

Dentons Flashpoint

Daily Global Situation Report

October 7, 2021

Global Situation Update: October 7, 2021

KEY TAKEAWAYS

The US is considering tapping its strategic petroleum reserve for the first time since 2011 in an effort to bring down global energy prices.

In the US, Japan, and Europe, some 240 million vaccine doses are at risk of going to waste as logistical hurdles prevent easy redistribution.

NATO withdrew the accreditation of eight Russian delegates, saying that they were “*undeclared intelligence officers.*”

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WHAT WE'RE WATCHING

Today, political campaigning in the Czech Republic comes to a close ahead of a general parliamentary election over the next two days. It is the country's tenth democratic election for the Chamber of Deputies (the lower chamber of parliament) since 1989 and first time large political coalitions will compete to take office.

Czechia's prime minister, billionaire Andrej Babiš, is a frontrunner to retain his post and is running on the issues of immigration and Euro-skepticism. The Pandora Papers revealed this week that he failed to disclose a series of shell companies used to buy a multi-million euro French chateau. The largest opposition parties have formed two new coalitions to topple Babiš and his ruling party. However, if they win neither will likely control enough seats in parliament to effect change, which may result in a post-election stalemate or even a constitutional crisis.



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 235.6 million with 4.8 million deaths; more than 6.1 billion vaccine doses have been administered.

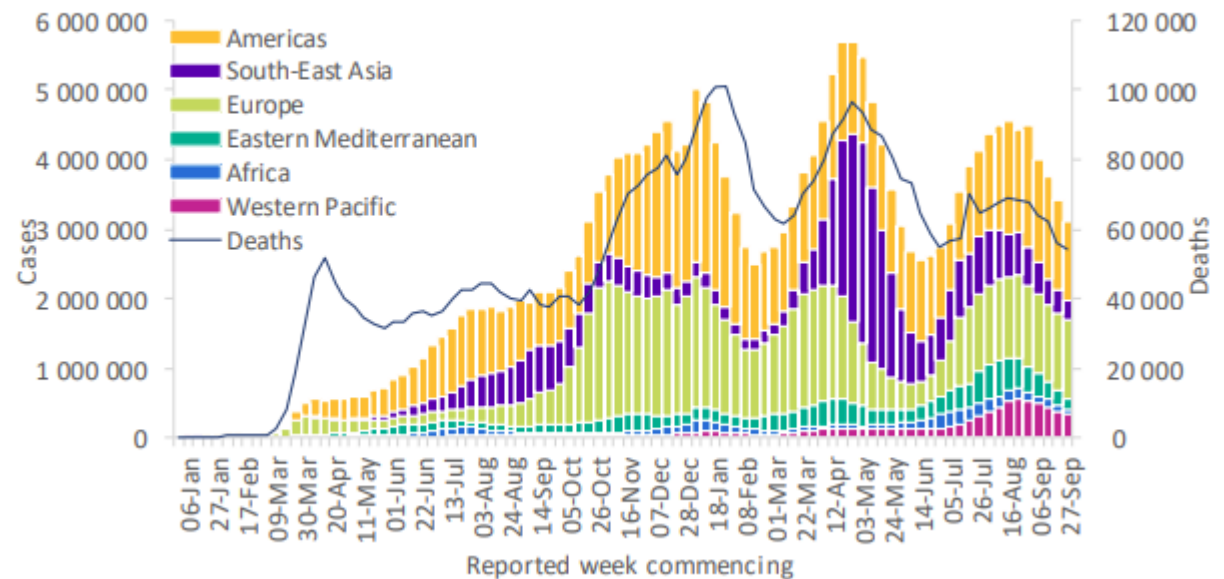
- The World Health Organization approved its first-ever **malaria vaccine**, called Mosquirix, which it recommended for children in sub-Saharan Africa and other at-risk regions.
- **Coal shortages** are helping push energy prices to record highs, presenting a key climate challenge ahead of the Glasgow COP26 conference, as the world reckons with the ongoing demand for fossil fuels.
- In the US, Japan, and Europe, some **240 million vaccine doses are at risk of going to waste** as logistical hurdles prevent easy redistribution.
- The IMF interviewed Managing Director Georgieva, and planned another meeting for Friday, following claims that she pressured staff to **alter data in China's favor** in a previous role.

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Global

Globally, the number of weekly COVID-19 cases and deaths continued to decline. This is a trend that has been observed since August. Over 3.1 million new cases and just over 54,000 new deaths were reported during the week of 27 September to 3 October 2021. Cases this week decreased by 9 percent as compared to the previous week, while deaths remained similar.

Figure 1. COVID-19 cases reported weekly by WHO Region, and global deaths, as of 3 October 2021**



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Markets & Business

Global gas markets eased and equities climbed on Thursday, as investors bet that Russia would help Europe avoid a full-blown energy crisis.

- **Levi** raised its full-year outlook following strong demand during the back-to-school shopping season.
- **GM** said that it plans to double revenue by 2030, with EVs driving growth.
- **Chinese Estates Holding**, a Hong Kong-based property group majority-owned by the family of billionaire tycoon Joseph Lau, has announced an offer to take the business private after its exposure to heavily indebted developer **China Evergrande** crushed its share price.
- **Amazon**-owned streaming platform **Twitch** announced that it had suffered a data breach, causing company data to be posted on 4chan. The 4chan user that posted the data called it “part one” indicating more data may yet be leaked.
- **Facebook** has reportedly slowed its rollout of new products in recent days amid heightened public and Congressional scrutiny of the company’s practices.
- State-backed **NatWest** pleaded guilty to failing to prevent alleged money laundering of nearly 400 million pounds (\$543.80 million), the first British lender to admit guilt to such offences.

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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

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

Africa

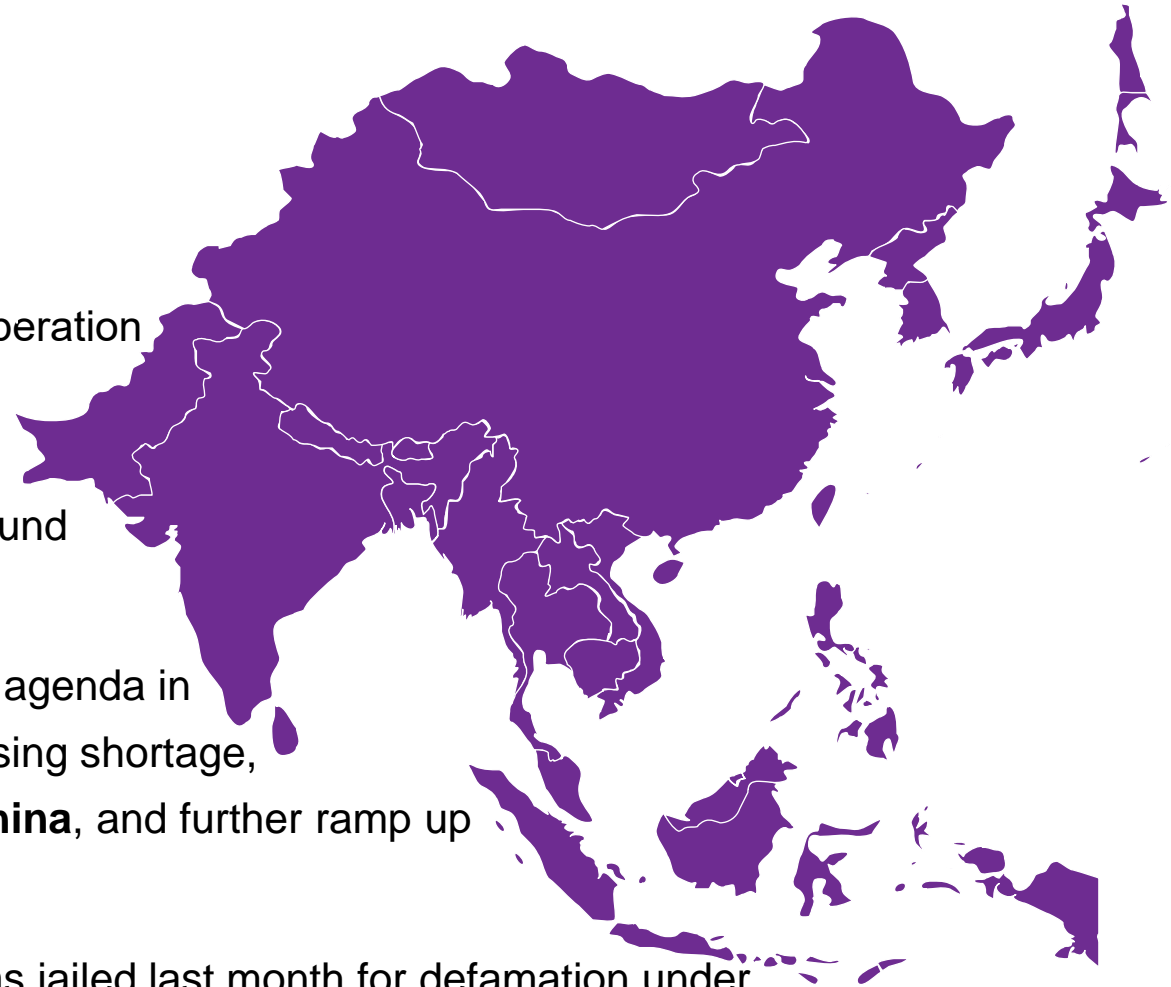
- In a government shake-up, **Ethiopian** Prime Minister Ahmed replaced his ministers of defense, peace, and water; the defense and peace ministers, the former of whom is a Tigrayan native, are may head a new strategy in the Tigrayan conflict, as well as attempt to repair relations with the west following the expulsion of several UN officials, while the water minister will oversee the Grand Ethiopian Renaissance Dam.
- Leaders of the Southern African Development Community held talks focusing on whether to extend the military training mission to **Mozambique**; Mozambican and **Rwandan** forces have mostly driven back Islamist militants, but it is uncertain if the victory is durable.
- **Somalia** accused **Somaliland** of forcibly evicting Somali refugees from a border town that Somaliland claimed were security threats amid rising tensions between the two countries.
- Moderna plans to invest about \$500 million to build a factory in **Africa** to make up to 500 million doses of mRNA vaccines each year, including its COVID-19 shot.



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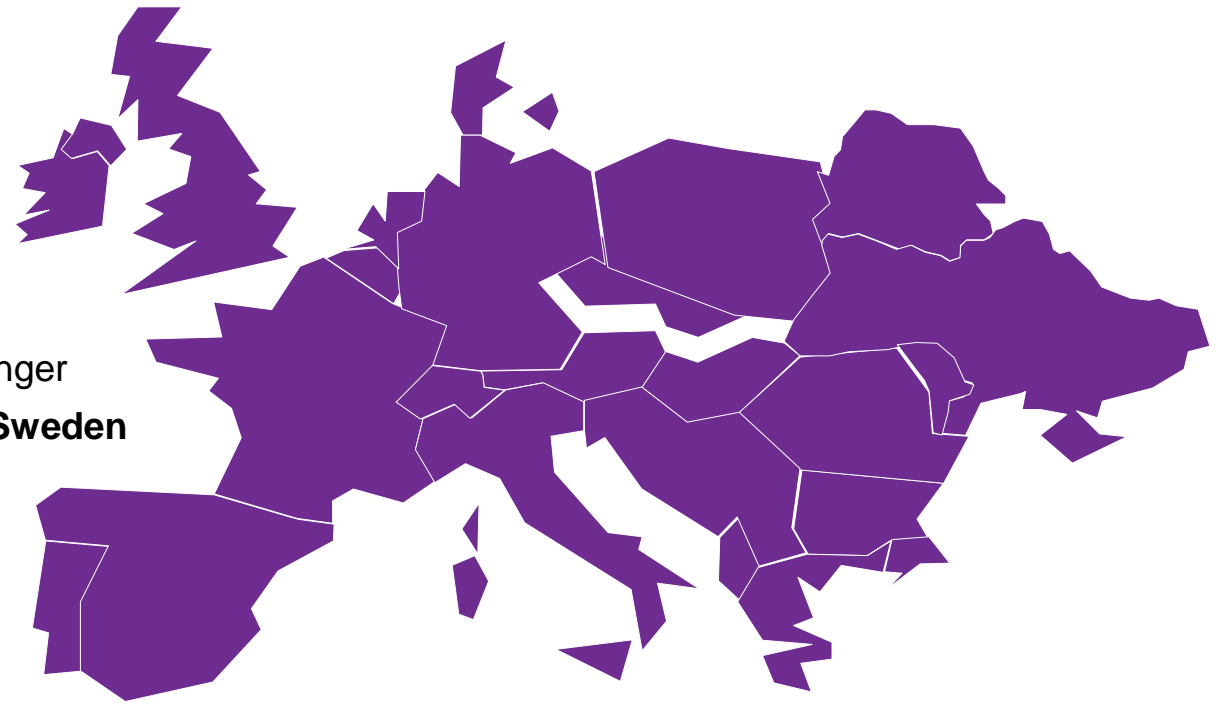
Asia

- **Taiwan's** defense minister warned that Beijing's People's Liberation Army (PLA) would be able to launch an invasion of Taiwan with minimal losses as soon as 2025. On Wednesday, **US** Secretary of State Blinken called **China's** recent actions around Taiwan "*provocative*," and warned against "*miscalculations*."
- **Hong Kong** leader Carrie Lam unveiled an ambitious policy agenda in a Wednesday speech, including measures to tackle the housing shortage, more closely integrate the economy with that of mainland **China**, and further ramp up national security initiatives.
- **Indonesia's** president agreed to pardon a professor who was jailed last month for defamation under a controversial internet law, following outcry from human rights and freedom of speech activists.
- **Singapore** signed a supply and purchase agreement with Merck to access the company's experimental COVID-19 antiviral drug.



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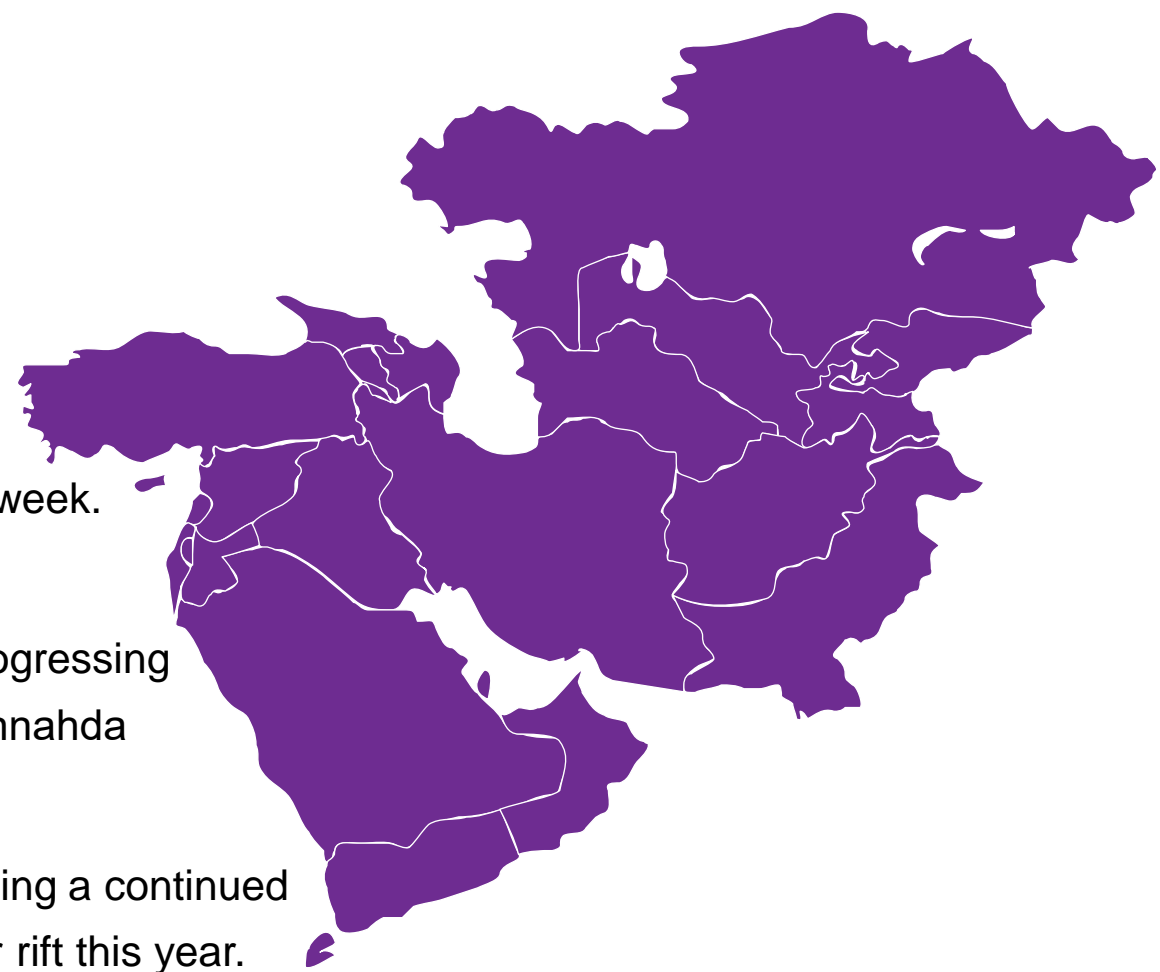
Europe



- **Finland** paused the use of Moderna's COVID-19 vaccine for younger males due to reports of a rare cardiovascular side effect, joining **Sweden** and **Denmark** in limiting its use.
- NATO withdrew the accreditation of eight **Russian** delegates, saying that they were “*undeclared intelligence officers.*” **France** will return its envoy to **Australia** following tensions over the **US, UK and Australia** security pact that canceled a French-Australian submarine deal.
- **Russian** President Putin said his country is prepared to stabilize global energy markets, hinting that Gazprom may increase supplies to Europe amid the continent’s energy crunch. Russian authorities fired several officials and opened an investigation into reports of widespread prisoner abuse exposed by footage posted on Gulago.net.
- The **EU** agreed on a €30 billion aid package for western **Balkan states** to aid economic development and progress towards EU membership.
- **Austria’s** Chancellor Sebastian Kurz was named as a suspect in a corruption investigation, accused of spending public money to fund positive media coverage; the chancellor called the allegations “*groundless.*”

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Middle East



- **Iran** sped up its predicted timeline on nuclear talks, saying that it expects nuclear talks in Vienna to resume “*within days*” after saying talks would resume in November just earlier this week.
- **Tunisian** police seized broadcasting equipment used by an unlicensed TV station close to the Islamist Ennahda party; progressing President Saied’s move to consolidate power and discredit Ennahda following his power grab.
- **Qatar’s** foreign minister made his first visit to the **UAE**, signaling a continued thawing of Gulf relations following the resolution of Gulf-Qatar rift this year.
- **Lebanese** Prime Minister Miqati said that he had signed a bill lifting immunity for “*everyone*” potentially involved in the August 2019 Beirut port explosion; the government has long faced popular ire for a lack of accountability.

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Americas

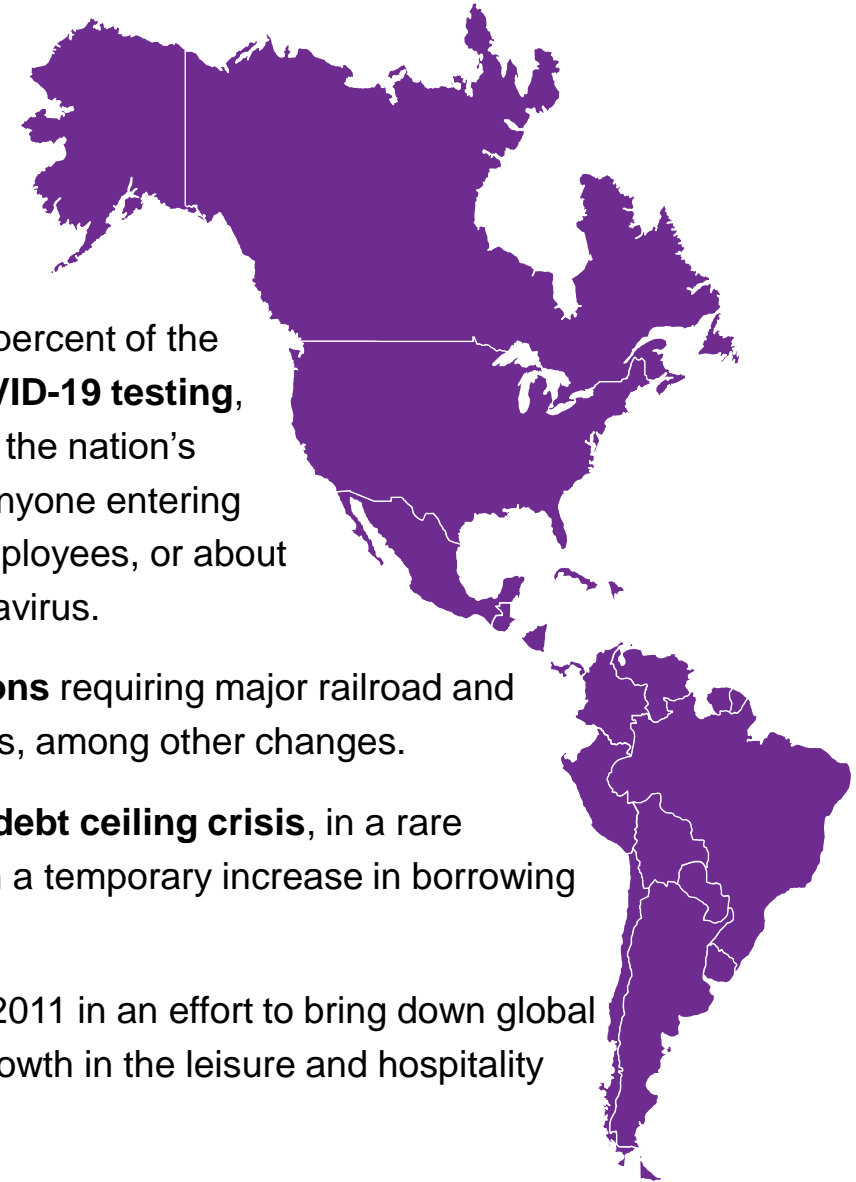
- Pfizer will study the efficacy of its vaccine by vaccinating the entirety of a town in **Brazil**, population 143,000.
- **Canada** announced a vaccine mandate for federal and will require vaccines for all air, train and ship travelers; unvaccinated federal employees will be placed on unpaid leave.
- A **Peruvian** town blocked the roads to a major copper mine in protest over lack of government focus on indigenous rights; the blockage comes just days after President Castillo said that he had come to an agreement with the community.
- **Peruvian** President Castillo said that his prime minister had resigned just two months into his term; Castillo did not give a reason for his departure, but Bedillo has had a fraught relationship with the opposition-led parliament.



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Americas: US

- Across the nation, 216 million have received at least one dose of the **vaccine**; or 65.1 percent of the total population. The Biden Administration will invest another \$1 billion to ramp up **COVID-19 testing**, funding an additional 180 million rapid tests. Los Angeles City Council approved one of the nation's strictest **vaccine mandates**, with a sweeping requirement for proof of vaccination for anyone entering indoor public spaces. Health-care provider Kaiser Permanente put more than 2,200 employees, or about 1 percent of its workforce, on unpaid leave for not getting vaccinated against the coronavirus.
- The Transportation Security Administration will announce new **cybersecurity regulations** requiring major railroad and airport operators to disclose cyber-attacks, name a cyber chief, and draft recovery plans, among other changes.
- Senate Minority Leader McConnell (R-KY) offered Democrats two pathways to avoid a **debt ceiling crisis**, in a rare overture amid the partisan fight; Democratic leaders said they would move forward with a temporary increase in borrowing authority.
- The US is considering tapping its **strategic petroleum reserve** for the first time since 2011 in an effort to bring down global energy prices. **Hiring in the US private sector** accelerated in September, fueled by growth in the leisure and hospitality industry.
- The US is investigating claims that former **Afghan** Prime Minister Ghani fled the country with millions of dollars in state funds after being deposed by the Taliban. The White House is planning a virtual meeting between President Biden and **Chinese** President Xi in the coming weeks.



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Visualizing Risk: COVID-19 in Europe

The EU's late summer COVID-19 wave appears to be easing, as nearly 70 percent of the bloc's population is now vaccinated. However, within this overall positive trend, several countries are showing worrisome trends of rising cases, even as other areas continue to keep case rates low.

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.

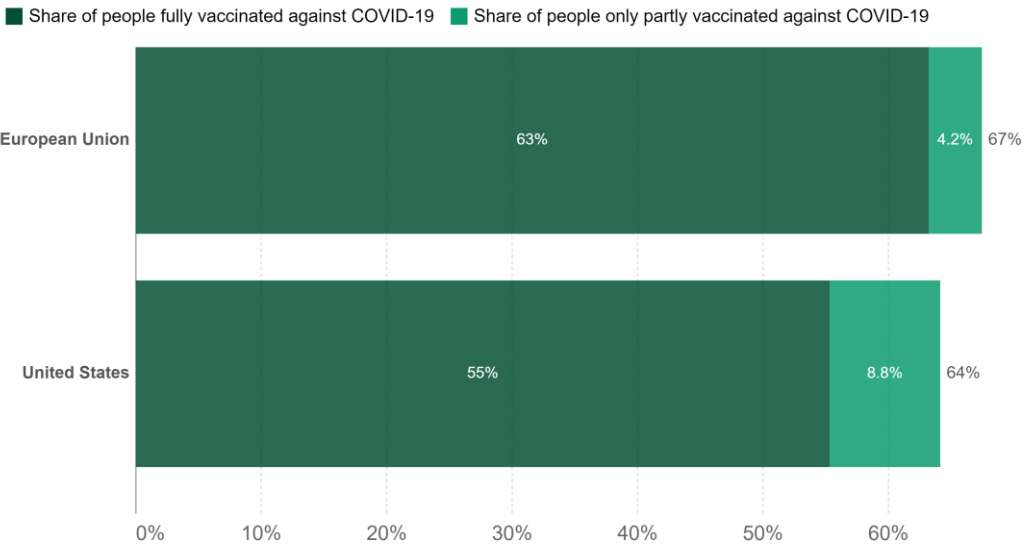


Source: Johns Hopkins University CSSE COVID-19 Data



Share of people vaccinated against COVID-19, Oct 5, 2021

Alternative definitions of a full vaccination, e.g. having been infected with SARS-CoV-2 and having 1 dose of a 2-dose protocol, are ignored to maximize comparability between countries.



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Source: Official data collated by Our World in Data. This data is only available for countries which report the breakdown of doses administered by first and second doses in absolute numbers.
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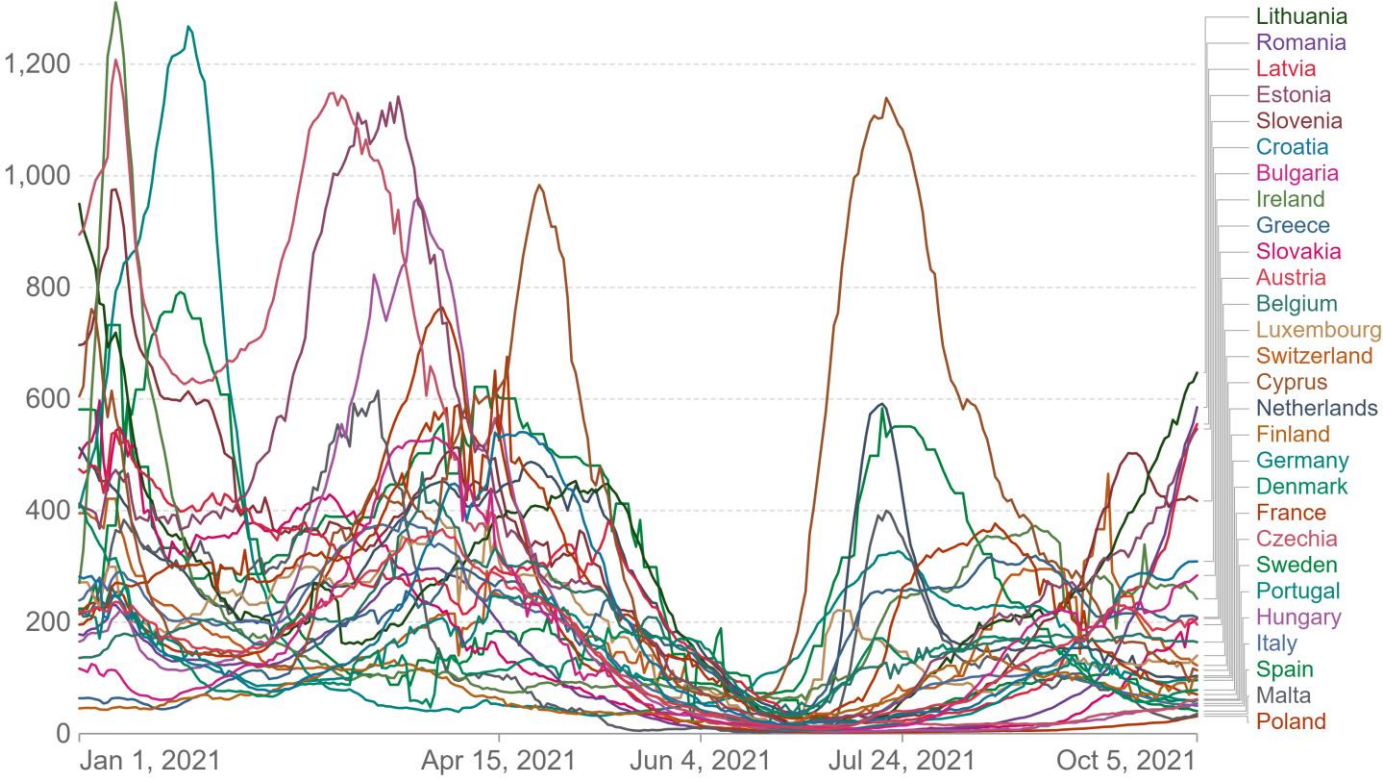
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Visualizing Risk: COVID-19 in Europe

Daily new confirmed COVID-19 cases per million people

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Source: Johns Hopkins University CSSE COVID-19 Data

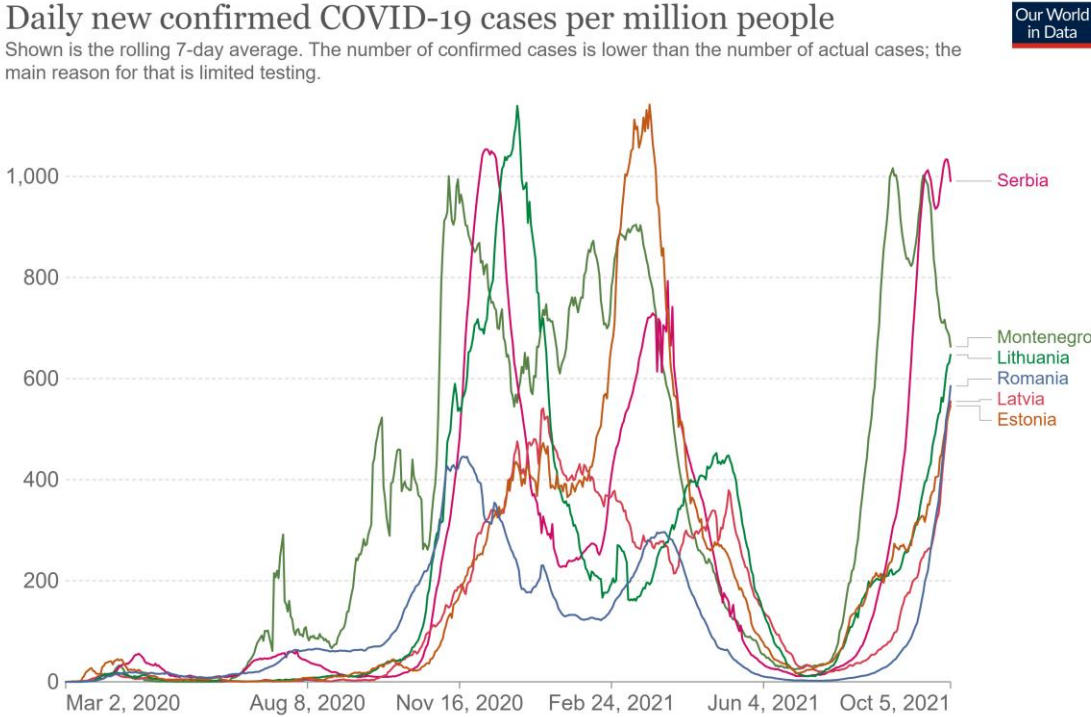
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A number of EU countries are seeing a marked improvement from the peaks of their summer outbreaks. In particular, the COVID-19 situation in Portugal and Spain has eased in early autumn, putting both countries at the bottom of EU daily case rates despite surges in July. The EU's three largest countries (Germany, France, and Italy) are also seeing low levels of daily cases. This trend is particularly important for France, which saw a significant case surge in the late summer.

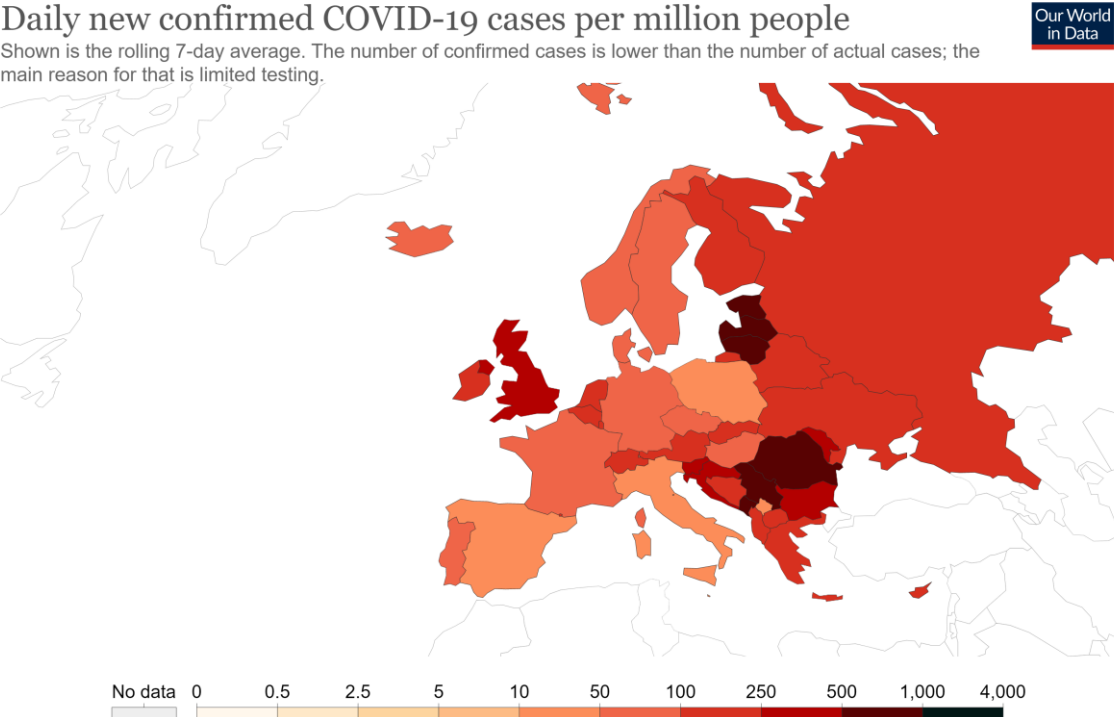
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Visualizing Risk: COVID-19 in Europe

There are two primary areas of concern for COVID-19 in Europe: one in the Baltic States and another in Central/Eastern Europe, centered in Romania, Serbia, and Montenegro. Romania stands out in particular for its rising case rates amid low vaccination rates - one of the lowest in the EU.



Source: Johns Hopkins University CSSE COVID-19 Data



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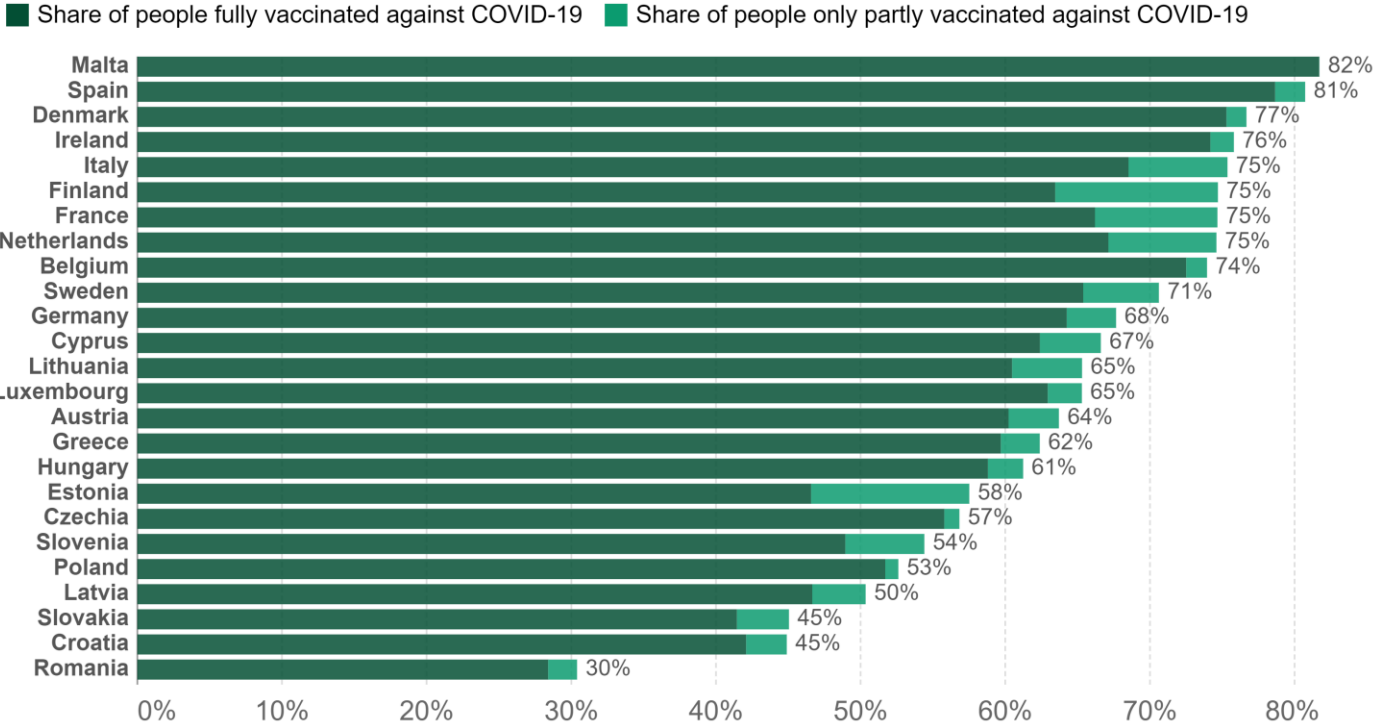
Visualizing Risk: COVID-19 in Europe

While most EU states are in advanced stages of their vaccination campaigns - many are already rolling out booster shots - a number of Eastern European states both within and outside of the bloc are lagging behind, creating another area of vulnerability. Romania and Bulgaria (which said in September that only 20 percent of its population has been jabbed) have vaccinated small portions of their populations, more akin to nearby states of Ukraine, Belarus, and Moldova in terms of vaccination rates. Officials in Romania and Bulgaria have cited vaccine hesitancy as the key hurdle to rollout.

Share of people vaccinated against COVID-19, Oct 5, 2021



Alternative definitions of a full vaccination, e.g. having been infected with SARS-CoV-2 and having 1 dose of a 2-dose protocol, are ignored to maximize comparability between countries.



Source: Official data collated by Our World in Data. This data is only available for countries which report the breakdown of doses administered by first and second doses in absolute numbers.
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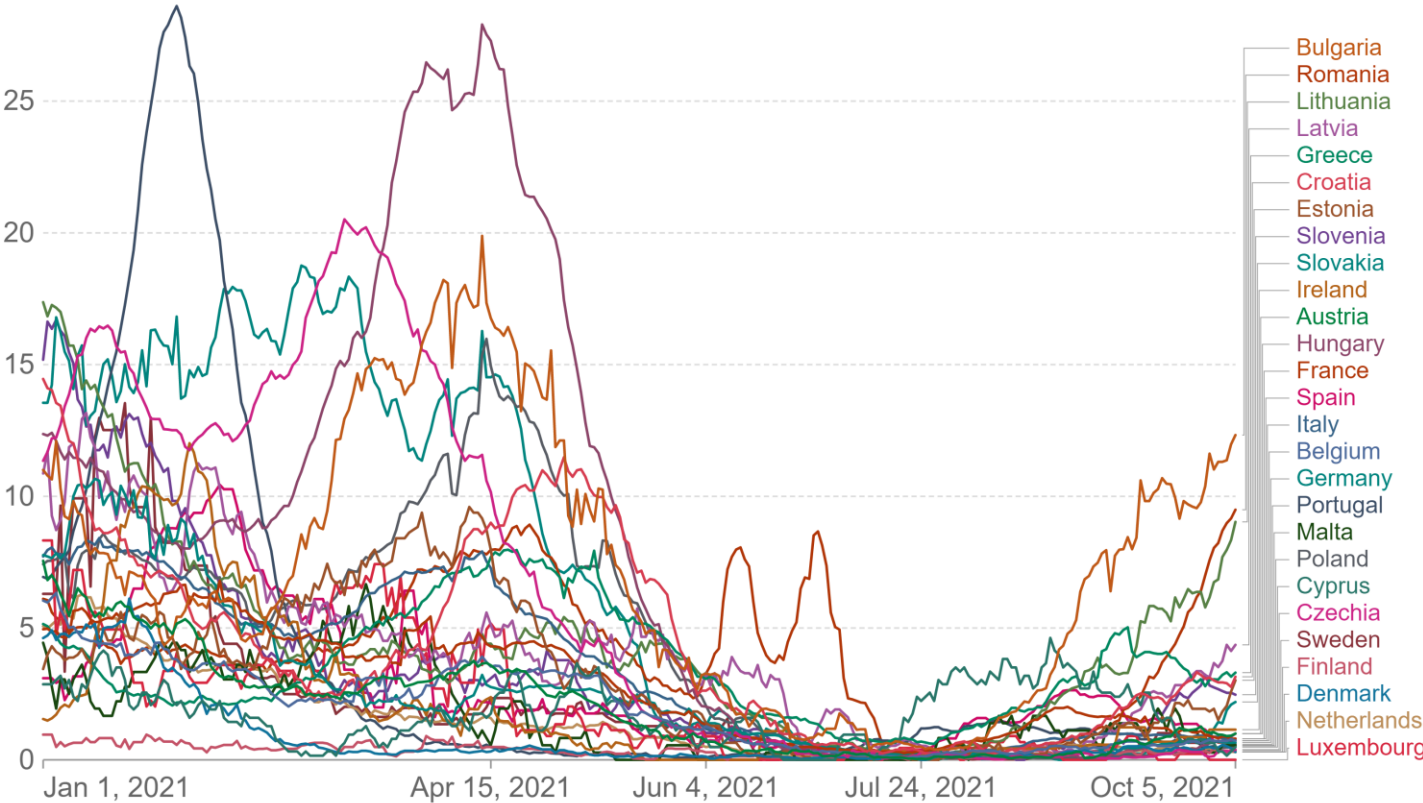
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Visualizing Risk: COVID-19 in Europe

Daily new confirmed COVID-19 deaths per million people

Shown is the rolling 7-day average. Limited testing and challenges in the attribution of the cause of death means that the number of confirmed deaths may not be an accurate count of the true number of deaths from COVID-19.



With higher levels of vaccinations, the death toll of Europe's late summer COVID-19 outbreak was lower than surges earlier in the year. However, the rising death rates in Bulgaria and Romania - the two EU states with by far the lowest vaccination rates - indicate further challenges ahead as the countries struggle to convince their populations to get the jab. Lithuania, Latvia, and Estonia are also seeing a rising death toll following the Baltic states' recent surge in cases.

Source: Johns Hopkins University CSSE COVID-19 Data

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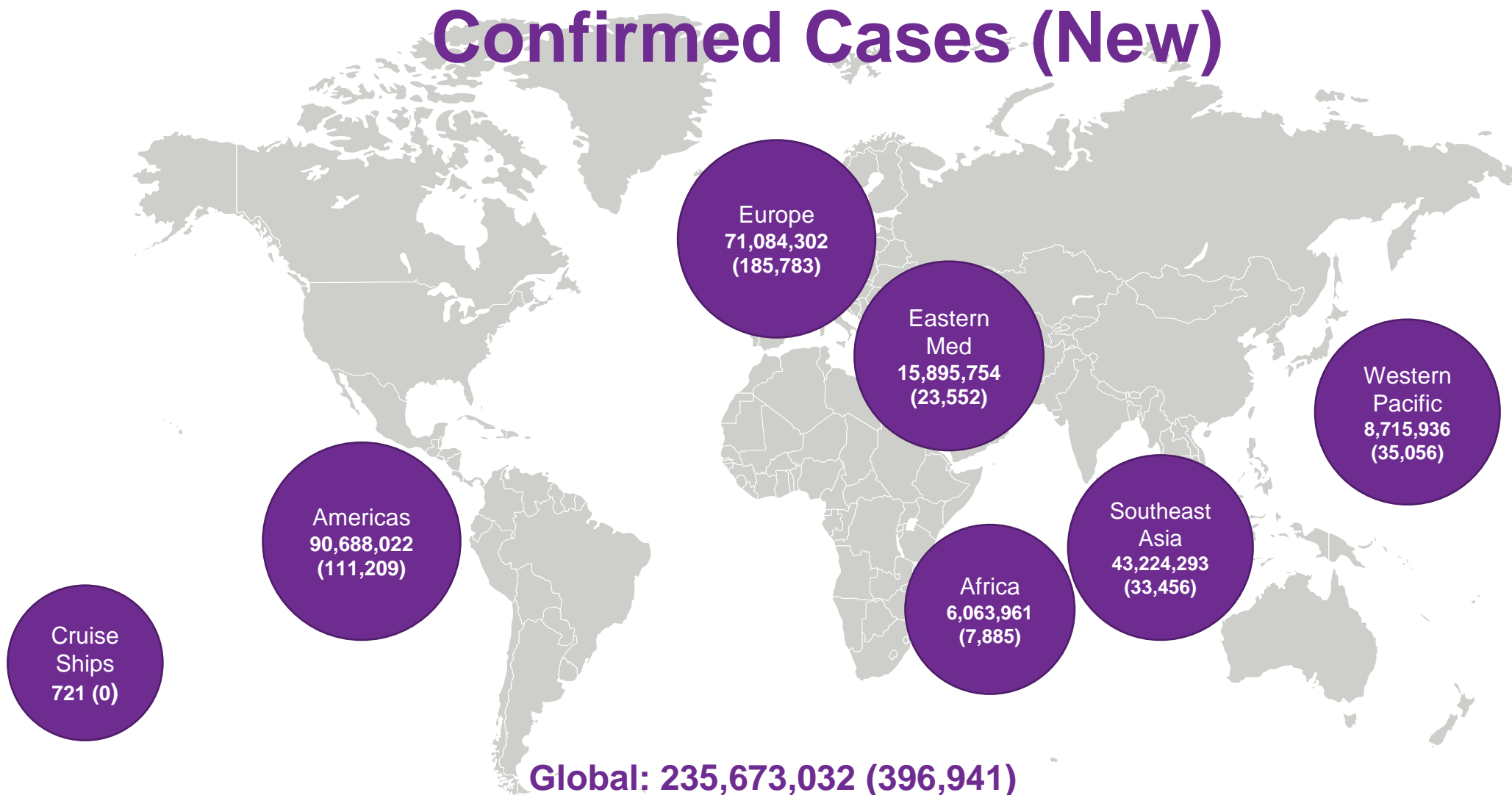
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Coronavirus Condition Updates

As of 8:48 pm CEST on October 6, 2021

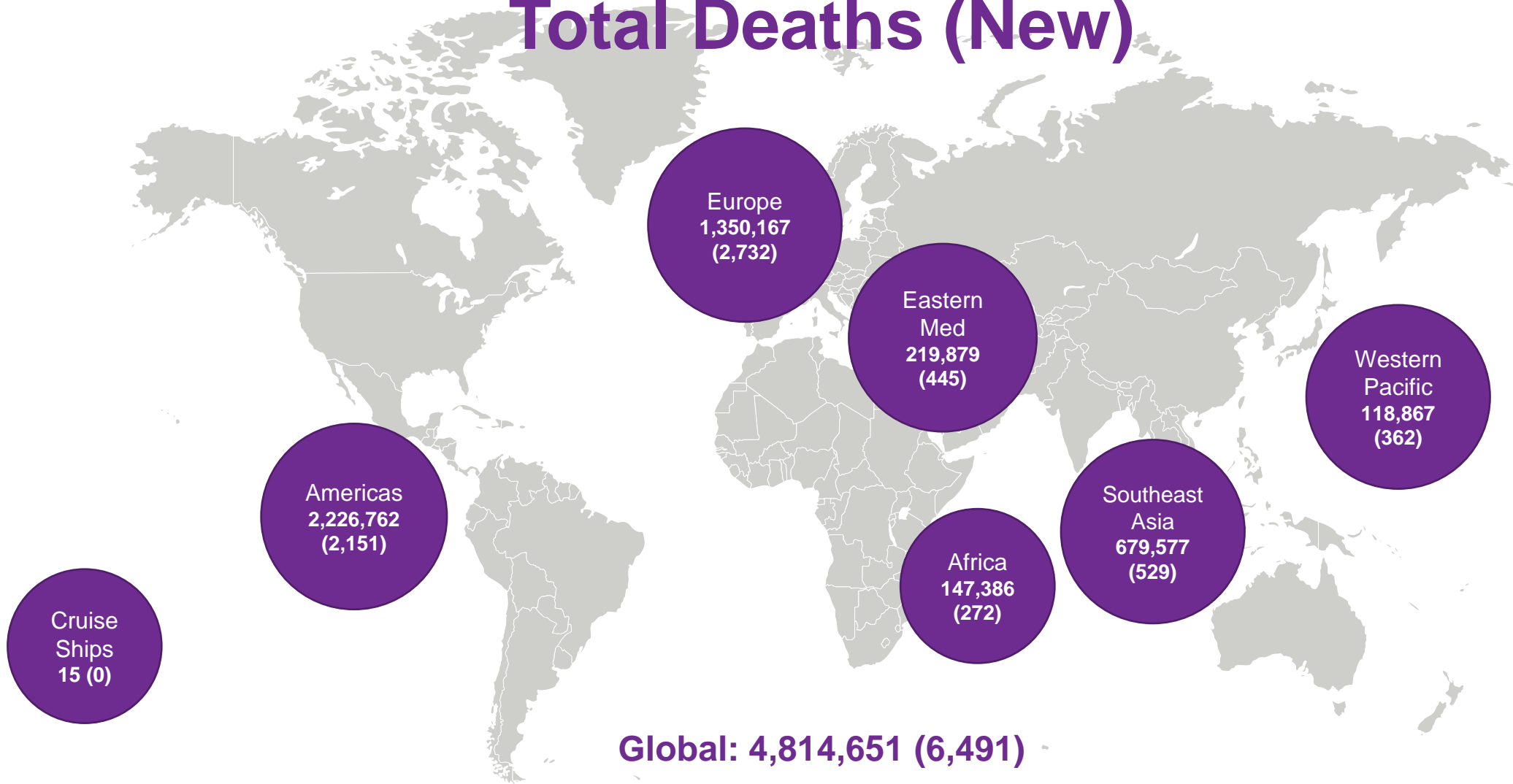
Confirmed Cases (New)



Reflects data as of 8:48 pm CEST on October 6, 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 8:48 pm CEST on October 6, 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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