

Dentons Flashpoint

Daily Global Situation Report

November 24, 2021

Global Situation Update: November 24, 2021

KEY TAKEAWAYS

German finance minister Olaf Scholz will succeed Angela Merkel as leader of Europe's largest economy.

The EU is set to unveil new draft legislation to bolster transparency for political advertising, including through limiting practices like user profiling on social media.

The WHO warns that Europe and Central Asia could face a further 700,000 COVID-19 deaths by March 1.

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WHAT WE'RE WATCHING

Tens of thousands of protestors in Sudan are gearing up for mass demonstrations tomorrow to denounce the one-month anniversary of the coup that derailed a nascent shift toward democracy and put the country's military in charge of the government. Outside of Sudan, the recent power-sharing deal signed between Prime Minister Hamdok and the military junta is mostly viewed as positive, but the Sudanese street is very unhappy with the arrangement and will express that through protests.

US Secretary of State Blinken told Hamdok and the military junta this week that the agreement is only a "first step" in restoring Sudan's democratic transition. While mass protests and crackdowns are unlikely to target business assets and personnel, there will be incidental security risks and supply chain disruptions, in addition to occasional communications cut-offs of by the junta.



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 257.4 million with 5.1 million deaths; almost 7.4 billion vaccine doses have been administered.

- The WHO warned that Europe and Central Asia could face a further 700,000 **COVID-19 deaths** by March 1.
- The EU has proposed that developing countries be allowed to manufacture **COVID-19 vaccines**, softening its defense of drug companies' **intellectual property** by permitting limited exemptions.
- The US announced a joint effort alongside China and four other countries to tap national petroleum reserves in an effort to bring down **energy prices**.
- Amid debate in western countries about diplomatic boycotts of the **Beijing 2022 Olympics**, Russian President Putin accepted an invitation to attend the games, opening the possibility that he may become the first world leader to meet in person with President Xi since 2020.
- NASA launched the DART space craft, the world's first **planetary defense system**, designed to deflect an asteroid from a potential doomsday collision with Earth.

Markets & Business

The UK sold a new inflation-linked bond at a record low real yield on Tuesday, signaling that investors are prepared to lock in loss for more than half a century.

- US discount retailer **Dollar Tree** said that many of its famous \$1 items will soon be \$1.25, in a further sign of rising consumer inflation.
- Global financial regulators boosted capital requirements for **JPMorgan Chase, Goldman Sachs, and BNP Paribas** under rules created in the wake of the 2008 financial crisis.
- India is planning to introduce new legislation to regulate virtual currencies that would ban most private **cryptocurrencies**.
- US lawmakers and journalists are raising concerns over an attempt by hedge fund **Alden Global Capital**, which is known for cutting journalists, to take over local newspaper group Lee Enterprises.
- **Apple** filed a lawsuit against Israeli cyber intelligence company **NSO Group** over its surveillance of Apple customers, seeking a permanent injunction to ban NSO Group from using Apple devices, software, or services.

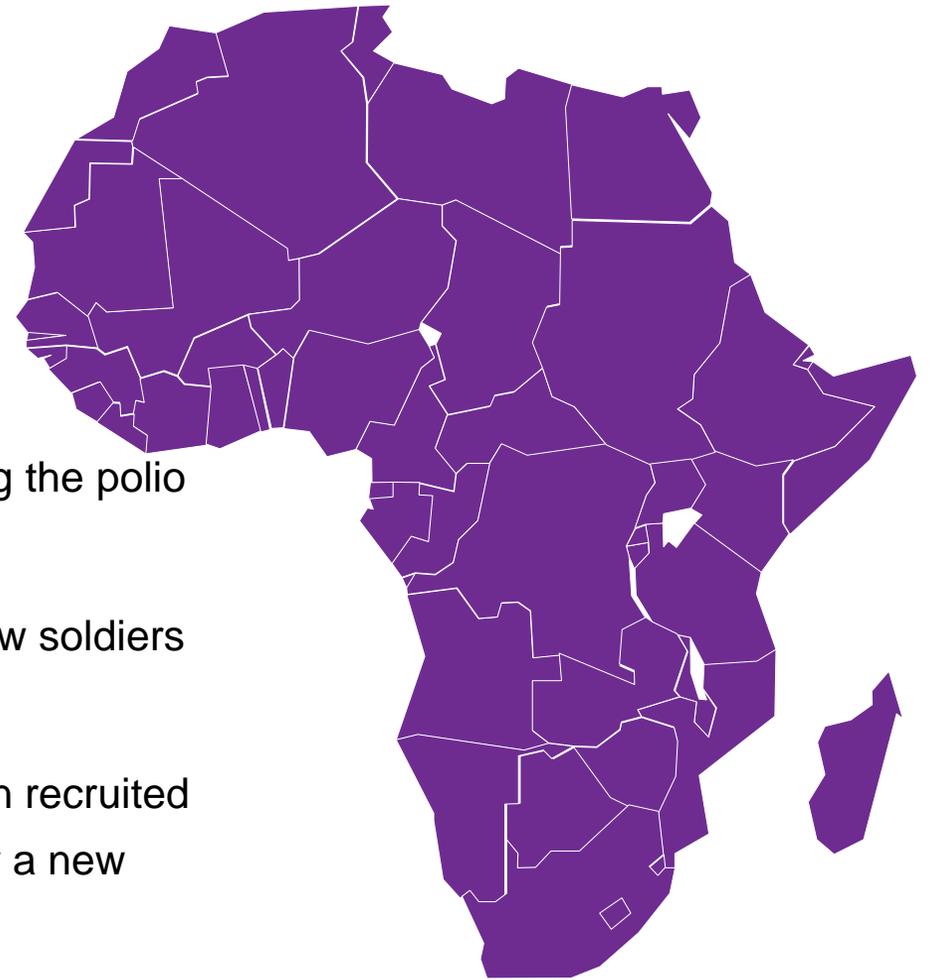
Environment, Sustainability & Governance

Deutsche Boerse's power and gas exchange EEX plans to launch an index to price hydrogen next year to aid trading of the commodity that is expected to play a big role in the shift to a green economy.

- Market regulators, the International Organization of Securities Commissions, published a global framework yesterday including 10 recommendations for its members to apply in day-to-day work, to police **ESG investment ratings** and help combat 'greenwashing' in the fast-growing, multi-trillion-dollar sector.
- Europe's biggest utility Enel announced plans to spend 170 billion euros (\$191.2 billion) to 2030 and to draw in additional funds from partners and others for its projects as it brings forward plans to become a **carbon-free** company by 2040.

Africa

- Newly reinstated **Sudanese** Prime Minister Hamdok said that he had asked the military to cease violence against anti-coup protesters.
- **Gambian** officials reported that rising vaccine skepticism is hampering the polio vaccination effort in the country.
- **Ivory Coast** President Ouattara announced a plan to recruit 3,000 new soldiers to combat rising extremist attacks in the north.
- **West and Central Africa** has recorded the highest number of children recruited into conflict of any region in the world, and the number is growing, per a new UNICEF report.



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Asia

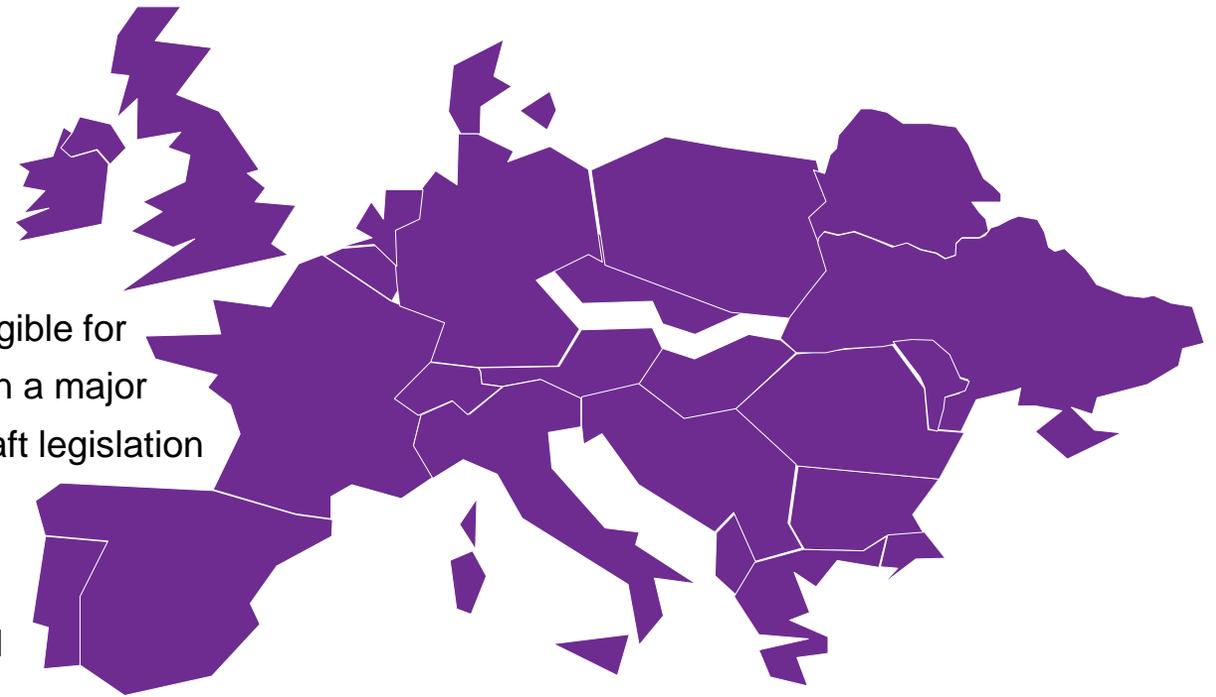
- **China** blocked public access to its shipping location data due to national security concerns, marking another sign of Beijing's growing efforts to control sensitive information.
- China's top envoy to **South Korea** said that **China** should have a role in talks to formally end the Korean war, reiterating support for Seoul's September proposal despite its lukewarm reception in **North Korea**.
- **Australia** designated neo-Nazi organization The Base and Hezbollah, the **Lebanese** Shia Islamist political party and militant group, as terrorist organizations.
- **Indonesia** has now administered at least one COVID-19 dose to half of its population.
- **Hong Kong** hit a key target of 70 percent vaccination on Tuesday.
- **Singapore and Malaysia** will launch a quarantine-free travel lane at their land border crossing, one of the world's busiest, for people vaccinated against COVID-19.



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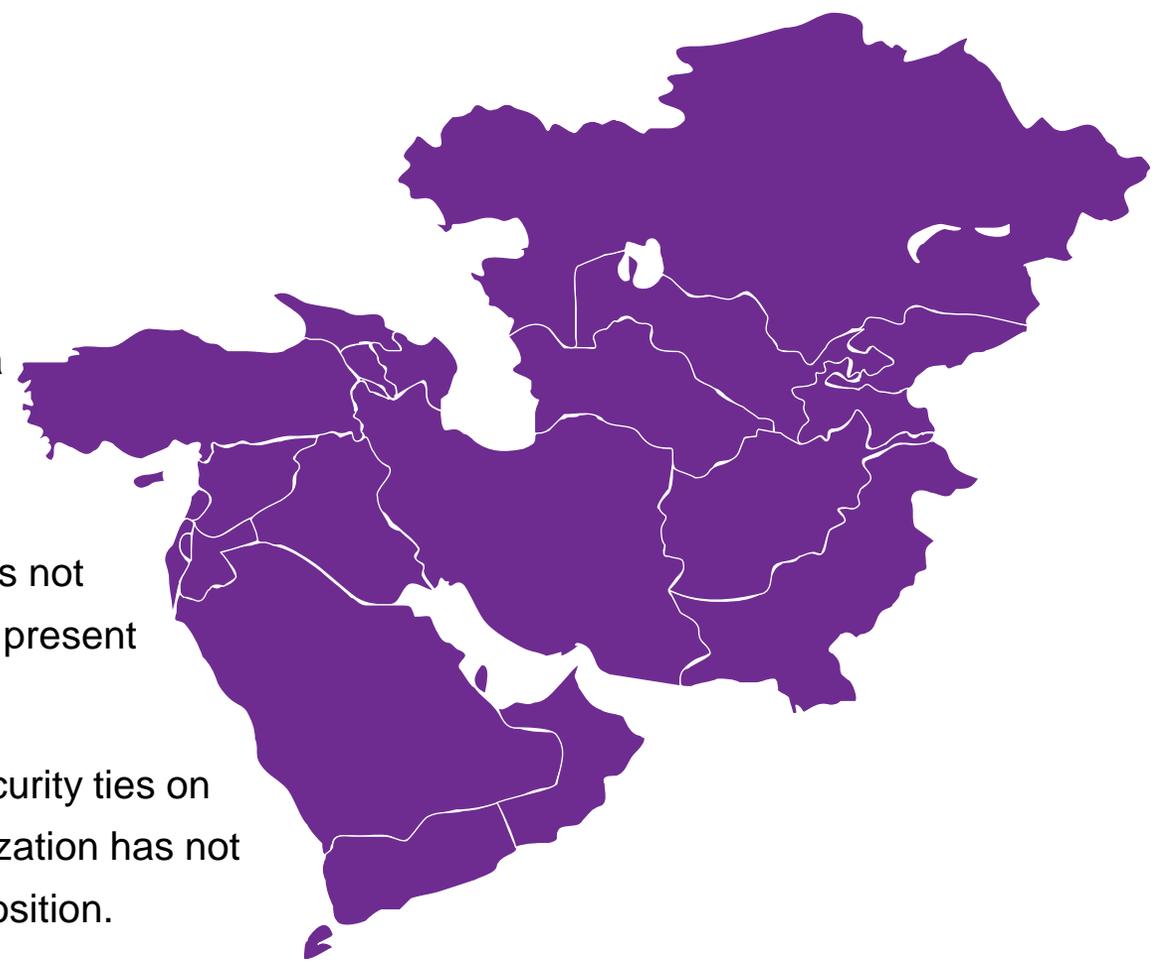
Europe

- The **EU** health agency recommended that all adults should be eligible for COVID-19 booster shots, with priority for those above 40 years, in a major change to the agency's guidance. The EU is set to unveil new draft legislation to bolster transparency for political advertising, including through limiting practices like user profiling on social media.
- **Germany's** Social Democrats, Greens and liberals have reached a deal on forming a new government, paving the way for finance minister Olaf Scholz to succeed Angela Merkel as leader of Europe's largest economy.
- The **EU** announced new draft plans to blacklist transport companies that aid the smuggling and trafficking of people, amid speculation about the role of **Belarus's** state-owned carrier Belavia in pushing migrants across the Belarusian border. **Ukraine** launched a military exercise on Wednesday along its border with Belarus, to strengthen its frontier against a possible migrant crisis similar to that **Poland** is facing.
- The **Turkish** lira saw a historic drop on Tuesday, the 11th consecutive session of losses. The lira's meltdown coincides with Black Friday sales and the start of new-year discounting, stoking fears that some consumer goods would not be available or face big price hikes.



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Middle East



- The head of the IAEA left **Iran** late Tuesday after failing to reach a deal to allow inspectors access to a factory making equipment for Tehran's nuclear program.
- **Lebanese** Central Bank Governor Salameh said that the bank has not provided an estimate of losses in the financial system but aims to present the data and continue negotiations on aid by the end of the year.
- **Israel's** defense minister is on his way to **Morocco** to discuss security ties on the anniversary of formal normalization; Israeli-Moroccan normalization has not progressed as far as **Israeli-Gulf** deals due to parliamentary opposition.
- **UAE** Crown Prince Mohammed bin Zayed is in Ankara for a meeting with **Turkish** President Erdogan, a significant sign of attempts to repair frayed ties between the two countries. The UAE has held talks with the Taliban to run Kabul airport, competing with **Qatar** in a diplomatic tussle for influence with **Afghanistan's** new rulers.
- The top UN envoy for **Libya** resigned just weeks ahead of critical presidential elections that are being viewed with increasing anxiety as controversial candidates enter the race.

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Americas

- **Canadian** officials warned that a “*parade of storms*” is set to hit British Columbia with more heavy rain this week, even as the province is still dealing with the after-effects of last week’s “*atmospheric river event*.”
- The **US** is reportedly set to remove the **Colombian** FARC rebel group from a list of foreign terrorist organizations. Colombia’s armed forces seized 10 tons of cocaine yesterday, the largest shipment seized so far this year.
- **Chile’s** lower house approved a bill to legalize same-sex marriage, sending the measure back to the Senate, where it is likely to garner enough support to pass.
- Next week, **Barbados** will break with its colonial past and become a full republic, removing **UK’s** Queen Elizabeth as head of state.



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Americas: US

- Senior health officials are calling for Americans to get **vaccinated**, including **booster shots**, as cases tick back up across the country and the approaching holiday season brings with it more indoor, maskless gatherings. **New infections and deaths** rose 10 percent last week. **Michigan** has become the nation's latest coronavirus hot spot. The Biden Administration filed an emergency court motion seeking the reinstatement of its rules requiring **large employers** to ensure their workers are either vaccinated or regularly tested.
- Growth in **US business activity** slowed slightly in November, as the private sector continued to grapple with labor shortages and supply chain disruptions.
- A federal judge in Ohio found that Walmart, CVS, and Walgreen's pharmacies contributed to the US **opioid epidemic**.
- US and Taiwanese representatives discussed **supply chain resilience** and responses to economic coercion during an economic dialogue on Tuesday.
- The Biden administration publicized a list of invitees to the "**Summit for Democracy**" next month, invitees include democracy backsliders Brazil, Philippines and Poland while excluding Turkey, Thailand and Vietnam. The US has also invited Taiwan, to China's consternation.



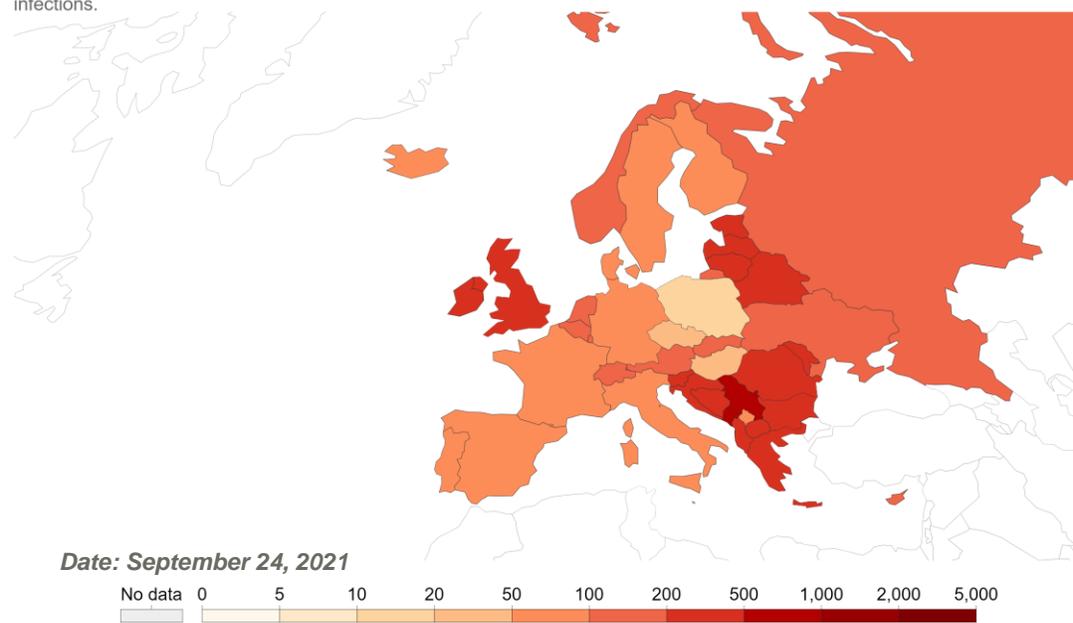
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Visualizing Risk: Europe's Winter Delta Wave

As temperatures drop across Europe, cases of COVID-19 are rising even in countries with high levels of vaccination. The Delta-driven surge of coronavirus is prompting European governments to re-instate lockdown measures and tighten vaccine requirements. However, the new restrictions - particularly those that differentiate between the vaccinated and unvaccinated - are being met with significant backlash. Over the last week, thousands of people have taken to the streets in Belgium, Croatia, Italy, Northern Ireland, and Switzerland to protest new restrictions, forecasting increased social unrest as Europe seeks to manage its growing winter wave.

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.

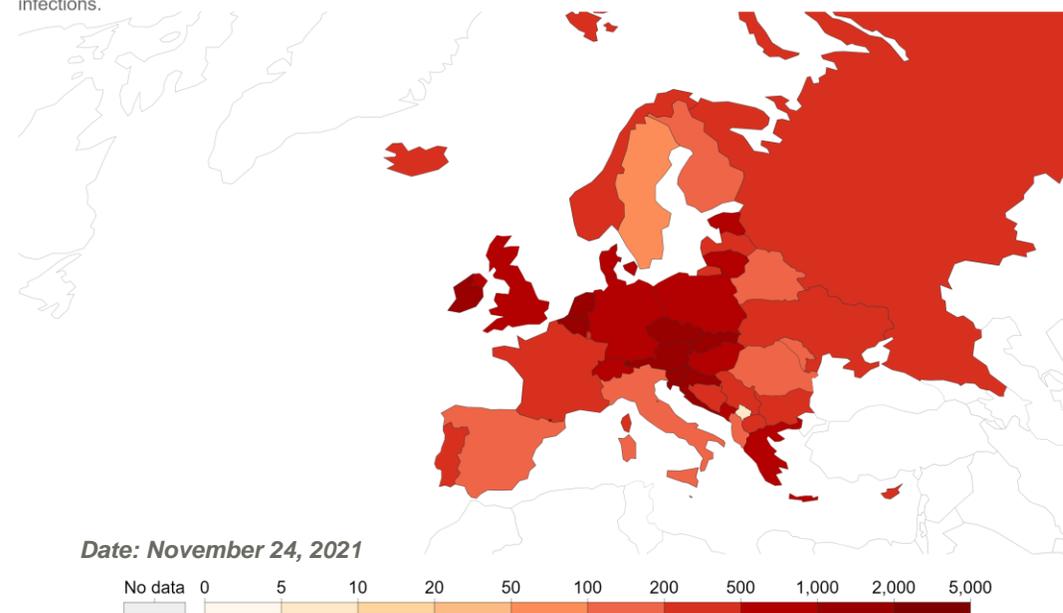


Source: Johns Hopkins University CSSE COVID-19 Data

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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.



Source: Johns Hopkins University CSSE COVID-19 Data

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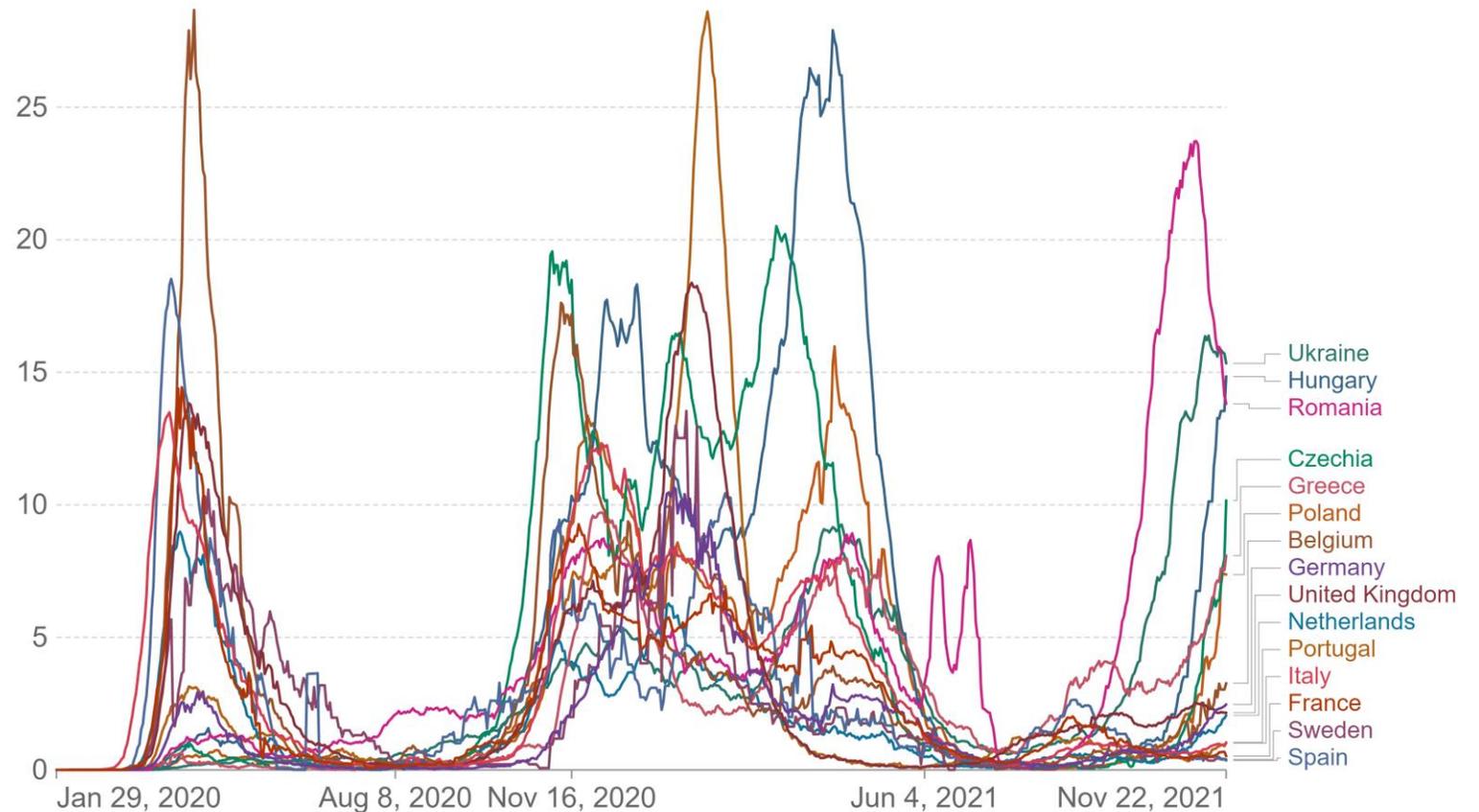
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Visualizing Risk: Europe's Winter Delta Wave

While cases are clearly rising across the region, the picture for COVID-19 deaths is more complex. The rollout of COVID-19 vaccines makes the majority of Europe's population significantly less vulnerable to severe COVID-19, and in a number of countries (including France, Portugal, and the Netherlands), death rates remain low despite a case surge. But in other countries, deaths are rising rapidly. In some cases, such as Ukraine and Romania, this rise correlates with very low vaccination rates. But rising death rates in Hungary and the Czech Republic - which both have vaccination rates over 60% - point to ongoing vulnerability even in areas with better levels of vaccination.

Daily new confirmed COVID-19 deaths per million people

7-day rolling average. 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.



Source: Johns Hopkins University CSSE COVID-19 Data

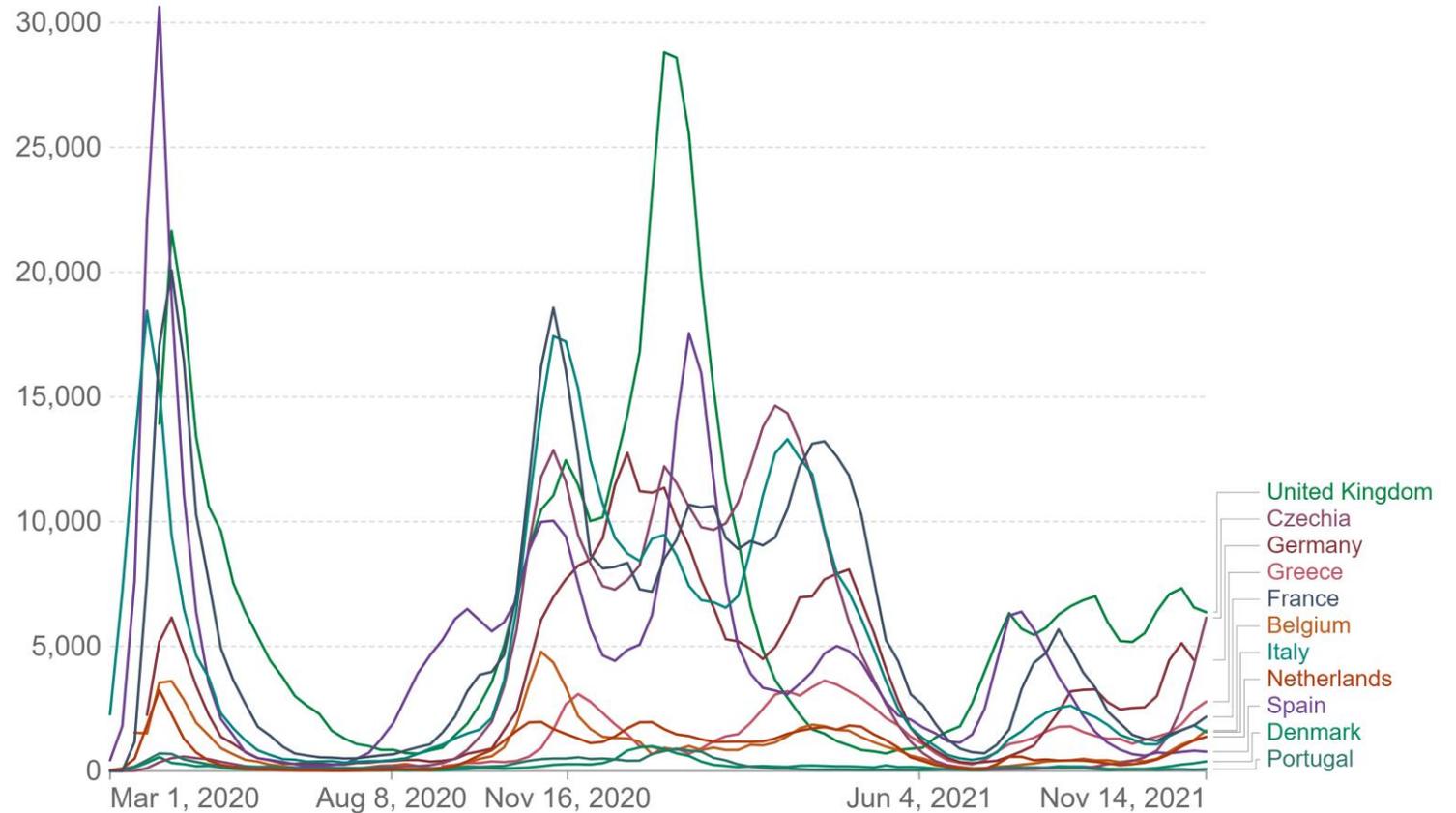
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Visualizing Risk: Europe's Winter Delta Wave

Data on hospitalizations also show a mixed picture on the impact of the winter wave among highly-vaccinated populations. Not as many countries share easily accessible data on hospitalizations as they do on COVID-19 deaths (Ukraine, Romania, and Hungary are all missing from this chart), but data from the UK and Germany do show elevated levels of hospitalizations, even if not to the extreme levels of earlier waves. As both the UK and Germany have vaccination rates of above 70%, rising hospitalizations point to the difficulty of preventing severe illness and deaths from the highly transmissible Delta variant.

Weekly new hospital admissions for COVID-19

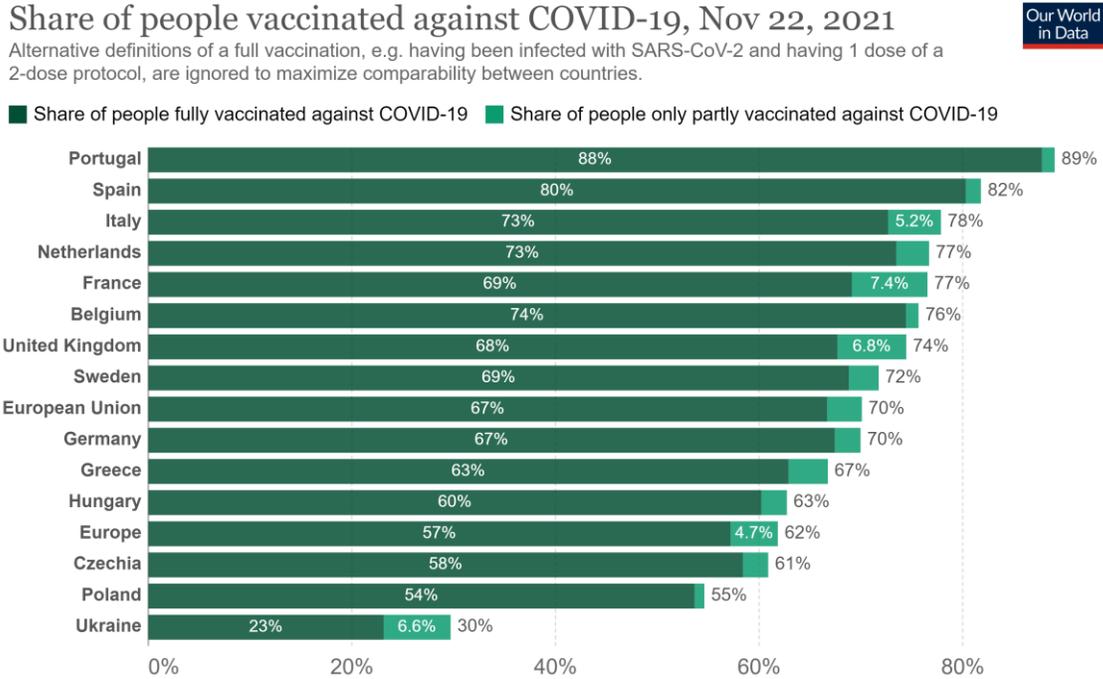
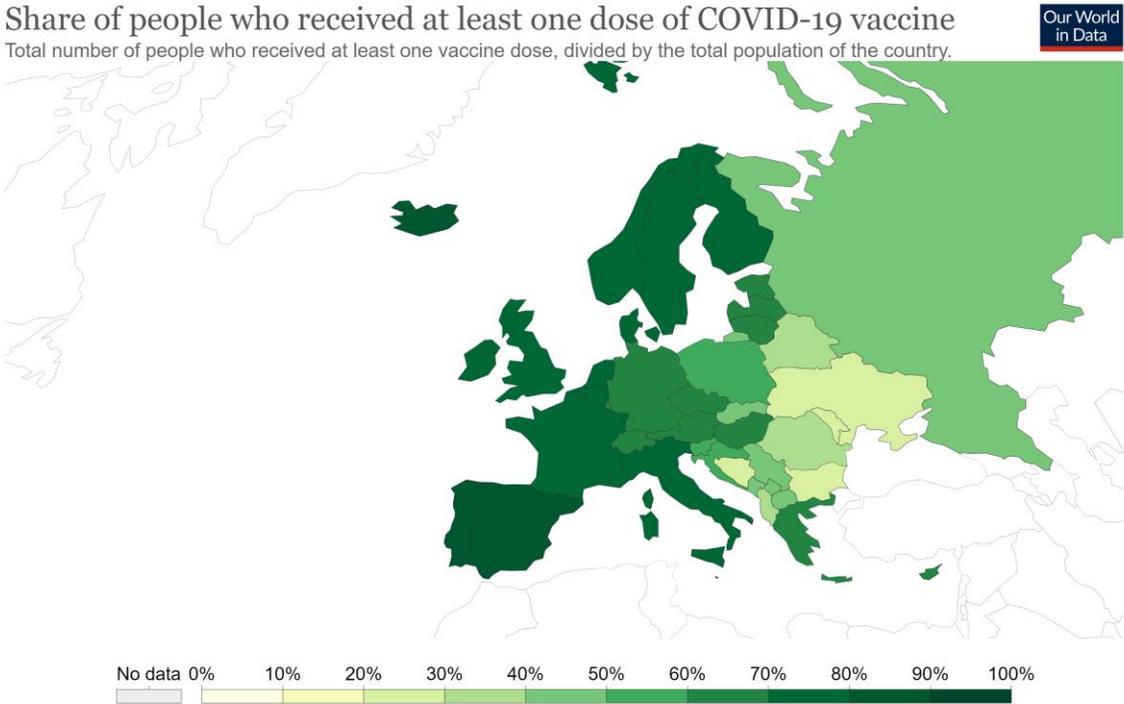


Source: European CDC for EU countries, government sources for other countries – Last updated 23 November 2021, 12:50 (London time)
OurWorldInData.org/coronavirus • CC BY

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Visualizing Risk: Europe's Winter Delta Wave

Vaccines remain the primary response to COVID-19 across Europe, with tightening restrictions focused on either creating new rules for the unvaccinated (as Germany is preparing to do) or outright mandating the vaccine (as Austria will do from February 1). Booster shot requirements are also increasing across the region; the UK has signaled it will change the definition of “fully vaccinated” to include a booster shot, while Austria, Croatia, and Switzerland have introduced one year “expiration dates” for full vaccine status.



Source: Official data collated by Our World in Data – Last updated 23 November 2021, 14:30 (London time)
 OurWorldInData.org/coronavirus • CC BY

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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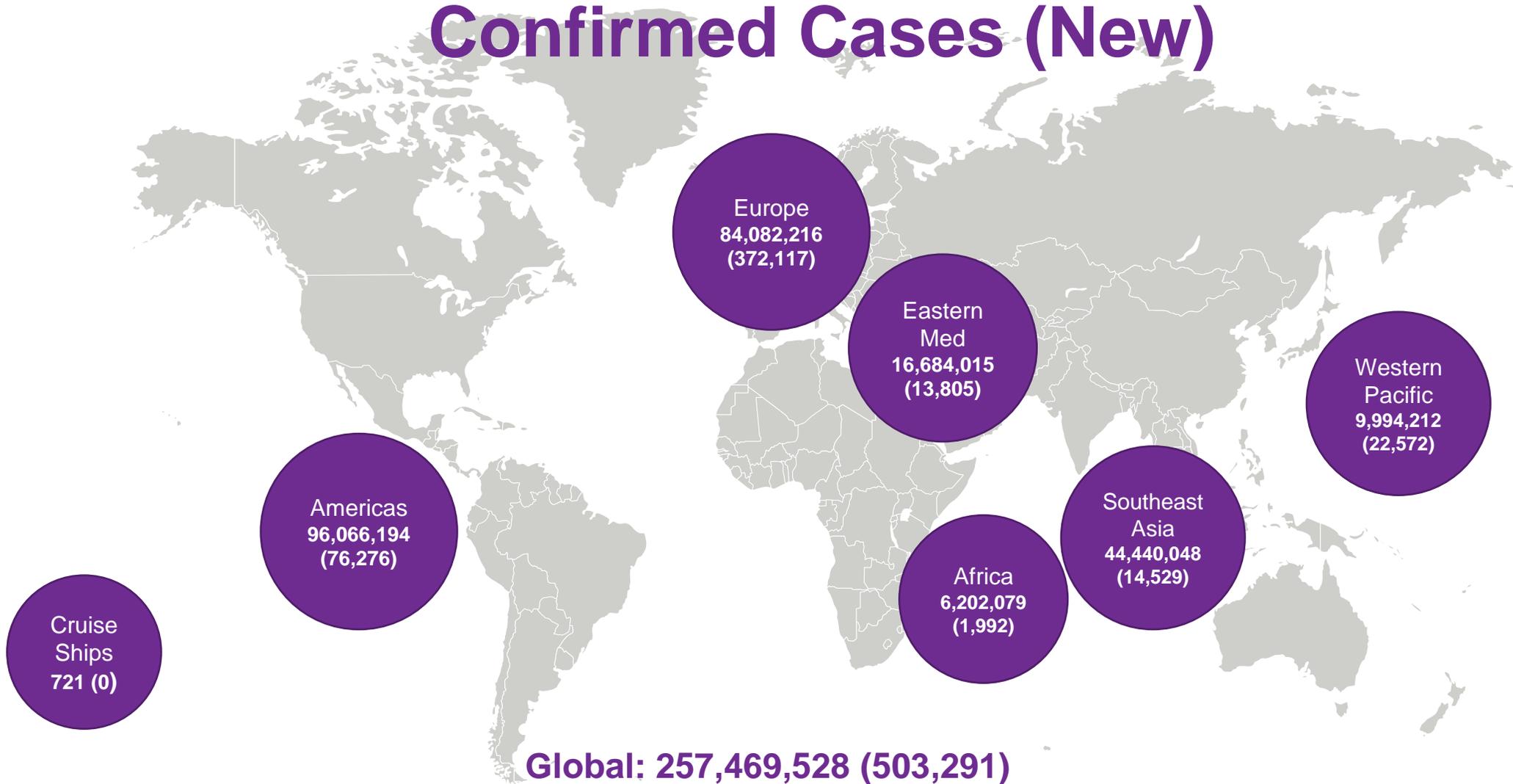
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Coronavirus Condition Updates

As of 6:45 pm CEST on November 23, 2021

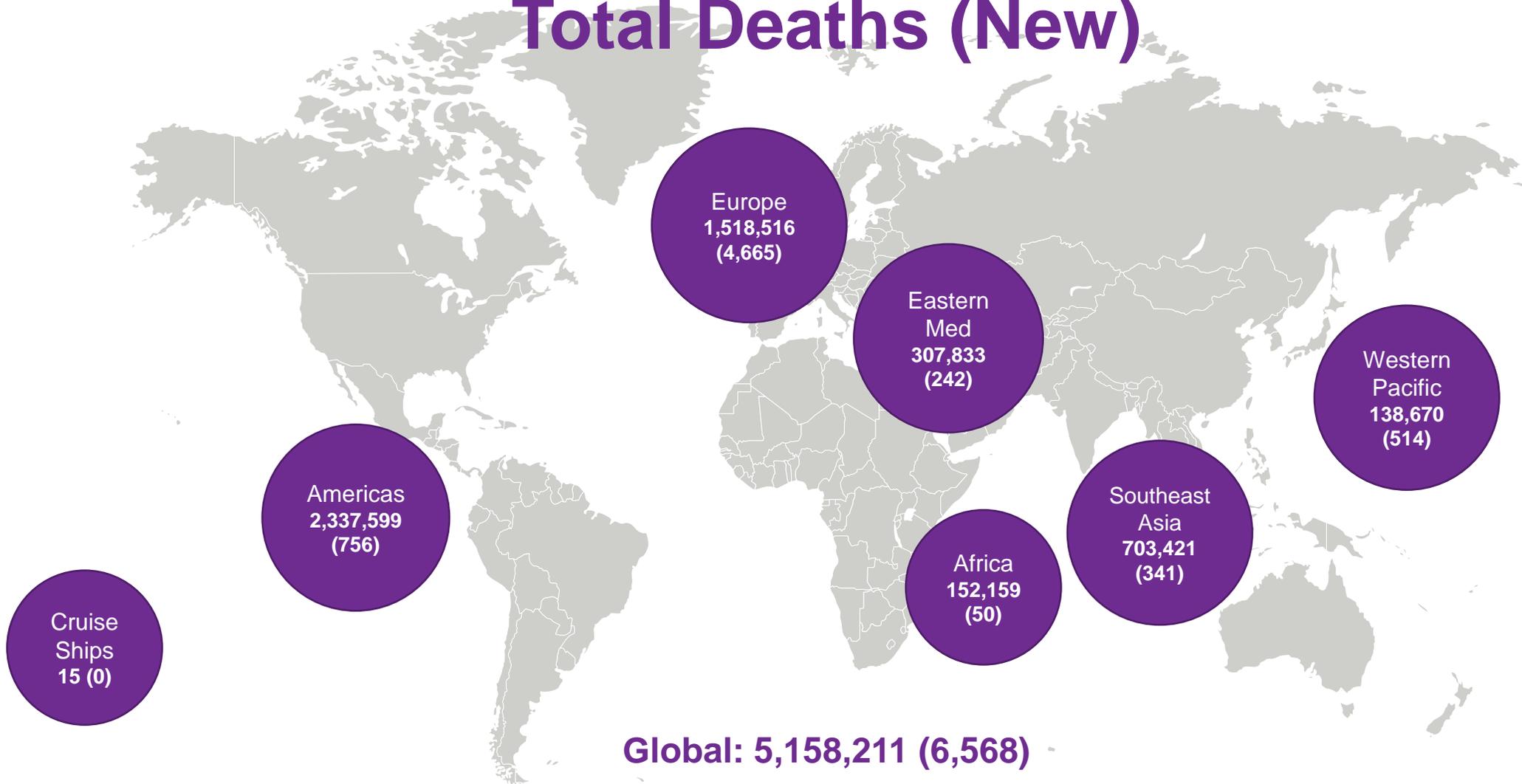
Confirmed Cases (New)



Reflects data as of 6:45 pm CEST on November 23, 2021.
Data Source: World Health Organization

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Total Deaths (New)



Reflects data as of 6:45 pm CEST on November 23, 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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