

Dentons Flashpoint

Daily Global Situation Report

May 2, 2022

Global Situation Update: May 2, 2022

KEY TAKEAWAYS

A heat wave in India has scorched wheat fields, reducing yields and damping expectations for exports needed to alleviate a global shortage.

Two new Omicron sub lineages risk triggering a new wave of infections.

NATO military exercises have started in Poland, deploying over 18,000 soldiers, seeking to deter Russian aggression.

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WHAT WE'RE WATCHING

Turkey is bolstering its position as a regional power with a multitude of moves. Carefully balancing its interests between Ukraine and Russia, Ankara is also expanding its influence to the south with an invasion of Iraq now in its second week, and further incursions into northern Syria. To the west, Turkish warplanes have repeatedly violated Greek airspace over the past week.

To boost economic prosperity and security coordination, Ankara is also reengaging the Arabian Gulf. A recently concluded visit to Riyadh by President Erdoğan signals regional rapprochement, while Turkey and the UAE vowed last week to double bilateral trade. These moves come amid uncertainty over a new Iran nuclear deal and could also have implications for the war in Yemen.



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

Global

The head of the U.N. World Food Program has called on world leaders to do more to protect vital seaways into Ukraine to prevent worsening food shortages in the war-torn country and around the world.

- US and UK intelligence are warning that Russia is advancing efforts to undermine democratically **elected government in Ukraine** in an attempt to lend a semblance of legitimacy to its campaign of subjugation using puppets and proxies.
- EU energy ministers will meet today to discuss how to deal with Russia's decision to halt gas supplies to Poland and Bulgaria. The EU is reportedly close to announcing new sanctions against Russia, possibly including a bloc-wide **embargo of Russian oil**.
- Two new sub lineages of the **Omicron coronavirus** variant, BA.4 and BA.5, can dodge antibodies from earlier infection well enough to trigger a new wave, but are far less able to thrive in the blood of people vaccinated against COVID-19, South African scientists have found.
- **Food prices** globally are up 34 percent from a year ago, partly as a result of the Russian invasion, according to Samantha Power, administrator of the US Agency for International Development.

Markets & Business

Africa's first COVID-19 vaccination plant risks shutting down after receiving not a single order.

- Online retailer **Amazon.com Inc** will end its paid time-off policy for employees with COVID-19 from May 2. The US-based staff will now get five days of excused, unpaid leave following a confirmed COVID-19 diagnosis.
- **Qantas Airways** will fly non-stop from Sydney to London after ordering a dozen special Airbus jets, charging higher fares in a multi-billion dollar bet that fliers will pay a premium to save four hours on the popular route.
- **MGM Resorts International** offered to acquire Swedish online gaming company **LeoVegas AB** for about \$607 million, paving the way for the US casino operator to expand its presence in Europe.
- India accused **Xiaomi Corp.** of breaching the country's foreign-exchange laws and seized 55.51 billion rupees (\$726 million) from a local unit of the smartphone maker, in India's latest clash with a Chinese company over their activities in the market.

Environment, Sustainability & Governance

A blistering heat wave has scorched wheat fields in India, reducing yields and damping expectations for exports that the world is relying on to alleviate a global shortage.

- EU **antitrust regulators** charged Apple with restricting rivals' access to its NFC chip technology in a move that could result in a hefty fine for the iPhone maker and force it to open its mobile payment system to competitors.
- Europe's biggest insurer Allianz plans to take a harder line on **insuring the oil and gas industry** as part of efforts to align its underwriting policies with the world's climate goal.
- Exxon Mobil Corp rejected allegations made by California's Attorney General office on the company's role in causing the **global plastic waste crisis**.
- Thousands of food-delivery drivers went on strike in Dubai over the weekend to **protest low pay and poor working conditions**, a rare act of defiance in the UAE where labor actions are criminalized.

Africa

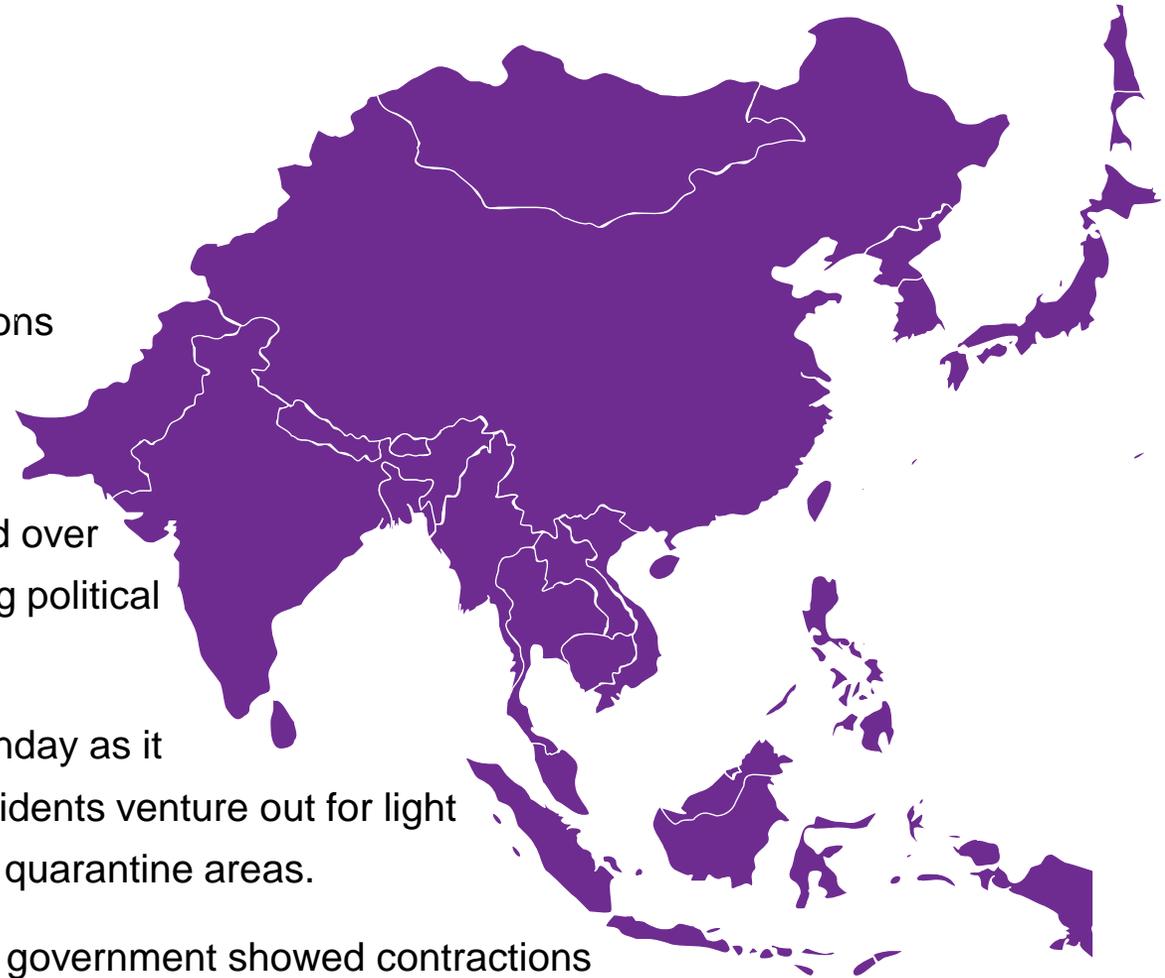
- **Kenyan** President Kenyatta announced a hike the country's minimum wage by 12 percent immediately to help workers cope with a surge in consumer prices.
- **Sudanese** security forces fired tear gas at crowds who massed in Khartoum on Saturday to rally against military rule and mark the third anniversary of the killing of scores of protesters.
- The military junta in **Guinea** said its transition back to civilian rule will probably take more than three years, rejecting a push for a swift return to constitutional order.
- On a tour in Africa, UN Secretary-General Guterres urged debt relief for **African countries** and more investment to help their economies recover from the COVID-19 pandemic and weather the impacts of the Ukraine war.



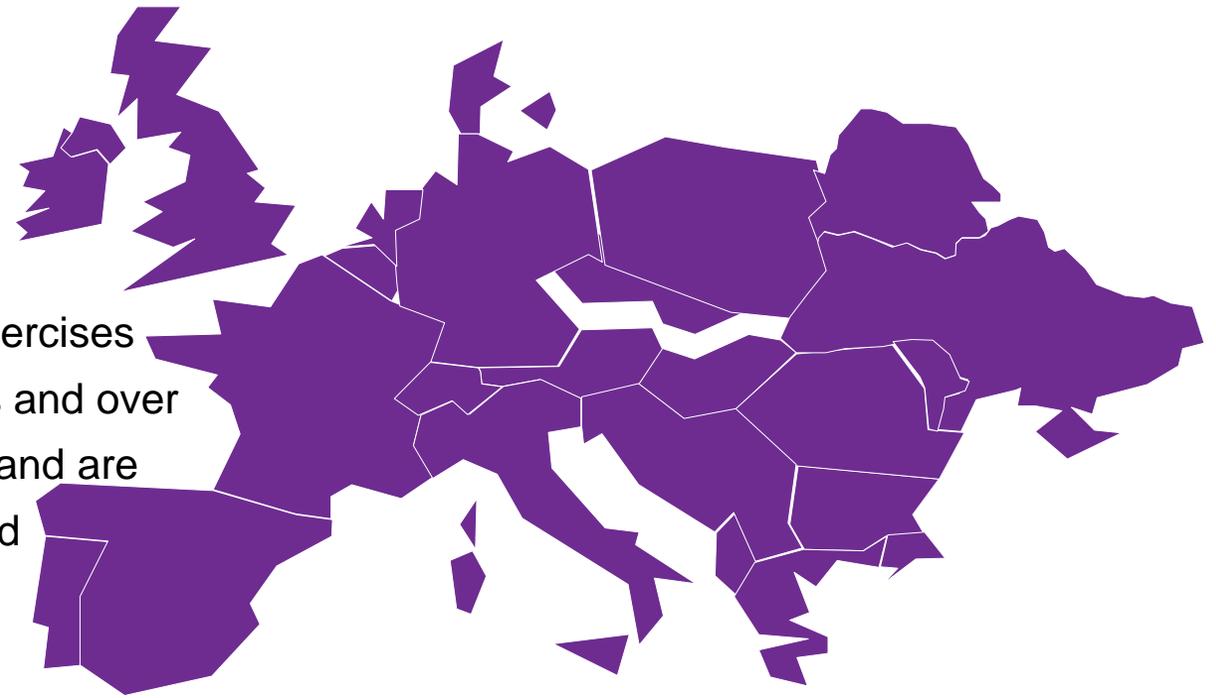
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Asia

- **New Zealand** opened its borders to visitors from around 60 nations including the US, Britain and Singapore for the first time since COVID-19 hit in early 2020.
- Thousands of supporters of **Sri Lankan** opposition parties rallied over the weekend in the commercial capital Colombo as a weeks-long political and economic crisis showed no sign of abating.
- The **Chinese** capital Beijing tightened COVID restrictions on Sunday as it battled an outbreak, while Shanghai let more of its 25 million residents venture out for light and air after reporting a second day of zero infections outside of quarantine areas.
- On Saturday, purchasing manager indexes released by **China's** government showed contractions in factory and service-sector activity for a second straight month in April. They fell to their lowest levels since the pandemic began in 2020. Western economists assess that Beijing's zero-tolerance approach to COVID-19 is slowing economic activity risking a recession.



Europe



- The Defender Europe 2022 and Swift Response 2022 exercises have started in **Poland**, drawing over 20 NATO countries and over 18,000 soldiers under the shadow of the war in **Ukraine** and are slated to run from May 1 - 27. The Polish military stressed that the NATO exercises are a regular occurrence.
- **Denmark and Sweden** reported that a **Russian** AN-30 survey plane briefly violated their airspace on Friday, flying near a Danish island in the Baltic Sea and a town on the southern tip of Sweden.
- **Italy and Greece** eased some COVID-19 restrictions ahead of Europe's peak tourism season. Italy will no longer require its health pass to access much of public life including restaurants, cinemas and other venues. Visitors to Greece will no longer need to prove vaccination or show a negative test result.
- **French** police fired tear gas at black-clad anarchists who ransacked business premises in Paris during May Day protests against the policies of newly re-elected President Emmanuel Macron.

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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.

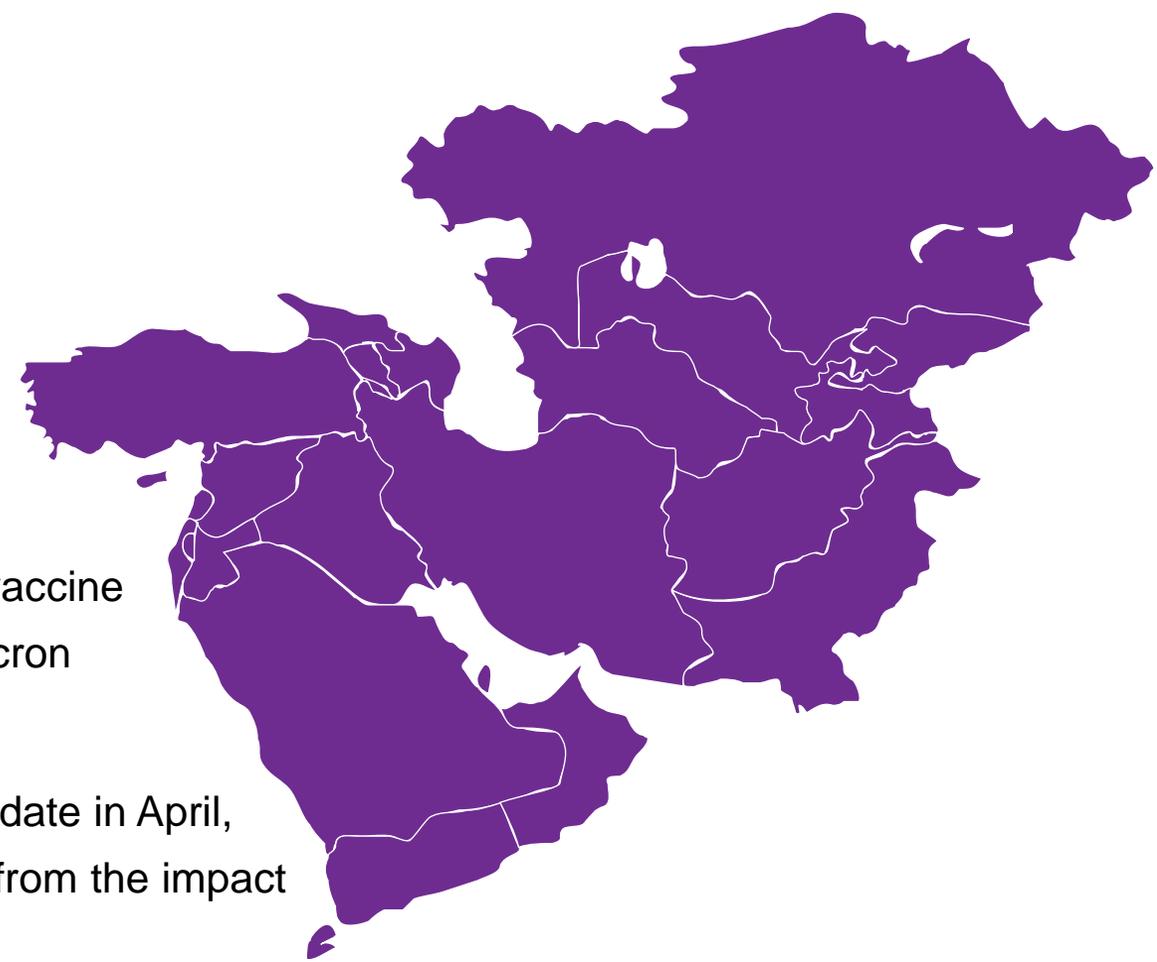
Dentons tabletop sessions are fluid, and designed to enhance preparedness with services, including:

- ❖ 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



- The Islamic state claimed responsibility for two bombings in **Afghanistan**, spiking security concerns during the Muslim holiday of Eid al-Fitr.
- **China's** Suzhou Abogen Biosciences Co said its COVID-19 vaccine candidate using the mRNA technology and targeting the Omicron variant has obtained clinical trial approval in the **UAE**.
- **Egypt's** Suez Canal recorded its highest monthly revenue to date in April, reaping \$629 million in ship transit fees, as traffic rebounded from the impact of the pandemic.
- **Iran** oil minister Javad Owji made a rare trip to **Venezuela** that included visiting oil facilities and signing energy deals between the two US-sanctioned nations.
- **Pakistan** will maintain subsidies to keep fuel and power prices steady for consumers, going against IMF recommendations even as the country seeks to boost its rescue package with the fund.

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Americas

- **Mexican** President Obrador and **US** President Biden discussed investments in Central America to curb migration from the region.
- Two top executives of **Nicaragua's** largest business association have been convicted of "*undermining national integrity*," in the latest of a series of judicial actions against political opponents of President Ortega.
- **Ecuadorean** President Lasso declared a 60-day state of emergency, including curfews in some areas and the deployment of thousands of security forces, in three of the country's 24 provinces, citing a rise in crime.
- At least one protesting indigenous community continued to occupy MMG's Las Bambas copper mine in **Peru** as operations remained halted, the company and two community sources said, despite police operations to evict them.



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Americas: US

- The vaccinated comprised 42 percent of fatalities in January and February during the highly contagious **Omicron variant's** surge, compared with 23 percent of the dead in September, the peak of the delta wave. Nearly two-thirds of the people who died during the Omicron surge were 75 and older.
- Scientists and health officials by this summer should have a better sense of what type of **COVID-19 booster** will be needed to deal with the next phase of the pandemic and when it should be administered, top US infectious disease expert Dr. Fauci said on Friday.
- A **drought-driven wildfire** in northern New Mexico exploded into a "*megafire*" of 100,000 acres, or 157 square miles, over the weekend and could still more than double in size. Thousands of residents of a historic Old West town in New Mexico were told to prepare for possible evacuation.
- House Speaker Pelosi (CA) made an unannounced visit to Kyiv this weekend with Democratic lawmakers Reps. Schiff (CA), McGovern (MA), Meeks (NY) and Crow (CO), in a show of support for **Ukraine**.



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NIMBYism in Renewable Energy and Business Risk

By Matthew Gardell

Across the country, renewable energy projects are being threatened by NIMBY activism. These community efforts may stymie greater adoption of clean energy technologies and demonstrate the importance of buy-in from local communities.

Amid concerns over climate change and record high gas prices, there has been a push to develop more renewable energy projects. Both federal agencies and state governments are incentivizing developers to build clean energy projects, particularly solar and wind farms. However, these projects are being opposed by local community activists who often cite the disruption they would cause in their neighborhoods. These community groups sometimes launch legal challenges that tie up developers and investors in costly legal cases. This NIMBYism - which refers to the expression "not in my back yard" -- is forcing businesses to re-consider their plans while seeking ways to ensure buy-in from local residents.

Case Studies

South Fork Wind Farm

On New York's Long Island, plans have been in motion to develop one of the US' first offshore wind farms. In February, construction began on the South Fork Wind Farm, a 130-megawatt offshore project near the Hamptons. The wind farm is expected to generate enough electricity to power 70,000 homes, which would be the biggest output in the US. Local residents have filed lawsuits alleging that developers did not adequately assess environmental and pollution risks. Although a judge dismissed these lawsuits, more legal action is coming, including a case arguing that the wind turbines will harm an endangered whale species.

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Battle Born Solar Project

In the Nevada desert, the Battle Born Solar Project was slated to be the largest solar plant in the US. Nevada plans to transition to 50 percent renewable energy by 2030, making the expansive solar farm north of Las Vegas central to the state's energy diversification strategy. A local opposition group, "Save Our Mesa," led a campaign against the solar farm by arguing that project would cause visual blight, deter tourism/recreational activities and interfere with an environmental art installation. Last year, the developer submitted a notice to the Bureau of Land Management of their intention to withdraw their application.

Shepard's Run Solar Farm

In Copake, New York, a rural town on the outskirts of Albany, NIMBY groups have launched campaigns against a proposed solar project. Hecate Energy initially planned on building a 500-acre solar farm in the town. Local opposition groups (as well as members of the town council) argued that the solar farm was too big and would cause visual blight. Residents were also concerned that the solar panels would harm the town's "pastoral" setting and affect tourism. Under pressure, Hecate Energy agreed to cut the acreage of the

solar farm in half. Local opposition groups and the town of Copake have formed a working group to provide suggestions on the project and were recently awarded \$60,000 in intervenor funds on April 15. Hecate submitted its permit application to New York State last month.

Business Risk

The three cases above underscore that NIMBYism is a risk to business operations. One project was abandoned, one is facing legal challenges and one developer was forced to downsize their project. Given that so many multinational companies are putting renewable energy at the center of future business operations, local NIMBY activists may derail or tie up those plans. However, NIMBYism is not just a risk to solar or wind farms, but also other industries such as housing, manufacturing and the nuclear power industry. There were some common threads that emerged among the NIMBY opposition in these three cases, including resident concerns over disruption to their communities, visual blight and the perceived threat to their livelihoods (the effect on tourism, for example).

Renewable energy companies, and other businesses such as housing developers, are re-thinking how to engage with local communities to ensure buy-in. Strategies include community

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NIMBYism in Renewable Energy and Business Risk

meetings or public hearings, focusing on community benefits during the campaign and a willingness to concede (as was the case with the Shepard's Run Solar Farm). Business analysts also say it is important to recruit stakeholders such as local elected officials or community organizations rather than just respond to NIMBY opposition; this has been a tactic of affordable housing developers who have tried to aid supportive groups in cities across the country.

There are high economic costs to NIMBYism. For the renewable energy industry, scuttled projects are a real risk to operational plans, and NIMBY activists could slow the transition to a clean energy economy. One research paper released by the National Bureau of Economic Research argued that NIMBY policies that restrict the supply of housing in major US cities are a drag on the national economy. The authors of the study stipulated that protectionist housing policies are controlling access to the most productive US labor markets. On the other hand, there are arguments that NIMBYism is a positive force that acts as a hedge against unfettered development, better distributes the impact of large-scale projects and protects property values. The local public interest groups and town councils that often form NIMBY opposition play an important role in

US participatory democracy. As the US and global economy shifts to a clean energy future, growing NIMBYism against renewable energy projects is a trend worth watching.

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Ukraine War Update: Mariupol Evacuation, Occupation Coercion, Oil Embargo

US and UK intelligence are warning that Russia is advancing efforts to undermine democratically elected government in Ukraine, including dissolving local municipal governments, setting up new leaders in “liberated” territories under Russian control, and holding sham referenda in an attempt to lend a semblance of legitimacy to its campaign of subjugation using puppets and proxies. Civilians in Russia-controlled Kherson are facing new restrictions, including an Internet blackout and a plan to use Russian currency, in possible signs Moscow intends to exert long-lasting influence over the region in southern Ukraine.

Political Developments

Ukrainian Foreign Minister Kuleba gave a lengthy interview with Chinese state media, a rare move for Beijing which has promoted Moscow's version of events. In the interview, Kuleba asked China to be Ukraine's “security guarantor,” referring to a 2013 promise from Beijing to act in that capacity should Kyiv ever be under threat. The foreign minister also said that the invasion was against China's interests, particularly that it was disrupting their Belt and Road Initiative of infrastructure projects in developing nations. During the interview, Kuleba called Russian aggression a war against Ukraine.

Over the weekend a Congressional delegation led by US Speaker Pelosi traveled to Kyiv and met President Zelensky. Pelosi is the highest-ranking American leader to visit Ukraine since the war began. Pelosi pledge support to Ukraine.

French President Emmanuel Macron vowed to increase military aid to Ukraine during a call with President Zelensky on Saturday. UK Prime Minister Boris Johnson also pledged additional military aid.

Bulgarian President Radev cautioned that the conflict in Ukraine could expand to the rest of Europe, saying his country should be

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Ukraine War Update: Mariupol Evacuation, Occupation Coercion, Oil Embargo

careful about becoming involved. The president, who is considered Moscow-friendly, added that it is Bulgaria's "*patriotic duty*" to not allow the country to become involved in the conflict. Radev's remarks stand in contrast to efforts by Prime Minister Petkov, who just visited Kyiv, and endorsed Bulgaria sending weapons to Ukraine.

Denmark will reopen its embassy in Ukraine today, joining a number of western countries who have reopened their diplomatic missions in the Ukrainian capital.

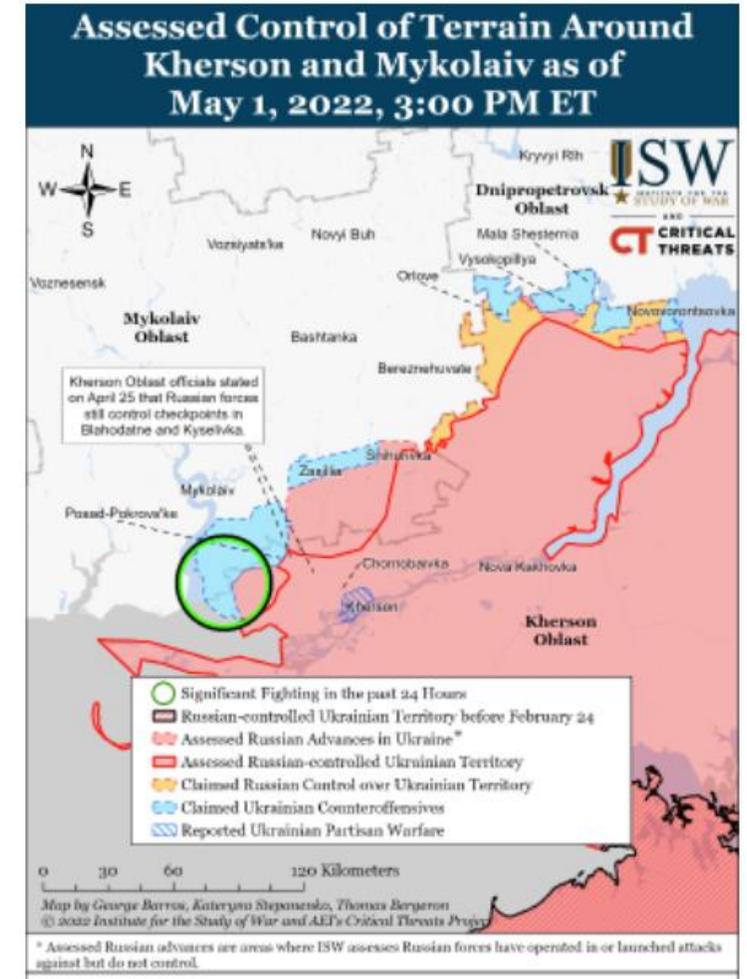
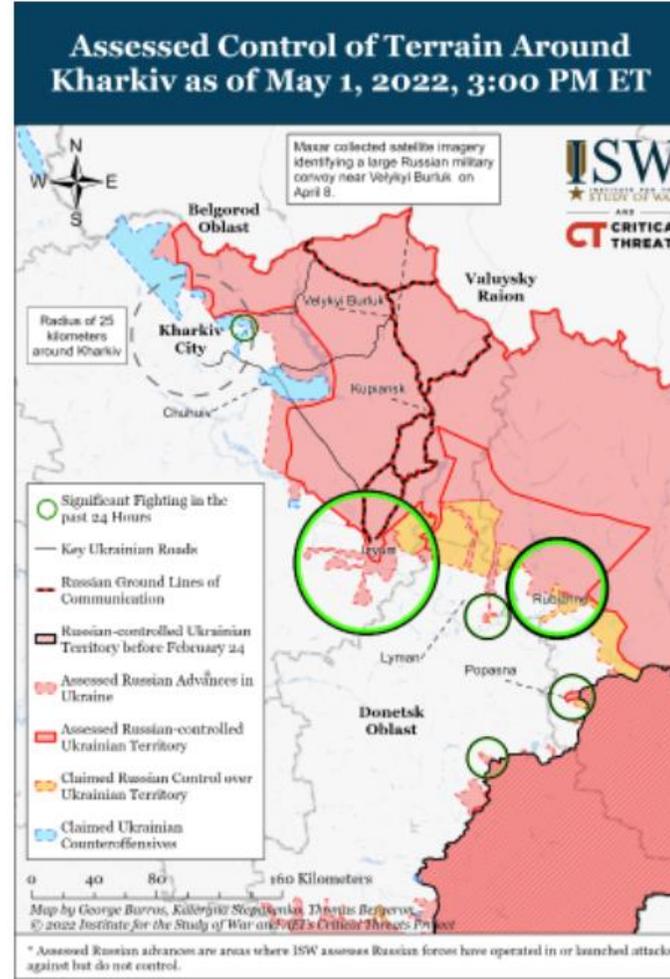
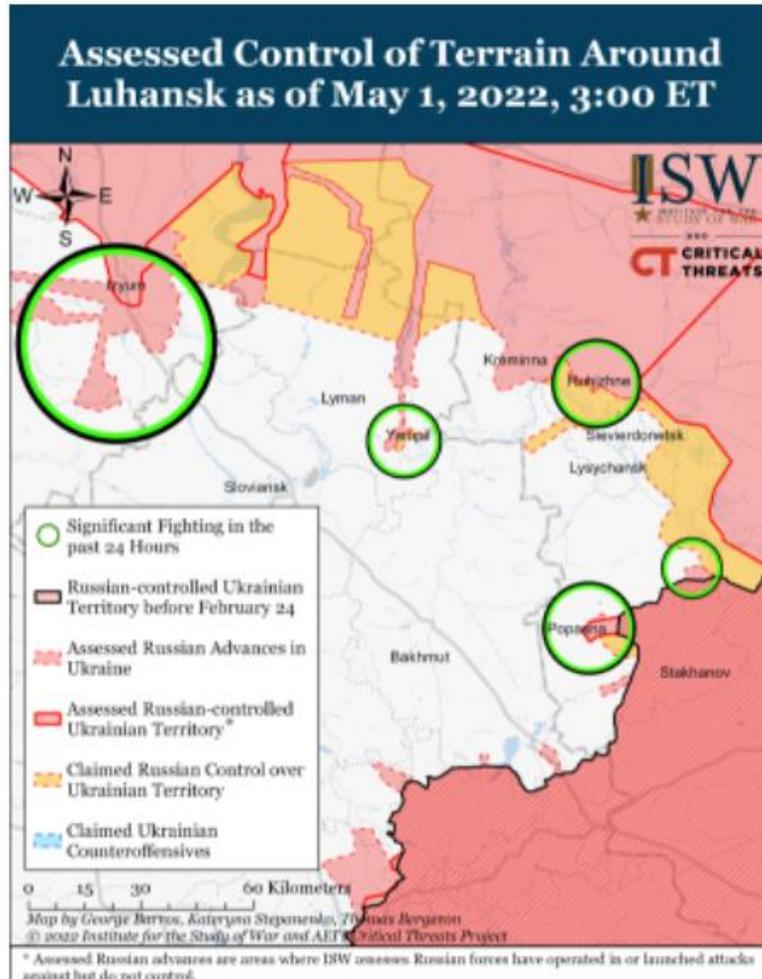
The UK government-funded research found that the Kremlin is employing a "large-scale disinformation campaign" which is designed to "manipulate international public opinion" of Russia's invasion of Ukraine. According to the expert analysis, the troll farm is operating from within an old factory in St. Petersburg including a team of paid employees. The troll farm has specifically targeted politicians and social media audiences in the UK, South Africa and India. Currently, the operation has been detected on Telegram, Twitter, Facebook and TikTok.

The narrative of Russia as the victim of the West and the need to defend the country has gained new momentum in recent weeks in Russian media, as the government appears to be preparing the country for a protracted war with Russia facing an existential threat. There is increased speculation among Western and Ukrainian analysts that Russian President Putin may announce a "*general mobilization*" of the Russian military on May 9th.



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Ukraine War Update: Mariupol Evacuation, Occupation Coercion, Oil Embargo



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

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Ukraine War Update: Mariupol Evacuation, Occupation Coercion, Oil Embargo

Battlefield Developments

Over the weekend, Russian forces continue to make incremental advances moving southwestward in the direction of Lyman, with advancement stalled by Ukrainian positions on the pre-February 24 frontline.

The Institute for the Study of War reported that Eastern Military District units and several air-defense assets were deploying from Belgorod to the Izyum front to support likely degraded Russian units attempting to advance south of the city. These forces are unlikely to enable Russian forces to break the current deadlock, as Russian attacks remain confined to two major highways (toward Slovyansk and Barvinkove) and cannot leverage greater numbers.

British military intelligence estimated that more than a quarter of Russia's battalion tactical groups have been rendered "*combat ineffective*" in Ukraine. Russia has committed over 120 battalion tactical groups, approximately 65 percent of its ground combat force. Many Russian military units are "*likely suffering from weakened morale*," the UK assessed, stating that Russia has been forced to "*merge and redeploy depleted and disparate units*." A senior US defense official stated that the Russian offensive is going much

slower than planned in part because of the strength of the Ukrainian resistance.

Cross border attacks into Russian territory have continued. On Sunday, a fire was reported in the Russian Defense Ministry facility in the Belgorod region bordering Ukraine and two explosions were reported in the Belgorod region in the early hours on Monday.

Today, Ukraine released video footage of Bayraktar TB-2 armed drones hitting the two Raptor-class patrol boats in the Black Sea near Snake Island.

Russian missiles destroyed the airport runway of the port city of Odesa on Saturday. Russia's defense ministry claimed it had hit weapons supplied to Ukraine by the US and European countries.

Training of Ukrainian forces on western supplied military equipment is picking up in locations outside of country, as Ukraine transitions from using Soviet era equipment to more modern designs. The US announced 50 Ukrainians are being trained on US bases in Germany using American-provided howitzers, radar systems and armored vehicles.

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Ukraine War Update: Mariupol Evacuation, Occupation Coercion, Oil Embargo

Humanitarian Developments

The first group of around 100 civilians has left the Azovstal steel plant in the port city of Mariupol over the weekend and is headed toward Ukrainian controlled Zaporizhzhia, which lies some 220 kilometers (130 miles) to the northwest of Mariupol. The safe-passage operation is being carried out in collaboration with the International Committee of the Red Cross and in coordination with Ukrainian and Russian officials. The evacuation effort is scheduled to continue today. Russian troops continued to shell the Azovstal plant as soon as the evacuation operation ended on Sunday.

A separate planned operation to evacuate civilians from parts of Mariupol outside the Azovstal steel works on Sunday was postponed to Monday morning due to shelling.

More than 5.5 million people have fled Ukraine since the war began on Feb. 24, the U.N. Refugee Agency reported on Monday.

Economic Developments

EU energy ministers will meet today to discuss how to deal with Russia's decision to halt gas supplies to Poland and Bulgaria. The

EU is reportedly close to announcing new sanctions against Russia, possibly including a bloc-wide embargo of Russian oil. German officials have stated they are ready to support the ban, having reduced their dependence on Russian supplies. However, Hungary opposes sanctions on Russian oil and could veto the effort, given the country's heavy dependence upon Russian energy. Hungarian Prime Minister Viktor Orban has not previously vetoed other EU sanctions against Moscow but has also not criticized President Vladimir Putin directly.

Deliveries of Russian gas to EU countries and Turkey fell 27 percent between January and April compared to the same period in 2021, while those to China exploded, Gazprom announced on Sunday.

Ukraine's deputy agriculture minister says Russian forces are seizing vast amounts of grain in territory they hold.

Indian Prime Minister Narendra Modi is visiting Berlin today. The Federation of German Industries (BDI) issued a statement saying that India's decision to not condemn Russia's invasion of Ukraine will likely make political and business cooperation more difficult going forward.

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Ukraine War Update: Mariupol Evacuation, Occupation Coercion, Oil Embargo

New Zealand has imposed sanctions on Russian lawmakers and defense entities in response to Russia's invasion of Ukraine.

Turkey is trying to attract more Russian tourists by expanding the usage of the Russian Mir payment system in Turkey as it seeks to bypass payment bottleneck created by Western sanctions.

The Institute for the Study of War assessed that the Kremlin may seek to leverage its partners in the Collective Security Treaty Organization (CSTO) to evade Western sanctions, citing reports that Russia is courting CSTO members to procure input goods and materials for dual-use technologies that Russia cannot directly purchase due to Western sanctions.

Russia is reportedly assembling an economic relief package equivalent to tens of billions of dollars to soften the impact of Western sanctions and shield its population from the financial fallout of the war in Ukraine.

Vyacheslav Volodin, chairman of Russia's lower house of parliament, said Moscow should respond to some "unfriendly countries" by symmetrically freezing the assets of business owners who come from those countries.

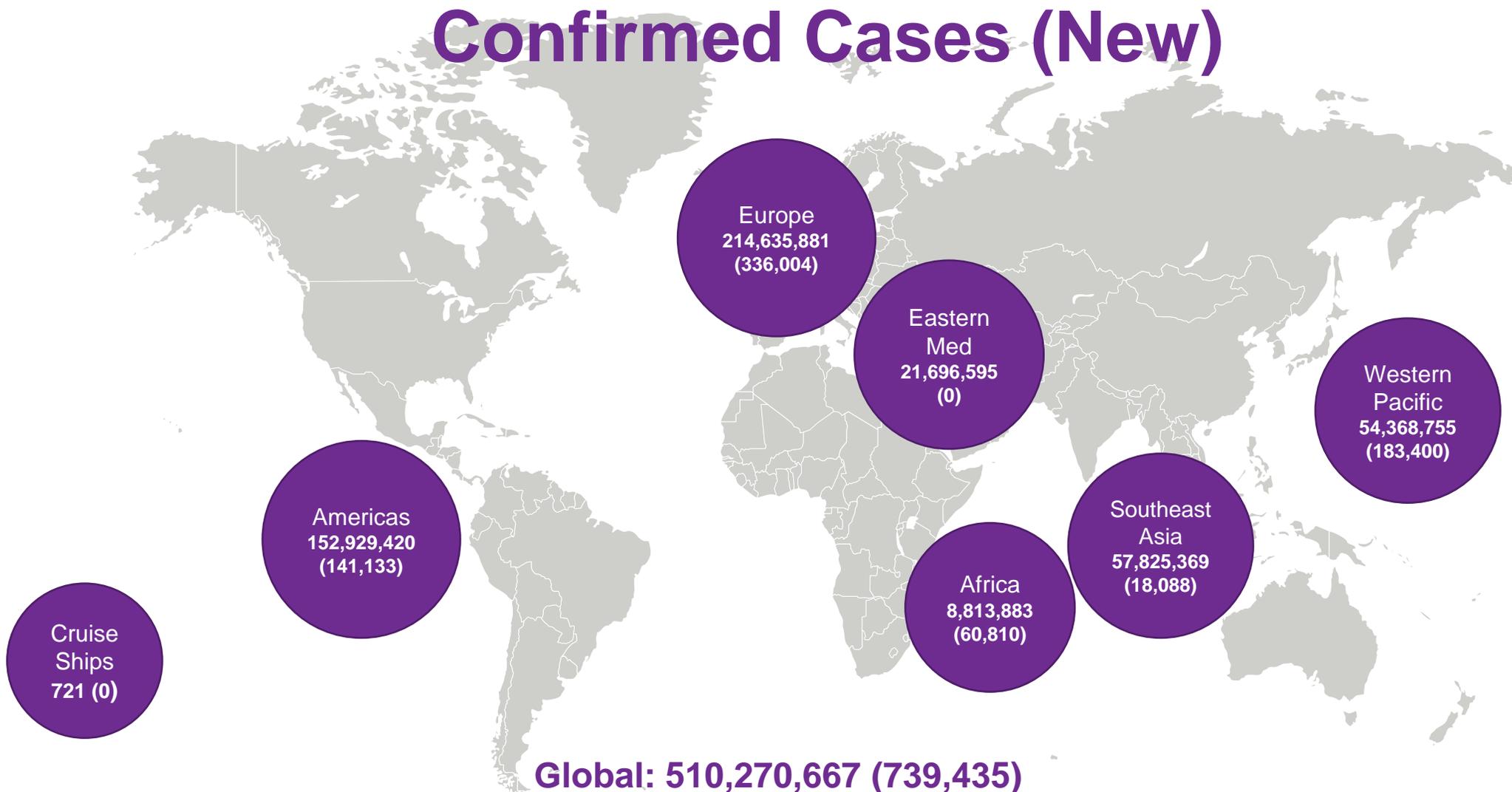
Oleg Tinkov, the founder of one of Russia's biggest banks, told The New York Times that he was forced to sell a 35 percent stake in his bank to a company run by Vladimir Potanin, a mining oligarch considered close to Russian President Vladimir Putin. The forced sale came following Tinkov's criticism of Russia's invasion of Ukraine on Instagram.

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Coronavirus Condition Updates

As of 5:47 pm CEST on April 29, 2022

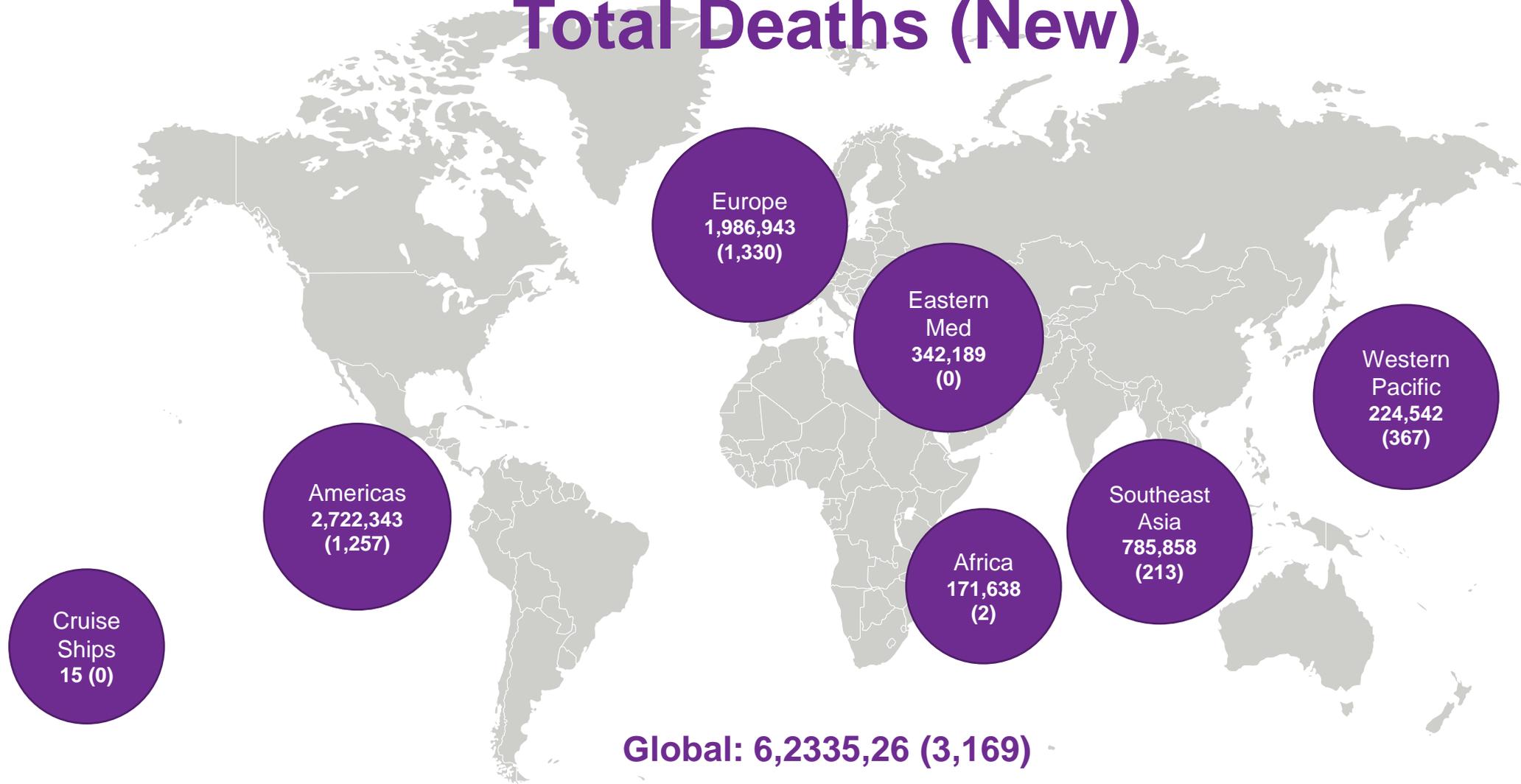
Confirmed Cases (New)



Reflects data as of 5:47 pm CEST on April 29, 2022.
Data Source: World Health Organization

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Total Deaths (New)



Reflects data as of 5:47 pm CEST on April 29, 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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