

Dentons Flashpoint

Daily Global Situation Report

June 21, 2022

Global Situation Update: June 21, 2022

KEY TAKEAWAYS

Workers around the globe strike over cost-of-living increases.

Facing gas shortage, Europe looks to revive coal use

Lithuania bans transit of goods to Russian exclave Kaliningrad and the Kremlin threatens retaliation.

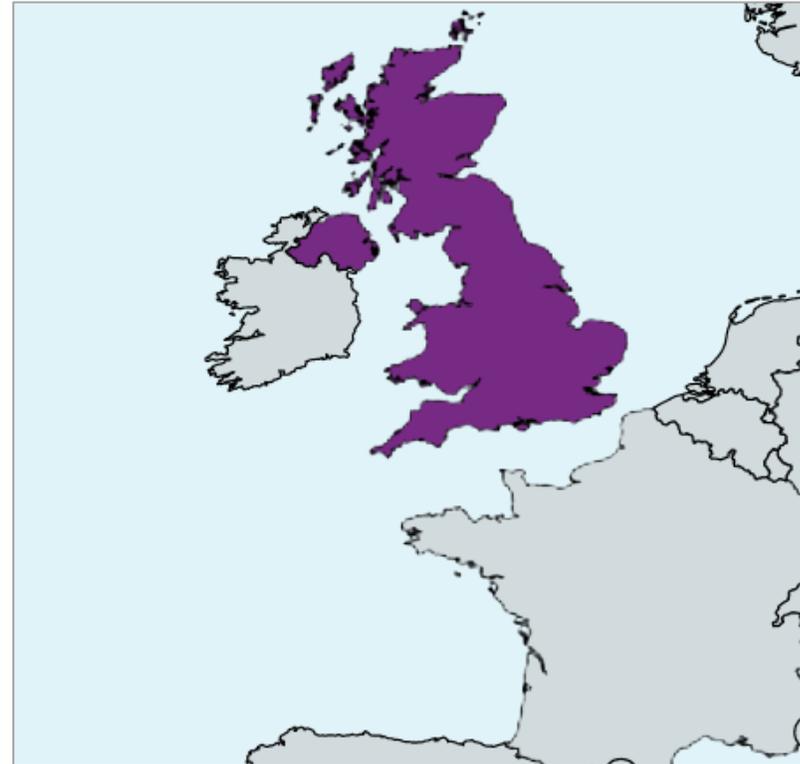
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Global Situation Update: June 21, 2022

WHAT WE'RE WATCHING

In the United Kingdom, rail workers' unions will hold national strikes on 21, 23 and 25 June which are expected to shut down more than half of the UK's rail network and see more than three-quarters of trains canceled. Workers are demanding pay increases to counteract the impact on inflation in what will be the biggest train strike 30 years.

The Boris Johnson-led UK government refused to take part in last-ditch talks to avert transport chaos and will continue to take a hard line against unions, making a swift resolution of disputes unlikely. Planned rail strikes will cause significant operational disruption for businesses dependent on in-person presence of staff, and over the next six months there will be more frequent strikes over demands for inflation-linked pay rises.



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Global

US is in talks with Canada and other allies globally to further restrict Moscow's energy revenue by imposing a price cap on Russian oil without causing spillover effects to low-income countries.

- The UN refugee agency hosted a conference in Rome on Monday with climate change and the war in Ukraine identified as among the factors driving a sharp rise in **the displacement of people** around the world.
- **Global airlines** hit by COVID-19 related travel restrictions seem confident of narrowing their losses but still face challenges such as **labor shortages** at airports which could restrict post-crisis growth.

Markets & Business

Belgium's largest airport has been forced to cancel all outgoing flights, leaving thousands stranded after security staff and baggage handlers joined a national strike protesting increased workloads and low salaries.

- Canadian business jet maker **Bombardier Inc** has offered its workers on a key jet program a new and final contract that would deliver pay hikes of up to 18.5 percent over five years. Workers are set to vote on the contract on Wednesday and rejection would lead to an unlimited general strike.
- A Moscow court on Monday rejected an appeal brought by **Meta Platforms** Inc after it was found guilty of "extremist activity" in Russia in March.
- US chipmaker **Intel** filed a claim for 593 million euros (\$624 million) in interest from the European Commission, five months after it convinced Europe's second-top court to drop a 1.06-billion-euro EU antitrust fine.
- **Mondelez International Inc** will buy energy bar maker **Clif Bar & Company** for \$2.9 billion to expand its global snack bar business.

Environment, Sustainability & Governance

The Netherlands plans to activate the "early warning" phase of an energy crisis plan and lift a cap on production by coal-fired power plants as it seeks to reduce reliance on Russian gas in the wake of the war in Ukraine.

- The EU is divided on how to help poorer nations fight a growing food crisis and address **shortages of fertilizers** caused by the war in Ukraine, with some fearing a plan to invest in plants in Africa would clash with **EU green goals**.
- Former Tesla Inc employees have filed a lawsuit against the US electric car company alleging its decision to carry out a "*mass layoff*" violated federal law as the company did not provide advance notice of the **job cuts**.
- Delta Air Lines Inc, Kellogg Co and several big ad agencies pledged to counteract unwanted biases in the algorithms that power their online advertising. The action is one of the biggest steps taken to ensure **stereotypes related to gender, race and other characteristics** are not unfairly deciding to whom an ad is shown.

Africa

- **Zimbabwean** health workers went on strike on Monday after rejecting a 100 percent wage hike offer last week, pressing their demand for payment in US dollars after inflation jumped to 131.7 percent in May.
- **Nigeria** is withholding \$450 million in revenue international air carriers operating in the country have earned, with payment held up due to restricted access to foreign currency for imports and for investors seeking to repatriate their profits as the nation tackles a severe dollar shortage.
- Armed residents and local security forces in **Somalia's** Galmudug state killed 70 Al Shabaab fighters as they repulsed a raid by militants on Bahdo town on Friday.
- The **UAE** will build a new Red Sea port in **Sudan**, as part of a \$6 billion investment package, the first major foreign investment since the military took power in an October coup.



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Asia

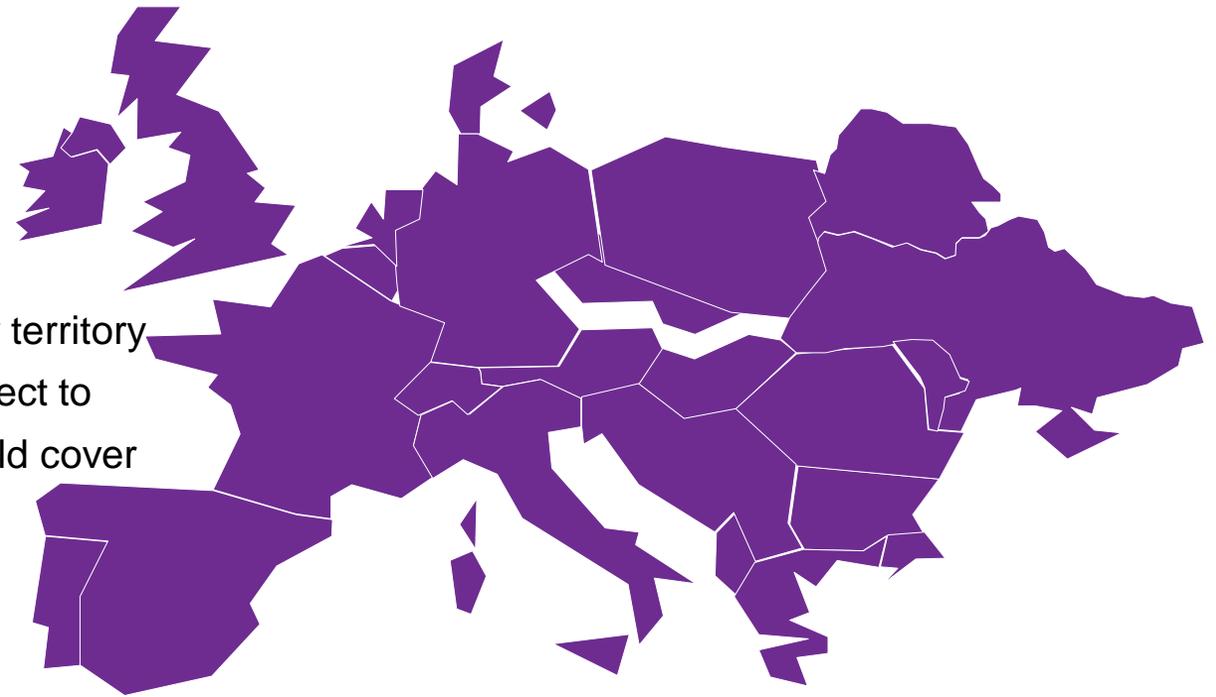
- **China's** crude oil imports from **Russia** soared 55 percent from a year earlier to a record level in May, displacing **Saudi Arabia** as the top supplier, as refiners cashed in on discounted supplies amid sanctions on Moscow.
- Catastrophic flooding has left more than nine million people stranded in the low-lying **Bangladesh** and neighboring **India**. Government authorities are attempting to deliver tons of rice and packets of dry food to flood-hit communities, besides water purification tablets and medicines.
- **China** carried out a land-based missile interception test that "*achieved its expected purpose,*" the Defense Ministry said, describing it as a defensive weapon.
- The world's biggest gambling hub **Macau** launched mass COVID-19 testing over the weekend after dozens of locally transmitted cases were discovered, with most businesses shut, except casinos.



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Europe

- **Lithuanian** authorities said a ban on the transit through their territory to the **Russian** exclave of Kaliningrad of goods that are subject to **EU** sanctions was to take effect from Saturday. The ban would cover around 50 percent of the items that Kaliningrad imports. Moscow has threatened retaliation.
- **France's** Macron's Ensemble alliance has lost its absolute majority in the French parliament, just two months after he was re-elected as president. Macron's centrist camp will need to secure support from rivals to salvage some of its reform agenda or risk of political paralysis.
- Tens of thousands of demonstrators marched in **Georgia's** capital Tbilisi on Monday to demand **EU** membership, days after the European Commission recommended waiting before granting Tbilisi candidate status. EU leaders are meeting Thursday and Friday this week in Brussels to decide whether to grant **Ukraine and Moldova** candidate status.
- FATF, the world's money laundering and terrorist financing watchdog, said that **Malta** was no longer subject to its increased monitoring process, removing the country from its grey list of untrustworthy jurisdictions.



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How do You Manage Incident Response?

2022 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.

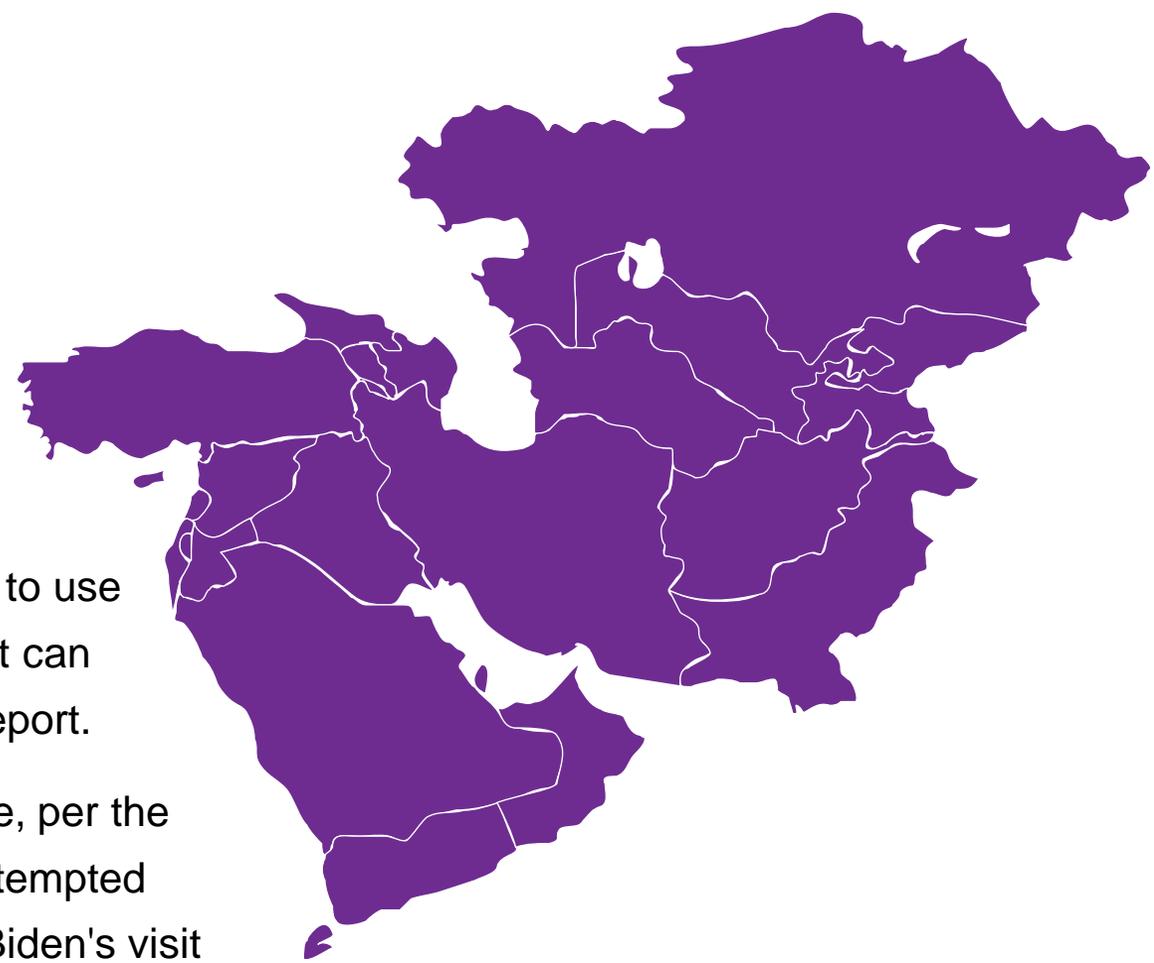
Dentons tabletop sessions are fluid, and designed to enhance preparedness with services, including:

- ❖ 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



- **Israeli** Prime Minister Bennett and Foreign Minister Lapid have agreed to dissolve parliament, triggering a new election, and Lapid will in the meantime take over as prime minister.
- **Iran** is escalating its uranium enrichment further by preparing to use advanced IR-6 centrifuges at its underground Fordow site that can more easily switch between enrichment levels, per an IAEA report.
- **Israel** is building a **US** sponsored regional air defense alliance, per the Israeli defense minister, and the alliance has already foiled attempted **Iranian** attacks. The alliance could be boosted by President Biden's visit next month.
- The Taliban released five British citizens after six months of captivity, ending a dispute with the **UK** government that had complicated the group's effort to obtain international legitimacy for its takeover of **Afghanistan**.

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Americas

- Leftist Gustavo Petro, a 62-year-old former mayor of the capital Bogota and current senator, won some 50.4 percent of votes on Sunday, handily beating construction magnate Rodolfo Hernandez. Petro has pledged to fight inequality with free university education, pension reforms and high taxes on unproductive land in **Colombia**, where nearly half the population lives in poverty.
- More than half of **Mexico** is currently facing moderate to severe drought conditions, according to the federal water commission CONAGUA, amid extreme heat that scientists blame on climate change.
- Hundreds of indigenous people entered **Ecuador's** capital Quito on Sunday, following almost a week of protests against the economic and social policies of President Lasso, who has not been able to lift roadblocks and violence across the country.
- A **Honduran** court sentenced a former energy executive to 22 years in jail for his role in the murder of Berta Caceres, whose 2016 assassination spotlighted the danger facing environmental and indigenous activists in the Central American country.



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Americas: US

- President Biden said a decision on whether to pause a **federal gasoline tax** could come by the end of this week, as the US struggles to tackle soaring gasoline prices and inflation.
- In the tight **labor market**, small businesses are losing ground, with head counts at companies with fewer than 50 employees declined in three of the past four months, according to ADP payroll data, even as employment at larger firms continued to grow.
- Between February 2022 and May 2022, 300,000 **public school teachers** and other staff left the profession, a nearly 3 percent drop in that workforce, according to Bureau of Labor Statistics data. Worn down by the challenges of teaching during the pandemic, staffing shortages and culture wars, more educators say they are considering doing the same; a National Education Association poll conducted this year found 55 percent of teachers said they would leave education sooner than planned, up from 37 percent last August.
- President Biden is considering dropping tariffs on a range of **Chinese** goods to curb inflation, but no decision is likely before next week's G7 meeting.



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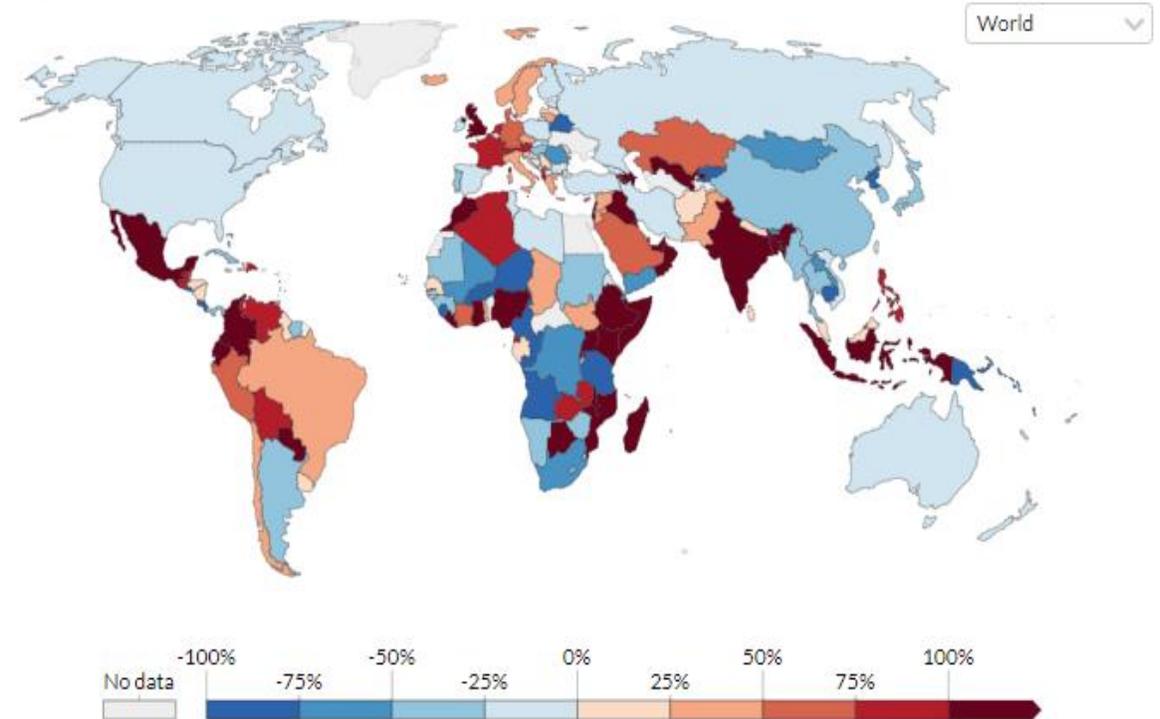
COVID-19 Pandemic: Global Response Pushes Onward

While outbreaks of COVID-19 in North America are firmly on the decline and public attention has moved on to the Ukraine war, global food insecurity, supply chain disruption, spiking inflation and risk of a global recession, other countries around the globe are seeing increased number of infections in what public health experts expect to be a continuation of a pattern of new infection waves until the global population reaches herd immunity.

Biweekly change in confirmed COVID-19 cases, Jun 19, 2022

The biweekly change on any given date measures the percentage change in the number of new confirmed cases over the last 14 days, relative to the number in the previous 14 days. Due to limited testing, the number of confirmed cases is lower than the true number of infections.

Our World
in Data



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COVID-19 Pandemic: Global Response Pushes Onward

- ❖ *Global stakeholders convened last week the COVID-19 Pandemic Prioritized Global Action Plan for Enhanced Engagement “GAP” to address gaps in the COVID-19 global response in order to strengthen global health security architecture to better prepare for the future.*
- ❖ *Public health experts note that the global response has been uneven, leaving large pockets of vulnerable people at risk of falling ill and dying, persistent uneven access to resources and a global response system still not positioned to stop the next pandemic from wreaking havoc.*
- ❖ *The Action Plan has six lines of efforts.*

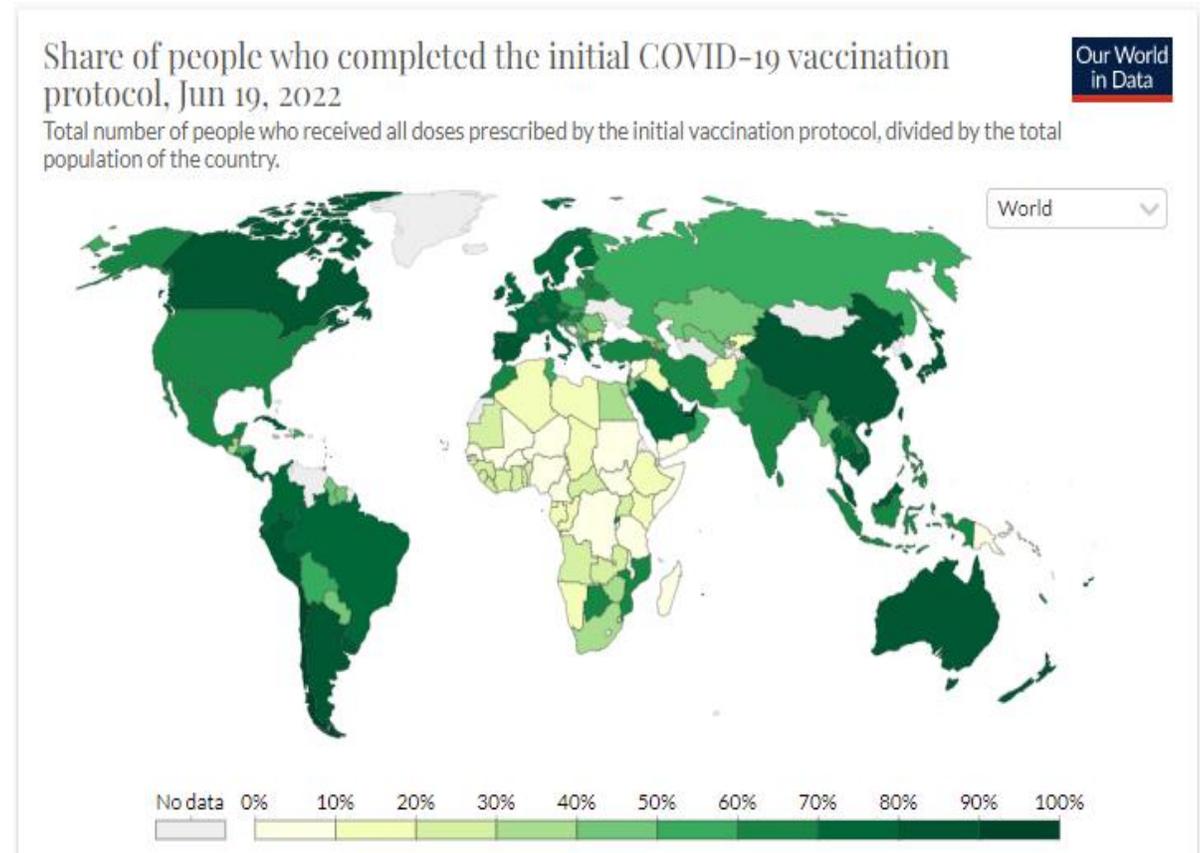
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COVID-19 Pandemic: Global Response Pushes Onward

Getting Shots in Arms

Large pockets of the world population remain unvaccinated because of lack of access to vaccines. Availability of vaccines remains restricted in developing countries, hard to reach rural locations in developing and middle-income countries, and countries with large migrant populations. In some locations, cost of vaccines remains a supply deterrent and others, a lack of cold chain capacity to store and transport vaccines. According to the WHO, 60 percent of the world's population has received two doses of the COVID vaccine but there are glaring examples of inequity.

Separately, last week, the WTO reached an agreement to allow a partial intellectual property waiver for COVID-19 vaccines in order to increase affordable access for developing nations. The WTO agreed that a developing nation can limit the rights of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) by authorizing the use of a COVID-19 vaccine's patent without the consent of the right holder. The partial waiver applies only to existing COVID-19 vaccines, must be sold on not-for-profit basis and will last five years.



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COVID-19 Pandemic: Global Response Pushes Onward

Bolstering Supply Chain Resilience

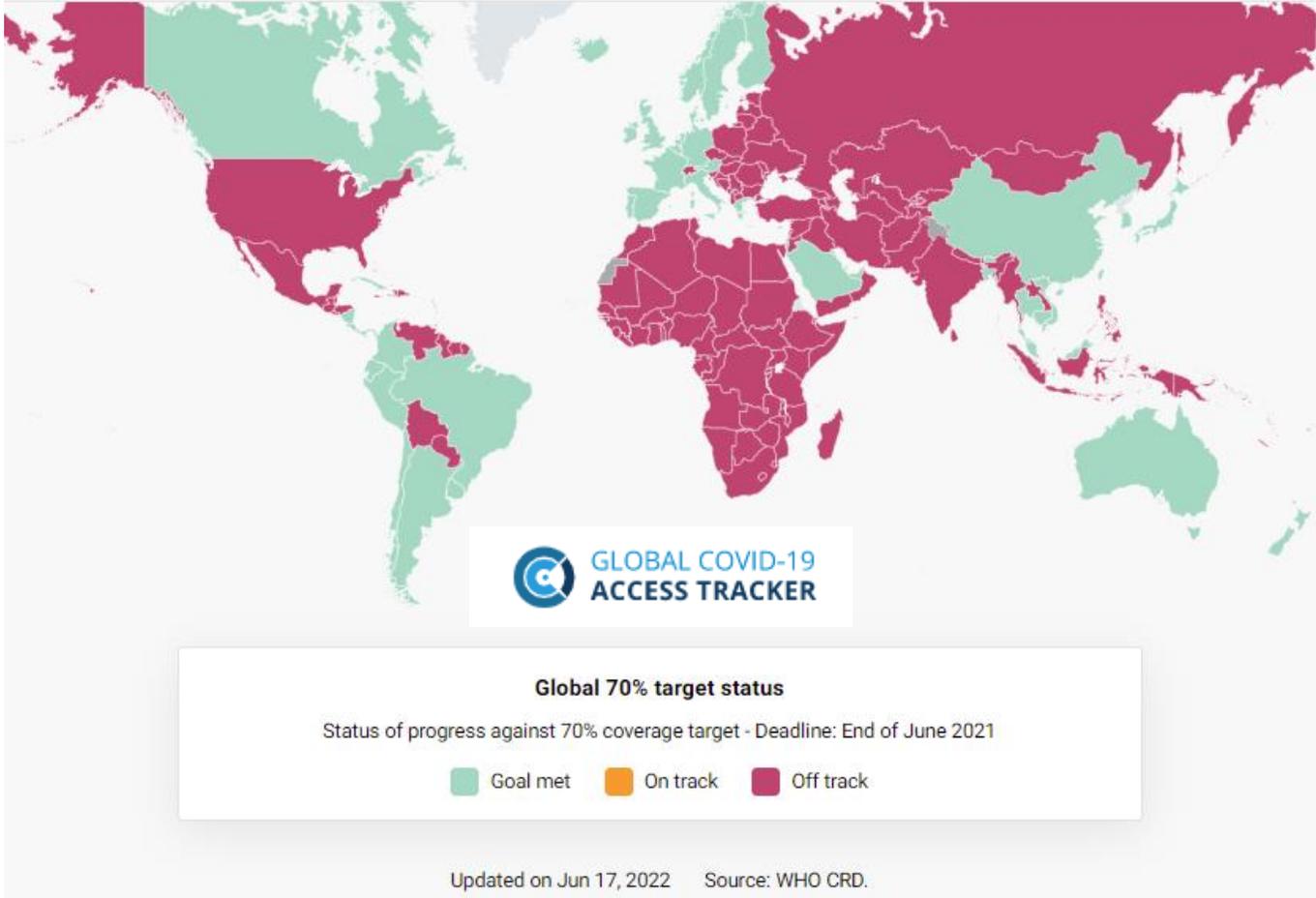
Action plan participants are working with the private sector and other stakeholders to bolster and coordinate existing health supply chains and assessed gaps and priorities going forward. One key focus is how to ensure sustainable production capacity to match forecasted demand as new outbreaks emerge and as COVID-19 mutates. The Action Plan calls for building forecasting and resilience mechanisms into global supply chains to better address shortages and disruptions. For example, the EU and the US have been consulting with businesses and regional supply chain actors across the world on how to adapt medical supply chains to improve health systems, with a special focus on Africa.

Addressing Information Gaps

Among unvaccinated populations, access or affordability of vaccines is not always the obstacle; mis information and disinformation remain a global challenge for meeting the goal of 70 percent of the global population vaccinated by mid-2022. Action Plan participants are prioritizing national COVID-19 vaccination campaigns to reach priority populations and address disinformation, using evidence-based interventions to increase vaccine demand and vaccine confidence.

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COVID-19 Pandemic: Global Response Pushes Onward

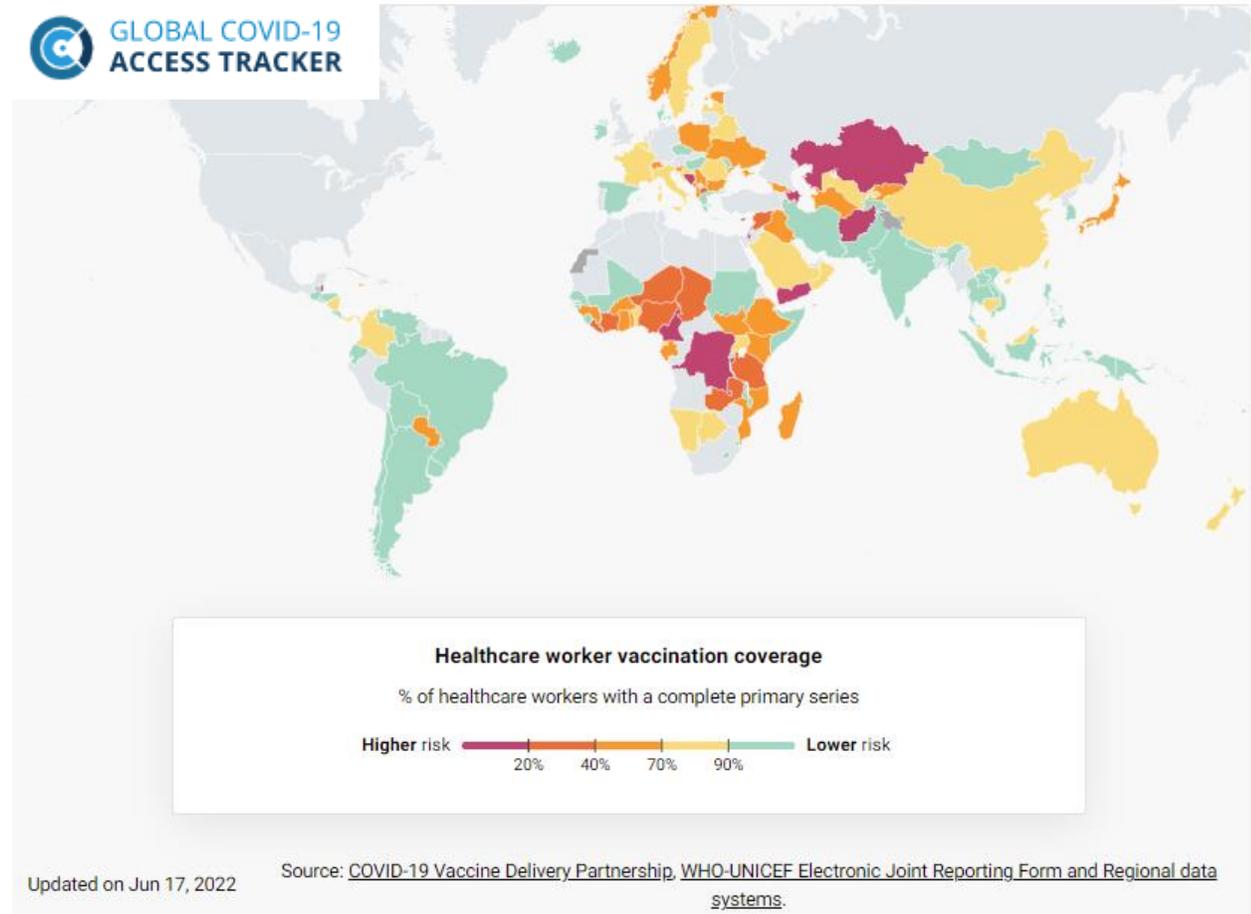


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COVID-19 Pandemic: Global Response Pushes Onward

Supporting Health Workers

Health workers are a special category of vulnerable populations, with high risk of exposure through the practice of their professions. Many health workers around the world continue to lack access to vaccines. Action Plan participants are also marshalling support for frontline health workers and developing plans to coordinate responses to more resources to these professionals who have been working heroically in very difficult conditions over the past two-plus years of the pandemic.



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COVID-19 Pandemic: Global Response Pushes Onward

Facilitating Acute Non-Vaccine Interventions

Since the beginning of the pandemic, medical professionals have had a steep learning curve on how to treat COVID-19 patients and prevent disease progression to severe outcomes: A host of new therapeutics have been developed by pharmaceutical companies and clinical testing have discovered the effectiveness of therapeutics originally developed to treat other diseases. Like vaccines, unequal access to therapeutics remains a challenge. The Action Plan is focused on creating an enabling environment for equitable and sustained access to novel, innovative treatments.

Strengthening Global Health Security Architecture

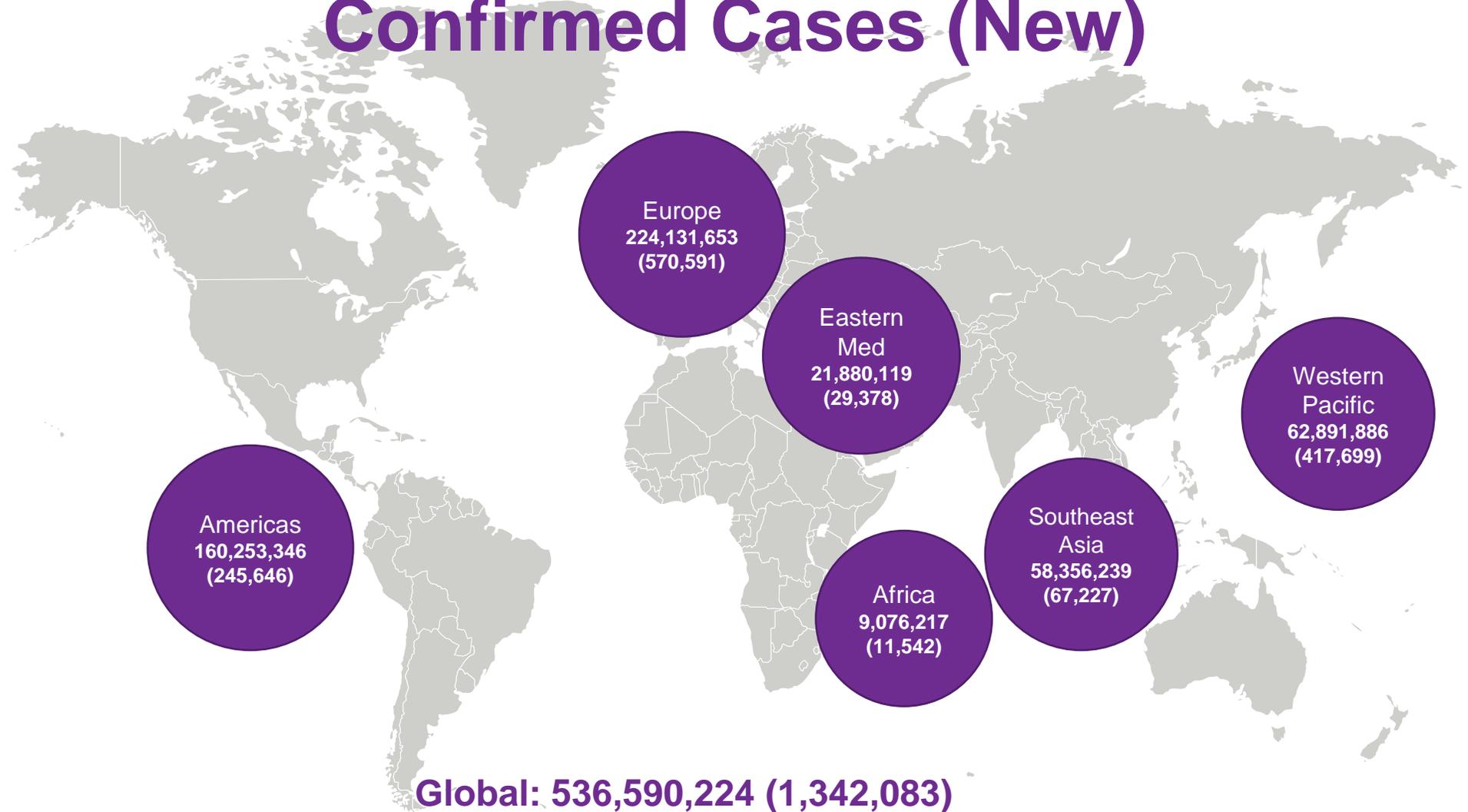
Global public health experts warn that the COVID-19 pandemic is not a unique or isolated public health crisis, as evidenced by the Spanish Flu in the 1800s and the Bubonic Plague in the Middle Ages. With modern transportation and highly mobile societies, infectious disease can now spread faster and wider than past pandemics. As a known risk, Action Plan participants are working to enhance future preparedness for health threats and examined the best approaches to the future of ACT-A (The Access to COVID-19 Tools Accelerator, a global collaboration to accelerate development, production, and equitable access to COVID-19 tests, treatments, and vaccines), COVAX (the COVID-19 Vaccines Global Access, a worldwide initiative aimed at equitable access to COVID-19 vaccines directed by the GAVI vaccine alliance), and potential new elements of the global health security architecture, like the concept of a Global Health Threats Council.

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Coronavirus Condition Updates

As of 5:40 pm CEST on June 20, 2022

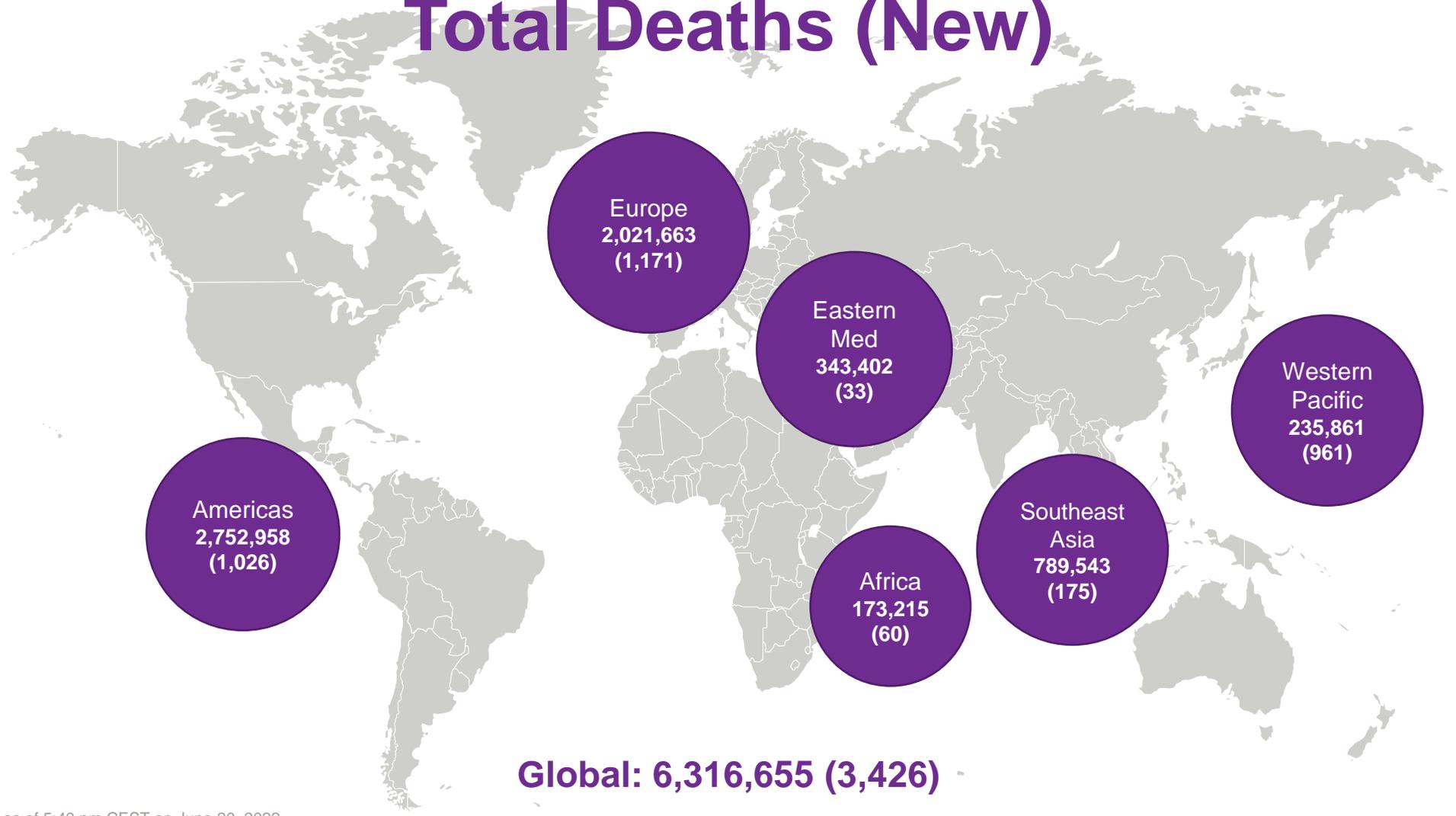
Confirmed Cases (New)



Reflects data as of 5:40 pm CEST on June 20, 2022.
Data Source: World Health Organization

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Total Deaths (New)



Reflects data as of 5:40 pm CEST on June 20, 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.

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