

Dentons Flashpoint

Daily Global Situation Report

December 10, 2021

Global Situation Update: December 10, 2021

KEY TAKEAWAYS

China and Nicaragua re-established diplomatic ties today after Nicaragua breaks ties with Taiwan.

The US plans new military and economic measures against Iran in case of failed nuclear negotiations.

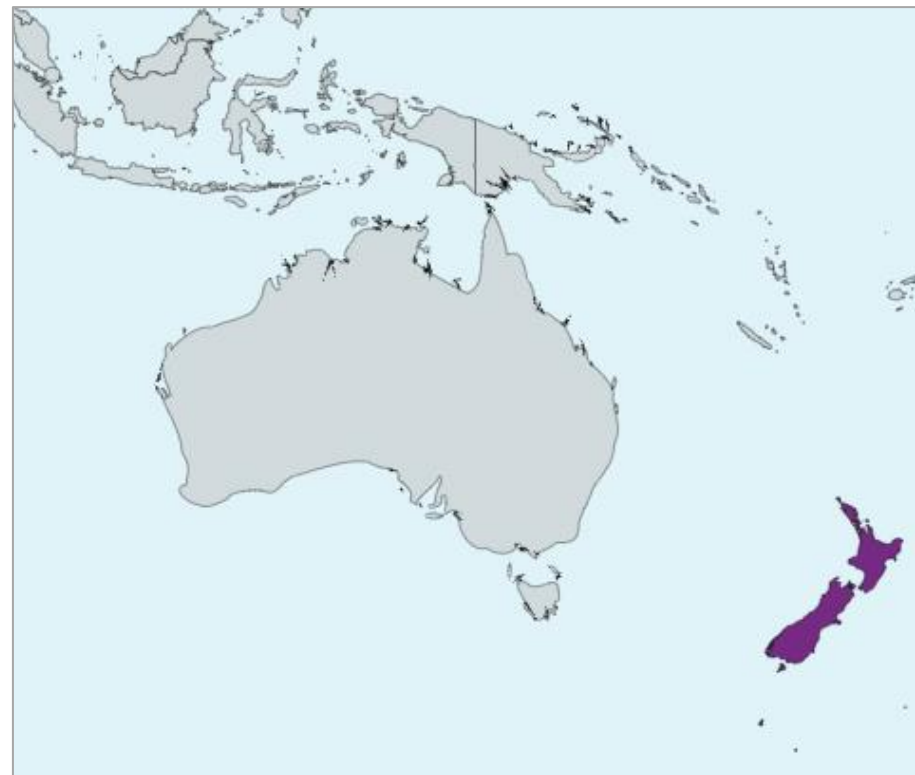
The EU officially passed the first part of its new rulebook on climate friendly investments.

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WHAT WE'RE WATCHING

New Zealand is introducing a new law that is among the most radical public policy solutions to harmful substances on the planet: outlawing tobacco smoking for the next generation. The government in Wellington aims to accomplish this by requiring the minimum age to buy cigarettes to keep rising year after year, so that those citizens currently 14 years and younger can never legally buy them. The goal is to have less than 5 percent of New Zealanders smoking by 2025.

Lawmakers in Australia and Ireland have already expressed interest in pursuing a similar strategy to tackle the long-standing public health problem. If this approach gains popularity in more places around the world, businesses in some sectors considered detrimental to public health could face new challenges from proactive governments.



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 267.1 million with 5.2 million deaths; almost 8.1 billion vaccine doses have been administered.

- The WHO said the **COVAX facility** needs a new set of rules in the long term to prevent the hoarding of vaccines by high income and vaccine-producing countries.
- Japanese researchers at Kyoto Prefectural University have developed **masks that use ostrich antibodies** to detect COVID-19 by glowing under ultraviolet light. The discovery could provide for low-cost testing of the virus at home.
- Israel led 10 countries, the IMF and the World Bank in a **simulation of a major cyberattack** on national finance institutions with the goal of improving cooperation.
- Today, the **2021 Nobel Peace Prize** will be awarded to journalists Maria Ressa and Dmitry Muratov in Oslo. The two will share the \$1.1 million award for their “courageous fight for freedom of expression in the Philippines and in Russia”.

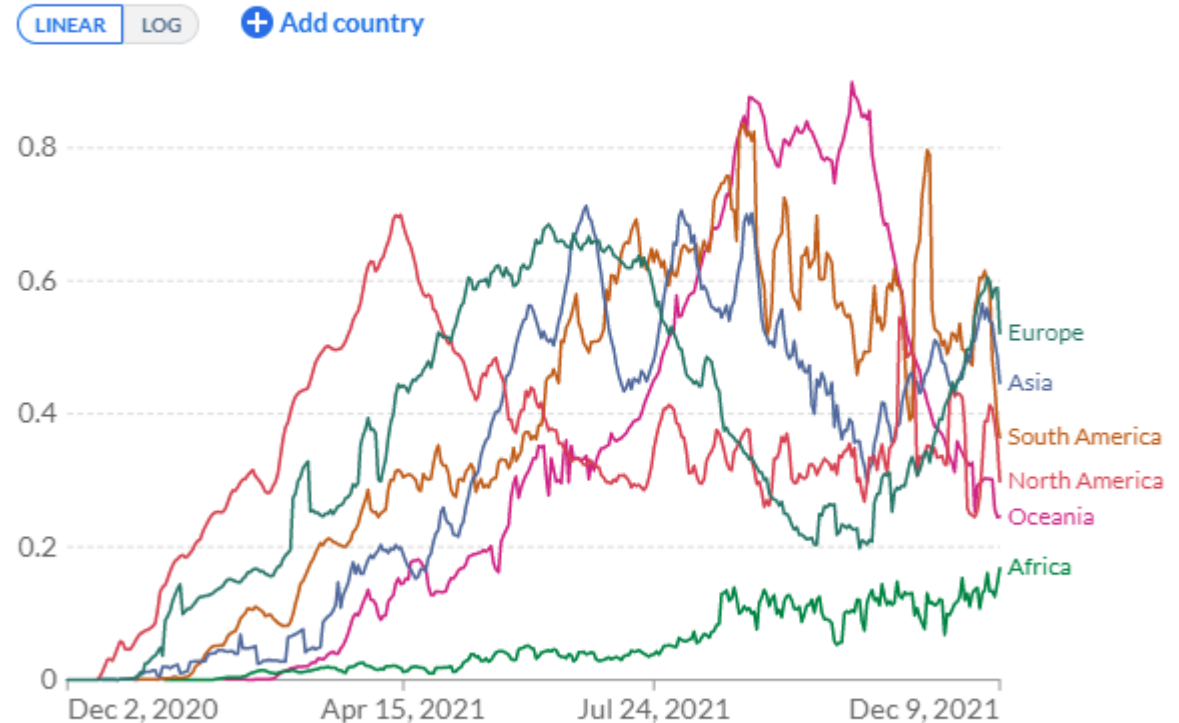
Global

Despite the spread of the Omicron variant, all regions – except Africa – continue to report declining rates for daily vaccine doses administered.

Daily COVID-19 vaccine doses administered per 100 people

Our World in Data

Number of daily doses administered (rolling 7-day average), divided by the total population of the country. All doses, including boosters, are counted individually.



Source: Official data collated by Our World in Data - Last updated 10 December 2021, 06:30 (London time)
OurWorldInData.org/coronavirus • CC BY

▶ Dec 2, 2020 ○ Dec 9, 2021

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Markets & Business

Germany's Federal Cartel Office is taking is investigating the planned sale of Maersk's refrigerated containers maker to China International Marine Containers focused on the effects the takeover could have on the affected markets.

- **Oil prices** steadied around \$75 a barrel, rewarding OPEC+'s decision to stick with output hikes despite Omicron-related instability.
- **General Motors Co** plans to source rare earth magnets for its future electric vehicles from new US-based manufacturing facilities under two separate deals announced yesterday, a return to an industry the automaker had all but abandoned in the 1990s.
- **Toyota Motor Co** expanded production stoppages at some factories in Japan because of a shortage of components shipped from parts plants in Southeast Asia, cutting car output by 9,000 vehicles.
- **Volvo Cars** and battery maker **Northvolt** will open a joint research and development center in Sweden as part of a 30 billion crown (\$3.3 billion) investment.
- Saudi Arabia's sovereign wealth fund is set raise 12 billion riyals (\$3.2 billion) through the sale of a 6 percent stake in **Saudi Telecom** after it priced the deal in a secondary share offering.

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Environment, Sustainability & Governance

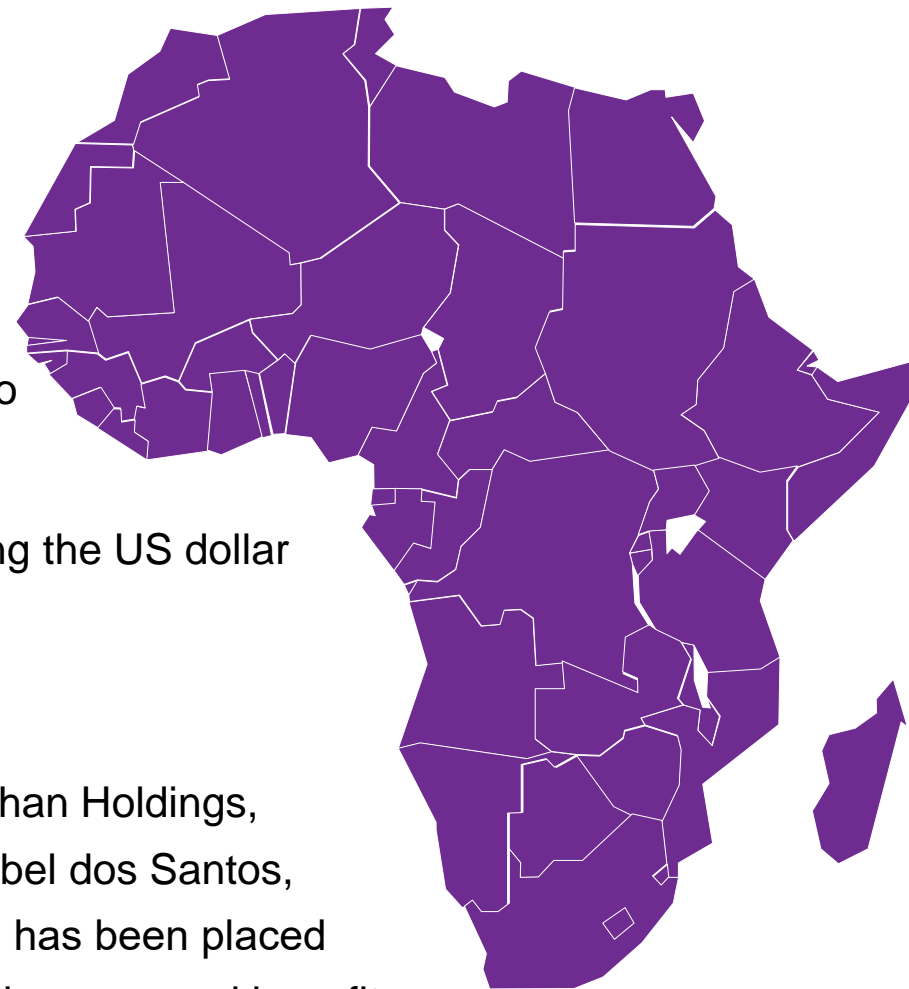
The 29 members of the International Council on Mining and Metals committed to disclosing all mineral development contracts and related taxes from January to promote transparency for resource governance.

- Starbucks workers at a store in Buffalo, New York, voted in favor of **unionizing**, citing burnout from mobile orders.
- The EU officially passed the first part of its new rulebook on **climate friendly investments**, restricting the green investment label to a more narrowly defined set of investments from January. The politically sensitive debate over whether to label gas and nuclear investments green remains.
- Tesla Inc is being sued by a second female employee for **sexual harassment** in less than a month, with the two lawsuits alleging a "*hostile work environment*" against women at the car maker's California factory.

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Africa

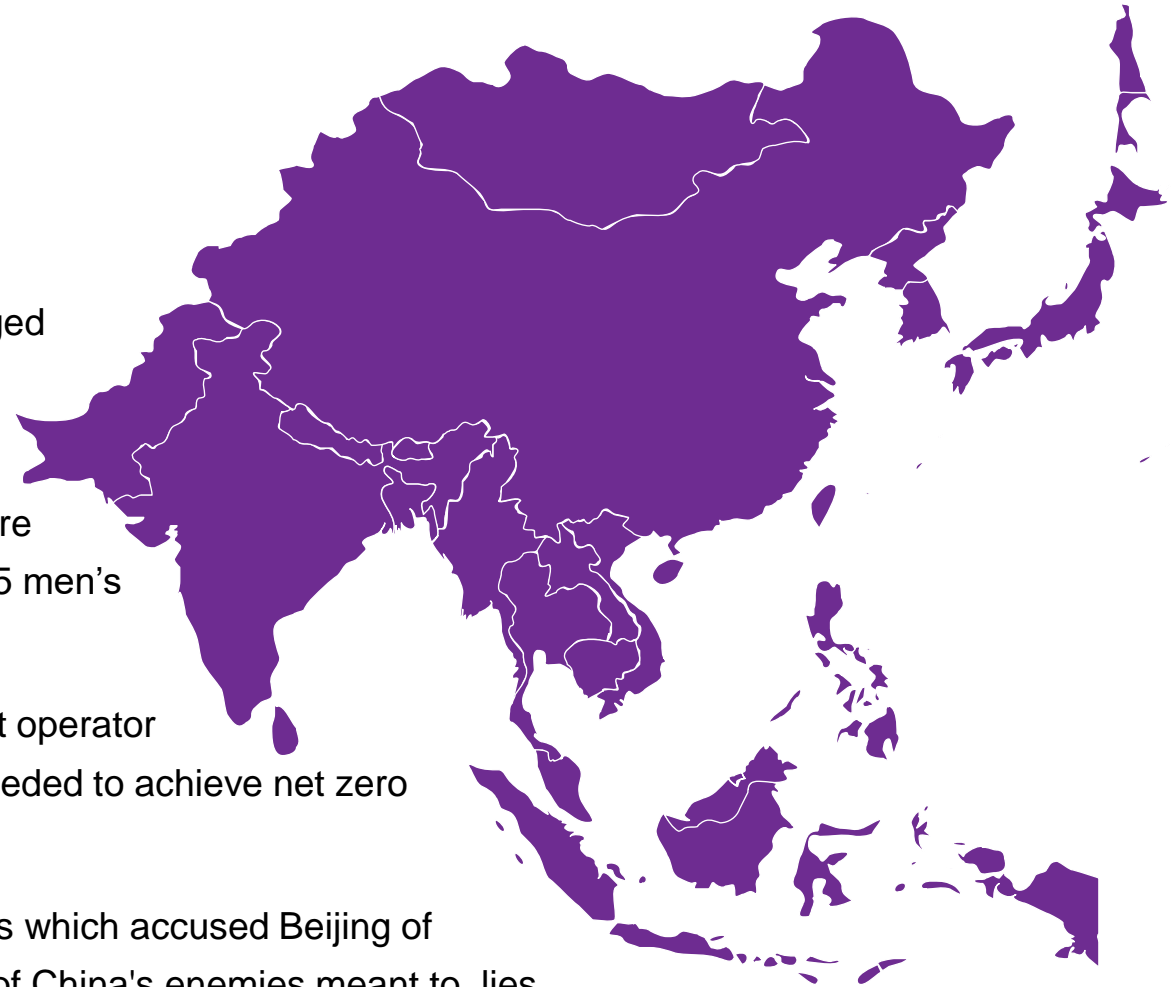
- The prime minister of **Burkina Faso** and his government resigned following several weeks of anti-government protests over its inability to quell jihadist violence.
- **Zimbabwean** business leaders pressed President Mnangagwa to bring the US dollar back into circulation amid a currency crisis.
- The IMF approved a \$276 million loan for **Niger**.
- The **US** added former **Angolan** General Dino and his companies Cochan Holdings, Cochan SA to its specially designated nationals list, for corruption. Isabel dos Santos, Africa's richest woman and the daughter of Angola's former president, has been placed under visa restrictions by the US for misappropriating public funds for her personal benefit.
- **South Africa** will offer booster doses of the Pfizer and Johnson & Johnson COVID-19 vaccines as the Omicron coronavirus variant drives daily infections towards record highs.



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Asia

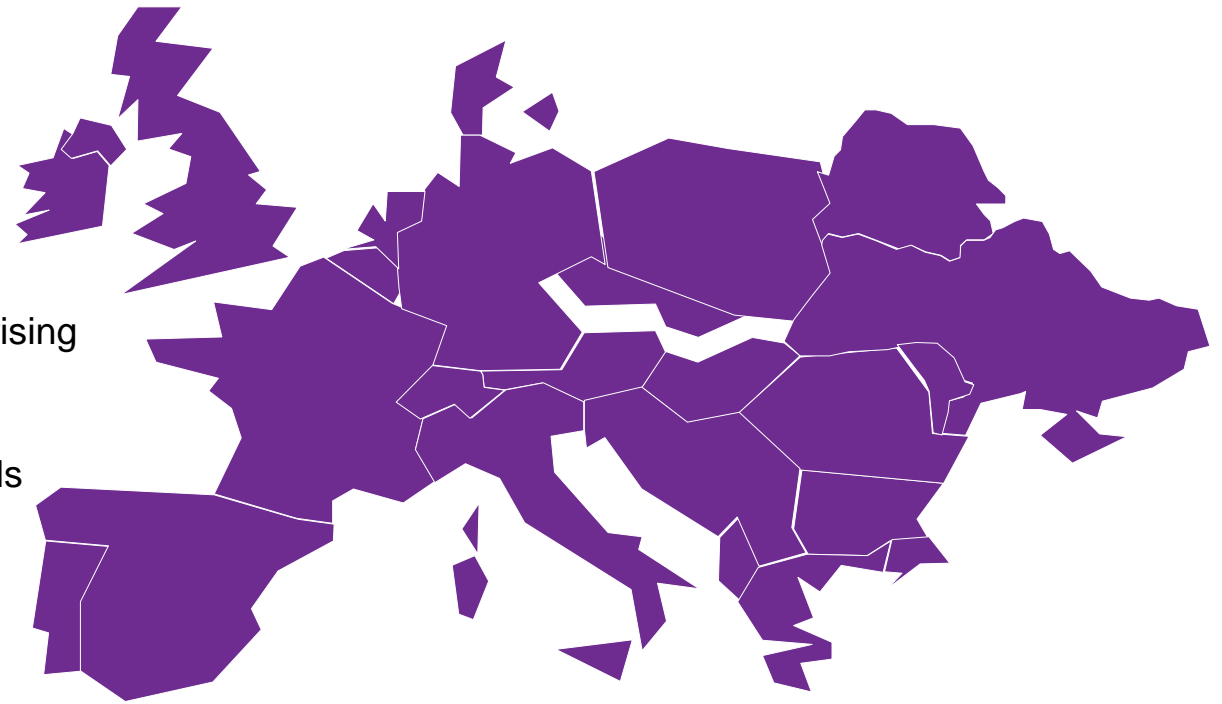
- **Australia** will begin administering COVID-19 vaccines for children aged 5 to 11 from January 10.
- International Tennis Federation stated there will be no World Tennis Tour events held in **China** in 2022 In the last full season in 2019 before the COVID-19 pandemic, China hosted about 25 ITF women's and 15 men's events.
- **Australia** can phase out coal-fired power by 2043, the energy market operator said on Friday in a draft plan for electricity investments that will be needed to achieve net zero carbon emissions by 2050.
- The **Chinese** embassy in London said an unofficial tribunal of lawyers which accused Beijing of genocide against the Uyghurs was nothing more than a political tool of China's enemies meant to lies. The unofficial tribunal of lawyers and campaigners said that Chinese President Xi bore primary responsibility for what it said was genocide, crimes against humanity and torture of Uyghurs and Kazakhs in Xinjiang.



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Europe

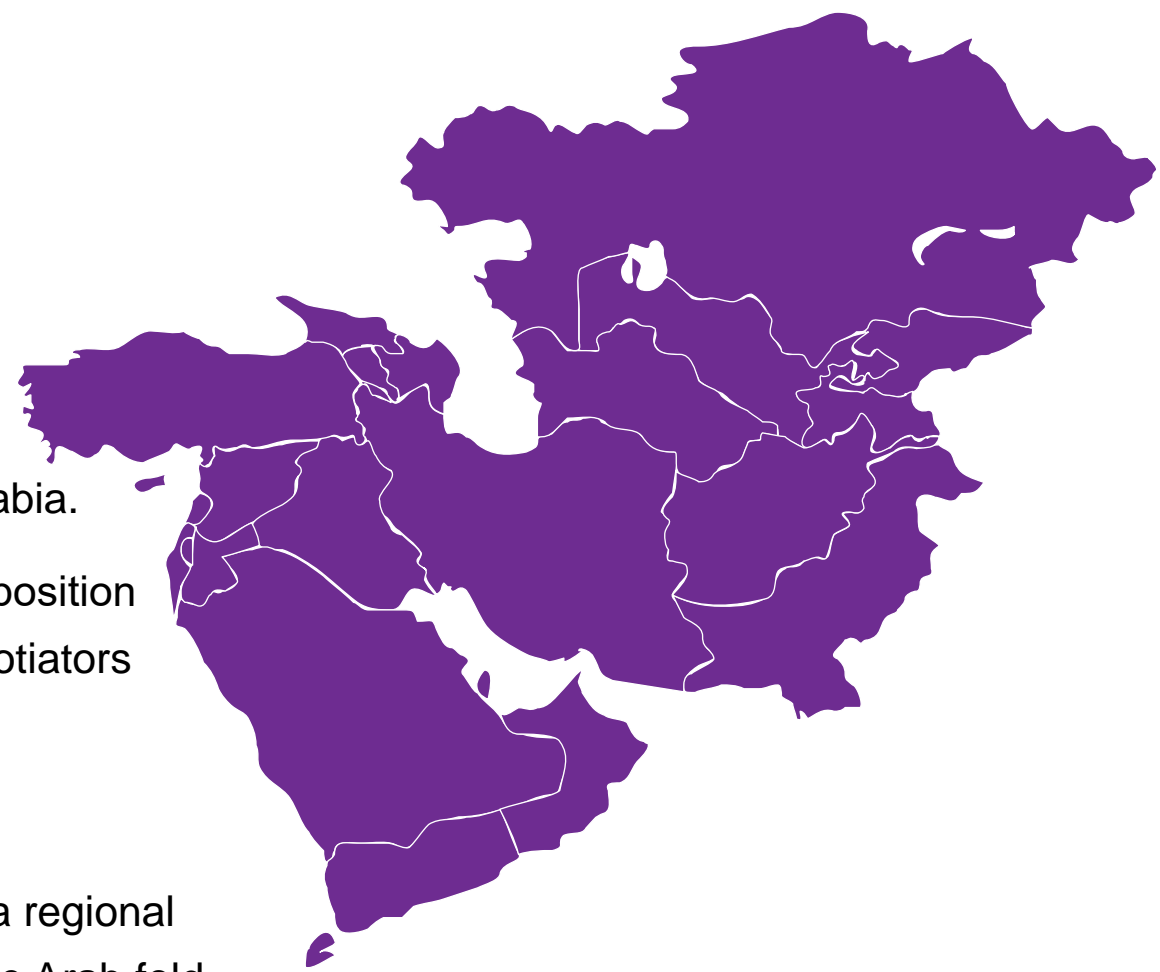
- The new **Turkish** finance minister pledged fiscal discipline amid rising inflation and uncertain fiscal policy led by President Erdogan.
- **France** will ask the **EU** to start legal action against **Britain** if it fails to issue more fishing licenses by today's deadline set by the European Commission.
- Starting in February, **Austria** will impose criminal fines of up to €3,600 on anyone over the age of 14 who refuses to be vaccinated.
- The **UK** High Court ruled that Julian Assange can be extradited to the US to stand trial over charges of acting illegally in obtaining and publishing classified documents. The US wants Assange to face trial on one charge of computer hacking and 17 of violating the US's 1917 Espionage Act, relating to one of the biggest leaks of classified material in history.
- **Ukraine and Russia** blamed each other after talks on a new ceasefire in eastern Ukraine broke down late on Thursday amid tensions over a Russian troop buildup. The **US** promised Central European NATO members more military support over concerns about the Russian troop build-up on the border with Ukraine.



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Middle East

- A previously jailed **Saudi** women's rights activists sued several former **US** intelligence contractors, alleging that they participated in a phone hack that led to her arrest in Saudi Arabia.
- **Iran's** top nuclear negotiator stuck to last week's negotiating position in renewed talks, calling for sanctions relief that western negotiators have called maximalist.
- **Lebanon** detected its first case of the Omicron variant.
- **Syria's** energy minister announced that the country will hold a regional energy summit in 2024, a further sign of Syrian reentry into the Arab fold.



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Americas

- Center-right **Chilean** President Pinera signed into law a historic bill legalizing same-sex marriage.
- **Mexican** inflation accelerated at a higher than expected pace in November, hitting a twenty year high.
- **China and Nicaragua** re-established diplomatic ties today after the Central American country broke relations with Chinese-claimed **Taiwan**.



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Americas: US

- Federal regulators authorized **booster shots of Pfizer** coronavirus vaccine for 16- and 17-year-olds. US government agencies handed out **vaccine exemptions** and extensions to more than 165,000 staff. The **federal vaccine mandate** is due to come into force on January 4 but is now caught up in litigation.
- New applications for **unemployment benefits** dropped last week to their lowest level in 52 years, a sign of further progress in the labor market's uneven recovery
- The Senate on Thursday passed and sent to President Biden the first of two bills needed to raise the federal government's **\$28.9 trillion debt limit** and avert an unprecedented default.
- Secretary of Defense Austin met with his Israeli counterpart in Washington to discuss **Iran nuclear negotiations**; the two reportedly discussed military drills preparing for a scenario where the JCPOA 2.0 falls through. A US delegation to the UAE discussed tightening sanctions enforcement against Iran via Emirati businesses.



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Cybersecurity and Board Responsibility for a Happy Holidays

By Scott Muir

With the holiday season here, and cybercriminals waiting to catch organizations off guard during downtime, it is a good moment for boards of directors to consider measures that will ensure business continues into the new year.

Board members need not be overwhelmed by news of incessant cyberattacks, but just remember that they best serve stakeholders by overseeing cybersecurity preparedness at the organizational level and providing support to management so technical experts are equipped to handle the inevitable problem. Year-end contemplation and reflection might consider how boards can recruit members with a diversity of skills and perspectives from different industries so organizations will have a more well-rounded view of cyber threats. There is an additional impetus nowadays for boards to prepare their organizations to navigate the new cyber threat environment as President Biden and US government agencies have called on all to play their part in defending the American economy.

Following are some actionable steps boards can take to ensure business continuity into 2022:

- Review what resources, internal and external, are available to draw upon in the eventuality of a cyber-breach. Semi-regular tabletop exercises will help the board and management determine how and which cyber professionals on staff might handle a particular type of cyber-attack or scenario, and if external expertise should be on call.
- Advise communications departments to prepare responses for various cyber breach scenarios (ransomware lockout, public blackmail, etc.) before they occur and craft messages that will reassure customers, staff, and vendors about how the organization will overcome the problem.
- Ask important questions of management related to cyber security preparedness, such as if they are aware of new phishing campaigns that prey on fears of the omicron variant, or if the IT vanguard has the necessary training, threat intelligence, and tools to detect intrusions by new ransomware strains.

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Cybersecurity and Board Responsibility for a Happy Holidays

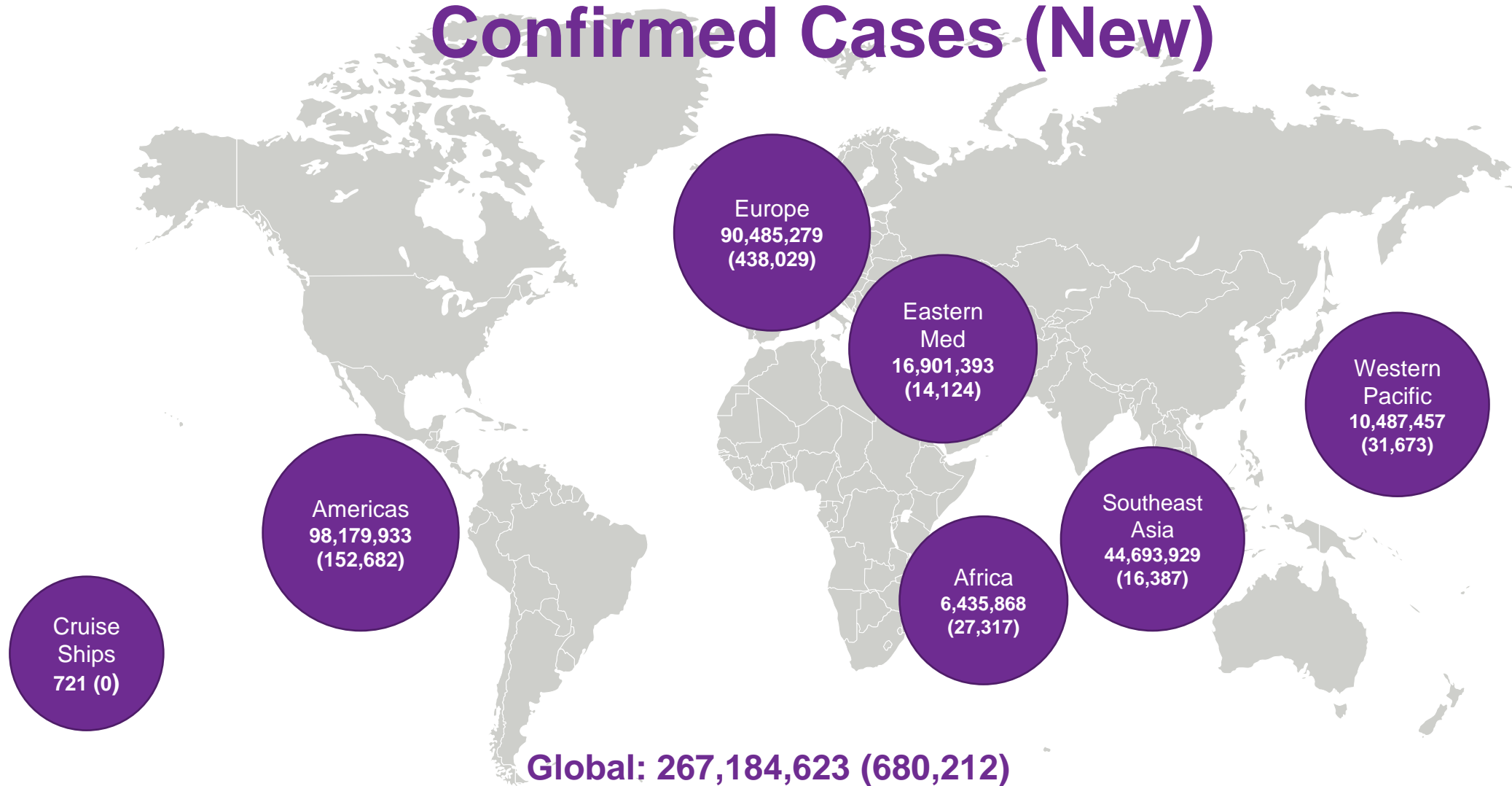
- Order an outside assessment of cybersecurity plans to gauge the potential effectiveness of incident response. Key takeaways from the assessment will help boards to guide future decision-making.
 - Determine if board members have helpful cybersecurity education, not so they can understand the fine details of cutting-edge technology, but to understand the present threat environment, in general.
 - Assess, alongside management, which organizational assets are most vulnerable to cyber-attacks and decide how much protection they require. Question whether certain information needs to be online and if it is essential to business or a liability in the event of a breach. Similarly, ask if certain internal processes are necessary or only contribute to vulnerabilities
 - Request that management prioritize cybersecurity according to which malicious actors are most likely to attack, whether profit-seeking hackers or disruptors that intend to damage or embarrass.
- Do not count on the current state of encryption to protect sensitive data in the future! Quantum computing or other future technology may eventually unencrypt files that are secure today.

Boards can rest assure that cyber preparedness will never be completely perfect. However, the above steps can help mitigate the fallout from an incident. Crucially, board leaders can set expectations that organizations will eventually be struck by attackers which profit by getting between a company and its constituents. Thus, staff resilience is key to business continuity and the livelihoods of all workers. Unable to rely on a single comprehensive approach to cyber preparedness due to fragmented regulations across various industries, the best plan for boards to enjoy a (somewhat) stress-free holidays is to make sure that multiple layers of preparedness and resilience are in place for management and IT professionals.

Coronavirus Condition Updates

As of 4:08 pm CEST on December 9, 2021

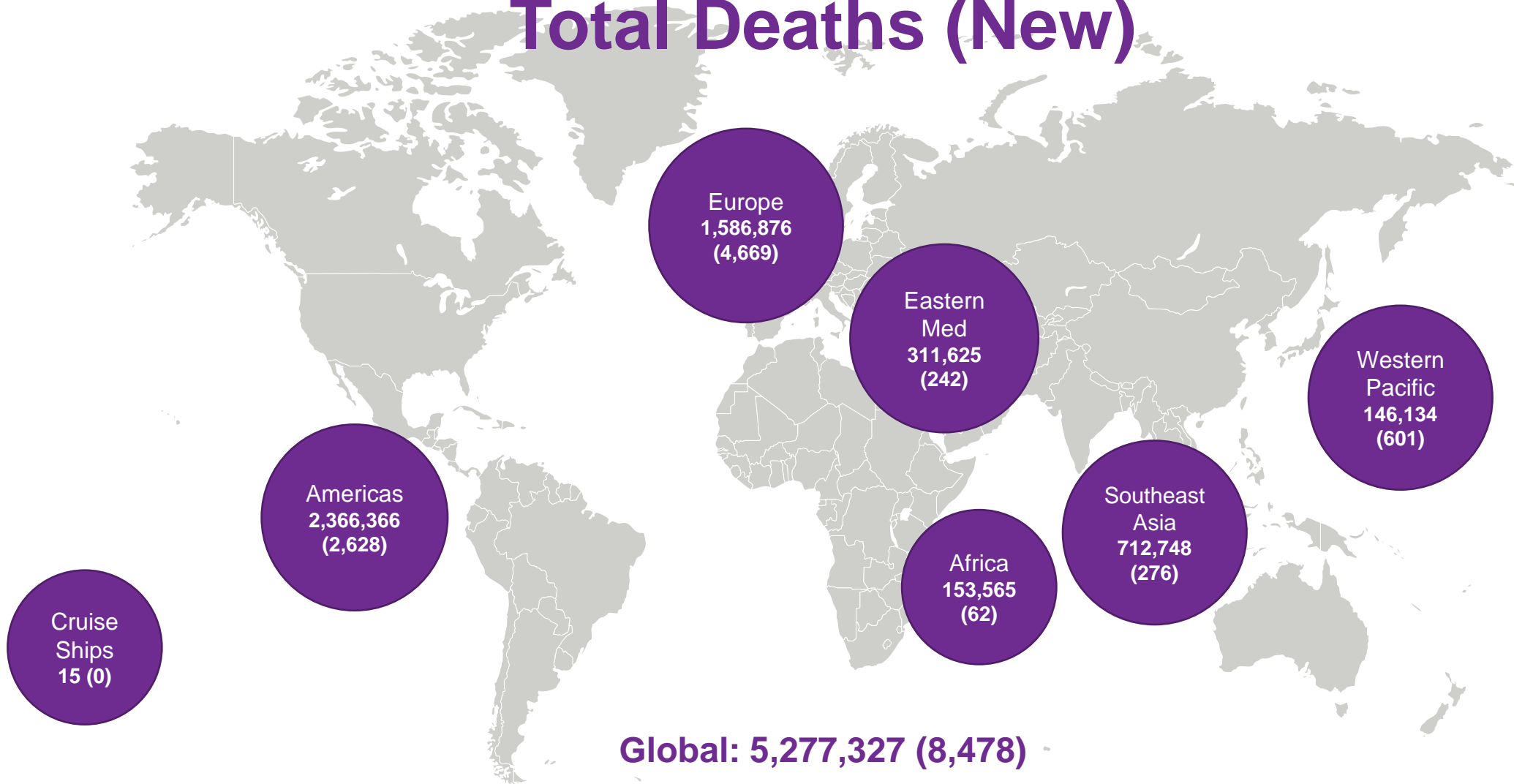
Confirmed Cases (New)



Reflects data as of 4:08 pm CEST on December 9, 2021.
Data Source: World Health Organization

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Total Deaths (New)



Reflects data as of 4:08 pm CEST on December 9, 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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