 79% of symptomatic disease and 100% of severe disease, US study finds. *BMJ*, 372(793). <https://www.bmj.com/content/372/bmj.n793.full>
4. Bernal, JL, Andrews, N., Gower, C., Robertson, C., Stowe, J, et al. (2021). Effectiveness of the Pfizer-BioNTech and Oxford-AstraZeneca vaccines on covid-19 related symptoms, hospital admissions, and mortality in older adults in England: test negative case-control study. *BMJ*, 373(1088). <https://www.bmj.com/content/bmj/373/bmj.n1088.full.pdf>
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6. Roy, P. and Jones, I. (2021). Sputnik V COVID-19 vaccine candidate appears safe and effective. *The Lancet*, 397(10275): 642-643. [https://www.thelancet.com/journals/lancet/article/PIIS0140-6736\(21\)00191-4/fulltext](https://www.thelancet.com/journals/lancet/article/PIIS0140-6736(21)00191-4/fulltext)
7. Roy, P. and Jones, I. (2021). Sputnik V COVID-19 vaccine candidate appears safe and effective. *The Lancet*, 397(10275): 642-643.

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Coronavirus Condition Updates

As of 2100 hours US EDT on June 3, 2021

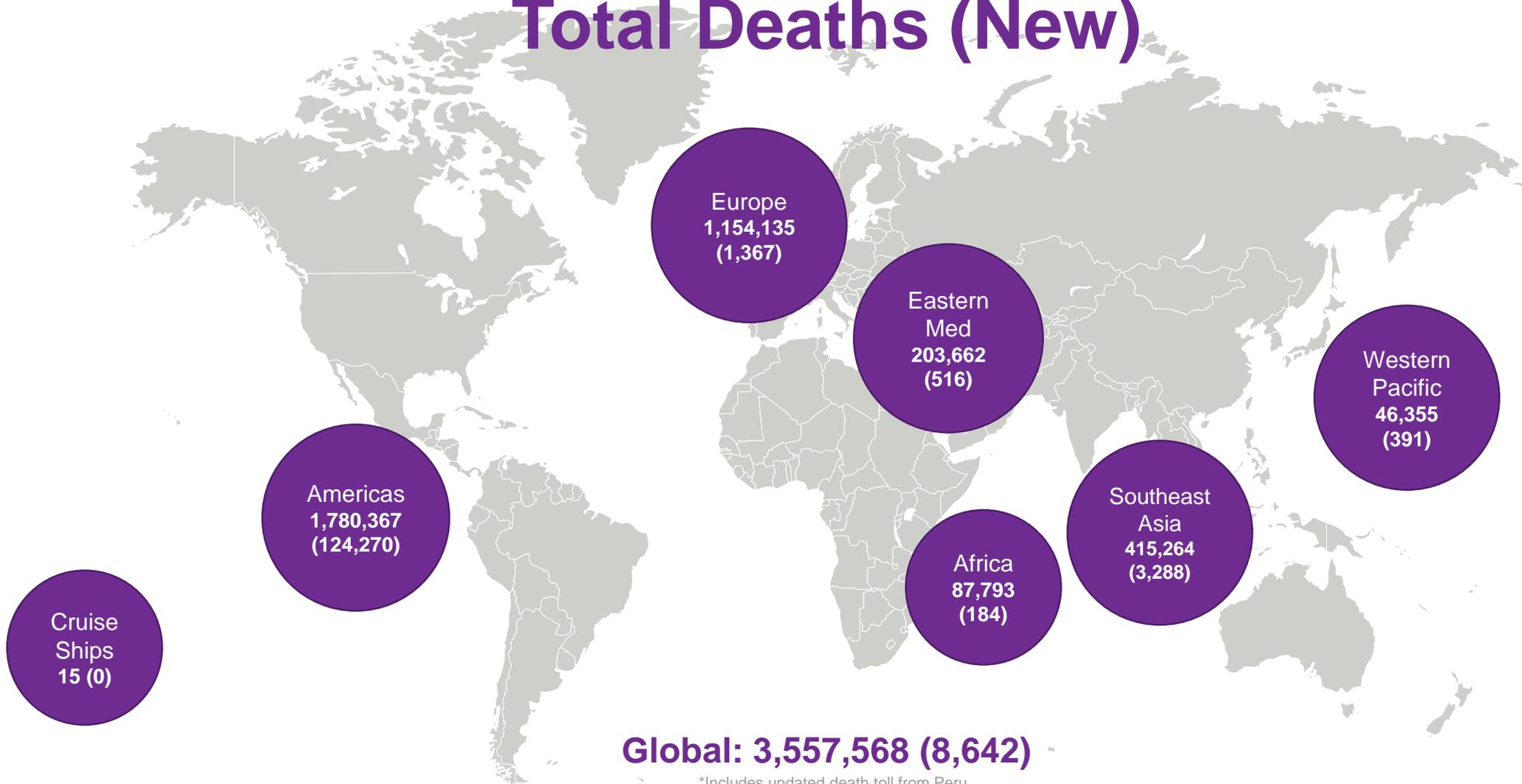
Confirmed Cases (New)



Reflects data as of 2100 hours the evening before the date of the situation report.
Data Source: WorldOMeter

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Total Deaths (New)



Reflects data as of 2100 hours the evening before the date of the situation report.
Data Source: WorldOMeter

*Includes updated death toll from Peru

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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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