

Dentons Flashpoint

Daily Global Situation Report

December 13, 2021

Global Situation Update: December 13, 2021

KEY TAKEAWAYS

US government agencies will stop financing new carbon-intensive fossil fuel projects overseas.

G7 Foreign Ministers call on Russia to deescalate as the Ukraine criticizes Germany for blocking the supply of NATO weaponry.

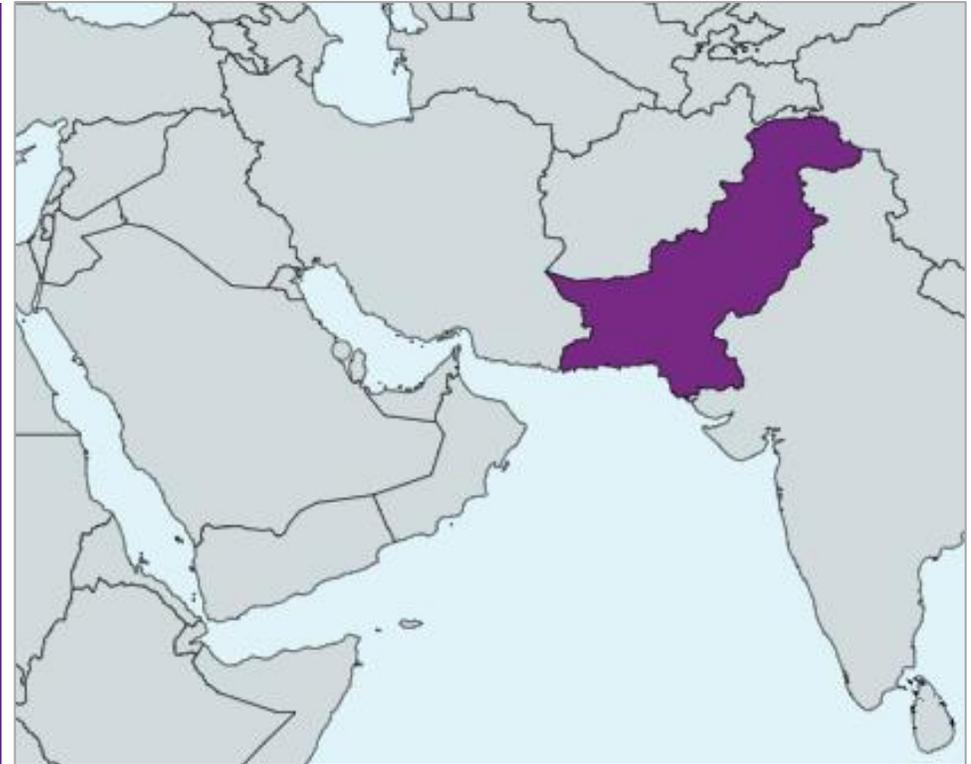
The UK reports that 40 percent of new COVID-19 infections in London are Omicron variant.

Global Situation Update: December 13, 2021

WHAT WE'RE WATCHING

The Pakistani Taliban, aka Tehrik-i-Taliban Pakistan (TTP), have called off a one-month ceasefire with the government in Islamabad that was mediated with the help of the Afghan Taliban. The TTP is accusing Prime Minister Imran Khan's government of violating terms of the truce including a prisoner release agreement and the formation of negotiating committees. Khan called for talks with the violent jihadist group after the fall of Kabul to the Afghan Taliban.

For over fifteen years, the TTP is fighting Pakistan's government and has killed thousands in attacks, with many suicide bombings across the country. The Afghan Taliban have recently reminded media the Pakistani Taliban are not an affiliate branch, and the Pashtun-dominated groups maintain separate operation and command structures. The TTP will resume attacks now in their effort overthrow Pakistan's government and replace it with a theocracy.



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

- **G-7 foreign ministers** met over the weekend in Liverpool and warned Russia of dire consequences for any **incursion into Ukraine** and urged Moscow to de-escalate and return to the negotiating table. US President Biden said he would send US troops to NATO's southern flank countries, but not to Ukraine, in case of a Russian invasion.
- A **booster shot of Pfizer COVID-19 vaccine** provides good protection against severe illness from the Omicron variant, while those without a third shot are highly vulnerable, according to a new Israeli study.
- The **Omicron coronavirus variant**, reported in more than 60 countries, poses a "*very high*" global risk, with some evidence that it evades vaccine protection but clinical data on its severity remain limited, per new WHO assessment.
- The European Center for Disease Prevention and Control said that of the confirmed **Omicron cases** it had severity information on, all were asymptomatic or mild.

Markets & Business

The US will sell 18 million barrels of crude oil from its strategic petroleum reserve (SPR) on December 17, as part of a plan to try to reduce gasoline prices.

- Chinese artificial intelligence start-up **SenseTime Group** postponed its \$767 million Hong Kong IPO on Monday after being placed on a US investment blacklist.
- **Rio Tinto** has agreed to write off \$2.3 billion it lent to Mongolia to cover the government's share of the development costs for the giant Oyu Tolgoi copper mine, in an effort to end to longstanding tensions that have dogged the project, which is running late and over budget.
- **UK ports** are on track for their worst year since 1983 after declining North Sea oil production and Brexit drove down cargo volumes.
- **Lithium prices** are rising at their fastest pace in years, about 240 percent for the year, setting off a race to secure supplies used in the rechargeable batteries that power everything from electric vehicles to smartphones.

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Environment, Sustainability & Governance

Thousands of tractors are expected to converge on Brussels today as European farmers protest against various elements in the EU Green Deal.

- US government agencies will stop financing new **carbon-intensive fossil fuel projects** overseas and prioritize global collaborations to deploy clean energy technology, per new White House executive order.
- The **volcanic eruption** on La Palma that has sent molten lava running down the slopes of La Cumbre for nearly three months is the longest running on the Spanish island since records began.
- Britain opened applications for its biggest **renewable energy auction** round to date, offering 285 million pounds(\$376.97 million) in funding to help deliver on its climate targets.
- Thousands of tractors are expected to converge on Brussels today as **European farmers protest** against various elements in the EU Green Deal.
- Alibaba Group Holding Ltd. fired a female employee who accused her then-supervisor of molestation and rape during a business trip earlier this year, refocusing attention on a **sexual-assault cases**.

Africa

- A court in **Benin** convicted one of President Patrice Talon's main opponents for complicity in acts of terrorism, sentencing Reckya Madougou to 20 years in prison, in what the opposition characterizes as political repression.
- **Democratic Republic of Congo's** environment minister accused unidentified officials of forging her signature to grant conservation licenses for the country's vast forests that play a pivotal role in regulating the Earth's climate.
- **Nigeria** is considering banning flights from Britain and three other countries that red-listed it when the Omicron variant was first identified in southern Africa.
- **Sudanese** Prime Minister Abdalla Hamdok has replaced all acting state governors appointed by the country's military leader after a coup in late October.



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Asia

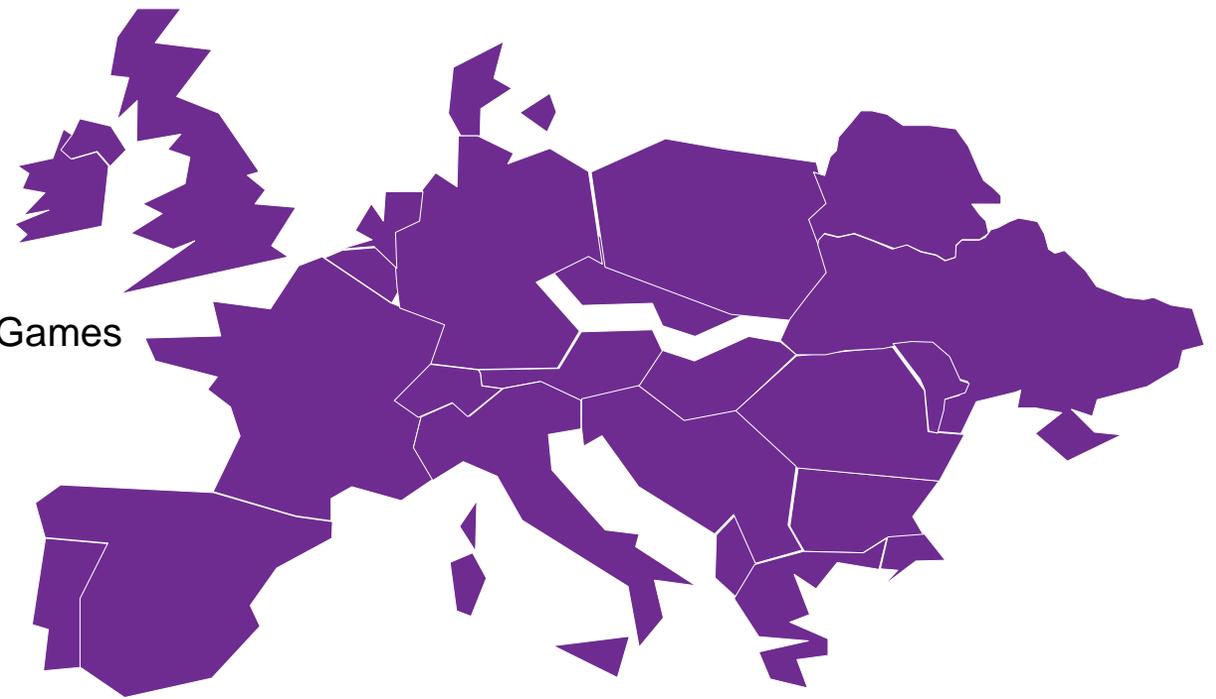
- Meeting on the margins of the G7, **Japanese and US** foreign ministers discussed fortifying their countries' alliance amid a tougher regional security environment by boosting deterrence and response capabilities.
- A **Vietnamese** court jailed a former head of Hanoi's governing body for a further eight years for abuse of power, his second conviction as part of a crackdown on graft by the ruling Communist Party.
- **Australia** has signed a A\$1 billion (US\$717 million) contract with **South Korean** defense company Hanwha that will strengthen ties but risks sparking China's opposition.
- **Australia** has shortened the wait time for people to receive a COVID-19 booster to five months after last dose, following a rise in cases of the Omicron variant.
- **Thailand** will halve to three months the time between a second vaccine shot and a booster.
- More than a dozen **Chinese**-listed companies reported that they had suspended production in coronavirus-hit parts of China's eastern Zhejiang province in response to local government's tightened COVID-19 curbs.



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Europe

- **EU** approach over a diplomatic boycott of the 2022 Olympic Games in **China** but any decision is unlikely to be reached soon.
- The **Turkish** lira crashed as much as 7 percent in just a few minutes on Monday, gripped by worries over President Erdogan's risky new economic policy and prospects of another interest rate cut on Thursday.
- **Ukraine's** new defense minister has blamed **Germany** for blocking the supply of weaponry to Kyiv through NATO, despite US warnings of a possible imminent invasion by Russian forces.
- **Britain** said that the Omicron coronavirus variant was spreading at a "*phenomenal rate*" and now accounted for about 40 percent of infections in London. A French health professional assessed France will be hit by a sixth COVID-19 wave next month due to the emergence of the new, more contagious variant.
- Tens of thousands of people rallied in Vienna, **Austria** over the weekend in protest against COVID-19 restrictions including mandatory vaccines and home confinement orders for the unvaccinated.



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Europe

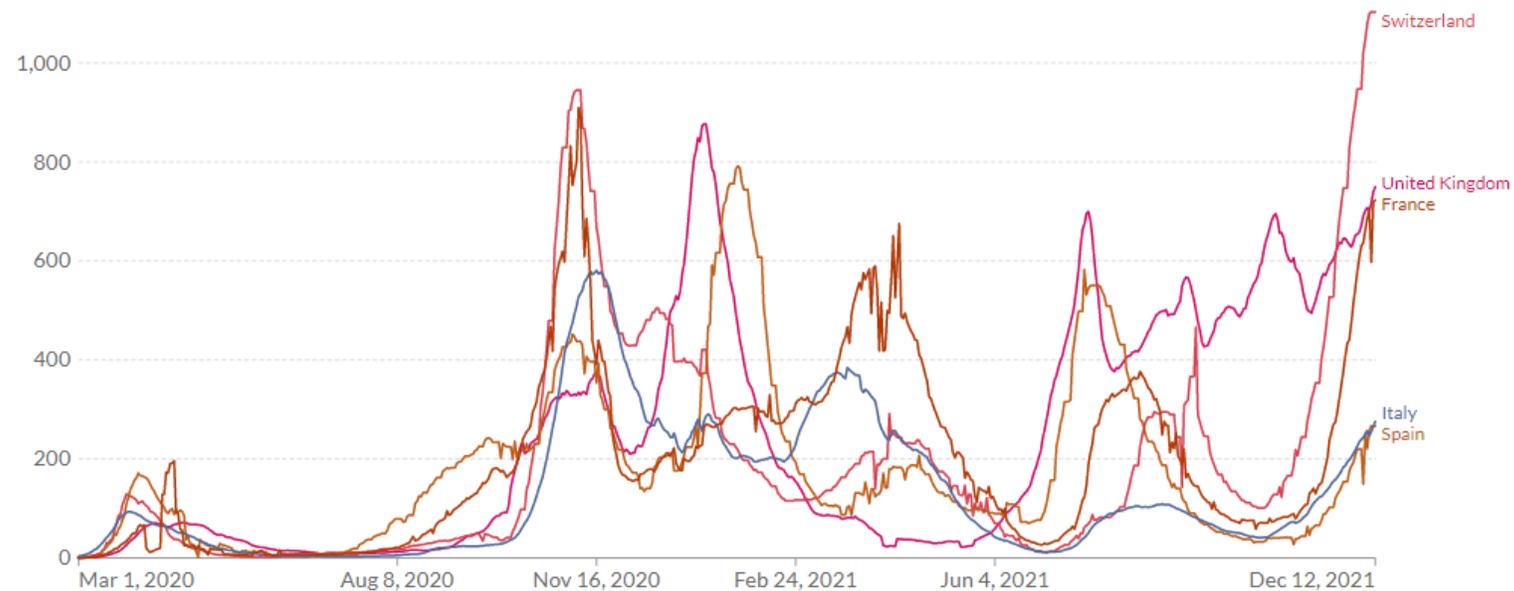
Switzerland may have to impose another limited lockdown to break the momentum of rising coronavirus cases that threaten to overwhelm its healthcare system, the government is warning.

Daily new confirmed COVID-19 cases per million people

7-day rolling average. Due to limited testing, the number of confirmed cases is lower than the true number of infections.

Our World
in Data

LINER LOG



Source: Johns Hopkins University CSSE COVID-19 Data

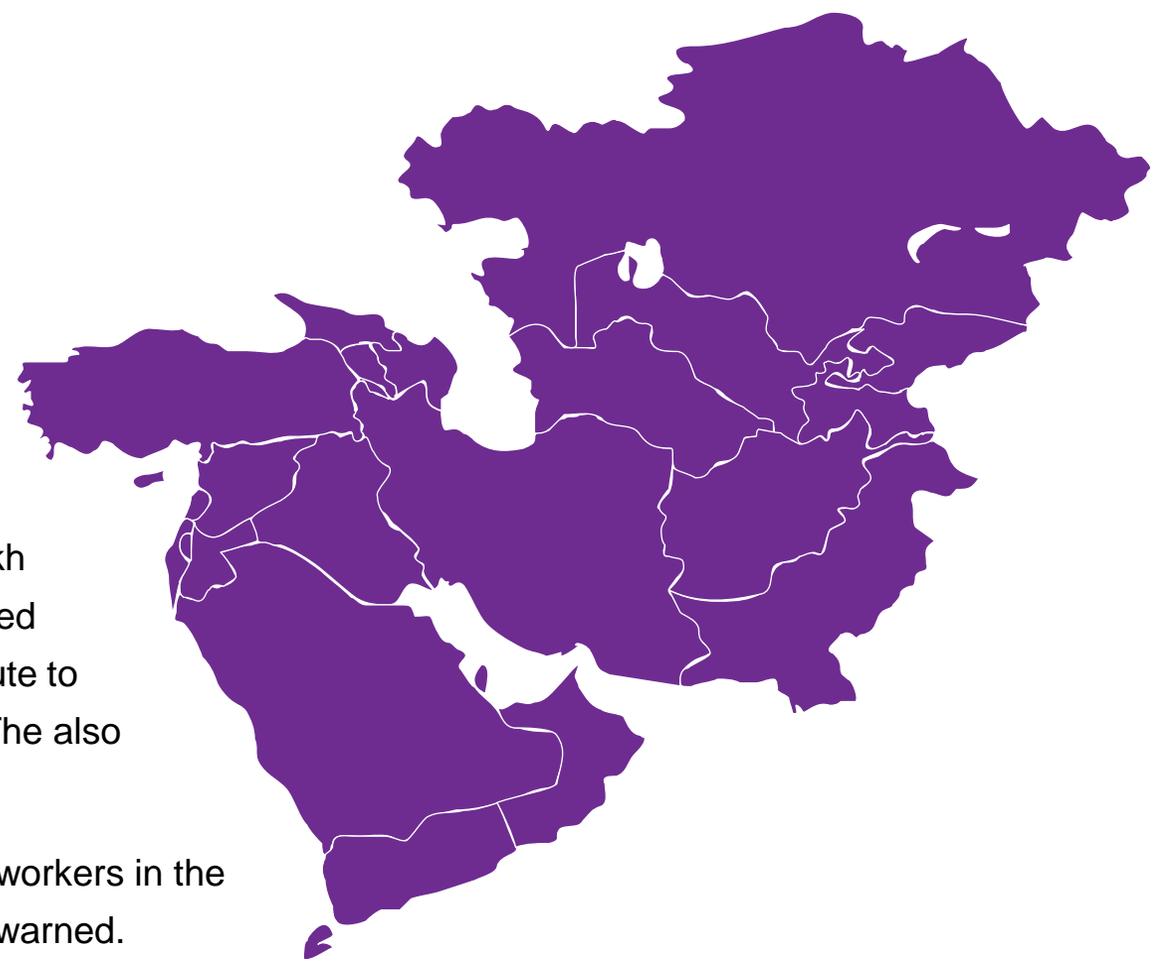
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▶ Jan 29, 2020

○ Dec 12, 2021

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Middle East



- A top **Iranian** military official warned of a "*heavy price*" for aggressors, after a report of US and Israeli plans for possible military drills to prepare for strikes against Iran's nuclear sites if diplomacy fails.
- **Israeli** Prime Minister Bennett met with Abu Dhabi Crown Prince Sheikh Mohammed bin Zayed al-Nahyan, in the **UAE** and the leaders discussed deepening ties, with an emphasis on economic issues that will contribute to prosperity, welfare and strengthening stability between the countries. The also discussed **Iran**.
- **Qatar** has not sufficiently improved the working conditions for migrant workers in the country ahead of next year's FIFA World Cup, a senior **EU** official has warned.
- **Libya's** election commission said it will not publish a list of presidential candidates until after it settles some legal issues, leaving in doubt that the December 24 election will be held on schedule.
- Palestinians held municipal elections in the Israeli-occupied **West Bank** in a rare democratic exercise and amid rising anger with President Mahmoud Abbas after he cancelled planned legislative and presidential votes earlier this year.

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Americas

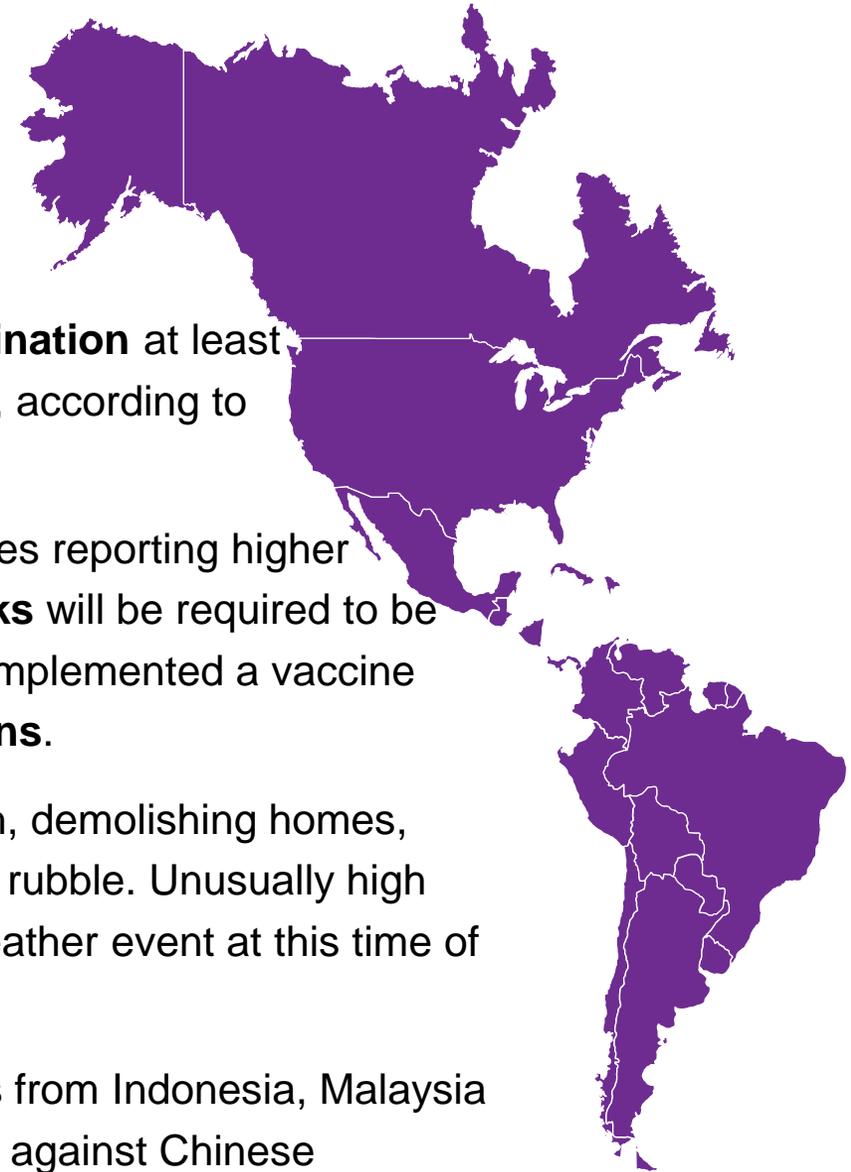


- **Brazil's** Supreme Court ruled on Saturday that the country must demand proof of vaccination for visitors seeking to enter the country, overturning Brazilian President Bolsonaro's rejection of the state health regulator Anvisa's recommendations.
- The **US, Mexico, Guatemala, Ecuador, Honduras, Nicaragua and the Dominican Republic** announced the creation of an action group tasked with investigating, identifying and apprehending the smugglers responsible for a deadly accident that killed dozens of migrants.
- **Haitian** President Moise was compiling a list of officials and businessmen linked to the drug trade before he was assassinated in July, according to the *New York Times*.
- **Canada** will start recognizing molecular COVID-19 tests conducted at an accredited lab in **South Africa** for residents returning home, dropping a heavily criticized travel restriction that required tests in a third country.
- In response to the devastating floods last month that cut off **Canada's** main port, Ottawa will convene a summit of industry figures and shippers to discuss strengthening supply chains.

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Americas: US

- Nearly two-thirds of US companies are planning to **require COVID-19 vaccination** at least some of their workers regardless of whether they are legally bound to do so, according to a survey by the Manpower Group.
- **COVID-19 cases** are on the rise after the Thanksgiving holiday, with 34 states reporting higher seven-day averages for new cases than they did before Thanksgiving. **Masks** will be required to be worn inside all businesses and venues in New York state unless they have implemented a vaccine requirement. At least 30 states are now reporting **Omicron variant infections**.
- A **swarm of tornadoes** tore a 200-mile path through the Midwest and South, demolishing homes, levelling businesses and setting off a scramble to find survivors beneath the rubble. Unusually high temperatures and humidity created the environment for such an extreme weather event at this time of year, creating one of the largest tornado outbreaks in US history.
- Secretary of State Blinken is on a tour of **Southeast Asia**, engaging leaders from Indonesia, Malaysia and Thailand on increasing political and economic cooperation to push back against Chinese “bullying.” On Friday, the US imposed extensive human rights-related sanctions on people and entities tied to **China, Myanmar, North Korea and Bangladesh**.



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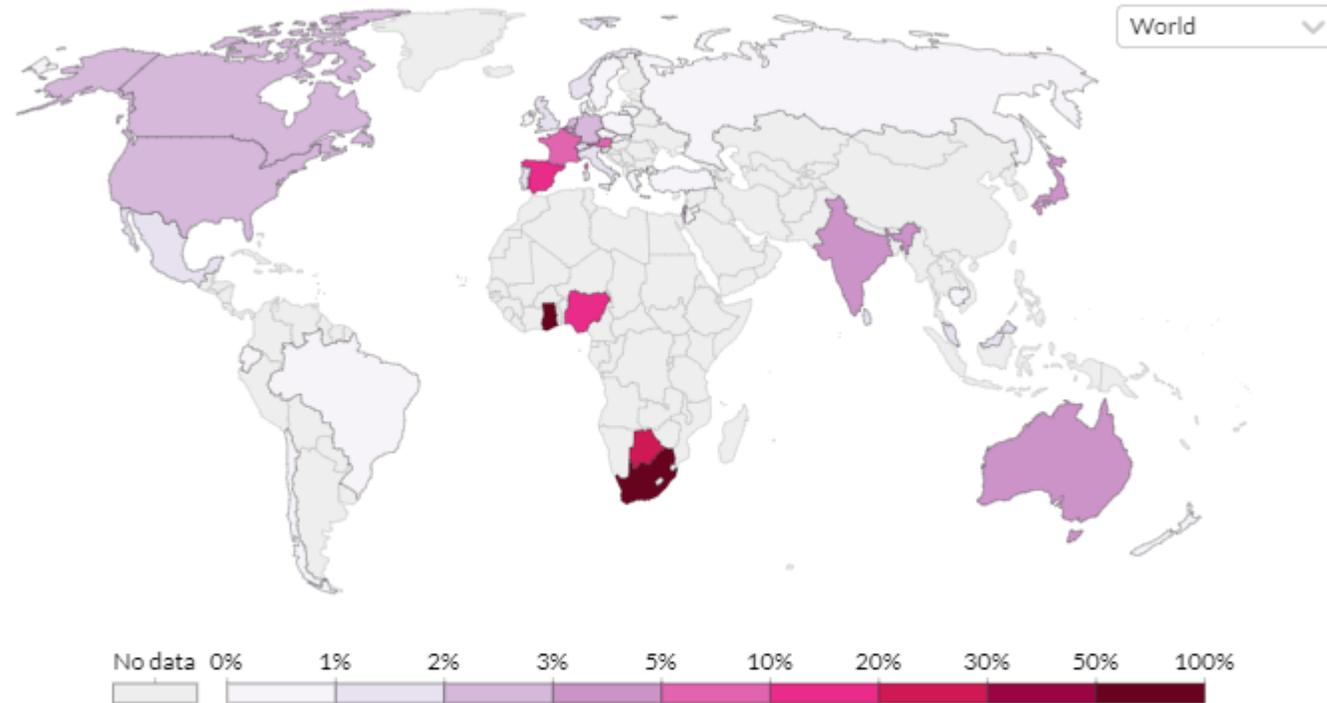
Visualizing Risk: Omicron and Variant Sequencing on the Rise

Since it was first identified in a South African lab, the new Omicron variant has been recorded in 57 countries. While the variant has become the subject of much scrutiny and attention - prompting renewed travel bans and stricter social distancing regulations in several countries - the variant still represents a fairly small share of overall cases in most countries.

Share of SARS-CoV-2 sequences that are the omicron variant, Dec 10, 2021

Share of omicron variant in all analyzed sequences in the preceding two weeks.

Our World in Data



Source: CoVariants.org and GISAID - Last updated 11 December 2021, 20:00 (London time)

Note: This share may not reflect the complete breakdown of cases, since only a fraction of all cases are sequenced. Recently-discovered or actively-monitored variants may be overrepresented, as suspected cases of these variants are likely to be sequenced preferentially or faster than other cases.

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Visualizing Risk: Omicron and Variant Sequencing on the Rise

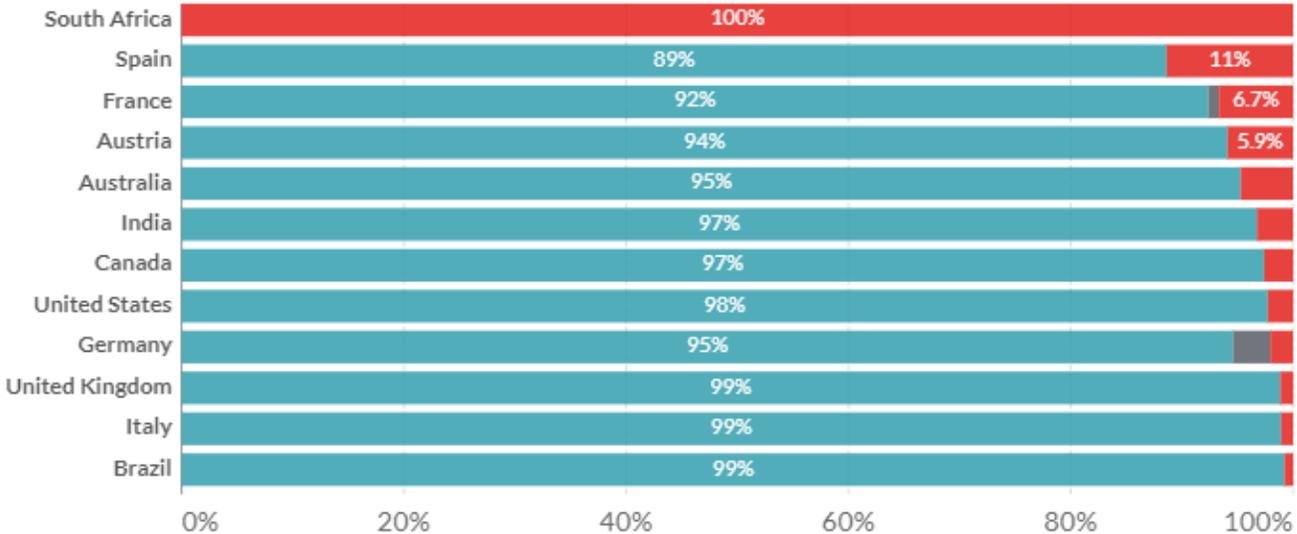
SARS-CoV-2 sequences by variant, Dec 10, 2021

The share of analyzed sequences in the preceding weeks that correspond to each variant group. This share may not reflect the complete breakdown of cases since only a fraction of all cases are sequenced.



+ Add country Relative

■ Delta
 ■ Alpha
 ■ Eta
 ■ Iota
 ■ Beta
 ■ Epsilon
 ■ Gamma
 ■ Kappa
 ■ Other
 ■ Lambda
 ■ Mu
 ■ Omicron



Source: CoVariants.org and GISAID - Last updated 11 December 2021, 20:00 (London time) OurWorldInData.org/coronavirus • CC BY
 Note: Recently-discovered or actively-monitored variants may be overrepresented, as suspected cases of these variants are likely to be sequenced preferentially or faster than other cases.

South Africa has reported by far the highest proportion of cases tied to the Omicron variant, whereas the Delta variant continues to dominate new cases throughout the rest of the world.

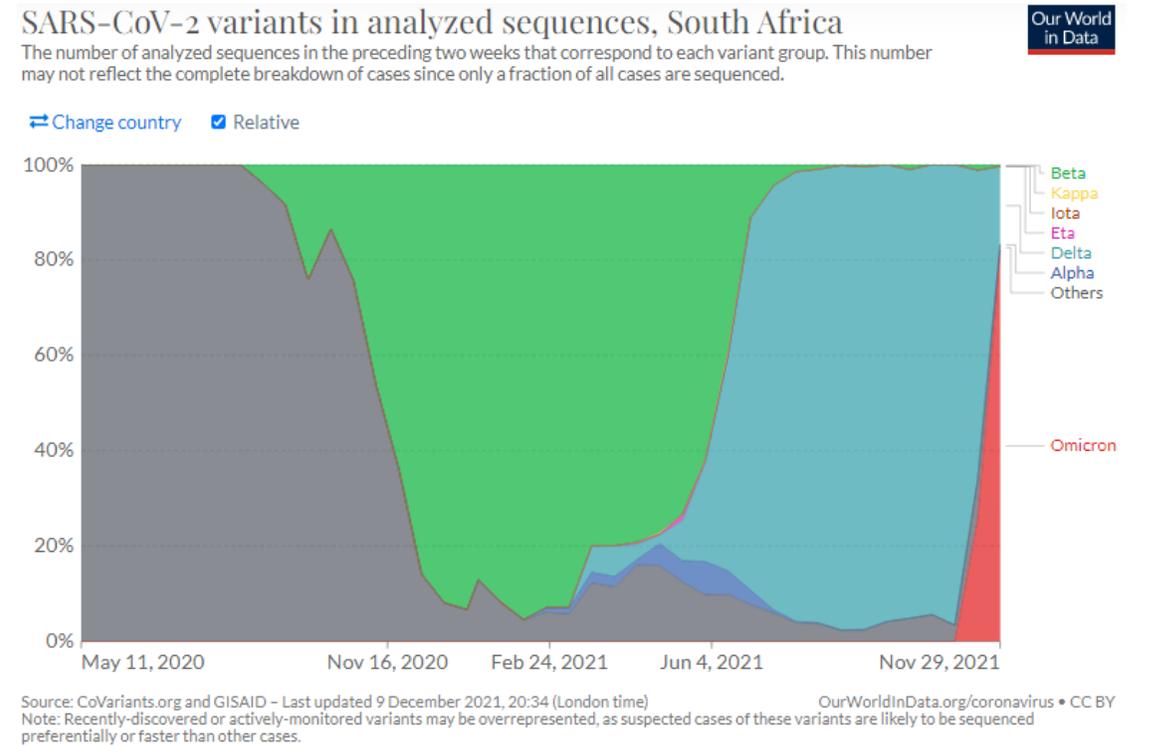
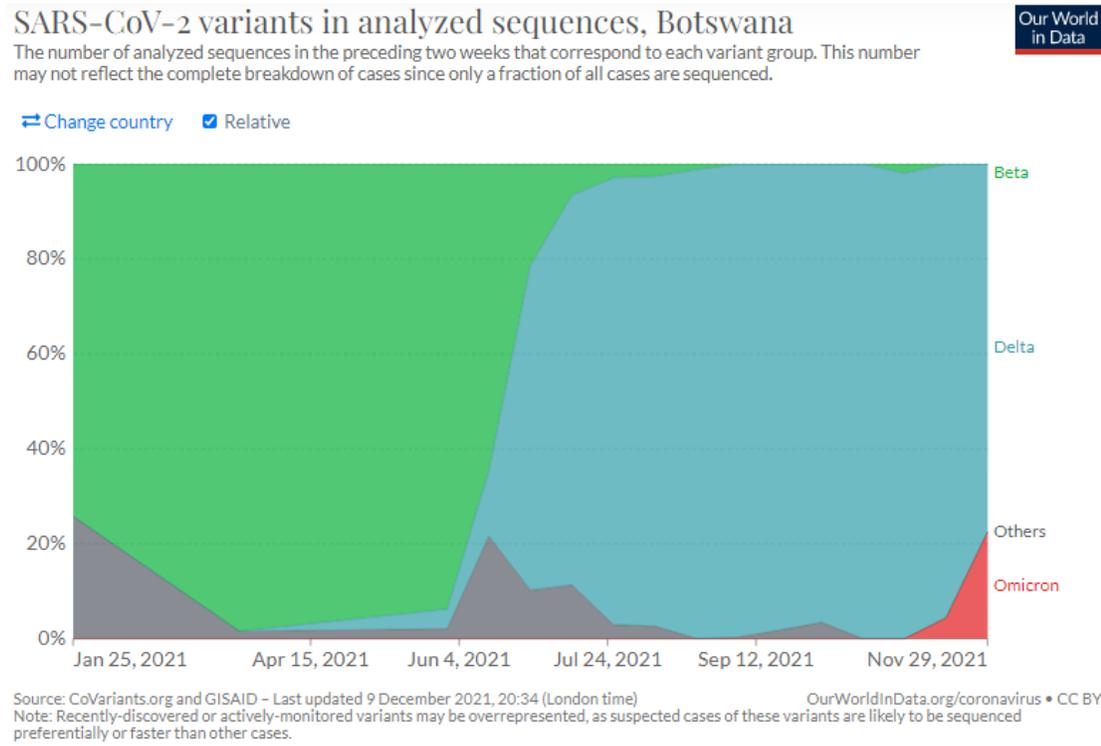
Despite concern over the new variant, preliminary data presented by scientists in South Africa suggest that while the variant may be more transmissible and evade the protections of some immunity, the variant is mostly deterred by boosters and is less likely to cause severe illness than previous mutations.

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Visualizing Risk: Omicron and Variant Sequencing on the Rise

While reported levels of the Omicron variant remain low, it is notable that countries that do report higher levels of the variant have seen its share of infections jump fairly quickly. Compared to the rise of the Beta and Delta variants, the Omicron variant has increased its share of infections at a steep rate.



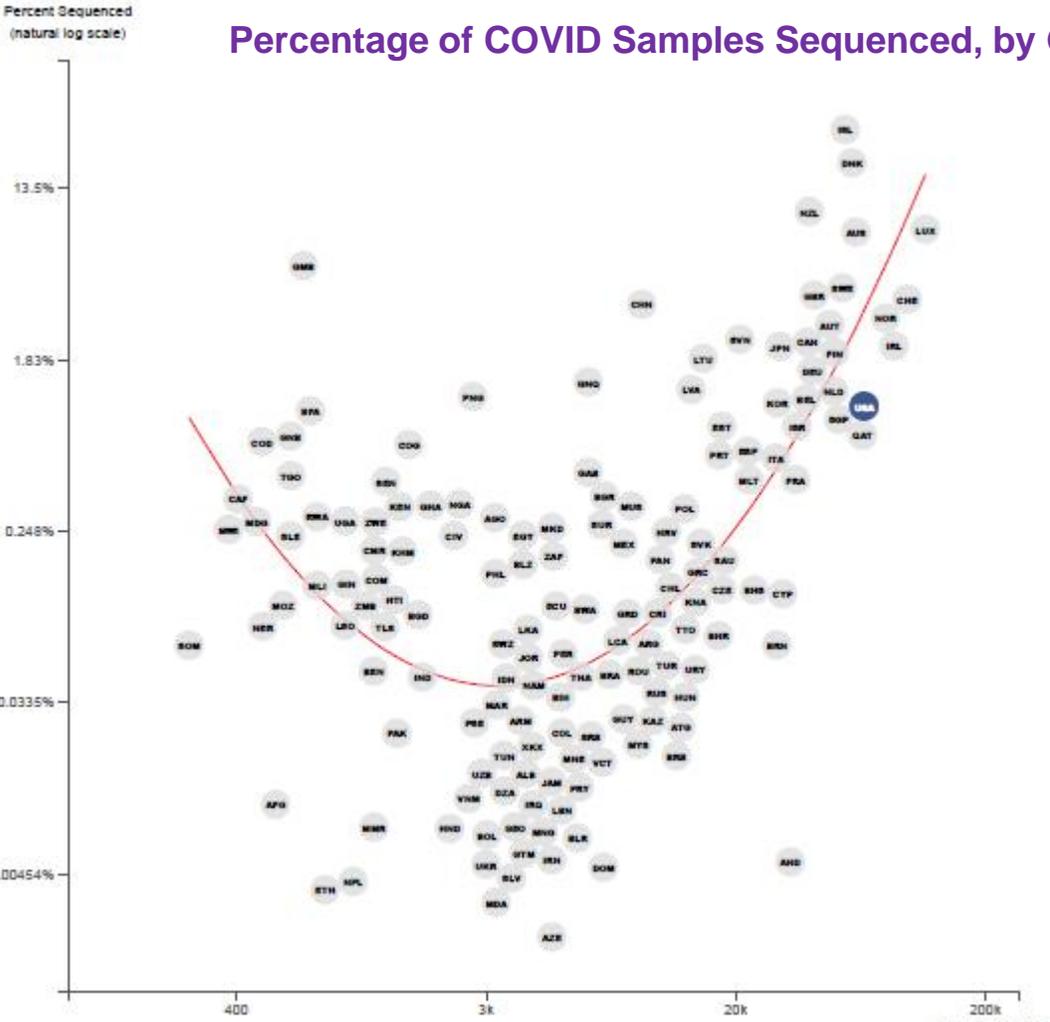
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Visualizing Risk: Omicron and Variant Sequencing on the Rise

The need to track the growth of the Omicron variant - and other variants that may emerge - has highlighted the necessity to increase genomic sequencing throughout the world. While many of the most prolific sequencers are among the countries with the highest GDPs, countries with lower GDPs are consistently outperforming middle-income and even some high-income countries. This is due in part to the discrepancy in amount of samples collected (higher-income countries conduct more testing, requiring a higher total sequencing capacity to reach similar rates as countries with smaller GDPs); still, high- and middle-income countries, including the US (represented by the blue dot) have contributed less to the global sequencing effort than their lower income neighbors.

Increasing sequencing is crucial for identifying and tracking new variants as they emerge, enabling scientists to gather data early on and governments and businesses to make proactive rather than reactive decisions. As such, investment in genomics is on the rise; the US is sequencing four times more samples now than it was a year ago following the Biden Administration's pledge early this year to direct \$1.7 billion to improving variant surveillance, and the field of genomics is predicted to add up to \$50 billion in value by 2030.

Percentage of COVID Samples Sequenced, by GDP



Source: GISAID, via Johns Hopkins University COVID Resource Center

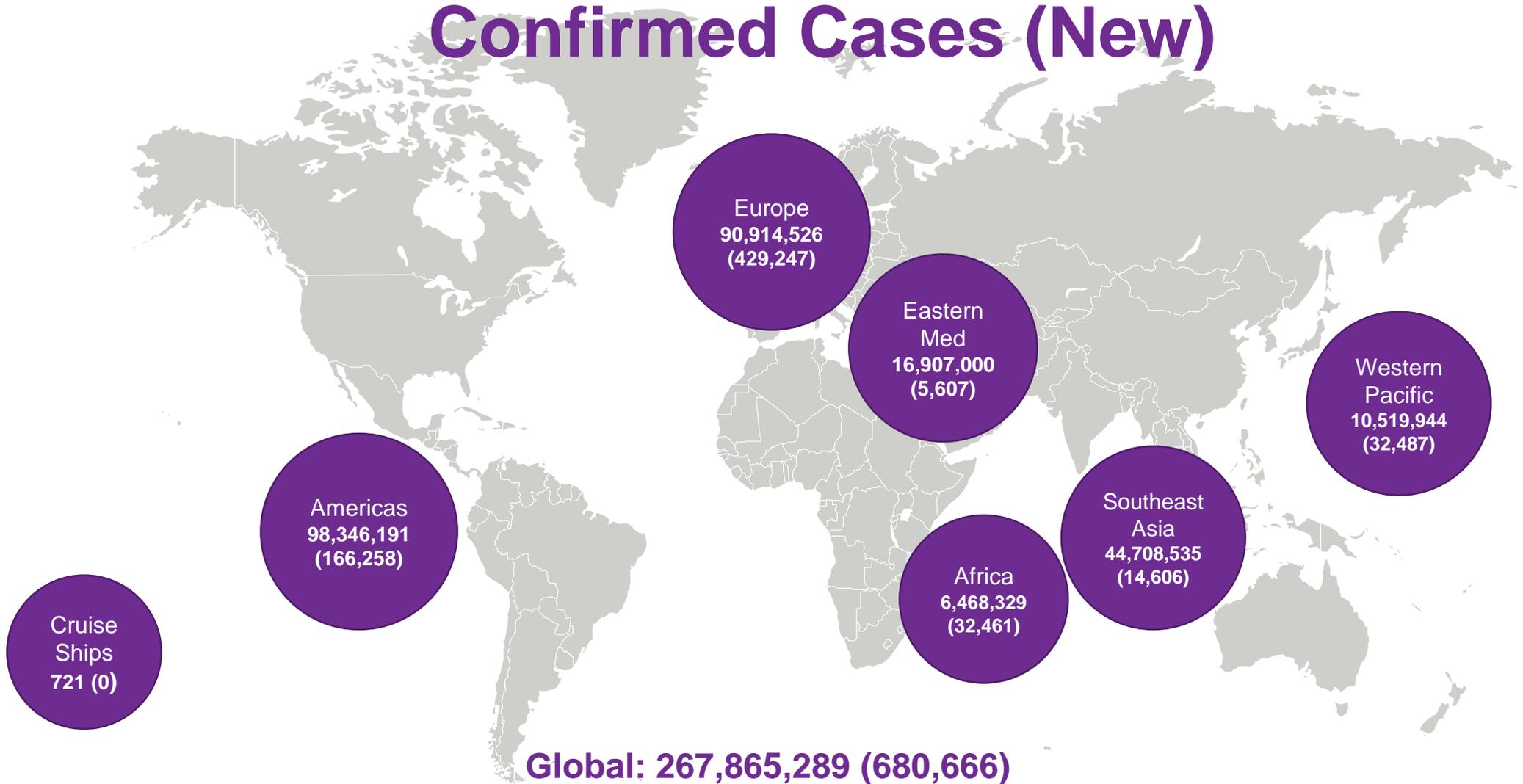
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Coronavirus Condition Updates

As of 4:48 pm CEST on December 10, 2021

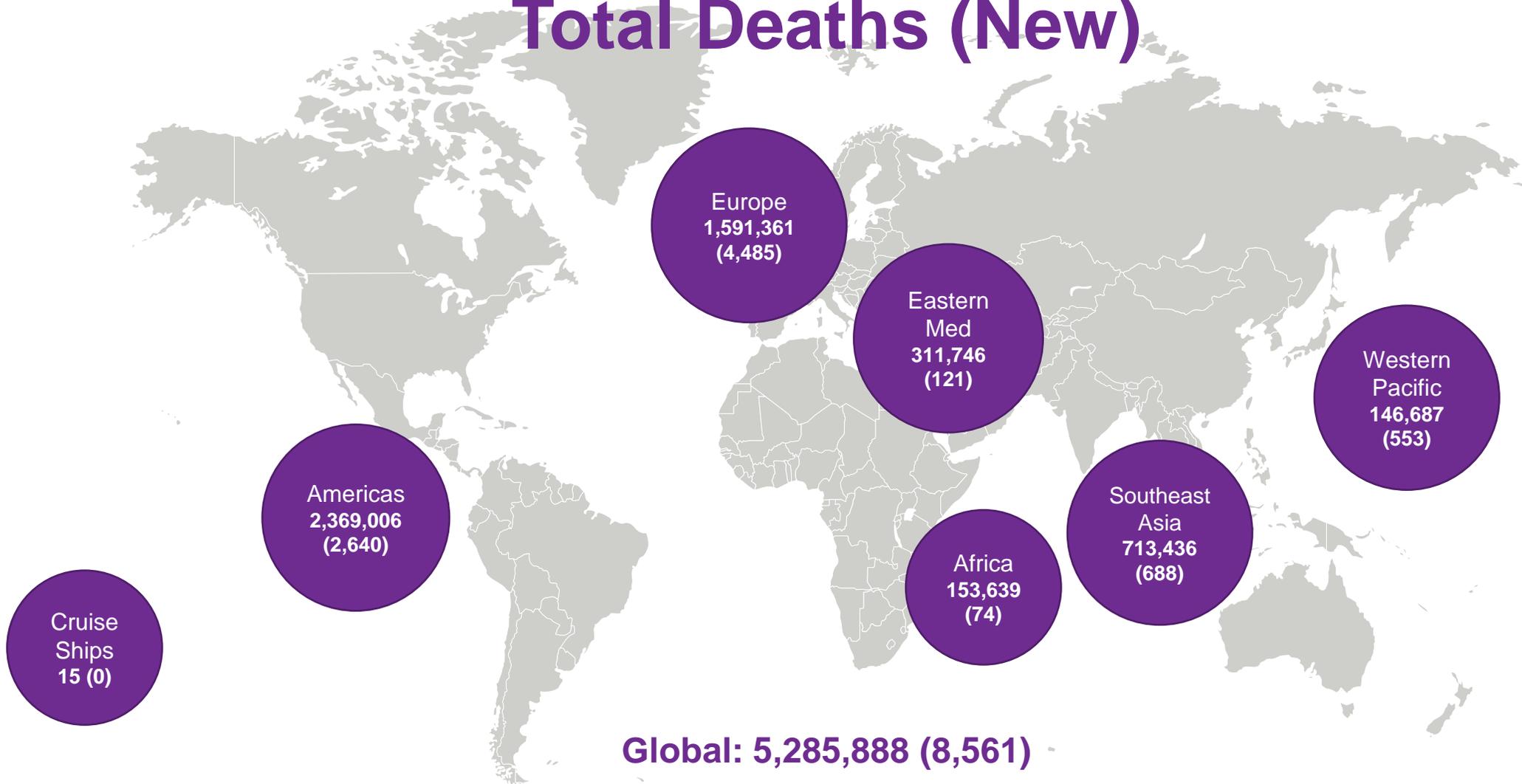
Confirmed Cases (New)



Reflects data as of 4:48 pm CEST on December 10, 2021.
Data Source: World Health Organization

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Total Deaths (New)



Reflects data as of 4:48 pm CEST on December 10, 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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