

# Dentons Flashpoint

## Daily Global Situation Report

November 30, 2021

# Global Situation Update: November 30, 2021

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## KEY TAKEAWAYS

NATO foreign ministers meet today to discuss President Putin's possible intent for massing Russian troops on Ukraine's borders

US Federal Reserve Chairman sees possibility of new Omicron variant imperiling economic recovery and exacerbating inflationary pressures.

Greenhouse gas emissions from EU countries jumped 18 percent last spring, according to Eurostat.

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## WHAT WE'RE WATCHING

Barbados is officially a full republic with President Sandra Mason taking over the symbolic role of head of state from Queen Elizabeth II. The move is timed alongside the 55th anniversary of the island's independence from Britain, which will be celebrated by roughly 300,000 Barbadians today with a focus on self-governance and a rejection of colonialism. Barbados is one of the most secure democracies in the Caribbean and the business environment should continue to be broadly favorable.

There are concerns, however, that separation from Britain will leave the easternmost Caribbean island vulnerable to China's growing influence. Barbados joined China's Belt and Road Initiative just before the pandemic, and Beijing has an office on the island to facilitate investment and loans that will ultimately have to be repaid. Barbados's move may also prompt other small nations to follow suit.



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

# Global

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**Globally, confirmed coronavirus cases topped 260.8 million with 5.2 million deaths; almost 7.7 billion vaccine doses have been administered.**

- UN Secretary General Guterres expressed concern at the **isolation of southern African countries** over Omicron concerns and called for consideration of repeated testing and other measures.
- **NATO foreign ministers** meet today to discuss President Vladimir Putin's possible intent for massing Russian troops on Ukraine's borders, and what the alliance's response should be.
- China expects to hold the **2022 Winter Olympics** "smoothly" and on schedule, despite challenges posed by the emergence of the new Omicron coronavirus variant, per the foreign ministry. Beijing is set to stage the Games from February 4 to 20, without foreign spectators and with all athletes and related personnel subject to daily testing for COVID-19.

# Markets & Business

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**Japan's Subaru Corp unveiled its first all-electric vehicle (EV), the Solterra, the result of a two-year joint development project with its biggest shareholder, Toyota Motor Corp.**

- Britain's competition regulator directed Facebook owner **Meta Platforms** to sell animated images platform **Giphy** after finding that the deal could harm social media users and UK advertisers.
- A regional director of the National Labor Relations Board ordered a rerun of the vote for unionization at an **Amazon** distribution center in Alabama, saying Amazon had “essentially hijacked” the process.
- **World markets** fell and investors scrambled to safer currencies and bonds on Tuesday after the CEO of drugmaker **Moderna** warned that COVID-19 vaccines are unlikely to be as effective against the new Omicron variant.
- **Twitter** Founder and CEO Jack Dorsey resigned, appointing Chief Technology Officer Parag Agrawal as his replacement.

# Environment, Sustainability & Governance

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## The East African Community banned dumping of e-waste in the region, curtailing imports of computer waste from the west.

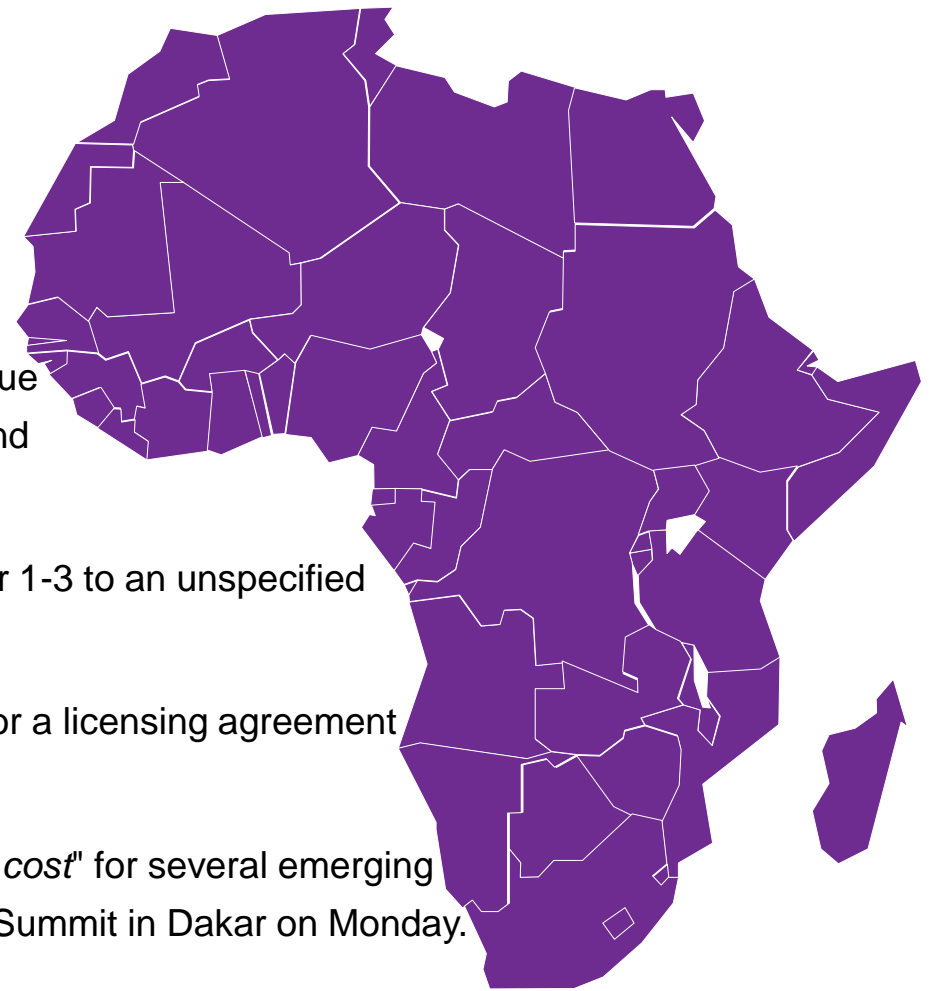
- The European Commission proposed a new set of measures that would establish a publicly accessible portal for **sustainability information** about EU companies.
- **Greenhouse gas emissions** from European Union countries jumped 18 percent last spring, according to data from Eurostat.
- In Australia, the Conservation Council of Western Australia plans to challenge the government's decision to approve the expansion of its Pluto LNG train on concerns of environmental harm caused by **greenhouse gas emissions**.
- Activist investor Bluebell Capital Partners has called on commodities group Glencore to spin off its **thermal coal business**, divest non-core assets and improve corporate governance.
- China's state-controlled Sinopec has started the construction of a 3 billion yuan (\$470 million) **green hydrogen plant**, with an annual production capacity of 20,000 tons, in Kuqa city in the country's northwestern region of Xinjiang.

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# Africa

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- **Chad's** military council pardoned members of the rebel group that claimed responsibility for the death of the late President Deby ahead of a national dialogue intended to open lines of communication between the government and rebels and ease conflict.
- The **African** Development Bank postponed its investment forum from December 1-3 to an unspecified date.
- **South African** Aspen Pharmacare reported that it is in advanced negotiations for a licensing agreement to package COVID-19 vaccines in the country.
- Plans by some nations to end the financing of gas exploration will prove a "*fatal cost*" for several emerging African economies, **Senegal** President Sall said at the start of the China-Africa Summit in Dakar on Monday.
- **Nigerian** officials said that the countrywide ban on Twitter, which was taken offline after the platform deleted a Tweet from President Buhari in June, will end in "*just a few days.*"
- **China** will deliver another 1 billion doses of COVID-19 vaccines to **Africa** and encourage Chinese companies to invest no less than \$10 billion in the continent over the next three years, per Chinese President Xi speaking at the Forum on China-Africa Cooperation.



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# Asia

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- **China's** Ministry of Industry and Information Technology called for improved cross-border security management of big data until 2025, in a five-year plan published yesterday.
- **Philippines** leader Duterte's preferred successor, Senator Christopher "Bong" Go, announced he was dropping out of the presidential race, leaving the administration without a candidate in next year's polls. Duterte is not eligible to seek re-election.
- A court in military-ruled **Myanmar** deferred on Tuesday the first verdicts in the trial of ousted leader Aung San Suu Kyi to December. 6. The deposed leader has been held incommunicado and on trial since June, with court hearings behind closed doors.
- **Hong Kong** officials tightened international travel restrictions, already some of the strictest in the world, ban non-resident arrivals from 13 more countries where cases of the new variant were recorded, including **Australia, Canada and Germany**.



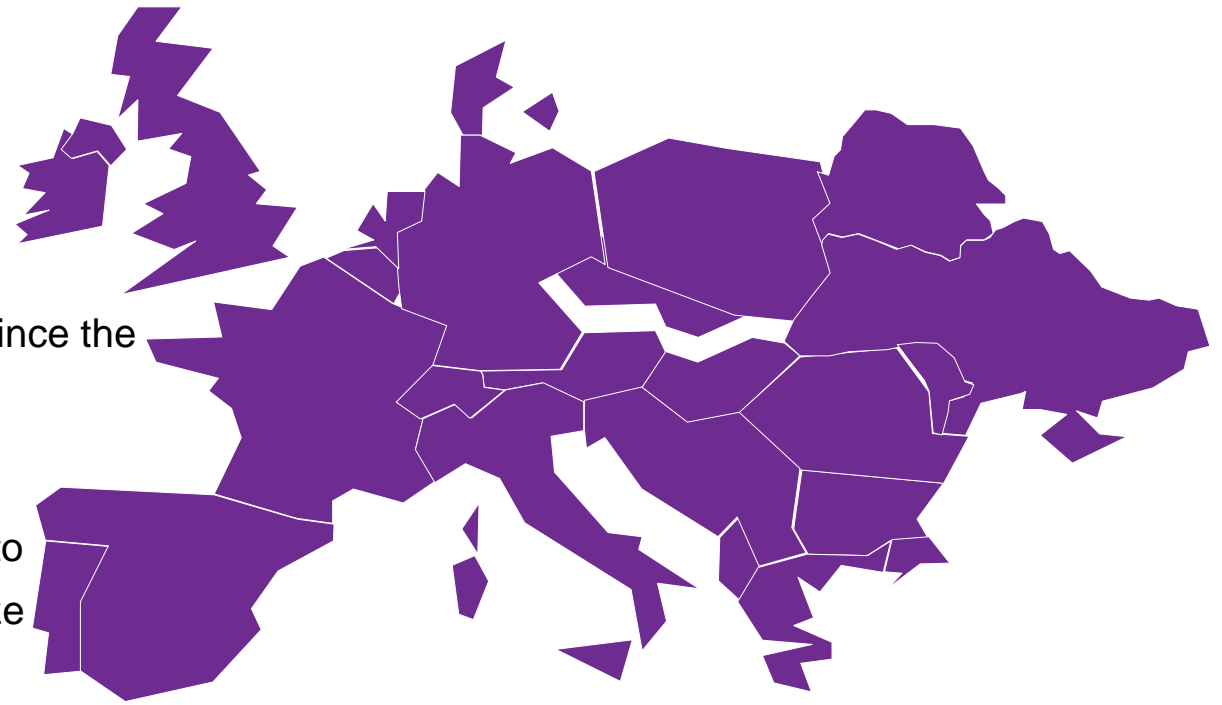
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# Europe

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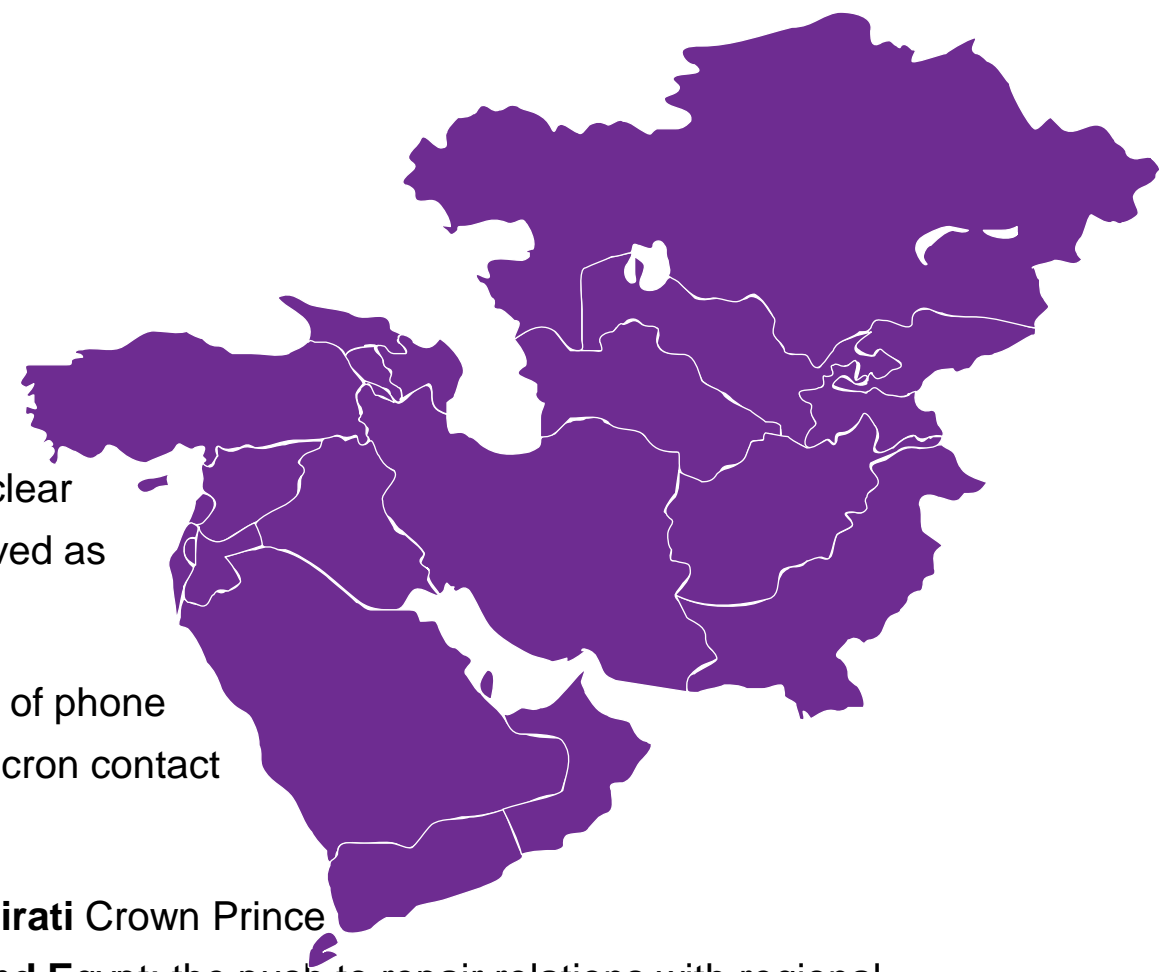
- Inflation in the **eurozone** has risen to 4.9 percent, a record since the single currency was created more than two decades ago,
- The chief of **Britain's** foreign spy service warned that the West's adversaries such as **China and Russia** were racing to master artificial intelligence in a way which could revolutionize geopolitics over the next decade.
- **Latvia** called for a permanent **US** military presence to deter Russia and wants to boost its defenses with US Patriot missiles.
- New mask mandates and mandatory PRC testing of all arriving travelers aimed at curbing the spread of the Omicron coronavirus variant came into force in **England**. **Greece** will make COVID-19 vaccinations mandatory for people aged 60 and over, a drastic step for the country grappling with a new surge in coronavirus cases. **Polish** authorities have banned flights from seven southern African countries and quarantine requirement for unvaccinated third-countries nationals. **Swiss** authorities have introduced entry quarantine for **UK** nationals.



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# Middle East

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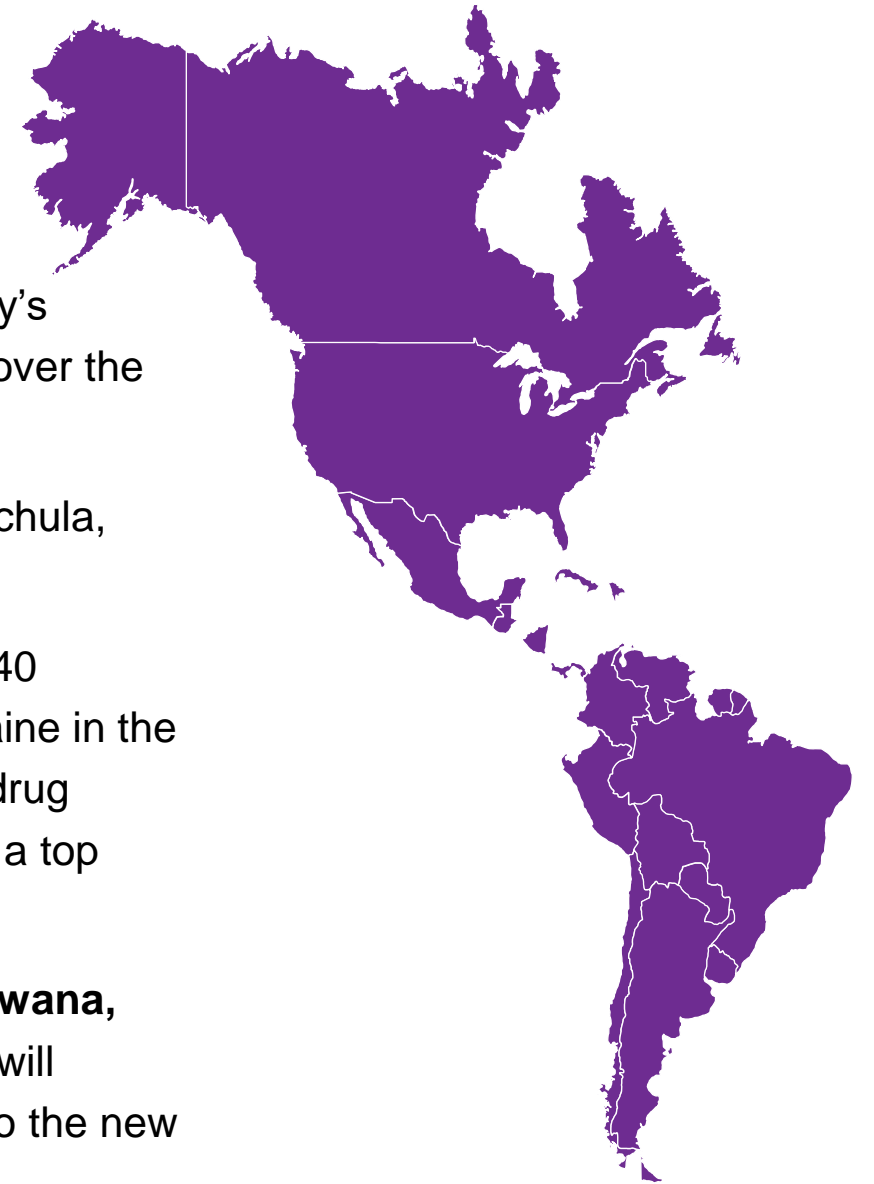
- New **Israeli** intelligence suggests that **Iran** has taken steps to enrich uranium to 95 percent, surpassing the 90 percent weapons grade threshold, ahead of renewed JCPOA talks. At nuclear talks in Vienna, Iran reiterated its call for all sanctions to be removed as a prerequisite for a return to the deal.
- Rights groups petitioned **Israeli** courts to forbid the reinstatement of phone tracking measures, developed for counter-terrorism uses, for Omicron contact tracing, saying the tracking violates privacy.
- **Turkish** President Erdogan said he plans to return the visit of **Emirati** Crown Prince Mohammed bin Zayed in February, and conduct visits to **Israel and Egypt**; the push to repair relations with regional countries comes as Ankara seeks increased investment to counteract a growing economic crisis.
- Eight **Iraqi** officers tasked with investigating an attack on Prime Minister Kadhimi were charged with negligence after failing to lift fingerprints from a drone.

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# Americas

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- **Ecuadorian** President Lasso renewed a state of emergency in the country's prisons; out of control prison violence has left scores dead in prison riots over the last month.
- A new caravan of 2,000 migrants departed from the **Mexican** city of Tapachula, teeing up further immigration tensions.
- **Colombia** announced that military and police authorities from more than 40 countries across Europe and the Americas confiscated 145.3 tons of cocaine in the eighth phase of Operation Orion, a multinational naval operation against drug trafficking. Despite decades of fighting drug trafficking, Colombia remains a top global producer of cocaine.
- **Ecuador** will impose entry restrictions on travelers flying from or via **Botswana, Egypt, Mozambique, Lesotho, Zimbabwe, Eswatini and Namibia** and will request vaccine certificates from those arriving from other countries due to the new Omicron strain.



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# Americas: US

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- The CDC said on Monday everyone aged 18 years and older should get a **booster shot**. Pfizer is expected to ask the FDA in the coming days to authorize its booster shots for 16- and 17-year-olds. Over the Thanksgiving holiday, labs sequenced fewer COVID-19 samples due to holiday closures, likely delaying detection of the **Omicron variant**.
- A federal judge blocked in 10 states a Biden administration **vaccine requirement**, finding the agency that issued the rule mandating healthcare workers get vaccinated against the coronavirus likely exceeded its authority.
- Rising COVID-19 cases and the new Omicron variant could imperil the **economic recovery** and exacerbate **inflationary pressures**, Federal Reserve Chair Powell plans to tell US lawmakers on today, per his prepared written testimony.
- The FTC is seeking information from Amazon.com Inc., Procter & Gamble Co., Walmart Inc. and others about how they are handling **supply-chain** snarls, part of a study into whether the problems have led to **anticompetitive behavior** and higher prices.
- The Pentagon released the results of its months-long **Global Posture Review**, which recommends no immediate changes to force structure but advises continued study of Asian theaters to inform a pivot to Asia. Unexpectedly, the Pentagon will not release a full summary of the study, citing ongoing discussions with allies.



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# New COVID-19 Variant Prompts Global Response

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***“Decision-makers must stay vigilant about the latest developments with Omicron, but there is no need yet for panic. The same global system that has produced a vaccine for Delta could do so for Omicron within months, according to pharmaceutical executives. The new variant may ultimately delay, rather than derail, economic recoveries, but it will take time for its significance to be fully understood.”***

Last Thursday, the South Africa Department of Health disclosed the discovery of a new variant of COVID-19. Global public health officials have warned for months of the risks of new variants the longer the virus circulates through communities around the world unchecked. The South African announcement is notable for two reasons: 1) the new variant has significantly more mutations than the highly contagious Delta variant, meaning it could be vaccine evasive, and 2) governments across the globe are not waiting for the World Health Organization (WHO) to issue a risk assessment but imposing immediate restrictions on travelers from suspected areas of infections. It is too early to assess how the goal posts will shift on the timeline for this new variant to move from a pandemic to endemic disease, or if indeed, the Omicron variant represents pandemic 3.0. The implications for business are that return-to-office planning needs to remain flexible and situational awareness

high, given the likelihood of public backlash against another round of government-imposed mitigation measures that limit mobility.

## ***Variant B.1.1.529: Omicron***

The variant known as B.1.1.529 has been detected in small numbers in South Africa, with linked cases to South Africa reportedly found in small numbers in Europe, Asia and North America. According to South African scientist Tulio de Oliveira, the variant contains a “unique constellation” of more than 30 mutations to the spike protein, the component of the virus that binds to cells. This is significantly more than those of the Delta variant. Many of these mutations are linked to increased antibody resistance, which may affect how the virus behaves with regard to vaccines, treatments and transmissibility. In total, the variant contains around

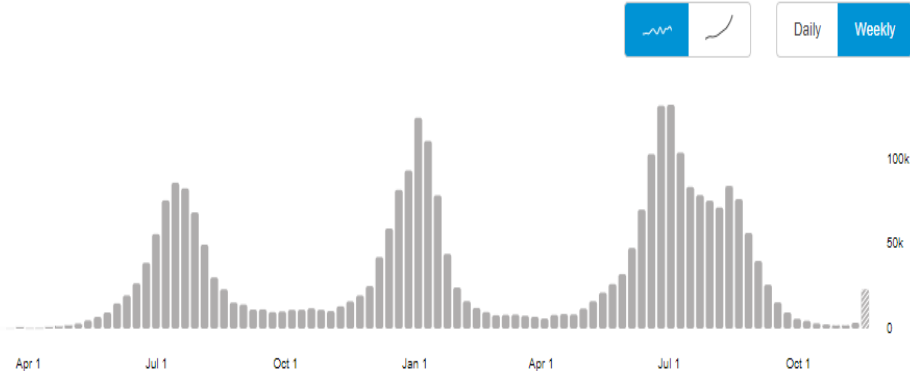
# New COVID-19 Variant Prompts Global Response

50 mutations. The receptor binding domain (the part of the virus that makes first contact with the body's cells) has 10 mutations compared to just three for the Delta variant. The mutations will help the virus circumvent the body's immune defenses. The number of mutations also suggests that it came from a single patient who could not clear the virus, giving it the chance to genetically evolve.

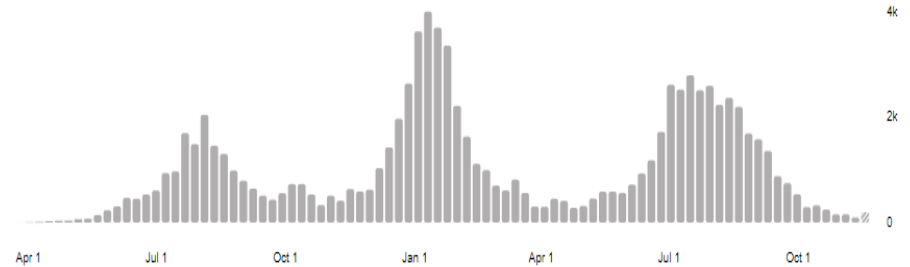
South African cases are concentrated in Gauteng, the most populated province. Scientists believe as many as 90 percent of new cases in Gauteng could be B.1.1.529. In absolute terms, the numbers of confirmed Omicron variant infections are small, less than 200 cases. Worryingly, however, doctors are observing an unusually high number of hospitalizations of children under the age of two in the capital area of Pretoria. Additionally, analysis of wastewater in Pretoria for traces of the COVID virus — an indicator of outbreak size — suggested that infections had surged close to levels last seen during the Delta wave six months ago. Even if Omicron caused milder symptoms on average, the total toll of hospitalizations and

## South Africa Situation

**2,952,500**  
confirmed cases



**89,771**  
deaths



Source: World Health Organization  
Data may be incomplete for the current day or week.

Source: WHO

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# New COVID-19 Variant Prompts Global Response

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and deaths would be greater if it is much more infectious and better at escaping human immune protection.

## *Global Response*

The WHO has issued a cautionary statement to the effect that scientists do not know much about the variant yet and it will take weeks to get a full picture on how the variant reacts to existing vaccines. In an emergency meeting last Friday, the WHO took the unusual step of declaring the strain a “Variant of Concern” and naming it Omicron, skipping the intermediary step of designating it a “Variant of Interest,” while WHO studies its attributes. The international community, however, did not even wait for the WHO to make a determination before taking action.

In a domino effect, countries began banning flights or imposing mandatory quarantines on Friday. The UK, the EU, Israel, the US, Canada, Singapore, South Korea, Australia, Japan, Thailand, Indonesia and Brazil made announcements as the day progressed. South Africa, Botswana, Zimbabwe, Namibia, Lesotho, Eswatini, Mozambique and Malawi are the initial

countries subjected to travel bans or increased testing requirements, although others are being added as the outbreak spreads, including countries in Europe with confirmed cases. Israel announced late on Saturday it would ban the entry of all foreigners and reintroduce counter-terrorism phone-tracking technology to contain the spread of the variant. Japan has now banned all foreigners. The UK and India are testing all arriving travelers.

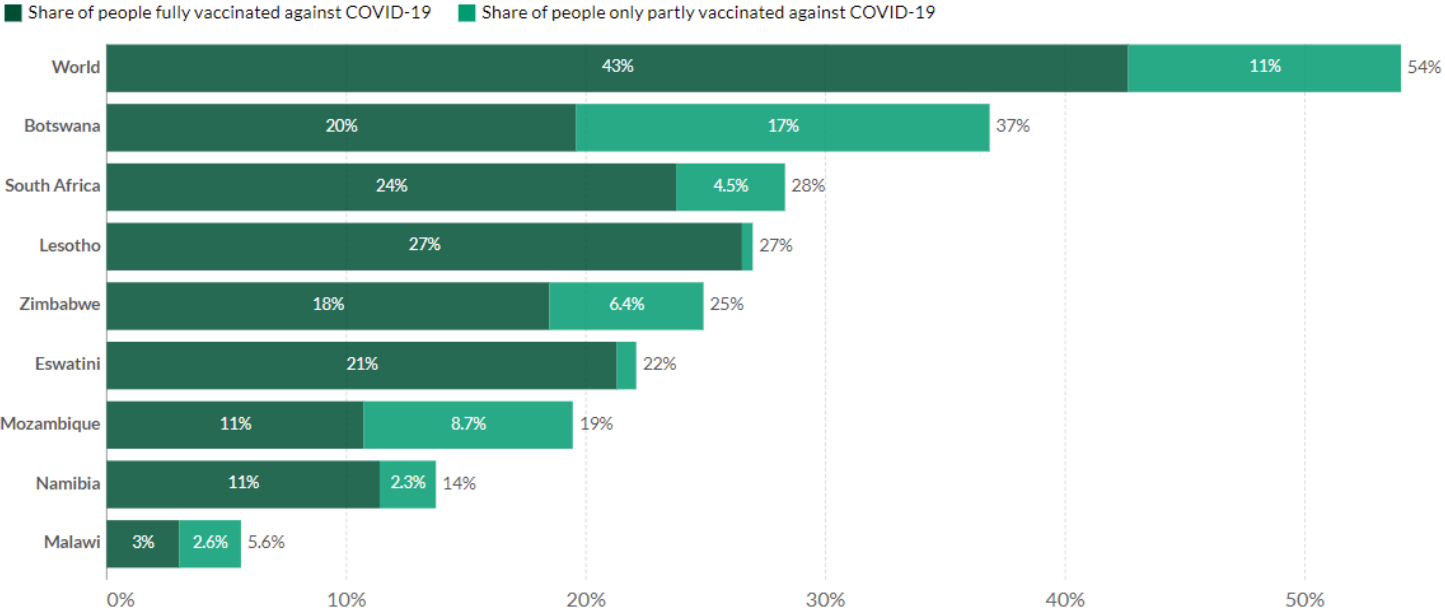
The southern Africa countries from which the Omicron variant appears to have emerged have some of the lowest vaccination rates in the world, reinforcing the persistent threat of virus mutation in areas where vaccination levels are low. Furthermore, the timing of the outbreak comes as more countries began lifting travel restrictions, and pent-up travel demand surged. Passenger traffic at the 10 largest airports increased by an average of 43.6 percent in the first half (H1) of 2021 compared to H1 2020, according to Airport Council International.

The global rapid response to Omicron contrasts sharply with the global response to the Delta variant. According to WHO data, the first Delta case emerged in October 2020. On April 4, 2021, the

# New COVID-19 Variant Prompts Global Response

## Share of people vaccinated against COVID-19, Nov 26, 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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# New COVID-19 Variant Prompts Global Response

the WHO named it as a “Variant of Concern.” By that time, the strain was already on track to become globally dominant. In mid-April 2021, after India reported around 750,000 new cases over one week, Europe began banning travelers from India. The WHO did not name the Delta strain a “Variant of Concern” until May 11, 2021. By early June, the UK was seeing a meteoric increase in new infections, driven by the Delta variant. The wave gathered steam in Western Europe and the US in July.

If early assessments that the Omicron variant is more transmissible than the Delta variant, efforts to stop its spread

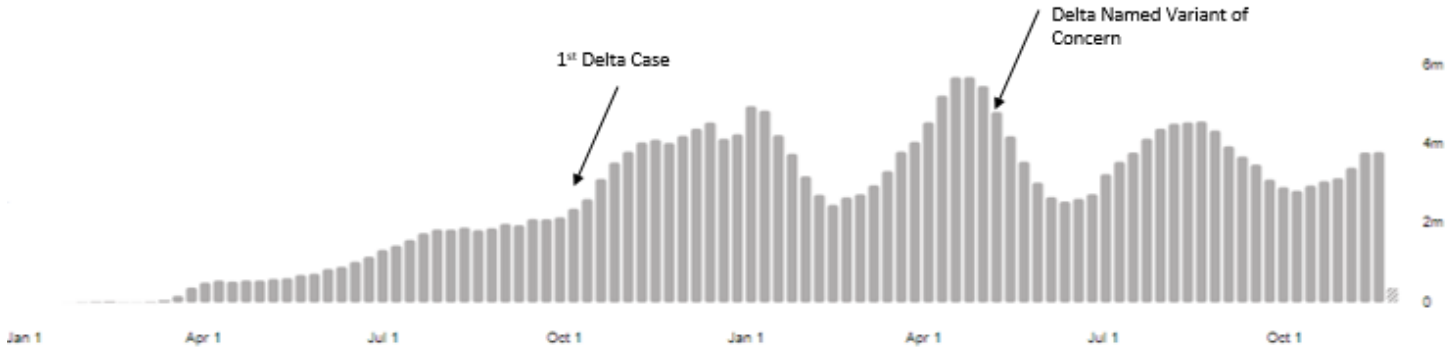
through travel bans are likely to only slow the process, not stop the spread, given the number of cases already discovered around the globe.

### Growing Resistance to COVID-19 Mitigation Measures

It has taken almost two years of the pandemic wreaking havoc on societies around the world for public officials to adjust public health policies to prioritize rapid response to contain and isolate contingents. Support for these policies, however, is far from universal. Protest movements in Western Europe are growing as

Global: Daily New Infections from COVID-19 (Jan 2020-Nov 2021)

Source: WHO



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# New COVID-19 Variant Prompts Global Response

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fatigue from COVID-19 lockdowns, movement and access restrictions and vaccine mandates impinge on individual freedoms in ways that are seen both as onerous and as abuse of government authority. A surge in COVID-19 cases and more restrictions risks increasing tensions and triggering protests beyond Europe. In less than 48 hours after the news release on the new strain and flight cancellations, anti-lockdown and anti-travel ban voices are ramping up.

Public health officials advise it will take two weeks before a full picture of the vaccines' efficacy against the new variant will be known. As might be expected, misinformation campaigns by bad actors are already underway online and anti-vaccination advocates are declaring Omicron a hoax. Meanwhile, government leaders are calling upon citizens to get vaccinated, including boosters, as the best defense available right now.

## *Implications for Businesses*

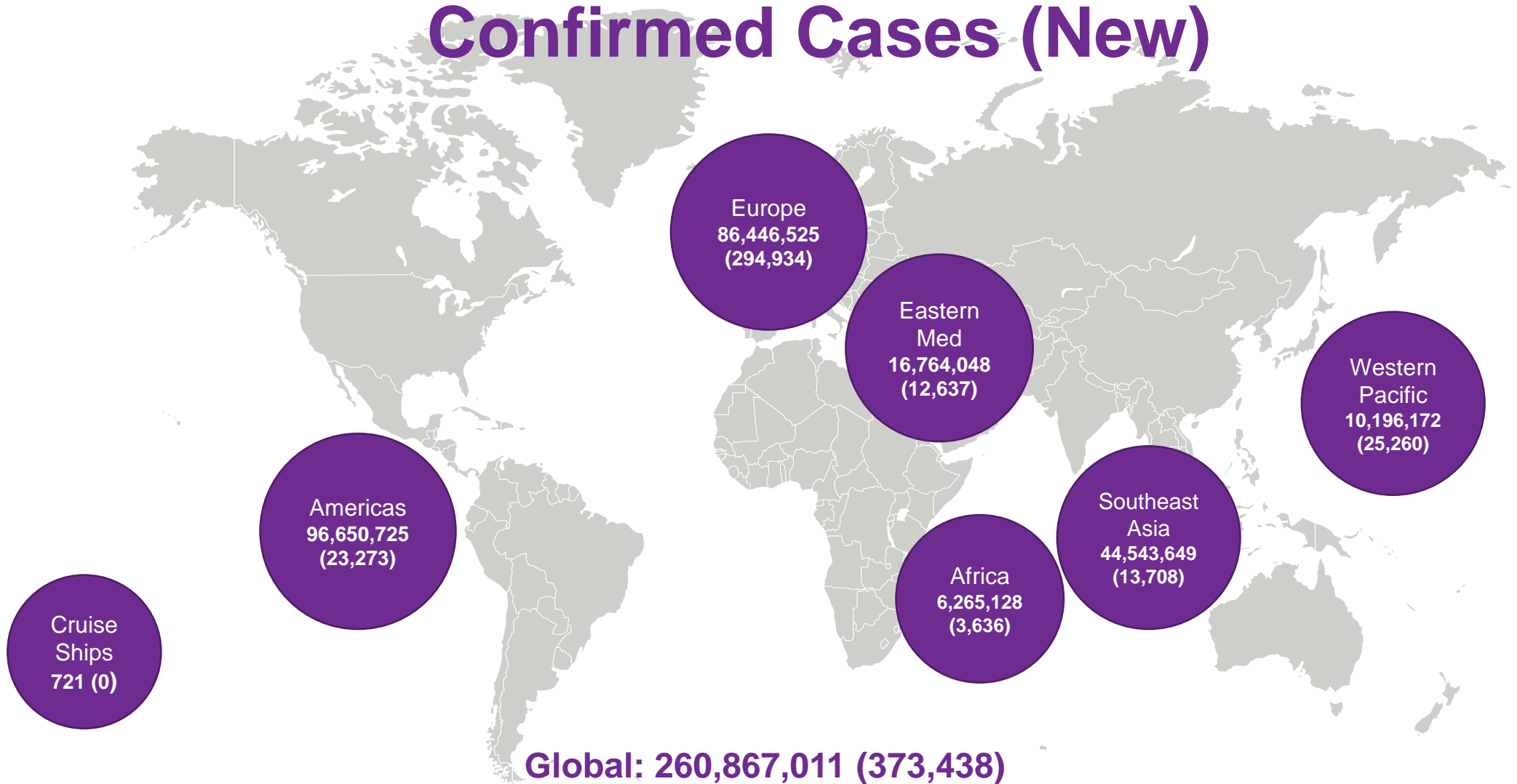
Since the beginning of the pandemic, businesses have had to adjust business practices and policies, multiple times as outbreaks

have ebbed and flowed. Businesses may soon face requests from governments to scrap return-to-office plans for early 2022 and possible even be asked to expand the use of vaccine requirements and passes. In that case, some businesses could become a target for harassment by opponents of these measures. Decision-makers must stay vigilant about the latest developments with Omicron, but there is no need yet for panic. The same global system that has produced a vaccine for Delta could do so for Omicron within months, according to pharmaceutical executives. The new variant may ultimately delay, rather than derail, economic recoveries, but it will take time for its significance to be fully understood.

# Coronavirus Condition Updates

As of 5:05 pm CEST on November 29, 2021

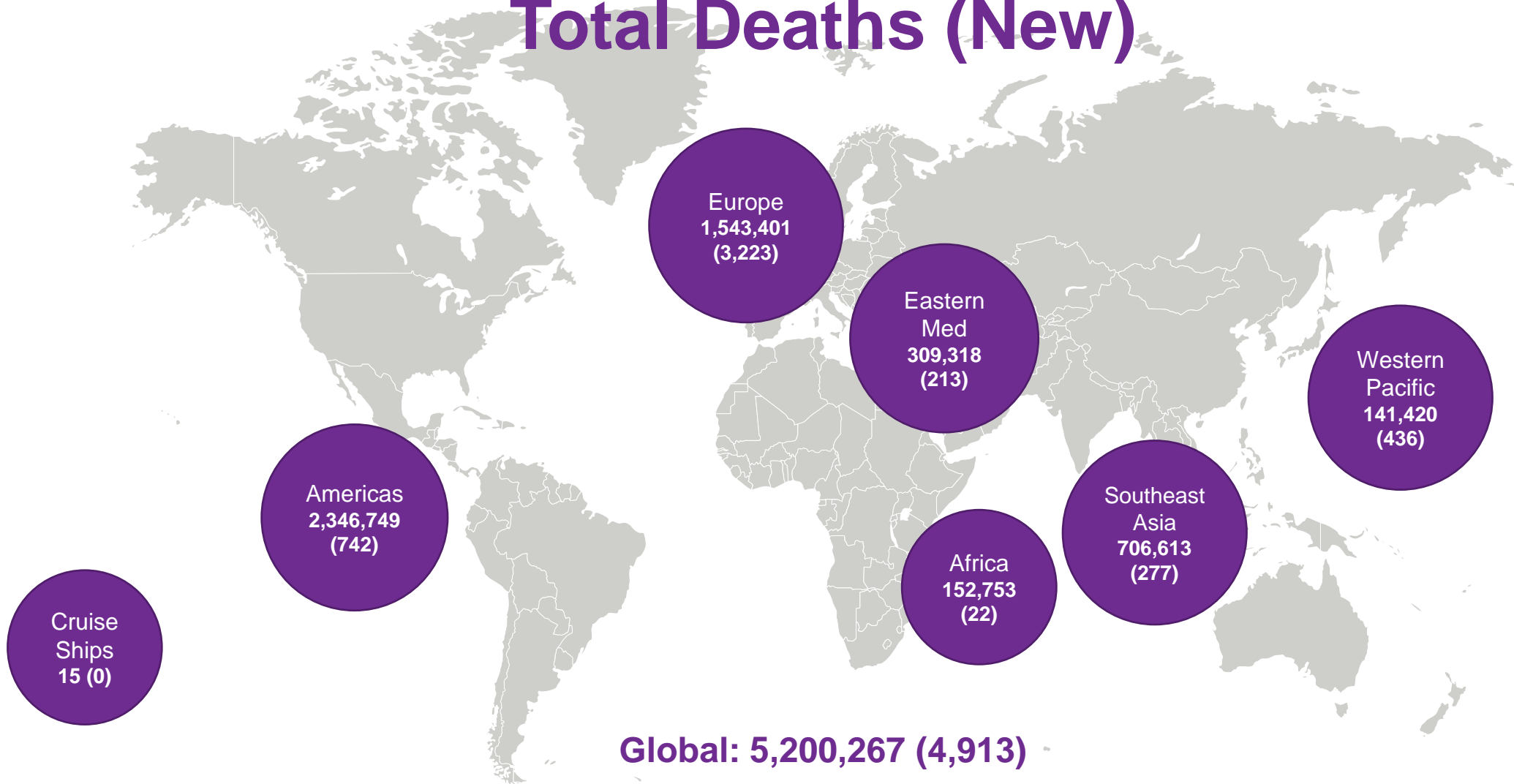
# Confirmed Cases (New)



Reflects data as of 5:05 pm CEST on November 29, 2021.  
Data Source: World Health Organization

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# Total Deaths (New)



Reflects data as of 5:05 pm CEST on November 29, 2021.  
Data Source: World Health Organization

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# Contacts

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*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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## **Karl Hopkins**

Partner and Global Chief Security Officer  
Dentons  
Washington, DC

D +1 202 408 9225  
[karl.hopkins@dentons.com](mailto:karl.hopkins@dentons.com)

## **Melissa Mahle**

Senior Analyst  
Dentons  
Washington, DC

D +1 202 408 6383  
[melissa.mahle@dentons.com](mailto:melissa.mahle@dentons.com)