

Dentons Flashpoint

Daily Global Situation Report

December 8, 2021

Global Situation Update: December 8, 2021

KEY TAKEAWAYS

New lab results indicate that the Omicron variant eludes a lot of the protection provided by disease-fighting antibodies and the Pfizer vaccine.

No breakthroughs were reported in the virtual US-Russia summit.

Mali indefinitely suspended exports of rice and other grains amid food security concerns.

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: December 8, 2021

WHAT WE'RE WATCHING

Panama is uncovering the extent to which Colombia's Clan del Golfo (Gulf Clan) cartel has infiltrated its business sector, days after Panamanian authorities seized \$10 million in cash and arrested 57 people in different raids. Government employees and members of security agencies were arrested in the sweeping crackdown aided by the US DEA. The cartel uses a network of administrators, bankers, and front companies in Panama's legal economy, which is largely based on the Panama Canal and banking services.

Panama is also facing a wave of tens of thousands of migrants from Colombia that enter via the Darién Gap and use drug and gun trafficking routes. The Clan del Golfo and other armed groups impose "administrative fees" on the poor migrants who are often coopted as drug mules. Panama continues to attract the most FDI in Central America, but foreign business must be aware of extensive organized crime activity and laundering.



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 265.7 million with 5.2 million deaths; almost 7.9 billion vaccine doses have been administered.

- Australia will join the US in a diplomatic boycott of the **Winter Olympic Games** in Beijing. The Australian Olympic Committee said the boycott would have no impact on athletes' preparations for the Games. Other US allies have been slow to commit to joining the boycott.
- Globally, weekly **COVID-19 case incidence** plateaued this past week, with over 4 million confirmed new cases reported, similar to the number reported in the previous week's figures. However, new weekly deaths increased by 10 percent as compared to the previous week. While Europe remains the epicenter, with new cases in France increasing 49 percent, new cases in the US surged 30 percent.
- Experiments at the African Health Research Institute found that the **Omicron variant** eludes a lot of the protection provided by disease-fighting antibodies, finding that people who previously recovered from a bout of COVID-19 could be reinfected and people who have received the Pfizer-BioNTech vaccine could suffer breakthrough infections.
- Pharmaceutical companies Medicago and GlaxoSmithKline announced "*positive efficacy and safety results*" from a global trial using what they say is the world's **first plant-based coronavirus vaccine**, "CoVLP."

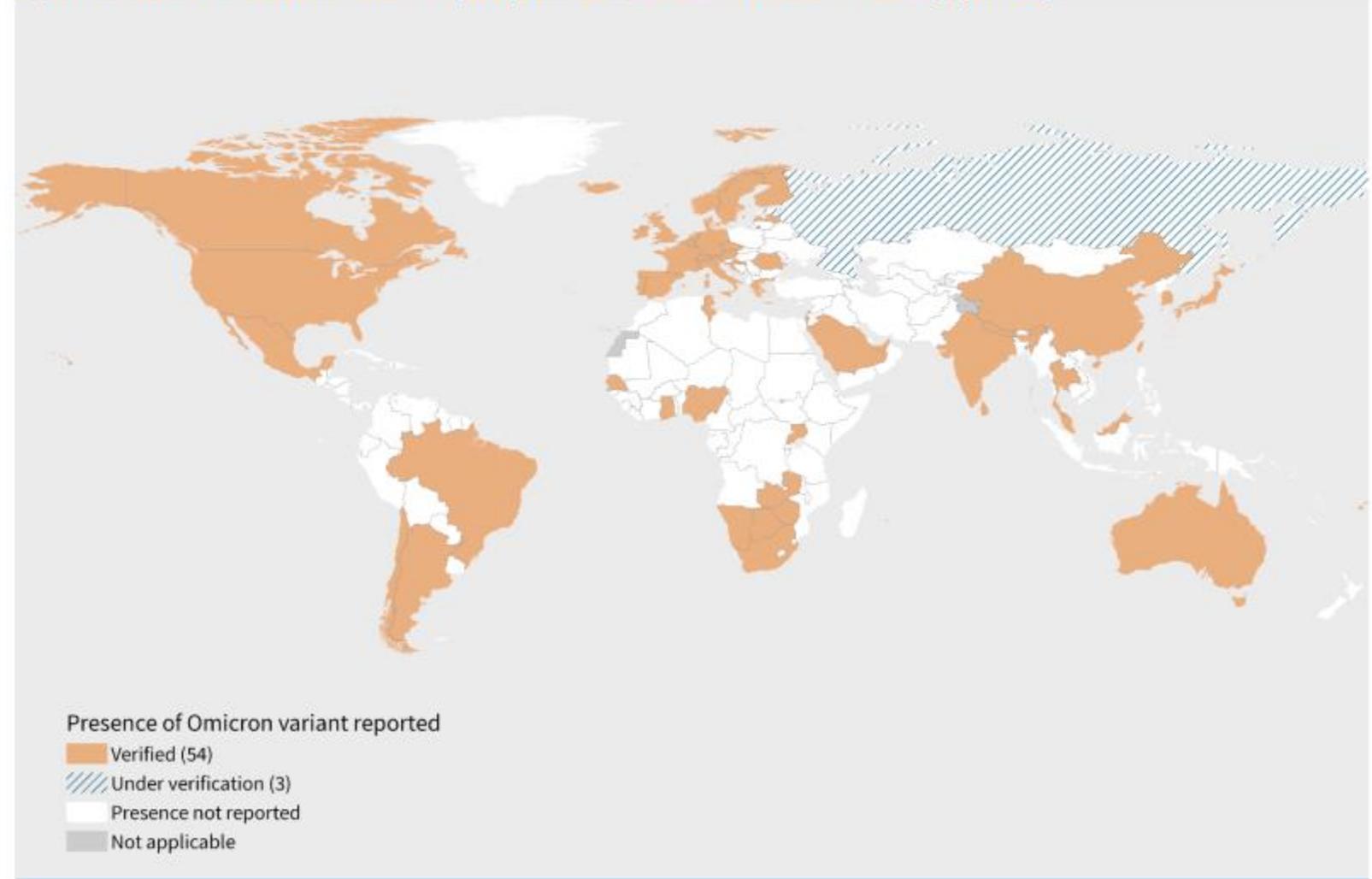
Note: This report is based on sources and information deemed to be true and reliable, but Dentons makes no representations to same.

Global

According to the WHO, Omicron cases have been reported in 57 countries. Most cases thus far are travel related.

Of all cases sequenced, 99.8 percent are caused by the Delta variant.

Figure 5. Presence of Variant of Concern (VOC) Omicron, data as of 7 December 2021 (4 pm CET)



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

Markets & Business

Trading in shares of Chinese property developer Kaisa Group Holdings was suspended today after a source with direct knowledge of the matter said it was unlikely to meet its \$400 million offshore debt deadline on Tuesday.

- **Chinese SAIC Mobility** and autonomous driving startup **Momenta** have begun offering autonomous robotaxis test rides to the public in a Shanghai district as part of a trial.
- **Volkswagen** expects tight chip supply will continue to pose challenges to Europe's largest carmaker during at least the first half of 2022.
- China is preparing a blacklist that is expected to tightly restrict the main channel used by start-ups, so-called **variable interest entities**, to attract international capital and list overseas, in a bid to limit the role of foreign shareholders in the country's next generation of tech companies.
- Russia blocked the website of privacy service **Tor**, with the communications regulator accusing it of enabling access to illegal content. The Tor anonymity network is used to hide computer IP addresses in order to conceal the identity of an internet user.
- **Google** is suing two Russia-based individuals it alleges are behind a massive network of infected computers that have been used for crimes ranging from the theft of personal information to secretly mining bitcoin on the computers of unsuspecting hacking victims.
- Australia plans to create a licensing framework for **cryptocurrency exchanges** and is considering launching a retail central bank digital currency.

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

Environment, Sustainability & Governance

Denmark will issue its first green bond early next year to help finance its transition towards carbon neutrality and a sustainable economy.

- Environmental advocacy group Friends of Earth filed suit attempting to block the UK government providing **funding for an LNG plant** in Mozambique.
- EU finance ministers agreed to **cut the VAT** on goods related to fighting climate change, health protection, and readying the bloc for the digital age.
- Investment management companies representing \$12.4 trillion in funds, including PIMCO and UBS Asset Management, called for governments to push harder to promote **healthier food and drink** to reverse what the WHO calls “the nutrition crisis.”

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

Africa

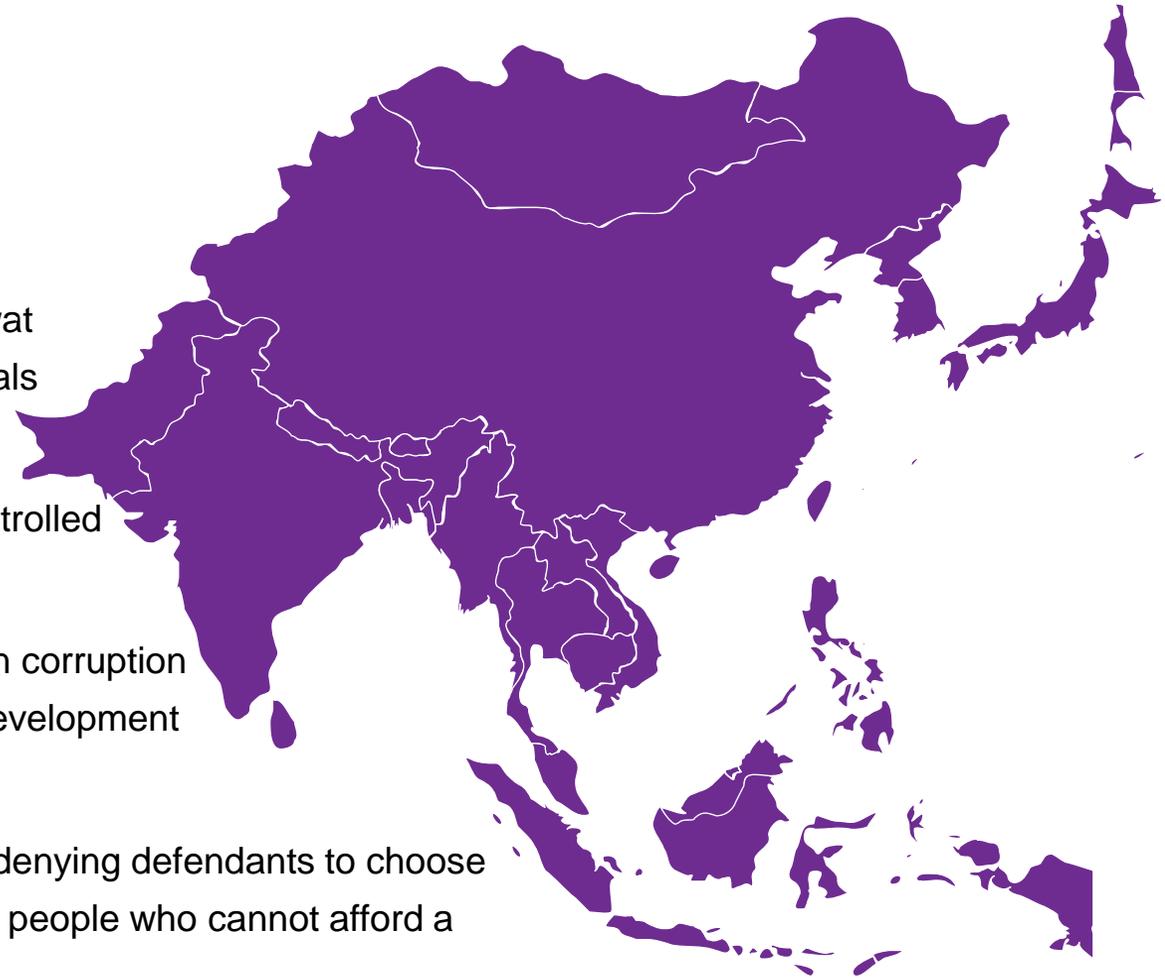
- The leader of **Niger** called for the international community to crack down on arms trafficking into **Libya**, saying that the arms trade is fueling jihadist violence throughout the Sahel.
- **Gambian** opposition politician Darboe called for calm while vowing to go to court to challenge the results of last weeks' presidential race, in which he came in second with 27.7 percent of the vote to incumbent Barrow's 53 percent.
- **Mali** indefinitely suspended exports of rice and other grains amid food security concerns.
- The **African Union** called for an urgent end to travel restrictions imposed on some of its member states.
- **Namibian** President Geingob warned that he may impose shutdowns if coronavirus cases continue to rise.
- Up to one million COVID-19 vaccines are estimated to have expired in **Nigeria** last month without being used.



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

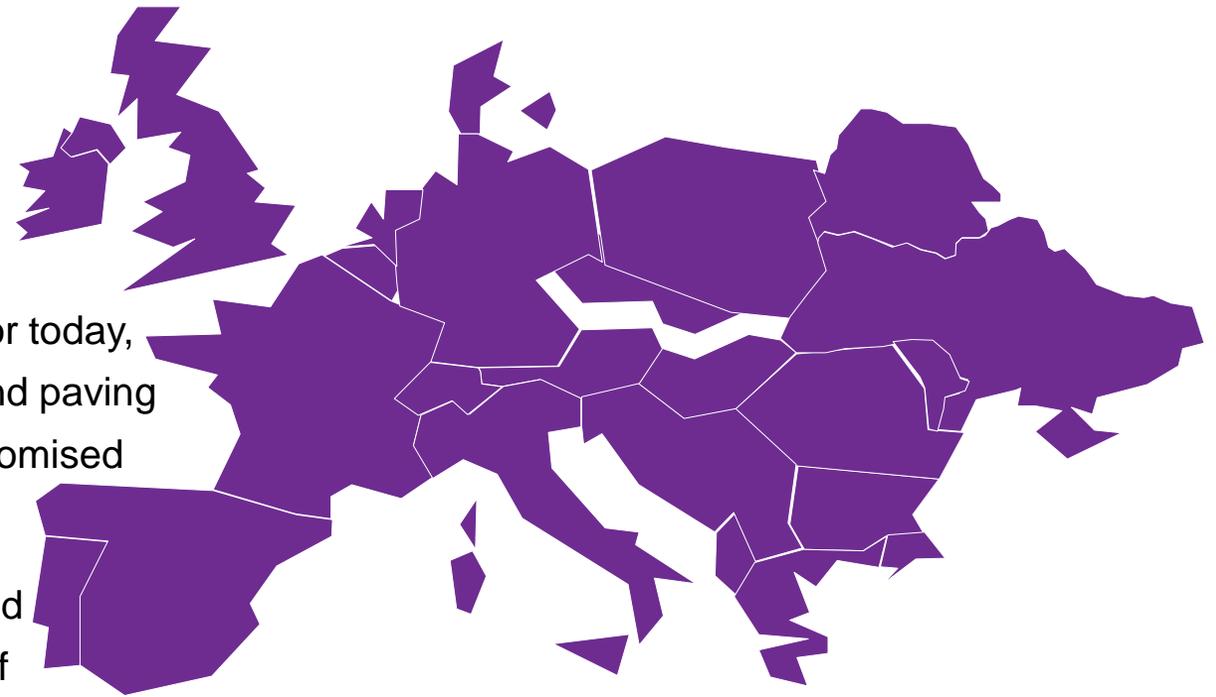
Asia

- A military helicopter carrying **Indian** defense chief General Bipin Rawat crashed in southern India today, killing at least four people, and officials said they were still checking to see if Rawat was among the dead.
- Meta Platforms Inc (Facebook) has banned all **Myanmar**-military controlled businesses from having a presence on its platforms.
- A **Malaysian** court upheld former premier Najib Razak's conviction on corruption charges over a multi-billion dollar scandal at state fund 1Malaysia Development Bhd (1MDB).
- A **Hong Kong** government proposal to change the legal aid system, denying defendants to choose their own lawyer, could violate the constitutionally guaranteed right of people who cannot afford a lawyer, according to the city's Bar Association.
- **New Zealand's** defense forces warned in a new report of the security threat from an increasingly powerful **China** as it assertively pursues its interests in the Indo-Pacific region. One of the biggest possible threats New Zealand could face would be the setting-up of a military base or dual-use facility in the Pacific by a state that did not share its values and security interests.



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

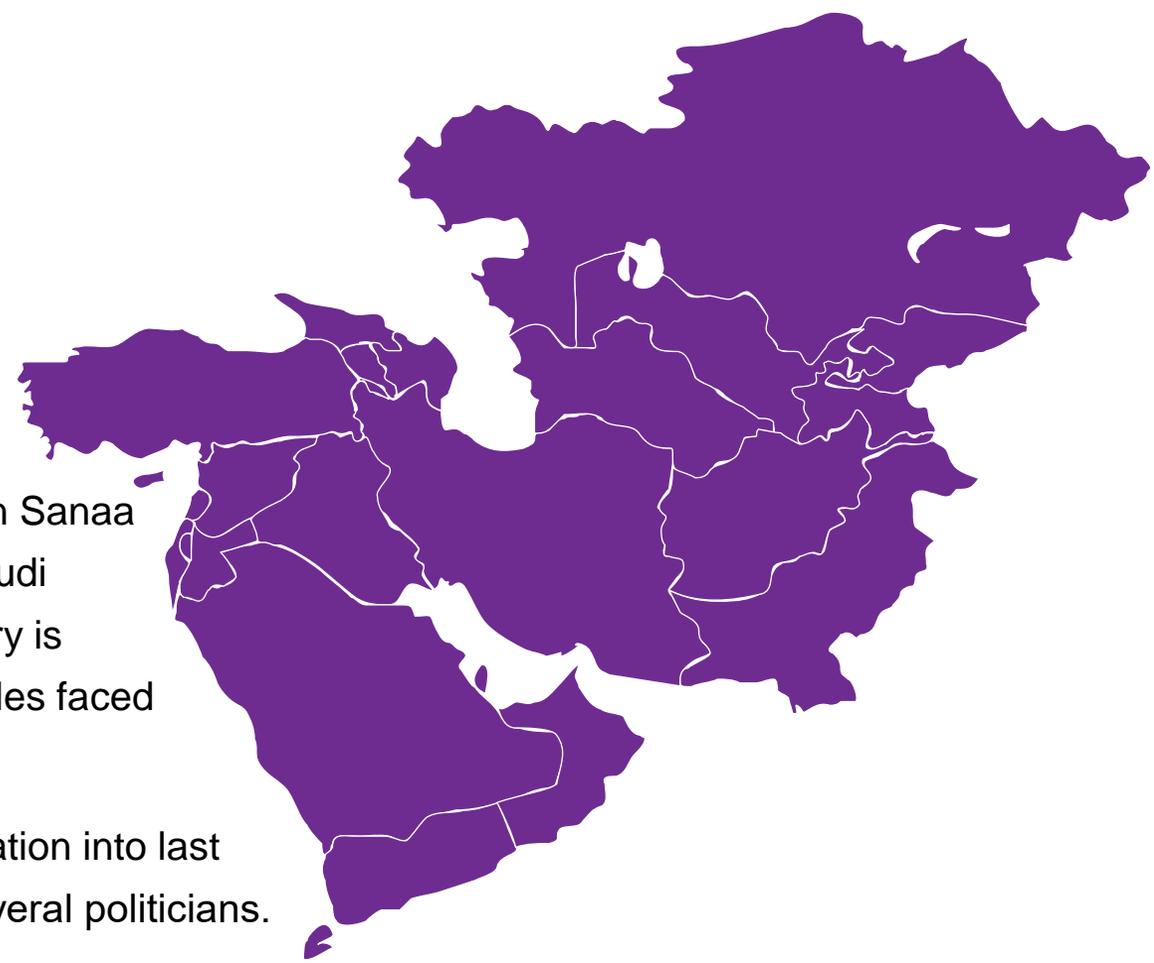
Europe



- Social Democrat Olaf Scholz was elected **German** chancellor today, ending 16 years of conservative rule under Angela Merkel and paving the way for a pro-European coalition government that has promised to boost green investment.
- In a speech at a think tank, **British** foreign minister Truss said **Europe** would become increasingly reliant on **Russian** gas if Moscow got its way, and it was time for countries to end that dependency.
- **European** Medicines Agency said that it could soon approve the COVID-19 vaccine developed by US biotech company Novavax. **Germany** recorded the highest number of deaths from COVID-19 since February. The **UK** is set to announce fresh restrictions in England to curb the spread of the Omicron variant, including requiring vaccine passports for large venues and an order to work from home.
- No breakthroughs were reported in the virtual **US-Russia** summit; US President Biden warned Russian President Putin that the West would impose "*strong economic and other measures*" on Russia if it invades Ukraine, while Putin demanded guarantees that NATO would not expand farther eastward, which Biden declined to give.

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

Middle East



- **French** police arrested a **Saudi** national accused of involvement in the death of Jamal Khashoggi.
- **Saudi Arabia** conducted tit-for-tat strikes against Houthi targets in Sanaa following a drone attack by the **Yemeni** rebels on Aramco and Saudi Defense Ministry locations; Saudi officials reported that the country is running out of necessary ammunition for such attacks as arms sales faced opposition in the US.
- A **Lebanese** court ruled to reopen a special prosecutor's investigation into last year's port explosion in Beirut after the probe was blocked by several politicians.
- **Israel** announced the completion of an underground “*smart fence*” on its side of the Gaza border.
- Renewed talks on the **Iran** nuclear deal will resume in Vienna on Thursday.

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

Americas

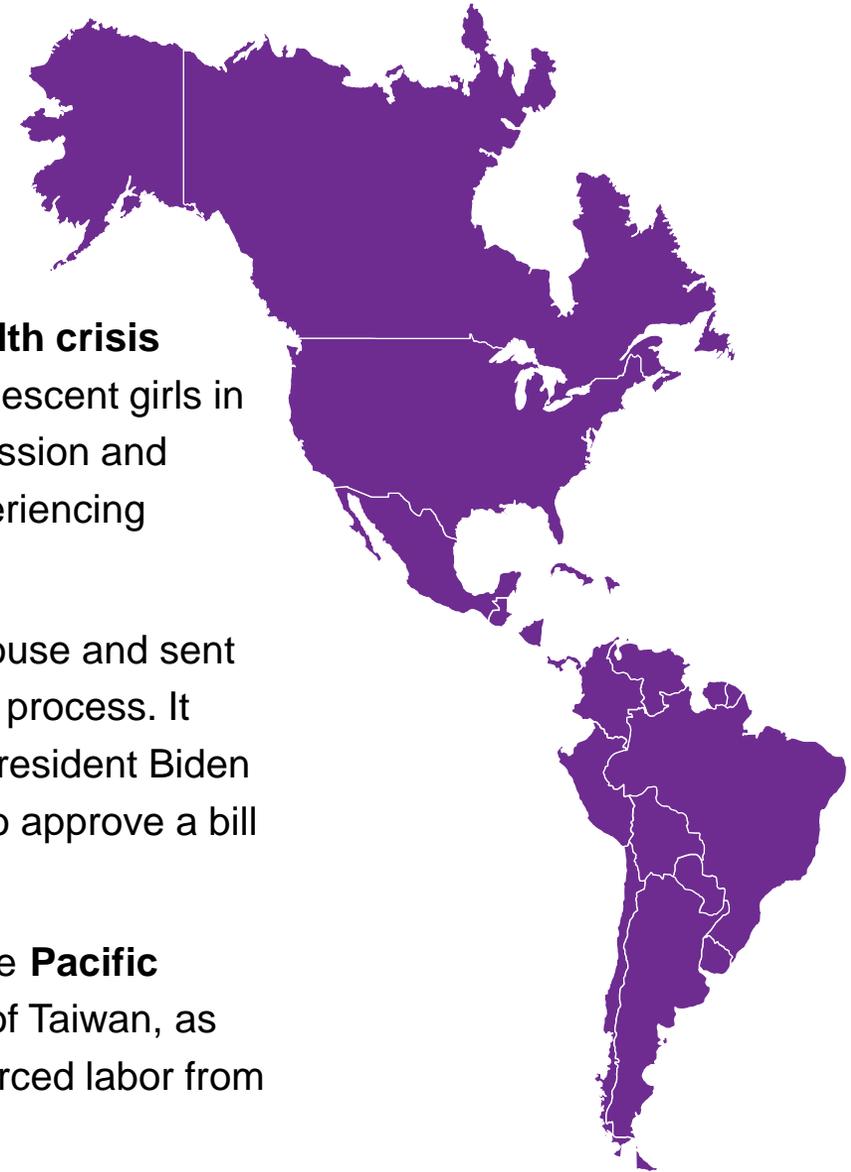
- **Peruvian** lawmakers will vote on whether to impeach President Castillo for “*moral incapacity*,” it appeared likely that Castillo, a socialist, would hold onto his seat.
- **Honduras** began an unprecedented recount following claims of fraud in the recent congressional elections following allegations of fraud at some polling places.
- Maple syrup producers in **North America** released more than half of the world’s maple syrup reserve to ease supply issues.
- **Brazil** will require that unvaccinated travelers entering the country go on a five-day quarantine followed by a COVID-19 test, after President Bolsonaro rejected the Health Ministry’s recommendation to adopt vaccine passports.



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

Americas: US

- The US surgeon general has released a new report warning that the **mental health crisis** among adolescents is dire. Since 2019, suicide attempts rose 51 percent for adolescent girls in early 2021. Among boys, there was an increase of four percentage points. Depression and anxiety doubled during the coronavirus pandemic, with 25 percent of youths experiencing depressive symptoms and 20 percent suffering anxiety symptoms.
- The 2022 **National Defense Authorization Act (NDAA)** was approved by the House and sent to the Senate, where it is expected to be approved through a one-time, fast-track process. It authorizes \$768 billion in military spending, \$25 billion more than requested by President Biden and about 5 percent more than last year's budget. The Senate is also expected to approve a bill to raise the **debt ceiling** with just 51 votes.
- The NDAA, expected to be signed by President Biden, includes \$7.1 billion for the **Pacific Deterrence Initiative** and a statement of congressional support for the defense of Taiwan, as well as a ban on the Department of Defense procuring products produced with forced labor from China's Xinjiang region.



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

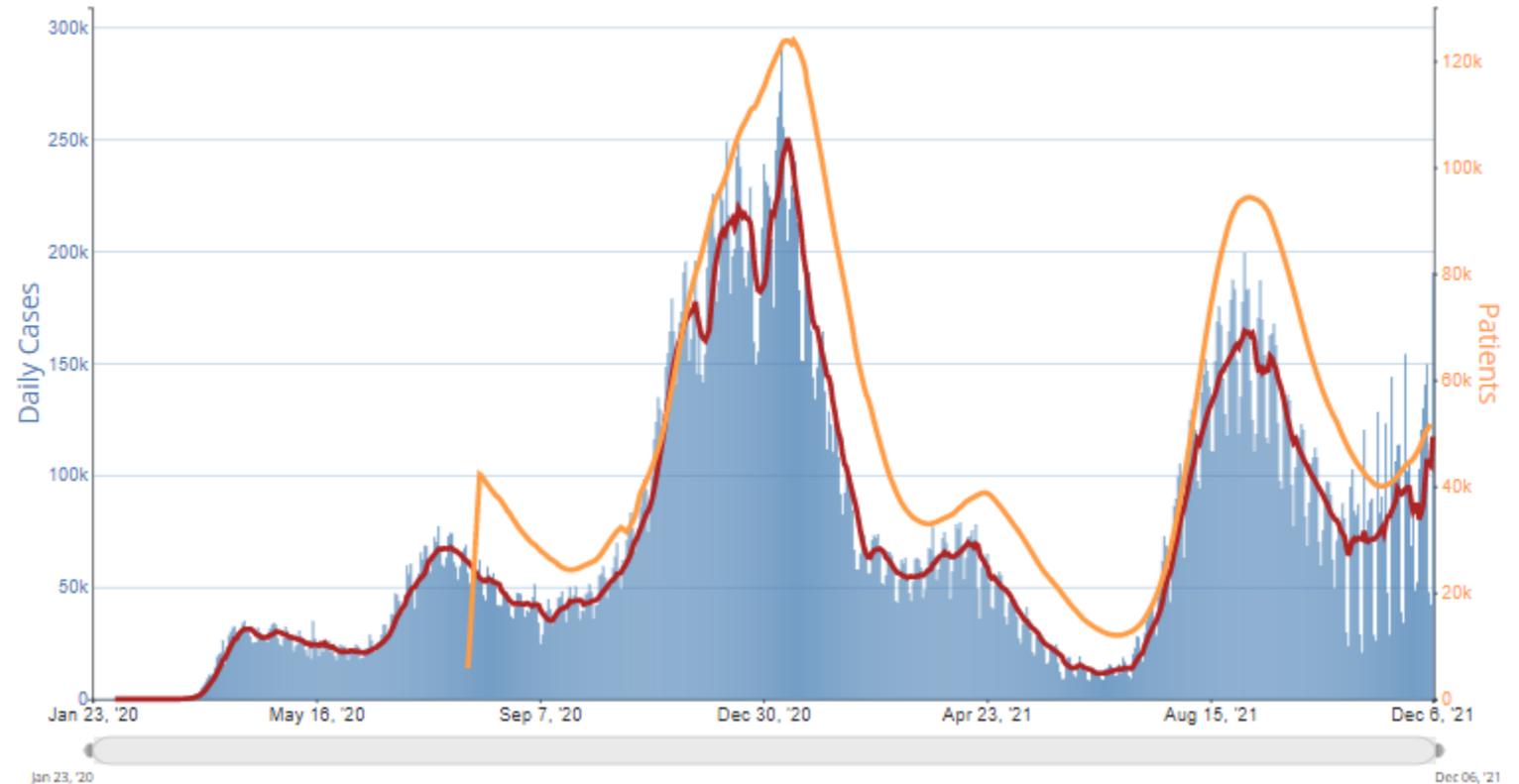
Americas: US

COVID-19 hospitalizations are rising in the US, driven by surges in four states – Michigan, Ohio, Pennsylvania and Indiana -- that represent nearly half the increase nationwide.

Show:
 7-Day moving average

View(right axis):
Current Hospitalized COVID-19 Patients

Daily Trends in Number of Cases and 7-day Average of Current Hospitalized Patients with Confirmed COVID-19 in The United States Reported to CDC



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

The Summit for Democracy

President Biden will host the virtual Summit for Democracy on December 9-10 as an initiative to illustrate the Administration's commitment to putting democracy and human rights at the heart of US foreign policy. The initiative is an example of how Biden is working outside international organizations to convene broad, new coalitions of the willing to advance the agenda of liberal democracies and isolate authoritarian rivals, namely China, Russia and countries within their zones of influence.

The Summit will focus on three themes: strengthening democracy and countering authoritarianism, fighting corruption, and promoting respect for human rights. Invitations have been sent to 110 governments, plus multilateral institutions and civil society stakeholders. The summit is intended to be a forum for discussion, goal setting through action plans and commitments to be implemented over the next year, a “year of action,” with a second summit in 2022 to review progress and set new goals.

The Democracy Agenda

The narrative that democracy is on the retreat worldwide is growing over the past decade. American NGO Freedom House in its Freedom of the World 2021 report highlighted that freedom around the globe has declined over the last 15 consecutive years. The ongoing decline has given rise to claims of democracy's inherent inferiority. Freedom House points to Russia and China as autocratic states seeking to undermine democracy and freedom activists, while claiming democracy is a failing ideology. The agenda for the Summit for Democracy is set not only to convene the global community of countries aspiring to democratic ideals, but to demonstrate that democracies can deliver by improving the lives of their own people and by addressing the greatest problems facing the wider world.

The Biden administration has set an affirmative agenda addressing what countries will do to advance democracy, good governance and fundamental

The Summit for Democracy

freedoms in their own countries and how they will cooperate to leverage these ideals into creating new opportunities, economic, social and political. In other words, the goal is to demonstrate by action that democracy is the political system best able to elevate individuals and communities and enable them to prosper. As a community of democracies, participant nations will set goals to strengthen accountability, protect free and independent media, fight corruption, hold free and fair elections, strengthen civic capacity, empower women, girls and marginalized community members and harness technology for democratic renewal.

The US has plans to announce new actions and commitments in bolstering basic freedoms, strengthening civic society, protecting the vulnerable and marginalized and harnessing technology for democratic renewal at the Summit. In the lead up to it, the administration signaled its intentions by praising Malala Yousafzai for her promotion of girls' education during a visit to the State Department and by announcing a diplomatic boycott of the Beijing Winter Olympics. Over the past several weeks, the US has also previewed new initiatives which will be officially launched during the summit and will serve as discussion points during it:

- **Support to Human Rights Defenders:** The State Department released last week [Guidelines for US Diplomatic Mission Support to Civil Society and Human Rights Defenders](#). This document outlines US policy and how diplomatic practitioners can implement the policy through engagement with human rights defenders, host country civil society, host country government officials and institutions and through coordinated action with other diplomatic missions with shared values. The guidance provides strategies and tools for US missions to develop and evaluate their efforts to support human rights defenders. It also establishes a blueprint for like-minded countries to develop similar programs.
- **Fighting Corruption:** The US launched its first [US National Strategy on Countering Corruption](#) this week. The US plans to increase resources devoted to countering corruption, which undermines trust in government Institutions, trust between citizens to resolve their differences through the democratic process, and trust in government to provide effective leadership in times of calm and of crisis. Corruption deepens inequality, undercuts development and disenfranchises citizens

The Summit for Democracy

economically. The strategy has three major lines of effort: improving transparency, increasing enforcement, and deepening global partnerships. At the summit, the US will rally parties to advance programs for asset recovery and against money laundering, sanctioning kleptocracies and exposing illicit financial transactions through shell companies and non-transparent entities.

- **Misuse of Emerging Technologies:** The US plans to work with other countries to control exports of surveillance tools and other technologies that authoritarian governments can use to suppress human rights. While technology can improve transparency and efficiency in democracies, it is being misused by authoritarian countries to invade privacy of communications, track movement through AI facial recognition tools and DNA traces.
- **Protecting Journalists and Free Media:** The US is launching the Global Defamation Defense Fund to protect journalists against lawsuits that are designed to deter them from doing their work.

- The US expects countries and organizations to make public commitments during the summit detailing how they plan to strengthen democracy, human rights and fundamental freedoms at home and abroad. The 2021 summit is going to be followed by a year of consultation, coordination, and delivery on these commitments.

Private Sector Role in Democracy Revival

The Biden Administration views the private sector as key stakeholders for sustainable democracies. By tapping into the strength of the private business, countries can partner on innovative and impactful initiatives to address the core themes. Companies impact democracy through their day-to-day operations, business models, and public engagements. Companies can support, or undermine, efforts to create transparency, combat corruption, protect data privacy and promote human rights. Globally, companies are the most trusted institution, according to the 2021 Edelman Trust Barometer: 61 percent of respondents indicate they trust their employer (compared to 53 percent who trust their government, and 51 percent who trust the media).

The Summit for Democracy

Importantly, businesses benefit from the operational environments of liberal democracies, where the rule of law provides a level playing field, stable political systems provide security and predictability. Businesses should support initiatives that strengthen democracies. Commitments to support the global minimum corporate tax, promote responsible business practices that improve transparency and reduce the chances of facilitating corruption, and not engage in tax avoidance are critical steps for companies to support financial stability among democratic governments.

Technology companies have a unique role in supporting free and fair elections and the work of human rights defenders and political activists. They can prioritize news and information from credible outlets and de-prioritize misleading or incendiary content. Social media companies can also commit to support voter education around disinformation and misinformation online and support organizations that promote fact-checking and media literacy.

In a policy discussion this week hosted by NGO Center for Strategic and International Studies (CSIS), pro-democracy activists

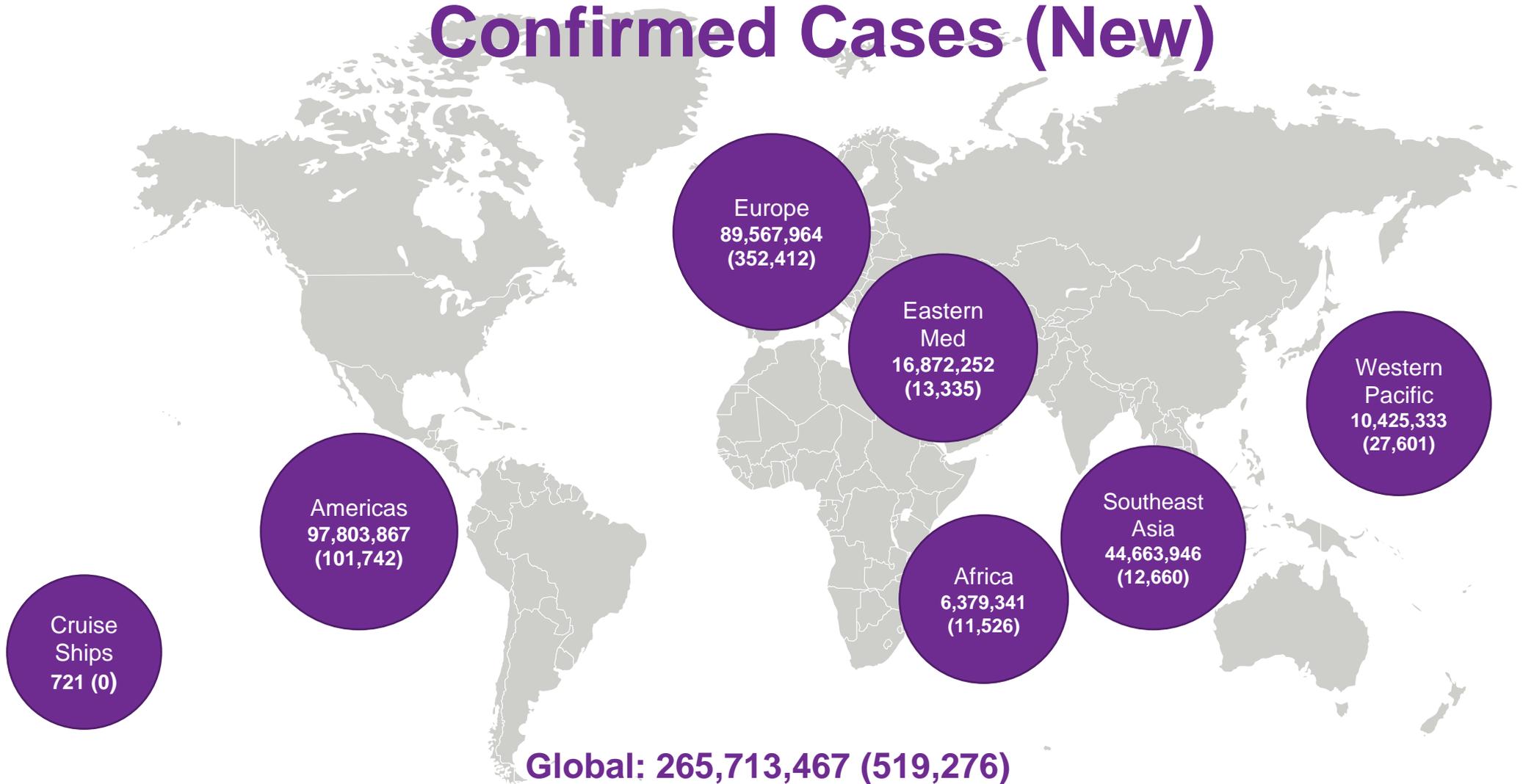
from autocratic countries not invited to the summit pointed out that technology companies enable authoritarians to repress activists by sharing their private data or blocking access to their platforms and technology tools. Social media companies need to do more to remove propaganda seeded by authoritarian governments and proxies to discredit pro-democracy activists. If social media companies are able to vet accounts as “real” for state officials, they should be able to do the same for NGOs and civil society activists.

The public commentary on the Summit for Democracy in the run up has often focused on which countries were invited and those excluded. After the Summit concludes, the discussion will switch to promises made and commitments kept. Because private industry has a seat at the table, there will be expectations that businesses, large and small, will be vested in and take action for strengthening democracy.

Coronavirus Condition Updates

As of 7:55 pm CEST on December 7, 2021

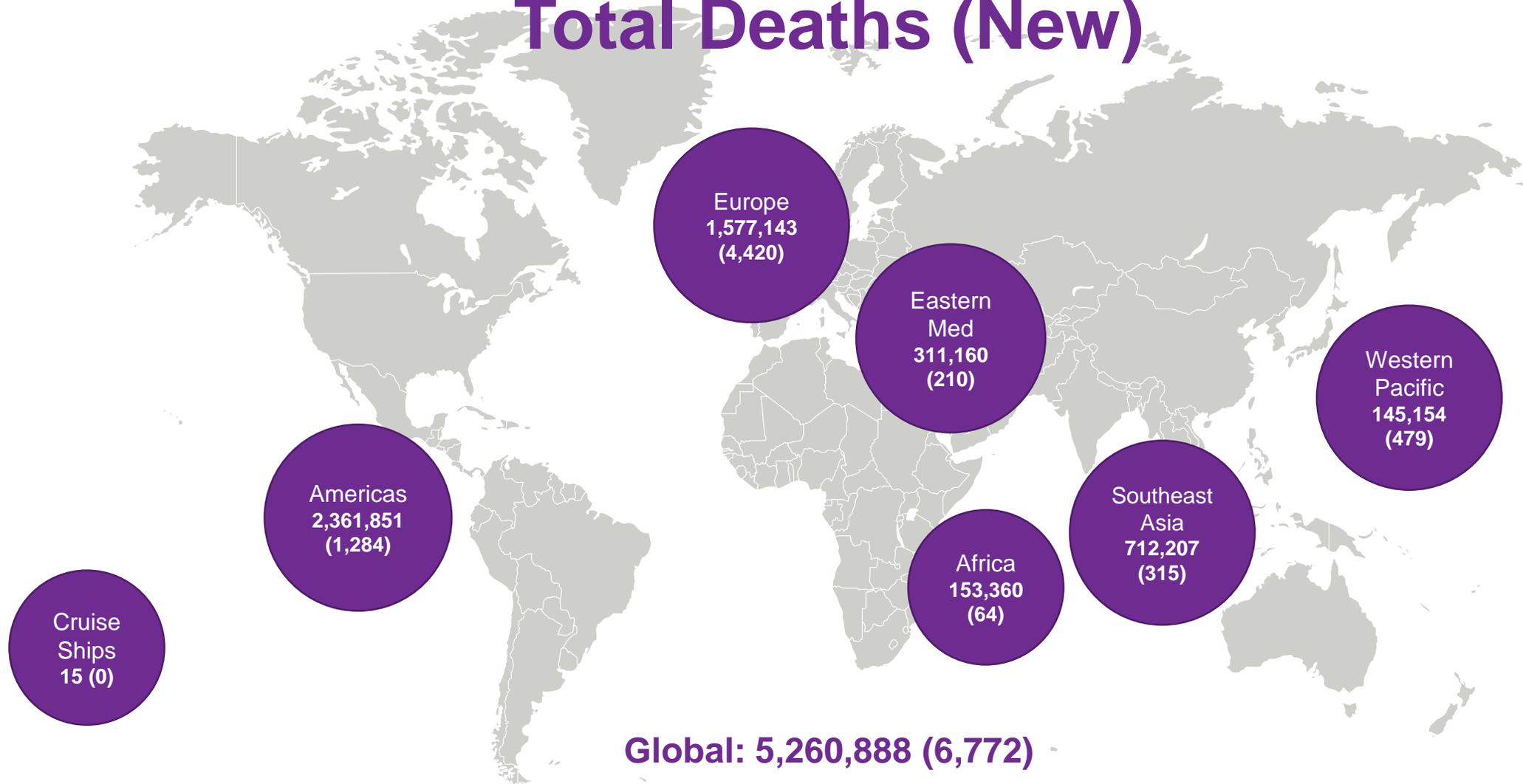
Confirmed Cases (New)



Reflects data as of 7:55 pm CEST on December 7, 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 7:55 pm CEST on December 7, 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