

Dentons Flashpoint

Daily Global Situation Report

April 25, 2022

Global Situation Update: April 25, 2022

KEY TAKEAWAYS

Highest-ranking US officials yet visit Kyiv, where they pledge to reopen the US embassy and supply fresh arms.

Indonesia unexpectedly bans the export of palm oil, of which it is the world's largest producer, sending prices soaring.

Shanghai tightens COVID-19 lockdowns, while fears of restrictions prompt panic buying in Beijing.

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

Global Situation Update: April 25, 2022

WHAT WE'RE WATCHING

Emmanuel Macron won the second round of the presidential election against far-right politician Marine Le Pen. This means the EU can count on France to remain a pillar of the bloc for five more years. Although Macron is victorious, much of the French electorate voted less for his agenda and more to prevent Le Pen from winning. Many want Macron to lose upcoming legislative races in June so that he is forced into a power-sharing agreement.

Despite Le Pen's defeat, the results were the best ever for the far-right in a French presidential election. Opposition parties have conceded but are already looking forward to June legislative elections. Macron will broaden his base over the coming months, in which he will likely obtain a much weaker majority compared with 2017. The business environment will remain stable over the near future.



Global

British intelligence assessed that Russia has made “minor” advances since shifting its forces to the east, but had made no breakthroughs.

- After a renewed weekend assault on areas outside **Mariupol**, Russia pledged to halt hostilities at the **Azovstal steel plant** to allow civilians to leave. Russia claimed that its border **Belgorod** region had been bombed by Ukrainian forces. The **US** Secretaries of State and Defense visited **Kyiv**, where they pledged to reopen the US embassy and send fresh arms. The **UK** confirmed that it would supply fresh weaponry to Ukraine.

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Markets & Business

European stocks fell to a one-month low amid worries of Chinese lockdowns and rapid US rate hikes.

- The world's largest ship manager, **V.Group**, called on NATO to provide ship escorts to commercial vessels passing through the **Black Sea**.
- **Twitter** began deal talks with Elon Musk, as media reported that shareholders are facing pressure to accept Musk's historic \$42 billion offer for the company.
- Prices for **graphic chips** dropped sharply, potentially presaging an end to the supply crunch that has hobbled car and computer production for the last several years.

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Environment, Sustainability & Governance

A German-funded consortium of carmakers and battery producers, including BMW, Umicore and BASF, announced plans to develop a "battery passport" that traces the content and carbon footprint of batteries in Europe.

- **Britain** unveiled a new taskforce to write rules forcing financial firms and listed companies to publish plans from next year for **transitioning to a net zero** economy by 2050.
- **Norway's** \$1.3 trillion wealth fund will vote next week to support top management at German drug and farm products maker Bayer AG, but will vote against the remuneration package of CEO Werner Baumann.
- **TotalEnergies** published a letter pledging to issue new reduction targets for its greenhouse gas emissions over the next few years, after a group of French investors had asked for clearer targets.
- **Amazon** workers in New York are set to vote today on what could be the company's second warehouse unionization.

Africa

- An aid group reported that inter-ethnic clashes in **Sudan's** restive Darfur region killed at least 160 over the weekend, a sign of escalating violence.
- The **Malian** army reported that six soldiers were killed and 20 injured in simultaneous, unclaimed attacks on three different military bases.
- The **French** military say they have footage of the Russian **Wagner Group** burying bodies near an army base in Mali, which Paris is calling an attempt by the mercenaries to accuse the French military of leaving mass graves.
- Lawmakers in **Niger** approved a measure allowing the country to host more European forces as part of an effort to combat Islamist jihadist insurgencies throughout the Sahel.
- The seven countries of the **East African Community (EAC)** agreed to set up a regional military force to try to end decades of bloodshed caused by militant activity in eastern **Democratic Republic of Congo**.
- **Guinea's** former President Conde, ousted in a military coup, was freed from house arrest after seven months.



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Asia

- Officials in **Shanghai, China**, continued to tighten lockdown measures amid a modest COVID-19 spike in the city, fencing off apartment building entrances to curtail movement. Rumors that **Beijing** may enter lockdown next prompted panic buying. **Hong Kong** will allow non-residents to visit the city from May for the first time in two years.
- Deposed **Myanmar** leader Aung Suu Kyi faces 15 years in prison today as a military court reviews her corruption charge.
- **Indonesia**, the world's top exporter of palm oil, unexpectedly banned the export of the oil in a bid to calm domestic food inflation; the move could further roil global food markets.
- The US warned the **Solomon Islands** that the US would have "significant concerns and respond accordingly" if a permanent **Chinese** military presence were to be established on the island nation.
- **Singapore** will remove most of its COVID-19 restrictions and ease entry regulations for visitors from Tuesday.



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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:

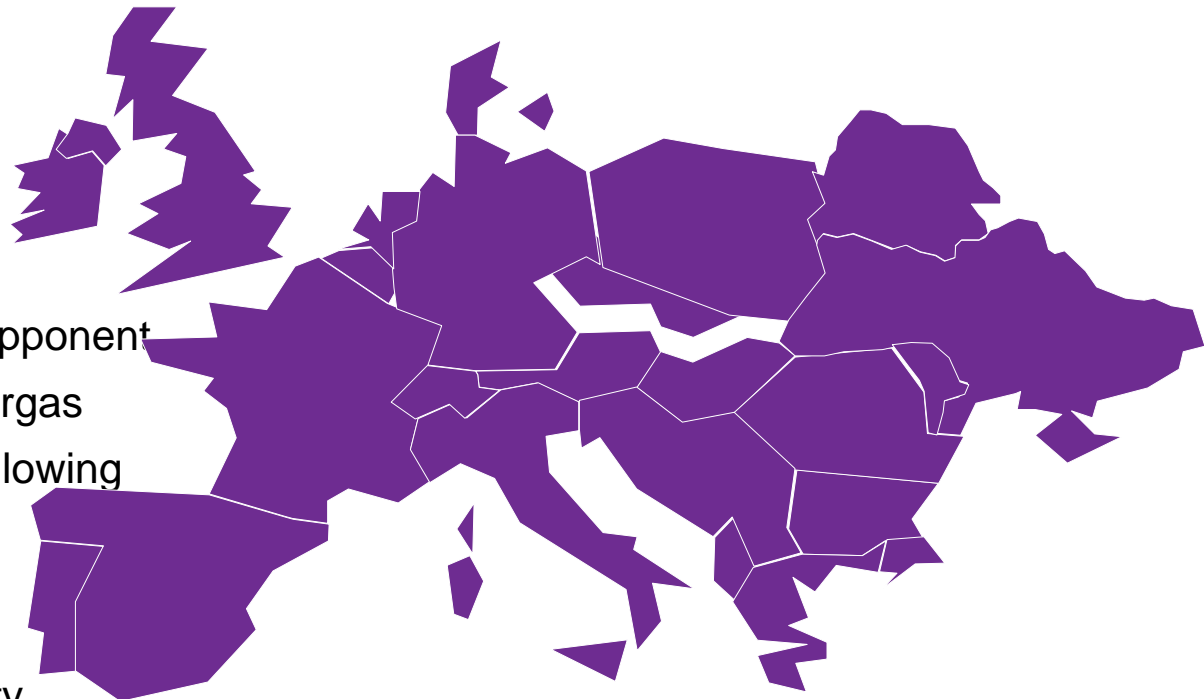
- ❖ Ransomware tabletop exercises
- ❖ Post-tabletop action reports
- ❖ Maturity assessments for preparedness
- ❖ Supply-chain attack simulation
- ❖ Comprehensive incident response plan
- ❖ Threat analysis and monitoring

All interaction with Dentons is attorney-client privileged

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

Europe

- Incumbent **French** President Macron defeated far-right opponent Marine Le Pen to be reelected president. Police used teargas against anti-Macron protesters demonstrating in **Paris** following his reelection.
- **Slovenia's** populist Prime Minister Jansa lost a national election as the environmentalist Freedom Movement party won more votes than his SDS party, according to preliminary figures from election authorities.
- **European Commission** President Ursula von der Leyen will visit **India** today, where she will seek to increase sales of European military equipment and restart free trade agreement discussions.
- The **UK** proposed new legislation that would ban its health service from importing medical goods from the Xinjiang region of **China**.
- **Russian** authorities have stopped publishing data on government debt, trade statistics and oil production, as the Duma works on legislation to limit the amount of information Russian lenders must share with foreign investors.



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Middle East

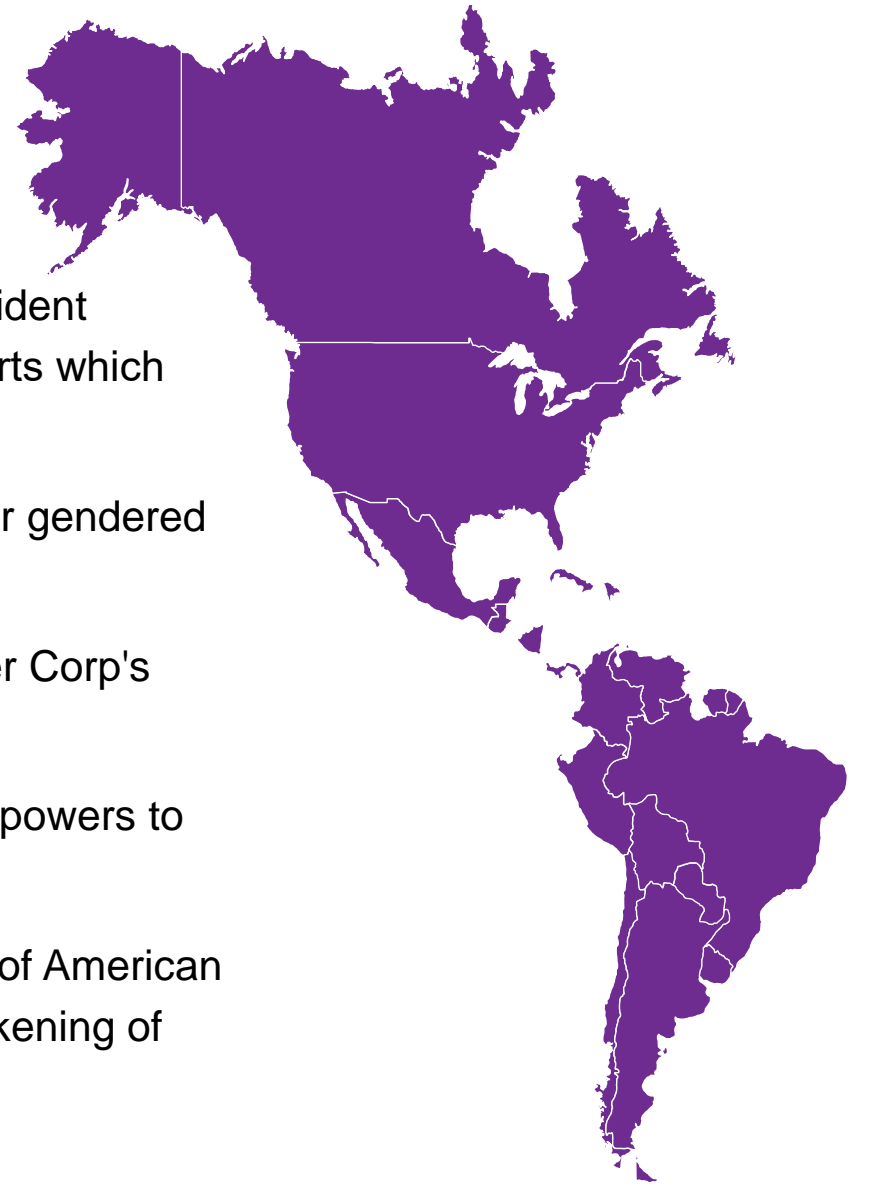


- **Turkey** banned **Russia** from using its airspace to reach **Syria**.
- **Israeli** Foreign Minister Lapid emphasized that Israel wishes to maintain the status quo at the Al-Aqsa compound, where violence has flared in recent days. A projectile fired from **Lebanon** hit an open area in **Israel**, a rare flare-up of violence on Israel's northern border.
- **Yemen's** Houthis offered to release 200 prisoners in exchange for their own detainees ahead of Eid al-Fitr as part of UN-mediated peace talks. **Oman** reported that it had facilitated the release of 14 foreigners.
- Afghanistan's **Taliban** defense minister said that the country would not tolerate "invasions" and accused **Pakistan** of conducting airstrikes in the country.
- **Iran** confirmed that it had held a fifth round of bilateral talks with regional rival **Saudi Arabia**. Iran said that it had seized a foreign vessel it claimed was smuggling fuel in the Arabian Gulf. Iranian state media reported that gunmen had attacked the car of the IRGC commander.
- **Tunisian** President Saied dissolved the electoral commission and pledged to appoint new members, cementing his one-man rule in the country.

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Americas

- Thousands of farmers protested in Buenos Aires, **Argentina** against President Fernandez' policies to curb food inflation; he has moved to limit food exports which farmers say have cut profits.
- A missing **Mexican** teenage girl was found dead, intensifying debates over gendered violence in the country.
- **Peru** deployed troops to end indigenous protests against Southern Copper Corp's Cuajone copper mine, which had been closed for over 50 days.
- **El Salvador's** Congress approved a month-long extension of emergency powers to combat gang activity that opponents say infringe on civil liberties.
- **Nicaragua's** government completed its withdrawal from the Organization of American States, a move that critics of President Ortega have denounced as a weakening of international norms.



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Americas: US

- **COVID-19** was the third leading cause of death in the United States for the second year in a row in 2021, a government study showed.
- The Senate is set to confirm former chief counsel of the US Senate Judiciary subcommittee on privacy as **FTC chair**, giving the body the personnel to carry out promised investigations of **oil companies**.
- Wind-driven fires destroyed hundreds of homes in **New Mexico**, signaling the start of **wildfire season** in the western US.
- Secretaries of State Blinken and Defense Austin met with Ukrainian President Zelenskyy in **Kyiv**, the highest-level US visit to Ukraine since the onset of the invasion. President Biden accepted Israeli Prime Minister Bennett's invitation to visit **Israel**. US trade officials suggested that the US could lower tariffs on **Chinese goods**.



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Uneven Recovery: African Economic Outlooks Post-COVID

By Matt Skros

As COVID-19 spread across the globe in 2020, government-imposed lockdowns to mitigate the virus' spread caused a global economic contraction. While rising vaccination rates and declining case numbers have allowed for some economic recovery in parts of the globe, African prospects for growth in 2022 remain mixed

The International Monetary Fund has projected growth for sub-Saharan Africa to be approximately 3.8 percent for 2022, which is comparatively slow recovery in relation to other parts of the globe. Low vaccination rates and persistent conflict lay the groundwork for economic instability across the continent that will continue into 2022. Furthermore, Russia's invasion of Ukraine is being acutely felt in the form of higher prices for grain, fuel, fertilizer and other essential goods. These factors mean that while some countries around the globe will see robust recovery from the 2020 global downturn, African nations will struggle to get their economies humming again, widening global inequality.

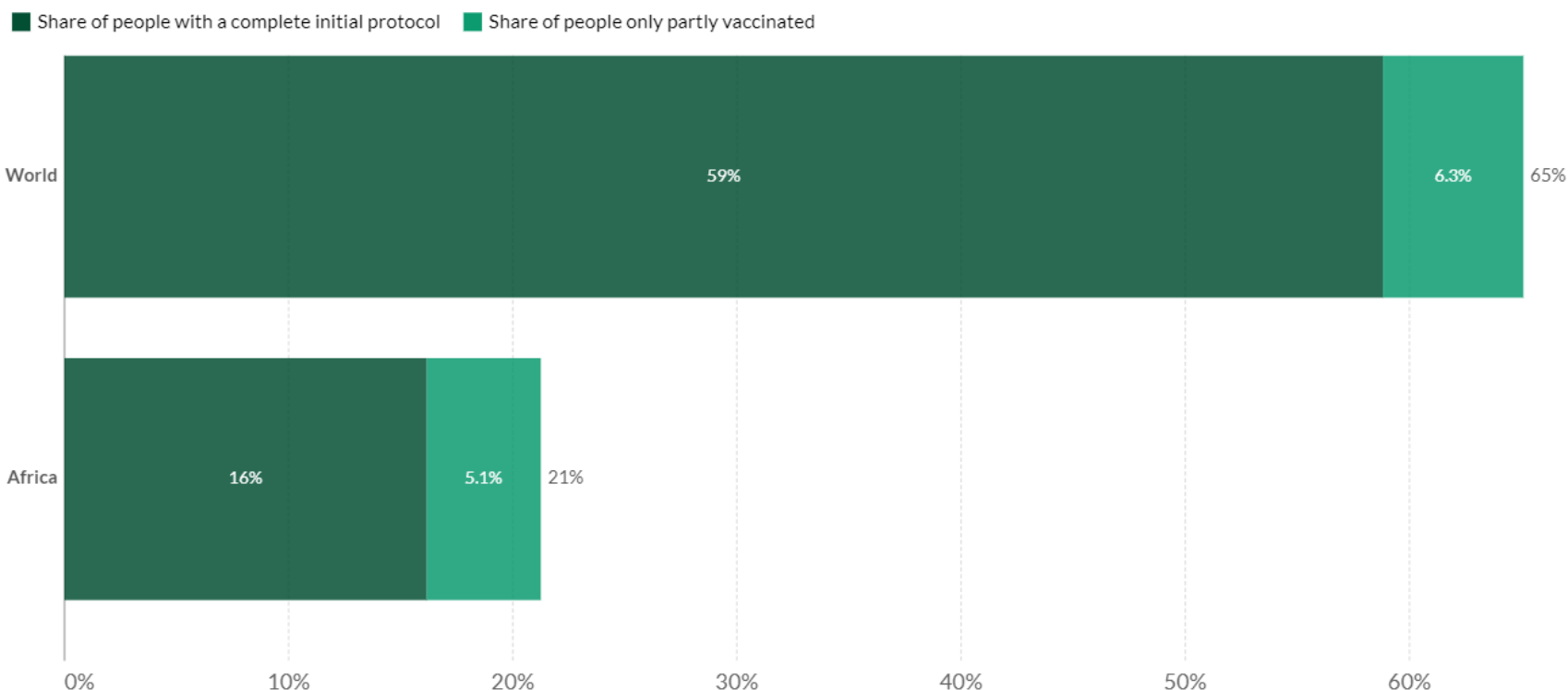
Low Vaccination Rates

Africa as a continent remains far behind the rest of the world in administering COVID-19 vaccines. According to Our World in Data, about 16 percent of the African population is fully vaccinated against COVID-19, compared with 73 percent of the European Union's population. Low vaccine uptake means that new variants may emerge, prolonging the pandemic and overstressing healthcare systems that are already under-resourced. As infection rates wax and wane, short-term lockdowns to curb the spread will handicap economic activity, driving up unemployment. While the World Health Organization has estimated that approximately two-thirds of Africans may have contracted COVID-19 at some point since the virus' introduction, the natural immunity from this infection does not last forever. Vaccinations are the most surefire way to prevent outbreaks, yet logistical difficulties and vaccine hesitancy will likely hamper these efforts no matter how many vaccine doses African countries may acquire. The longer COVID-19 continues to fester on the continent, the more economic recovery will be throttled by lockdowns and pockets of infection.

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Uneven Recovery: African Economic Outlooks Post-COVID

Share of people vaccinated against COVID-19, Apr 23, 2022



Source: Official data collated by Our World in Data

Note: 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.

Our World
in Data

CC BY

▶ Dec 13, 2020 Apr 23, 2022

Persistent Conflict

Simmering conflicts across Africa will also play a role in hampering recovery from the COVID-19 recession. Ethiopia's ongoing civil war against the Tigrayan People's Liberation Front shows little signs of abating, with some indications that the rebels have begun to expand beyond the Tigray region into neighboring Ethiopian states. In the Sahel, insurgents continue to carry out deadly attacks, and the expanded role of Russia's Wagner Group in Mali has led to the withdrawal of European counterterrorism forces and pockets of infection.

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Uneven Recovery: African Economic Outlooks Post-COVID

Nigeria, Cameroon, Somalia and Congo are all battling militant groups with varying degrees of success. Even countries not currently grappling with internal security challenges can face economic spillover due to instability in neighboring countries, harming trade and reducing growth prospects. Furthermore, the perceived inability of governments to provide security will drive discontent among citizens, leading to protests and possibly military takeovers, like Burkina Faso's earlier this year (and Mali, Sudan, and Chad's in the year before).

Ukraine War

Finally, few nations have been spared the ripple effects of Russia's invasion of Ukraine, and Africa is no exception to this. While some oil-producing African nations, such as Nigeria, may see a bump in revenue from rising oil prices, food security on the continent is likely to be negatively impacted. Pre-war, both Russia and Ukraine supplied large amounts of wheat, soybeans and barley to Africa to the tune of \$6.9 billion in annual trade, according to the Center for Strategic and International Studies. The loss of this trade is being felt in the Horn of Africa, where a historic drought is already causing food shortages, driving starvation and mass migration. International aid agencies are warning that their ability to provide services will

diminish as the prices of food rise, stretching their donor dollars. Increasing costs for basic food commodities will also reduce disposable income. For those already living on tight budgets, price hikes could push them over the edge into extreme poverty. Expensive goods will foment widespread discontent, feeding into already prevalent public perceptions of ineffective government and driving further instability, which will significantly harm recovery prospects.

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Ukraine War Update: Diplomatic Missions Re-Open, Russian Economic Data Goes Dark, Machinery of War Quickens

Speaking from Kyiv, Secretary of Defense Austin said, "*We want to see Russia weakened to the degree that it can't do the kinds of things that it has done in invading Ukraine.*"

Political Developments

Over the weekend, Ukrainian President Zelensky again warned that Russia had its sights set on other European countries if its troops push past Ukrainian forces trying to hold back a renewed Russian offensive in the south and east of the country.

UN Secretary-General Guterres is scheduled to meet Russian President Putin in Moscow on Tuesday. Guterres will visit Turkey on Monday before heading to Russia, after which he will go to Ukraine for talks with President Zelenskyy. European Council President Michel spoke with Putin in a phone call on Friday, urging the Russian president to engage directly with Zelensky.

While the prospect for a diplomatic breakthrough remains low with Putin focused on achieving territorial gains, the military assistance surge by Ukraine's allies is kicking into a higher gear.

US Secretary of State Blinken and Defense Secretary Austin visited

Kyiv on Sunday, meeting with political and military officials, assessing the situation on the ground and security needs. Austin said that the meeting focused on current needs and building for tomorrow. Austin assessed that the nature of the fight in Ukraine had changed, and that Kyiv now needs long-range fires for both artillery and missiles, as well as tanks.

Blinken said that Russia's military was underperforming, and its economy was "*in shambles*" due to sanctions and a mass "*exodus*" from the country.

The US announced an additional \$322 million in foreign military financing and approved sale of \$165 million sale of ex-Soviet ammunition to Ukraine. The assistance is part of a broader aid package of more than \$713mn destined for other central and eastern European countries. Austin is scheduled to go to the Ramstein US Air Base in western Germany on Tuesday to speak with NATO and non-NATO allies on how best to support Ukraine.

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Canada's defense ministry said on Friday it sent heavy artillery to Ukraine's forces. The statement went on to say that a "significant number" of anti-armor ammunition had also been provided, and armored vehicles would also be sent soon. French President Emmanuel Macron says his country is sending heavy weapons to Ukraine, including a self-propelled howitzer and an anti-tank guided missile weapon system.

UK Prime Minister Boris Johnson says there was a "realistic possibility" the war in Ukraine could drag on until the end of next year. Johnson also said the UK was planning to send tanks to support Poland so that Warsaw could send its own to Ukrainian forces fighting against Russia.

Spain reopened its embassy in the Ukrainian capital. The UK plans to reopen its embassy in Kyiv next week. The US plans to return American diplomats to Ukraine starting next week, and that US President Biden intended to nominate a new ambassador to the country.

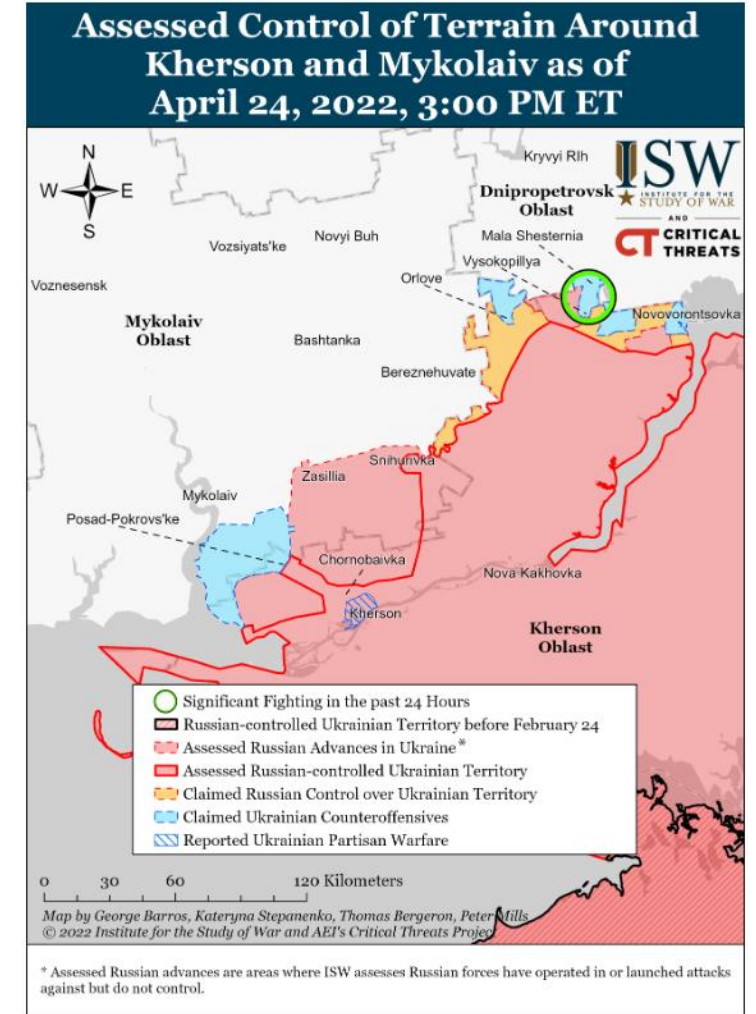
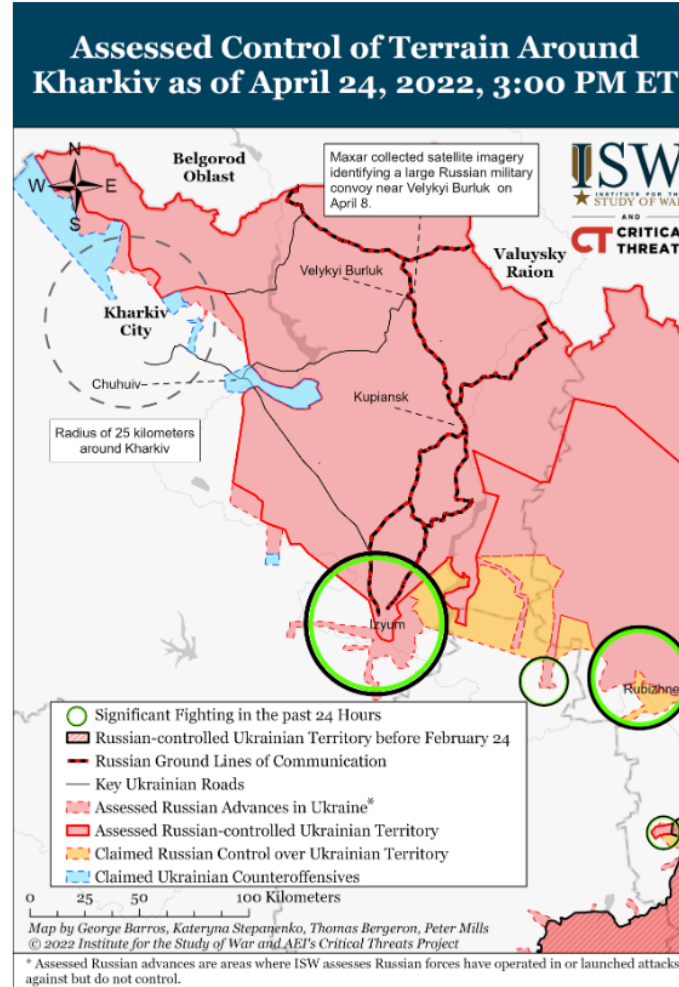
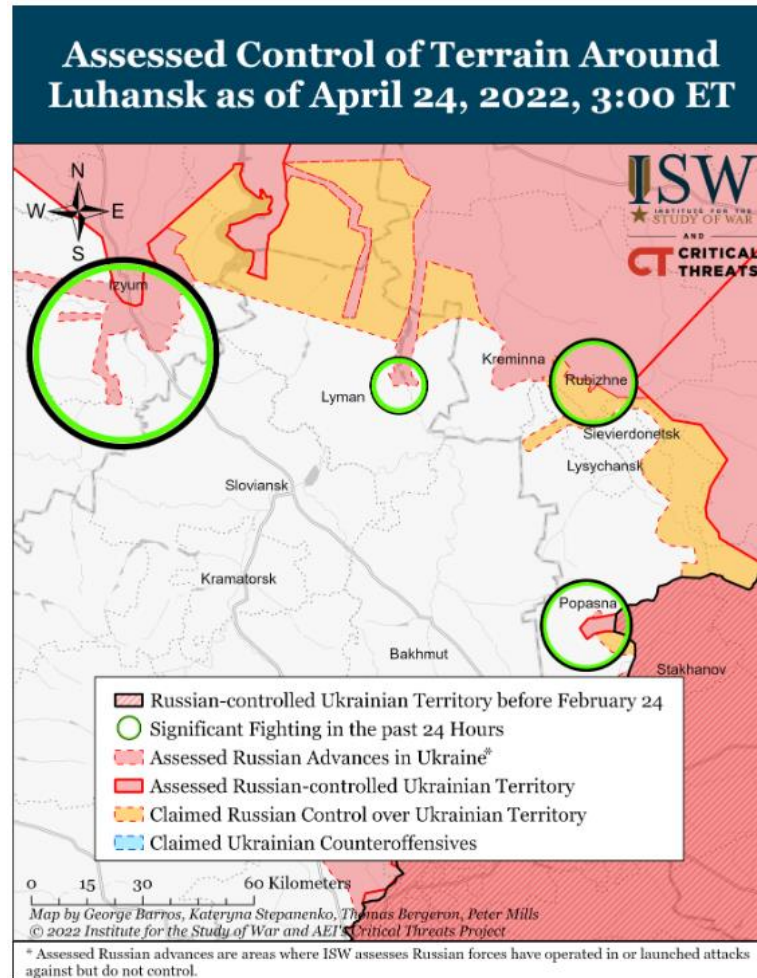
Battlefield Developments

Over the weekend, Britain's defense ministry assessed that Moscow has made minor advances in some areas since shifting its focus to Ukraine's eastern Donbas region. However, "Russia has yet to achieve a breakthrough" due to insufficient logistical and combat support. According to the intelligence update, Ukraine's defense of Mariupol has exhausted Russian units and reduced their combat effectiveness.

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Ukraine War Update: Diplomatic Missions Re-Open, Russian Economic Data Goes Dark, Machinery of War Quickens



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

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Ukraine War Update: Diplomatic Missions Re-Open, Russian Economic Data Goes Dark, Machinery of War Quickens

British intelligence said that Russia's defense ministry has proposed compensation for the families of deceased servicemen be overseen by military rather than civilian officials. Britain's defense ministry believes this *"reflects a desire to hide the true scale of Russia's losses from the domestic population."*

The Institute for the Study of War assessed that Russian offensive operations in eastern Ukraine made minor advances around Severodonetsk on April 24, seizing several small towns and establishing a pontoon bridge across the Krasna River west of Severodonetsk. Russia's offensive in eastern Ukraine continues to follow the pattern of their operations throughout the war, using small units to conduct dispersed attacks along multiple axes rather than taking the pauses necessary to prepare for decisive operations.

Russian airstrikes hit Ukrainian-controlled cities in the Donbas and Odessa, destroying civilian infrastructure. Five train stations in central and western Ukraine have been hit by missile strikes. The Russian Ministry of Defense said it had struck Ukrainian military targets. Russia has moved Iskander-M missile launchers to sites within 60 kilometers (40 miles) of Ukraine's border, said the General Staff of Ukraine's Armed Forces. The mobile ballistic Iskander system has a range of up to 500 kilometers and is armed with two

guided missiles capable of carrying both conventional and nuclear warheads.

Despite claiming to switch to siege tactics, Russia's forces sought to dislodge the last Ukrainian troops in the battered port of Mariupol once again over the weekend. Ukraine's armed forces command wrote on Facebook that Russian forces were firing and performing *"offensive operations"* at the Azovstal steel plant.

Humanitarian Developments

UN's High Commissioner for Human Rights Michelle Bachelet said that since Russia invaded Ukraine on February 24 *"international humanitarian law has not merely been ignored but seemingly tossed aside."* The UN says, in total, it has received more than 300 allegations of civilians being killed in the regions of Kyiv, Chernihiv, Kharkiv and Sumy, all under the control of Russian armed forces in late February and early March.

Economic Developments

Russian authorities have stopped publishing data on government debt, trade statistics and oil production. The central bank limited the volume of financial information that local banks have to publish

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Ukraine War Update: Diplomatic Missions Re-Open, Russian Economic Data Goes Dark, Machinery of War Quickens

regularly while lawmakers are working on a bill banning lenders from sharing data with foreign states. Russia appears to be seeking to hide the impact of the Ukraine war and economic sanctions on the Russian economy.

Australia has imposed sanctions and travel bans 144 Russian senators and two daughters of Russian President Putin.

The EU is working on a sixth sanctions package, which may include some form of an oil embargo structured to minimize the collateral damage on Europe's economy. German financial leaders continue to warn about the country's exposed position, with the German central bank advising that an immediate EU ban on Russian gas imports would dent Germany's GDP by 5 percent this year.

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Coronavirus Condition Updates

As of 5:47pm CEST, 22 April 2022

Coronavirus Snapshot

Globally, confirmed coronavirus cases surpassed 505.8 million, continuing their downward trend; the number of vaccine doses administered is over 11.3 billion.

Global deaths reached 6.2 million, also continuing a downward trend.

Situation by WHO Region



Europe 212,388,135 confirmed

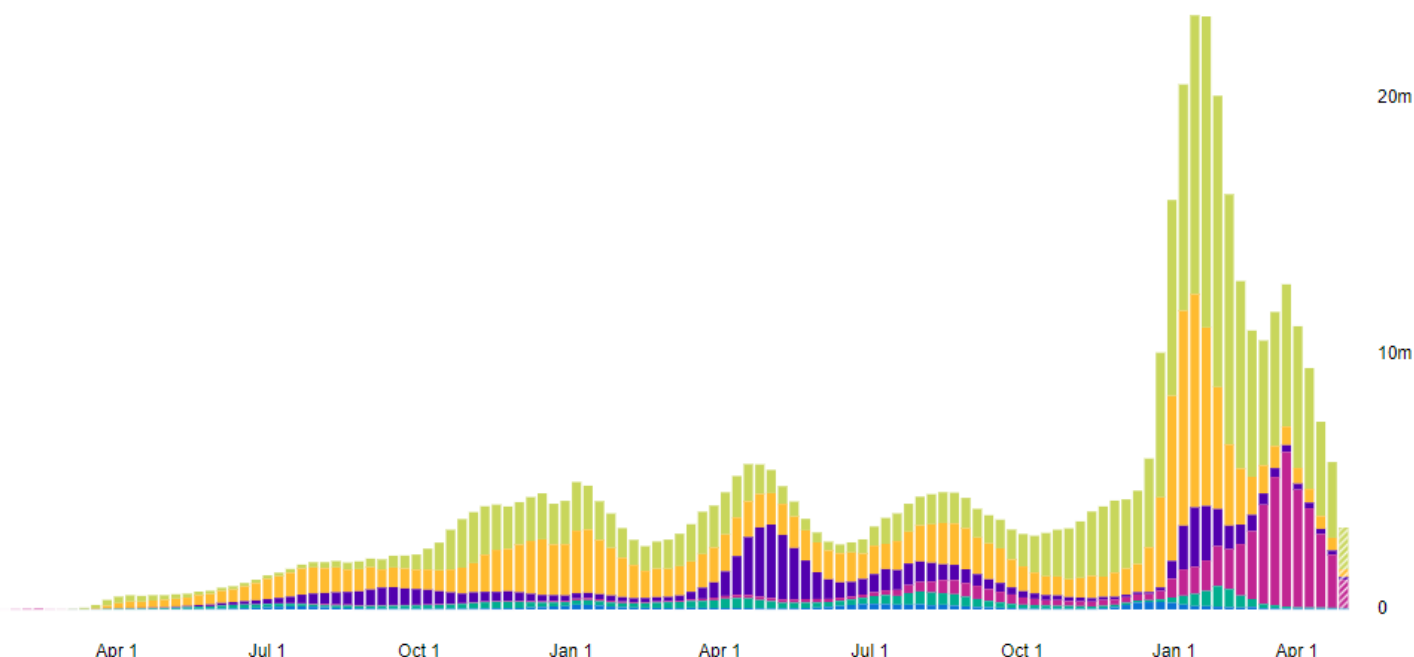
Americas 152,265,980 confirmed

South-East Asia 57,688,287 confirmed

Western Pacific 53,081,750 confirmed

Eastern Mediterranean 21,681,983 confirmed

Africa 8,711,054 confirmed

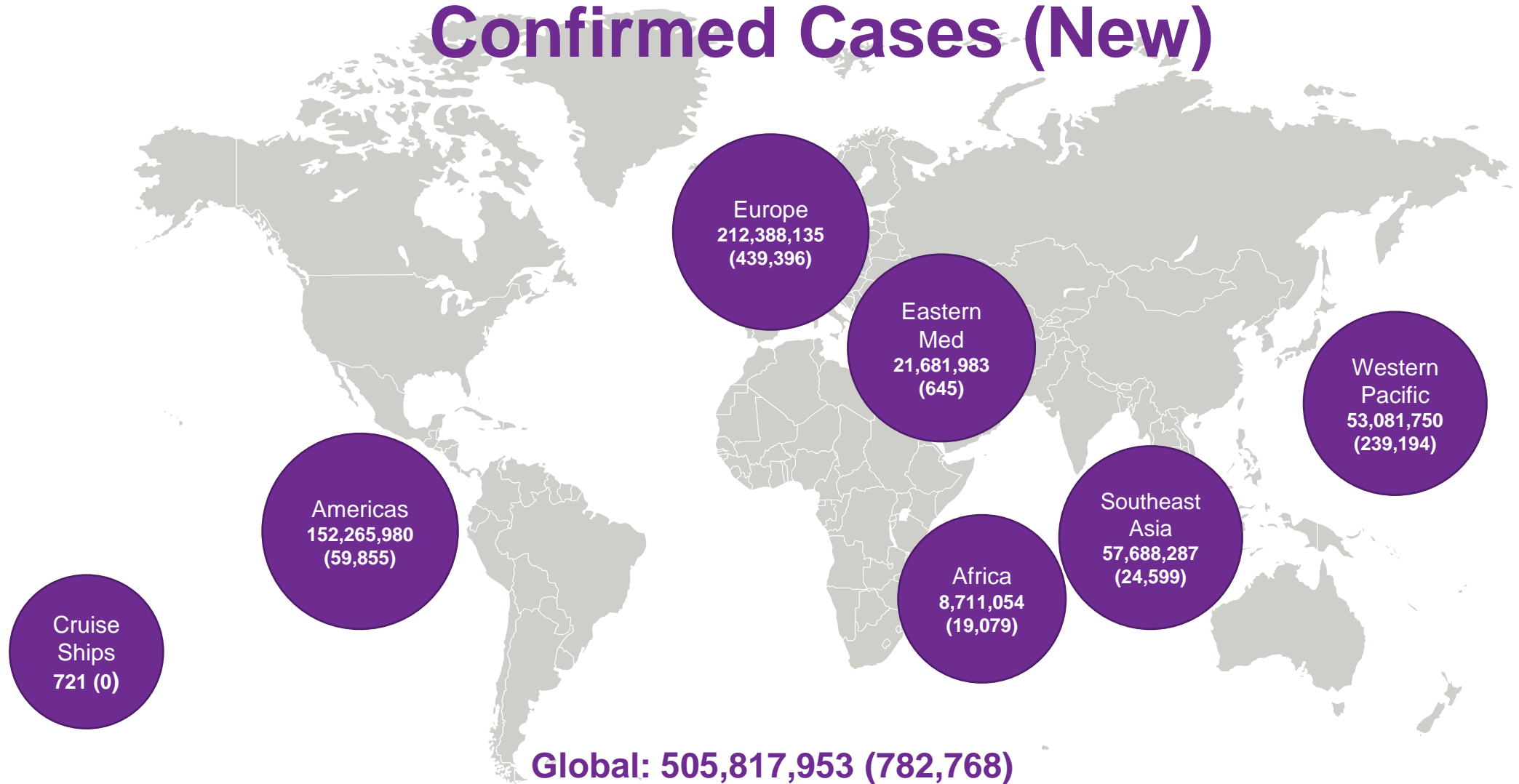


Source: World Health Organization

▨ Data may be incomplete for the current day or week.

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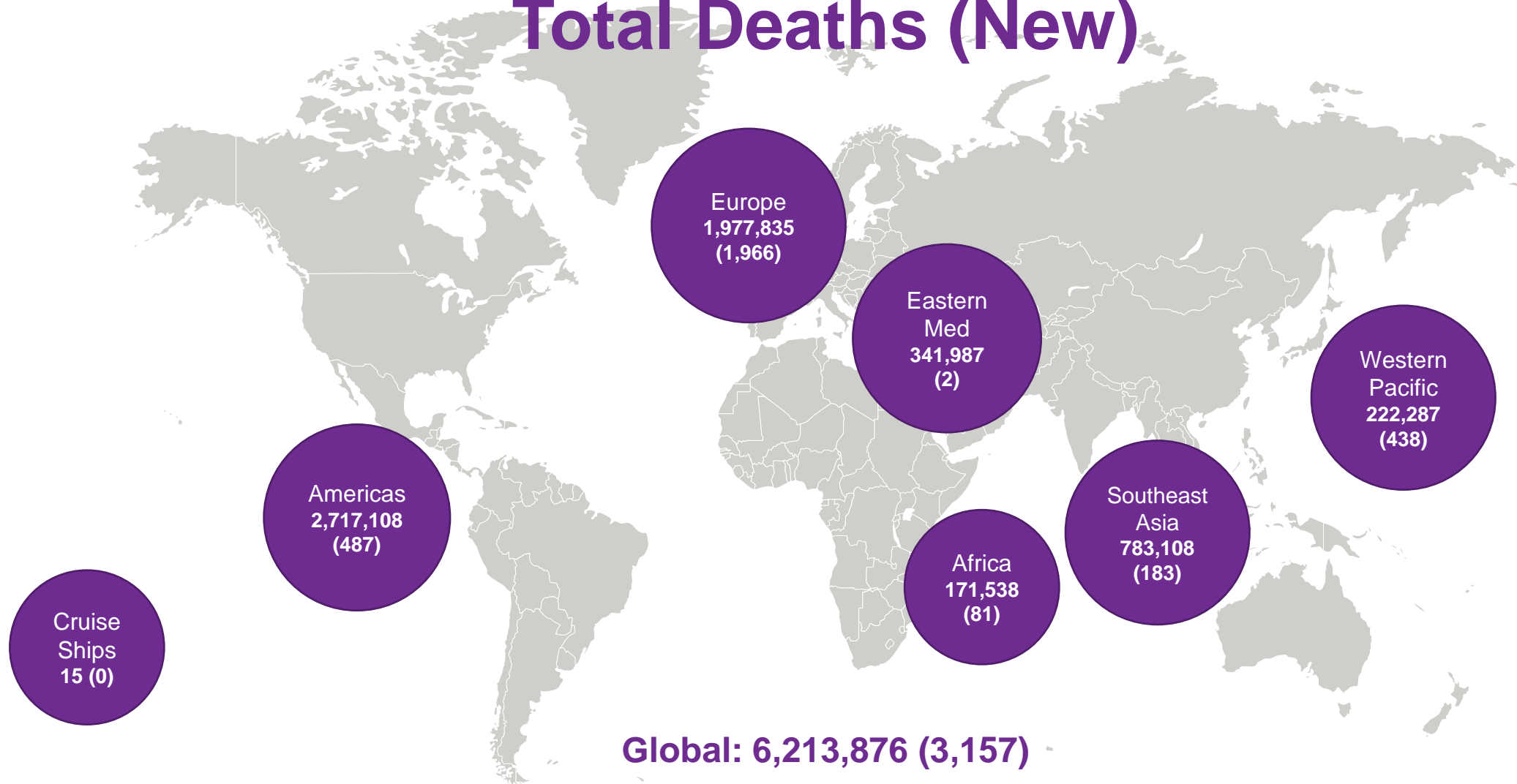
Confirmed Cases (New)



Reflects data as of 5:40 pm CEST on April 19, 2022.
Data Source: World Health Organization

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Total Deaths (New)



Reflects data as of 5:40 pm CEST on April 19, 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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