

# Dentons Flashpoint

## Daily Global Situation Report

December 9, 2021

# Global Situation Update: December 9, 2021

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## KEY TAKEAWAYS

Pfizer finds that a third shot of its vaccine offers added protection against the Omicron variant.

US President Biden proposes talks between Russia and NATO allies to ease tensions over Ukraine.

The US plans to put Chinese AI company SenseTime on an investment blacklist.

# Global Situation Update: December 9, 2021

## WHAT WE'RE WATCHING

Today, the seventh round of nuclear negotiations between the P5+1 (China, France, Russia, the UK, and the US, plus Germany) and Iran resumes in Vienna. The talks adjourned last week so negotiators could return to their capitals for further deliberations. Multiple European parties to the negotiations have said that the latest proposals put forth by Tehran to restart the accord are not realistic and that this is the last chance for Iran to rejoin the nuclear deal.

Iran, on the other hand, claims that even though this latest round of talks is off to a rough start, it is still possible to reach an agreement. Yesterday, the US slapped sanctions on dozens of Iranian officials accused of committing human rights abuses, but Tehran has vowed this will not give Washington extra leverage in resumed talks. The US, meanwhile, believes that the more Iran stalls during talks the more it will be exposed as the isolated negotiating party.



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

- China tells Australia, Britain and the US that they will pay a price for their "*mistaken acts*" after deciding not to send government delegations to February's **Winter Olympics in Beijing**. Canada joined the diplomatic boycott yesterday while France announced its opposition.
- The WHO vaccine advisory panel recommended that people who are immunocompromised or received an inactivated vaccine should receive a **booster dose of a COVID-19 shot**. Inactivated vaccines are made by Chinese manufacturers Sinovac Biotech, Sinopharm and India's Bharat Biotech.
- Per a preliminary study, Pfizer finds that a third shot of its vaccine offers protection against **the Omicron variant** while just two doses show significantly reduced effectiveness against it.
- Committee to Protect Journalists reported that the number of **journalists worldwide who are behind bars** reached a global high in 2021, reaching 293 imprisoned as of December 1 this year.

# Markets & Business

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## Italy's antitrust watchdog fined Amazon 1.13 billion euros (\$1.28 billion) for alleged abuse of market dominance, in one of the biggest penalties imposed on the tech company in Europe.

- The US plans to put Chinese artificial intelligence company **SenseTime** on an investment blacklist, the same day it prices its Hong Kong initial public offering (IPO).
- Rating agency **Fitch** downgraded developers **China Evergrande Group** and **Kaisa Group** to "restricted default" due to non-payment of offshore bond dues.
- The COVID-19 pandemic last year drove the biggest increase in **death benefits** paid by US life insurers since the 1918 influenza epidemic, per industry group American Council of Life Insurers.
- China's Ministry of Industry and Information Technology has removed 106 apps from Chinese app stores including movie review app **Douban**, karaoke app **Changba**, and phone reseller **Aihuishou**, citing violations of privacy law.
- Employees at US rideshare company **Lyft** have been told they do not need to return to offices until 2023 at the earliest.
- **Uber Technologies Inc**, **Deliveroo** and other gig-economy companies could be forced to give more benefits to their drivers and delivery personnel under an EU proposal that would reclassify many of their jobs as employment.

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# Environment, Sustainability & Governance

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**Asia's demand for carbon offsets is picking up as more companies in global supply chains, IT and banking sectors seek to lower their carbon footprint per the head of Asian exchange T-RECs.ai.**

- Climate activists in the UK took to the high court to accuse the government of illegally **subsidizing gas producers** via tax incentives.
- Serbia's ruling coalition promised to remove two new laws critics said would incentivize foreign businesses, namely **mining companies**, to exploit local resources and produce pollution, after several days of protests.
- The EU is set to propose requirements for member countries to renovate their least **energy efficient buildings** by 2030.

# Africa

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- Per the head of the African Centres for Disease Control, **African** governments will have no choice but to start imposing vaccine mandates if citizens refuse to get vaccinated against COVID-19.
- **Uganda** confirmed its first case of the coronavirus variant. Zimbabwe announced plans to ramp up vaccinations by establishing vaccination posts at bus terminals.
- The UN suspended distributing food aid in two **Ethiopian** towns after instances of looting, reportedly by Tigrayan troops.
- Recently re-elected **Gambian** President Barrow vowed to implement a new constitution including term limits following protests against him this week.



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# Africa

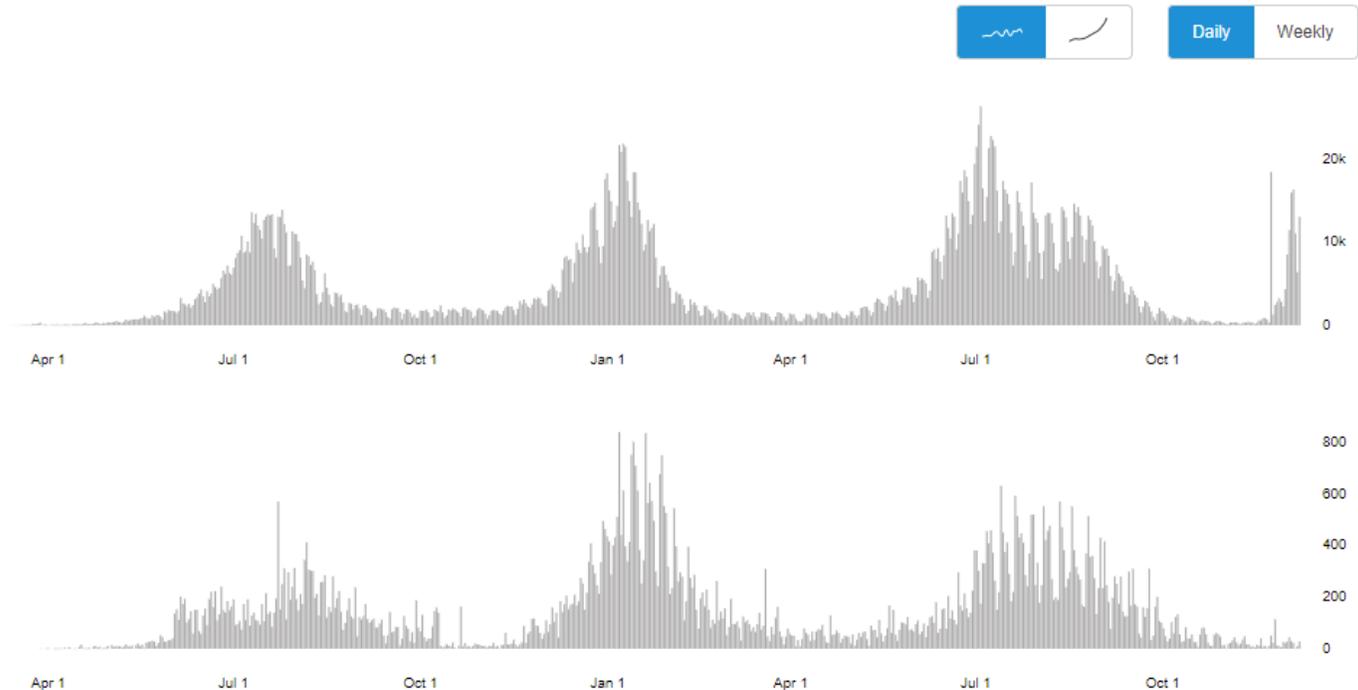
South Africa reported nearly 20,000 new COVID-19 cases yesterday, a record since the Omicron variant was detected, and 36 new COVID-related deaths.

## South Africa Situation

**3,051,222**  
confirmed cases

**90,002**  
deaths

Source: World Health Organization



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# Asia

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- **Singapore**, adopting one of the most aggressive strategies to contain the spread of COVID-19 and vaccinate its entire population, announced it is going to stop fully covering COVID-19 medical bills for the unvaccinated.
- Parents associations in **South Korea** held protests yesterday against a vaccine pass mandate for children aimed at containing the spread of COVID-19 among teenagers. South Korea is reporting record high new infections. South Korea has dropped a controversial vaccination policy that left foreign residents who were immunized abroad barred from restaurants, cinemas and other facilities.
- The **Philippines'** Supreme Court declared two parts of a controversial anti-terrorism law unconstitutional, disappointing activists and rights groups who sought rejection of the entire law over fears it could be abused to target government opponents and suppress peaceful dissent..
- **China's** major southern cities Guangzhou and Shenzhen are warning of severe water shortages lasting into next spring as the East River continues to be hit by its most severe drought in decades.
- **Hong Kong** media magnate and Beijing critic Jimmy Lai has been found guilty by a local court of inciting people to take part in a banned assembly last year commemorating the 1989 Tiananmen massacre.

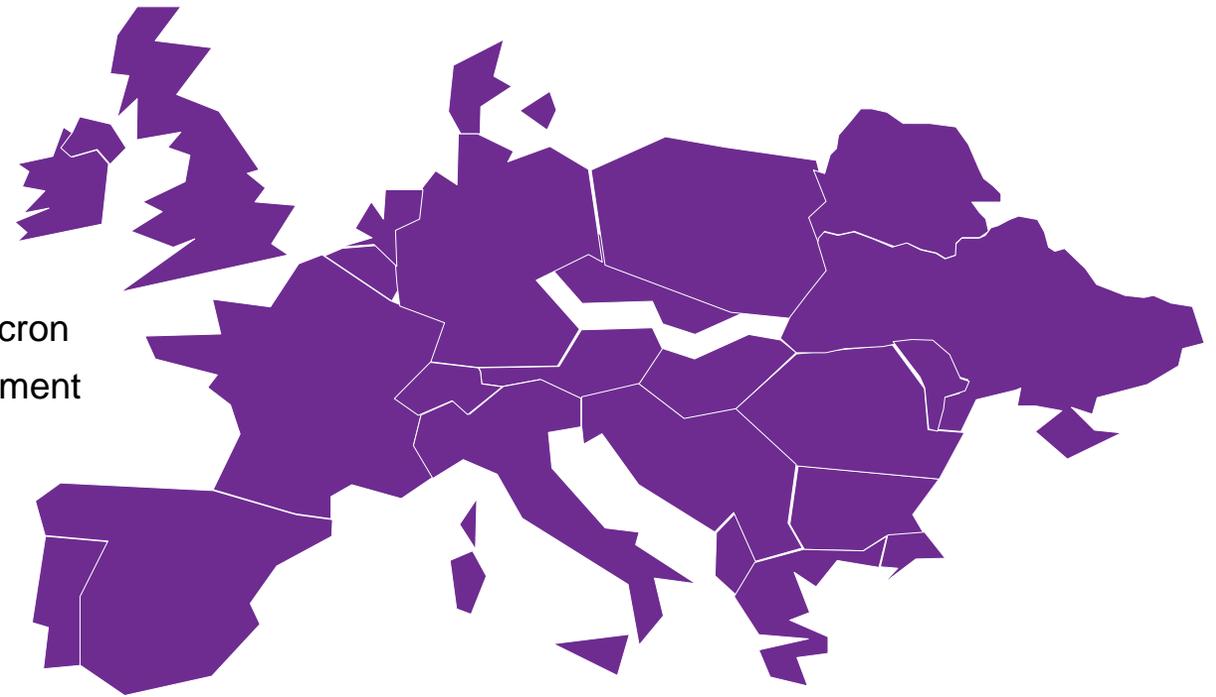


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# Europe

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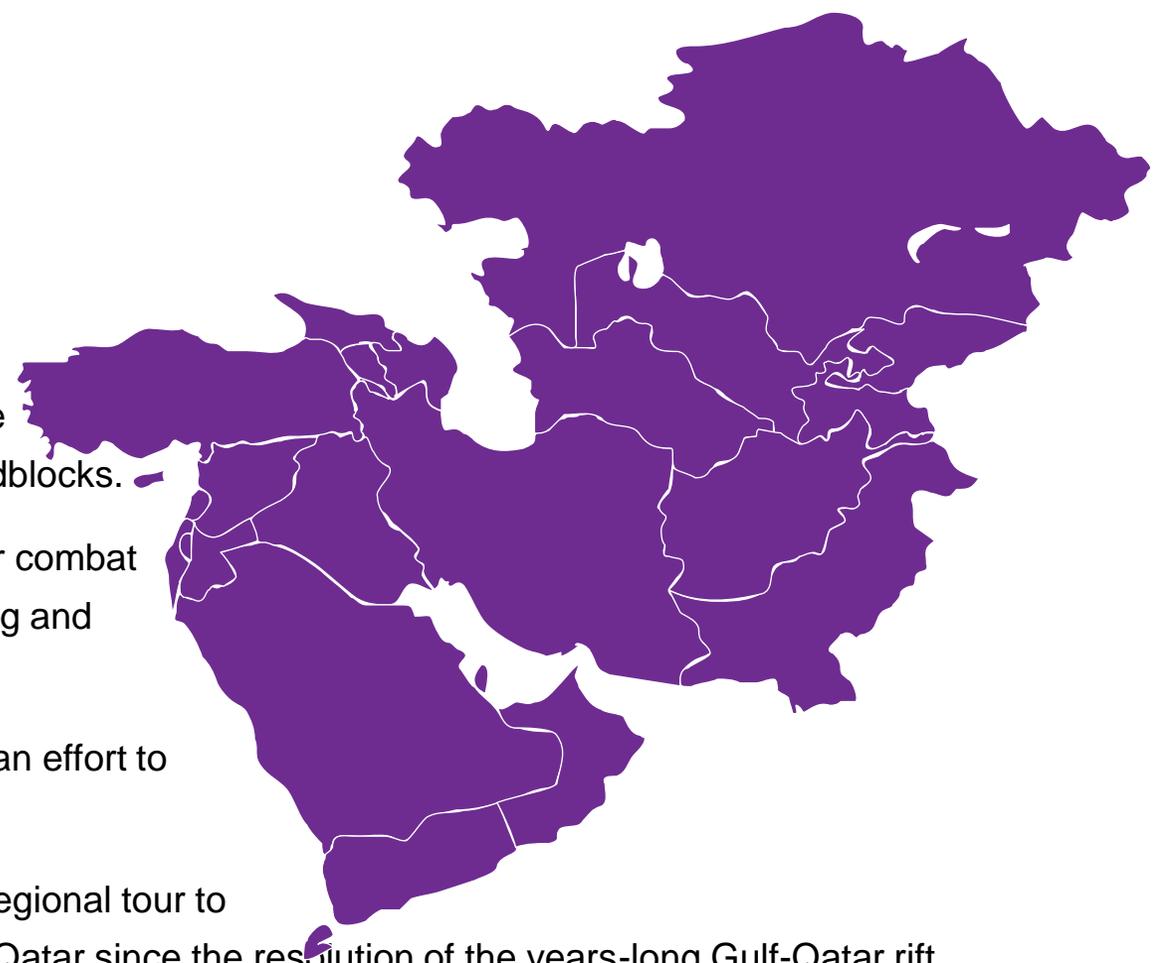
- **UK** health secretary Javid warned that the rapidly-spreading Omicron variant of coronavirus could infect 1 million people, as the government faces opposition to new restrictions to contain the spread.
- The **UK** has threatened to impose punitive duties on **US** goods if Washington does not lift Trump-era tariffs on British steel and aluminium.
- The European Commission set out plans on Wednesday to retaliate against countries that put economic pressure on **EU** members to change their policies. The proposal is designed to counter an increased spillover of geopolitical tensions into trade. **China** has told multinational companies to sever ties with **Lithuania** or face being shut out of the Chinese market, dragging companies into a dispute between the Baltic state and Beijing.
- In an effort to deescalate tensions over the **Ukraine**, **US** President Biden expressed willingness to convene meetings between **NATO** allies and Russia to discuss **Russian** President Putin's grievances with the transatlantic security pact. Moscow wants NATO to commit to halting any eastward expansion and to refrain from deploying troops and equipment that could be used to attack Russia from neighboring countries.



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# Middle East

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- A **Libyan** government advisory council recommended delaying December 24 elections; the elections, which would be the first after the civil war, are seen as a crucial step towards peace but have faced roadblocks.
- **Iraq's** national security adviser said that **US**-led forces had ended their combat mission in Iraq, a move that transfers all remaining troops into a training and advising role.
- The **Bahraini** parliament okayed doubling the VAT rate to 10 percent, an effort to raise revenue and confront Bahrain's high level of sovereign debt.
- **Saudi Crown** Prince Mohammed bin Salman is in **Qatar** as part of a regional tour to discuss economic issues and **Iran** nuclear talks; this is his first visit to Qatar since the resolution of the years-long Gulf-Qatar rift earlier this year. **French** authorities freed a Saudi man arrested on suspicion of involvement with the death of Jamal Khashoggi, calling it a case of mistaken identity.
- The **Sudanese** finance minister said that the country remains unable to access \$650 million in international funding following an international freeze after the coup in November, saying that the freeze puts basic goods at risk. Sudanese General Burhan accused foreign countries of interfering in the country to undermine his rule.

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# Americas

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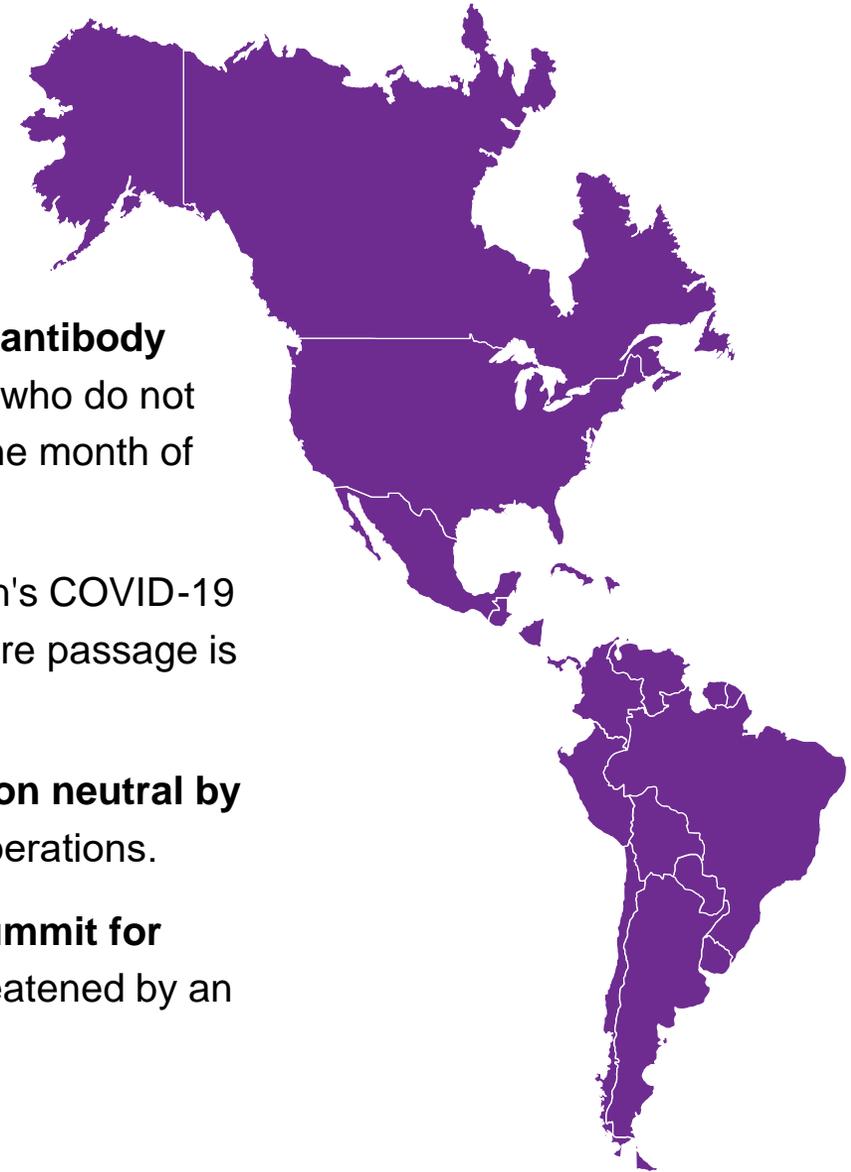
- The **US** returned the first two migrants to **Mexico** since restarting a Trump-era policy requiring asylum-seekers to await judgment outside of the US.
- The Bank of **Canada** opted to keep interest rates flat but warned of instability due to the new variant.
- The **Brazilian** central bank raised interest rates 150 basis points and signaled another such rise in February.
- **Peruvian** President Castillo defeated a right-wing impeachment bid with a Senate vote of 76-46.



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# Americas: US

- The FDA issued an emergency use authorization to **AstraZeneca's long-acting antibody treatment**, giving an alternative form of protection to people at risk of COVID-19 who do not respond to vaccines. The **vaccination rate** for children has slowed down after one month of shots becoming available, per a new study.
- The Senate approved a Republican measure that would overturn President Biden's COVID-19 **vaccine-or-test mandate** for private businesses. The bill goes to the House where passage is uncertain; Biden has threatened to veto the bill.
- President Biden will sign an executive order today to make the government **carbon neutral by 2050** as part of the Administration's efforts to build climate resilience in federal operations.
- Today, President Biden convenes 111 world leaders in a virtual meeting of the **Summit for Democracy**, in what Washington hopes will be a boost for global democracy threatened by an increase in authoritarian rulers.



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# Transition to Hybrid Work 2.0: Features and Challenges

By Matthew Gardell

***As the Omicron variant postpones return to office plans for companies, many business leaders are beginning to think more deeply about new ways of working, engaging and communicating with their employees in a Hybrid 2.0 environment.***

## ***Hybrid 1.0***

When the COVID-19 pandemic emerged, businesses had to quickly adapt to a new virtual environment for their employees. Companies instituted remote work policies, relied on technology platforms such as Zoom and conducted their business virtually. During this initial phase, which can be thought of as Hybrid 1.0, businesses engaged in a period of trial and error and carried out their co-located office-based systems/processes digitally. Hybrid 1.0 eventually evolved from the fully remote pivot in 2020 toward a hybrid environment as some offices started to re-open in 2021.

## ***Transition to Hybrid 2.0***

Business executives are beginning think more critically about the next iteration of the hybrid working environment in 2022. The

ongoing pandemic is both accelerating trends such as focusing on employee experience and the changing roles of executives, but also introducing new features such as the Great Resignation. Companies now realize that the hybrid or fully-remote working environment is here to stay. This requires a deeper commitment to remote work along with re-engineering systems and processes for effective communication to a distributed workspace. In Hybrid 2.0, HR executives and thought leaders recommend intentionally designing work systems and processes for a fully-distributed workforce. This foremost involves companies actively training managers for this fully-distributed workforce. The purposeful orientation of workflows and process around a fully-distributed workforce serves to not disadvantage remote employees.

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# Transition to Hybrid Work 2.0: Features and Challenges

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## *Importance of Asynchronous Communication*

One of the core challenges in the Hybrid 2.0 environment is maintaining effective communication between leaders and their employees. A fundamental feature of the transition to a Hybrid 2.0 working environment is pivoting from synchronous communication, which happens in real-time, to asynchronous communication, which occurs over a period of time. Most office operating systems today are designed around synchronous communication. When businesses shifted to the fully-remote environment in 2020 and moved into the Hybrid 1.0 phase, synchronous communication was often the default workflow method. Synchronous communication often compels the employee to give an immediate response, whereas asynchronous work flows and systems happen more gradually and are better for globally distributed teams. Cloud-based systems (such as Google Docs) are a prime example of an asynchronous workflow that allows for more optimal collaboration and flexibility. In evaluating workflow systems and processes to emphasize more asynchronous communication, businesses should engage in an audit of their tech stack. This will allow

business leaders to identify the best communication tools in a fast-changing technology landscape.

## *Transforming the Employee Experience During the Great Resignation*

Businesses are also seeking to transform the employee experience to better reach their employees. This is essential during the Great Resignation as employees report high levels of burnout and disengagement. According to a McKinsey & Co study from September, 36% of survey respondents who quit their jobs in the last six months left without having a new job. In 2022, companies need to transform communication strategies to ensure retention of their employees and bolster the employee experience. There are several ways companies can devise methods to prevent wide-spread burnout and disengagement. Companies should conduct stay interviews with their employees, particularly their most productive workers, in order to learn what motivates them. Stay interviews are sessions between the manager and employee to learn about the motivations and goals of the worker, and they can serve to build trust between the employer and employee. In

# Transition to Hybrid Work 2.0: Features and Challenges

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turn, employers also receive information that can be used as data sets on retention and engagement. In preventing burnout, companies should consider offering their employees mental health resources and tools. More broadly, companies are beginning to think of mental health as a benefit staple for employees, alongside traditional offerings such as medical, dental and vision benefits. Another tool companies are using is synchronized breaks. Synchronized breaks are designed to build upon mental health days and vacation time by allowing teams to shut down for certain periods during the year (often during the summer). Many employees report back that they are unable to “shut off” on standard vacation time or mental health days.

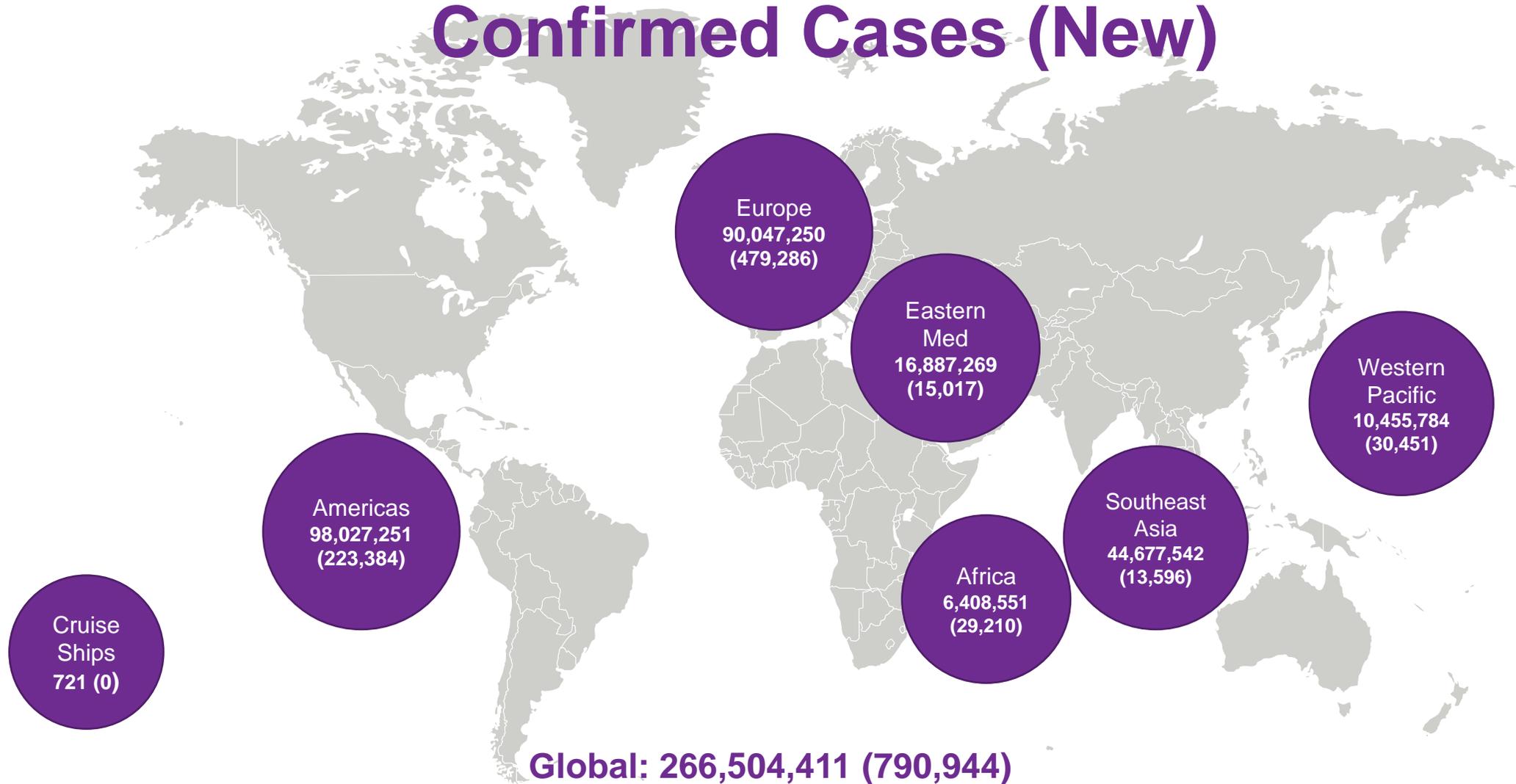
Overall, the pandemic has also been an accelerant for the re-design and transformation of work itself. Many human resources practitioners note that our conceptualization of work is still based on industrial ideas, such as the traditional “9-to-5” work-day in a physical office setting. The future of work will focus on flexibility for

employees and agile, bespoke practices. As businesses move into the Hybrid 2.0 environment in 2022, it could be just one step towards a more long-term fundamental re-orientation of work.

# Coronavirus Condition Updates

As of 3:20 pm CEST on December 8, 2021

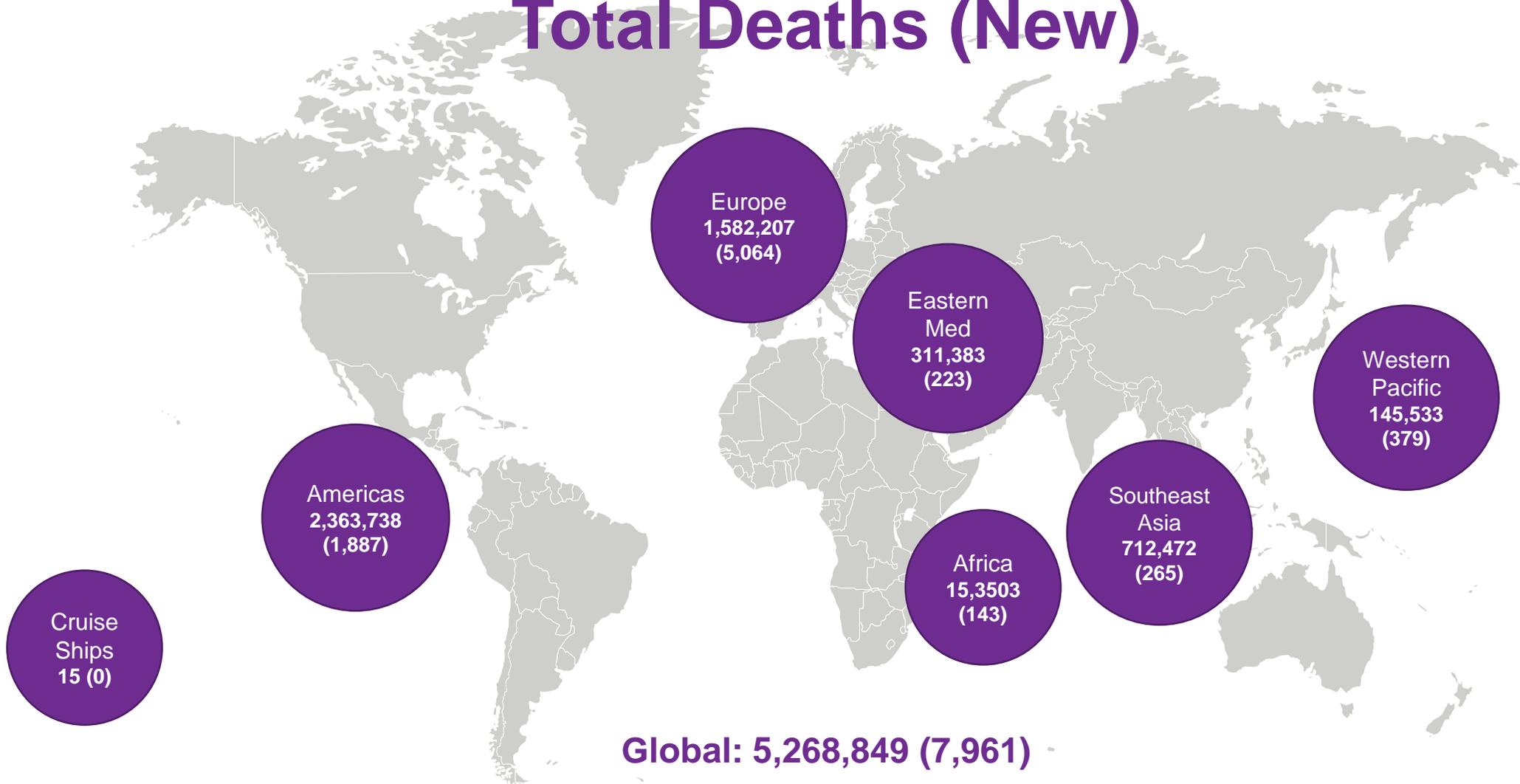
# Confirmed Cases (New)



Reflects data as of 3:30 pm CEST on December 8, 2021.  
Data Source: World Health Organization

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# Total Deaths (New)



Reflects data as of 3:30 pm CEST on December 8, 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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