

Dentons Flashpoint

Global Situation Report

November 9, 2022

Global Situation Update: November 9, 2022

KEY TAKEAWAYS

The US and Russia agree to resume New Start nuclear arms reduction talks.

US midterm elections are too close to call.

COP27 summit focuses on rallying help for loss and damage in developing countries due to climate change.

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

Global Situation Update: November 9, 2022

WHAT WE'RE WATCHING

In Pakistan, the opposition Pakistan Tehreek-e-Insaf (PTI) party is set to resume its Long March protest after it was called off last week when party leader and former Prime Minister Imran Khan (2018-2022) was shot in the leg. PTI aims to take over Rawalpindi and Islamabad with two million protestors to force the current government to call snap elections. Khan was forced from his post in a no-confidence vote in April.

The renewed protest march could turn violent again, with clashes between protesters and law-enforcement personnel, driving operational disruption and incidental security threats for businesses. If PTI succeeds in forcing snap elections, it will impact the post-flood economics and foreign policy of the sixth most populous country in the world. Khan and his party are generally pro-China and anti-US.



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

Global

The US and Russia agreed to resume New Start nuclear arms reduction talks that have been paused since before Russia's invasion of Ukraine.

- Ukraine wants the Black Sea grain export deal expanded to include more ports and goods and hopes a decision to extend the agreement for at least a year will be taken next week. The current agreement to address **global food security** ends on November 19.
- Novavax Inc said its **COVID-19 vaccine** retooled against the Omicron BA.1 variant showed a strong immune response as the fourth dose and met the main goal of the Omicron-tailored shot in a late-stage study.

Markets & Business

Job cuts begin today for Meta's 87,000-strong workforce, in a drastic cost-cutting measure as the social media company grapples with falling revenues and rising competition.

- German police raided offices of the Swiss bank **UBS** in connection with a money laundering investigation into Uzbek-born Russian billionaire Alisher Usmanov.
- EU antitrust regulators opened a full-scale investigation into **Microsoft's** \$69 billion bid for "Call of Duty" maker **Activision Blizzard**, citing concerns of significantly reduced competition on the markets for the distribution of console and PC video games.
- Crypto giant **Binance** signed a nonbinding agreement on Tuesday to buy **FTX's** non-US. unit to help cover a "*liquidity crunch*" at the rival exchange.
- Chinese developer **Greenland Holding Group** sold the tallest rental apartment tower in downtown Los Angeles at a steep loss, the latest in a recent wave of Chinese investors unloading prized US real estate assets.

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

Environment, Sustainability & Governance

At COP27, Austria, Belgium, Denmark, Germany, Scotland and New Zealand pledged millions for climate change to address loss and damage in developing countries.

- Developing countries will need €1.98 trillion per year to cope with **climate** breakdown by 2030, a new report warns.
- Promises by companies, banks and cities to achieve **net-zero emissions** often amount to little more than **greenwashing**, per UN experts in a report, which proposes new standards to harden net-zero claims.
- Europe had its "**warmest October on record**" this year, the EU's earth observation program said. Temperatures were nearly 2°C above the average observed over the 1991-2020 period.
- Belgium's largest airport will cancel close to half of its flights on Wednesday while no flight will depart Ryanair's hub in Charleroi as **trade unions protest** against diminishing purchasing power.
- A London Underground workers **strike** will go ahead on Thursday after talks failed to resolve a contract dispute, leaving millions of passengers facing disruption. More than 70,000 university staff at 150 British universities will **strike** for three days in November over pay, working conditions and pension.

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

Africa

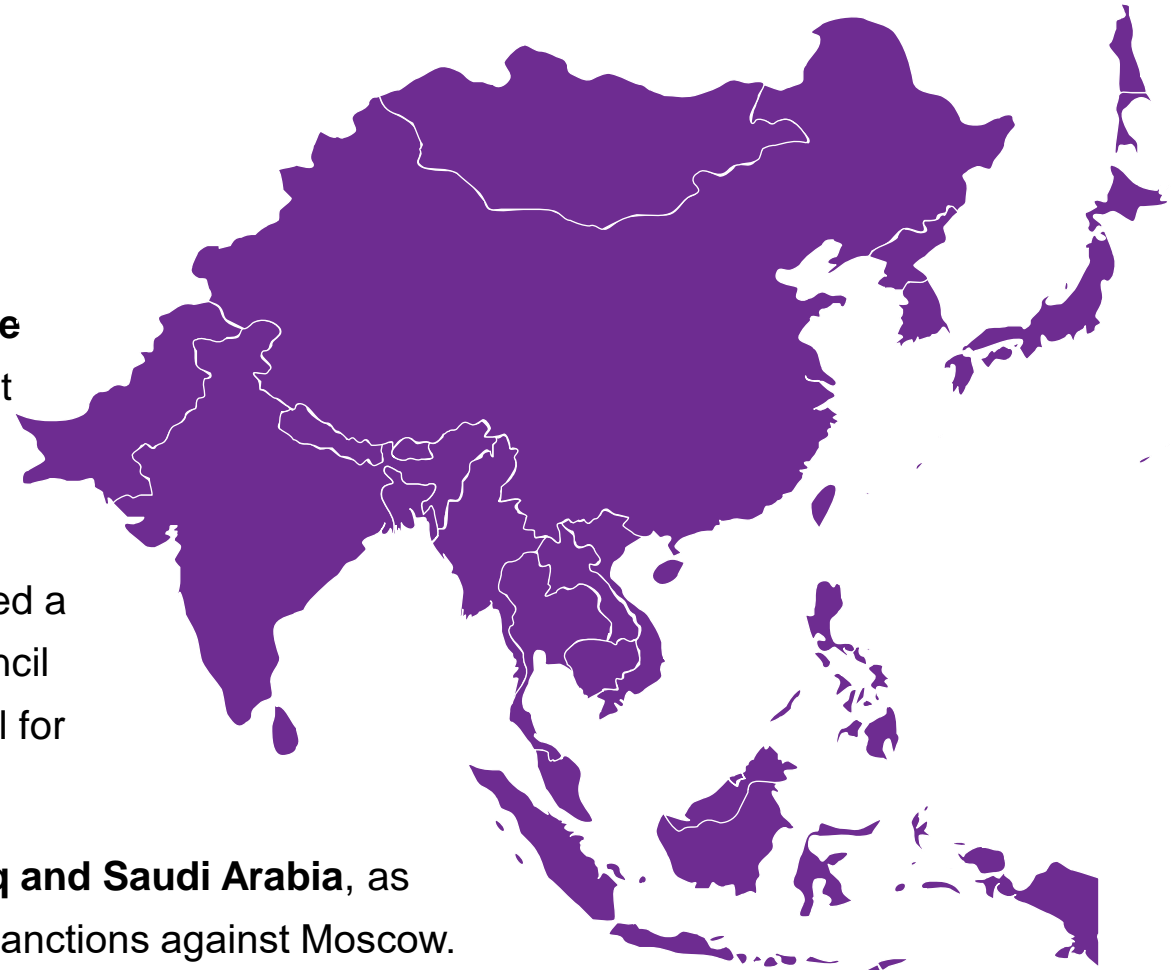
- A labor court ordered pilots at **Kenya** Airways to resume work today, seeking to end a strike that has left thousands of passengers stranded at one of Africa's most important aviation hubs.
- **Uganda** will shorten the school term by two weeks to reduce daily contact amongst students and help curb the spread of Ebola, per the education minister. Uganda is struggling to contain an Ebola outbreak that has already infected at least 156 people and killed 74, including in the capital Kampala.
- **Malawi** has received 2.9 million doses of oral cholera vaccine as an outbreak continues to spread across the country. The death toll from the outbreak that started in March has reached 207.
- Gunmen in **Nigeria** kidnapped at least 80 people and killed 11 others in separate attacks in the northwest, in the latest attacks by armed gangs that have been preying on villages, schools and highways.



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

Asia

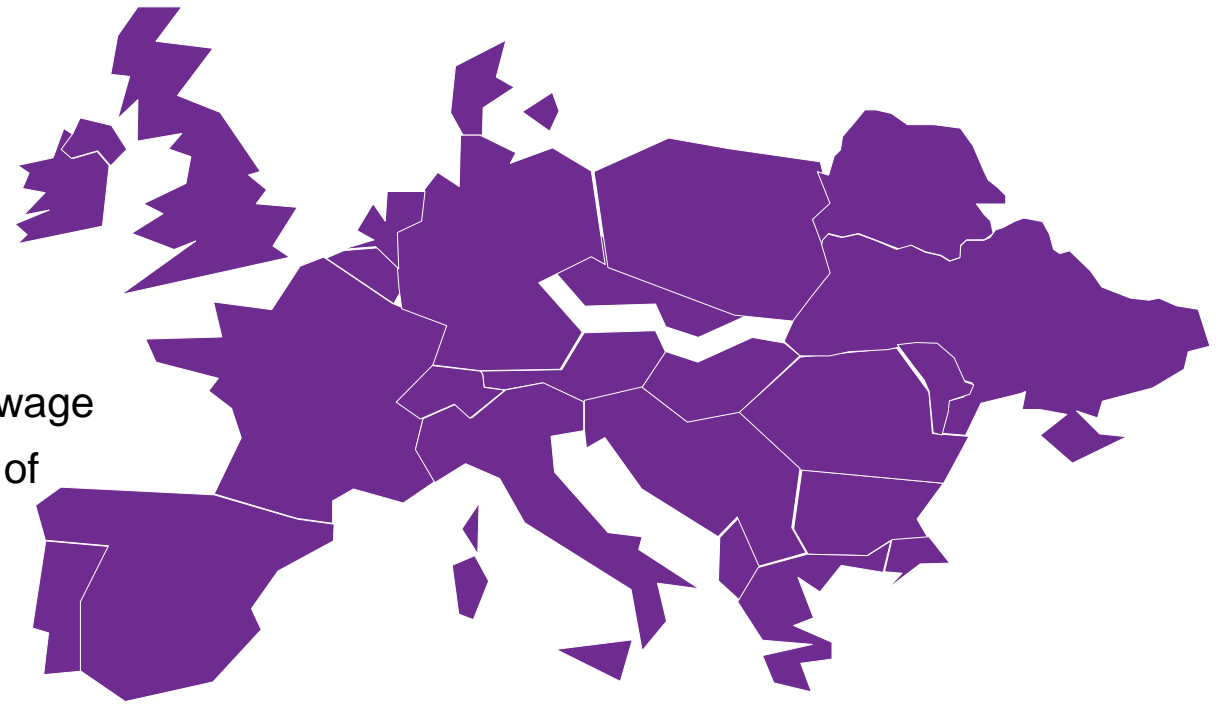
- New coronavirus cases surged in Guangzhou and other **Chinese** cities, with the global manufacturing hub becoming China's latest COVID-19 epicenter, casting doubt on the city's ability to avoid a Shanghai-style lockdown.
- **Chinese** authorities behind a major trade expo in Shanghai pulled a pre-recorded opening ceremony address by the **European** Council president that criticized **Russia's** "illegal war" in Ukraine and call for reduced EU trade dependency on China.
- **Russia** has become **India's** largest supplier of oil, replacing **Iraq and Saudi Arabia**, as India's economy cashes in on steep price discounts caused by sanctions against Moscow. India's foreign minister is in Russia discussing on trade and investment, including using of the rupee and rouble in settlements and "*promising projects in the energy sector.*" The two countries are also discussing joint production of modern weapons. **US** Treasury Secretary Yellen is scheduled to visit New Delhi this week to hold talks with Indian officials, including possibly on capping Russian oil prices.



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

Europe

- Pay growth is accelerating across six leading **eurozone** economies including Germany and France, with median wage cited in job advertisements 5.2 percent higher at the end of October than a year earlier.
- In a signal of deepening cracks inside **Germany's** ruling coalition, Economy Minister Robert Habeck submitted a proposal for the government to block the sale of Dortmund-based microchip factory Elmos to a **Chinese** company.
- **Sweden's** parliament will vote next week on a constitutional amendment that would make it possible to strengthen anti-terror laws, a key demand from **Turkey** to approve Stockholm's NATO membership bid.
- **Ukrainian** President Zelensky said he was open to “*genuine peace talks*” with **Russia**. Ukrainian conditions for talks included returning Ukrainian control over its territories, compensating Kyiv for Moscow’s invasion and bringing to justice perpetrators of war crimes. Ukraine's Defense Ministry said it received its first NASAMS and Aspid air defense systems. To strengthen its defense supply lines, Ukrainian government has taken over shares in five strategic companies.



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

How do You Manage Incident Response?

2022 has already seen business disrupted by extreme weather, ransomware attack, the ongoing pandemic and more. The common refrain “It’s not if, but when” rings truer than ever for disruptive incidents that will impact business as usual.

Working with Dentons, you can effectively develop an organizational incident-behavior adopted by all your team members. Dentons will help you build muscle memory through tabletop exercises, which are crafted to fit the business strategy of every client.

Our team plays events and incidents of different severities and complexities and accounts for real-world factors such as inconclusive evidence, mistakes by responders, and the business impact of eradication steps. Our tech-savvy lawyers continuously revise the playbooks per the evolving sector-specific threat landscape.

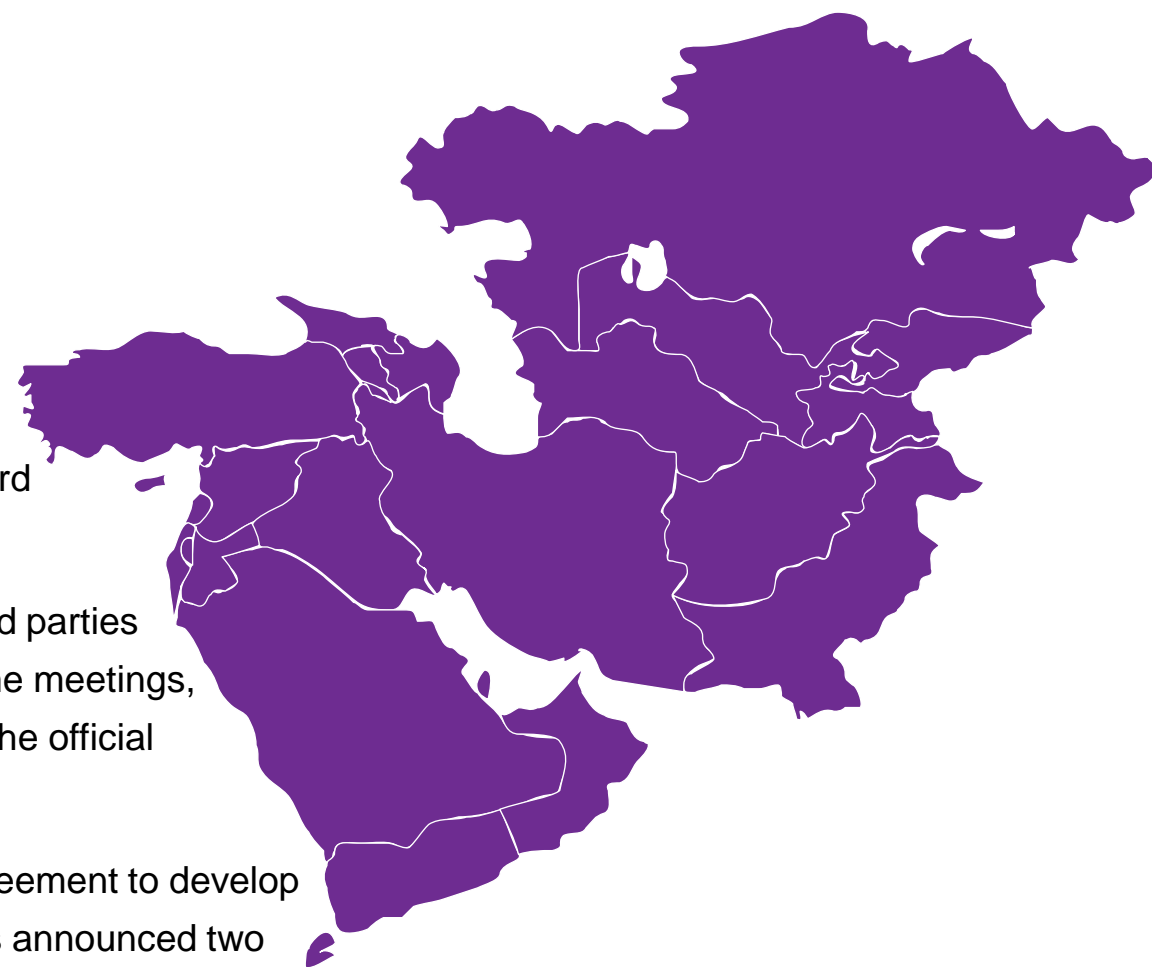
Dentons tabletop sessions are fluid, and designed to enhance preparedness with services, including:

- ❖ Ransomware tabletop exercises
- ❖ Post-tabletop action reports
- ❖ Maturity assessments for preparedness
- ❖ Supply-chain attack simulation
- ❖ Comprehensive incident response plan
- ❖ Threat analysis and monitoring

All interaction with Dentons is attorney-client privileged

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

Middle East

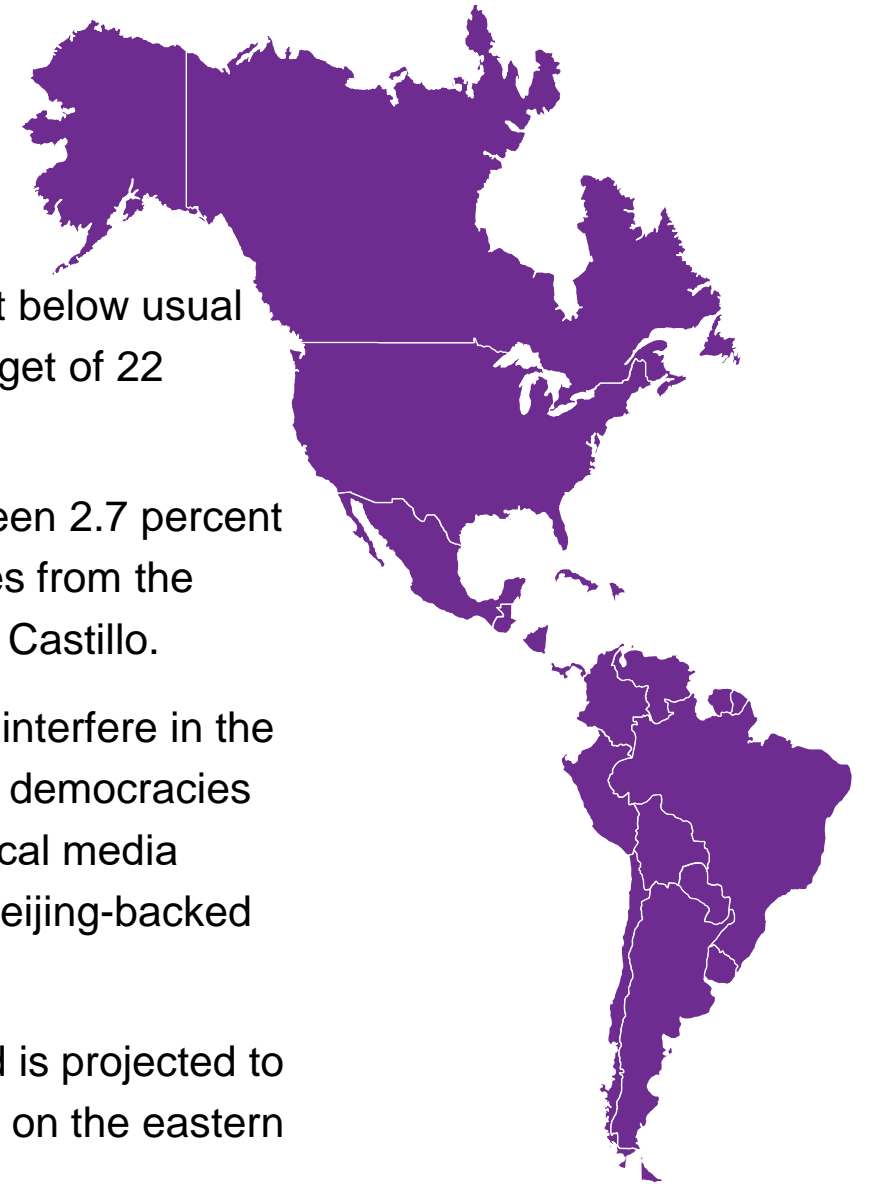


- The UN human rights chief warned that **Egyptian-British** activist and blogger Alaa Abd el-Fattah's life was in great danger. The family of Alaa Abd el-Fattah, who is on a hunger strike, said they had not heard from him since he had been due to stop drinking water two days ago.
- **Israel's** President Isaac Herzog said he will begin consulting all elected parties today before tasking a candidate with forming the next government. The meetings, planned over three days, are set to begin after the president receives the official results of Israel's fifth election in less than four years.
- The presidents of the **UAE and Egypt** witnessed the signing of an agreement to develop one of the world's largest onshore wind projects in Egypt. **Bahrain** has announced two natural gas discoveries in the Al-Joubah and Al-Jawf reservoirs.
- **Iran's** courts will deal firmly with anyone who causes disruption or commits crimes during a wave of anti-government protests, the judiciary said yesterday, signaling the authorities intend to hand down harsh sentences to convicted demonstrators. More than 1,000 people have been indicted in connection with what the government calls "riots."

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

Americas

- **Mexico** will raise its target to cut greenhouse gas emissions to 30 percent below usual levels by 2030 at this year's COP27 climate summit, lifting its previous target of 22 percent.
- **Peru's** government cut its economic growth forecast for this year to between 2.7 percent and 3 percent on Tuesday, citing a slowing global economy and challenges from the opposition-led Congress, which has sought to oust leftist President Pedro Castillo.
- **Canadian** Prime Minister Justin Trudeau accused **China** of attempting to interfere in the country's elections, saying that Beijing is playing “*aggressive games*” with democracies and of targeting Canadian institutions. Trudeau’s comments came after local media reported that Canadian intelligence identified a “*clandestine network*” of Beijing-backed candidates at recent elections.
- Tropical storm Nicole strengthened yesterday over the Atlantic Ocean and is projected to become a hurricane as it nears the **Bahamas** today and then bears down on the eastern **US** coast of Florida later tonight or early Thursday.



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

Americas: US

- **Polls** opened across the country Tuesday with no reports of major **security issues** in the first nationwide election since the controversies of the 2020 elections which undermined confidence in the US democratic process with unproven claims of widespread fraud.
- The early tallies from the **midterm elections** showed many battleground races across the country were too close to call, with control of the Senate remaining in the balance and Republicans struggling to “sweep” in swing districts in the House of Representatives but looking poised for a solid victory in the House.
- About a third of voters said that **inflation** was the biggest issue in their vote, according to early network exit polls.
- The US wants businesses to pay countries to stop burning coal via carbon markets, in a proposal it will announce at the **United Nations COP27 climate conference** this week.



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

Israel's Fifth Elections Produce a Clear Pro-Right-Wing Outcome

By Dan Arbell, Special Advisor to Dentons

After four indecisive election cycles between 2019-2021, Israel's fifth election in three and a half years produced a clear outcome, with Benjamin Netanyahu on his way to becoming Prime Minister after a one-and-a-half-year term as opposition leader. Netanyahu's Likud Party will be the largest party in a four-party coalition, a total of 64 Members of Knesset, which will consist of the ultra-nationalist Religious Zionism Party, the Sephardic ultra-orthodox Shas Party, and the Ashkenazi ultra-orthodox United Torah Judaism Party.

This coalition promises to be the most radical right wing religious coalition in the country's political history, a development which raises serious concerns not only in Israel, but across the Middle East region, as well as among Israel's friends around the world, most notably the US. The parties making up the current coalition fell to 51 seats, with Hadash-Ta'al (former Joint List) getting 5 seats. They will now head to the opposition.

What happened?

In the weeks leading up to election day on November 1st, public opinion polls showed a very tight too-close-to-call race between the Netanyahu-led bloc and the anti-Netanyahu bloc. Netanyahu

however worked diligently on consolidating his bloc, pressuring other partners in his bloc to merge, and succeeded in solidifying the bloc ensuring no votes on the right would be wasted. The center-left bloc did not agree on who would lead the bloc (rivalry between Prime Minister Yair Lapid and Defense Minister Benny Gantz), and was fragmented, with parties -- Labor and Meretz -- refusing to merge, and others splitting -- the Arab Joint List breaking into two parties: Hadash-Ta'al and Balad.

Netanyahu concentrated his efforts on getting out the traditional Likud voters, as many of them sat out previous election cycles. The center-left did not have a cohesive strategy, as Lapid was urging left wing voters (of Labor and Meretz) to vote for his party, Yeah Atid,

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

Israel's Fifth Elections Produce a Clear Pro-Right-Wing Outcome

and as Arab voters seemed apathetic. Voter turnout on election day reached 70.6 percent (out of a total of 6,788,804 eligible voters). There was a 4-6 percent increase in voter turnout in traditional Likud and ultra-orthodox cities and towns, while in areas identified with the center-left, voter turnout was identical to the 2021 elections. Arab voter turnout reached 55 percent (compared to 45 percent in the 2021 elections). Two parties on the left - Meretz and Balad - did not cross the 3.25 percent electoral threshold, wasting 275,000 votes, which ultimately gave Netanyahu the victory.

Looking Ahead

The governing coalition Netanyahu will form will be a far-right coalition with a very clear agenda. It will aim to advance a “judicial reform” (a sugar-coated term meant to describe an overhaul of the justice system), a more Jewish (than democratic) worldview, a tough security approach and a more confrontational foreign policy.

Judicial Reform

During the campaign, parties in the Netanyahu bloc promised to limit the power and judicial activism of the Supreme Court and specifically

advocated for the passage of an override clause which will give the Knesset (with a 61-vote majority) the authority to override Supreme Court rulings. Moreover, they underscored the need to change the makeup of the Judges Appointments Committee, a nine-member statutory committee, which includes three Supreme Court Justices, four members of Knesset and two members of the Israeli Bar Association. The new coalition will aim to add more politicians to the committee, and by that weakening the power Supreme Court justices have in the committee. Members of the coalition also called for the elimination of the breach of trust crime, which will help in bringing Netanyahu's trial to an end. All these ideas, if passed and implemented, spell the end of Israel's democracy as we know it. It will alter the balance between the legislative and judicial branches and lead to a severe weakening of the Supreme Court.

Israel's Jewish Character

Religious parties are promoting a set of laws aimed at tightening the observance of the Sabbath in the public sphere i.e., end public transportation on the Sabbath and prevent holding national soccer league games on the holy day. Furthermore, the contested Jewish

Israel's Fifth Elections Produce a Clear Pro-Right-Wing Outcome

nation-state law, which does not uphold the principle of equality, may be amended and implementation of it may begin. Pressure on the LGBT community is likely to increase. Finally, the nationalist elements in the future coalition, most notably Itamar Ben-Gvir, the leader of Jewish Power, have made clear they will work to reinstate Jewish prayers on Temple Mount (Haram al-Sharif), which has the potential of becoming an explosive issue. Netanyahu has vowed to maintain the status quo in Jerusalem's holy sites, and it is not clear how he will respond to pressure from the Religious Zionism Party on this issue.

Implications for National Security and Foreign Policy

Iran

Netanyahu is known as being risk-averse, and therefore it is not clear what he plans to do. On Iran, at different junctures of his premiership, he has contemplated a military strike against Iran's nuclear facilities. He certainly views his sixth term as prime minister as a legacy term. Close associates of Netanyahu have stated publicly in recent days he plans to look favorably at attacking Iran's nuclear sites. There will most likely be tensions between Israel and the Biden Administration over Iran, despite the fact that at present

the US does not seem keen on returning to the JCPOA. This may change in the aftermath of the US midterm elections. While a military option against Iran is a possibility, the obstacles that prevented Netanyahu from attacking a decade ago are still in place, and the Middle East is much different than it was.

Hamas

As prime minister, Netanyahu allowed the passage of cash assistance (from Qatar) to Hamas, as part of his broader approach of strengthening the organization and weakening the Palestinian Authority (PA). The Bennett-Lapid government discontinued this approach, and it remains to be seen whether Netanyahu will go back to it.

West Bank

This is a tense period, and there is a rise in violence, even as the PA is at its weakest state in years. Security coordination between Israel and the PA will likely continue, not without problems. With the absence of a political horizon for the Palestinians, violence may reach new levels. Israel will likely respond harshly to violence and may opt for collective punishment, i.e., cancelling work permits for

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

Israel's Fifth Elections Produce a Clear Pro-Right-Wing Outcome

Palestinians seeking work in Israel. There may be a rollback of confidence building measures adopted by the Bennett-Lapid government (such as building permits in Area C, prevention of home demolitions, and less constraints on the Gaza economy). IDF activity in the northern West Bank will likely be less restrained, settlement activity will widen and there will be little if any crackdown on Jewish extremists in the West Bank. As mentioned above, Temple Mount will be a very sensitive issue, and if mishandled could lead to a full-scale confrontation similar to May 2021.

Israel and the US

The international community, including the US, will be in a wait-and-see mode and will judge the new Israeli government by its policies and actions. President Biden initiated a phone call to Netanyahu to congratulate him on the victory and was quoted as stating he would be happy to work together with the Israeli prime minister to “make history.” On the eve of the elections, senior Democrats -- including Senator Robert Menendez (D-NJ) -- warned Netanyahu that if he wins, he should not include the Religious Zionism Party in his coalition. No doubt the inclusion of this party in the coalition will add to tensions between the two sides, as well as with the American

Jewish community. Iran will be a bone of contention, and so will Israel's policy toward the Palestinians. The possible appointment of former Ambassador Ron Dermer as Netanyahu's National Security Advisor, who is not very well liked in Democratic circles, will likely further exacerbate frictions.

Israel and Europe, Russia-Ukraine, Turkey

Key European countries like the UK, France and Germany which strengthened ties with Israel under the Bennett-Lapid government, will need to adjust to the change of government in Israel. British Prime Minister Sunak and French President Macron have already called Netanyahu and others will follow suit. On Iran, Israel and the E-3 do not see eye to eye, and tensions may emerge on this issue. The European Union will closely monitor Israeli policies toward the Palestinians and will not shy away from confronting the new Netanyahu government if it feels it is necessary, but there is no consensus inside the EU as countries such as Hungary and Poland (and now Italy) tend to support a tough Israeli approach.

It remains to be seen how Netanyahu, known for his close relations with Russian President Putin, will address the Russia-Ukraine issue.

Israel's Fifth Elections Produce a Clear Pro-Right-Wing Outcome

As leader of the opposition, Netanyahu refrained from open and direct criticism of Russia's behavior. Interestingly, one of his first phone calls this week was with Ukrainian President Zelensky, and it will be interesting to see whether Netanyahu will adopt a more sympathetic approach toward Ukraine and a more critical approach toward Russia.

Normalization of ties between Jerusalem and Ankara which moved at a swift pace under the Bennett-Lapid government will be tested in the coming months. Over the years, there have been great tensions and a personal animosity between Turkish President Erdogan and Netanyahu, yet Erdogan stated he will work to strengthen relations. Israel's handling of the Palestinian issue may possibly renew tensions with Turkey.

Israel and the Arab World

The Abraham Accords will remain in place for the time being. A worsening in Israel's handling of the Palestinian issue or in the treatment of Israel's Arab citizens may lead some of the Arab countries to limit or suspend ties with the Netanyahu government. A change in the status quo around Jerusalem's holy sites will make

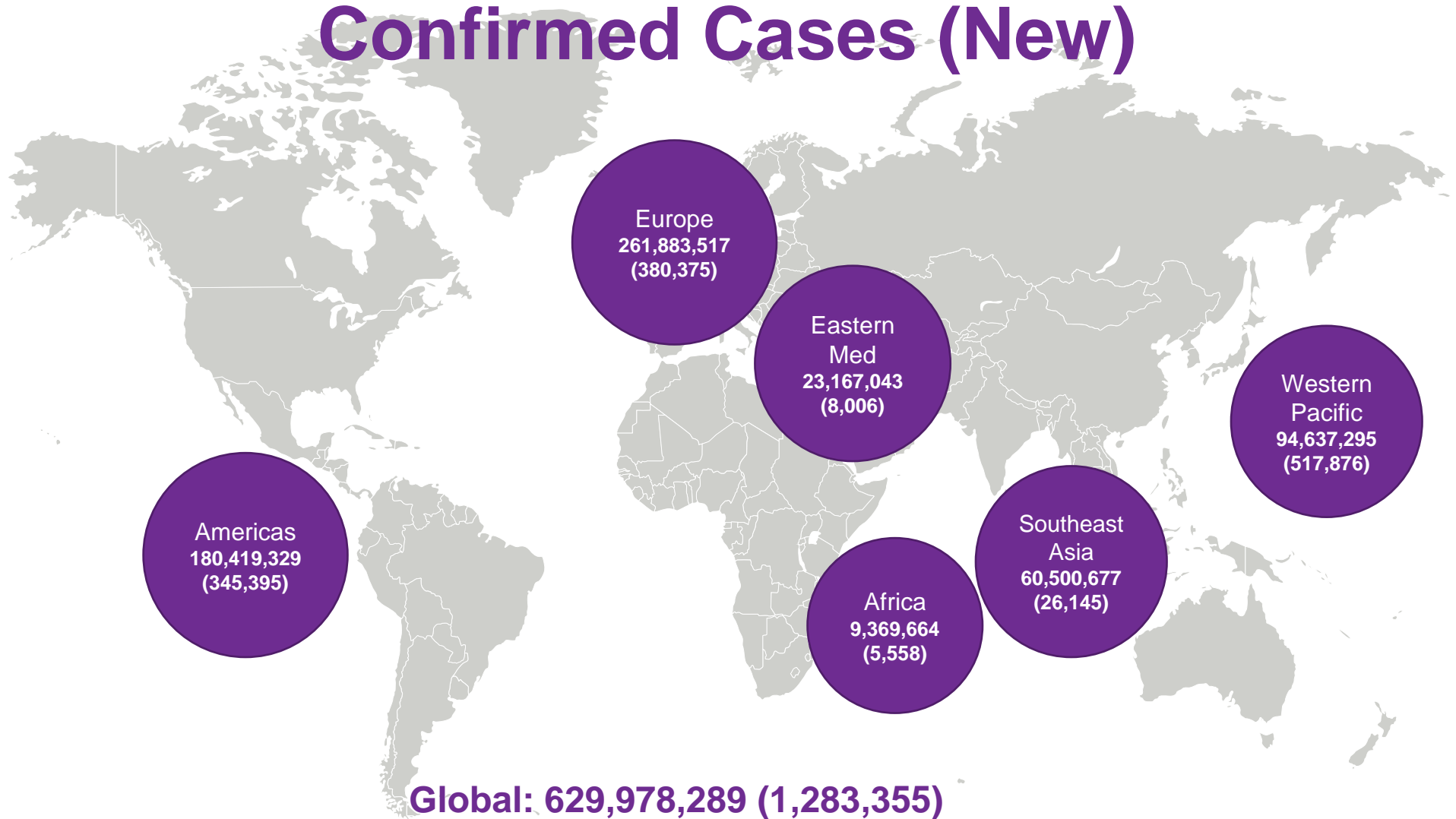
things worse, especially when it comes to relations with Jordan's King Abdullah II. It is not likely that more Arab states will join the Accords in the near future. The recent maritime boundary agreement signed between Israel and Lebanon, brokered by the US, was sharply criticized by Netanyahu, who even threatened to walk it back if elected. Nevertheless, it is hard to see Netanyahu stepping away from this agreement, in which the Biden Administration invested so heavily.

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

Coronavirus Condition Updates

As of 4:12 pm CEST on November 8, 2022

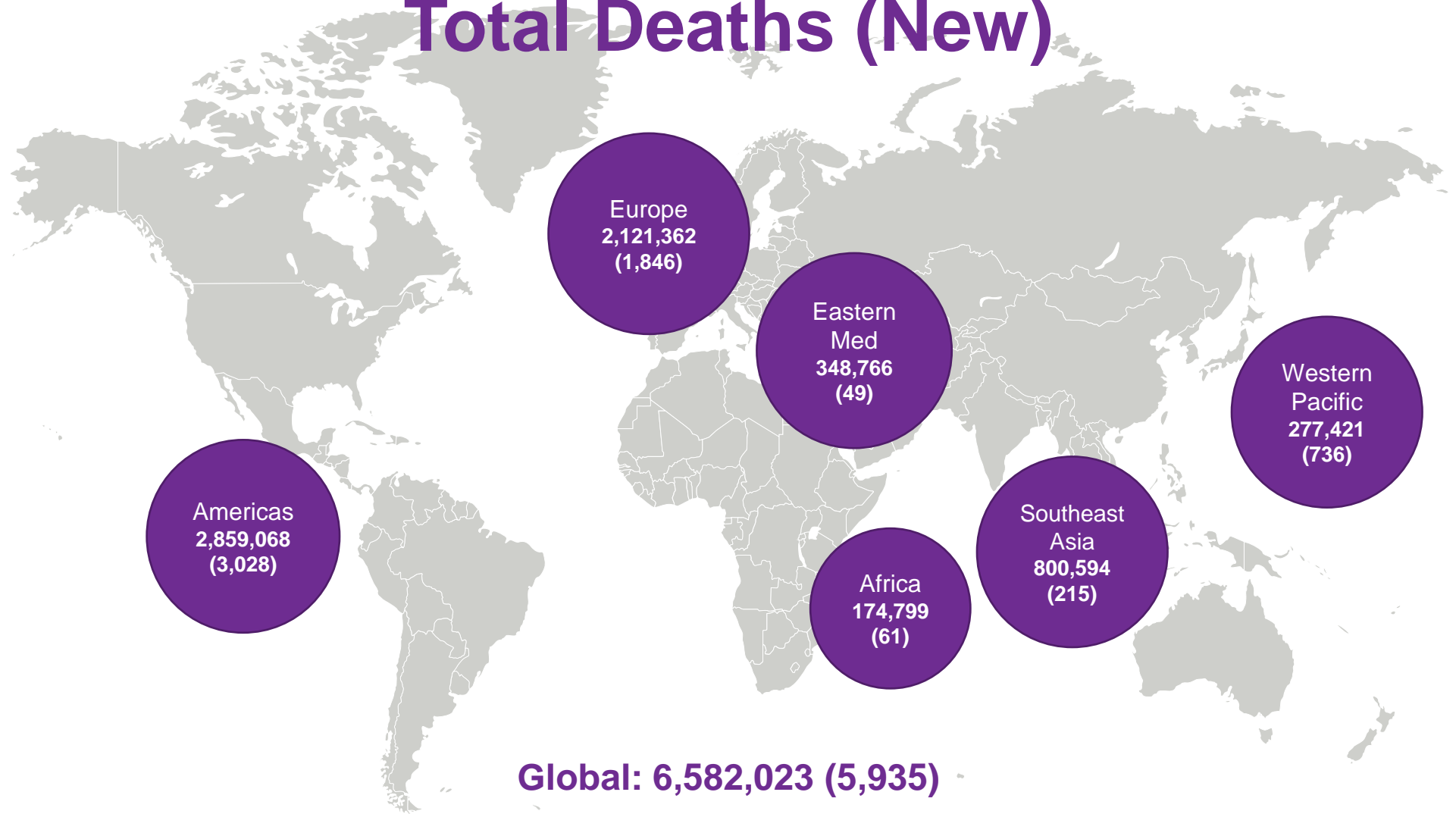
Confirmed Cases (New)



Reflects data as of 4:12pm CEST on November 8, 2022.
Data Source: World Health Organization

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

Total Deaths (New)



Reflects data as of 4:12pm CEST on November 8, 2022.
Data Source: World Health Organization

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

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.

To read additional analysis, visit the [Dentons Flashpoint portal](#) for insights into geopolitics and governance; industry and markets; cyber and security; science, health and culture; and economic and regulatory issues.

Karl Hopkins

Partner and Global Chief Security Officer
Dentons
Washington, DC

D +1 202 408 9225
karl.hopkins@dentons.com

Melissa Mahle

Senior Analyst
Dentons
Washington, DC

D +1 202 408 6383
melissa.mahle@dentons.com