

Dentons Flashpoint

Daily Global Situation Report

November 15, 2021

Global Situation Update: November 15, 2021

KEY TAKEAWAYS

COP26 ended Saturday with a deal that for the first-time targeted fossil fuels as the key driver of global warming.

European regulators recommend two COVID-19 antibody therapies as cases rise across the region.

China's new Beijing Stock Exchange started trading today with 81 companies listing on the bourse.

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WHAT WE'RE WATCHING

Today, Bulgarians are tallying votes from snap parliamentary elections and the first round of the presidential election. No party will receive the necessary share of the vote to form a government on its own, and political fragmentation suggests that coalition talks will be uncertain and prolonged. This is Bulgaria's third parliamentary vote in 2021 after inconclusive April and July general elections.

The most likely scenario is that at least three new "protest" parties will form a coalition, but power-sharing and policy disagreements among these parties will sustain political instability. There are allegations of electoral fraud and isolated instances of civil unrest, but widespread, election-related demonstrations are unlikely. Bulgaria is the EU's poorest member and least vaccinated.



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 252.9 million with 5 million deaths; almost 7.1 billion vaccine doses have been administered.

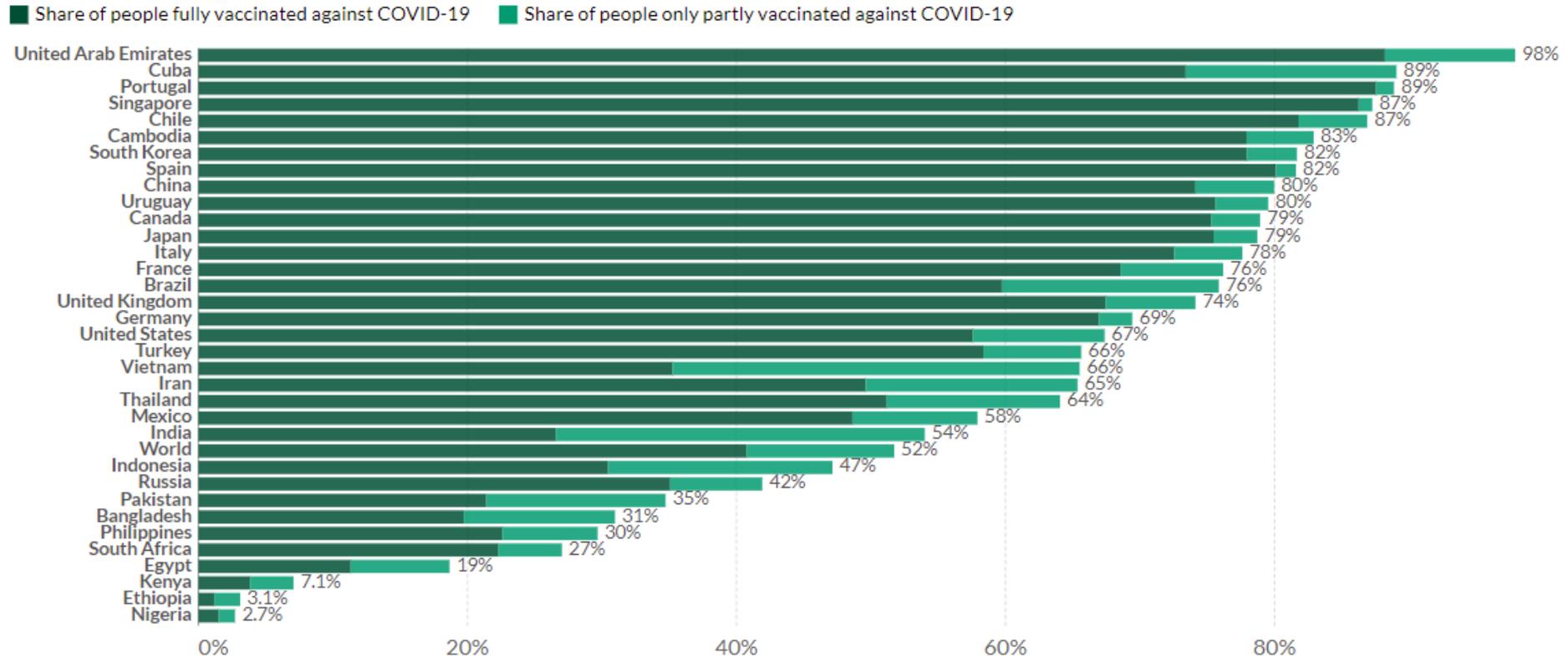
- **COP26** ended Saturday with a deal that for the first-time targeted fossil fuels as the key driver of global warming. There was last-minute drama as coal-dependent developing nations rejected a clause calling for the “phase out” of coal-fired power, but later accepting new language asking countries to “phase down” their coal use. The agreement resolved the rules around carbon markets, but it did little to assuage vulnerable countries’ concerns about long-promised climate financing from rich nations.
- Chinese President Xi and US President Biden are scheduled to meet virtually on Tuesday morning Beijing time - Monday evening in Washington - as friction between the countries persist across a range of issues including **trade, technology, Xinjiang and Taiwan.**

Global

Share of people vaccinated against COVID-19, Nov 14, 2021

Our World
in Data

Alternative definitions of a full vaccination, e.g. having been infected with SARS-CoV-2 and having 1 dose of a 2-dose protocol, are ignored to maximize comparability between countries.



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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Markets & Business

China's new Beijing Stock Exchange started trading today with 81 companies listing on the bourse. The platform is intended to broaden financing channels for companies that are too small to list elsewhere and further develop China's technology sector.

- The UK government is expected to order an in-depth investigation of **Nvidia Corp's** planned 30 billion pounds (\$40 billion) acquisition of British chip designer ARM over antitrust and national security concerns.
- China's cyberspace regulator proposed requiring companies pursuing share listings in Hong Kong to apply for **cybersecurity inspections** if they handle data that concerns national security.
- Italian authorities are investigating the 2018 takeover of **Alpi Aviation Srl** by a Hong Kong-registered company that they say is a front for the Chinese state and was in the process of transferring the company's technical and intellectual property to a new production site in China.
- A group of US states led by Texas have filed an amended complaint against Alphabet Inc's **Google** accusing the tech giant of using coercive tactics and breaking antitrust laws in its efforts to boost its already dominant advertising business.
- US LNG company **Cheniere Energy Inc** agreed to sell LNG to a unit of French energy company **Engie SA** for 11 years starting in 2021. Utilities around the world are competing for LNG cargoes to fill extremely low gas stockpiles in Europe ahead of the winter heating season.

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Environment, Sustainability & Governance

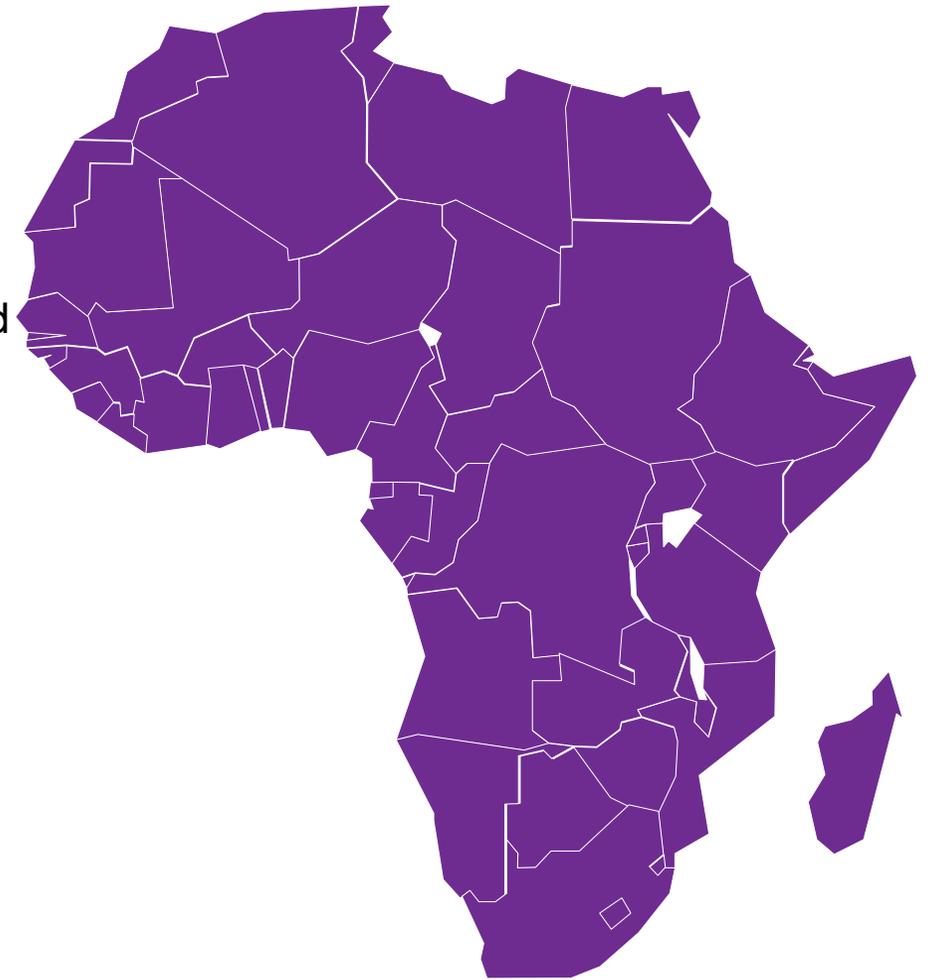
Shipping companies that transport the world's coal are facing tighter financing options as investors are either reducing their exposure to vessels that transport coal or were considering doing so.

- A US appeals court on Friday tossed out **greenhouse gas emissions rules** for heavy-duty truck trailers, ruling two government agencies had exceeded their authority.
- Schools in New Delhi will be closed for a week and construction sites for four days, as the city tries to protect people in a **worsening air pollution crisis**.
- Royal Dutch Shell announced it will end its dual share structure and shift its tax residence and head office to Britain from the Netherlands, seeking to keep investors on board as the energy giant plans a **shift away from oil and gas**.
- Many world leaders and activists expressed disappointment this weekend with the COP26 climate deal, warning that countries will have to strengthen their commitments if they want to avert disastrous consequences and help at-risk nations cope with the damage that's already occurring from **climate change**.

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Africa

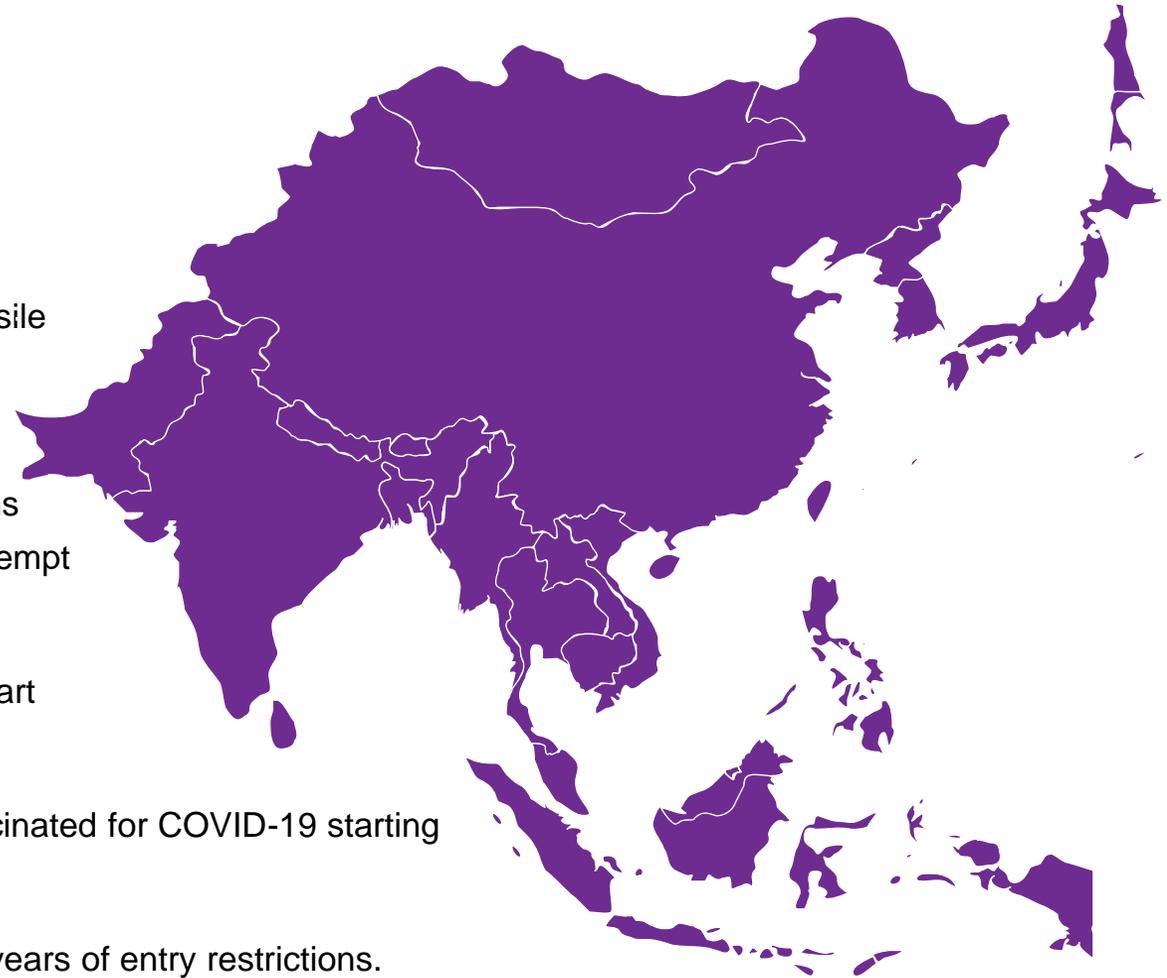
- Seven protesters were killed over the weekend as huge crowds defied gunfire and tear gas in **Sudan's** capital Khartoum and other cities to demonstrate against a military takeover.
- The **US** imposed sanctions on the **Eritrean** military and other Eritrea-based individuals and entities as it seeks to increase pressure on parties to the conflict to bring an end to fighting in northern Ethiopia.
- An attack by insurgents killed 19 **Burkina Faso** military police and a civilian on Sunday in the tri-border northern region where the West African nation is battling Islamist militants.



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Asia

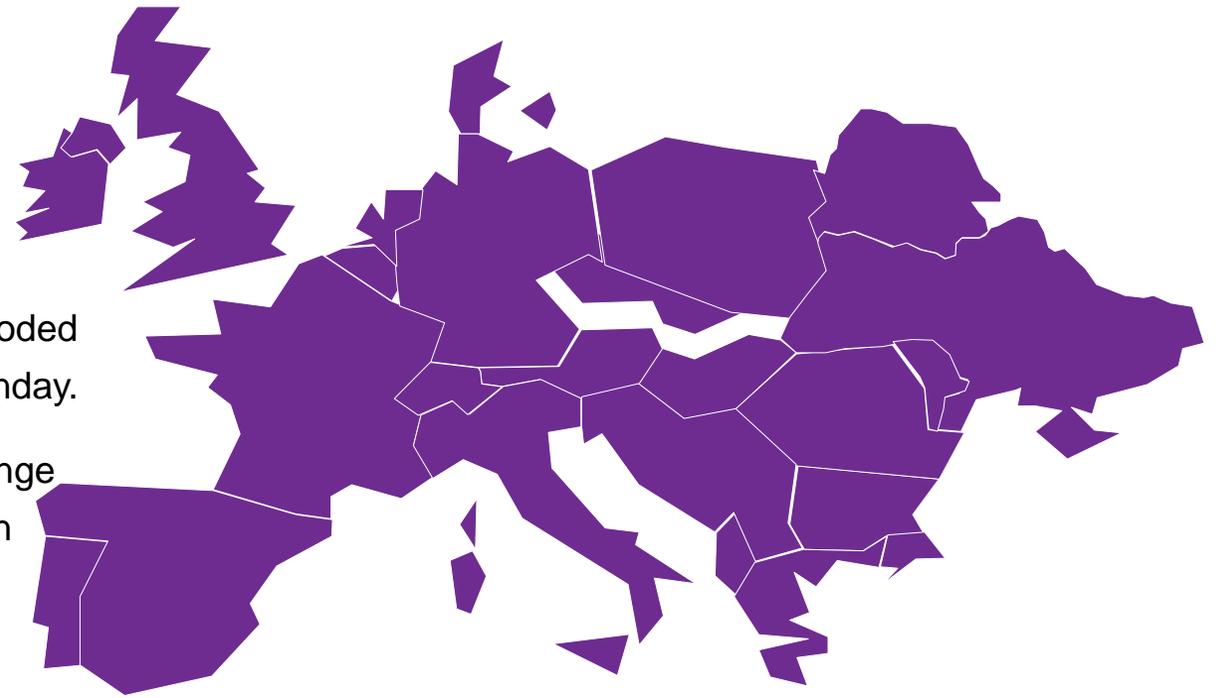
- **India** is proceeding with the purchase from **Russia** S-400 air defense missile systems, put India at risk of **US** sanctions from a 2017 US. law aimed at deterring countries from buying Russian military hardware.
- Thousands of **Thais** protested in the capital on Sunday demanding reforms of the monarchy, defying a court ruling that such demands are a veiled attempt to overthrow the institution.
- **Australia**, one of most-vaccinated nations against COVID-19, will likely start administering the shots for children under the age of 12 in January.
- **Cambodia** will stop requiring quarantine for travelers who have been vaccinated for COVID-19 starting today.
- **India** reopened its borders to most foreign tourists today after nearly two years of entry restrictions.
- **Japan's** government is considering resuming subsidies aimed at promoting domestic tourism as early as mid-January. Japan's economy contracted much faster than expected in Q3 as global supply disruptions hit exports and business spending plans and fresh COVID-19 cases soured the consumer mood.



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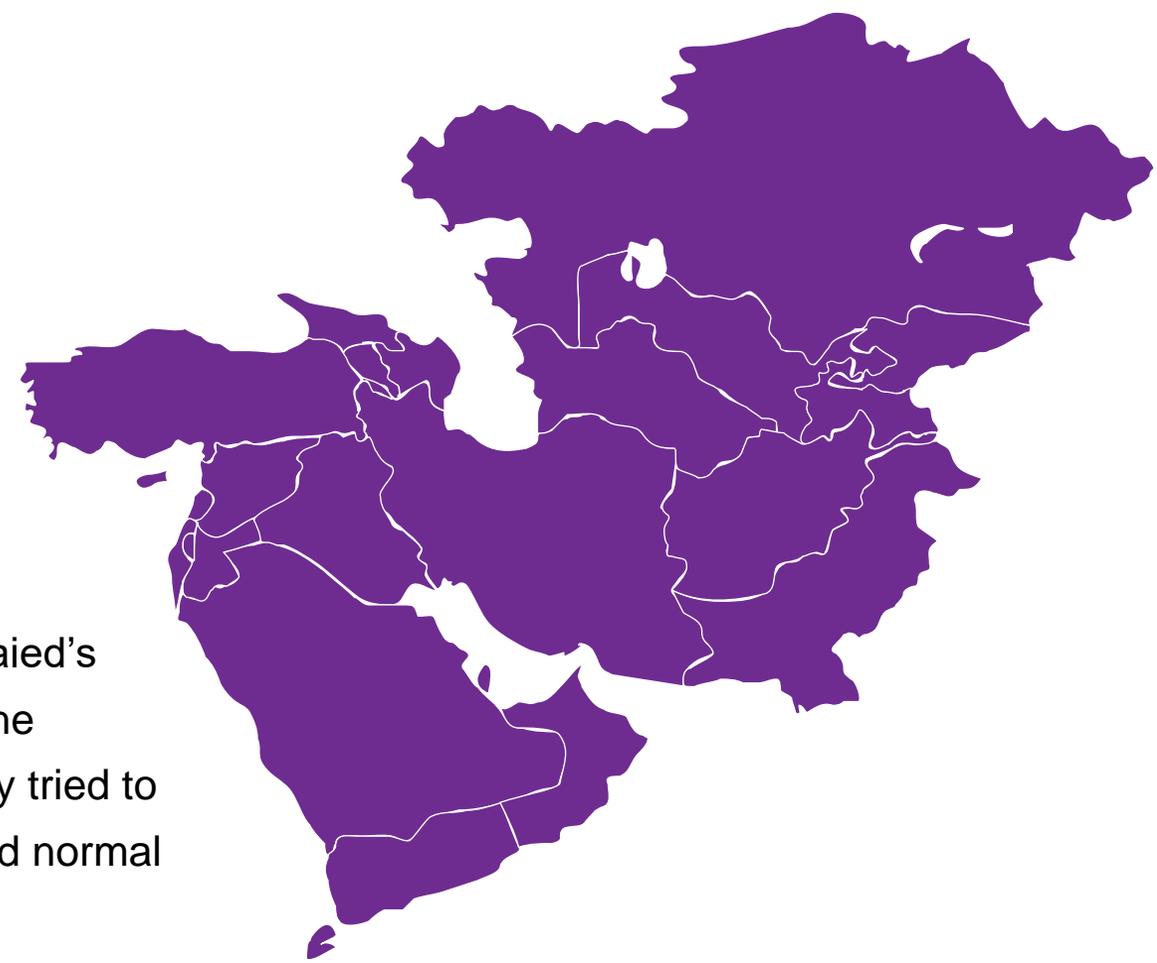
Europe

- Counter-terrorism officers arrested three men after a vehicle exploded outside a hospital in the northern **English** city of Liverpool on Sunday.
- A new centrist political party, the anti-graft We Continue The Change party, emerged as the likely winner of **Bulgaria's** national election with a lead with 25.4 percent of the vote.
- **Poland** called on NATO to take "*concrete steps*" to resolve the migrant crisis on the Belarus border, noting that Poland, **Lithuania and Latvia** may ask for consultations under the alliance's treaty. **EU** foreign ministers will widen sanctions on Belarus today to include airlines and travel agencies thought to involved in bringing migrants to the bloc's border.
- **Ukrainian** President Zelenskiy has said there are nearly 100,000 **Russian** soldiers near Ukraine's border. The Russian troop movements have spurred fears of a possible attack. Moscow has dismissed such suggestions as inflammatory and complained about increasing activity in the region by the NATO transatlantic alliance.
- **German** state health ministers urged parties negotiating to form a new government to prolong states' power to implement stricter pandemic measures. **Britain's** COVID-19 booster vaccine rollout is to be extended to people between 40 and 49 years old.



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Middle East



- Saif al-Islam al-Gaddafi, the son of late **Libyan** dictator Muammar Gaddafi appeared for nearly the first time in a decade on Sunday to register as a presidential candidate for the December election.
- Thousands of **Tunisians** protesting against President Kais Saied's seizure of political power four months ago tried to march on the suspended parliament on Sunday, clashing with police as they tried to remove barriers, demanding that Saied restore parliament and normal democratic rule.
- The **US** will partner with **Israel** to combat ransomware, with the two countries launching a joint task force to address cybersecurity.
- **Yemen's** warring sides clashed south of the Red Sea port city of Hodeidah over the weekend, after **Iranian**-backed Houthi fighters moved into territory ceded by forces allied to a **Saudi**-led coalition.

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Americas

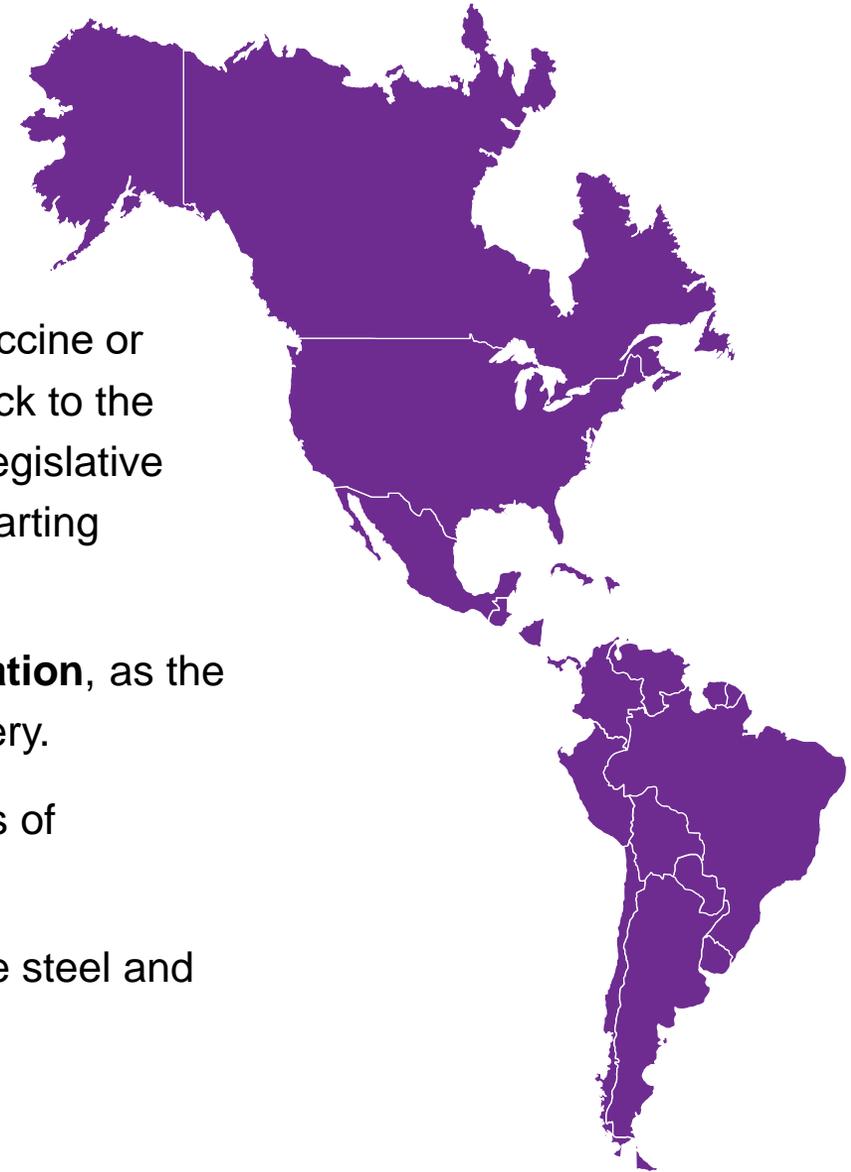
- The **Cuban** government withdrew press credentials from five journalists from the Spanish news agency EFE but later reinstated two of them, ahead of a banned protest march by opposition groups planned for today.
- **Argentines** voted on Sunday in midterm elections that will establish the power balance in Congress, with the ruling Peronist party battling to avoid damaging losses that could erase its majority in the Senate held for almost 40 years.
- The Organization of American States adopted a resolution criticizing **Nicaragua's** presidential elections, calling President Daniel Ortega's electoral victory unfair and urging future action.
- As the **Canadian** government prepares to release its policy on next-generation mobile networks, global security experts say all signs point to the exclusion of **Chinese** vendor Huawei Technologies from the long-awaited blueprint.



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Americas: US

- A federal appeals court in New Orleans halted the Biden Administration's vaccine or testing requirement for private businesses, delivering another political setback to the White House COVID-19 program. Florida lawmakers will meet in a special legislative session today, called by Republican Gov. Ron DeSantis with the goal of thwarting coronavirus **vaccine mandates**.
- Treasury secretary Yellen said controlling COVID-19 was key to taming **inflation**, as the Biden Administration tries to stop rising prices derailing the economic recovery.
- Hackers compromised an FBI email system over the weekend and sent tens of thousands of messages warning of a possible **cyberattack**.
- US agreed to start discussions with **Japan** on easing US tariffs on Japanese steel and aluminium imports.



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Israel's NSO Blunder Risks Damage to its Foreign Relations

Contributed by Dan Arbell, Special Advisor to Dentons

Only recently have Israelis come to learn of the activities of NSO Group, a private Herzliya-based cyber-arms firm, which has developed and applied the Pegasus spyware that can be covertly installed on mobile phones, running most versions of IOS and Android, infiltrating these devices and turning them into surveillance devices. The sale to/use by foreign governments of this spyware, has led in recent months to growing tensions between Israel and France and the US, as well as to allegations of spying lodged at Israel by the Palestinian Authority.

Amnesty International files a petition in an Israeli Court

In late 2019, Amnesty International filed a petition in the Tel Aviv District Court asking the court to order the Ministry of Defense to revoke the export license for NSO's Pegasus spyware. The petition was filed in light of reports that Saudi Arabia used NSO products to track and eventually murder Saudi Journalist Jamal Khashoggi in October 2018, as well as by other foreign governments against a long list of journalists, politicians and human rights activists around the world. In response to a request by the Ministry of Defense, the judge presiding over the court hearing granted a gag order and six

months later in mid-2020 Amnesty's petition was rejected by the court.

French President Macron angered over use of Pegasus

In the summer of 2021, it was French President Emanuel Macron who expressed concern and raised the issue of NSO's Pegasus spyware with Israeli Prime Minister Naftali Bennett, calling on the Israeli government to properly investigate allegations that Macron as well as ministers in his cabinet have been targeted with Pegasus spyware by Morocco's security services. While Prime

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Bennett promised Macron he would look into the matter, NSO released its own statement noting Macron was not a target of any of its customers. According to the firm, the fact that Macron's mobile phone number was found on a database of 50,000 numbers, leaked to the media, was in no way an indication Macron was targeted.

France continued to press Israel to provide sufficient answers on the subject, and in order to avoid a diplomatic controversy that would further strain the French-Israeli relationship, Israel's Minister of Defense Lt. Gen. (Ret.) Benny Gantz traveled discretely to Paris for meetings with his counterpart Defense Minister Florence Parly and other senior French officials, assuring them Israel is looking seriously into the matter, underscoring that NSO group is a private firm and its actions were not directed in any way by the Israeli government, and clarifying the State of Israel approves the export of cyber products exclusively to governmental entities for lawful use and only for the purpose of preventing an investigating crime and counter terrorism. Gantz further assured the French that Israel's government will take action against NSO Group if it finds it violated its export licenses.

The Biden Administration decides to blacklist NSO Group

In early November, the Biden Administration weighed in on the affair, as the Commerce Department announced it is adding NSO Group to its "entity list", a federal blacklist, prohibiting the company from receiving U.S technologies. The administration determined that NSO's Pegasus spyware had been used by foreign governments to "maliciously target" government officials, journalists, academics and activists around the world. The Commerce Department stated that the decision is part of the Administration's focus on human rights. The Israeli government was surprised by the move as the Biden Administration was reportedly requesting clarifications from Jerusalem on this matter.

Previously owned by the US private equity firm Francisco Partners, NSO Group was bought back by its Israeli founders in 2019. Realizing that the Biden Administration may take additional punitive measures against the firm, NSO has acknowledged in recent days that it has called off the appointment of its incoming CEO in the wake of the American determination that the spyware was used

Israel's NSO Blunder Risks Damage to its Foreign Relations

by repressive governments around the world. Israeli government officials are concerned the US decision will raise tensions between the two countries, as leading American security analysts argue NSO Group could not have operated without the knowledge, if not encouragement, of the Israeli government.

Serious Palestinian Allegations over Israeli use of Pegasus

Further complicating the situation was an announcement made in recent days by the Palestinian Authority according to which it has detected spyware developed by the NSO Group on several mobile phones of senior Palestinian Foreign Ministry officials in Ramallah. The Palestinian Authority accused Israel of “*using military-grade Pegasus software to eavesdrop on the PA officials*”, including Palestinian diplomats. It was the first time that Palestinian officials have made such accusations. Israeli officials did not respond to the Palestinian allegations.

Israeli ambiguity likely to continue

Officially, Israel does not say much - it has engaged in damage control efforts vis-a-vis France, the US and other governments,

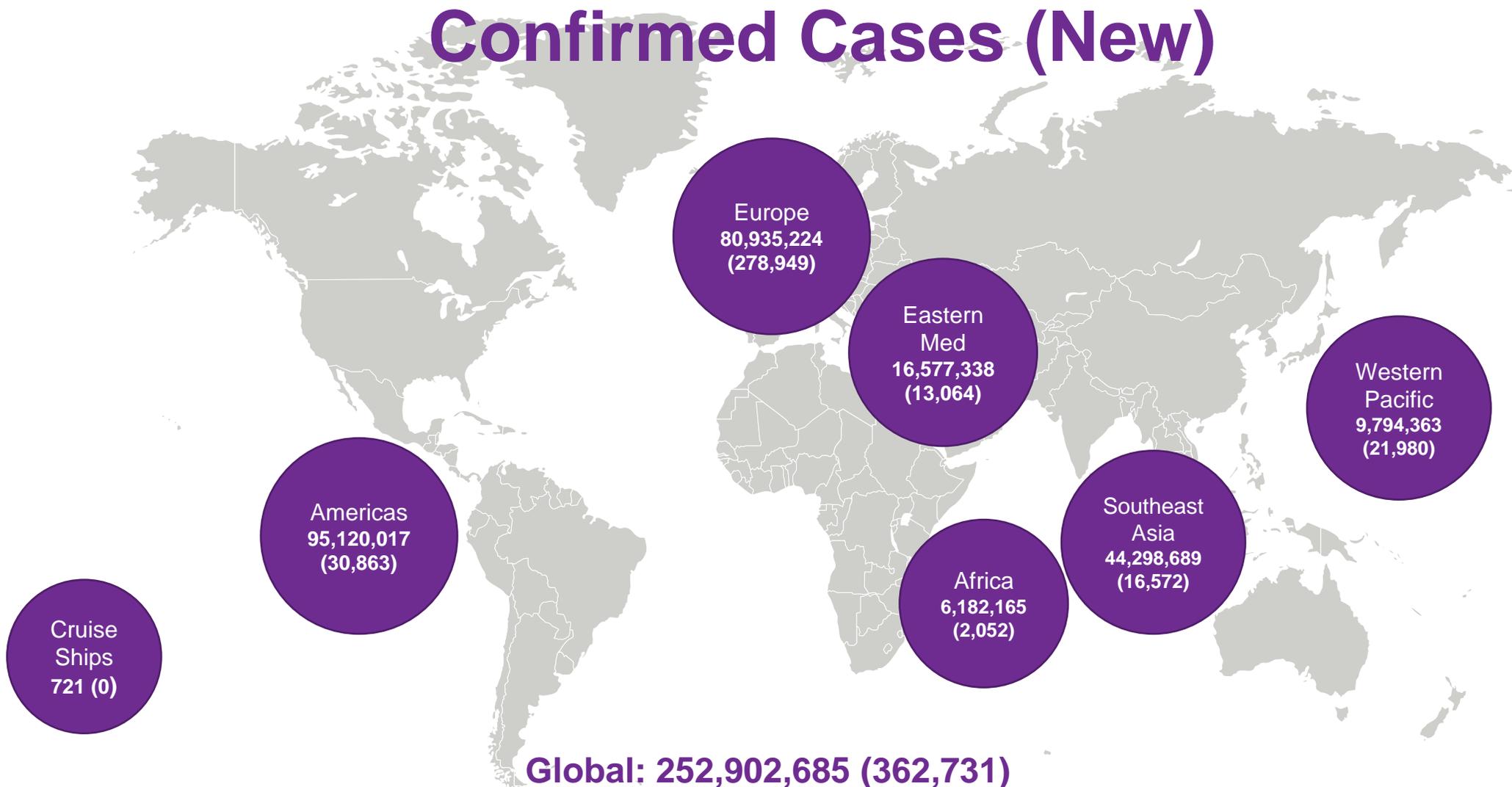
expressing deep concern over the use of Pegasus spyware, yet arguing it is not a governmental project and therefore has nothing to do with the policies of the Israeli government. Nevertheless, Israeli security analysts believe the Israeli government will continue with its ambiguous approach to the issue, but at the same time are convinced that hiding behind the claim NSO Group is a private company will not work. Whether Israel can maintain its ambiguity on this issue remains an open question. Given increasing risks that Israeli government inaction will be interpreted as condoning illegal eavesdropping and human rights abuse, international political pressure will likely continue to press Jerusalem to address more seriously the security concerns presented by technologies like Pegasus and increase oversight over their export.

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Coronavirus Condition Updates

As of 11:58 am CEST on November 15, 2021

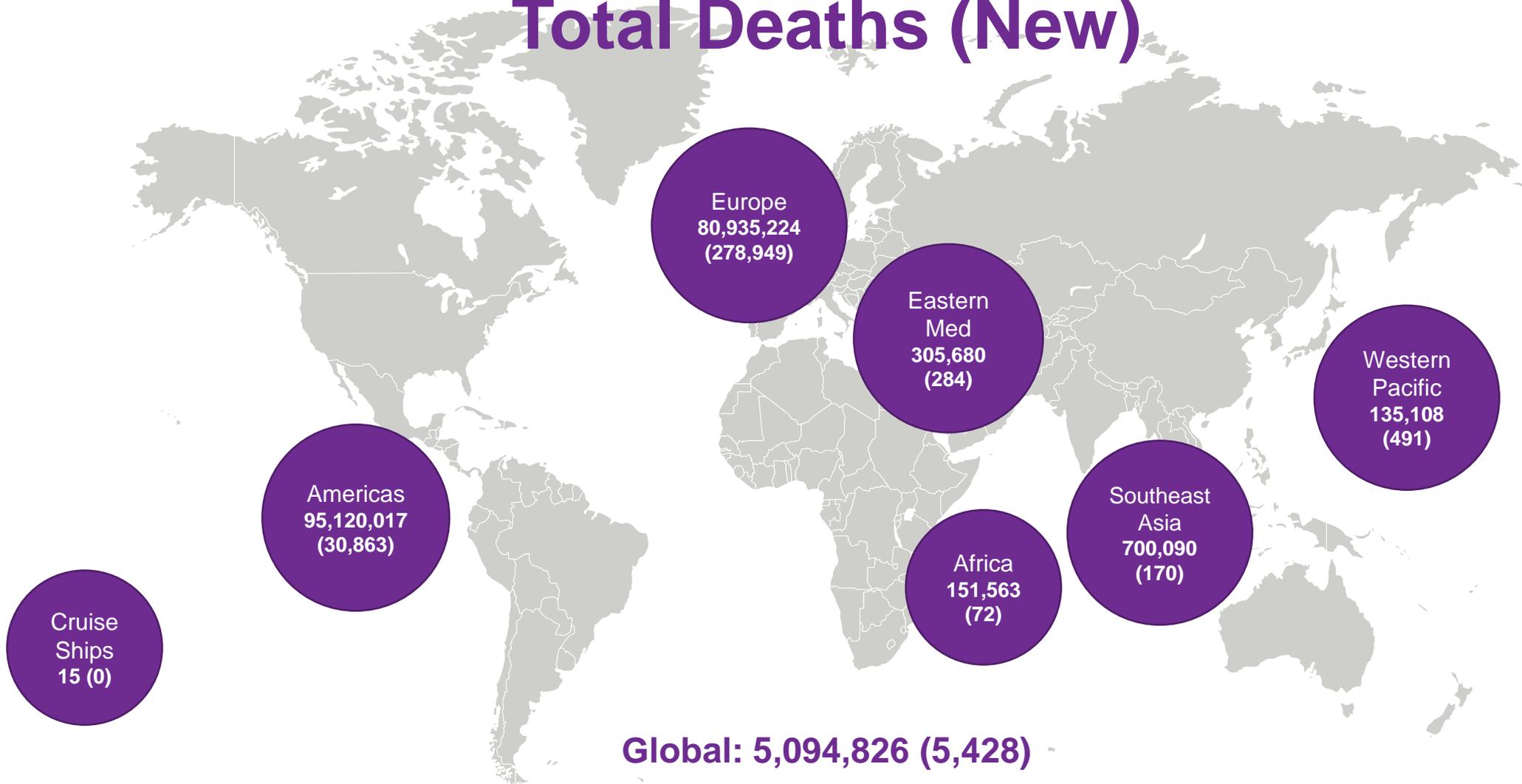
Confirmed Cases (New)



Reflects data as of 11:58 am CEST on November 15, 2021.
Data Source: World Health Organization

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Total Deaths (New)



Reflects data as of 11:58 am CEST on November 15, 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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