

Dentons Flashpoint

Daily Global Situation Report

November 22, 2021

Global Situation Update: November 22, 2021

KEY TAKEAWAYS

Protests against COVID-19 mitigation measures erupted across Europe over the weekend.

Sudan's military reinstated Prime Minister Hamdok and promised to release all political detainees.

Afghanistan's opium industry, the main source of heroin sold in the West, is re-emerging under the Taliban.

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WHAT WE'RE WATCHING

Today, Chile is tallying votes cast for its new president, the Senate (upper house), and the entire Chamber of Deputies (lower house). Presidential frontrunners José Antonio Kast, a far-right populist, and Gabriel Boric, a left-wing lawmaker, are not expected to obtain more than 50% of the vote, so a run-off vote on 19 December is likely.

These general elections are the first held after major social unrest events of 2019, which undermined traditional political forces in Chile. Moderates have lost appeal in the country's political landscape and the two presidential frontrunners are considered extremist by many. Kast has expressed admiration for some economic policies of former dictator Pinochet, while Boric promises to promote feminism and fight climate change. The political atmosphere in Chile will remain highly charged ahead of a run-off vote next month, but unrest and risks for business will not be significant.



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Global

Globally, confirmed coronavirus cases topped 256.6 million with 5.1 million deaths; almost 7.3 billion vaccine doses have been administered.

- Fifteen human rights groups are urging US President Biden to get personally engaged to enact an **intellectual property waiver for COVID-19** vaccines at the WTO, calling his leadership "*a moral necessity.*"
- **Global supply-chain** woes are beginning to recede, but shipping, manufacturing and retail executives say that they do not expect a return to more-normal operations until next year with the potential of additional disruptions if COVID-19 outbreaks hit key distribution hubs.

Markets & Business

Reliance Industries and Saudi Aramco will re-consider a plan first unveiled more than two years ago for Aramco to invest \$15 billion into the Indian conglomerate's refining operations. The impasse reflects how quickly investment decisions are being upended by the energy transition.

- **Telecom Italia** has received a 10.8 billion euro (\$12 billion) approach from US fund **KKR** aimed at taking Italy's biggest phone group private.
- **Meridian Energy** announced plans to sell its Australian energy business for A\$729 million (\$527.80 million) to a consortium of global energy giant **Royal Dutch Shell** and Australian investment manager **Infrastructure Capital Group (ICG)**.
- Thai conglomerate **Charoen Pokphand** and **Norway's Telenor** are to merge their telecom units in Thailand, creating a dominant provider worth more than \$8.6 billion.
- Hong Kong's banking regulator has fined four banks, including local units of **Industrial and Commercial Bank of China** and **UBS**, a combined HK\$44.2 million (\$5.67 million) for breaches of anti-money laundering rules.
- **Ericsson** will pay \$6.2 billion in cash for cloud-based services group **Vonage** as the telecom gear maker moves to broaden its 5G portfolio.

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Environment, Sustainability & Governance

Little more than one percent of 5,000 big companies globally are making substantial disclosures of their climate risks, while more than half are not reporting them at all, according to ESG research and investment manager Arabesque.

- No big euro zone lender meets the European Central Bank's **climate risk management goals**, just months before the ECB is due to run the biggest climate stress test to date.
- Single-use plastic plates and cutlery and polystyrene cups could all be banned in England as the British government seeks to eliminate all **avoidable plastic waste**.
- **Charging points for electric vehicles** will be required to be installed in new buildings in Britain from next year under new legislation to be announced by Prime Minister Johnson.

Africa

- **Sudan's** military reinstated Prime Minister Abdalla Hamdok on Sunday and promised to release all political detainees after weeks of deadly unrest triggered by a coup.
- **Democratic Republic of Congo** President Tshisekedi has demanded a ban on issuing and trading mining permits until the country's mining registry has been audited, a measure aimed at combating fraud within the sector.
- Spiraling shipping costs and COVID-19 supply chain disruptions are accelerating a shift by **South African** retailers to end their heavy reliance on **Asia** and move to source products locally.



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Asia

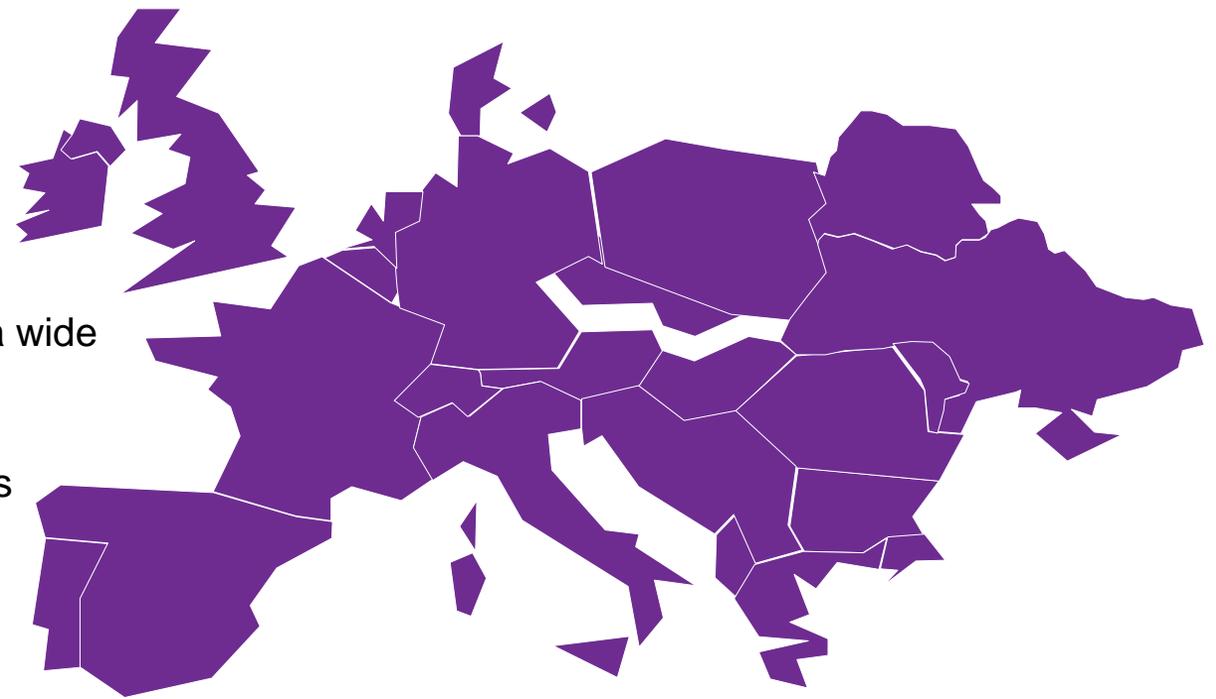
- In **India**, New Delhi has lifted a ban on construction activities as air quality improved marginally, but schools and offices will remain closed.
- The coalition of **Malaysian** Prime Minister Ismail Sabri Yaakob scored a crucial win in a state election seen as a test for the country's fractured political parties as they gear up for national polls.
- **Singapore's** government is easing some of the tight social curbs it imposed to contain the spread of COVID-19 last month; from Monday, limits on social interactions and dining out will be expanded to five people from the current rule of up to two vaccinated people. **New Zealand** will adopt a new system of living with the coronavirus virus, which will end tough restrictions and allow businesses to operate in its biggest city. **India** is not considering authorizing booster shots yet as many in the country have been naturally infected and the government believes two doses of a vaccine offers sufficient protection for now.
- **China** downgraded its diplomatic ties with **Lithuania**, expressing strong dissatisfaction after **Taiwan** opened a de facto embassy there. Chinese President Xi Jinping told leaders of the 10-country Association of Southeast **Asian Nations** (ASEAN) at a summit on Monday that Beijing would not "*bully*" its smaller regional neighbors, amid rising tension over the South China Sea.



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Europe

- **Bulgarian** President Radev won a second term in office by a wide margin as voters backed his strong anti-corruption message.
- **Belarus** does not want confrontation with **Poland**, but it does want the **EU** to accept 2,000 stranded migrants along the border with Poland.
- The **EU** plans to crack down on a patchwork of national arrangements that allow banks outside the EU to sell services into the bloc, dealing a blow to lenders in London that rely on the arrangements to cushion the impact of Brexit. The proposal would stop almost all cross-border selling from non-EU countries into the bloc's single market.
- **German** politicians are debating making COVID-19 vaccinations compulsory for citizens in light of soaring infections and low inoculation rates.
- Over the weekend, police and protesters clashed in sometimes violent confrontations over COVID-19 restrictions, in **Belgium, the Netherlands and Austria**.



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Middle East



- The Saudi-led coalition fighting the **Iran**-backed Houthi movement in **Yemen** said its air defenses destroyed a drone targeting Najran airport in the south of **Saudi Arabia**.
- Powerful **Iraqi** cleric Moqtada al-Sadr said he was dissolving the Promised Day Brigade, an armed faction loyal to him, and closing its headquarters, while calling non-state armed groups to hand in their weapons.
- The International Labour Organization accused **Qatar** of not adequately investigating and reporting worker deaths including unexplained fatalities among seemingly healthy laborers.
- In a new report, the UN called for urgent action to prop up **Afghanistan's** banks, warning that a spike in people unable to repay loans, lower deposits and a cash liquidity crunch could cause the financial system to collapse within months. Afghanistan's opium industry, the main source of heroin sold in the West, is re-emerging under the Taliban.

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Americas

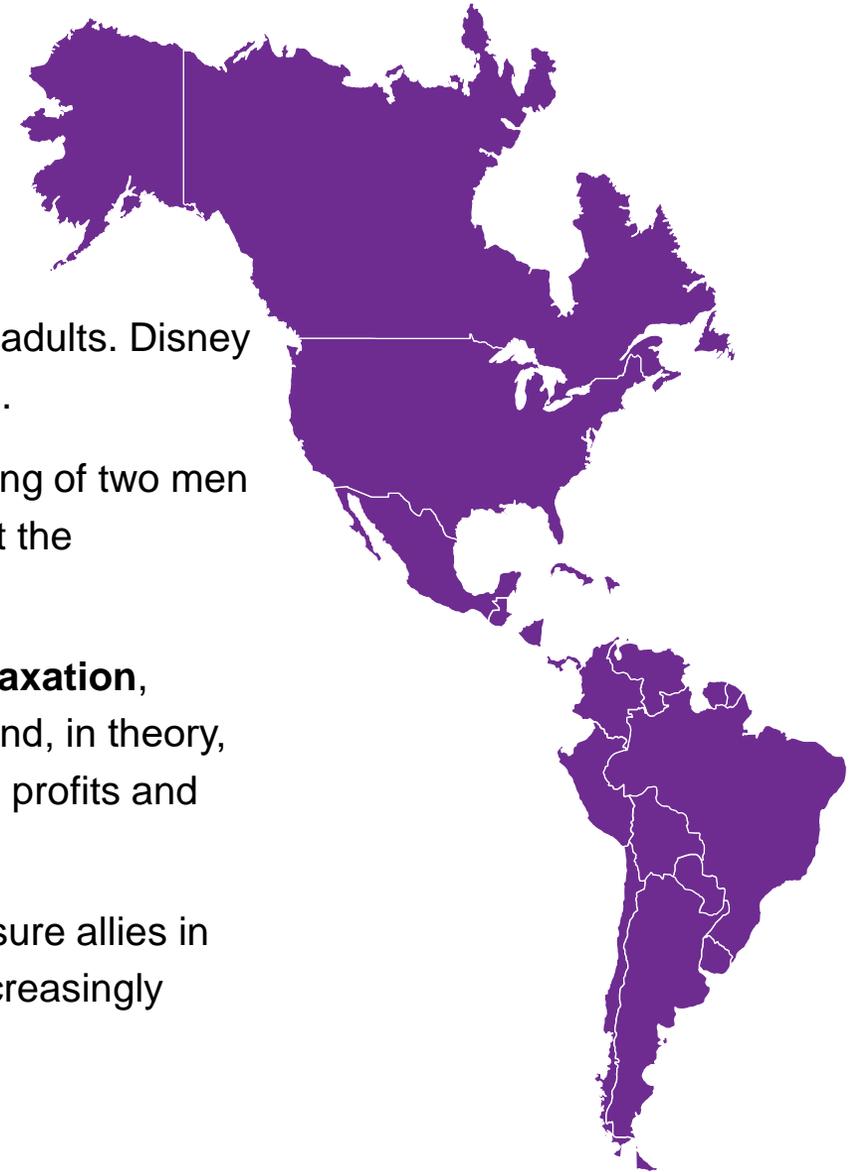


- Two anti-establishment politicians from opposite ends of the political spectrum have advanced to a runoff vote to select **Chile's** next president, deepening the political instability in Latin America's most affluent country.
- **Venezuela's** socialist ruling party claimed sweeping victories Sunday night in the first elections to include the country's top opposition parties in nearly four years, a low-turnout vote that critics say was rigged from the start.
- **El Salvador** plans to build the world's first "Bitcoin City", funded initially by bitcoin-backed bonds.
- Two of the 17 American and Canadian Christian missionaries taken hostage in **Haiti** last month have been released.
- The French overseas territory of **Guadeloupe** was hit by a third night of looting and rioting amid protests against COVID-19 measures, with gunmen shooting at police and firefighters. In a sign unrest could spread to other overseas territories in the Caribbean, trade unions called for a general strike on the island of **Martinique** from Monday.
- Another "atmospheric river" which brought a month's worth of rain in two days last week punished northern British Columbia on Sunday. The province imposed temporary restrictions on fuel and non-essential travel to ease supply chain disruptions and aid recovery work. **Canadians** crossing into the **US** for fuel and other essential supplies will be exempt from having to show a negative COVID-19 test result on their return.

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Americas: US

- US regulators expanded eligibility for booster shots of **COVID-19 vaccines** to all adults. Disney World near Orlando, Florida has put its COVID-19 **vaccination mandate** on hold.
- A jury acquitted teenager Kyle Rittenhouse on Friday of murder in the fatal shooting of two men in a trial that highlighted divisions over **gun rights** and stirred fierce debate about the boundaries of self defense.
- Democrats are close to passing significant changes to **international corporate taxation**, moving toward a system that would reduce the gaps between nations' tax rates and, in theory, make taxes a less important consideration for where companies put investments, profits and headquarters.
- Speaking at the Manama Dialogue, US Defense Secretary Austin sought to reassure allies in the **Middle East** that the US was committed to the region despite Washington increasingly turning its attention towards countering China.



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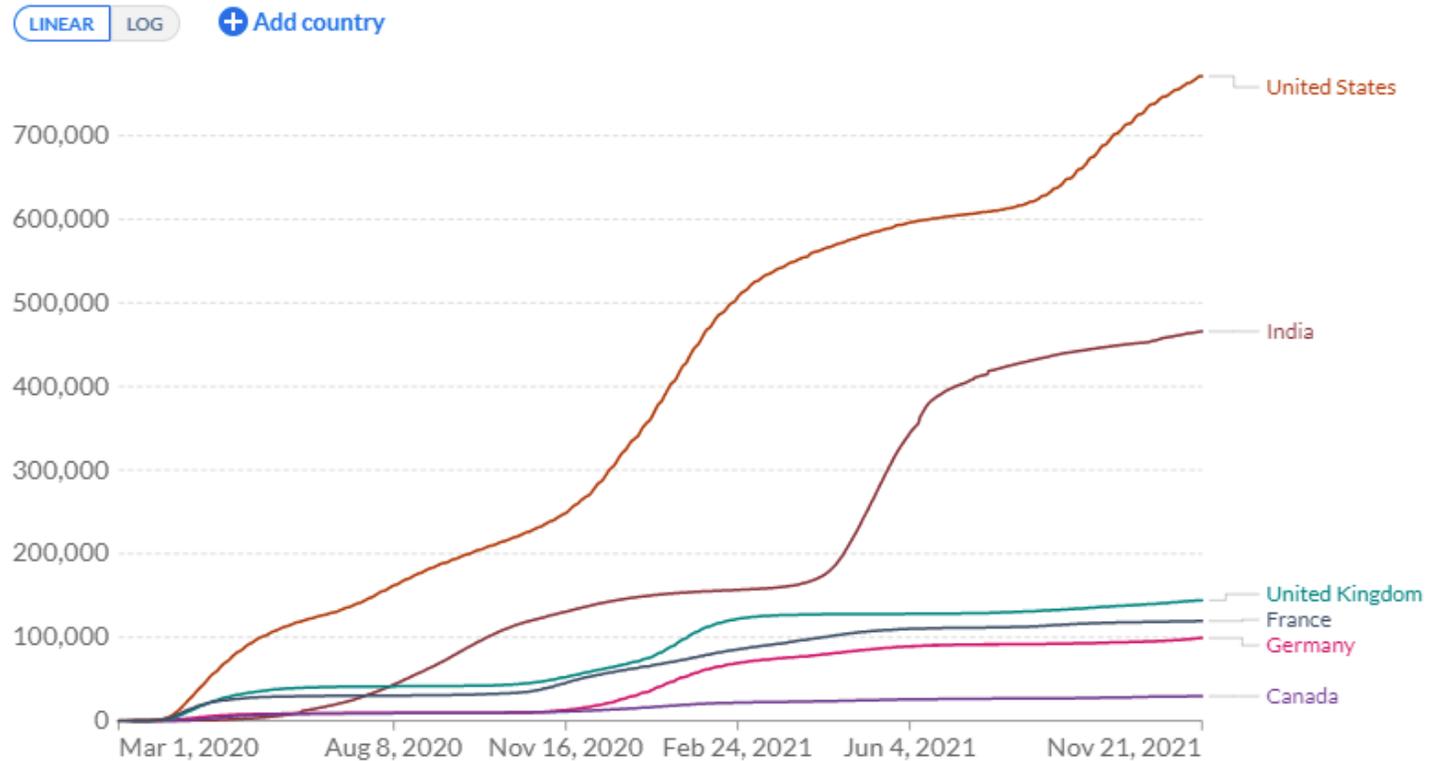
Americas: US

The number of US COVID-19 deaths recorded in 2021 has surpassed the toll in 2020, demonstrating the virus's persistent menace.

Cumulative confirmed COVID-19 deaths

Due to limited testing and challenges in the attribution of the cause of death, confirmed deaths can be lower than the true number of deaths.

Our World in Data



Source: Johns Hopkins University CSSE COVID-19 Data

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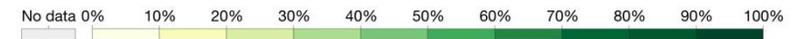
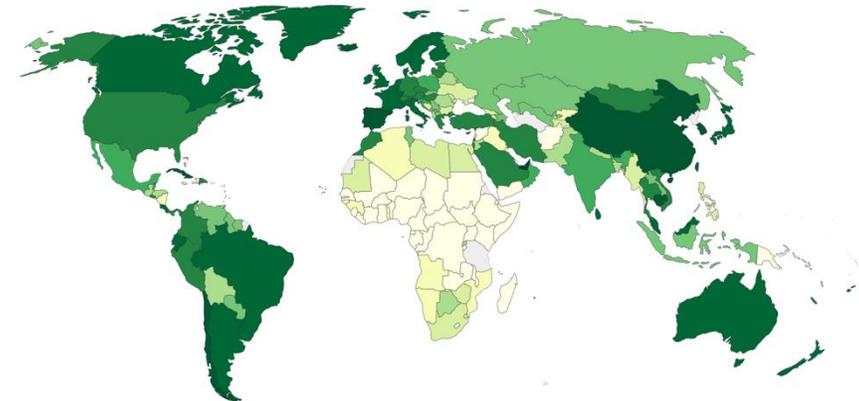
Booster Shots and the Changing Definition of “Fully Vaccinated”

As booster shots become more widespread, the definition of “fully vaccinated” is being challenged in a number of countries, including Israel, the UK, France, and parts of the US.

A growing number of officials are beginning to define “fully vaccinated” as only those people who have received booster shots, in a bid to incentivize getting the additional dose. Creating an “expiration date” for vaccine credentials will have implications for travel restrictions, political pushback, and employer responsibility in the ongoing global vaccine rollout.

The push to effectively require booster shots is another outcome of the Delta variant’s high transmissibility. As the spread of the Delta variant persists even in countries with relatively high vaccination rates, politicians and health officials are turning to booster shots as a way to strengthen immunity and prevent deaths from breakthrough infections – even though initial COVID-19 vaccine protection already dramatically reduces the risk of severe infection. First introduced as an option for the vulnerable seeking stronger protection, more assertive official moves to require booster shots are part of efforts to mitigate the still-dangerous spread of the Delta variant. However, health officials and national leaders may

Share of people who received at least one dose of COVID-19 vaccine
Total number of people who received at least one vaccine dose, divided by the total population of the country.



Source: Official data collated by Our World in Data – Last updated 19 November 2021, 07:40 (London time)
OurWorldInData.org/coronavirus • CC BY

The WHO points to continued lack of access to vaccines in many countries – particularly in Africa – to argue against pushing booster rollout to healthy populations in rich countries.

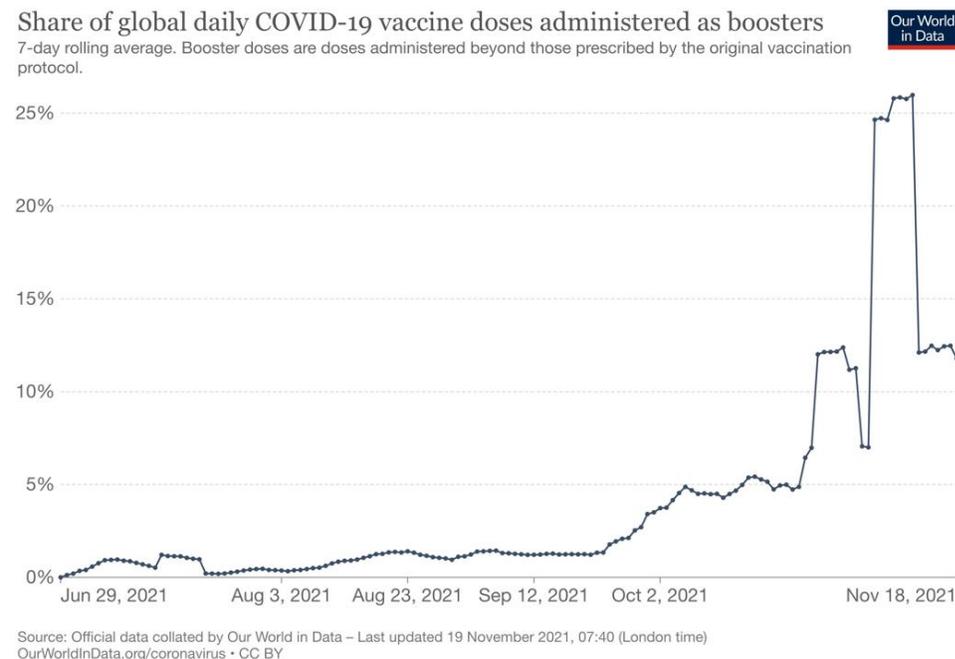
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Booster Shots and the Changing Definition of “Fully Vaccinated”

find it difficult to convince the public to roll up their sleeves for additional shots. Vaccine hesitancy has already inhibited vaccination campaigns across the world, and the mixed international dialogue around boosters has left many unconvinced of their necessity. The WHO, for one, has advocated against widespread booster rollout in rich countries, saying that initial vaccinations already provide strong protection and extra doses should be directed to parts of the world where people have yet to receive a first dose.

Still, a number of countries are moving ahead with strengthening booster requirements alongside providing access to boosters. A number of US governors have said that they are reconsidering the definition of “fully vaccinated,” though statements from federal officials indicate that no change is imminent at the national level. Israel, meanwhile, already requires a booster shot to maintain the country’s “green pass,” which is needed to enter restaurants, gyms, and other venues. Israelis must now have had a COVID-19 vaccine shot (either initial or a booster) within six months to keep their green pass. Similarly, countries across Europe are tightening

booster requirements in the face of a growing wave of COVID-19 cases. Last Monday, UK Prime Minister Boris Johnson said that the country would need to readjust the concept of “fully vaccinated” to account for boosters, forecasting an expected change towards



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Booster Shots and the Changing Definition of “Fully Vaccinated”

requiring boosters for the vaccinated to keep their digital COVID pass, which could come by next spring. Starting in mid-December, France will require people over the age of 65 to have booster shots in order to enter high-risk spaces like restaurants or to travel long distances. Other countries, including Austria, Switzerland and Croatia, have introduced one-year expiration dates on full vaccination status, effectively requiring booster shots.

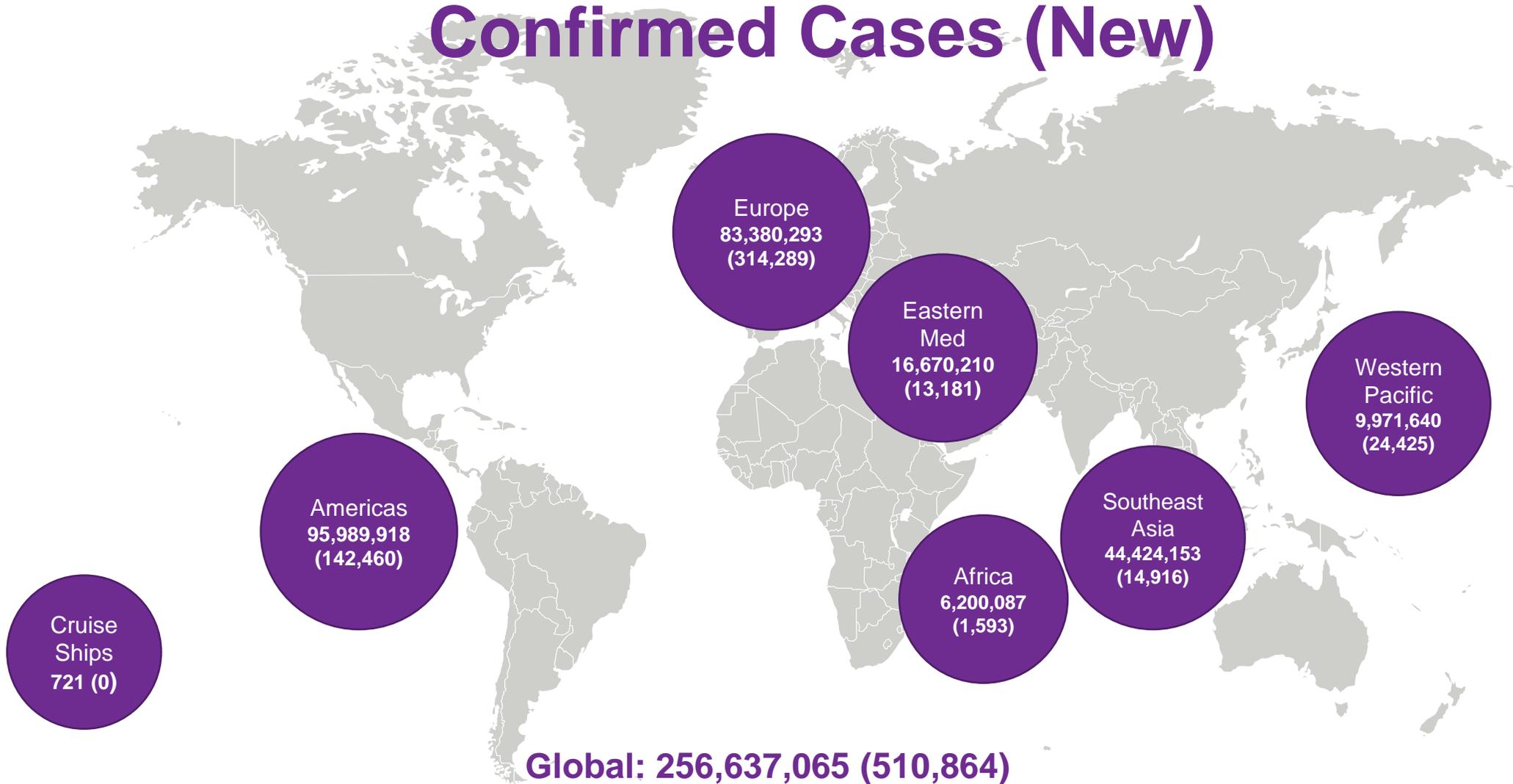
For businesses, the rise of COVID-19 booster requirements will bring increased compliance duties for managing both employees and customers. Private businesses are already on the frontline of enforcing vaccine mandates, from checking vaccine cards for venue entry to requiring employee vaccinations. Booster requirements could bring further government asks of business, as well as pushback from employees and customers. Moreover, the move towards a stricter booster policy could mean that boosters will be regularly required every six months or so for people to maintain fully vaccinated status, meaning that checking booster status could become a perpetual issue that businesses must develop long-term systems for.

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Coronavirus Condition Updates

As of 1:11 pm CEST on November 22, 2021

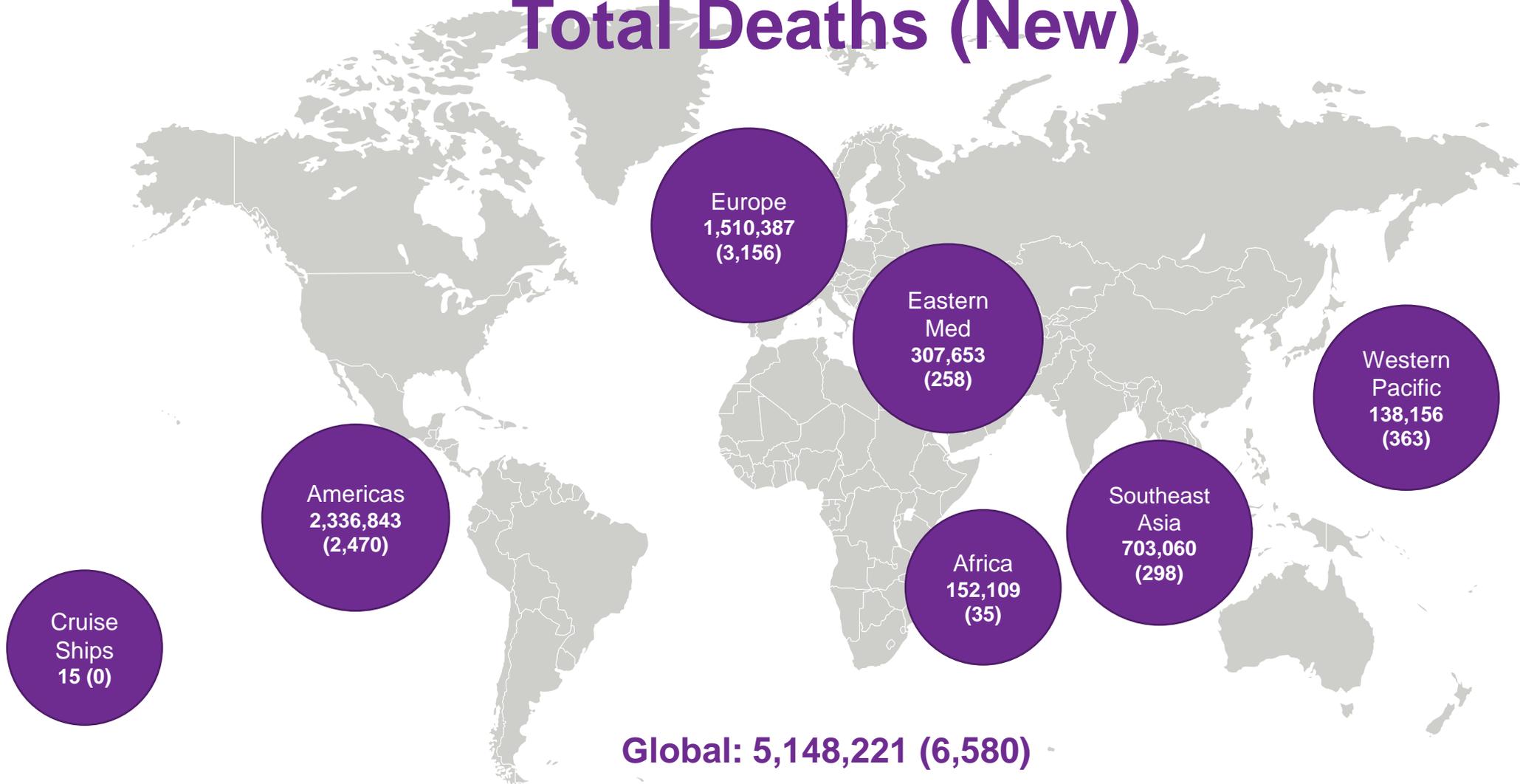
Confirmed Cases (New)



Reflects data as of 1:11 pm CEST on November 22, 2021.
Data Source: World Health Organization

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Total Deaths (New)



Reflects data as of 1:11 pm CEST on November 22, 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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