

# Dentons Flashpoint

## Daily Global Situation Report

January 10, 2022

# Global Situation Update: January 10, 2022

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## KEY TAKEAWAYS

The US sought to lower expectations for breakthroughs in US-Russia security talks this week.

People self-testing for COVID-19 should swab their throat as well as their nose when using rapid antigen kits.

Citigroup Inc will begin enforcing a previously announced "no-jab, no job" policy as of January 14.

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## WHAT WE'RE WATCHING

In 2022, semiconductor sales worldwide are expected to cross \$600 billion for the first time ever, an almost 10% increase over 2021. Driving the predictions for a record-setting year are high global demand and a shortage of Chinese-made chips. Risks to the critical industry include the ongoing pandemic and adverse weather events, which could disrupt supply chains, while geopolitical tensions and new regulations may block certain markets and sales.

The US congress is aiming to pass legislation in early 2022 to expand domestic manufacturing of semiconductor chips. New chip facilities could soon open in Florida, North Carolina, and Texas. Meanwhile, Japan and Taiwan recently pledged to collaborate on semiconductor manufacturing, while India is providing fiscal incentives for semiconductors to help boost domestic manufacturing.



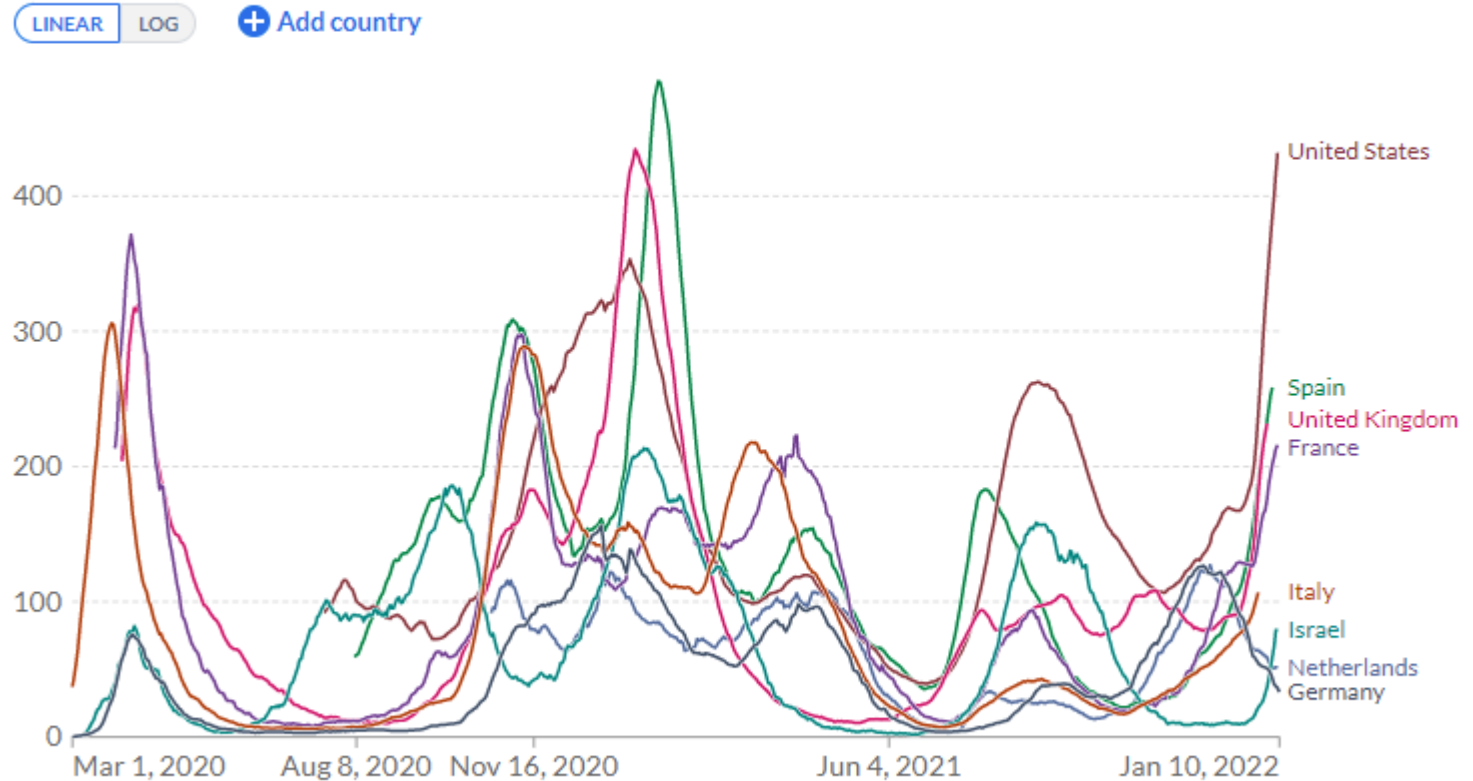
*Note: This report is based on sources and information deemed to be true and reliable, but Dentons makes no representations to same.*

# Global

Hospitals are feeling the pressure of surging COVID-19 infections from the Omicron variant, despite media characterization of the virus as “mild.” The US is recording record highs for new admissions.

### Weekly new hospital admissions for COVID-19 per million

Our World in Data



Source: Official data collated by Our World in Data - Last updated 10 January 2022, 05:54 (London time)

OurWorldInData.org/coronavirus • CC BY

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# Global

The surge in new outbreaks of COVID-19 correlates with the spread of the Omicron variant. Many countries report the Delta variant as dominant, suggesting these countries have yet to experience the full force of Omicron's impact.

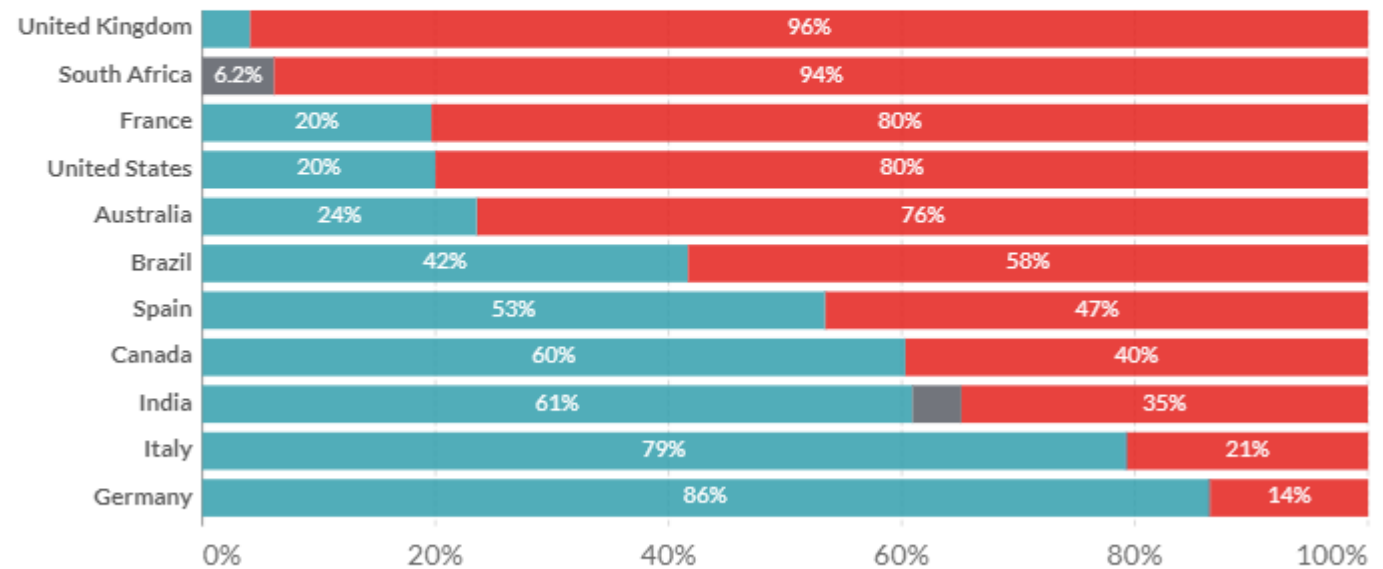
## SARS-CoV-2 sequences by variant, Jan 5, 2022

Our World in Data

The share of analyzed sequences in the preceding two weeks that correspond to each variant group. This share may not reflect the complete breakdown of cases since only a fraction of all cases are sequenced.

[+ Add country](#)  Relative

Delta Alpha Eta Iota Beta Epsilon Gamma Kappa Other Lambda Mu  
Omicron



Source: GISAID, via CoVariants.org - Last updated 7 January 2022, 20:00 (London time) OurWorldInData.org/coronavirus • CC BY  
Note: Recently-discovered or actively-monitored variants may be overrepresented, as suspected cases of these variants are likely to be sequenced preferentially or faster than other cases.

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# Global

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**Globally, confirmed coronavirus cases topped 298.9 million with 5.4 million deaths; almost 9.1 billion vaccine doses have been administered.**

- Russia has warned the US and NATO to make concessions or face a worsening security situation in Europe. Secretary of State Blinken lowered expectations for breakthroughs in **US-Russia security talks** this week but stated hopes to find some common ground amid a crisis in Ukraine.
- British biotech firm Avacta Group is halting sales of its **COVID-19 antigen lateral flow test**, AffiDX, to replace antibodies in the device and boost its ability to detect the Omicron variant at lower viral loads.
- People self-testing for COVID-19 should swab their throat as well as their nose when using **rapid antigen kits** to increase the chances of detecting the Omicron variant, per a top Israeli health expert.
- With Omicron spreading across the world faster than any previous variant, cases of **reinfection** among people who caught COVID-19 earlier in the pandemic are rising.

# Markets & Business

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**This week, Wall Street's biggest banks are set to report record profits for 2021 due to strong growth in investment banking fees and lower-than-expected losses on loans during the pandemic.**

- Algeria's state oil and gas producer **Sonatrach** plans to start its first offshore oil drilling in 2023.
- Chinese-owned agrochemicals giant **Syngenta** has appealed to an administrative court after Rome blocked its attempt to buy Italian vegetable seed producer **Verisem**.
- **Citigroup Inc** will begin enforcing a previously announced "no-jab, no job" policy as of January 14.
- Indian conglomerate **Reliance Industries Ltd** will pay \$100 million for a controlling stake in **Mandarin Oriental New York**, a five-star hotel in midtown Manhattan, through the purchase of its Cayman Islands-based parent.
- **Intel Corp.** removed references to the Chinese region of Xinjiang from an open letter it sent suppliers last month, after the contents of the note sparked a social-media uproar in China and led the US semiconductor company to apologize to the Chinese public.

# Environment, Sustainability & Governance

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## An Australian biotech start-up say their drones can combat deforestation by planting millions of trees a year from the air.

- General Motors Co said it had agreed to recognize California's authority to set **vehicle emission standards** under the Clean Air Act. The move will make the Detroit automaker eligible for government fleet purchases by the state of California. California's authority to set emissions standards was challenged under President Trump.
- Breakthrough Energy Catalyst, which has raised \$1.5 billion in private capital from philanthropies and companies, will invest in four key areas: direct air capture, green hydrogen, aviation fuel and energy storage technologies, aiming to subsidize technologies at scale to help countries reach **net zero emissions**.
- Dayrize, an environmental impact assessment technology, unveiled at CES 2022 a new platform that uses geospatial mapping technology and computer algorithms to rapidly evaluate the **environmental impact of any consumer product**. The platform aggregates information on sustainability factors such as circularity, climate impact, ecosystem impact, human impact, and purpose to generate a holistic score out of 100 that is easy for consumers to follow.
- Greenpeace plans to sue Hungary over plans to develop the largest endorheic lake in Central Europe, straddling the Austrian–Hungarian border; Lake Fertő is a Unesco **World Heritage site**.

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# Africa

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- Economic Community of West African States (ECOWAS) announced that **West African** nations will close their borders with **Mali**, sever diplomatic ties and impose tough economic sanctions in response to its "*unacceptable*" delay in holding elections following a 2020 military coup.
- The UN said it would invite **Sudanese** military leaders, political parties and other groups to take part in discussions aimed at ending a crisis unleashed by a coup in October. Over the weekend, Sudanese security forces fired teargas at activists protesting in their thousands against the country's military rulers.
- **Ethiopia** has freed several opposition leaders from prison, as the government said it would begin dialogue with political opponents after 14 months of war. The Tigray People's Liberation Front, which controls most of the northern Ethiopia region of Tigray, accused **Eritrea** of attacking its troops; humanitarian aid groups suspended operations.
- BHP Group invested \$40 million in a **Tanzania** nickel project, the first new investment by the world's biggest miner in Africa in years.



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# How do You Manage Risks?

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*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](#).*

# Asia

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- **Sri Lanka's** President Rajapaksa asked **China** to help restructure debt repayments as part of efforts to help the South Asian country weather a worsening financial crisis. Sri Lanka has benefited from billions of dollars in soft loans from China, but the nation is currently in the midst of a foreign exchange crisis and is at risk of default.
- A court in military-ruled **Myanmar** sentenced ousted leader Aung San Suu Kyi to an addition four years in jail on charges including possession of unlicensed walkie-talkies. Myanmar has been in turmoil since the coup against Suu Kyi's democratically elected government led to widespread protests and ended 10 years of tentative political reforms that followed decades of strict military rule.
- The **Philippines** ordered an increase in hospital beds and medical resources in and around the capital Manila, as new COVID-19 infections hit record levels. **India's** richest state, Maharashtra, close swimming pools and gyms and schools and colleges will be closed until February 15. **China** began testing the 14 million residents of the northern coastal city of Tianjin and requiring exit permits as cases of the highly-transmissible Omicron variant were detected. In Australia, total COVID-19 infections surpassed 1 million, more than half in the past week alone.

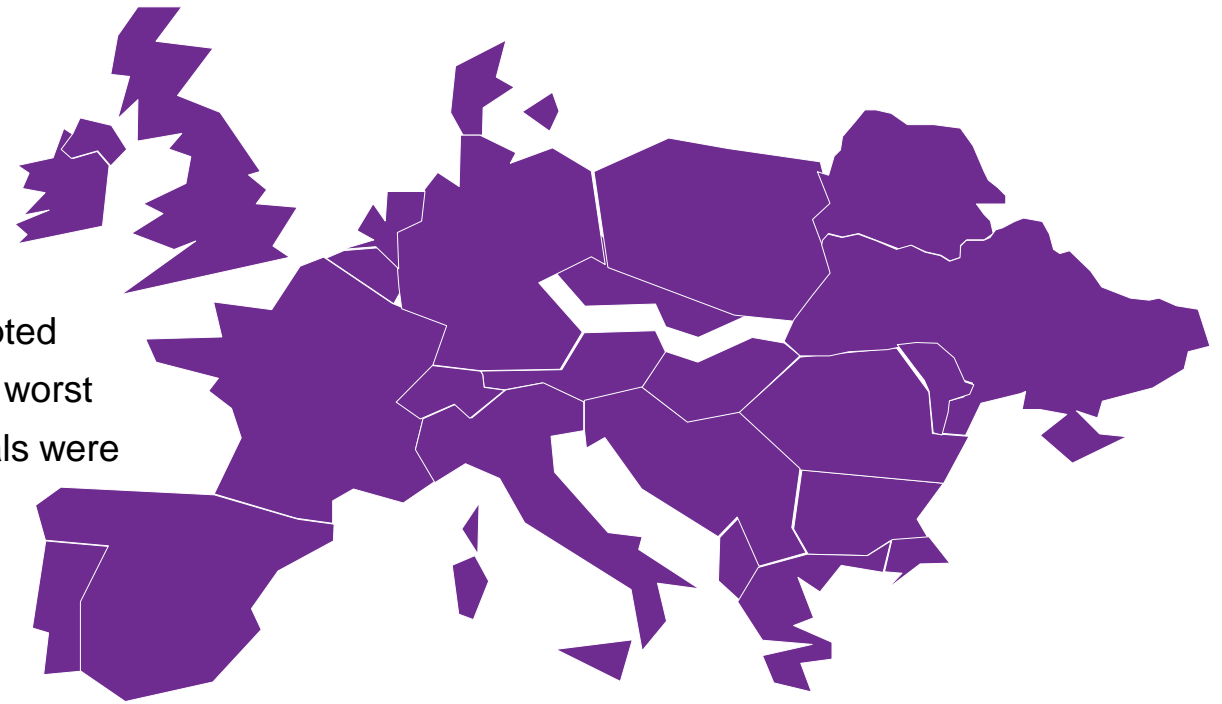


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# Europe

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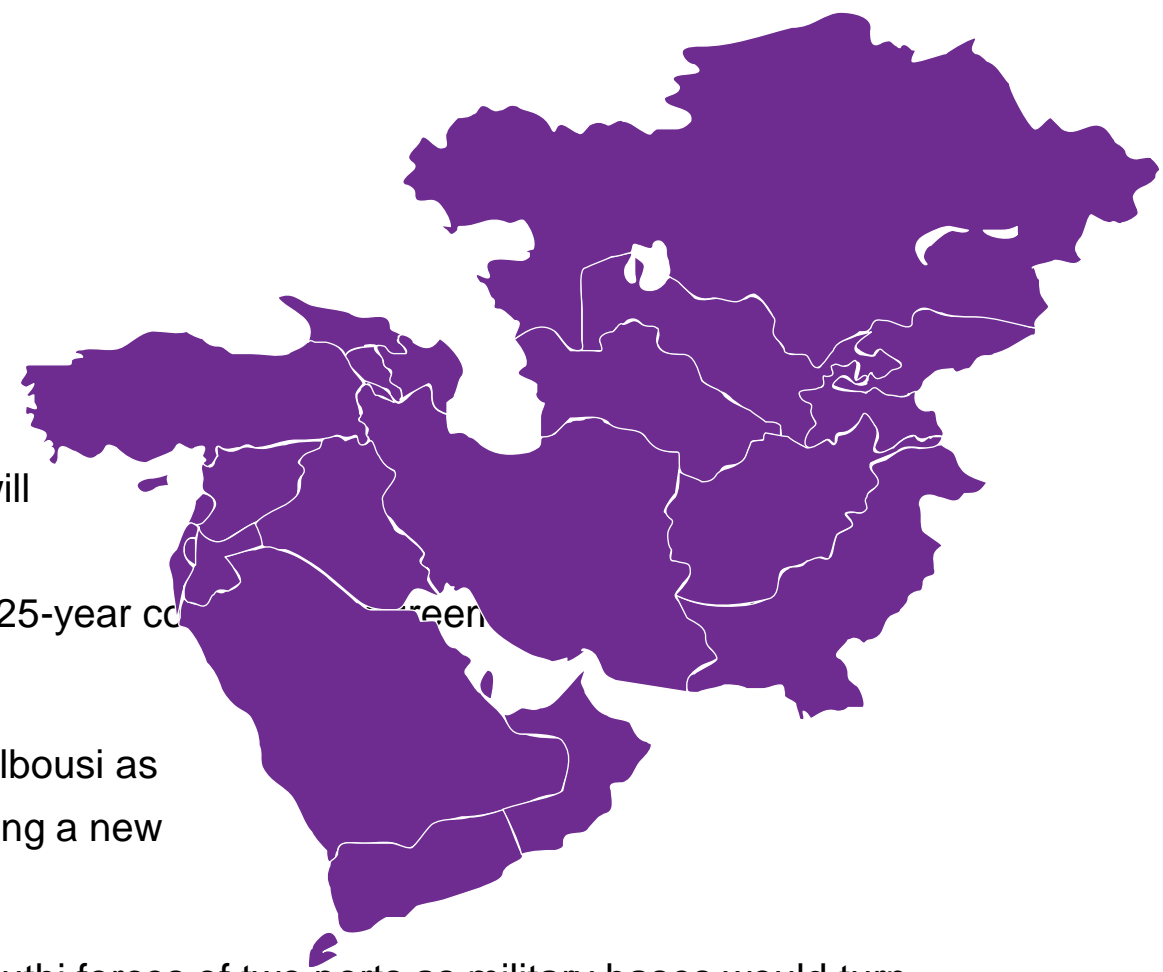
- **Kazakh** President Tokayev attributed the civil unrest to an attempted coup. He fired two more top security officials on Sunday after the worst unrest in three decades of post-Soviet independence. The officials were deputies to former intelligence chief Karim Massimov, who was arrested on suspicion of treason.
- The **UK** warned it is ready to take unilateral action that would suspend customs checks on goods moving to **Northern Ireland**, ahead of talks this week with the **EU**.
- The **EU** plans new legislation in the coming months to require technology companies to do more to tackle child sexual abuse.
- Pregnant women in Britain are being urged in a government campaign to get their coronavirus vaccines and boosters. The **UK's** death toll due to COVID-19 passed 150,000. In **Germany**, from January 15, people going to restaurants, cafés and bars will have to present a negative test in addition to proof of vaccination or recovery from COVID-19. More than 72 percent of **French** ICU beds are now occupied by people with COVID-19; the intense wave has prompted French authorities to allow health care workers who are infected with the coronavirus to keep treating patients rather than self-isolate, to ease staff shortages at medical facilities.



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# Middle East

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- **Iran** imposed sanctions on dozens more Americans, many of them from the **US** military, over the 2020 killing of General Qassem Soleimani in a drone strike. The US warned Iran that it will face severe consequences if it attacks Americans. Iran's Foreign Minister Amirabdollahian will visit **China** this week to discuss the 25-year ceasefire agreement between the two countries signed in March 2021.
- **Iraq's** new parliament elected Sunni lawmaker Mohammed al-Halbousi as speaker on Sunday, marking an important step towards establishing a new government three months after a national election.
- The **Saudi-led** coalition fighting in **Yemen** believes the use by Houthi forces of two ports as military bases would turn them into legitimate military targets. A UN report found that weapons interdicted enroute to Yemen likely originated from a single port in **Iran**.
- The Taliban arrested a Kabul university professor who gained national fame for berating a senior official on live television, a sign of the intensifying crackdown on critics of **Afghanistan's** new regime.

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# Americas

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- **Colombia's** leftist rebel National Liberation Army claimed responsibility for an attack in the country's third-largest city, Cali, that injured more than a dozen police officers.
- A record number of **Nicaraguans** sought refuge in neighboring **Costa Rica** in 2021, amid a widespread political crackdown against opponents of Nicaraguan leader President Daniel Ortega.
- A **Venezuelan** opposition candidate on Sunday won an election for governor of Barinas state, the birthplace of the late former leader Hugo Chavez, bringing an end to 22 years of Socialist party rule there. The election will not alter the Socialist party's control of the majority of governorships in the country but represents a symbolic victory for the fractured opposition.



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# Americas: US

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- Public health officials called on Americans to continue to use **rapid COVID-19 tests**, despite their less sensitivity to the Omicron variant, saying that they will still pick up infections and it will help individuals isolate and get treatment sooner.
- Though initial shutdowns caused unemployment to surge to levels not seen in a century, trillions of dollars in **government stimulus** and the economy's swift recovery helped many families reach a new level of financial security. Stimulus payments lifted 11.7 million people out of poverty, according to the Census Bureau and Americans built up \$2.7 trillion in extra savings.
- The Treasury Department, through the **State Small Business Credit Initiative**, is planning to hand out \$10 billion to help upstart companies gain access to capital in a bid to stimulate business in disadvantaged communities and spur a broader economic recovery from the pandemic.
- Two members of Congress raised concerns about home rental firm Airbnb Inc's business activities in **China's** Xinjiang region, where Washington says Beijing is committing genocide against Uyghurs and other Muslim groups.



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# Experts Gain New Information on Omicron as the Spike Persists

By Anni Coonan

Since the onset of the US Omicron wave in mid-December, the highly infectious mutation has caused a sharp spike in cases and returned much of the country to levels of hospitalization, testing and caution not seen since earlier days of the coronavirus pandemic. As the wave has progressed throughout the country, scientists and policymakers have gained new insights about the Omicron variant, informing responses by governments, business, and individuals. Almost a month since the Omicron wave began in earnest, we know significantly more about the variant's interactions with tests, its severity, and new variants on the horizon.

## *Detectability on Tests*

One area of concern surrounding the Omicron variant was early anecdotal reports that widely-used at-home rapid antigen tests were failing to detect some Omicron infections. In the past month, that observation has gained scientific backing: this month, a study in five New York and California workplaces that experienced outbreaks in December found that antigen tests took significantly longer than PCR tests to detect the Omicron variant; the study, which has not yet been peer reviewed, reports that it took three days, on average, for people to test positive via rapid test after their first positive PCR result, and

in four cases, people transmitted the virus to others while the rapid test still showed a negative result. This study confirms an earlier FDA update finding that at-home antigen tests are less sensitive to the Omicron variant than previous mutations, even in the presence of significant viral load.

The reason for this reduced sensitivity is unclear, although the FDA has stressed that mutations can affect clinical results in unexpected ways. One potential explanation is an observation by South African scientists that the Omicron virus appears to replicate more rapidly in the throat than in the nose, as has been the case with previous

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# Experts Gain New Information on Omicron as the Spike Persists

mutations, complicating antigen tests which are exclusively conducted via nasal swabbing. The New York and California study, which had participants taking a mix of saliva and mucus-based PCR tests, supports this observation, with scientists noting that viral load in saliva peaked before viral content in mucus. Anecdotal reports of people receiving positive results after swabbing the backs of their throats with at-home kits have spread, and some kits in the UK already instruct users to swab the backs of their throats instead of their noses. While the reduced sensitivity of these widely-used tests warrants further investigation and new precautions, scientists emphasize that the tests remain an important public health tool. Medical practitioners advise that people should take several rapid tests over the course of a few days to increase the likelihood that a positive test could be detected and seek a PCR test in the case of persistent symptoms or a serious exposure even if rapid tests come back negative.

## *Is the Omicron Variant Really Less Severe?*

Following the Omicron outbreak in South Africa, where the variant was first identified, early observations suggested that the Omicron variant was less likely to cause severe illness or death than previous

iterations of the virus. Since then, that trend has been borne out across several countries; in the US, case numbers have surged to double the previous peak (recorded in January 2021), while deaths and hospitalizations have peaked at about the same levels as previous waves, demonstrating a much lower chance for positive cases to require hospitalization. At the end of last month, the UK government reported that Brits infected by the Omicron variant were about half as likely to require hospitalization than those infected by the Delta variant.

The reason for this reduced severity is unclear. Many scientists originally posited that lower hospitalization and death rates in South Africa could be due to the relatively young population, but that hypothesis has been disproven by the continuation of the trend in older countries in the west. The trend may be due to the fact that significantly more people have some form of immunity to the virus than in January 2021, whether due to increased vaccination or antibodies from previous infections. A particularly attractive potential explanation for the variant's relative mildness is a tendency for the mutated virus not to penetrate very deeply into lung cells, rather multiplying and primarily staying in the upper respiratory tract

# Experts Gain New Information on Omicron as the Spike Persists

due to the way that it bonds with cells. This results in a localized upper respiratory infection that is less likely to cause severe complications like scarring of the lung tissue and oxygen deprivation. A Washington University study recently found that the concentration of virus in the lung cells of rodents infected with Omicron was nearly ten times less than that of rodents infected with the Delta variant. However, scientists caution that these results are only preliminary, and regardless of lowered severity, the confirmed increased transmissibility of the Omicron has already filled hospitals with cases at similar levels to previous waves, exhausting hospital resources and creating the same public health issues that overcrowded hospitals caused in previous waves.

## **French Variant Emerges**

Even as the Omicron variant remains the variant of most consequence for most countries, new potential variants of concern have emerged on the scientific radar. Recently, there has been an uptick in reporting on a new variant first identified in France: nicknamed the IHU variant after the IHU Mediterranean Infection where it was sequenced, the variant first emerged in 12 patients in the southern Alps and traced to one who had recently traveled to

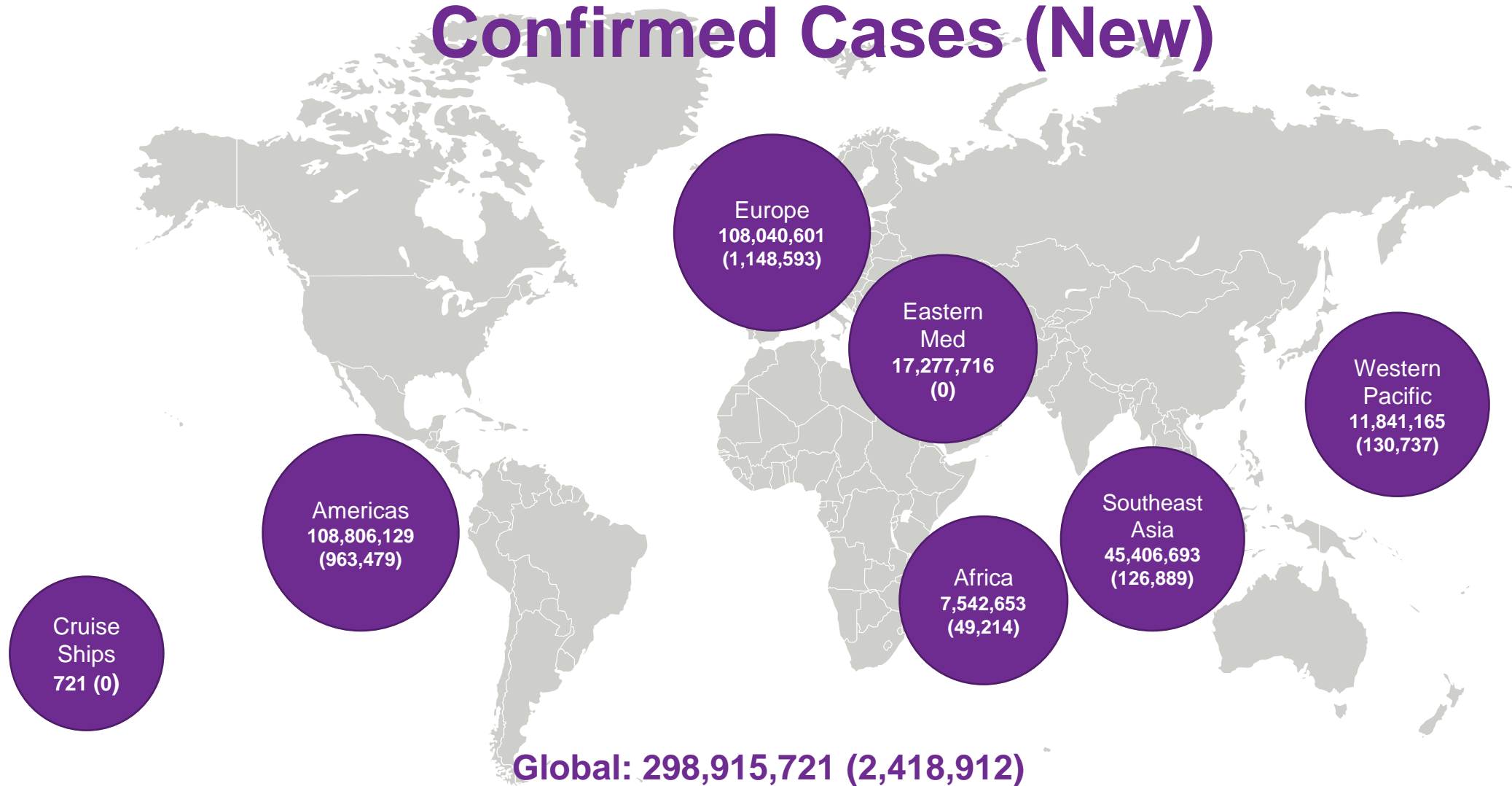
Cameroon. Despite understandable anxiety around any new reported variant, scientists have largely concurred that the IHU variant is of little risk, and the WHO has not included it in its list of variants of concern. The variant had ample time to spread widely prior to the emergence of the Omicron variant, and it is very unlikely to overtake the more transmissible mutation at this point. Regardless, the existence of the IHU variant underscores the reality that new variants will inevitably emerge as the pandemic persists, and that the Omicron mutation is unlikely to be the last new variation to threaten the world. The emergence of new variants will continue to prompt new waves, stress governments and businesses, and complicate reopening plans and easing of restrictions at least until a much higher percentage of the global population has been vaccinated.

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# Coronavirus Condition Updates

As of 5:08 pm CEST on January 7, 2022

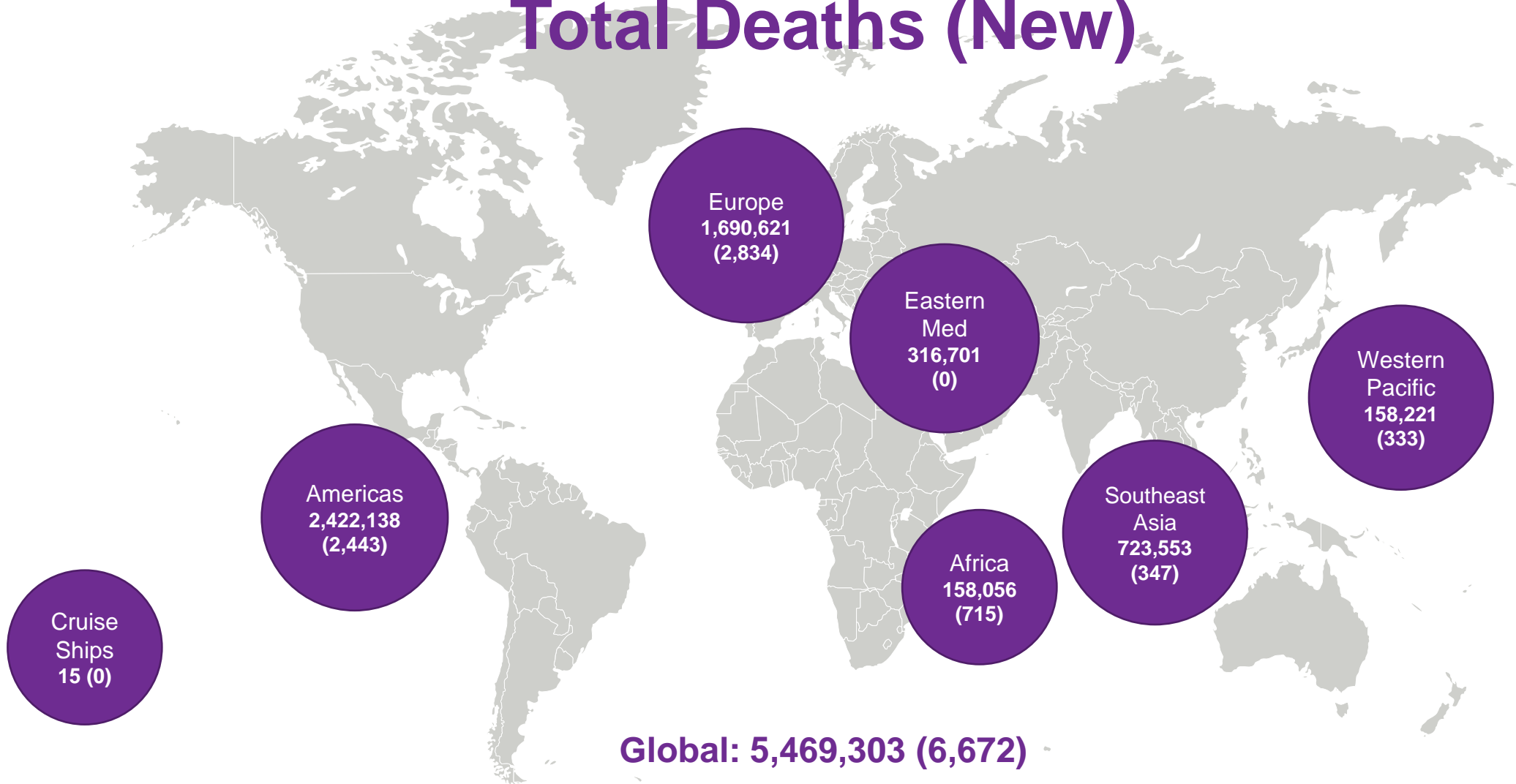
# Confirmed Cases (New)



Reflects data as of 5:08 pm CEST on January 7, 2022.  
Data Source: World Health Organization

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# Total Deaths (New)



Reflects data as of 5:08 pm CEST on January 7, 2022  
Data Source: World Health Organization

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# Contacts

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*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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