

Dentons Flashpoint

Daily Global Situation Report

January 5, 2022

Global Situation Update: January 5, 2022

KEY TAKEAWAYS

China locked down second 1 million-plus city due to the spread of COVID-19.

Japan and Australia will sign a defense cooperation agreement amid growing tensions with China.

Electric cars made up nearly two thirds of Norway's new sales in 2021.

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WHAT WE'RE WATCHING

Today, protests over increasing gas prices across Kazakhstan enter a fourth day and there is a state of emergency in Almaty and western Mangistau region. Demonstrators are also voicing grievances about other socioeconomic issues and some are calling for the government to resign. These are the most significant protests in Kazakhstan since 2016, and underscore public dissatisfaction with poor living standards since President Tokayev took office in 2019.

The Kazakh authorities, who are highly sensitive to any signs of public dissent, are taking measures to meet the public's immediate concern about gas prices but will also likely impose blackouts on phone and internet connections in the coming days in a bid to prevent protesters communicating and organizing. Workers in at least one oil company in Kazakhstan have already announced a solidarity strike with the protesters and others are likely to follow suit in the coming days.



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

Global

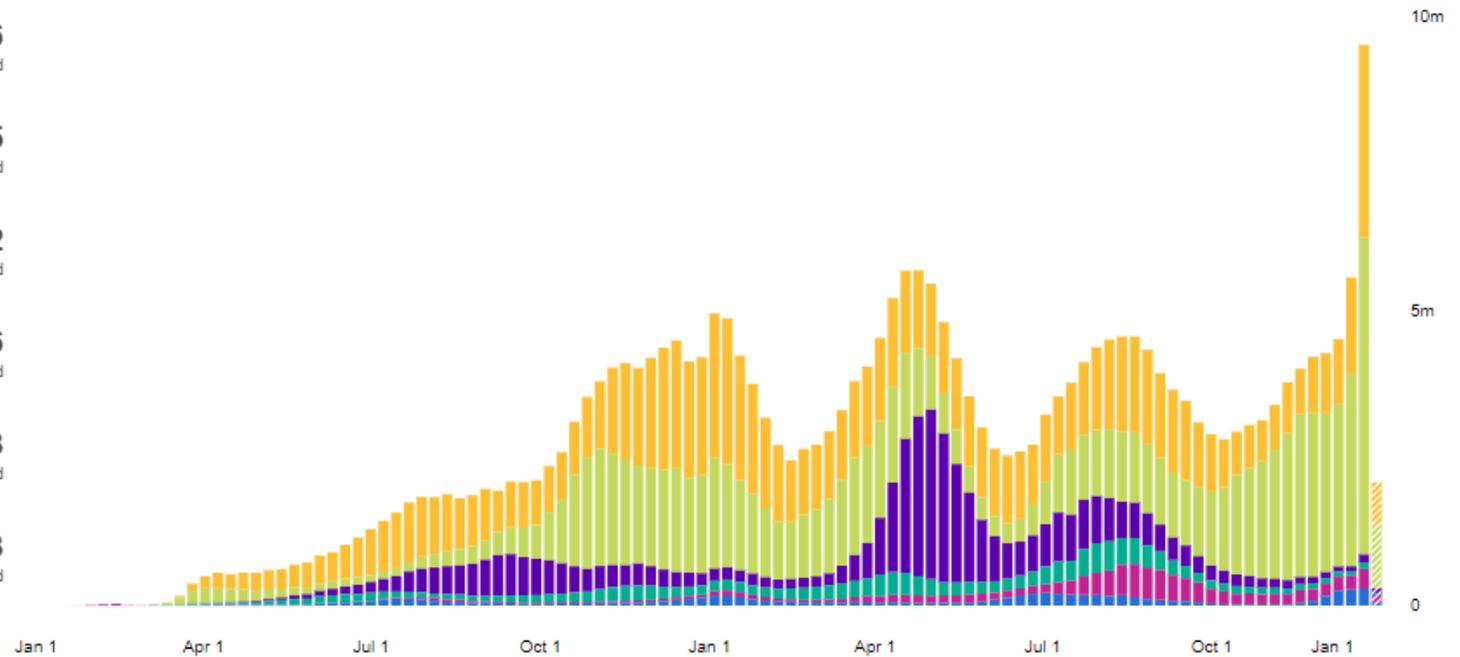
Globally, confirmed coronavirus cases topped 291.0 million with 5.4 million deaths; almost 8.7 billion vaccine doses have been administered.

Situation by WHO Region

Navigation controls: Daily Weekly Cases Deaths

Americas	105,416,916 confirmed
Europe	104,272,695 confirmed
South-East Asia	45,114,742 confirmed
Eastern Mediterranean	17,234,616 confirmed
Western Pacific	11,519,773 confirmed
Africa	7,399,513 confirmed

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



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Global

A fourth dose of COVID-19 vaccine boosts antibodies five-fold a week after the shot is administered, per a new Israel study.

- Soaring **Omicron cases** around the globe could increase the risk of a newer, more dangerous variant emerging, the WHO warned. While "*on an individual level,*" there is probably a decreased risk of hospitalization with the Omicron variant compared with Delta, overall, Omicron could pose a greater threat because of the sheer number of cases.
- COVID-19 **vaccination during pregnancy** was not associated with preterm delivery or underweight newborns, per a new US CDC study.
- The first case of a mix of the two diseases **COVID-19 and influenza, dubbed "Flurona,"** has been recorded in Israel.
- NATO Secretary-General Jens Stoltenberg has scheduled a special meeting of allied ambassadors and top Russian officials for next week as both sides seek dialogue to prevent open **conflict over Ukraine**. The EU is demanding a seat at the table as well, arguing that Brussels "cannot be a neutral spectator in the negotiations" over Europe's future security architecture.

Markets & Business

Lucid Group plans to expand into European markets in 2022, as demand for electric vehicles soar with countries pledging to end dependence on fossil fuels for mobility.

- **Electric cars** made up nearly two thirds of Norway's new sales in 2021, with **Tesla** the top selling automobile brand overall.
- **BlackRock Inc** and **American Express Co** are extending their hybrid work plans as the Omicron COVID-19 variant spreads across the US.
- **Toyota Motor Corp.** has for the first time overtaken **General Motors Co.** as the US's top-selling car company by annual sales.
- **Macy's Inc** will reduce its US store hours for the rest of January as it prepares for potential COVID-19 cases among workers.
- **Uniper**, one of Germany's biggest utilities, has been forced to seek an additional €10 billion of financing from its parent company and a state-backed lender to avoid a cash crunch as commodity prices spiral in Europe.

Environment, Sustainability & Governance

In 2021, oil and gas shares were eclipsed in-vogue environmental, social and governance-focused companies, per the *Financial Times*.

- Thailand has reopened **Maya Bay**, a white sand beach made famous by the 2000 film "The Beach" starring Leonardo DiCaprio, more than three years after closing it to allow its **ecosystem** to recover from the impact of thousands of visitors each day.
- Pushing back against the European Commission's December decision to include **natural gas and nuclear energy as green energy sources** under the EU taxonomy, the Czech Republic will seek allies to change conditions for the inclusion of gas and nuclear power projects in the hotly-debated green investment plan.
- California investigators have concluded that PG&E Corp. power lines ignited a wildfire in the Sierra Nevada foothills last summer that exploded to become the second-largest in state history; the company is facing at least **\$1.15 billion in related liability costs**. PG&E has announced a plan to bury 10,000 miles of distribution lines, reversing an earlier stance by the company that doing so would be prohibitively expensive.

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Africa

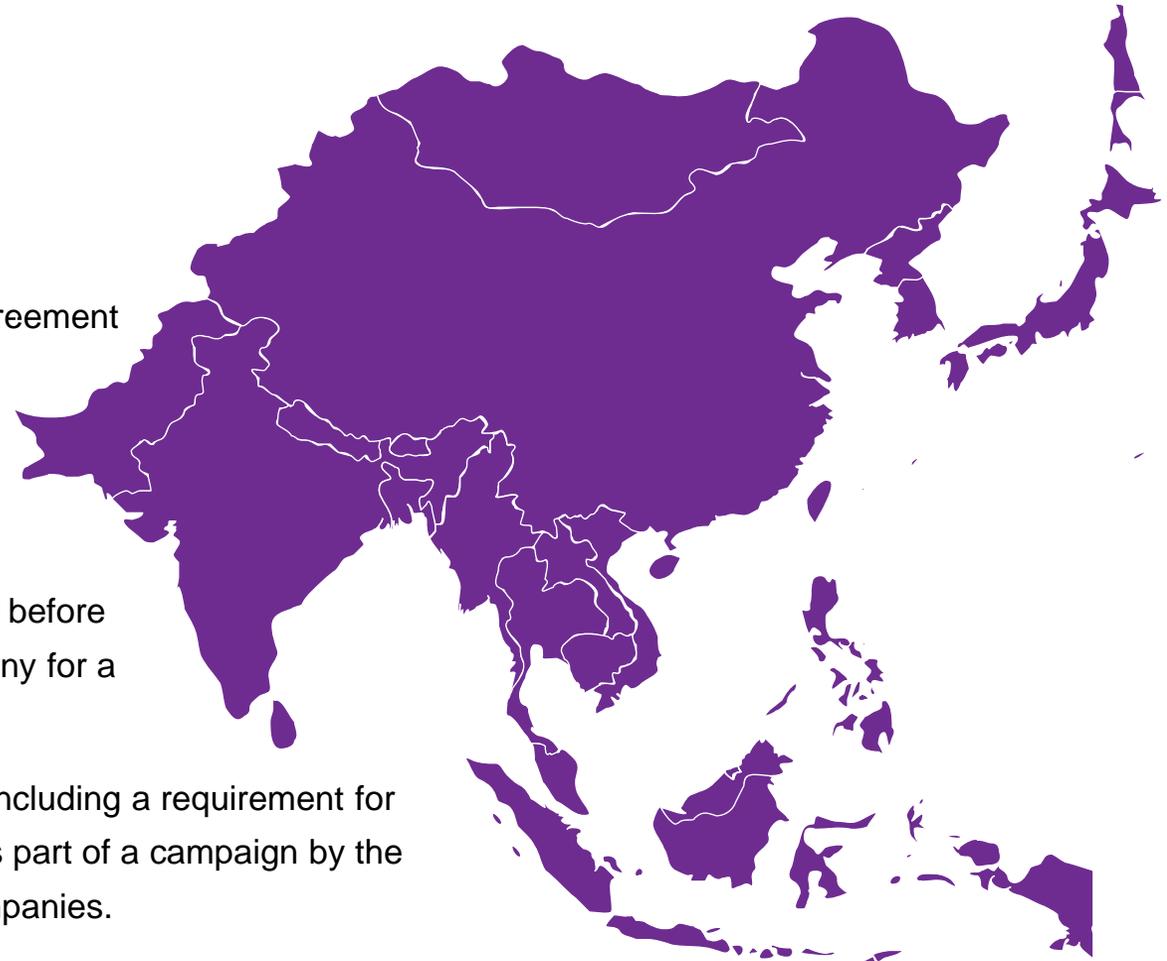
- A **South African** corruption inquiry pointed to systemic graft during former President Jacob Zuma's tenure in a report published on Tuesday, after more than three years of investigations involving more than 300 witnesses.
- The US, Norway, Britain and the EU warned **Sudan's** military that they would not support a new prime minister unless a broad range of civilians are involved, threatening to withhold economic aid. Security forces fired tear gas to disperse large crowds demonstrating against military rule in the capital Khartoum and neighboring cities on Tuesday.
- Doctors in **Ethiopia's** Tigray region are warning of critical shortages of drugs and equipment, with reports attributing the lack of supplies to a months-long government aid blockade on the northern region.



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Asia

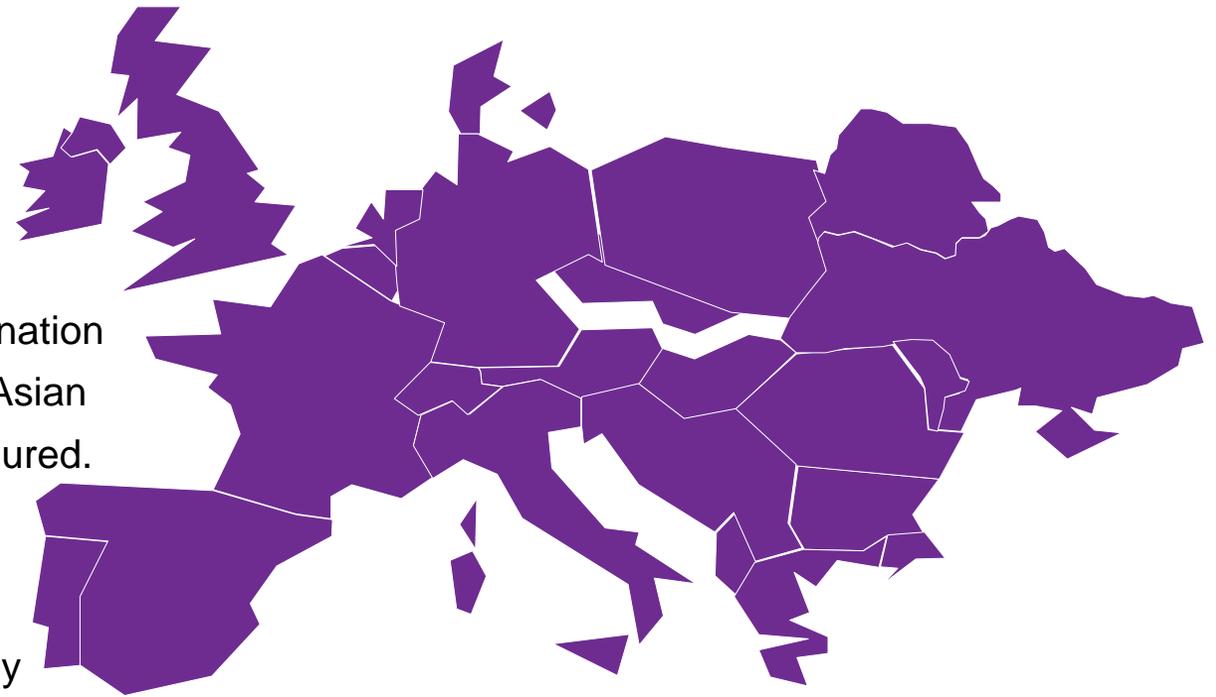
- **Japan and Australia** will sign defense cooperation Reciprocal Access Agreement which will provide a clear framework for enhanced inter-operability and cooperation increase practical engagement between the Australian Defense Force and the Japanese Self-Defense Force, a move that could further inflame tensions with **China**.
- **North Korea** fired a suspected ballistic missile off its east coast just hours before **South Korean** President Moon Jae-in attended a groundbreaking ceremony for a rail line intended to eventually connect the divided Korean peninsula.
- **China's** cyber regulatory body issued draft rules governing mobile apps, including a requirement for security reviews of apps whose functions could influence public opinion as part of a campaign by the Cyberspace Administration to increase oversight of the country's tech companies.
- **Hong Kong** is imposing new virus control measures banning indoor dining after 6pm and closing some venues. Hong Kong will also bar incoming passenger flights from eight countries-- **Australia, Canada, France, India, Pakistan, the Philippines, the US and US**. **Indian** health experts called for preparations to ensure hospitals are not overwhelmed by a new wave of patients as new COVID-19 infections doubled. **China** locked down the central city Yuzhou, with 1.1 million residents, after discovery of three COVID-19 cases. More reports of citizen distress from access to food and medical facilities are emerging in the northern city of Xi'an, with 13 million, which has been under a tight lockdown for the past two week.



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Europe

- **Kazakh** President Tokayev accepted the government's resignation today after a fuel price increase in the oil-producing Central Asian country triggered protests in which nearly 100 police were injured.
- **Polish** coal miners are staging a blockade over pay, demanding compensation for extended work hours including weekend work demanded to mitigate the impact of the energy crisis gripping the country and Europe.
- **European** gas prices rose on Wednesday as gas flowed eastwards for the 16th successive day along a pipeline that usually sends deliveries from **Russia** to Europe and political tensions remained high.
- **British** Prime Minister Johnson said that the country would "*ride out*" the Omicron wave, without imposing a new nationwide lockdown. The UK's health minister has said about 1 million people are self-isolating. **Germany** relaxed restrictions on travel from the **UK, South Africa** and seven other southern African countries that were imposed to prevent the spread of the new Omicron variant. **France** recorded another record-breaking number of COVID-19 cases with 271,686 in the past day; President Macron said he wants to make daily life more inconvenient for unvaccinated people in the country.



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How do You Manage Risks?

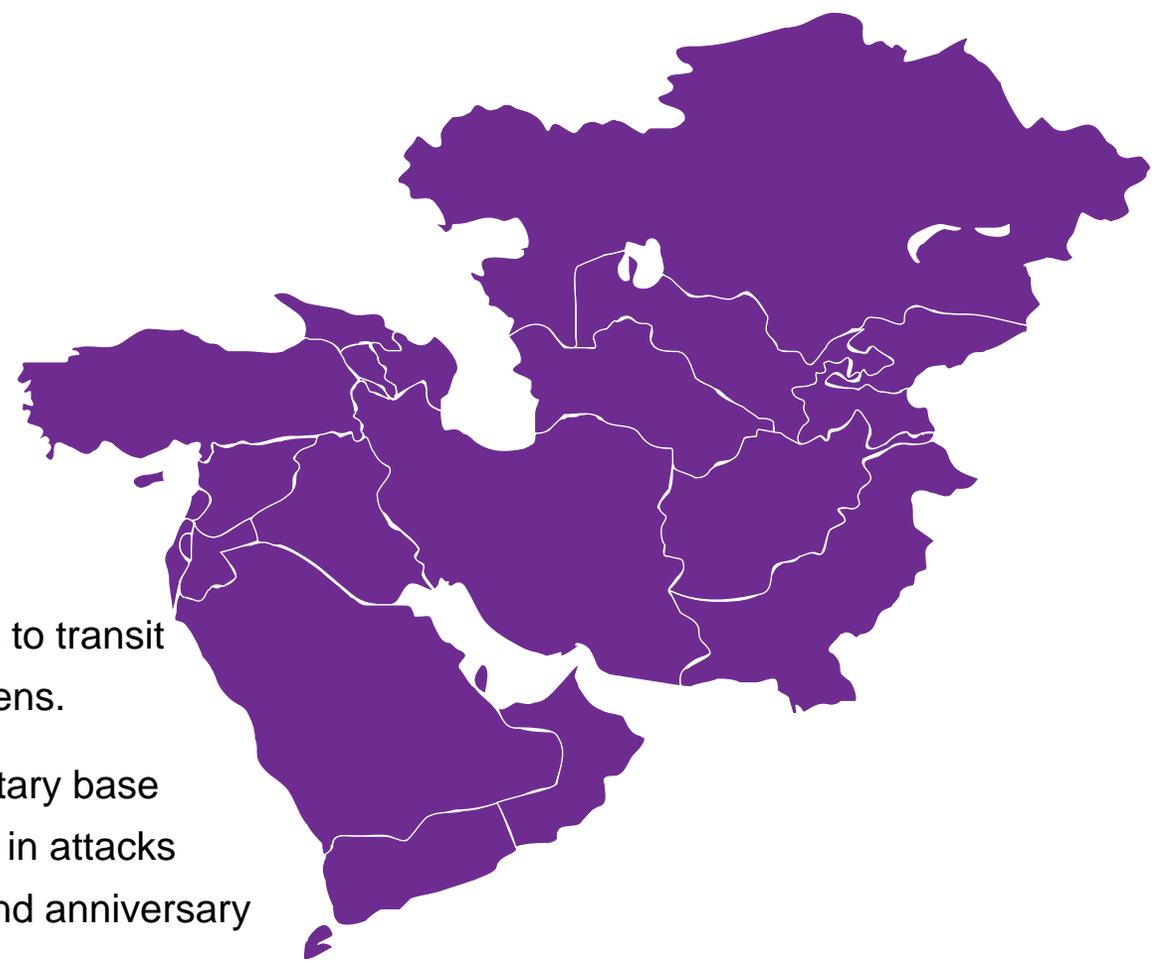
The coronavirus pandemic has not just added a new layer of risk for business leaders to navigate, but has accelerated drivers of change, including disruptive technologies, political and economic realignments and cultural priorities on equality, justice and conservation, while increasing vulnerabilities that bad actors seek to exploit.

Dentons Intelligence and Security Services Group offers bespoke services to provide business leaders with the intelligence they need to understand and thrive in complex operating environments.

- ❖ due diligence and compliance investigations
- ❖ physical and cyber security assessments
- ❖ country and political risk assessments
- ❖ enterprise risk management and organizational resiliency advice
- ❖ crisis and incident response (physical security breaches and cyber incidents, insider threats and reputational impacts)

To learn more about the bespoke intelligence and risk services from Dentons, contact [Karl Hopkins](#).

Middle East



- Coronavirus infections are surging across Gulf Arab states, with the daily number of cases more than doubling in **Saudi Arabia** over two days to more than 2,500 and crossing the 1,000-level in **Qatar** and **Kuwait**.
- **Israel** is prepared to permit **Palestinian-American** dual nationals to transit its territory as part of an emerging US visa waiver deal for its citizens.
- In the second attack this week, a Katyusha rocket hit an **Iraqi** military base hosting **US** forces near Baghdad's international airport. An uptick in attacks against US forces in Iraq and **Syria** is believed linked to the second anniversary of the killing of top Iranian general Qassem Soleimani.
- **Lebanese** President Michel Aoun, Prime Minister Najib Mikati and several politicians have condemned threats made by Hezbollah chief Hassan Nasrallah against **Saudi Arabia**, reflecting a consensus that Nasrallah crossed the red line that Lebanon has drawn to preserve its relations with the Kingdom.

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Americas

- US authorities charged a **Colombian** man with conspiracy to commit murder or kidnapping outside the **US** in connection with the assassination of **Haitian** President Moise, the first official charges in the brazen crime.
- A dispute panel found that **Canada** violated a trade accord with the **US and Mexico** by reserving most of its preferential dairy tariff-rate quotas for Canadian processors, and Washington warned it could retaliate if Ottawa did not change course.
- **Canada** announced on Tuesday two agreements totaling C\$40 billion (\$31.5 billion) to compensate First Nations children who were taken from their families and put into the child welfare system and to reform the system that removed them and deprived them of services they needed.
- **Peru's** attorney general opened a preliminary investigation against leftist president Pedro Castillo on allegations of collusion and influence peddling in cases related to government public works contracts.

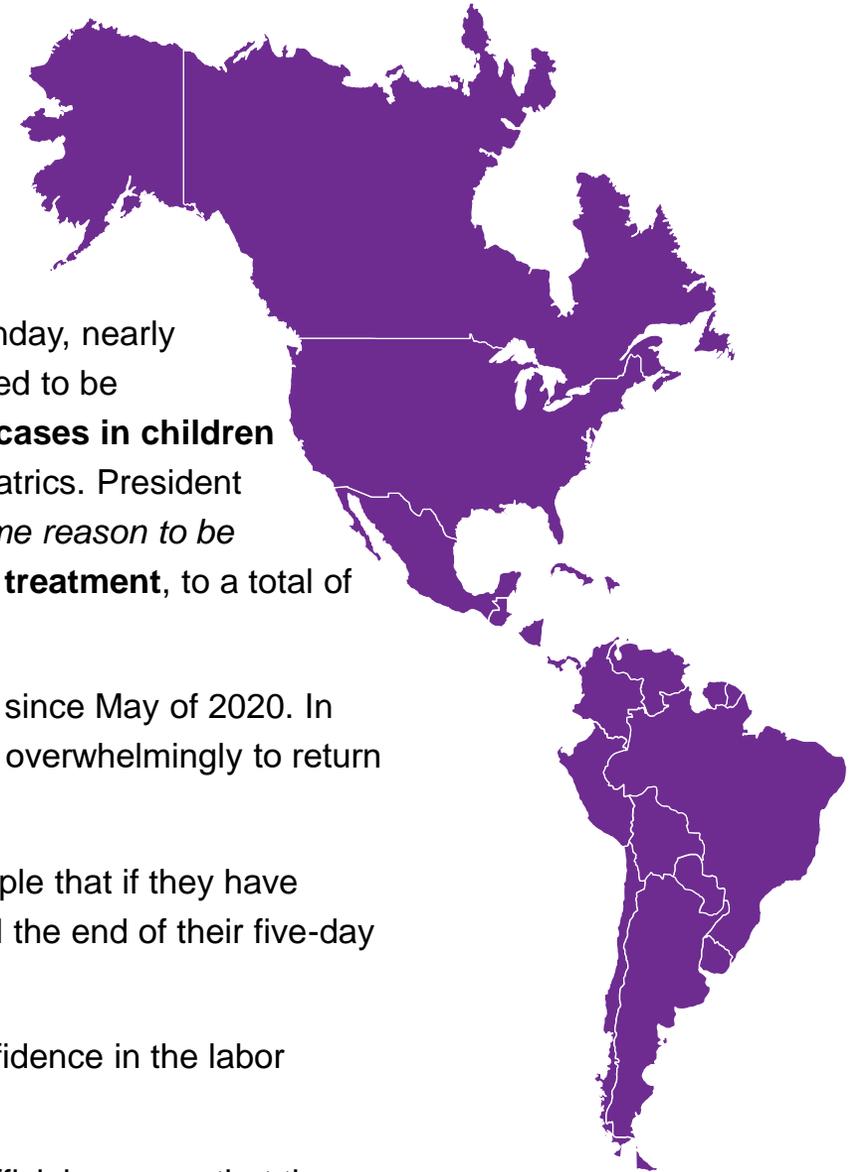


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Americas: US

- The US set a global record of almost **1 million new coronavirus infections** reported on Monday, nearly double the country's peak of 505,109 hit just a week ago. The **Omicron variant** was estimated to be 95.4 percent of the coronavirus strains circulating in the US as of January 1. New COVID-19 **cases in children** increased nearly 64 percent over the prior week, according to the American Academy of Pediatrics. President Biden attempted to calm fears among the vaccinated but said unvaccinated people have “*some reason to be alarmed.*” The Biden Administration doubled its order for Pfizer Inc's **oral COVID-19 antiviral treatment**, to a total of 20 million courses.
- **New Jersey and New York** reported their highest number of COVID-19 patients hospitalized since May of 2020. In **Illinois**, Chicago public schools canceled classes Wednesday after the teachers' union voted overwhelmingly to return to remote learning amid a surge in coronavirus cases, defying a city order.
- The CDC updated its guidance on the recommended COVID-19 **isolation period**, telling people that if they have access to a COVID-19 test and want to take it, the best approach is to use a rapid test toward the end of their five-day isolation period.
- The number of 4.5 million Americans voluntarily **quit their jobs in November**, a show of confidence in the labor market and an indication that higher wages could prevail for a while.
- On the eve of the first anniversary of the **Capital insurrection**, senior Biden Administration officials assess that the government's preparations were hampered by a lack of high-level information-sharing and a failure to anticipate how bad the day could be, applying lessons learned in an effort to prevent another such attack.

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Pandemic Healthcare Innovations: 2021 and Beyond

By Anni Coonan

The onset of the COVID-19 pandemic in 2020 sparked and accelerated countless trends in healthcare, driving new innovations via an unprecedented global research and development push and solidifying emerging trends in healthcare, like telehealth. As a new year begins and the COVID-19 pandemic persists, several of these innovations, alongside some unsolved problems, will continue to impact the healthcare environment.

mRNA Technology Revolutionizes Vaccines

Perhaps the most important technological breakthrough of the pandemic was the use of fledgling mRNA technology to quickly develop and test the vaccines that allowed parts of the world to end some of the most restrictive pandemic-era policies. The success of the Moderna and Pfizer-BioNTech shots demonstrated the viability of mRNA technology, which will allow the rapid production of new vaccines and promises widespread, futuristic medical applications.

mRNA vaccines, in which messenger RNA wrapped in a fatty lipid bubble deliver the genetic code instructing human cells how to create proteins to defend against a given virus, are much quicker to manufacture and easier to edit to adapt to changing variants than

traditional vaccine methods. The production process involves identifying the relevant genetic material and synthesizing the messenger RNA on DNA templates; traditional vaccines, on the other hand, must be grown in animal cells. Pfizer-BioNTech has said that an Omicron-specific booster shot could be delivered within 100 days, and Moderna has said that a fast-tracked new booster could be delivered within the first few months of 2022; traditional vaccines, on the other hand, would take between 6 and 36 months to manufacture and deliver. The speed at which mRNA vaccines can be developed and manufactured means that pharmaceutical companies can respond with unprecedented speed to new viruses and variants, potentially shortening the time between identification of a virus and deploying a vaccine to curb its spread.

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Pandemic Healthcare Innovations: 2021 and Beyond

After being confirmed to work at scale with the COVID-19 vaccines, scientists are suggesting that mRNA technology can be used to develop vaccines against destructive viruses that are yet to have vaccines, such as HIV, tuberculosis and malaria; the technology could also be used to streamline the yearly process of developing a new influenza vaccine by more quickly matching the current strains in circulation. Beyond vaccines, mRNA technology may have further applications in healthcare. There has been interest in the use of mRNA in gene therapy, where the use of mRNA to deliver gene information that can edit out defective genes could solve some issues present with current viral delivery strategies. Gene therapies could address difficult-to-address health ailments like cancer, heart disease, and autoimmune diseases by programming cells to stop producing cancer, prompt heart regeneration, or stop attacking areas of the body.

Telehealth: Here to Stay

Another major innovation of the COVID-19 pandemic that is here to stay is telehealth. Previously very little used, virtual healthcare boomed during the early days of the pandemic due to safety concerns that increased patient demand and led government

healthcare bodies to temporarily change policies to expand its use. Since an early-pandemic spike, the use of telehealth has stabilized at about 38 times the level of pre-pandemic utilization, with about 13-17 percent of all medical visits conducted virtually by the end of 2021, per a study by McKinsey. In response to sustained demand, many states and federal bodies have extended or made permanent policies allowing expanded use of telehealth; the Centers for Medicare and Medicaid Services, one of the most important policy setters in this space, recently extended its relaxed telehealth rules until 2023.

Telehealth will remain an attractive option for patients seeking faster and more convenient care and will continue to expand beyond the “virtual urgent care” niche that is most popular at the moment. However, concerns about the security of virtual “exam rooms,” healthcare worker burnout amid the increased workload that telehealth can bring, and quality of care will remain.

“Consumerization” of Healthcare on the Rise

A new buzzword within the healthcare industry is the rising “consumerization” of healthcare, or “retail health”: the shift within the

Pandemic Healthcare Innovations: 2021 and Beyond

healthcare industry from market-wide solutions to the increasing individualization and rise of retail giants in healthcare as patients (or consumers) seek increased affordability, predictability of costs and convenience. Whereas the healthcare industry used to reside in doctors' offices and pharmacies, the coronavirus pandemic has ushered in the rise of retail in medicine, with innovations like retail-operated clinics and urgent cares, at-home self-testing, and merged pharmaceutical and retail online experiences. CVS and Walgreens, which gained a boost in the public eye as they became the main administrators of COVID-19 vaccines following the early government-led campaigns, have expanded their retail clinics (like CVS' "MinuteClinic"), and the field of retail clinics is expected to surpass \$8 billion in revenue by 2021. At-home testing, driven by the proven viability of at-home COVID-19 testing, is also on the rise: startup Everlywell offers over 30 at-home test kits for everything from food sensitivity to cholesterol levels. Online and delivery pharmacies are another trend. In 2019, Amazon bought the online pharmacy PillPack, and now allows shoppers to integrate their prescription purchases with the rest of their shopping.

While the consumerization of answers an unmet need for convenience, affordability, and predictability of cost in the healthcare

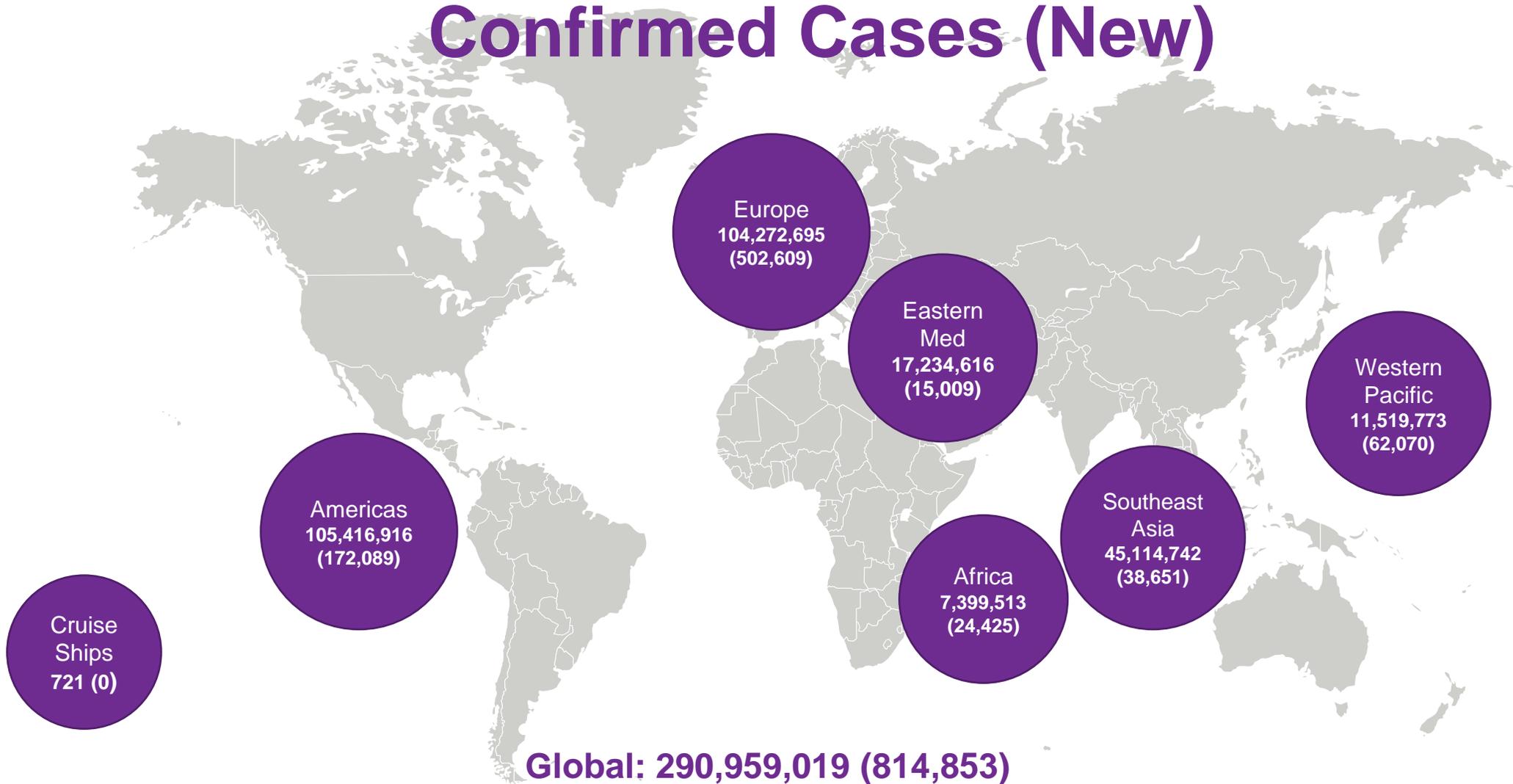
market, medical professionals have registered concern at the trend away from consistent input from and personal relationships with doctors. While MinuteClinics, for example, may be the only option available to some consumers, consistent use leaves them without a primary care doctor that is familiar with their medical history and whom they trust; at-home testing and online prescribing of medications may pose the same problem. Consumerization of healthcare may be a catch-22 between increasing access and affordability while eroding already low trust in medical professionals amid the pandemic. At the same time that medical science has made immense leaps to combat the COVID-19 pandemic, other changes wrought by the coronavirus have accelerated a drive towards access and convenience in the healthcare industry. Increasingly consumer-driven healthcare will continue to create new niches for medical services and new expectations from consumers of healthcare, creating new business opportunities and new expectations for providers of healthcare and health insurance.

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Coronavirus Condition Updates

As of 6:18 pm CEST on January 4, 2022

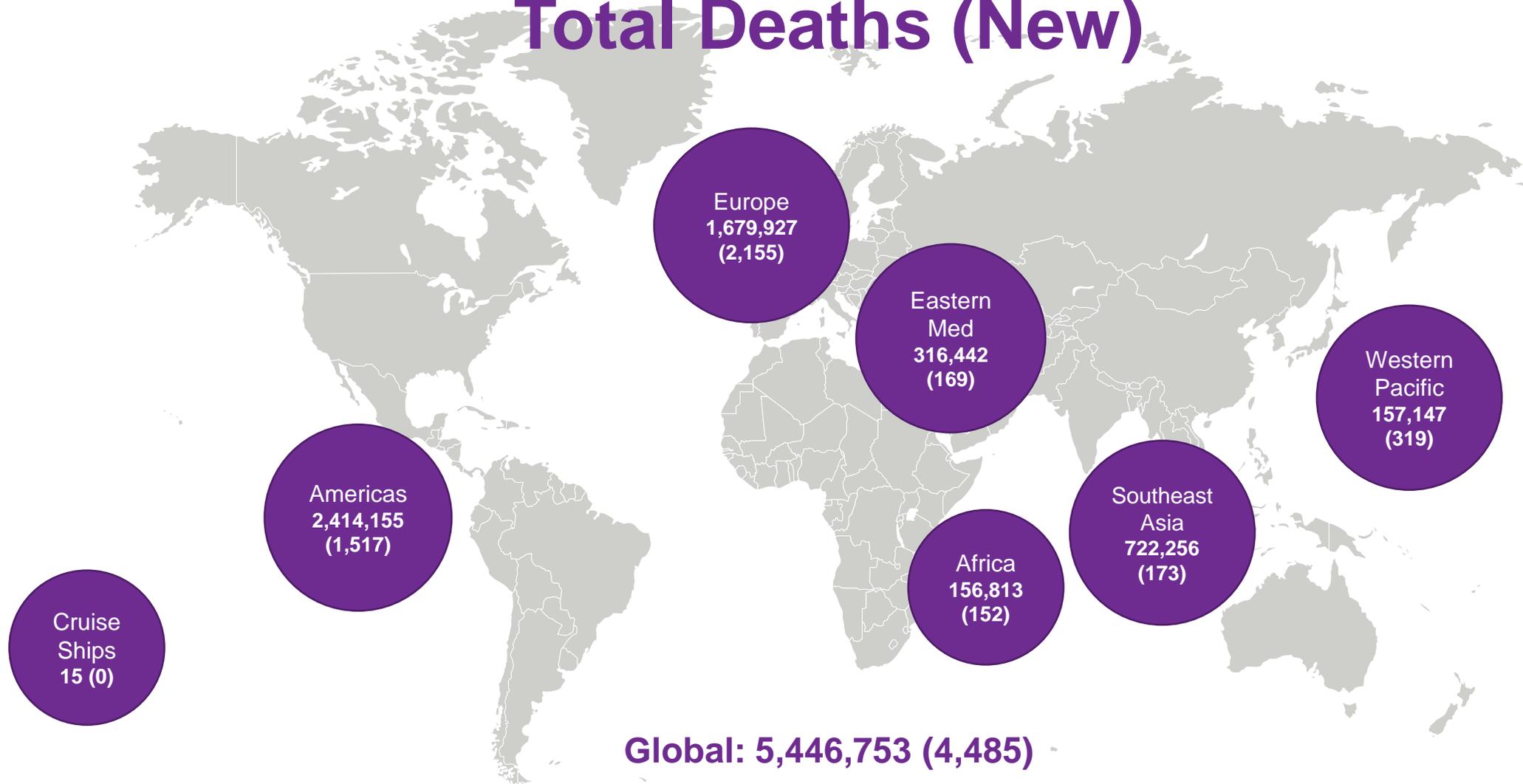
Confirmed Cases (New)



Reflects data as of 6:18 pm CEST on January 4, 2022.
Data Source: World Health Organization

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Total Deaths (New)



Reflects data as of 6:18 pm CEST on January 4, 2022.
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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