

Dentons Flashpoint

Daily Global Situation Report

May 5, 2022

Global Situation Update: May 5, 2022

KEY TAKEAWAYS

Russian forces conducted exercises for nuclear-capable missile strikes in Baltic enclave Kaliningrad.

The US Federal Reserve announced a 0.5 percent interest rate hike, the highest increase in more than 20 years.

Global hunger hit an all-time high in 2021, per new UN report.

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

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WHAT WE'RE WATCHING

Media freedom in Africa may soon take another hit if Senegal's President Macky Sall enacts a law to regulate social media. Popular platforms like Facebook and Twitter helped Sall gain popularity and win the presidency ten years ago, but this week he described them as a 'cancer of the modern world.'

Earlier this year, Sall's ruling party lost several local elections in key cities and a move to regulate social media would help him ahead of the presidential election in 2024. Opposition leader Ousmane Sonko is a social media sensation, and after he was arrested last year, violent protests by his supporters were organized online. Sonko is believed to be preparing a bid for the presidency.



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Global

Hunger hit an all-time high in 2021, according to the 2022 Global Report on Food Crisis, a report published by UN and EU agencies on Wednesday. The "toxic triple combination" of conflict, weather extremes and the economic effects of the COVID pandemic were cited as crucial to the decline in food security.

- **Ukraine's** Defense Ministry says Russia is seeking to increase the tempo of its offensive in the eastern part of the country. While there has been an increase in airstrikes, Russian ground troops are making “*minimal at best progress*,” per the US Defense Department. In 28 days, Russian forces have advanced only 25km.
- Ukraine's military intelligence said in a statement on social media that Russia is planning to hold a World War II Victory Day parade in Mariupol on May 9. The **May 9 Victory Day** is one of Russia's most important holidays, and there is growing speculation that Russian President Putin could make a major announcement in Moscow such as a formal declaration of war on Ukraine. The Kremlin has dismissed this speculation.

Markets & Business

The EU's antitrust chief called for a global approach towards Big Tech to prevent companies taking advantage of enforcement gaps.

- **Just Eat Takeaway.com** announced an exclusive partnership with **Domino's** to become the only food delivery app to offer Domino's pizza in the UK and Ireland.
- **Gucci's** high-end handbags and other luxury products can now be bought using cryptocurrencies, including bitcoin, in some US stores.
- New York Stock Exchange-parent **Intercontinental Exchange** will acquire **Black Knight** in a deal valuing the mortgage-lending software and data analytics firm at \$13.1 billion.
- **Shell PLC** reported it took a \$3.9 billion post-tax charge related to its decision to exit Russia, only slightly hurting an otherwise strong quarter bolstered by soaring commodity prices.

Environment, Sustainability & Governance

Stanford University received \$1.1 billion, its largest ever gift, from venture capitalist John Doerr to fund a new school focused on climate change.

- A new PWC study found that the number of countries with **chief sustainability officers** (CSOs) jumped threefold in 2021, although less than a third of CSOs hold executive positions.
- T. Rowe Price joined the **Net Zero Asset As Managers Initiative** (NZAMI), a coalition of asset managers committed to supporting the goal of net zero greenhouse gas emissions by 2050. The coalition represents nearly \$60 trillion in assets.
- Global payments solutions company American Express is offering its inaugural \$1 billion **sustainability note**.
- Financial institutions face losses of at least \$225 billion from **risks related to water**, with a third of them doing nothing to assess the potential impact, a report by leading environmental disclosure platform CDP and Planet Tracker estimates.

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Africa

- The African Union condemned this week's attack by al-Shabaab on an AU base in **Somalia**. **Burundi's** army confirmed that ten of its peacekeepers had died in the attack.
- A public prosecutor appointed by the **Guinean** military junta announced charges including assassination, kidnapping and torture for former President Conde and other officials.
- The UN Office for Humanitarian Affairs estimated that 85,000 to 115,000 people had been displaced from Darfur, **Sudan** amid renewed ethnic violence by the Islamic Janjaweed, a higher number than had previously been reported.
- Health authorities have confirmed a third Ebola case in the city of Mbandaka in northwest **Democratic Republic of Congo**. The current outbreak is Congo's 14th in the history of the hemorrhagic fever.



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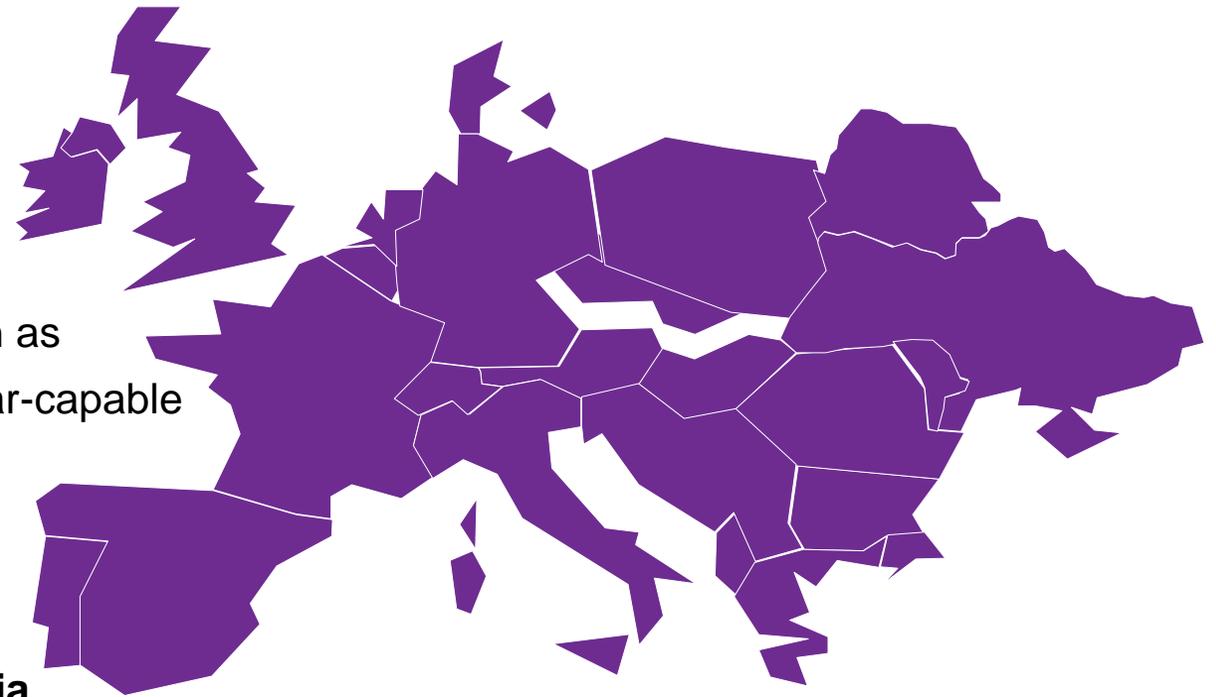
Asia

- **China's** strict zero-Covid policy has led to a plunge in confidence among European companies operating in the country as supply chains are tangled, revenue projections fall and staff leave, according to a European Chamber of Commerce survey.
- Prime Minister Morrison stated that **Australia** “*will respond calmly*” to the **Solomon Islands** after it signed a security pact with **China**, dismissing a furious a fiery speech to parliament on Tuesday by Solomons Prime Minister Sogavare who said, “*we are threatened with invasion.*”
- **Chinese** travelers spent 43 percent less over the five-day Labor Day holiday that ended on yesterday than a year earlier, government data showed, as tightening COVID-19 prevention measures being rolled out across the country hit consumption.
- A major **North Korean** propaganda website denounced **South Korea's** incoming president Yoon Suk-yeol, who has vowed to take a tougher line on weapons tests by Pyongyang, describing him as “*pro-United States*” and “*confrontational.*”



Europe

- In the patch of Baltic territory belonging to **Russia** known as Kaliningrad, Russian forces practiced carrying out nuclear-capable missile strikes.
- The **EU** pledged to increase military support in the "field of logistics, of cyberdefense" to **Moldova**, as **Ukraine's** neighbor tries to fend off unrest in a pro-**Russia** separatist region.
- **German** Chancellor Scholz voiced his support for **Serbia and Kosovo** in their aspirations to join the **EU**, as the leaders of both Balkan countries pledged to push forward with the necessary reforms required to do so.
- Sinn Fein appears set to become the first Irish nationalist party to win the most seats in **Northern Ireland** at the polls today that will test the stability of the **British** region's power-sharing governance and talks on post-Brexit trading rules.
- **Turkey's** annual inflation jumped to 69.97 percent in April, above forecast and at a two-decade high.



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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.

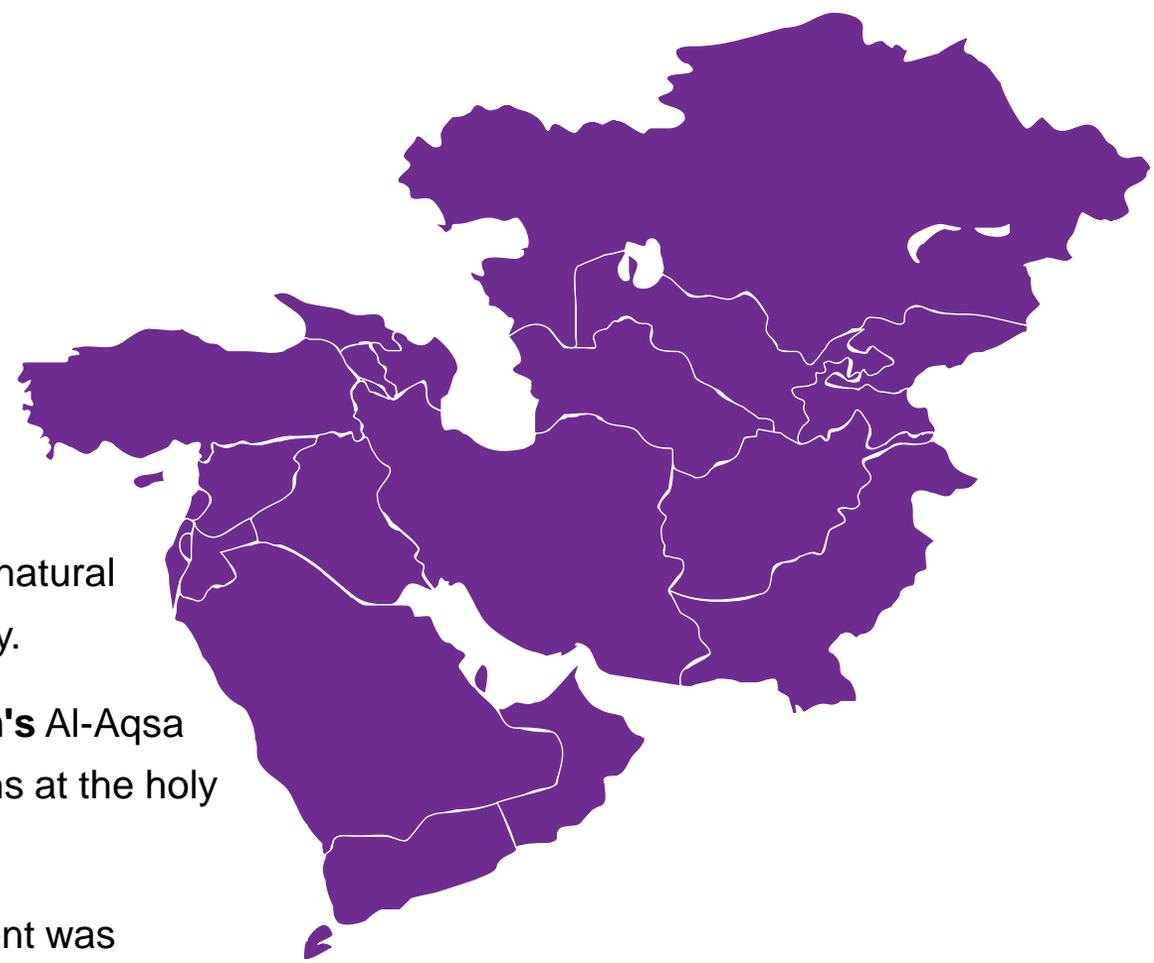
Dentons tabletop sessions are fluid, and designed to enhance preparedness with services, including:

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

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

Middle East

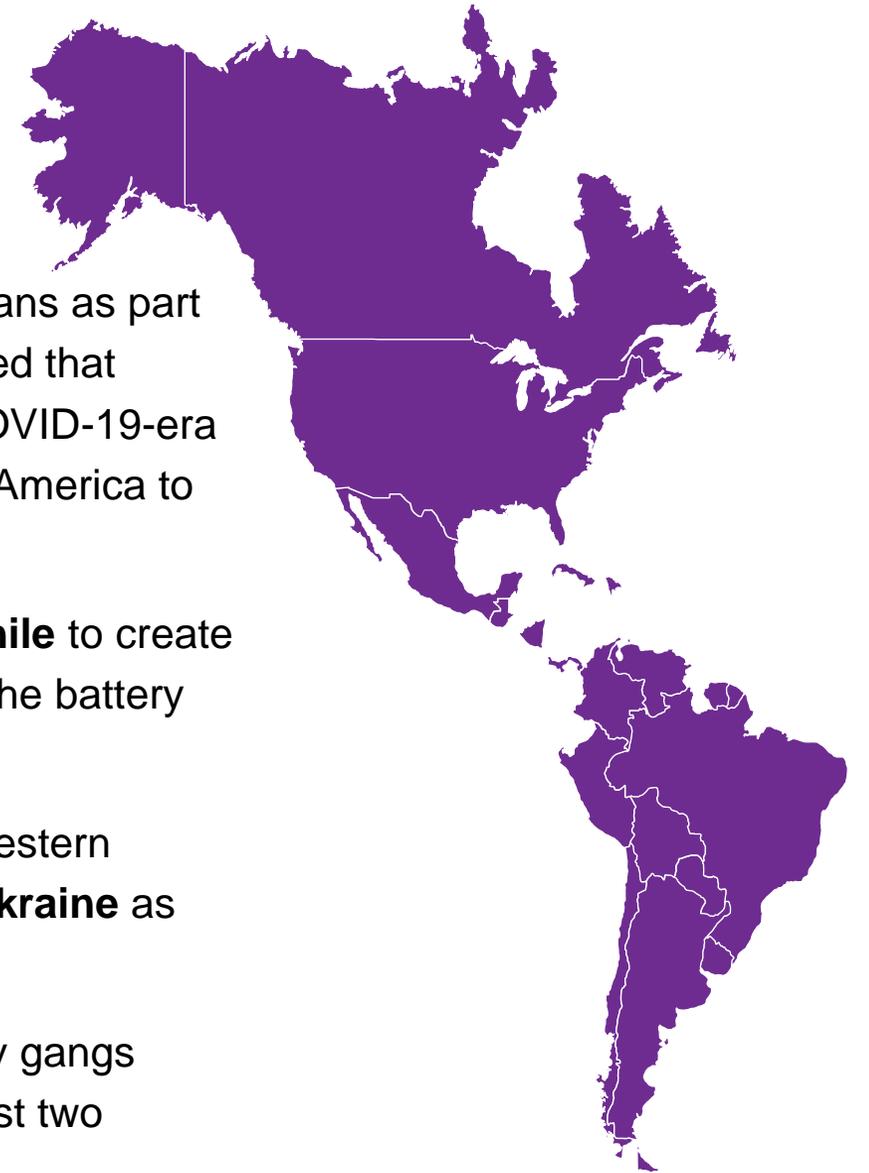


- The central banks of **Saudi Arabia, the UAE, Qatar, Bahrain** and **Kuwait**, all of which are pegged to the dollar, hiked their interest rates in accordance with the **US** Federal Reserve.
- **Qatar** surpassed the **US** as the number one exporter of liquefied natural gas as it boosts exports to ease the shortfall from **Russian** energy.
- Clashes erupted between **Israelis** and Palestinians at **Jerusalem's** Al-Aqsa mosque compound on Thursday, after a 10-day cooling of tensions at the holy site.
- **Libyan** interim prime minister Dbeibah, whose original appointment was recognized by the international community, called elections the only way to reassert the legitimacy of the government; his comments are an indirect challenge to rival prime minister Bashagha, who was appointed by the parliament to replace Dbeibah and is backed by eastern militias, who had called for international dialogue.
- **Turkish** President Erdogan is encouraging 1 million **Syrian** refugees to return to the country by building housing and infrastructure there.

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Americas

- **Mexico** will increase production of staple foods such as corn, rice and beans as part of a plan agreed with business leaders to control inflation. Mexico predicted that northbound immigration would increase significantly after the **US** ends COVID-19-era immigration curbs and called on the US to increase investment in central America to address the root causes of migration.
- **Mexico** said it is working with governments of **Argentina, Bolivia and Chile** to create a lithium association so the countries can share their expertise to exploit the battery mineral.
- Presidential front-runner Lula, the leftist former president of **Brazil**, told western media that Zelenskyy is just as responsible for the **Russian** invasion of **Ukraine** as Putin and called for closed-door negotiations.
- The United Nations expressed concern over the recruitment of children by gangs whose violence has plagued **Haiti**, with at least 39 civilians killed in the last two weeks alone.



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Americas: US

- The **Omicron variant** is intrinsically as severe as previous COVID-19 variants, unlike assumptions made in previous studies that it was more transmissible but less severe, a large US study found.
- American consumers are returning to **pre-pandemic behavior**, shopping, traveling and going to the gym, with evidence mounting that pandemic consumption shifts are not permanent.
- The Federal Reserve announced a 0.5 percent **interest rate hike**, the highest increase in more than 20 years, a bid to combat soaring inflation. Inflation in the US is shooting up at a pace not seen for 40 years, and more rate hikes are expected in the coming months.
- The US Securities and Exchange Commission added over 80 **Chinese** firms to a list of entities facing possible expulsion from American exchanges amid a long-running auditing standoff between the US and China.



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Organizations Should Not Expect Global Cybercrime Treaty Any Time Soon

By Emilio Iasiello, Global Cyber Threat Intelligence Manager, Scott Muir, Senior Analyst, and Courtney Barnard, Global Cyber Threat Intelligence Coordinator

While there is global agreement that a treaty is necessary, representatives are finding it difficult to even define what is cybercrime and what acts constitute crime in cyberspace.

The United Nations is currently working on an agreement that would facilitate international coordination and cooperation on cybercrime, a scourge that is expected to cost the world \$10.5 trillion annually by 2025. Later this month, negotiations will enter a new phase as delegates and stakeholders from governments, academia, NGOs, and IT companies gather to discuss general provisions, provisions on criminalization, procedural measures and law enforcement. While there is global agreement that a treaty is necessary, representatives are finding it difficult to even define what is cybercrime and what acts constitute crime in cyberspace. There is also great concern that authoritarian nations will weaponize any such UN accord to further stifle online content they perceive as criminal or a threat. Considering these differences, businesses and other organizations should not expect a comprehensive global treaty against cybercrime any time in the next three years.

Imperfect Frameworks

The present UN drive is constructive as there is a need to go beyond existing agreements such as the UN's Group of Government Experts (GGE), composed of 25 member states, which since 2004 has seen only marginal success in gaining consensus on important issues like what constitutes an infringement on state sovereignty in cyberspace. The Open-Ended Working Group is a more inclusive alternative effort allowing any UN member state to participate in its forum but has not seen widespread agreement. Meanwhile, the Budapest Convention, negotiated by the Council of Europe, does not include input from much of the rest of the world, which many countries resent. And the current Convention on Cybercrime, in place since 2001, has not been updated and less than half of UN members are signatories.

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Organizations Should Not Expect Global Cybercrime Treaty Any Time Soon

Problematic Sponsor

One of the foremost problems with the current UN initiative to establish a global comprehensive treaty to counter cybercrime is that Russia is its top sponsor. In 2019, Moscow pushed the UN General Assembly to approve funding for the initiative, despite objections by mostly Western countries. In 2021, Russia submitted a draft proposal that drew both objection and support for seeking to allow governments to criminalize “unlawful acts motivated by political, ideological, social, racial, ethnic, or religious hatred or enmity.” And, of course, following the invasion of Ukraine, there is now significant distrust of Russian efforts to build consensus on global cyber laws.

Many around the world fear that broad powers granted by a potential UN agreement could be abused to criminalize content deemed a threat. Several Russian proposals for the treaty prioritize intrusive monitoring of public information. With the world seemingly splitting into those with open internet access and those without, a comprehensive global treaty against cybercrime may not be feasible.

Sketchy Support

To be sure, the proposal by Russia gained enough support at the UN for negotiations to begin this year. Seven governments, including

China, co-sponsored the proposal while several Latin American and Middle Eastern countries remain neutral but amenable. There is clearly appetite among certain UN nations for a treaty that empowers governments to censor content for a variety of reasons, which makes it difficult to completely remove censorship from discussions. This will be a hotly debated area as governments attempt to clarify differences on issues like disinformation and opposing political viewpoints, which are not easily delineated.

What's Next?

Ahead of the next session that begins on May 30, UN members must submit draft text on criminalization and law enforcement measures and are required to submit text on international cooperation by the July session. The quick turnaround benefits states that have already considered what principles they want in the treaty. This will be an opportunity for the United States to take the lead and propose a legal change at the global level, especially as Russia is preoccupied with the invasion of Ukraine.

A starting point for agreement is universal acknowledgement that threats from bad actors will only grow as they obtain new tools and tricks and evolve into quasi-professional services complete with

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Ukraine War Update: Russian Operational Surge Pre-Victory Day, Mariupol Humanitarian Corridors, Fresh UK Sanctions

Kyiv upped the pressure on the EU by calling out EU countries blocking a gradual embargo on imports of Russian oil for “being complicit in crimes committed by Russian troops in Ukraine.” Hungary and Slovakia have already said they will not take part in the oil sanctions.

Political Developments

The prime ministers of Poland and Sweden will host a high-level international donors’ conference today in the Polish capital in partnership with other EU countries. The aim is to mobilize substantial pledges to support the UN humanitarian response in Ukraine as well as to discuss steps towards supporting Kyiv’s efforts to manage the economic consequences of the war.

Opposition Christian Democrats leader Friedrich Merz visited Kyiv to show German’s support amid growing domestic pressure on Chancellor Scholz who has declined to visit Kyiv due to the diplomatic snub of President Frank-Walter Steinmeier over his perceived friendliness toward Russia.

India and France called for “*an immediate cessation of hostilities*” in Ukraine, with Indian Prime Minister Modi again stopping short of condemning Russia’s invasion of its neighbor.

Israeli and US officials told media that Israel is considering upping its military aid to Ukraine after maintaining a more neutral position for most of the conflict; the decision comes amid a public spat between Russia and Israel after Russian officials said that Hitler had Jewish origins.

Ukraine's military intelligence said in a statement on social media that Russia is planning to hold a World War II Victory Day parade in Mariupol on May 9. The May 9 Victory Day is one of Russia's most important holidays, and there is growing speculation that Russian President Putin could make a major announcement in Moscow such as a formal declaration of war on Ukraine. The Kremlin has dismissed this speculation.

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Ukraine War Update: Russian Operational Surge Pre-Victory Day, Mariupol Humanitarian Corridors, Fresh UK Sanctions

Battlefield Developments

Ukraine's Defense Ministry says Russia is seeking to increase the tempo of its offensive in the eastern part of the country. Ministry spokesman Oleksandr Motuzyanyk said Moscow had conducted nearly 50 airstrikes on Tuesday alone.

The US Pentagon reported that Russian aircraft conducted 200 to 300 airstrikes largely targeting transportation infrastructure. The Russian strikes are likely intended to disrupt Ukrainian transportation capabilities and slow down weapon re-supply efforts but have been unable to do so.

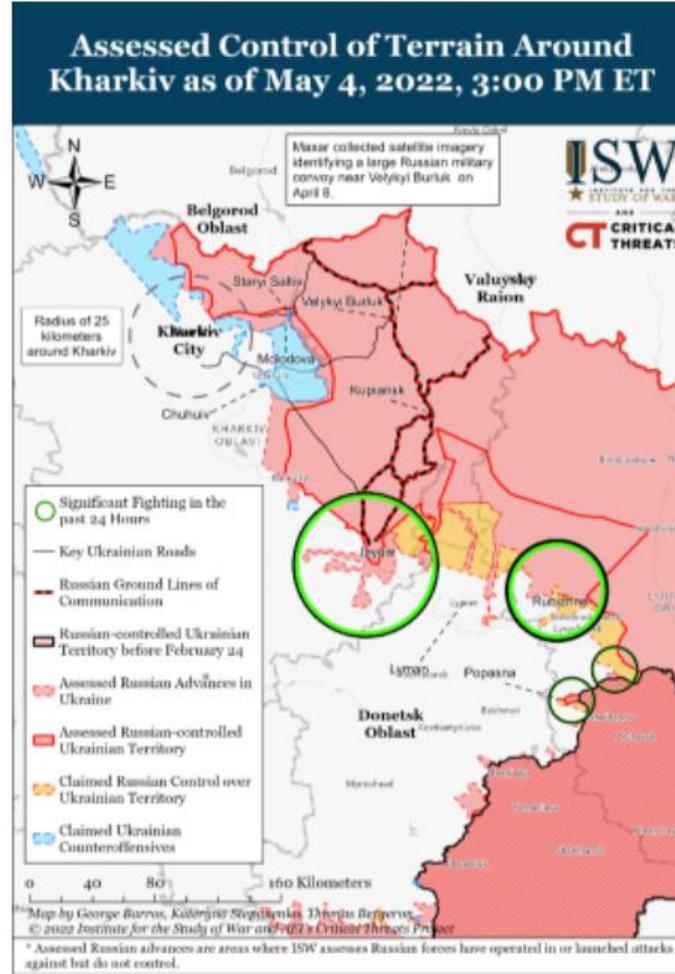
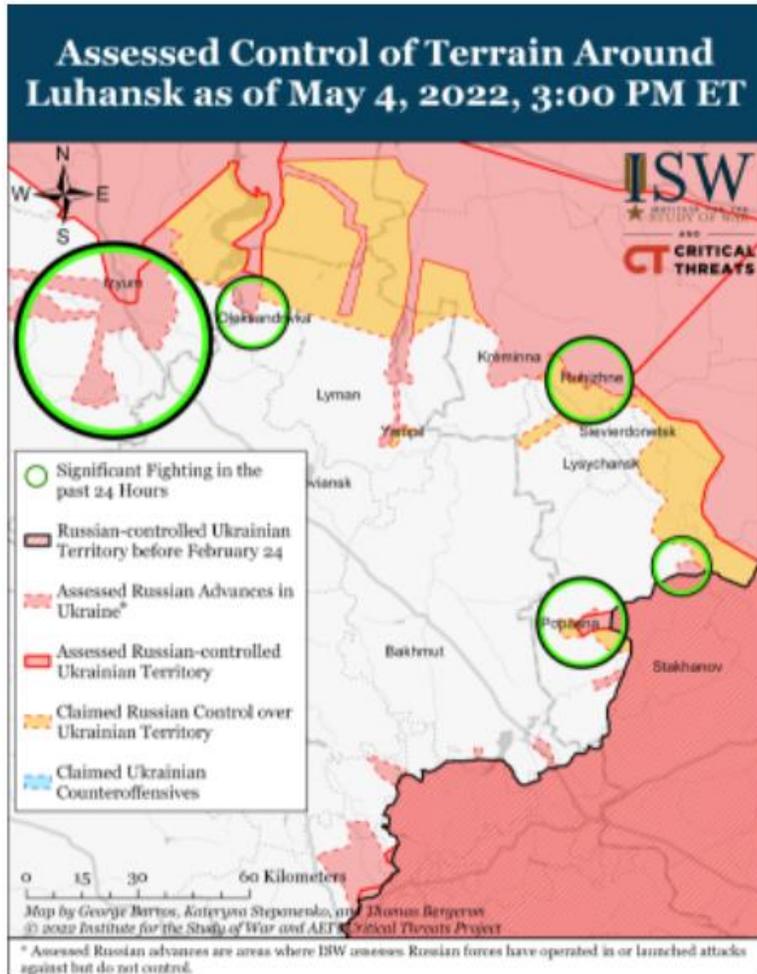
The UK's Ministry of Defense said that Russia is continuing to strike non-military targets to weaken Ukrainian resolve. The targets include residential properties, schools, hospitals, and transport hubs. Russia's targeting of key cities such as Odesa, Kherson, and Mariupol highlights their desire to fully control access to the Black Sea.

According to the Institute for the Study of War, Ukrainian defenses have largely stalled Russian advances in Eastern Ukraine. Russian troops conducted a number of unsuccessful attacks in Eastern Ukraine yesterday and were unable to make any confirmed advances. Russian forces attacking south of Izyum appear increasingly unlikely to successfully encircle Ukrainian forces in the Rubizhne area. Ukrainian forces have so far prevented Russian forces from merging their offensives to the



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Source: [Institute for the Study of War](https://www.instituteforthe studyofwar.org/)

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southeast of Izyum and the west of Lyman, Slovyansk, and Kramatorsk, as Russian forces likely intended.

Ukraine's military intelligence assessed that Russia may be planning to hold a World War II Victory Day parade in Mariupol on 9 May. *"A large-scale propaganda campaign is underway. Russians will be shown stories about the 'joy' of locals from meeting the occupiers,"* per the military intelligence statement.

On Wednesday, Russian forces entered Mariupol's Azovstal steel plant proper seeking to clear the plant of the last of Ukraine's defenders of the city.

Humanitarian Developments

Russia's military said it would open humanitarian corridors from the Azovstal steel plant in the besieged port city of Mariupol on Thursday, Friday, and Saturday. City authorities said around 200 civilians and more than 30 children were also still trapped there.

After Tuesday's evacuation, the UN said more than 300 civilians from the besieged southeastern Ukrainian city of Mariupol had made it out and been evacuated to the Ukrainian-held city of Zaporizhzhia.

Economic Developments

The UK banned Russia from using British accountancy, management consultancy and PR services and imposed additional sanctions on pro-Kremlin news outlets and journalists. The new legislation will also force social media companies, internet service providers, and app stores to block content from the Kremlin-backed news organizations, RT and Sputnik. Britain also revoked the Moscow Stock Exchange's status as a recognized stock exchange, removing some tax relief for new investors.

German Economy Minister Habeck warned a European embargo on Russian oil imports could lead to supply *"disruptions"* and price increases. He added, however, that Germany supported the proposed ban as a response to the war in Ukraine.

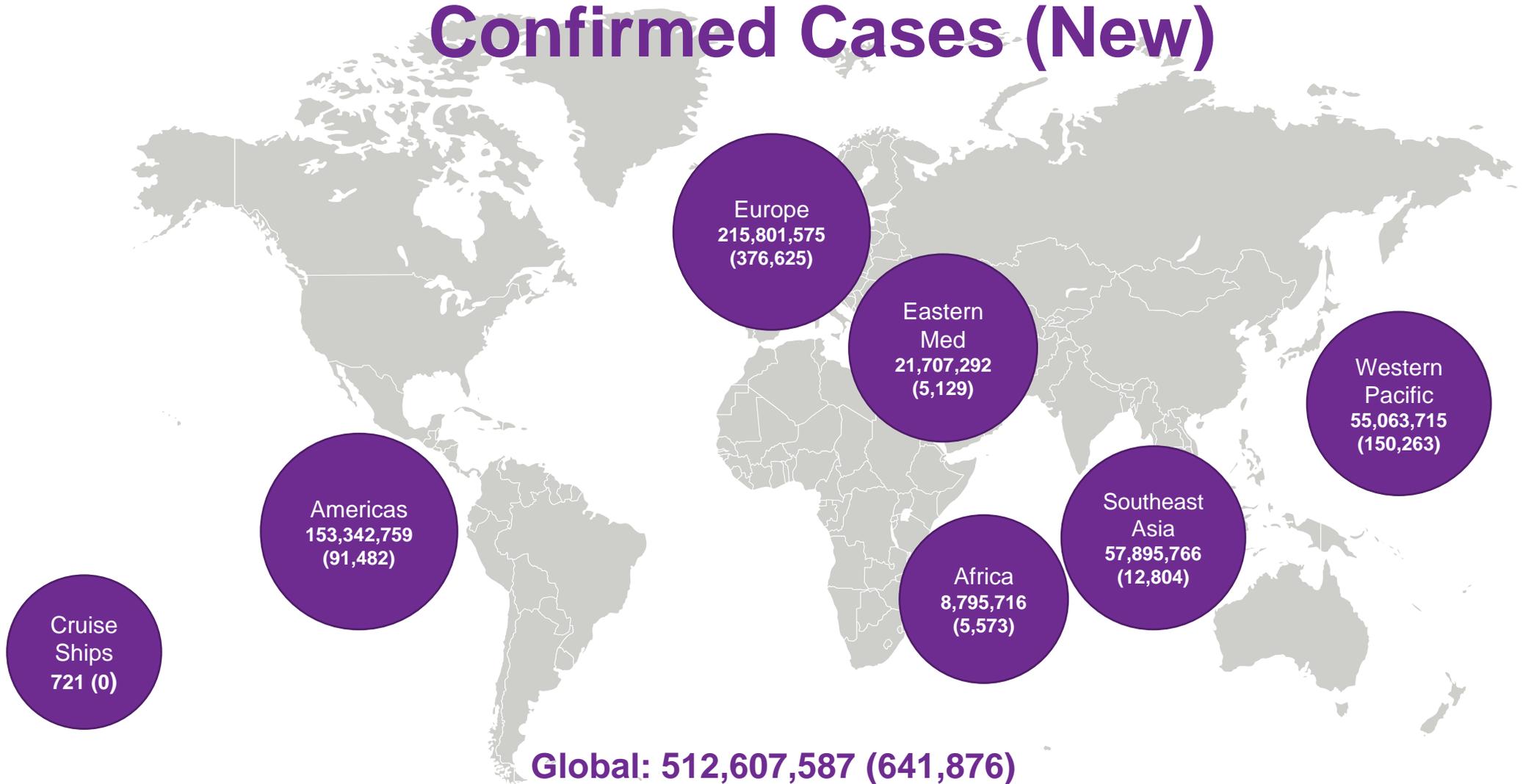
Japan has said that it would face *"difficulty"* immediately following a move by the EU to sever Russian oil imports over the war in Ukraine.

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Coronavirus Condition Updates

As of 8:38 pm CEST on May 4, 2022

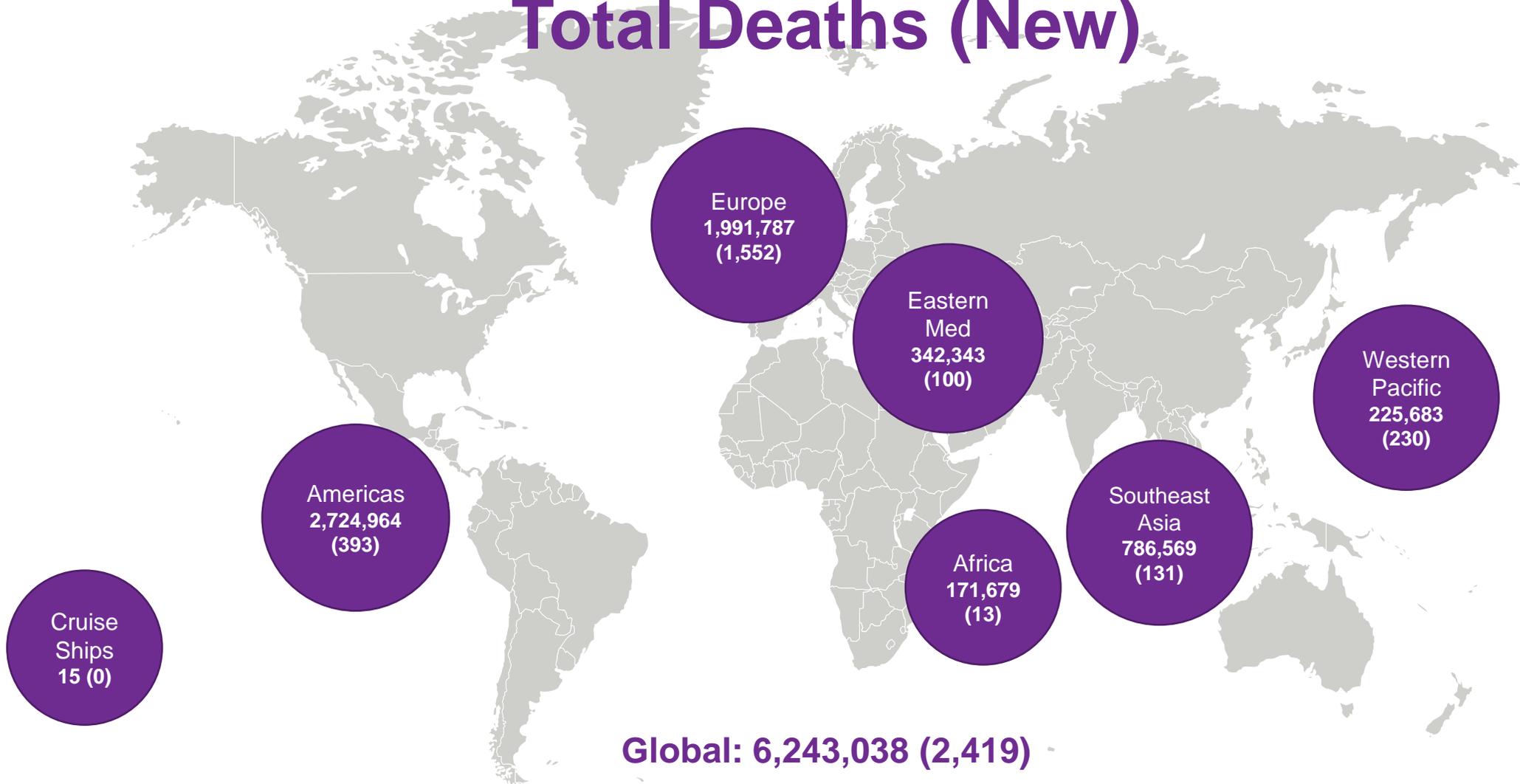
Confirmed Cases (New)



Reflects data as of 8:38 pm CEST on May 4, 2022.
Data Source: World Health Organization

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Total Deaths (New)



Reflects data as of 8:38 pm CEST on May 4, 2022.
Data Source: World Health Organization

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Contacts

This summary is based on reports sourced from among the 75 countries in which Dentons currently serves clients as well as from firms in other locations, some of which will formally join Dentons later in 2020. We are pleased to share this complimentary summary and contemporaneous assessment, with the caveat that developments are changing rapidly. This is not legal advice, and you should not act or refrain from acting based solely on its contents. We urge you to consult with counsel regarding your particular circumstances.

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.

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