

Dentons Flashpoint

Daily Global Situation Report

January 31, 2022

Global Situation Update: January 31, 2022

KEY TAKEAWAYS

North Korea conducted its largest missile test since 2017.

The eurozone economy grew 0.3 percent in Q4 of 2021, underscoring its increased resilience.

A pipeline leak threatens fragile coral reefs and pristine beaches of Thailand.

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: January 31, 2022

WHAT WE'RE WATCHING

North Korea fired off its seventh round of weapons launches this month in an apparent attempt to pressure the Biden administration over long-stalled nuclear negotiations. It was the longest-range missile tested by Pyongyang since Biden took office and traveled 800 km before landing in the Sea of Japan. There are already more tests in January than all of 2021.

North Korean leader Kim Jong Un is “reconsidering” past “confidence-building measures” agreed to with the US in 2018 and 2019. This threat is a continuation of a familiar cycle: diplomatic stalemate, North Korean weapons tests, US sanctions, followed by more provocative tests by Pyongyang. Both US sanctions moves and Kim’s tests remain deliberately restrained, but the risk of escalating tensions will rise in the coming months if this cycle continues, which is likely.



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Global

Globally, confirmed coronavirus cases topped 364.1 million with 5.6 million deaths; more than 9.8 billion vaccine doses have been administered.

- The UN Security Council will meet today for the first time to discuss Russia's build-up of troops near **Ukraine's** border.
- Canada has withdrawn non-essential Canadian employees and remaining dependents from its embassy in **Ukraine**.
- Britain announced it will impose sanctions on companies and people with the closest links to the Kremlin if Russia takes action against **Ukraine**. The Kremlin spokesman said the threat of sanctions would amount to an attack on Russian businesses and Russia would respond.
- China's foreign ministry accused the US of planning to "sabotage" the **Beijing Winter Olympics** by paying athletes from some countries to make half-hearted efforts in competition and to criticize China.
- During the past four days China has detected some 119 cases of COVID-19 among athletes and personnel linked to the **Beijing Winter Olympics**.

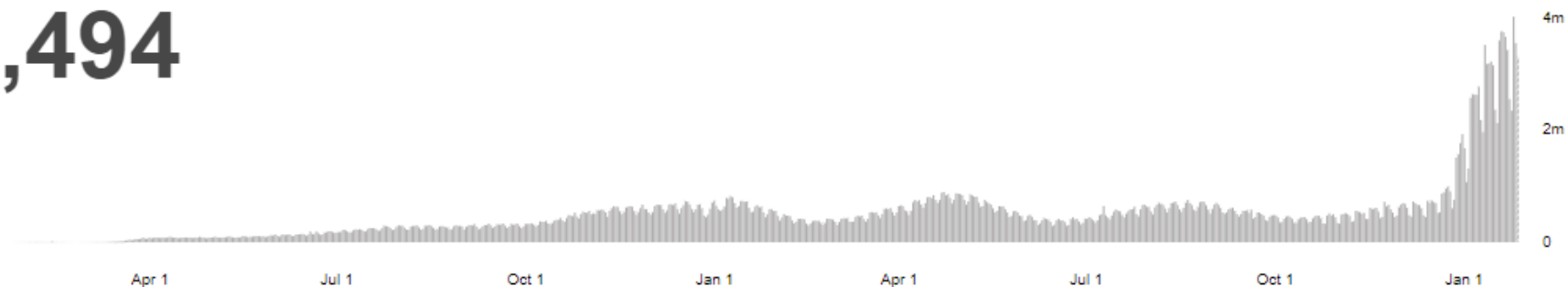
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Global

Global Situation

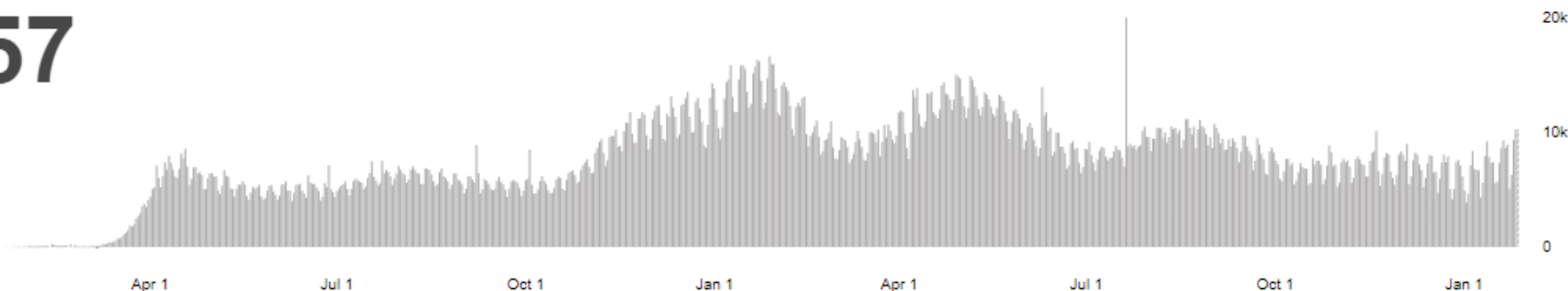
364,191,494

confirmed cases



5,631,457

deaths



Source: World Health Organization

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

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Markets & Business

Spotify said it would add “content advisory” warnings to podcasts that discussed COVID-19, as the streaming service responded to a backlash against its popular podcaster Joe Rogan with more musicians pulling their content from the streaming service.

- **T-Mobile US** Inc plans to fire corporate employees who are not fully vaccinated against COVID-19 by April 2.
- **Binance**, the world's largest cryptocurrency exchange, has restricted the personal accounts of 281 Nigerian users, citing a need to comply with international money laundering laws
- Dozens of tech executives including the founders of **Klarna, Skype, Delivery Hero and Flutterwave** have started a \$200 million venture capital fund aimed at finding Africa's next 'unicorns'.
- Australian lithium operation **Tianqi Lithium Energy Australia** will produce the country's first battery-grade lithium hydroxide by March, with commercial production set to begin in the second half of 2022.

Environment, Sustainability & Governance

Large US retailers, including CVS and Target, are facing pressure from shareholders to disclose details about paid sick leave policies for workers, an emerging financial risk issue for companies gaining attention during pandemic.

- Germany may drop a levy on electricity bills that is used to support **renewable power** from the second half of the year, to ease the strain of rising energy costs on households. Energy prices in Germany in December were up 69 percent compared with December 2020.
- Thai authorities are rushing to prevent an **oil spill in eastern Thailand from damaging fragile corals** at Ao Prao, a small bay on Koh Samet, which is a popular resort island. The pipeline oil leak that began last week is now drifting towards coastal areas. The Mae Ramphueng beach in Rayong province has already been declared a disaster zone, with sand blackened by oil.
- Australia will spend an additional A\$50 million (\$35 million) in the next four years to **protect koala habitat** and slow the decline of the vulnerable species, with estimates of their numbers ranging from about 330,000 to no more than 100,000 in the wild.
- Per Chinese official data, **air pollution** in 339 Chinese cities improved in 2021, with average concentrations of small, hazardous airborne particles known as PM2.5 down 9.1 percent from a year earlier to 30 micrograms per cubic meter.

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Africa

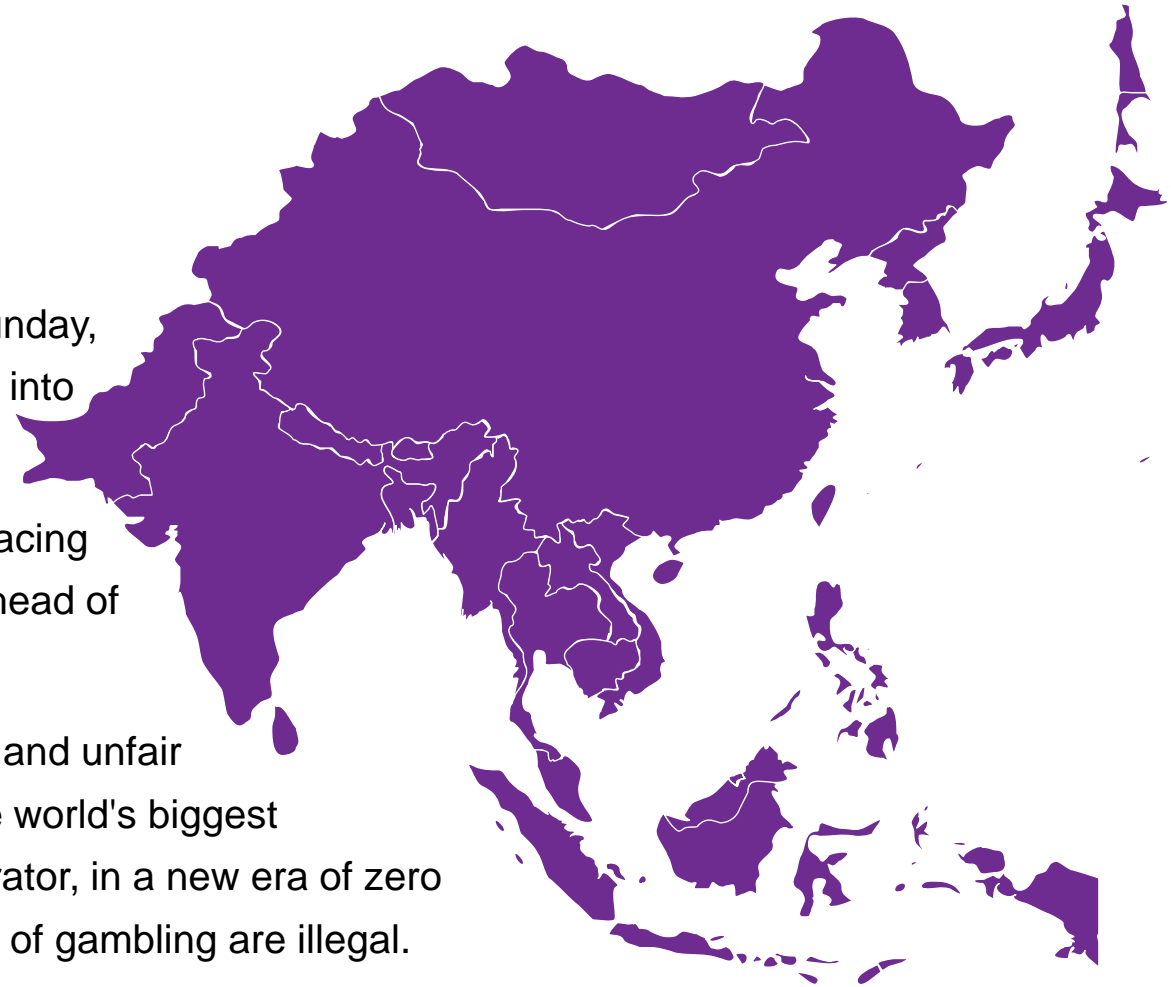
- About 50 people were sentenced to death, many in absentia, in **Democratic Republic of Congo** on Saturday in connection with the murders of two UN in 2017. Congo has observed a moratorium on the death penalty since 2003 so those convicted will serve life sentences.
- ECOWAS, West Africa's main regional bloc, suspended **Burkina Faso** from its governing bodies over this week's military coup but stopped short of imposing any sanctions.
- European states combating Islamist militants in **Mali** will try to find a way to keep their mission going, but there are limits to the price that **France** is prepared to pay to remain there, per French Defense Minister Parly.
- **Rwanda** will re-open a border crossing with **Uganda** that was shuttered nearly three years ago, amid tensions fueled by accusations of espionage and support for each other's dissidents.



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Asia

- **North Korea** conducted its largest missile test since 2017 on Sunday, sending a suspected intermediate-range ballistic missile soaring into space.
- A **Myanmar** court added electoral fraud to the charges already facing ousted leaders Aung San Suu Kyi and Win Myint today, a day ahead of the first anniversary of the coup that toppled them.
- **China** will toughen law enforcement to curb monopoly practices and unfair competition in the pharmaceutical industry. Police in Macau, the world's biggest gambling hub, has arrested Macau's second-biggest junket operator, in a new era of zero tolerance of the promotion of gambling in China, where all forms of gambling are illegal.
- **Australia** is seeking to be included in consultations about a trade dispute between the **EU and China** on China of discriminatory trade practices against Lithuania. Relations between Australia and China soured after Canberra banned Huawei Technologies from its 5G broadband network and Beijing responded by imposing tariffs on several Australian commodities, such as coal, beef, barley and wine.



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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:

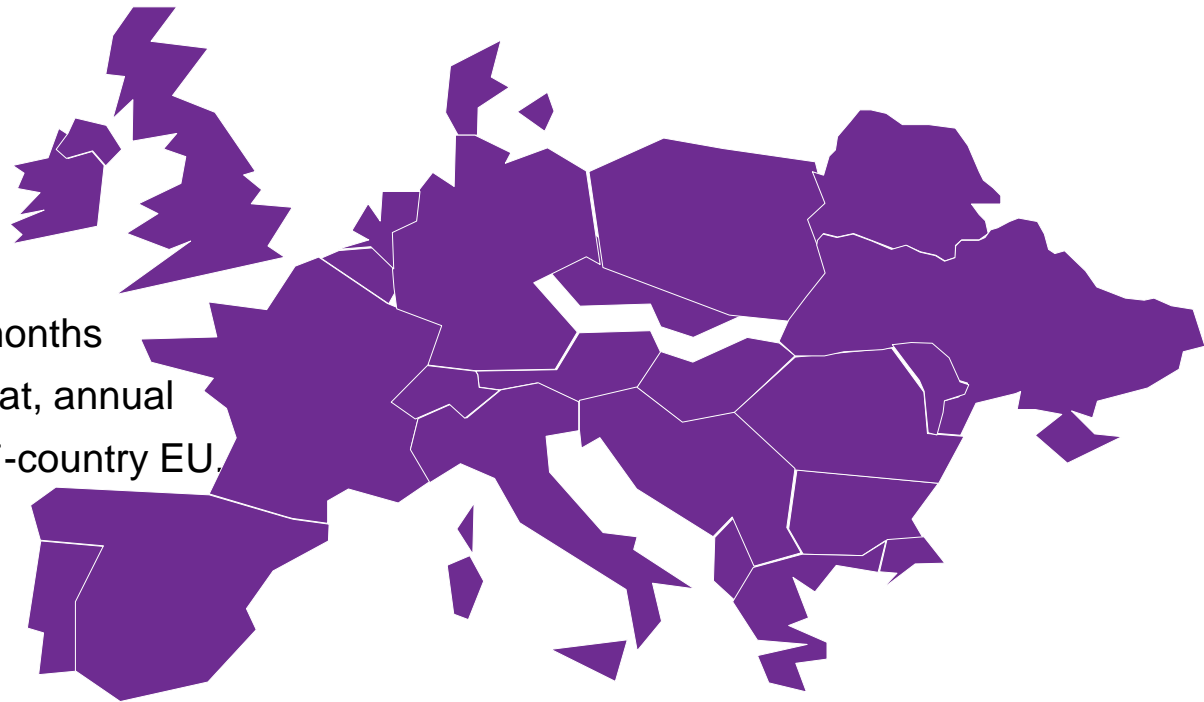
- ❖ Ransomware tabletop exercises
- ❖ Post-tabletop action reports
- ❖ Maturity assessments for preparedness
- ❖ Supply-chain attack simulation
- ❖ Comprehensive incident response plan
- ❖ Threat analysis and monitoring

All interaction with Dentons is attorney-client privileged

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

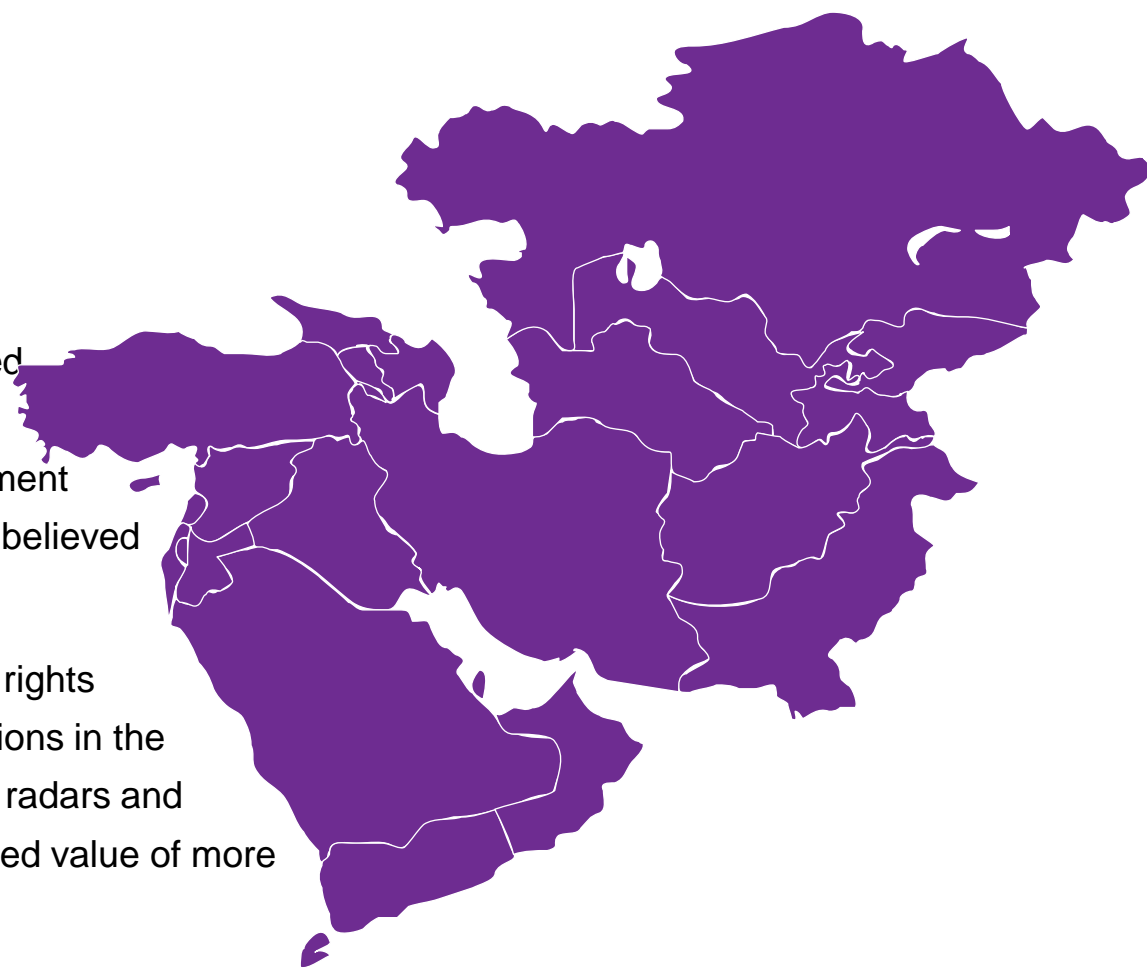
Europe

- The **eurozone** economy grew 0.3 percent in the final three months of last year, underscoring its increased resilience. Per Eurostat, annual GDP grew 5.2 percent in both the eurozone and the wider 27-country EU.
- **Portugal's** ruling Socialists won the country's parliamentary election on Sunday with an absolute majority. The opposition has conceded to the center-left Socialist party led by Prime Minister António Costa. The snap election was triggered two months ago when lawmakers rejected the minority Socialist government's spending bill and the country's president dissolved parliament.
- Thousands of **Czechs** massed in Prague's Wenceslas Square on Sunday, waving flags and chanting slogans against COVID-19 restrictions, even as infections surge.
- **Turkey's** president has ordered that steps be taken against media content like TV programs that are deemed contrary to Turkey's "*fundamental values*." Last week, well-known journalist Sedef Kabaş was arrested pending trial for insulting President Erdoğan after citing a proverb on Tele 1 television and social media referring to an ox.



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Middle East

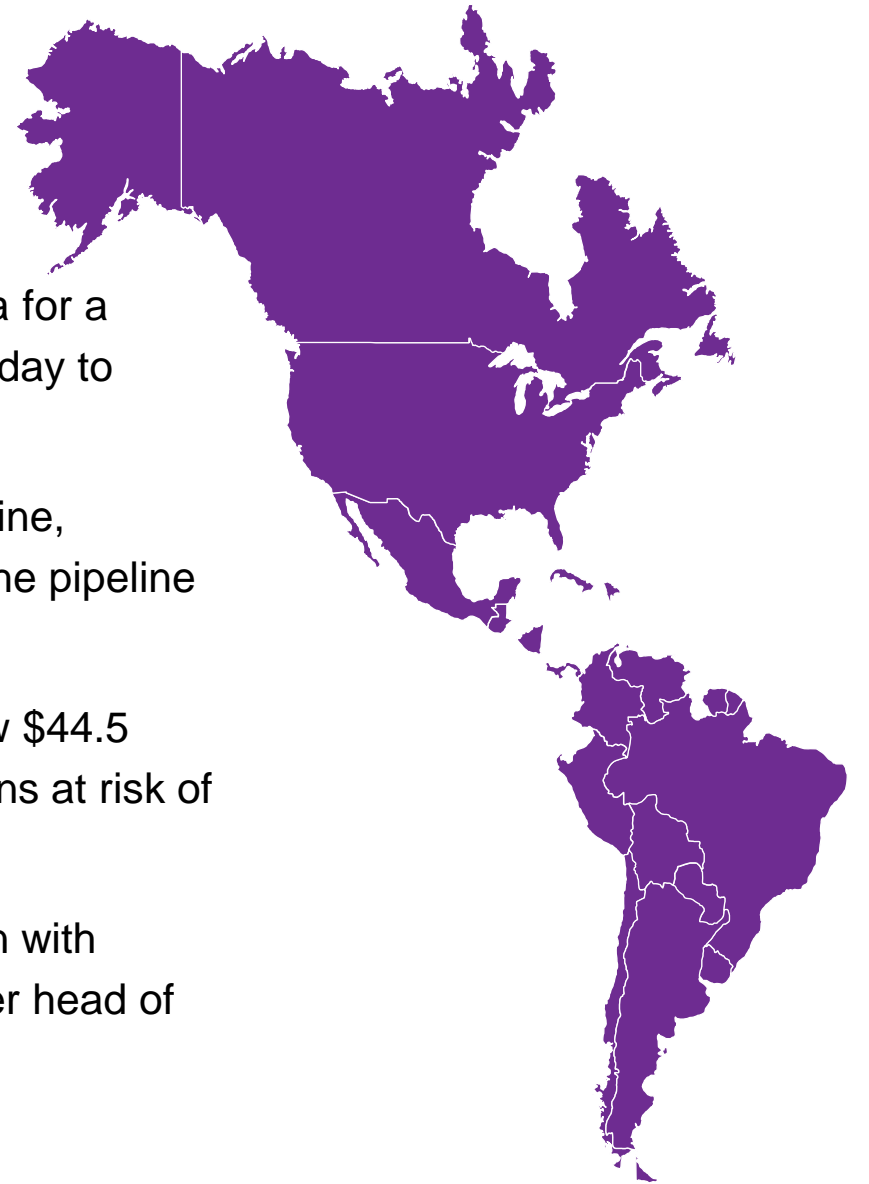


- In **Afghanistan**, the Taliban acting higher education minister announced public universities will be reopened, without specifying whether female students would be able to return. The **US** called on the Taliban government to release a US civil engineer who was abducted two years ago and is believed to be the last American hostage held by the Taliban.
- The **US** is set to deny \$130 million of military aid to **Egypt** over human rights concerns, if Egypt did not address specific human-rights-related conditions in the next few days. However, US approved the potential sale of air defense radars and C-130 Super Hercules planes to Egypt earlier in the week for a combined value of more than \$2.5 billion, sending mixed messages.
- **Lebanon's** Bahaa al-Hariri declared he was entering Lebanese politics, following in the footsteps of his slain father days after his brother, Saad, stepped away from public life. Lebanon's Iran-backed Hezbollah group, reversed courses with the stepping back of Saad Hariri, saying there no reason to delay May's parliamentary elections.
- The **UAE** intercepted a ballistic missile fired by **Yemen's** Iran-aligned Houthi movement as the UAE hosted **Israeli** President Isaac Herzog on his first official visit to the Gulf business and tourism hub.

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Americas

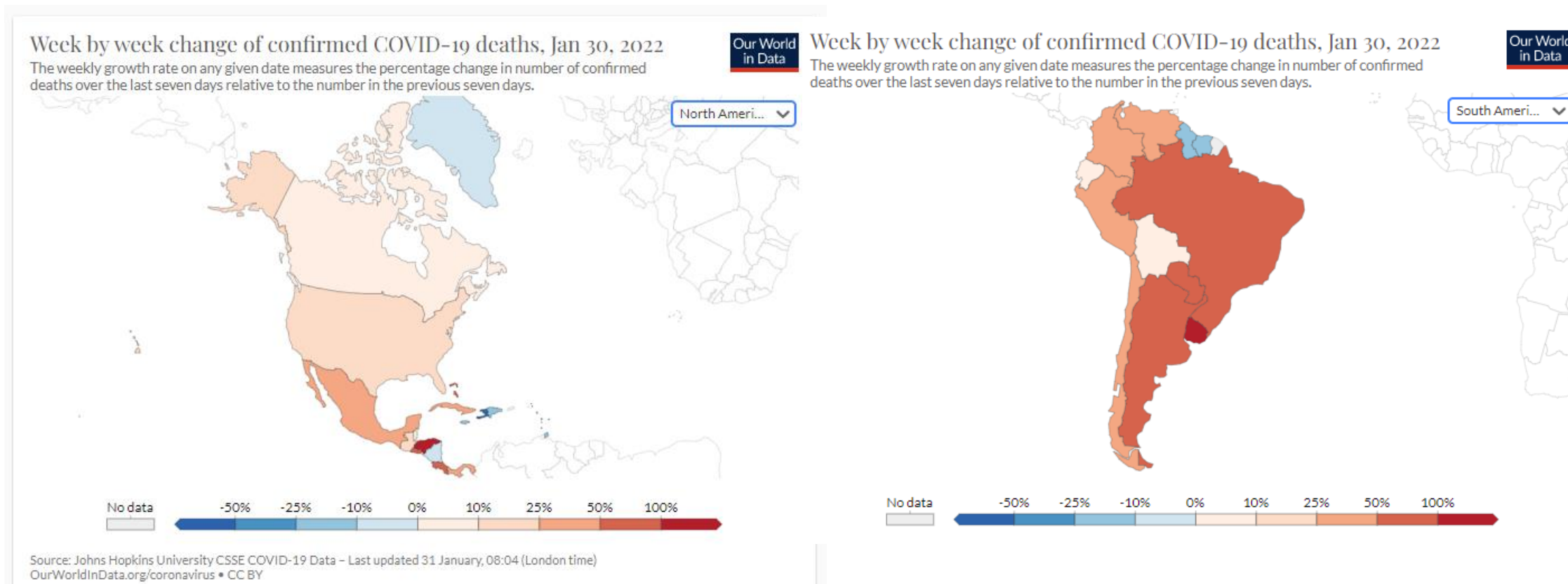
- Dozens of trucks and other vehicles blocked the downtown area of Ottawa for a second day after thousands descended on **Canada's** capital city on Saturday to protest against the COVID-19 vaccine mandates.
- OCP Ecuador, the operator of **Ecuador's** privately held heavy crude pipeline, suspended pumping crude on Saturday as a preventative measure after the pipeline ruptured in the Amazon.
- **Argentina** has reached an agreement in principle with the IMF over a new \$44.5 billion standby deal, a major breakthrough in tense talks to restructure loans at risk of default.
- **Italy** has rejected a request by **Venezuela** for the extradition in connection with embezzlement charges of Rafael Ramirez, a former oil minister and former head of state oil company Petroleos de Venezuela.



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Americas

Deaths from COVID-19 continue to surge across the Americas.

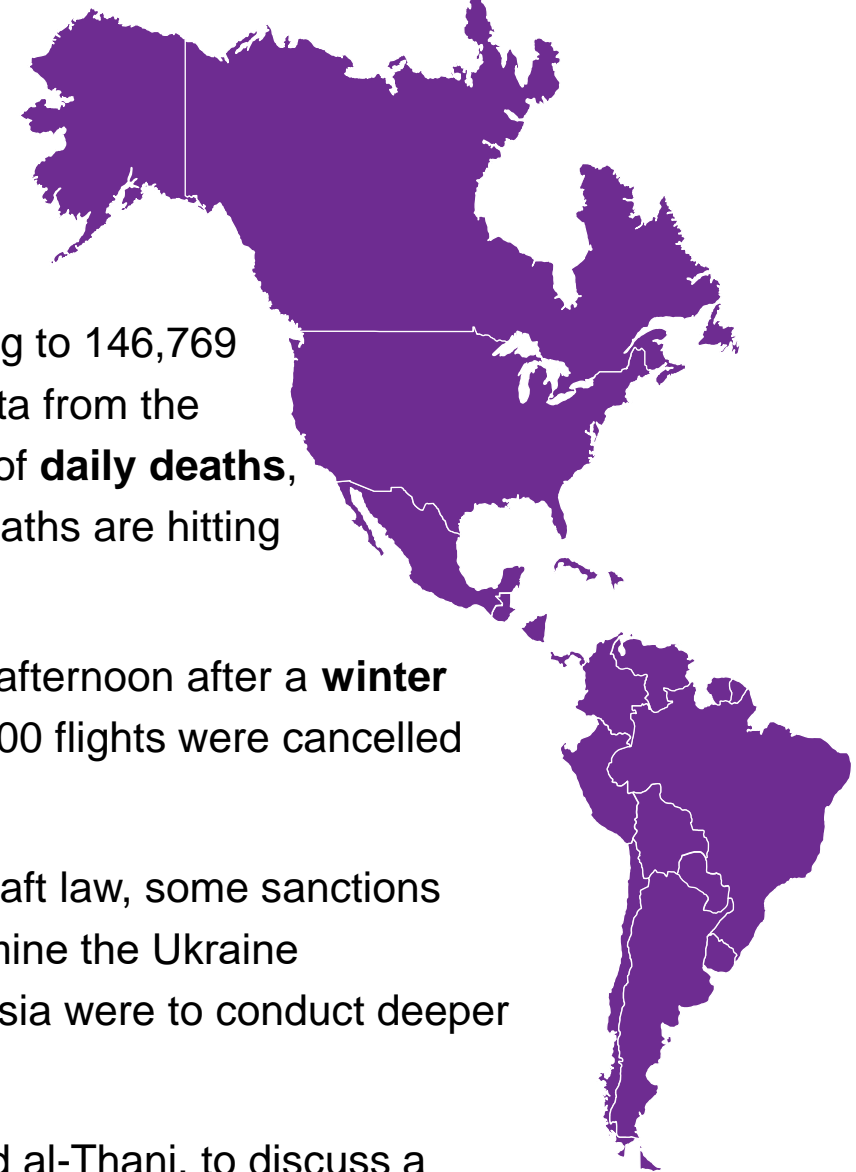


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Americas: US

- **Hospitalizations** for COVID-19 slowed with the seven-day average dropping to 146,769 on Saturday, about 8 percent down from a peak on Jan. 20, according to data from the Department of Health and Human Services. The rolling seven-day average of **daily deaths**, a lagging indicator, continues to rise, however, reaching 2,379 on Friday. Deaths are hitting their highest level since February last year.
- About 30,000 customers in Massachusetts were still without power Sunday afternoon after a **winter storm with heavy snow** and high winds walloped the East Coast. Over 1,400 flights were cancelled on Sunday.
- The US Senate is nearing a deal on sanctions against **Russia**. Under the draft law, some sanctions could be implemented immediately in response to Russia's efforts to undermine the Ukraine government and launch cyber attacks. Others would be imposed only if Russia were to conduct deeper incursions into Ukraine.
- President Biden will meet today with **Qatar's** emir, Sheikh Tamim bin Hamad al-Thani, to discuss a broad agenda including the potential of Qatar diverting LNG to Europe if the Ukraine conflict disrupts Russian gas deliveries to the continent.

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Government-Ordered Internet Outages Threaten Political Freedoms, Economic Activity and More

By Anni Coonan

State-ordered restrictions to internet access are on the rise throughout the world, posing unique risks to political freedoms, human rights, and economic activity. In just the first month of 2022, two countries - Burkina Faso and Kazakhstan - implemented country-wide internet lockdowns, in both cases due to rising political instability. With business, shopping, socializing, and more conducted fully online - especially in the midst of the COVID-19 pandemic - internet restrictions of all kinds have never had a more outsize effect on daily life or business continuity.

Myanmar: Total Shutdown Amid Unrest

Throughout the last year, citizens in Myanmar have experienced months-long blackouts of internet and telecoms access as a result of the military coup that took place in February of 2021. Hours before a military junta deposed the democratically elected government, a group of soldiers raided the country's internet service headquarters and shut down the internet for the first time; over the next several weeks, the military instituted regular "internet curfews" to limit protest activity at night before transitioning to a complete internet blackout a month and a half after the coup took place. The shutdown persisted until December of 2021, when some households began to report

intermittent fixed-line internet access (such as via ethernet), but to this day mobile internet remains inaccessible.

The months-long shutdown is an especially stark example of a government shutdown implemented to close online spaces for opposition and protest organizing, and one that has cost businesses in the country (and the military junta by extension) dearly. *Bloomberg* estimates that Myanmar lost \$2.8 billion in revenue as a result of the closures, the largest loss in the world, due to stifled domestic business activity and loss of international business (while many businesses left the country primarily for reputational reasons, Norwegian telecoms firm Telenor cited operational difficulties as well,

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Government-Ordered Internet Outages Threaten Political Freedoms, Economic Activity and More

and 24/7 internet outages made business continuity near impossible to maintain).

Nigeria: Platform-Specific Suspensions

This year's internet restrictions in Nigeria represent a distinct, but also troubling, challenge for multinationals. In early June, the Nigerian government cut off access to Twitter within the country over the deletion of several tweets by President Buhari for the violation of rules regarding incitement to violence. While the Nigerian government maintained that the suspension was due to the spread of misinformation on the platform, the Tweets - in which Buhari warned Nigerians of a repeat of the Biafran Civil War if an anti-government insurgency continues in the northeast - clearly factored into the decision; in addition, the ban allowed Abuja to curtail the main organizing platform for the anti-police #EndSARS protests that have rocked the country for the past several years. The ban lasted until several weeks ago when Twitter agreed to establish a regional office in the country, likely to be subject to some level of oversight over the country. Although a lack of access to Twitter is less consequential to daily life or business than a ban on Facebook would

be, for example (few people exclusively operate their businesses or communicate with their families via Twitter), the ban demonstrates the extent of government control over platforms in their countries.

Russia: Traffic Throttling to Reduce Access

An emerging trend in state-ordered internet restriction is the intentional throttling of traffic to a specific website in order to make it less accessible. This tactic has been observed in Russia, where the Kremlin announced that it would slow down Twitter speeds in March of 2021 in retaliation for Twitter's alleged failure to remove banned content, including child pornography. Activists, however, argue that the punitive slowdown was intended to stifle dissent that had flared at that time around Alexei Navalny's case. Twitter remains under a slowdown in the country, and Moscow has explicitly advised other multinational technology to see the throttling as a warning of consequences if Russian laws are not followed. Similar to the case in Nigeria, the slowdown of Twitter has not had an immense impact on businesses in the country, but it has further narrowed areas for political contestation and honed another tool for internet restriction. If this tactic is repeated in other areas, businesses and individuals may

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Government-Ordered Internet Outages Threaten Political Freedoms, Economic Activity and More

may find previously reliable modes of communication to be impossible or inefficient, forcing users to suspend their activities or find workarounds.

Implications for Businesses and Individuals

As current geopolitical hotspots develop and spread, full internet lockdowns, platform-specific lockdowns, and traffic throttling will remain a strategy in the toolkit of governments facing widespread protest or unrest. Interruptions will have widespread effects on multinationals operating in countries where they take effect, interrupting regular business communications and advertising and even putting employees in danger in cases of severe unrest. Firms should be sure to understand the telecommunications environment in countries where they operate (do employees regularly use WhatsApp to communicate, rather than SMS texting, for example?), and diversify their external and internal communications across several platforms. To be proactive, multinationals should invest in high-quality geostrategic monitoring to predict and track political developments that could lead to instability and to internet restrictions, and for services and goods, such as satellite phones or

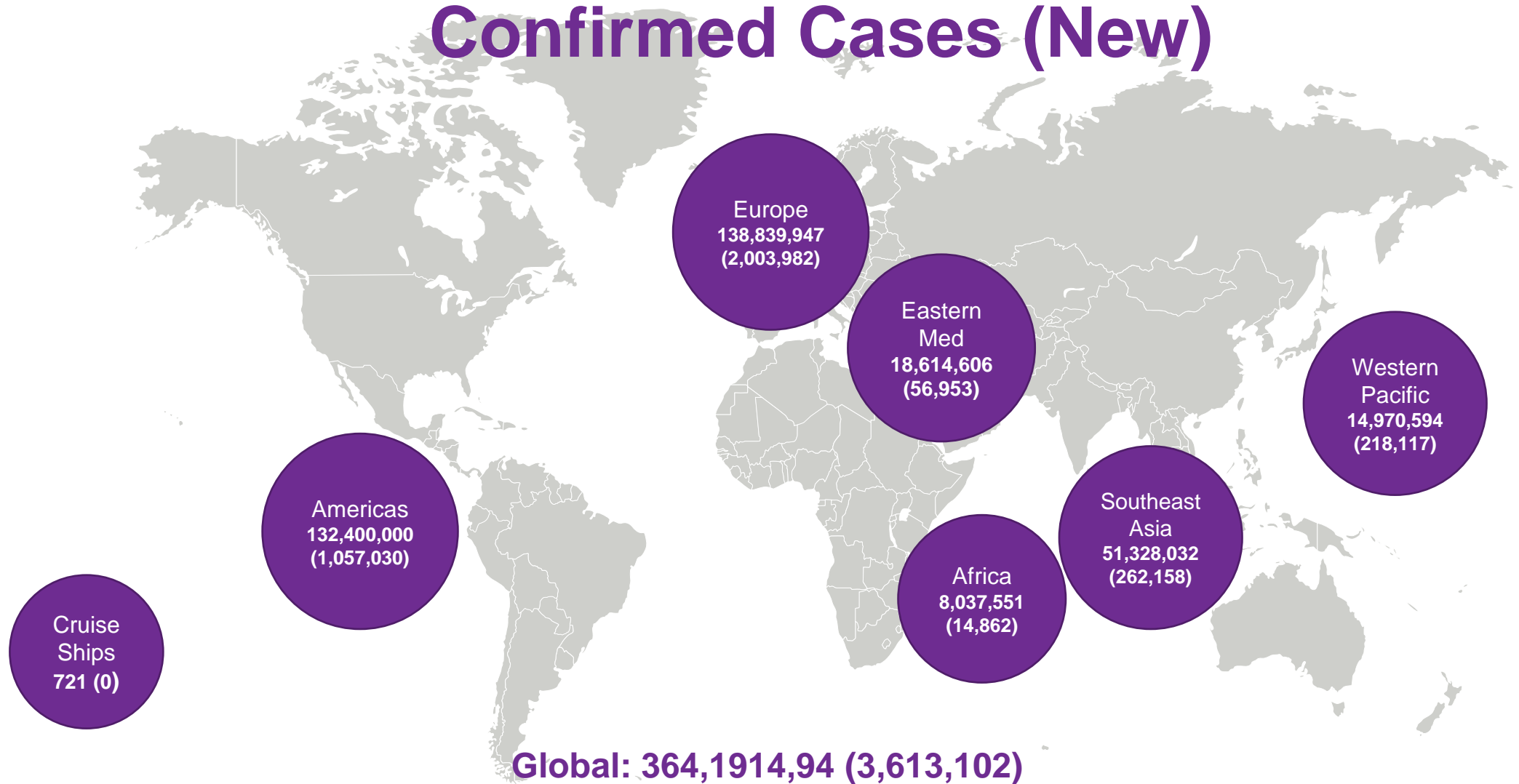
evacuation strategies, that can circumvent communications cutoff in an emergency. The legal landscape for alternative forms of communication, namely satellite phones, varies between and within countries, and businesses should verify whether they are violating local laws by relying on the phones (satellite phones are banned in Russia, for example).

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Coronavirus Condition Updates

As of 4:00 pm CEST on January 28, 2022

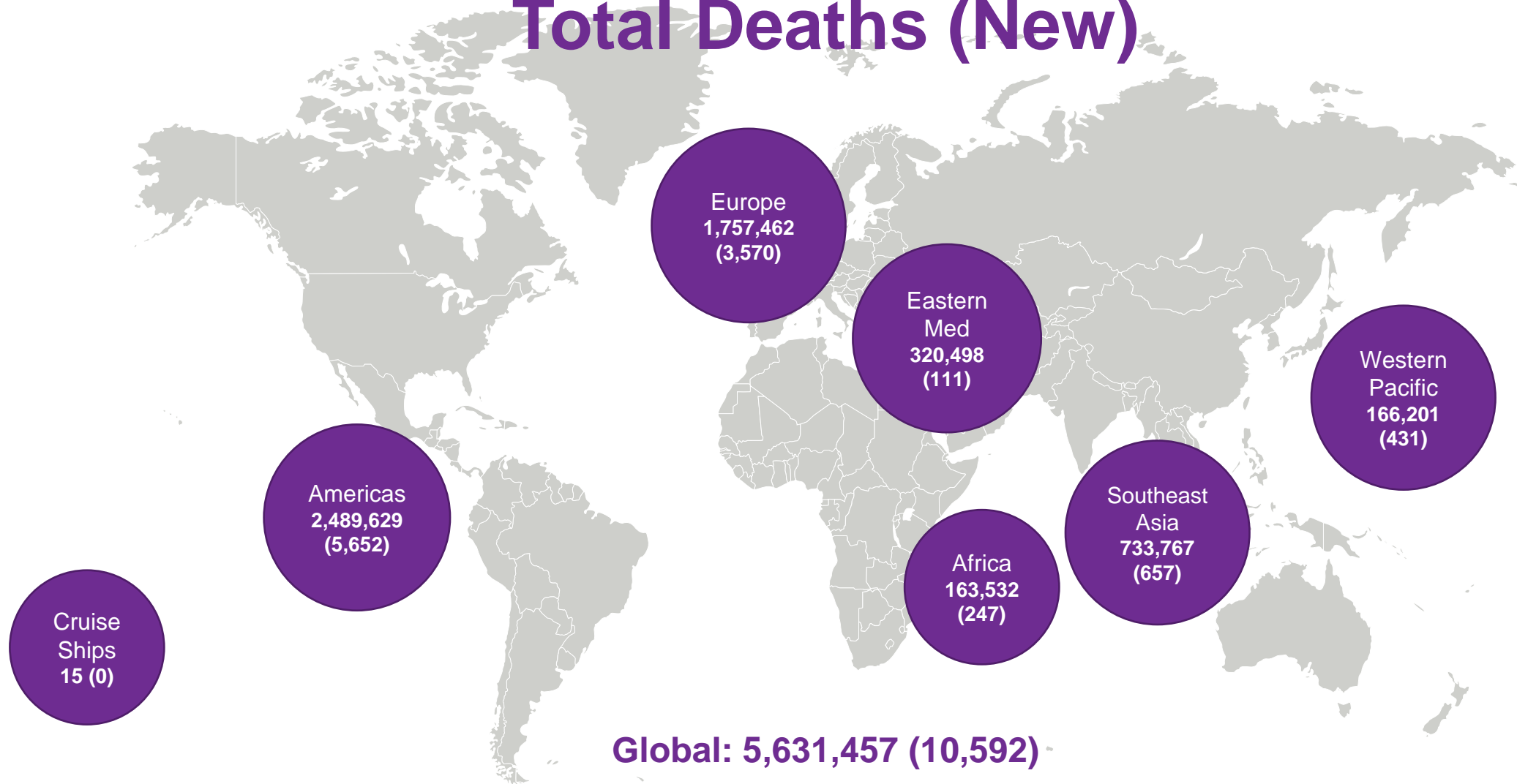
Confirmed Cases (New)



Reflects data as of 4:00 pm CEST on January 28, 2022.
Data Source: World Health Organization

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Total Deaths (New)



Reflects data as of 4:00 pm CEST on January 28, 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.

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