

Dentons Flashpoint

Daily Global Situation Report

January 20, 2022

Global Situation Update: January 20, 2022

KEY TAKEAWAYS

US President Biden warns Russian invasion of Ukraine looks likely; Russia has begun evacuating its diplomatic families from Ukraine.

ECB President Christine Lagarde has rejected calls for the European Central Bank to tighten monetary policy more quickly.

The UK ends Plan B COVID restrictions, judging the Omicron surge is over.

Global Situation Update: January 20, 2022

WHAT WE'RE WATCHING

Confusion still reigns for many international airlines following yesterday's rollout of 5G mobile phone technology in the US. Several foreign air carriers cancelled flights into the US over fears of 5G interference with aircraft altimeters and they await more information from the Federal Aviation Administration (FAA) on approved types of altimeters in areas near 5G towers. Verizon and AT&T have not yet specified near which American airports they will delay rollout of 5G, and the FAA has not yet specified all airports that are cleared for rollout of the new service.

Neither the phone companies or the White House have indicated how long the delay of the rollout near US airports will last, which could lead to further flight disruptions or cancellations over the coming days. Of course, there is a greater risk of flying near new technology without understanding how it affects navigation systems.



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

Global

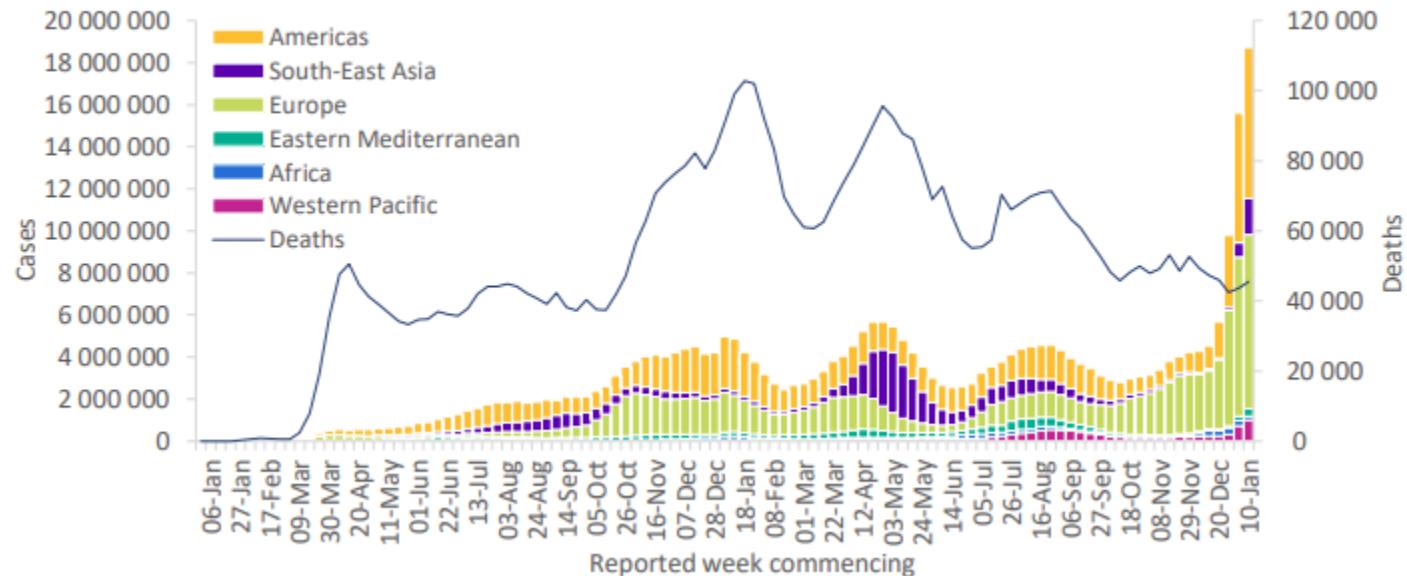
Globally, confirmed coronavirus cases topped 332.6 million with 5.5 million deaths; almost 9.5 billion vaccine doses have been administered.

- US Secretary of State Blinken is meeting with European allies in Berlin today, seeking to present a united front ahead of crisis talks with Russia aimed at preventing Moscow from attacking **Ukraine**. US President Biden warns invasion looks likely. Russia has begun evacuating diplomatic staff from Ukraine, including women and children.
- Globally, during the week of 10-16 January 2022, WHO reported that over 18 million new **COVID-19 cases** were reported, a 20 percent increase, as compared to the previous week. Over 45,000 new deaths were also reported, about the same for the previous week.
- The WHO is urging member countries to lift or ease **international travel bans**, arguing that blanket bans exacerbate “economic and social stress” and ultimately are not effective in impeding the spread of the coronavirus.

Global

Globally, the number of new COVID-19 cases increased in the past week (10-16 January 2022), while the number of new deaths remained similar to that of the previous week. Across the six WHO regions, over 18 million new cases were reported this week, a 20 percent increase, as compared to the previous week. Over 45,000 new deaths were also reported.

Figure 1. COVID-19 cases reported weekly by WHO Region, and global deaths, as of 16 January 2022**



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

Markets & Business

Christine Lagarde has rejected calls for the European Central Bank to tighten monetary policy more quickly than planned in response to record inflation.

- **Twitter** lost an appeal in French courts and must disclose details on what it does to tackle hate speech online in France, in a win to advocacy groups that say the social network does not do enough to clamp down on hateful content.
- **Starbucks Corp** suspended COVID-19 vaccine-or-test requirement for US employees that had been mandated by the government before being overturned by the US Supreme Court.
- Spain moved to regulate rampant advertising of **crypto assets**, including by social media influencers.
- International bondholders in indebted Chinese property developer **Evergrande** have hired an offshore lawyer and warned of legal action after a lack of “substantive engagement” from the company.

Environment, Sustainability & Governance

The EU increased the share of renewables in its energy mix to 22 percent in 2021, beating its 20 percent target.

- Citigroup announced a goal for companies in its **energy loan portfolio** to cut their emissions by 29 percent from 2020 to 2030, establishing a rare hard cut standard where other banks have focused on “*emissions intensity*.”
- The proportion of **women in leading positions** at major European companies rose last year but fell behind schedule to reach the European Commission's proposed target of 40 percent for 2025.
- South African bank Capitec announced a plan to allow employees to buy shares at a discounted rate, part of the governmental **Black economic empowerment (BEE) program** aimed at reducing historic inequality.
- More than 450 scientists called on major advertising and public relations executives to drop **fossil fuel clients** and stop what they called the characterized as disinformation around climate change.
- Dow Jones announced the launch of a **sustainability data set**, including sustainability scores and sentiments for over 6,000 publicly traded companies.

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

Africa

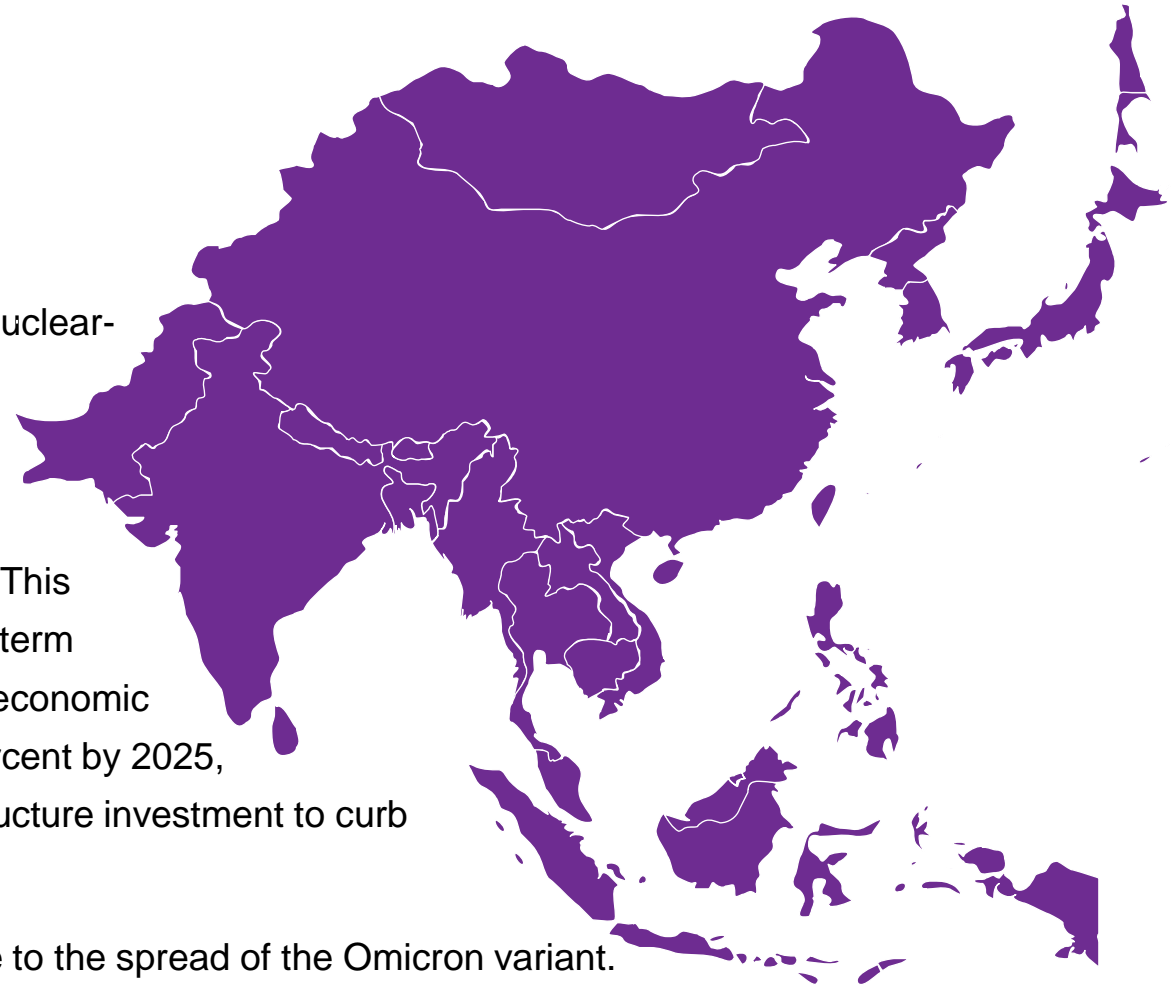
- **Gambian** President Barrow was sworn in for his second five-year term and promised to jumpstart the economy following a recession prompted by COVID-19.
- General Burhan, the military coup leader in **Sudan**, ordered a fact-finding commission in response to a wave of international criticism following reports that police killed at least seven protesters during weekend demonstration.
- **France** is considering ending military support for **Mali** as relations with the junta worsen. France, which first deployed troops in the West African country nine years ago to fight a jihadist insurgency, has spent around €880 million a year on a mission that has cost 52 French soldiers their lives.



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

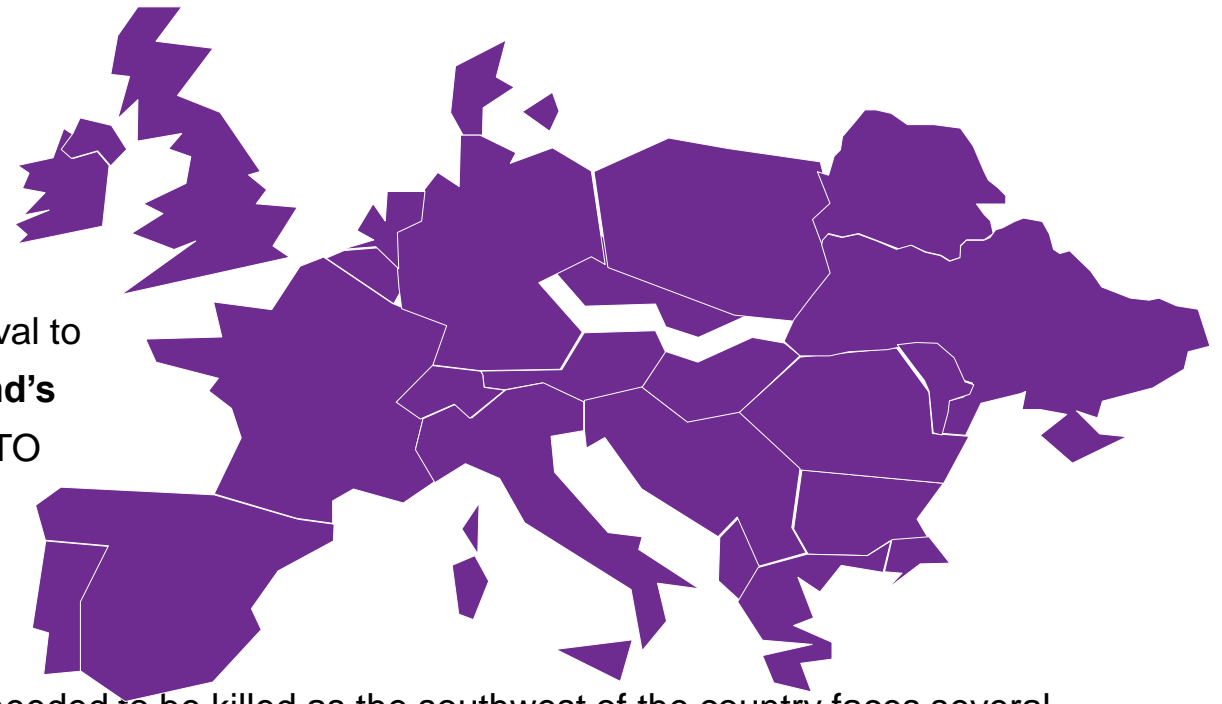
Asia

- **North Korea** suggested it might consider restarting long-range and nuclear-weapons tests, promising to take “*practical action*” as it says the **US** threat to the country can no longer be ignored.
- **China** lowered mortgage lending benchmark rates on Thursday as monetary authorities step up efforts to prop up the slowing economy. This follows cuts by the central bank on Monday to its short- and medium-term lending rates. These easing measures come as evidence mounts of economic slowdown. China will extend its high-speed rail network nearly 32 percent by 2025, amid an emerging consensus that Beijing is again leaning on infrastructure investment to curb an economic slowdown.
- **New Zealand** Prime Minister Ardern ruled out lockdowns in response to the spread of the Omicron variant. **Taiwan** will mandate proof of COVID-19 vaccination for entry into entertainment venues. **Thailand** will resume a quarantine-free visa program for vaccinated visitors after its suspension last month. More than a million Covid-19 vaccine shots expired in **Indonesia** before they could be given out, as most of them were donated with a short shelf life. **China's** capital Beijing ordered checks among cold-chain firms and urged residents to cut unnecessary gatherings, as the city reported an uptick in local cases weeks before the Winter Olympics.



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

Europe



- **Lithuania, Latvia, Estonia and Britain** have received US approval to transfer **US**-made missiles and other weapons to Ukraine. **Finland's** Prime Minister Marin stated that Finland does not plan to join NATO in the near future but is ready to stand with its **European** allies and US by imposing tough sanctions on **Russia** if it attacks **Ukraine**.
- The **French** farming ministry said that a total of 2.5 million birds needed to be killed as the southwest of the country faces several outbreaks of bird flu. Previous outbreaks of highly pathogenic avian influenza in Asia and Europe have led to the culling of tens of millions of birds and trade restrictions.
- The European Commission has given **Poland** 45 days to pay some 70 million euros in fines for failing to reverse an illegal disciplinary regime for judges, an escalation in a row between Warsaw and the **EU** over democracy.
- **British** Prime Minister Johnson announced the end of COVID-19 Plan B measures including mandatory face masks in England on basis that the Omicron surge has peaked. **German** police say that are investigating thousands of forged vaccine certificates. Some **Dutch** theatres, museums, cultural venues and restaurants briefly reopened yesterday to protest against the latest anti-COVID measures. **Slovakia** restricted access to public gatherings yesterday for the unvaccinated.

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?

2021 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.

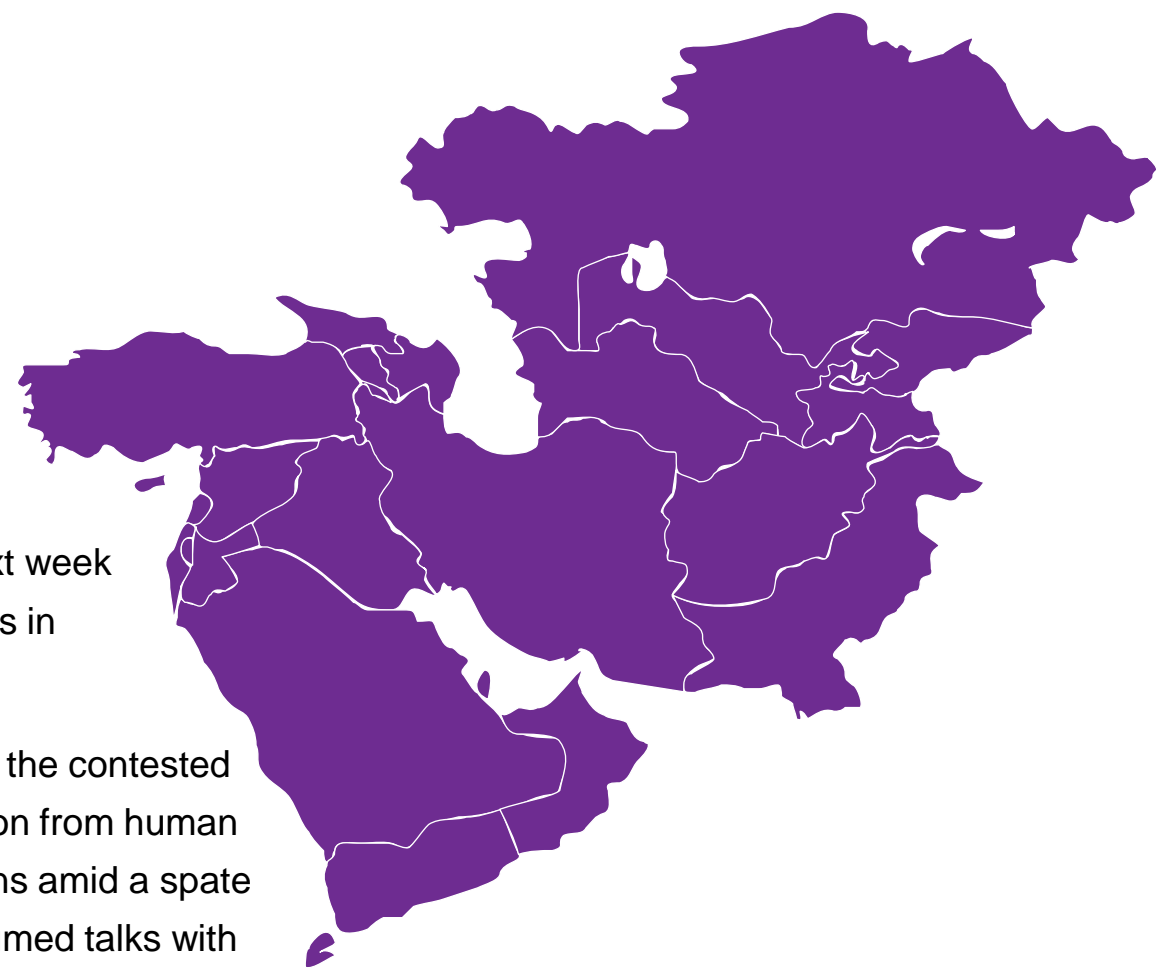
Dentons tabletop sessions are fluid, and designed to enhance preparedness with services, including:

- ❖ 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

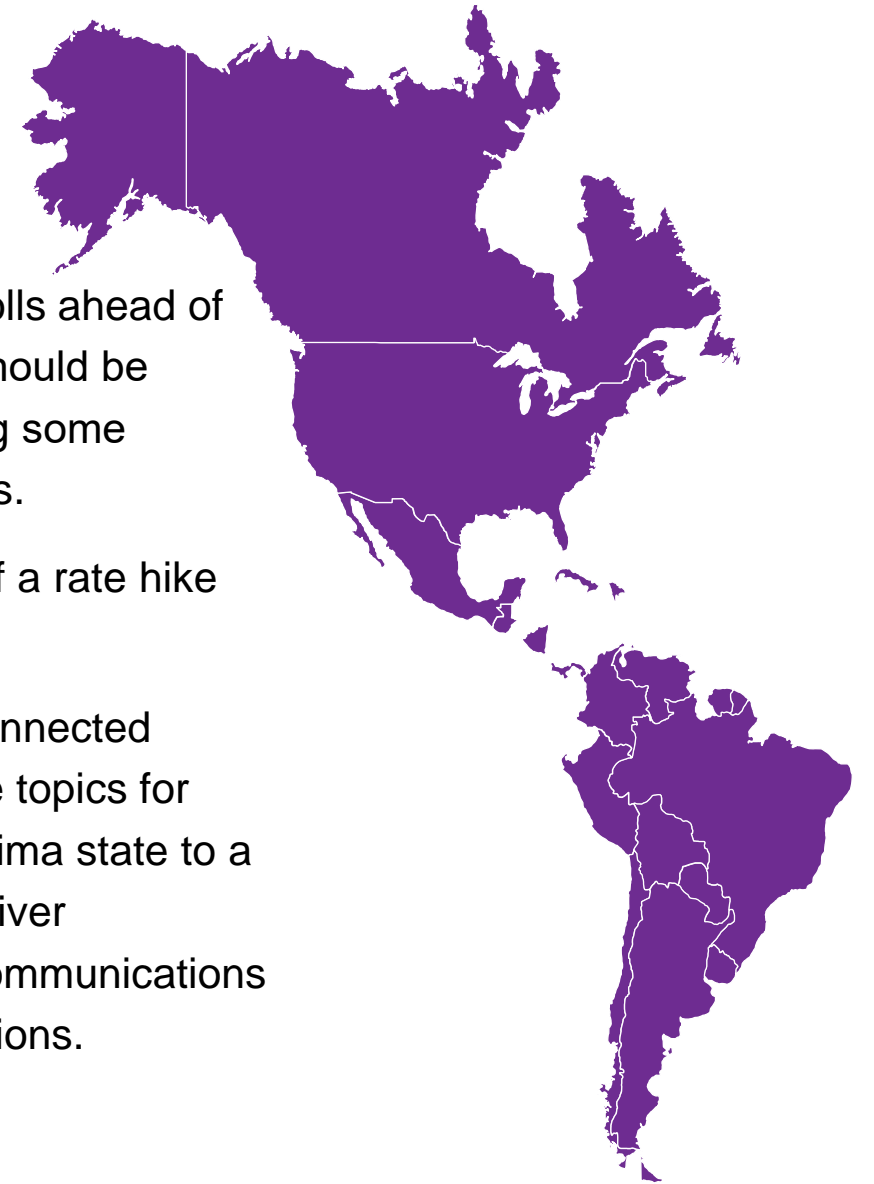


- The **UAE** ambassador to the **US** confirmed that the **Yemeni** Houthis had used both cruise missiles and drones in their attack on Abu Dhabi and called on the US to reinstate the Houthi's terrorist designation.
- **Jordan** announced that it will sign a deal with **Lebanon and Syria** next week to supply Lebanon with electricity and gas to alleviate energy shortages in Lebanon; the plan, announced in October, has US backing.
- **Israeli** police completed the demolition of a Palestinian family home in the contested Sheikh Jarrah neighborhood of **East Jerusalem**, drawing condemnation from human rights organizations and potentially inflaming Israeli-Palestinian tensions amid a spate of settlement advancements. **Qatar and Egypt** said that they had resumed talks with Israel and Hamas to push forward a **Gaza Strip** truce agreement.
- **Tunisia's** opposition announced the death of a protester after an apparent clash with police, making it the first death of a protester in anti-Saied demonstrations.

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

Americas

- Former **Brazilian** President Lula, who is currently beating Bolsonaro in polls ahead of this fall's presidential election, said that reducing poverty and inequality should be Brazil's focus over fiscal discipline. Rio de Janeiro police began occupying some favelas in a new strategy to bring security and public services to the slums.
- **Canadian** inflation hit a 30-year high in December, raising expectations of a rate hike as soon as next week.
- Leaders of **Brazil, Guyana and Suriname** are seeking to develop interconnected energy and natural resources infrastructure in talks this week. Among the topics for discussion: a 1,500-kilometer (930-mile) road from Brazil's Northern Roraima state to a potential deepwater port in Guyana; and a 1.2-kilometer bridge across a river separating Guyana and Suriname. Electric transmission and fiber optic communications links also are contemplated as part of an energy corridor between the nations.



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

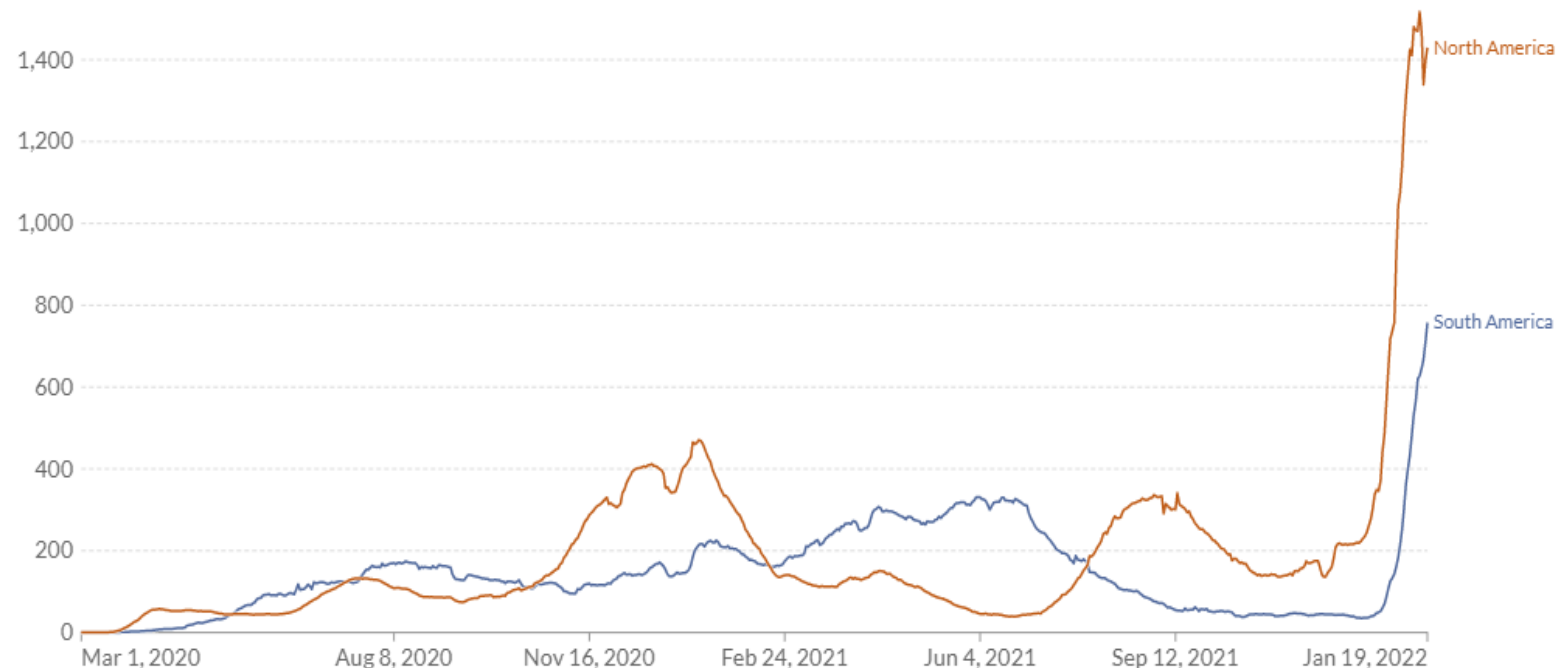
Americas

The Pan-American Health Organization announced that the Omicron variant is rapidly increasing its spread in the Americas, with 7.2 million new cases and more than 15,000 COVID-related deaths in the last week. Brazil, Latin America's largest country, reported a record 137,103 cases of the coronavirus in 24 hours.

Daily new confirmed COVID-19 cases per million people
7-day rolling average. Due to limited testing, the number of confirmed cases is lower than the true number of infections.

Our World in Data

LINEAR LOG



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

Americas: US

- Two Democratic lawmakers are urging the Federal Trade Commission to take action to prevent **price-gouging** on at-home coronavirus tests. New Mexico asked National Guard members and state employees to volunteer as **substitute teachers** to keep schools and daycare centers open during a surge in COVID-19 infections.
- The rollout of new **5G networks** in cities across the country brought only minor travel disruptions Wednesday. Regional airlines continued to wait for clearance to use smaller planes during bad weather in parts of the country where interference could affect safety gear.
- The Central Intelligence Agency has determined that a foreign country is probably not mounting a global attack aimed at US personnel who have reported “**Havana syndrome**,” a significant finding that could undermine some officials’ suspicion that Russia is to blame for a years-long series of mysterious illnesses.
- The UK and US announced on Wednesday they would begin talks to try to reach a deal over Trump-era **tariffs on UK steel and aluminium**.



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

SCOTUS Strikes Down Federal Vaccine Requirement: What Does This Mean for Private Employers?

By Matt Skros

The US Supreme Court (SCOTUS) on January 13th blocked the Biden Administration's vaccine and testing requirement for private businesses with over 100 employees. While it is a early to say conclusively what this SCOTUS decision will mean for private companies, indications are that most US employers will keep some form of vaccine mandates in place for their employees. Others, though, appear ready to use the SCOTUS decision as pretext to entirely scrap planned vaccination mandates for their employees.

The requirement, which was to be enforced by the Occupational Safety and Health Administration (OSHA), would have established a "vaccine-or-test" rule requiring employees to either get vaccinated or submit to regular COVID-19 testing. President Biden expressed his disappointment in the decision, adding, "*I call on business leaders to immediately join those who have already stepped up – including one third of Fortune 100 companies – and institute vaccination requirements to protect their workers, customers, and communities.*" According to a November 2021 report published by global advisory firm Willis

Towers Watson (which surveyed 543 US employers), 57 percent of businesses planned to mandate or already required vaccinations. However, among that number, 32 percent planned to make those requirements only if the OSHA rule took effect. It makes sense that many of the employers included in the latter group will scrap vaccination rules now that they no longer have to enforce them. Speaking to the *Wall Street Journal*, Xpress CEO Eric Fuller expressed his desire that everyone get vaccinated but said that the mandate, "*was going to create a lot of headaches for a lot of companies.*" US Xpress Enterprises, based out of Chattanooga, TN, will no longer require vaccinations. With supply chain issues gripping the country, some employers feared non-compliance with vaccine mandates would exacerbate those problems.

Evidence suggests, though, that vaccine mandates are not a contributing factor in US supply chain woes, contrary to popular belief. According to a report from *USA Today*, the reasons for current problems pre-date any federal vaccine mandates. David Correll, the co-director of MIT's FreightLab, noted in that *USA*

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

SCOTUS Strikes Down Federal Vaccine Requirement: What Does This Mean for Private Employers?

Today report that, “*The available supply of both truck drivers and warehouse and dock workers was already considered ‘short’ long before COVID wreaked havoc on our supply chains.*” Furthermore, consumer spending dropped precipitously at the height of COVID. Now that lockdowns have begun to ease, retail sales are rising, leading to an overwhelmed supply network. Consequently, it seems unlikely that the SCOTUS decision will ease supply chain woes in any measurable way since the mandates were not a cause of the crisis in the first place. As for another element of supply chain issues - labor shortages - it is difficult to assess whether vaccine mandates have had a substantive impact on hiring or ability to retain employees. Some sectors, such as healthcare, are plagued by anecdotes of workers choosing to resign over receiving the vaccine; on the other hand, some employees see a vaccine mandate as a workplace perk.

At the same time, there are a considerable number of US companies who still have vaccine requirements for their employees. Most of these requirements are for employees who wish to return to the office. For example, professional services firm Deloitte requires US employees to be vaccinated if they want

to return to their physical offices. Deloitte CEO Joe Ucuzoglu said that the organization had no intention of altering the policy in the wake of the SCOTUS decision. Facebook and JPMorgan Chase also require vaccinations for employees returning to the office. Furthermore, while federal mandates may be tied up in the court system, state and local officials have developed regulations of their own. New York City requires private employees who perform in-person work to be vaccinated.

Recent opinion polling suggests that the private sector also has public opinion to consider when making vaccine mandates for its employees. According to the 2022 Edelman Trust Barometer (published by the Edelman global communications firm), “business” took first place as the world’s most trusted institution at 61 percent ahead of government, NGOs, and the media. Furthermore, respondents selected “My Employer” ahead of all four institutions at 77 percent. The Edelman report also remarked on a “New Mandate for Business,” writing that, “*CEOs have always had to walk a fine line between exerting leadership on policy issues and being viewed as overtly political. Right now, based on our findings the risk is doing little, not too much.*” With

SCOTUS Strikes Down Federal Vaccine Requirement: What Does This Mean for Private Employers?

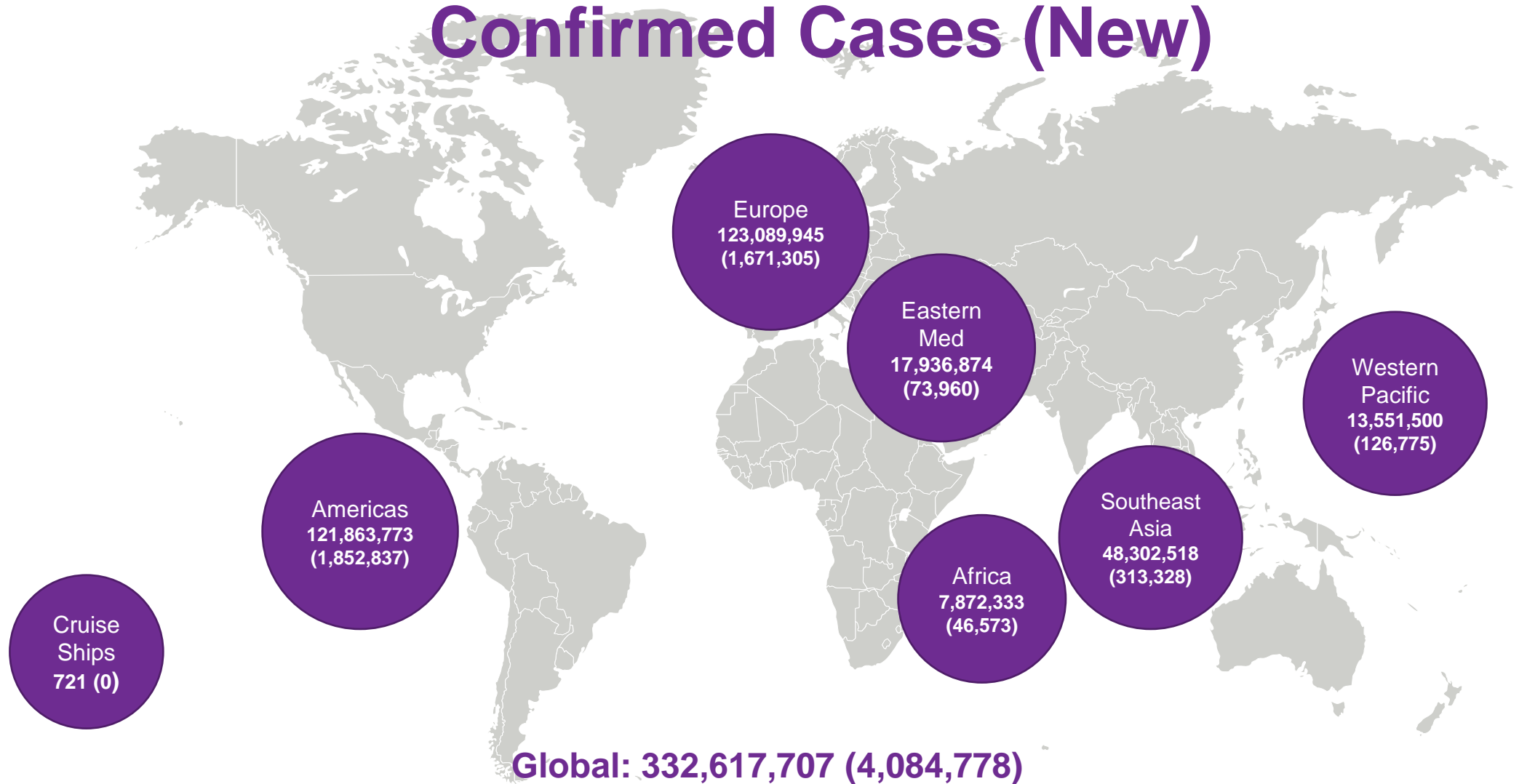
polls suggesting the American public supports vaccine mandates, business leaders must navigate carefully, weighing both the demographics of their employees and the nature of the work they perform (can they perform their duties remotely, for example, or are they in close quarters in a warehouse?), before making decisions that may impact their credibility with their employees. Despite these risks, the Edelman Trust Barometer, for its part, and many business leaders have clearly concluded that the moment demands a forward-leaning approach on vaccines.

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 4:52 pm CEST on January 19, 2022

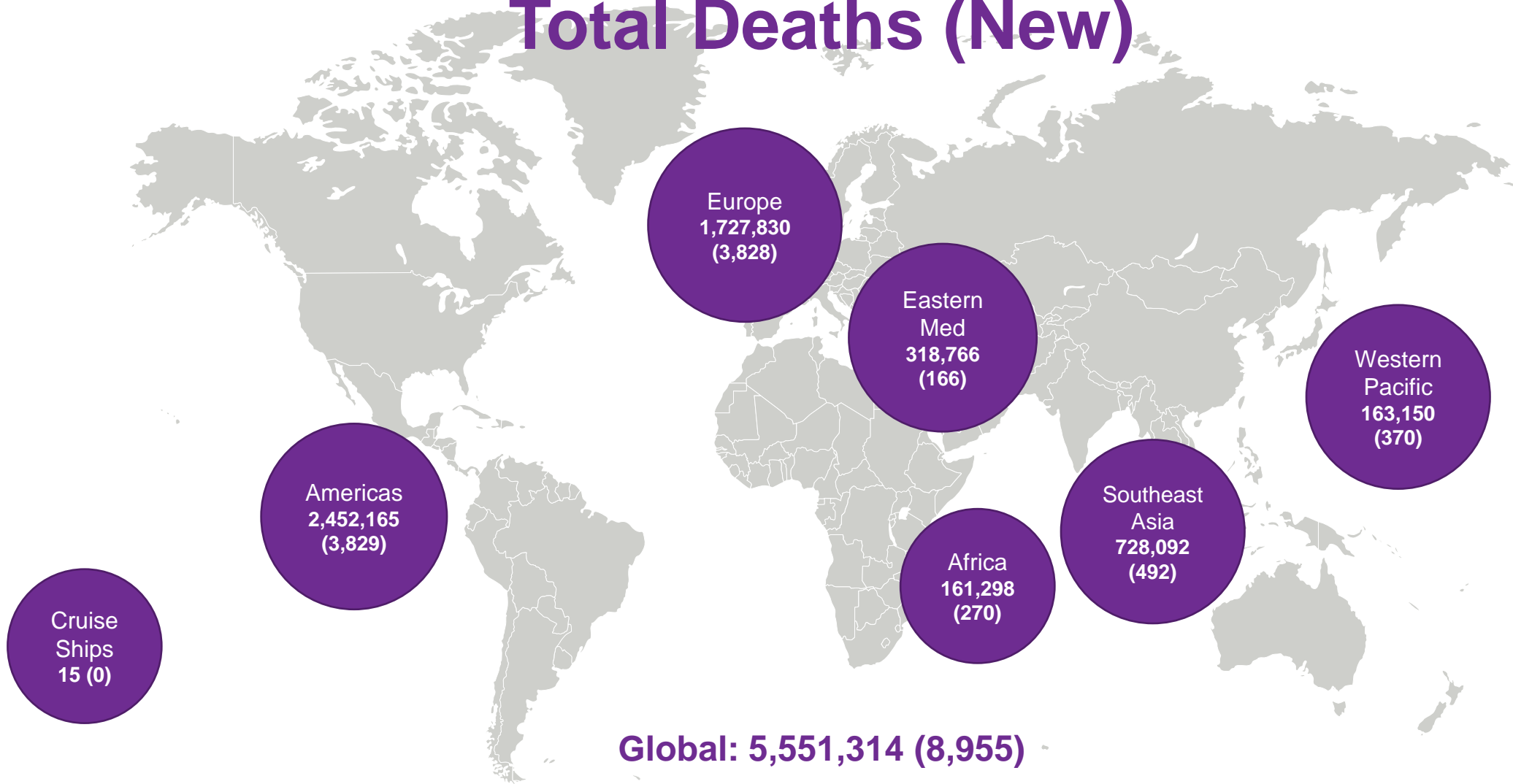
Confirmed Cases (New)



Reflects data as of 4:52 pm CEST on January 19, 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 4:52 pm CEST on January 19, 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