

Dentons Flashpoint

Daily Global Situation Report

March 29, 2022

Global Situation Update: March 29, 2022

KEY TAKEAWAYS

North Korean leader Kim Jong Un has called for a propaganda campaign to increase popular support amid “*difficulties*.”

Ukraine-Russian peace talks focus on a humanitarian ceasefire.

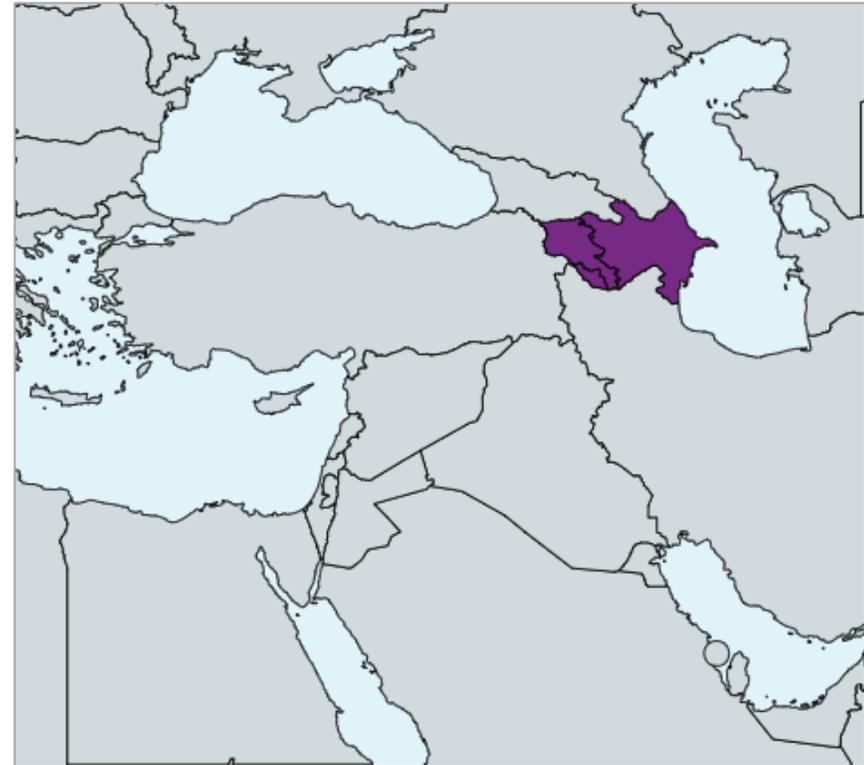
The G7 rejected Russian demand that oil and gas deliveries be paid in roubles.

Global Situation Update: March 29, 2022

WHAT WE'RE WATCHING

Tensions are running high once again in Nagorno-Karabakh after Azerbaijan seized control of a strategic village in the breakaway region late last week. Armenia is calling on Russian peacekeepers to take action, while Moscow accused Baku of violating the ceasefire. Azerbaijan is now considering banning some Russian media sources to censor what it calls “fake news.”

To make matters worse, a gas shutdown and intermittent electricity outages are making life and work in Nagorno-Karabakh difficult. This most recent escalation in fighting is likely an attempt by Azerbaijan to pressure Armenia to make concessions in high-level negotiations amid rumors that Russian peacekeeping forces will leave to join the conflict in Ukraine. Should Russia’s invasion of Ukraine continue, the threat of violent escalation in and around Nagorno-Karabakh is likely to increase.



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Global

Moscow and Kyiv are discussing a pause in hostilities as part of a deal that would involve Ukraine abandoning its drive for NATO membership in exchange for security guarantees and the prospect of joining the EU.

- Russian forces have not abandoned their objective to **encircle and capture Kyiv**, despite Kremlin claims that Russian forces will concentrate on eastern Ukraine.
- The World Bank warned that the war in Ukraine threatens to cause lasting damage to the economies of low- and middle-income countries, pushing **millions of people into poverty** and tipping dozens of countries into a debt crisis.
- UNHCR reported that 3.8 million people have fled Ukraine, with almost 3 million entering Poland. Germany and Poland are urging a more even distribution of **Ukrainian refugees** within the EU.
- The G7 energy ministers rejected Vladimir Putin's demand that **Russian oil and gas deliveries** be paid in roubles rather than dollars or euros.

Markets & Business

Sources claimed that OPEC+ is planning on implementing only modest oil output increases at a production meeting in May, despite market pressures due to the invasion of Ukraine.

- Russia will resume supplies of **liquefied petroleum gas** (LPG) from a Sea of Azov port today for the first time since Moscow started its military operation in Ukraine, per data from the port and Refinitiv Eikon.
- The US Commerce Department is launching an investigation into whether **Chinese solar-equipment manufacturers** are evading tariffs by sending components to other Asian nations for assembly before exporting the finished products.
- The US Federal Trade Commission asked a court to issue an order stopping Intuit, the owner of **TurboTax** tax preparation software, from deceptively advertising free tax filing when it requires many people to pay.
- A **Turkey-Israel gas pipeline** is being discussed as one of Europe's alternatives to Russian energy supplies, but it will take complicated maneuvering to reach any deal, per government and industry officials in both countries.

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Environment, Sustainability & Governance

A consortium of environmental groups launched a campaign on Monday seeking to change bitcoin's code to decrease its energy use, which has grown substantially in the past few years.

- UK asset manager abrdn said that it would take a harsher line at shareholders meetings of US firms that have poor **ethnic and gender diversity**.
- European Commission advisers on Monday proposed an expansion of the bloc's **sustainable finance rules** to better grade activities such as gas-fired power plants that are not yet environmentally friendly.
- Walmart Inc. is ending **cigarette sales** in some US stores after years of debate within the retail company's leadership ranks about the sale of tobacco products.

Africa

- **Zimbabwe's** opposition party unexpectedly won two-thirds of contested seats in parliamentary by-elections, improving the outlook for general elections next year.
- **Ghana** opened its land and sea borders and eased most of its COVID-19 restrictions.
- The East African Community trade bloc is set to admit **Democratic Republic of Congo (DRC)** as its seventh member today.
- European Economic Commissioner Paolo Gentiloni warned of “*dramatic consequences*” for **African** food security as a result of the war in **Ukraine**.



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Asia

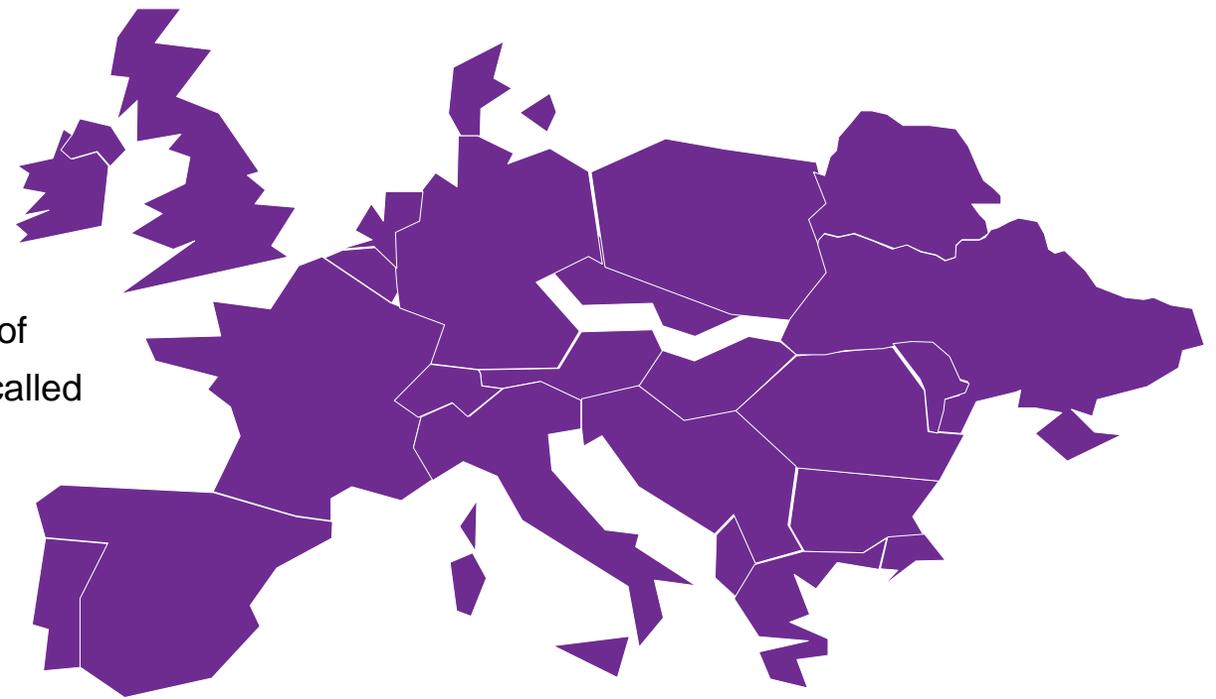
- Shanghai saw another day of record asymptomatic coronavirus cases after the **Chinese** city was split into two sections, with one half placed under a severe lockdown to combat the biggest outbreak the country has seen since its initial outbreak in Wuhan.
- Heavy rains are drenching east **Australia**, triggering evacuation orders for thousands of residents for the second time this month as authorities warned the intense weather is likely to persist for the next 24 hours.
- **Sri Lanka** has sought an additional credit line of \$1.5 billion from **India** to import essentials, amid its worst economic crisis in decades. The country of 22 million people is struggling to pay for essential imports after a 70 percent drop in foreign exchange reserves in two years led to a currency devaluation.
- **North Korean** leader Kim Jong Un has called for a propaganda campaign to increase popular support for the country's ideology of self-reliance amid "*the worst difficulties*." North Korea faces mounting economic woes amid sanctions over its weapons programs, natural disasters and COVID-19 lockdowns that sharply cut trade with **China**, its major ally and economic lifeline.



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Europe

- **UK** police have recommended 20 fines be issued over breaches of COVID regulations at the heart of the UK government, in the so-called Partygate scandal.
- **French** far-right candidate Eric Zemmour came under fire on Monday after supporters at his Paris rally repeatedly called President Emmanuel Macron a "killer."
- **Russian** soldiers who seized the site of the Chernobyl nuclear disaster drove their armored vehicles without radiation protection through a highly toxic zone called the "Red Forest," kicking up clouds of radioactive dust, with a Chernobyl employee calling it "*suicidal*" for the soldiers because the radioactive dust they inhaled was likely to cause internal radiation in their bodies.
- **Russian** Oligarch Roman Abramovich and **Ukrainian** peace negotiators were the victims of a suspected poisoning earlier in March, according to the *Wall Street Journal* and the investigative site Bellingcat.
- Tit-for-tat spy expulsions continued in Europe, with **Russia** expelling three **Slovakian** diplomats in response to a similar move by Bratislava earlier this month. **Ukraine's** military intelligence published the names and contact details of 620 people it alleged were officers of Russia's Federal Security Service (FSB) involved in "*criminal activities*" in Europe.



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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.

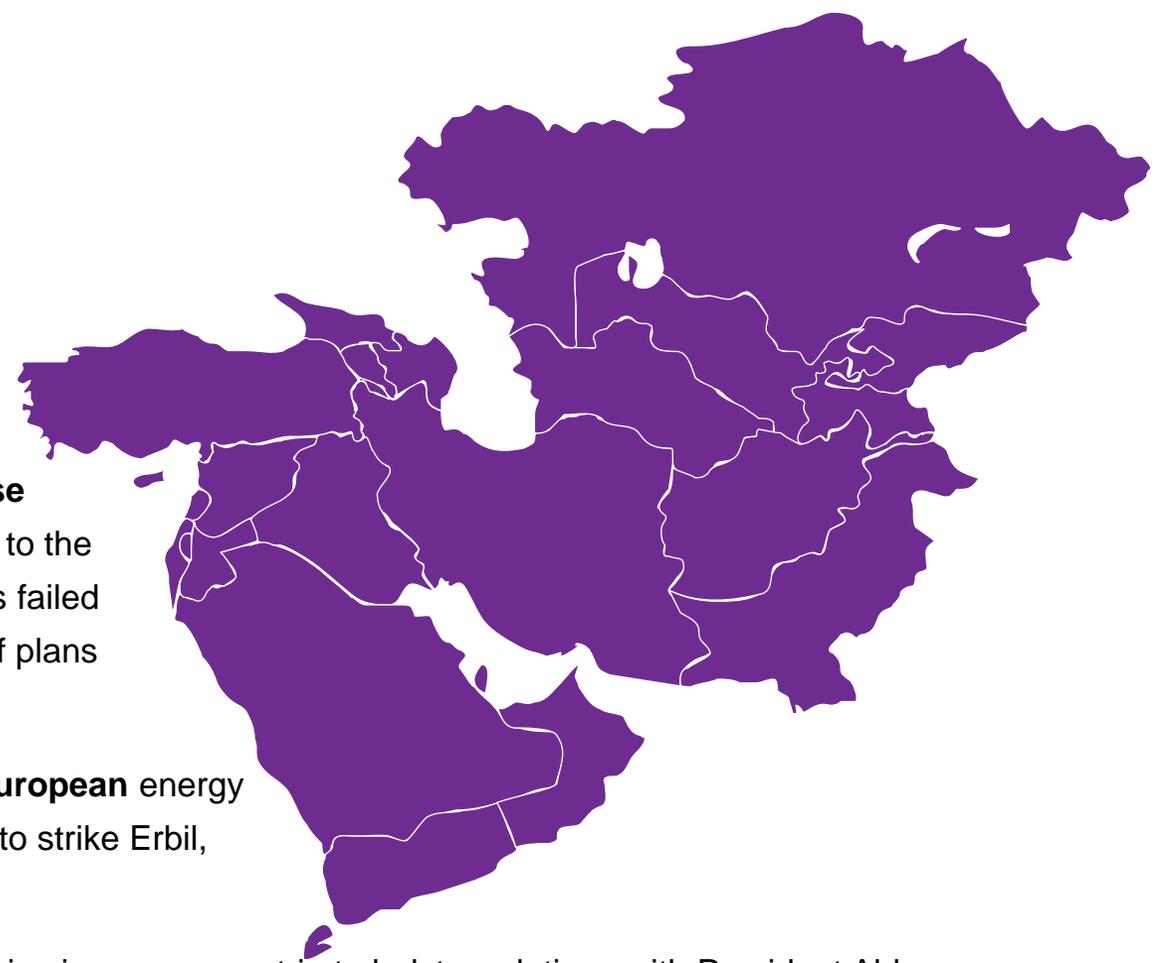
Dentons tabletop sessions are fluid, and designed to enhance preparedness with services, including:

- ❖ 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](#).

Middle East



- IMF officials said that the **Middle East** is “*one of the most vulnerable*” amid the war in **Ukraine**, citing high risks of food shortages.
- The **EU’s** criminal justice cooperation agency froze \$320 million in **Lebanese** funds amid an unspecified corruption probe; the funds are potentially linked to the ongoing domestic investigation of the central bank governor. Lebanese MPs failed once again to adopt capital controls, a recommendation of the IMF ahead of plans to secure international aid.
- The leader of **Iraqi** Kurdistan said that the region could help make up the **European** energy shortfall. Sources report that prospects of this plan are what prompted **Iran** to strike Erbil, Kurdistan’s capital, earlier this month.
- **Jordan’s** King Abdullah landed in Ramallah, **West Bank**, his first visit there in six years, on a trip to bolster relations with President Abbas and calm rising tensions in the Palestinian territories.
- **Tunisian** parliament speaker Ghannouchi announced plans to hold two weeks of parliamentary in defiance of President Saied’s move to suspend parliament last year; Ghannouchi and his majority Islamist party will likely seek to delegitimize Saied, potentially further splitting the government.

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Americas

- The Supreme Court of **Honduras** authorized the extradition of former president Juan Orlando Hernandez to the US, where he is wanted on drug trafficking and firearms charges.
- Human Rights Watch reported that **Venezuelan** security forces have conducted joint operations with **Colombian** rebel group the National Liberation Army (ELN) against former members of the FARC. ELN has been found to commit forced disappearances, the use of child soldiers, and other crimes.
- **Brazil's** Education Minister Milton Ribeiro resigned on Monday following allegations of corruption in the awarding of ministry funds to municipal districts.
- **Peruvian** President Pedro Castillo survived on Monday an impeachment vote in Congress that fell short of the votes needed to oust the leftist leader eight months after he took office.



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Americas: US

- Clinics and hospitals are bracing for end of government assistance to pay for claims for testing and treating for **COVID-19 patients** who are **uninsured**. The program will end on April 6 if Congress does not act to provide more coronavirus aid
- The Securities and Exchange Commission plans to bring **high-speed traders** in Treasury bonds under direct supervision, ushering in more transparency to one of the world's most important financial markets.
- President Biden's new **\$5.8 trillion budget** plan calls for record peacetime military spending and further aid for Ukraine. Biden wants higher defense spending to strengthen the US military and *"forcefully respond to Putin's aggression against Ukraine."*
- A federal judge said Monday that then-President Donald Trump *"more likely than not"* committed federal crimes in trying to **obstruct the congressional count of electoral college votes** on January 6, 2021 — an assertion that is likely to increase public pressure on the Justice Department to investigate the former commander in chief.
- President Biden will meet **Singapore** Prime Minister Lee Hsien Loong at the White House today and will discuss the war in Ukraine as well as plans to maintain a *"free and open Indo-Pacific."*



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Is the Next Wave of COVID-19 Coming?

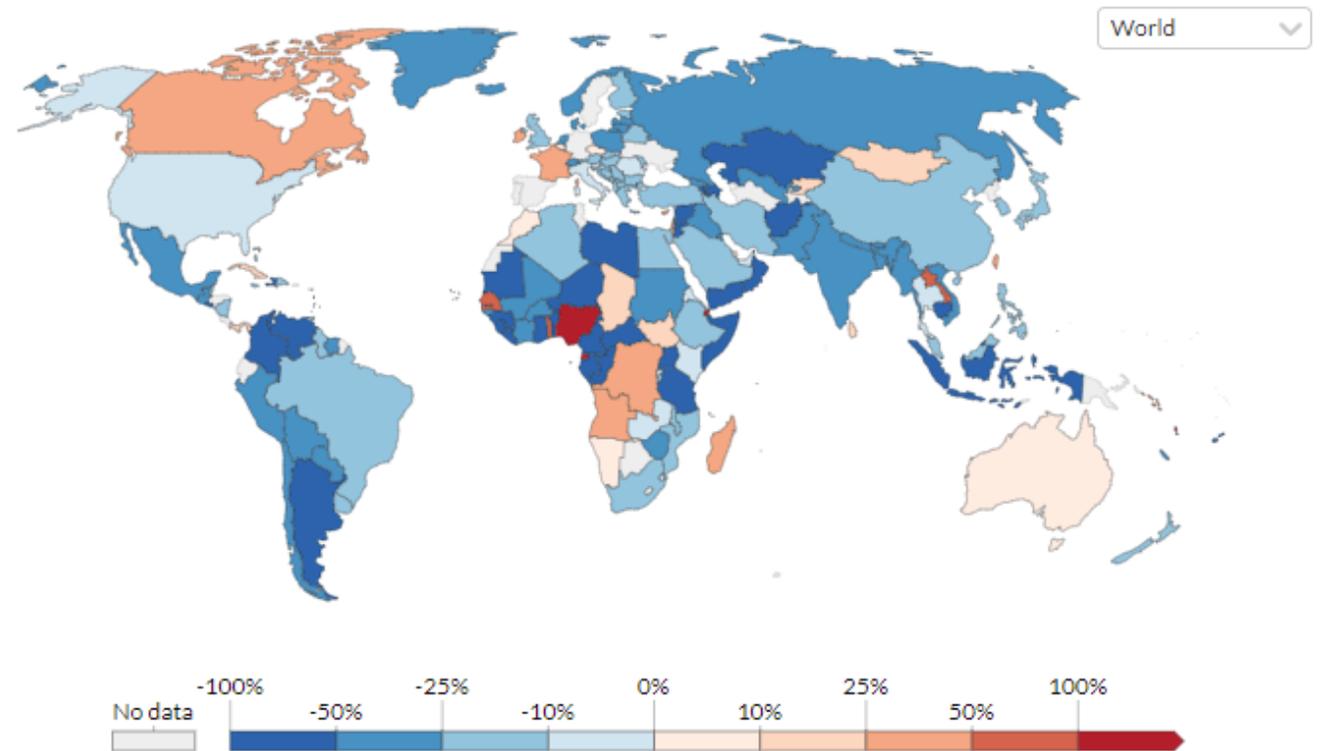
The World Health Organization (WHO) last week reported that the number of new coronavirus cases increased two weeks in a row globally, likely because COVID-19 prevention measures have been halted in numerous countries and because the BA.2 variant, a subvariant of Omicron, spreads more easily. The WHO is warning that outbreaks are likely significantly under reported because fewer test results are being shared with public health systems and that the surge is actually best reflected in the number of people being hospitalized. Public health experts predict that the wave driven by BA.2 is coming to the US next.

A look at the global map of reported new infections, an imperfect measure given the drop in testing rates, still reflects most of the world on a recovery path from coronavirus. There are, however, hotspots in Europe (France, UK, Italy), Americas (Canada), Asia (China, Thailand, Australia, New Zealand) and Africa (Nigeria).

Week by week change in confirmed COVID-19 cases, Mar 28, 2022

The weekly growth rate on any given date measures the percentage change in the number of new confirmed cases over the last seven days relative to the number in the previous seven days.

Our World
in Data



Source: Johns Hopkins University CSSE COVID-19 Data – Last updated 29 March, 09:05 (London time)
OurWorldInData.org/coronavirus • CC BY

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

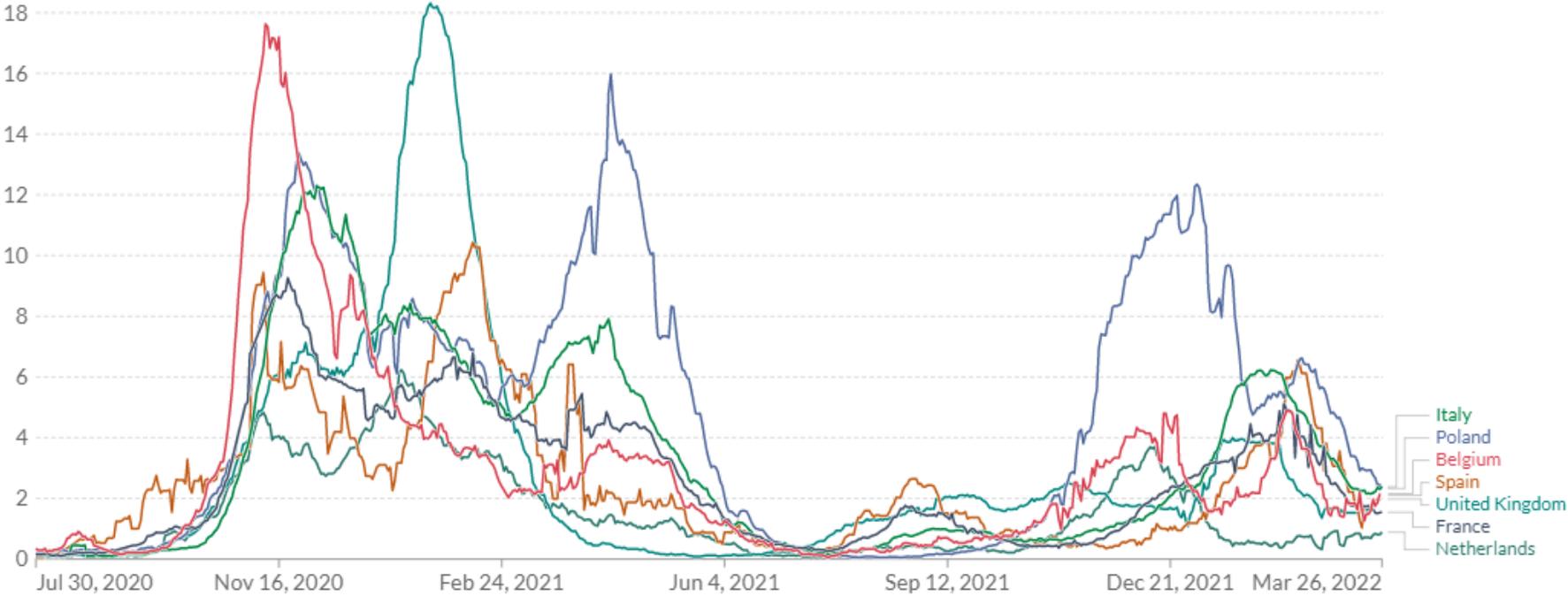
Is the Next Wave of COVID-19 Coming?

Daily new confirmed COVID-19 deaths per million people

7-day rolling average. For some countries the number of confirmed deaths is much lower than the true number of deaths. This is because of limited testing and challenges in the attribution of the cause of death.



LINER LOG



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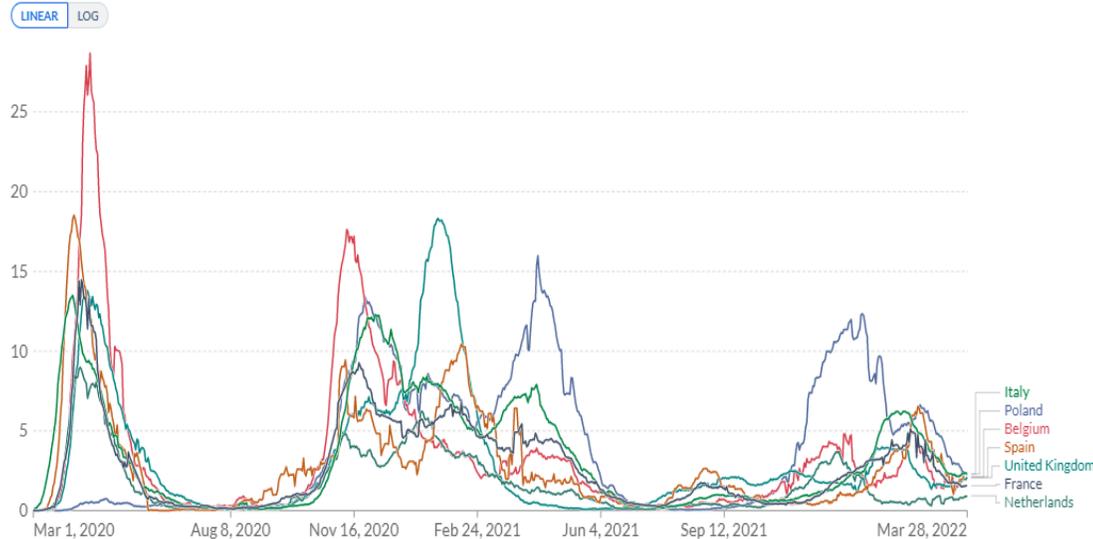


Is the Next Wave of COVID-19 Coming?

Many countries in Europe reported increased hospitalization and deaths in January and February 2022 due to the BA.2 subvariant. Most countries are now seeing decreases, an indication that the wave has passed in Europe. The question now is whether the US will experience a similar wave. As in Europe, the US has lifted most mitigation measures to control the spread of COVID-19, with quarantines and mask mandates mostly in the rearview mirror. Typically, waves in the US lag behind Europe by six to eight weeks.

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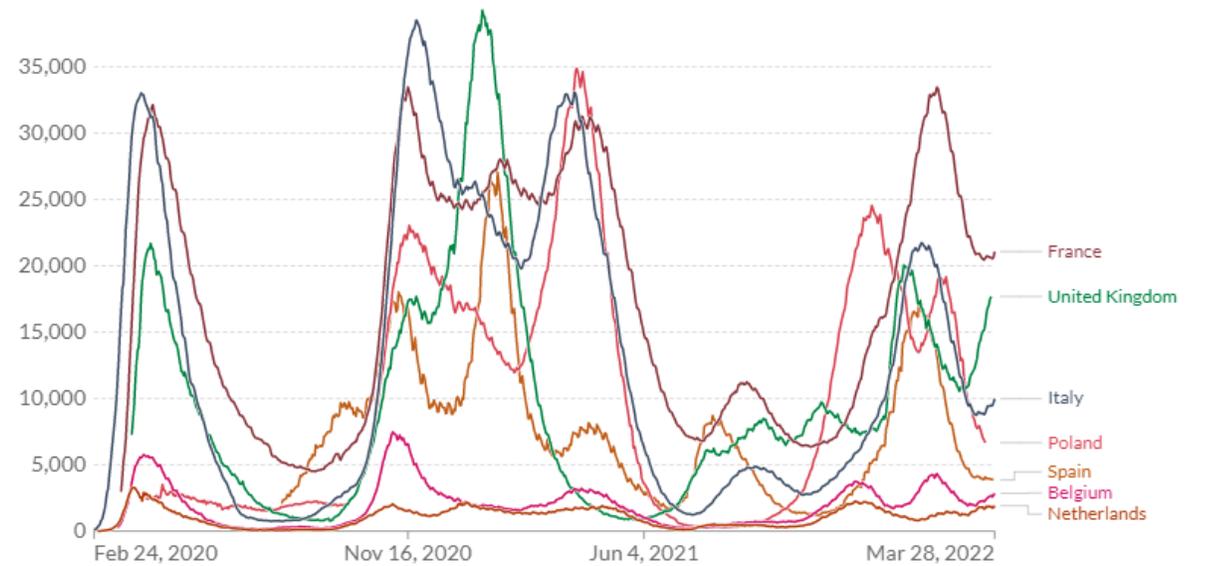


Source: Johns Hopkins University CSSE COVID-19 Data

Our World in Data

Number of COVID-19 patients in hospital

LINEAR LOG + Add country



Source: Official data collated by Our World in Data - Last updated 29 March 2022, 07:14 (London time)

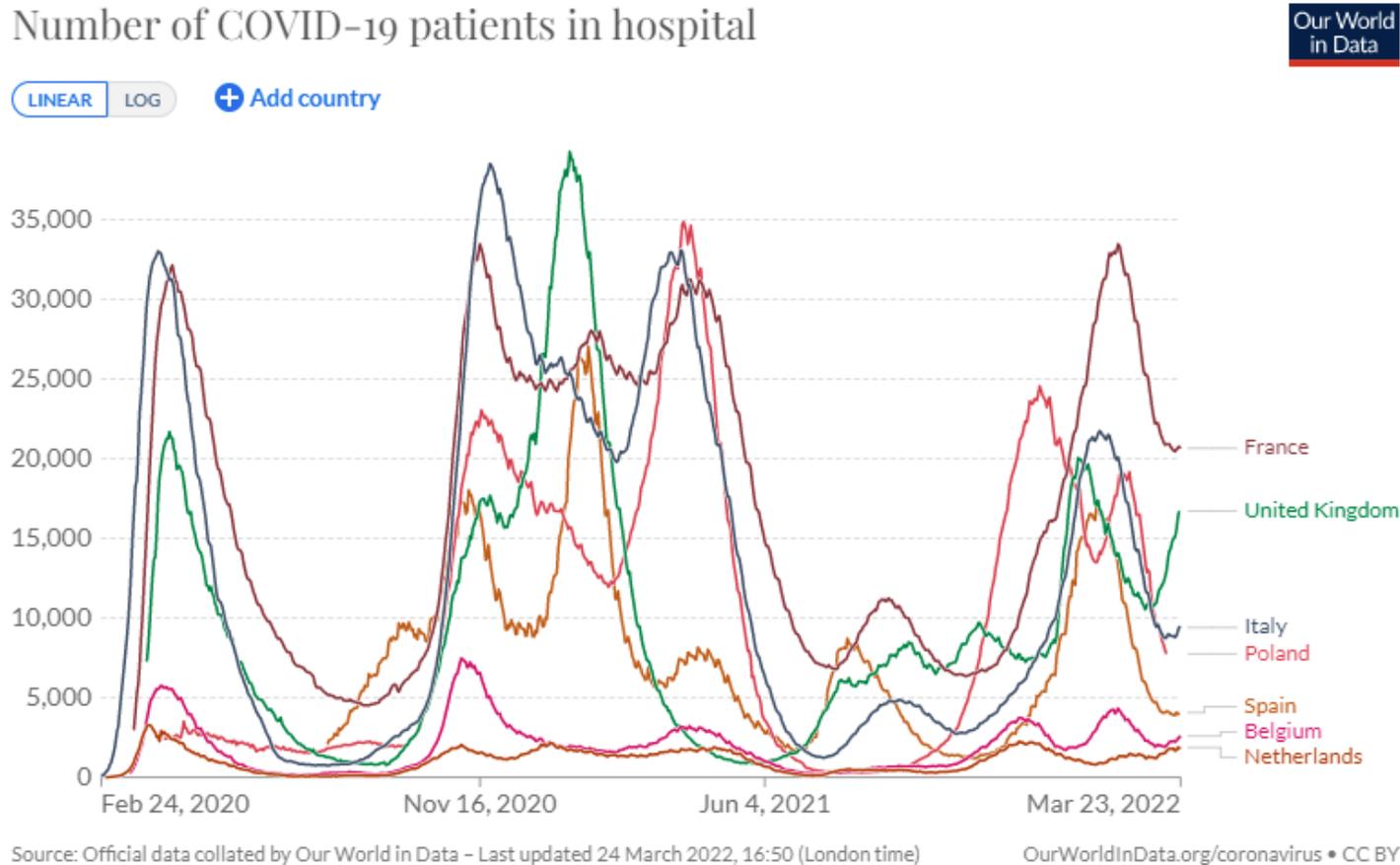
OurWorldInData.org/coronavirus • CC BY

Our World in Data

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Is the Next Wave of COVID-19 Coming?

Number of COVID-19 patients in hospital



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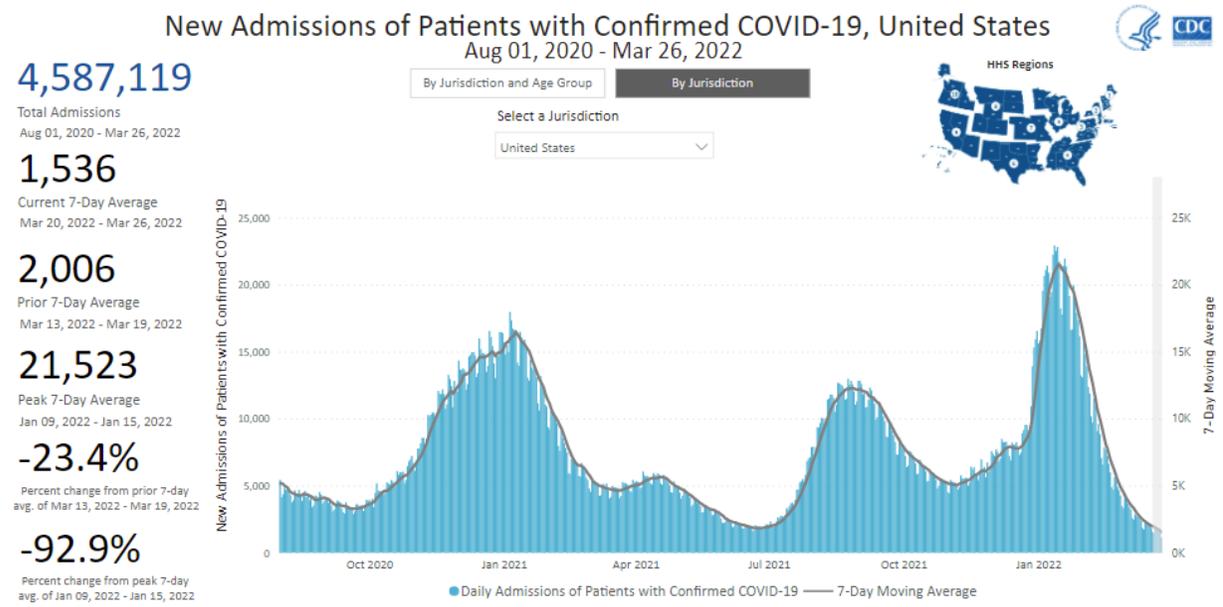
Across the US, hospitalizations, new cases and deaths are down. US vaccination rates, however, are notably lower than in Europe, introducing an added variable to US vulnerability. If there is going to be a new wave, it will likely be seen by early April. Thus far, it is not evident.

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Is the Next Wave of COVID-19 Coming?

Some epidemiologists believe that the US has entered the endemic phase and the nation should stop thinking about unpredictable waves, but rather seasonal outbreaks, much like the regular flu. Practicing prevention—washing hands frequently, staying home when sick, getting initial vaccinations and boosters as they become available – remains the primary focus of mitigation efforts. The White House just added one more: improving indoor air quality. Last week, the White House broke ranks with the CDC by stating conclusively that coronavirus is primarily transmitted through aerosols—small, tiny airborne particles.

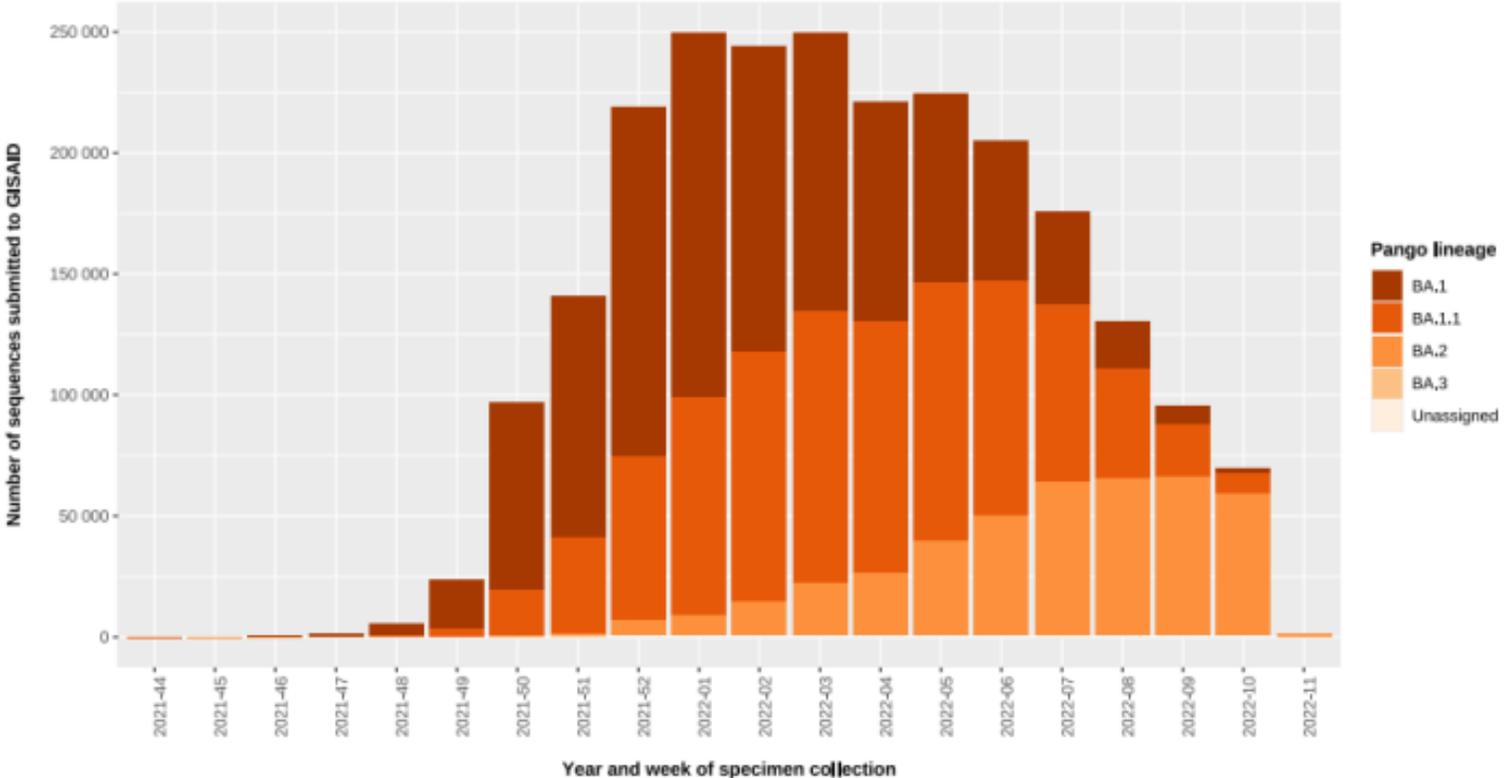
Two years into the pandemic, with the global population adjusting and turning attention to other pressing security challenges – the war in Ukraine, supply chain disruptions, global food insecurity and growing inflation – there remains the risk that coronavirus will launch a rear-guard attack and catch the global community by surprise, once again. Significant pockets of unvaccinated provide ready pools to incubate new variants. Already on the scene is Omicron subvariant BA.3. It is receiving little attention by the public because it is not vaccine resistant. However, its spread is a reminder of how fast new variants can emerge. BA.3 was first detected in South Africa in December and is now found in 23 countries.



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Is the Next Wave of COVID-19 Coming?

Panel B. Incidence of Omicron lineages by week of specimens collection.



Global distribution of Omicron lineages from sequences and metadata submitted to [GISAID](#)
Data was extracted from [GISAID](#) on 22 March 2022 at 14:00 CET; figures are correct at the time of printing

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Ukraine War Update: Ceasefire Talks, Ukrainian Offensives, Mariupol's Destruction

Moscow and Kyiv are discussing a pause in hostilities as part of a deal that would involve Ukraine abandoning its drive for NATO membership in exchange for security guarantees and the prospect of joining the EU. Russia is no longer requesting Ukraine be "denazified." Envoys are to meet in Istanbul on Tuesday in a fourth round of peace talks. Russia continues to demand that Ukraine recognize Russia's control over the Crimean Peninsula, which Moscow annexed in 2014, as well as two territories run by Russian-backed separatists in the eastern Donbas region.

Political Developments

Turkey's president, Recep Tayyip Erdogan, urged Ukrainian and Russian negotiators to agree to a ceasefire at their meeting in Istanbul on Tuesday.

Russia is preparing retaliatory visa measures that would restrict entry for citizens from "unfriendly countries," Foreign Minister Sergei Lavrov announced on Monday.

European Union judicial coordination agency Eurojust said that it helped establish a joint investigation to probe war crimes, crimes against humanity and other crimes committed in Ukraine.

Russian independent newspaper Novaya Gazeta said it was suspending operations indefinitely on Monday after receiving warnings from censors over its coverage over the war in Ukraine.

Battlefield Developments

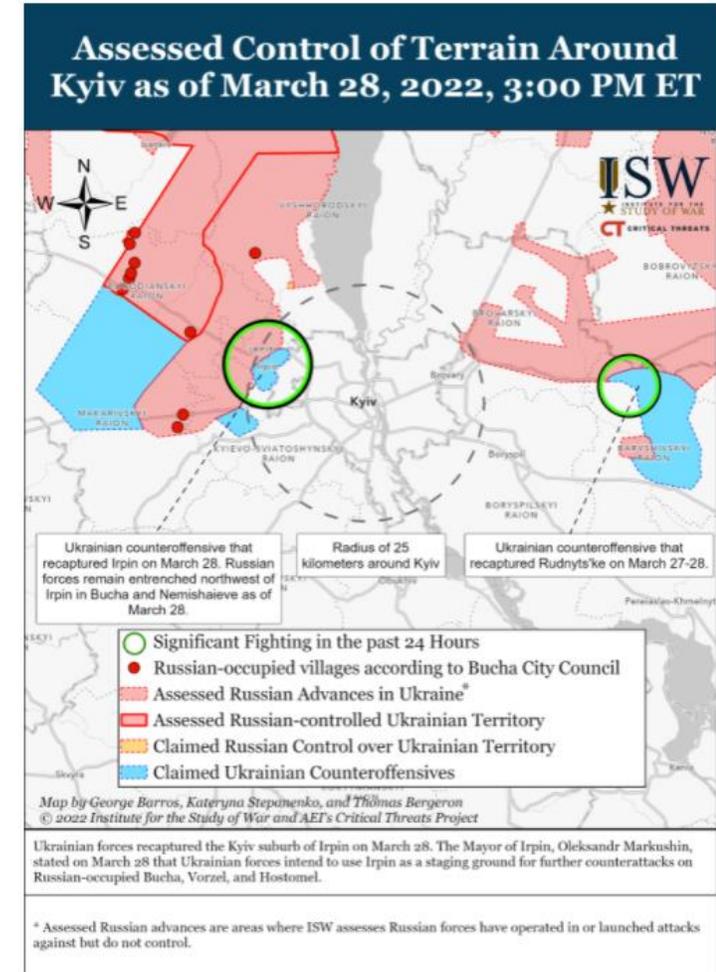
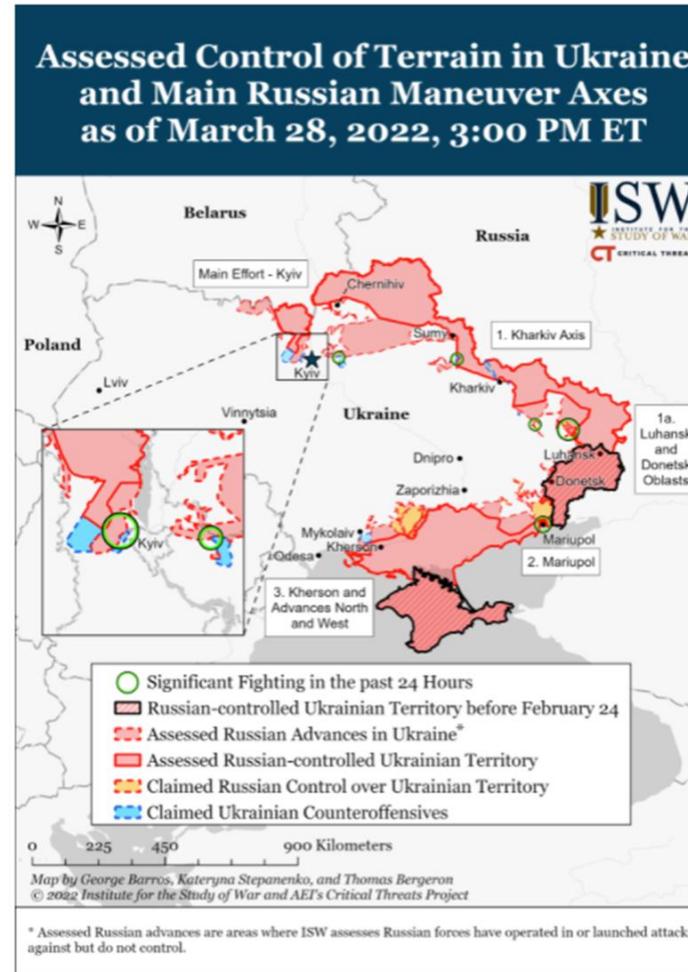
The UK Ministry of Defense assessed Ukrainian forces have succeeded in pushing back Russian troops in a number of positions around Kyiv, with localized counterattacks in areas including Irpin, Bucha and Hostomel, all to the north-west of the capital. Russian forces, however, still posed a "significant threat" to the city.

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Ukraine War Update: Ceasefire Talks, Ukrainian Offensives, Mariupol's Destruction

Ukraine claimed that government forces had liberated Irpin, a strategically important suburb town north of Kyiv which has been the scene of heavy fighting since the war began. Ukraine's military also claimed on Monday it had repelled Russian attempts to "break the defense" of Kyiv from the north-west and east.

The Institute for the Study of War assessed Russian forces have not abandoned their objective to encircle and capture Kyiv, despite Kremlin claims that Russian forces will concentrate on eastern Ukraine. Russian forces conducted unsuccessful attacks toward Brovary and did not conduct offensive operations toward Chernihiv, Sumy, and Kharkiv. Russian



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

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Ukraine War Update: Ceasefire Talks, Ukrainian Offensives, Mariupol's Destruction

operations in northeastern Ukraine remain stalled. Russian forces continued to steadily take territory in Mariupol.

Ukrainian authorities said Russian missiles struck another fuel depot in the northwest of the country in the Rivne region.

British military intelligence said the Russian private military company, the Wagner Group, has deployed more than 1,000 mercenaries to eastern Ukraine.

Justice ministers France, Germany, Spain and Italy, have issued a warning to their citizens not to travel to Ukraine to fight. According to the Ukrainian government, as many as 20,000 foreigners from 52 countries have expressed interest in joining the International Legion of Territorial Defense.

Humanitarian Developments

In Mariupol a spokesman for the mayor put the death toll at 5,000, with 90 percent of buildings in the city damaged and 40 percent destroyed. The United Nations has confirmed 1,119 civilian deaths and 1,790 injuries across Ukraine but says the real toll is likely to be much higher.

UNHCR reported that 3.8 million people have fled Ukraine, with almost 3 million entering Poland. Germany and Poland are urging a more even distribution of Ukrainian refugees within the EU.

UN Secretary-General Antonio Guterres said he has directed the world body's aid chief Martin Griffiths "*immediately to explore with the parties involved the possible agreements and arrangements for a humanitarian ceasefire in Ukraine.*"

Economic Developments

The G7 energy ministers rejected Vladimir Putin's demand that Russian oil and gas deliveries be paid in roubles rather than dollars or euros.

The European Central Bank has established or extended financing agreements with Poland and four other countries to "*prevent spillover effects in euro area financial markets and economies*" from Russia's invasion of Ukraine. It also extended repurchase agreements to provide euro financing to the central banks of Hungary, Albania, the Republic of North Macedonia and the Republic of San Marino.

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Ukraine War Update: Ceasefire Talks, Ukrainian Offensives, Mariupol's Destruction

Japan will revise its foreign exchange law to prevent Russia from evading Western financial sanctions through cryptocurrency assets.

Australia has approved a fresh sanctions package targeting 39 Russian individuals in its first use of a law named after Ukrainian-born whistleblower Sergei Magnitsky.

Deputy US Treasury Secretary Wally Adeyemo said the US and allies plan new sanctions on more sectors of Russia's economy that are critical to sustaining its invasion of Ukraine, including supply chains.

The European Bank for Reconstruction and Development is closing its offices in Moscow and Minsk.

Bloomberg has suspended its business in Russia and Belarus, ending access to Bloomberg terminals and electronic trading platforms used on trading floors around the world.

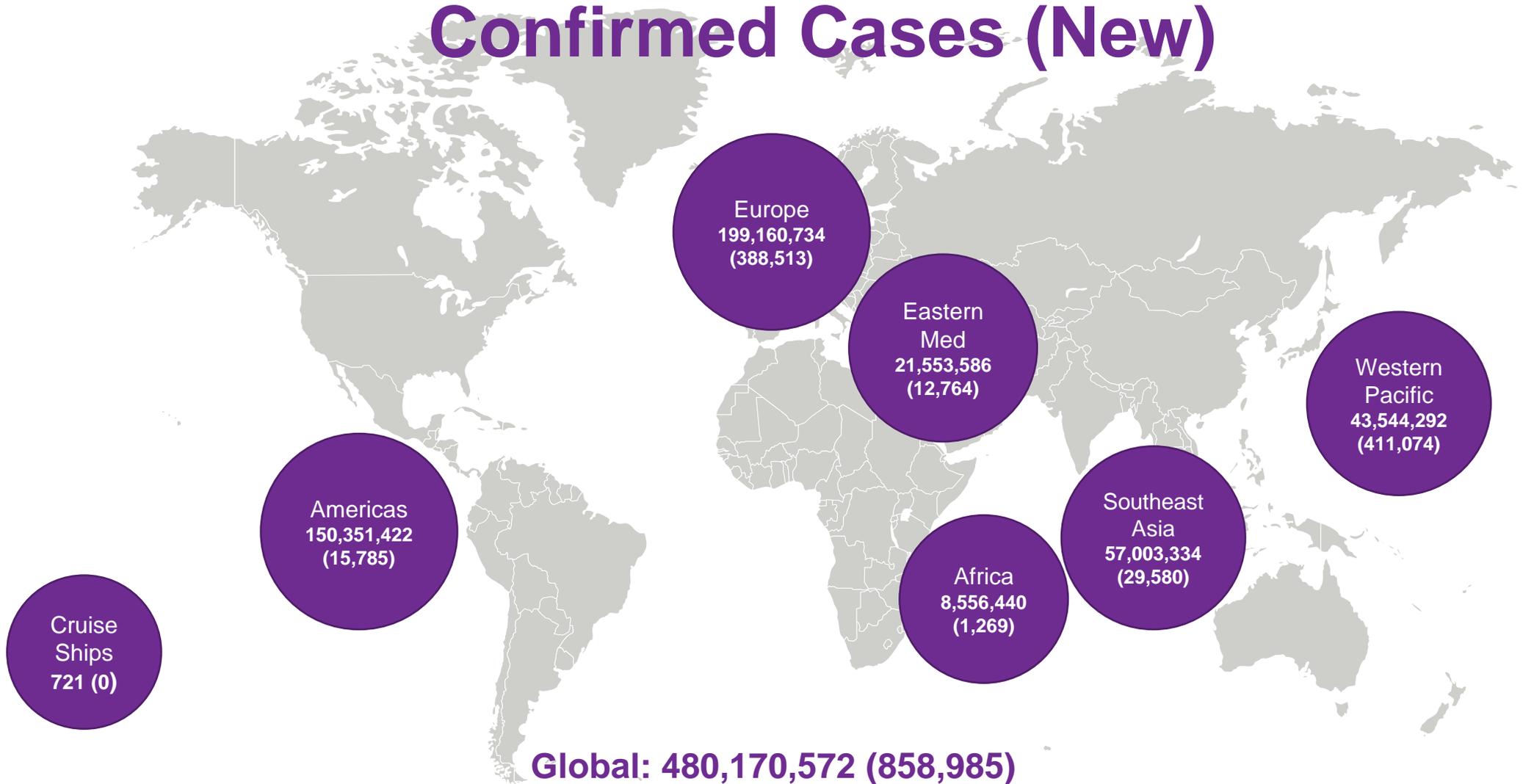
Credit Suisse stopped pursuing new business in Russia.

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Coronavirus Condition Updates

As of 6:23 pm CEST on March 28, 2022

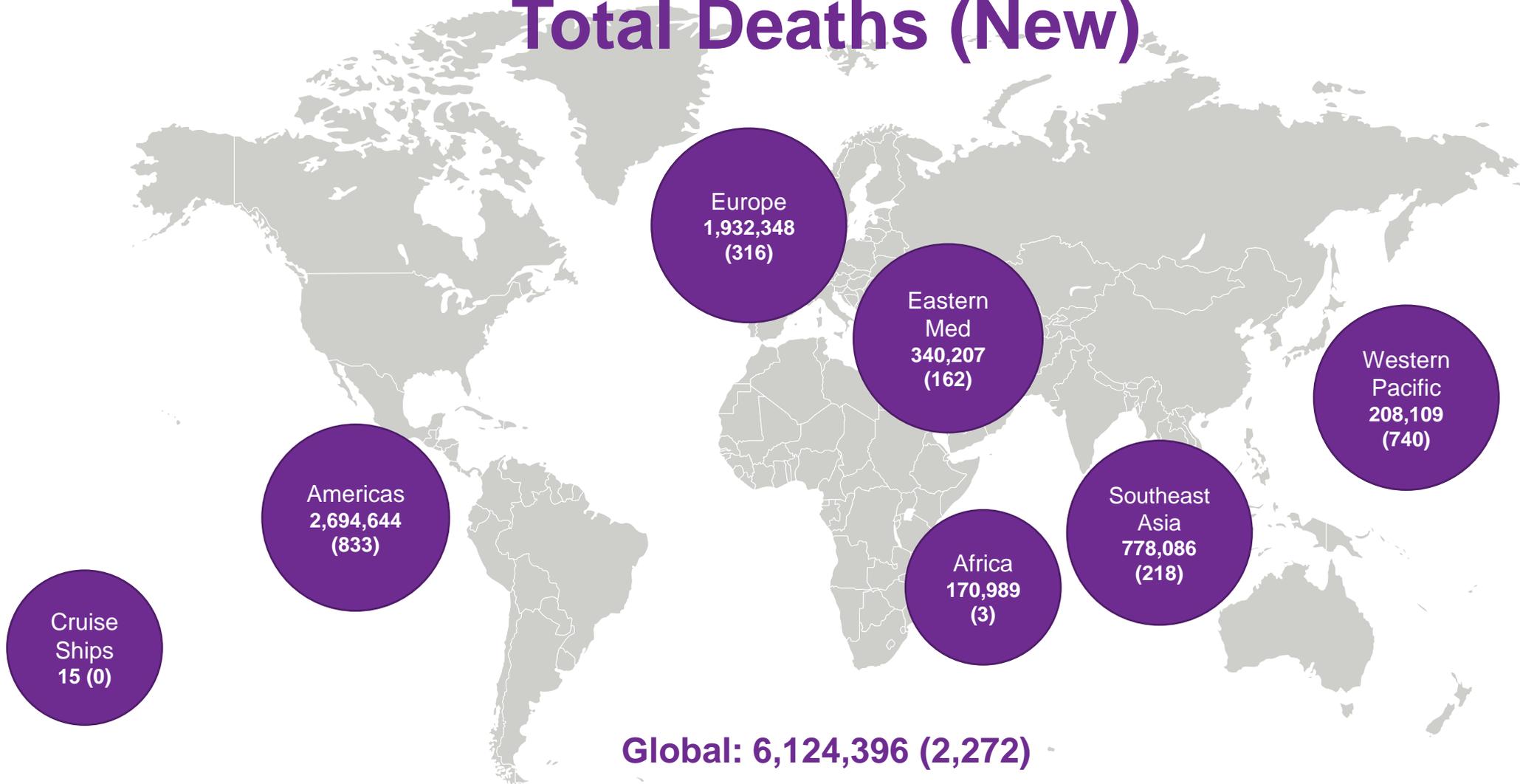
Confirmed Cases (New)



Reflects data as of 6:23 pm CEST on March 28, 2022.
Data Source: World Health Organization

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Total Deaths (New)



Reflects data as of 6:23 pm CEST on March 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.

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