

Dentons Flashpoint

Daily Global Situation Report

April 12, 2022

Global Situation Update: April 12, 2022

KEY TAKEAWAYS

In a deepening crisis, Sri Lanka is suspending interest payments until it can restructure its sovereign debt.

The US draws down its consulate in Shanghai amid a surge in COVID-19 cases and “*arbitrary enforcement of local laws.*”

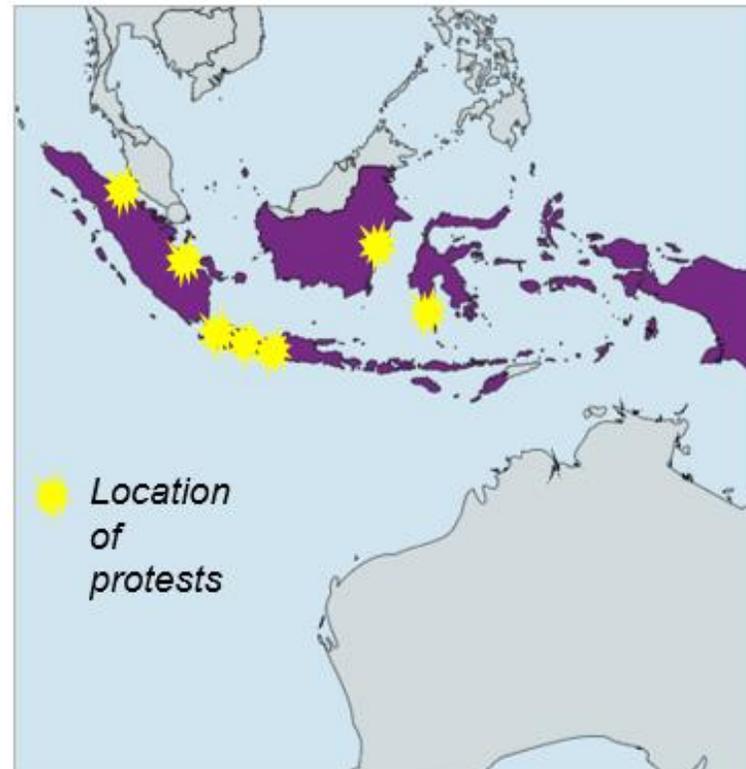
The US and UK are investigating reports that Russia used chemical weapons in the Ukrainian city of Mariupol.

Global Situation Update: April 12, 2022

WHAT WE'RE WATCHING

Protests in Indonesia are being led by students angry over rumors that President Widodo is considering delaying the 2024 election and holding on to power past his constitutional mandate. The popular protests in at least seven major cities across the archipelago are also calling for official action to bring down the price of basic commodities such as cooking oil and fuel as well as rents.

Authorities in this fourth most populous country in the world have thus far responded to the protests with tear gas and water canons. If “Jokowi,” as the president is also known, does not soon explicitly reject rumors that he may postpone elections in 2024, it could be expected that popular protests will continue and could disrupt local businesses.



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

Global

OPEC told the EU that current and future sanctions on Russia could create one of the worst ever oil supply shocks and it would be impossible to replace those volumes, signaling it would not pump more.

- Military intelligence agencies give warning notices for a **Russian offensive in the Donbas** as Austrian Chancellor Nehamemer's diplomatic mission determines that Russian President remains intent upon waging war.
- Ukraine continued to press allies to provide more **military equipment**. Speaking to the South Korean parliament, Ukrainian President Zelensky asked for air defense systems, jets, tanks, artillery and ammunition.
- The US and UK said they are working urgently to investigate unverified reports that Russia used **chemical weapons** in the southern city of Mariupol.
- The UN's children agency UNICEF said 4.8 million **Ukrainian children** have fled their homes since the beginning of the war.

Markets & Business

South Korea's SK Group is considering investments in small-sized nuclear reactors and that one of the candidates was TerraPower, a US venture founded by Bill Gates.

- US private equity group **Thoma Bravo** is buying cyber security company **SailPoint Technologies** for \$6.9 billion.
- **Deloitte** is under investigation by the UK accounting regulator over its audits of bus and rail operator **Go-Ahead Group**.
- **Honda** will invest \$40 billion into a shift towards electric vehicles over the next decade, as the company offers concrete plans to catch up with global rivals.
- Swiss drugmaker **Novartis** will cut thousands of jobs worldwide as it combines its pharma and oncology businesses in a reorganization.

Environment, Sustainability & Governance

Chile announced an unprecedented plan to ration water for the capital city of Santiago amid a 13-year drought.

- Mercedes-Benz unveiled new ESG measures, including plans to cut **CO2 emissions per passenger car** by more than 50 percent by 2030 and increase the use of **green and sustainability-linked finance**.
- New York pension officials will support shareholder resolutions filed at major banks, including Bank of America and Goldman Sachs, seeking quick cuts to **financing of new fossil fuel development**, pushing climate issues to the fore of another springtime shareholder meeting season.
- Investor group Climate Action 100+ pushing for faster climate action has backed a shareholder rebellion at the annual meeting of Irish building supplies company CRH over the way it **factors climate risk into its accounts**.
- Osaka Gas Co Ltd said on Tuesday it will provide technical support for a \$10.75 billion **green hydrogen** project in the Australian outback, the Desert Bloom Hydrogen project.

Africa

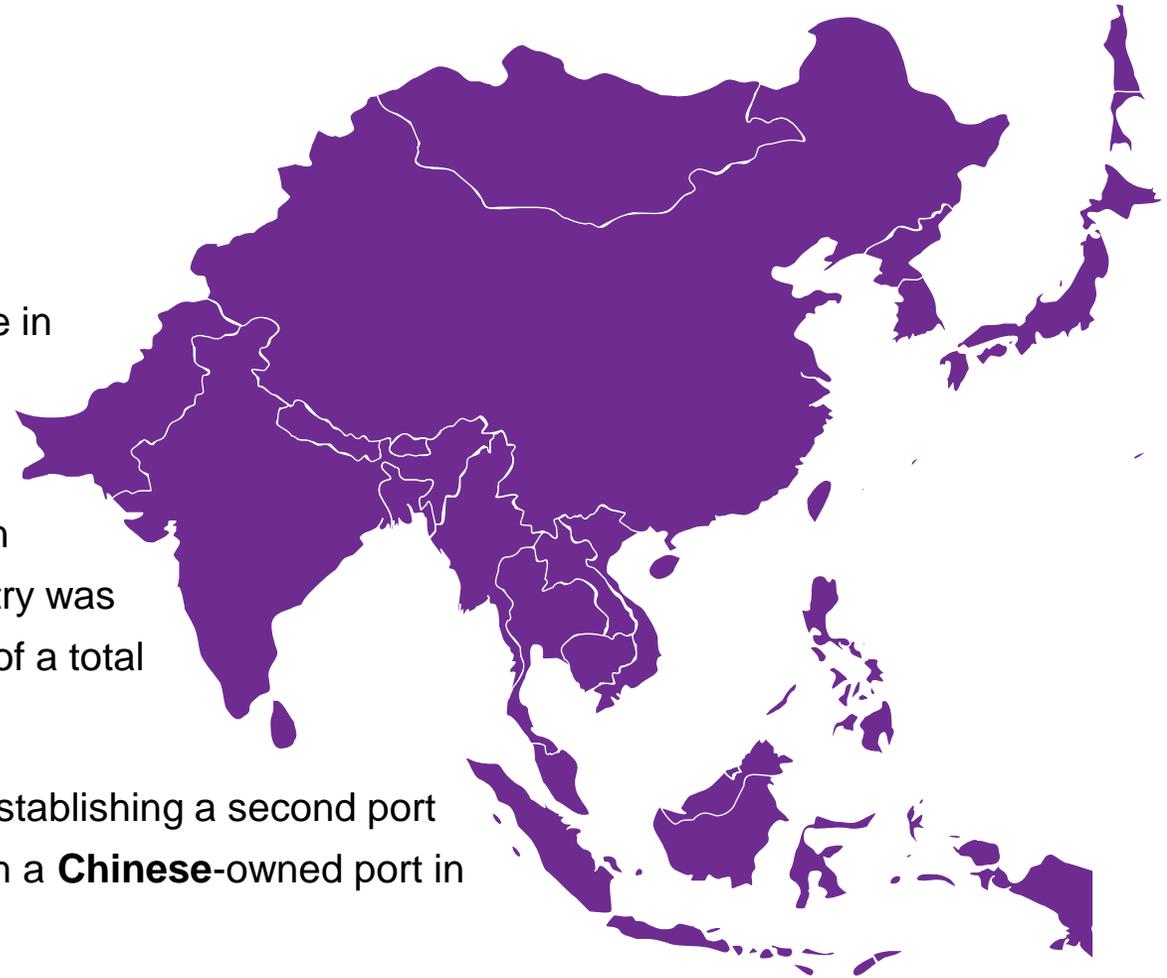
- A UN assessment team is in **Somaliland** to assess the scale of the damage from a fire that destroyed Somaliland's largest market; estimates put losses to the GDP at \$1.5 to 2 billion.
- **Nigerian** militants who attacked a train several weeks ago released a new hostage video depicting some 20 hostages; there remain over 100 passengers unaccounted for. At least 50 were killed in attacks by gunmen throughout Nigeria's Plateau state.
- M23 rebels in the **Democratic Republic of the Congo** announced that they would withdraw from villages taken in the last week and seek a "peaceful solution" to the conflict.
- **Gambian** President Barrow's party won a narrow victory in legislative elections but fell short of the majority needed to govern the West African country alone.



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

Asia

- The **US** has ordered non-essential workers to leave its consulate in Shanghai, citing a surge in COVID-19 cases and the risk of “*arbitrary enforcement of local laws*” in the **Chinese** city.
- **Sri Lanka** has said it is suspending interest payments until it can restructure its sovereign debt with the help of the IMF. The country was due to pay a \$1 billion international sovereign bond in July, part of a total of \$7 billion of debt payments due this year.
- **Australia** unveiled plans to invest A\$1.5 billion (\$1.1 billion) in establishing a second port in Darwin to boost exports of gas and minerals and compete with a **Chinese**-owned port in the northern city.
- The USS Abraham Lincoln strike group is operating in waters off the Korean peninsula, amid tensions over **North Korea's** missile tests.



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:

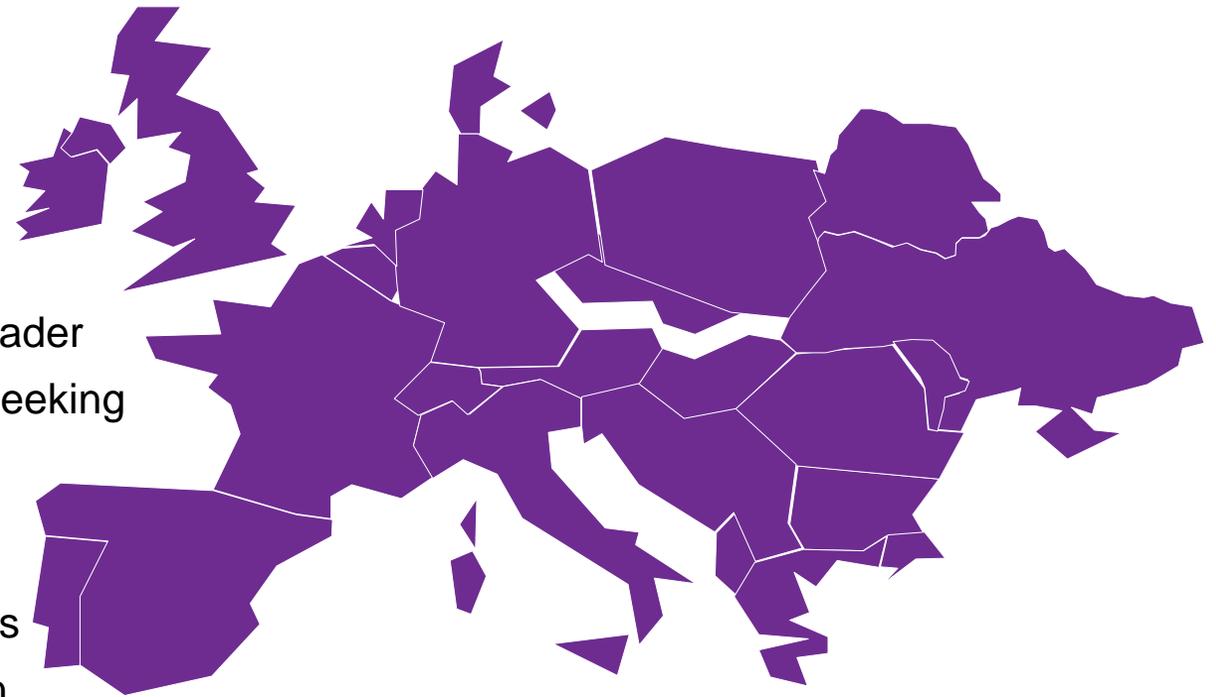
- ❖ Ransomware tabletop exercises
- ❖ Post-tabletop action reports
- ❖ Maturity assessments for preparedness
- ❖ Supply-chain attack simulation
- ❖ Comprehensive incident response plan
- ❖ Threat analysis and monitoring

All interaction with Dentons is attorney-client privileged

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

Europe

- **Britain** imposed sanctions on Bosnian Serb separatist leader Milorad Dodik and a second Bosnian-Serb politician for seeking to undermine the legitimacy and functionality of **Bosnia and Herzegovina**.
- **Italian** energy company Eni signed a deal to increase gas imports from **Algeria's** Sonatrach, as Italy seeks to wean itself off its dependence on **Russian** gas.
- **Russian** opposition activist Vladimir Kara-Murza Jr. has been taken into police custody in Moscow, according to his lawyer said Monday. The reasons for his arrest have not been made clear. Kara-Murza, a journalist, has frequently criticized Russia's assault on **Ukraine**. A Russian parliamentary speaker suggested dissenters should lose their citizenship.
- **Sweden's** ruling Social Democrats have begun an internal debate about joining NATO following **Russia's** invasion of **Ukraine**. Neighboring **Finland** is set to decide on joining the military alliance by the summer. The Kremlin has said that Finland and Sweden joining NATO will not bring stability to Europe.



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

Middle East



- **Saudi Arabia** increased the capacity for hajj pilgrims to one million, a pandemic high.
- Leaders of the **UAE and Iran** exchanged Ramadan greetings, a further sign of warming relations.
- **Israeli** forces said they had arrested at least 20 in a third day of operations in the **West Bank** city of Jenin. Jenin and Bethlehem declared general strikes to protest the violence.
- The head of **Yemen's** new presidential council pledged to participate in the UN-led peace process to end the war. The UN Envoy for Yemen began his first-ever visit to Yemen's Houthi-held capital Sanaa amid a two-month trip and a mission to raise awareness about the Safer tanker, a damaged tanker in Houthi-held waters that could cause an oil spill.
- **Iranian** lawmakers signed a statement calling for conditions to a new US-Iran nuclear deal, including guarantees that the **US** will not back out, placing new obstacles for the stalled talks. An unnamed US official told media that the US is no longer considering delisting the IRGC in talks.

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

Americas

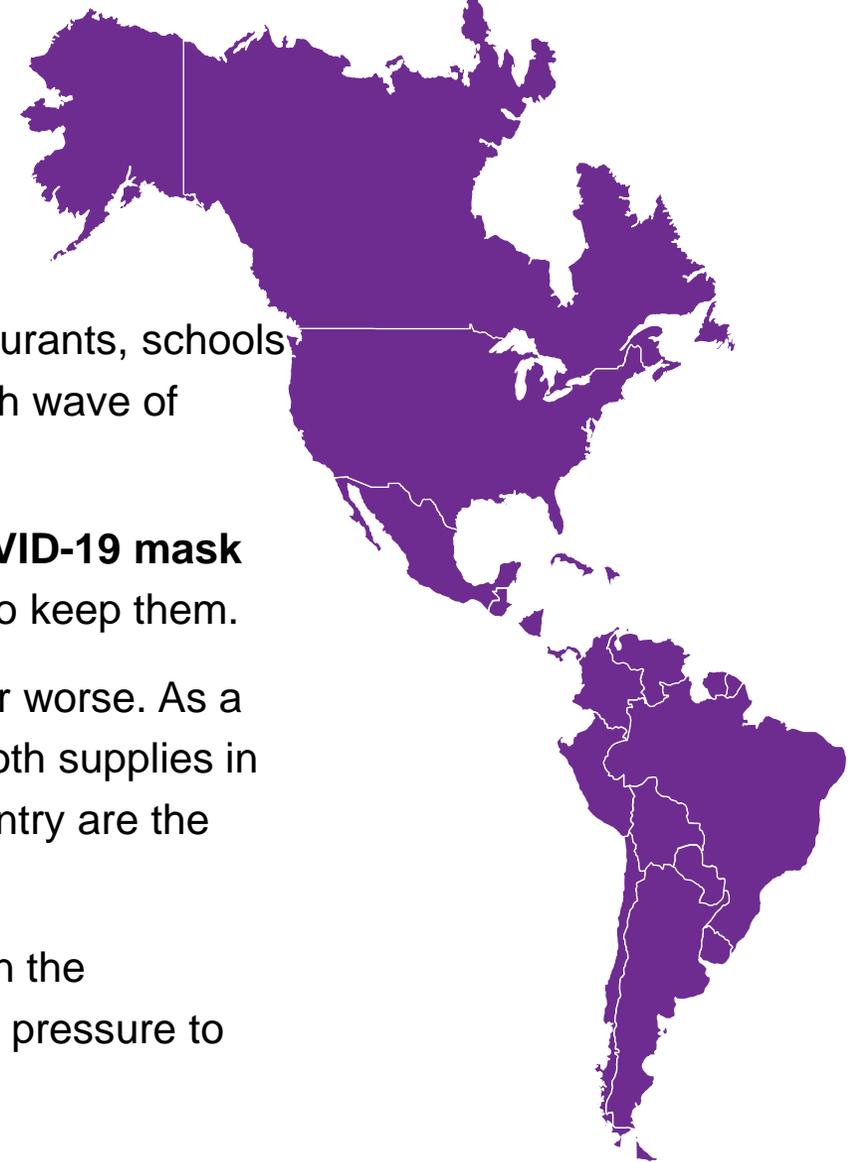
- **Brazilian** President Bolsonaro said that there is a “90 percent chance” that he will select former Defense Minister Walter Braga Netto, one of his closest aides, as his running mate in October elections.
- Former **Ecuadorean** vice president Jorge Glas was released from prison, where he is serving a sentence for corruption, after a judge ruled that he was in danger. Ecuadorean banana growers blocked main roads throughout the country in a call for the government to boost low banana prices.
- **Colombia's** national police rescued over 1,000 ocelots, snakes, birds and other animals valued at more than \$1 million on the black market.
- **El Salvador's** security forces are raiding working class communities and arresting thousands of young, poor Salvadorans after lawmakers suspended constitutional guarantees and passed anti-gang legislation that risks weakening civil rights and rule of law.



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

Americas: US

- Philadelphia will again require **masks** in indoor public settings such as restaurants, schools and businesses starting next week, responding to what appears to be a fresh wave of coronavirus transmissions.
- Airline executives and politicians are piling on pressure for the US to let **COVID-19 mask** rules expire on schedule next week, even as a majority of the public wants to keep them.
- Seventy percent of the Southern Plains is experiencing a **severe drought** or worse. As a result, farmers have abandoned a large amount of winter wheat, affecting both supplies in the country as well as potential exports. Winter wheat conditions for the country are the poorest they have been in the last 20 years for the beginning of April.
- President Biden unveiled a new rule to rein in so-called **ghost guns** and ban the manufacturing of the untraceable firearms as the government faces growing pressure to crack down on gun deaths and violent crime.



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

Potential BA2 Wave Prompts Varying Levels of Caution

By Anni Coonan

As the US rounds the corner into the third year of the COVID-19 pandemic, and begins to shake off the last of the country's coronavirus-related risk mitigation regulations, the country could once again be facing a new wave of infections as the BA2 subvariant of the Omicron coronavirus variant takes hold as the dominant variant in circulation in the US.

Indeed, East Coast hotspots (typically US bellwethers for new spikes) are seeing an uptick in cases, and cases in Europe, where waves have typically begun several weeks before they reach the US, have seen a small bump, although hospitalizations are mostly lagging behind, indicating a relative lack of severe illness. However, opinions are split on whether the variant will cause a significant COVID-19 wave or whether an increase in infection will prompt significant changes in restrictions or in behavior by the American people.

Experts disagree on the risks posed by a BA2 wave, although it is likely that any uptick in positives will be less deadly than previous case spikes. Although the BA2 variant is more transmissible than any of its predecessors, the gap in infectiousness between BA1 and BA2

is much smaller than the one between Delta and Omicron, for example, meaning that the jump in transmission rates should be less steep. Several research studies have found the subvariant to be less likely to result in severe illness than previous strains – deaths have continued to decline, for example, even as case numbers have ticked up. More Americans are vaccinated with each successive wave, and research suggests that those with boosters and those with antibodies from previous Omicron infection enjoy strong protection from hospitalization from BA2.

However, despite these hopeful signs, experts are cautious: CDC infectious disease expert Anthony Fauci went from predicting “an uptick” but not a “surge” in mid-March to predicting a surge in the fall as weather gets colder, while CDC Director Rochelle Walensky said

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

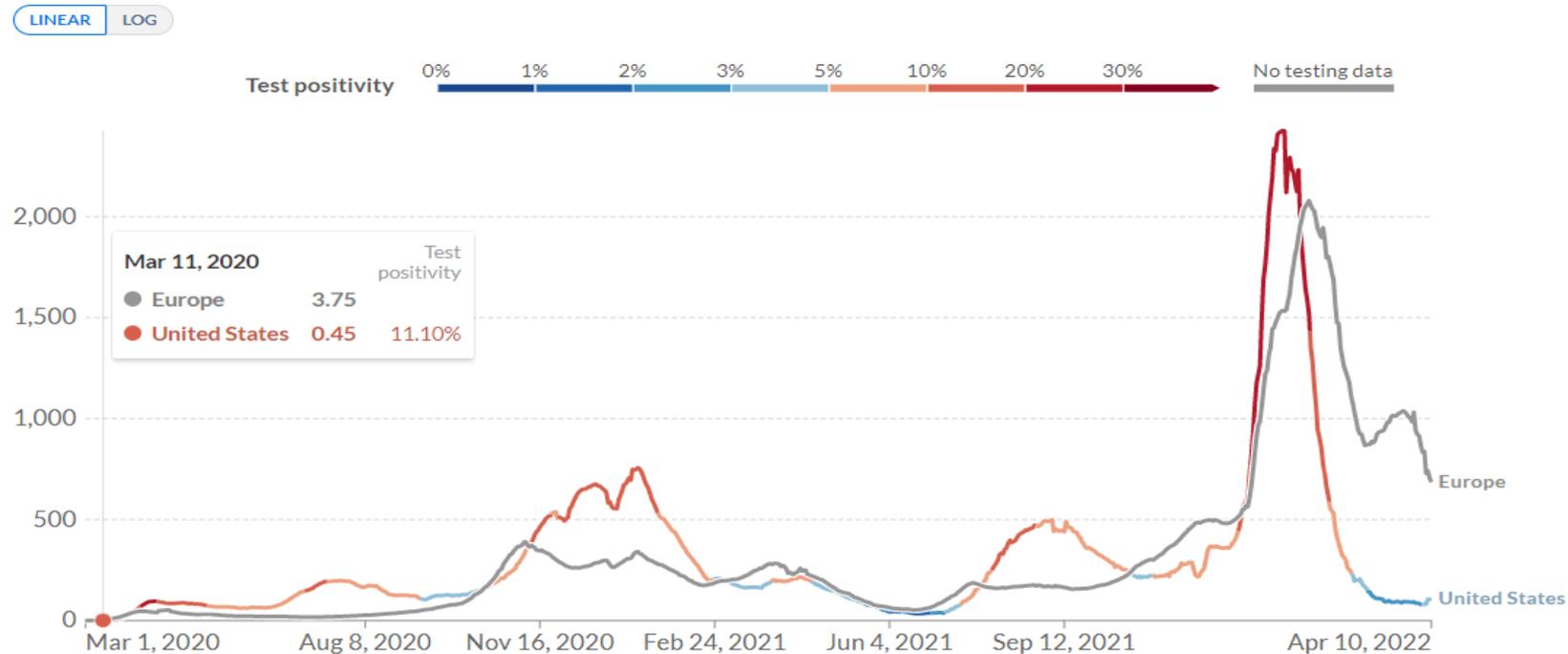
Potential BA2 Wave Prompts Varying Levels of Caution

that she expects high levels of immunity to mostly quell transmission. Meanwhile, declining rates of testing as community testing sites close and even use of rapid tests, in which positives are mostly unreported, is on the decline (of the 700 million rapid tests the Biden Administration intended to give away, only 270 million have been claimed). Lack of testing means that insight into a potential wave is limited.

Daily new confirmed COVID-19 cases per million people

7-day rolling average. Due to limited testing, the number of confirmed cases is lower than the true number of infections.

Our World in Data



Source: Johns Hopkins University CSSE COVID-19 Data, Official data collated by Our World in Data

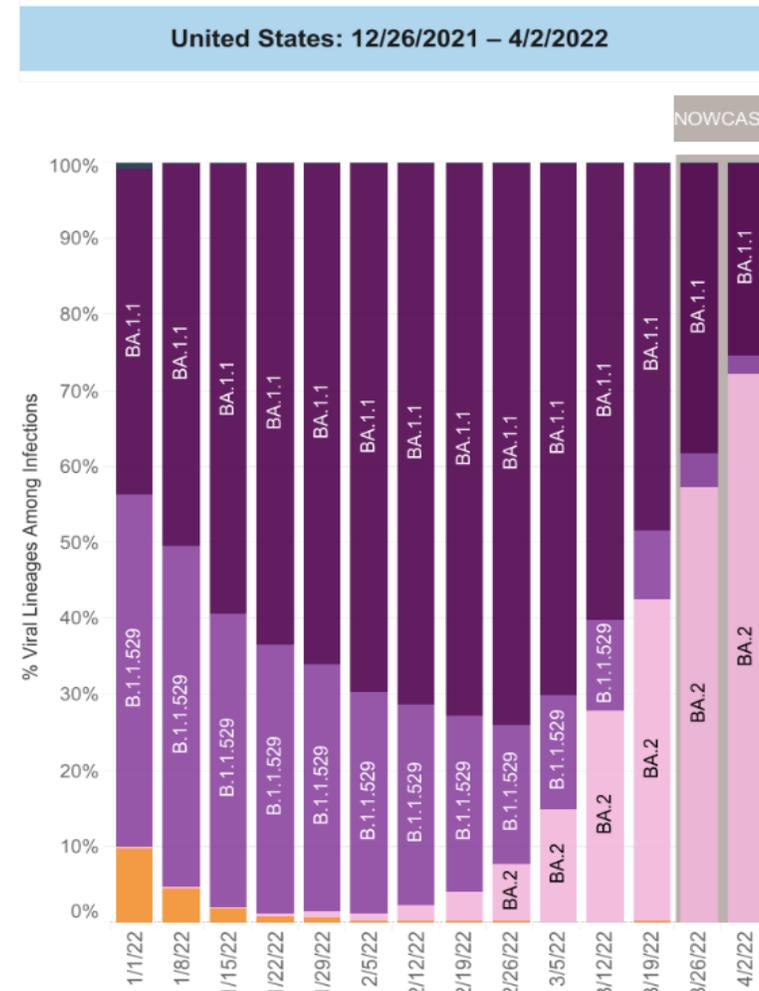
Note: This report is based on sources and information deemed to be true and reliable, but Dentons makes no representations to same.

Potential BA2 Wave Prompts Varying Levels of Caution

Further, while more Americans than ever are vaccinated and boosted, only 45.2 percent are boosted, and the immunity of those who have only received a full initial dose – now almost a year ago – is likely waning.

Finally, just because the disease caused by this subvariant appears to be mild, this does not mean that the wave itself will be mild – higher levels of transmission could result in higher rates of hospitalization, overwhelming medical facilities even as a relatively small percentage of those infected require care.

Beyond the medical impacts of the BA2 variant, the outlook for the social impact is uncertain. Despite the certainty of at least some risk from the new variant, governments, individuals and businesses have been cautious to revert to more restrictive COVID-19 restrictions. The number of Americans who say they always wear a mask in public has dropped to 23 percent, according to a survey by the University of Washington, the lowest level since April 2020. Some governments and businesses have reinstated restrictions: just yesterday, Philadelphia reinstated its mask mandate through at least April 30th, and in March Broadway unexpectedly extended its mask



Source: CDC

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

Potential BA2 Wave Prompts Varying Levels of Caution

and vaccine requirement through the end of the month. The federal mask mandate for air travel, set to expire on the 18th, seemed somewhat likely to be ended following pressure from the airline industry, but now will likely be extended. At the same time, businesses are mostly charging ahead with return to office plans: in March, office occupancy in ten key cities hit a pandemic high of 40 percent, according to security provider Kastle. As states mostly drop mask mandates, business have been left to institute masking and vaccination requirements at their own discretion, with many making masking voluntary for all employees.

Regardless of changing attitudes and risk tolerances for COVID-19 as new variants emerge and spread, the patchwork of state and local regulations, business decisions by offices and childcare providers, and personal risk tolerances will continue to pose obstacles to the “return to normal” that much of the country has long sought. As government and community level consensus wanes, offices attempting to reopen their physical workspaces will have to contend with changing mask mandates, employees facing uncertain childcare accommodations, and workers with varying levels of COVID-19 risk that they are willing to personally take on. Some analysts have wondered if this, or the original Omicron wave before it, was the

spike that would demonstrate that America is ready to “live with” the virus; while levels of caution are increasingly lower, renewed mask mandates alarm over the new variant in media demonstrate that some level of caution will endure. As a BA2 wave potentially remains on the horizon, experts advise paying extra mind to case change rates, rather than absolute increases, as testing numbers become increasingly unreliable, and to remain flexible in the face of varying government and community restrictions and individual risk tolerances.

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

Ukraine War Update: Fighter Jets, War Crimes Investigations, Ukrainian Children

Intelligence agencies give warning notices for a Russian offensive in the Donbas as Austrian Chancellor Nehammer's diplomatic mission determines that Russian President remains intent upon waging war.

Political Developments

Ukrainian President Volodymyr Zelenskyy said he would "*definitely*" not recognize Crimea as Russian territory in the peace talks with Moscow.

In a pessimistic assessment, Austrian Chancellor Nehammer said his hour-long talk with Russia's President Vladimir Putin in Moscow was "*not a friendly meeting*," with the conversation "very direct, open, and tough." He described Putin as "*operating on the logic of war*."

Ukraine continued to press allies to provide more military equipment. Speaking to the South Korean parliament, Ukrainian President Zelensky asked for air defense systems, jets, tanks, artillery and ammunition. Eduard Heger, the Slovak prime minister, suggested that supplying Ukraine with Russian-built MiG-29 fighter jets was

back on the table. German arms manufacturer Rheinmetall announced it is ready to prepare up to 50 used battle tanks Leopard 1 for possible delivery to Ukraine.

Russians continue to be expelled from Europe, with France declaring *persona non-gratae* six Russian agents. Croatia expels 24 Russian diplomats and embassy staff.

The EU will provide financial assistance to the International Criminal Court and help with the investigation and evidence gathering on the ground, in order to hold Russia accountable for war crimes. A group of French technical and scientific gendarmes arrived in Ukraine to investigate potential war crimes.

President Vladimir Putin flew into Russia's far east Amur region today for talks with Belarusian President Alexander Lukashenko expected to focus on Ukraine and Russian-Belarusian integration.

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

Ukraine War Update: Fighter Jets, War Crimes Investigations, Ukrainian Children

Battlefield Developments

Russia continued to shape the battlefield through missile attacks on civilian infrastructure and Ukrainian ammunition depots. There is a consensus between Ukrainian, US and UK military intelligence that the Russian offensive in the east will begin soon. US defense officials are observing resupply and reinforcement efforts to troops for redeployment in the Donbas region. The US is watching a convoy of Russian vehicles heading south toward Izyum to prepare for fresh fighting.

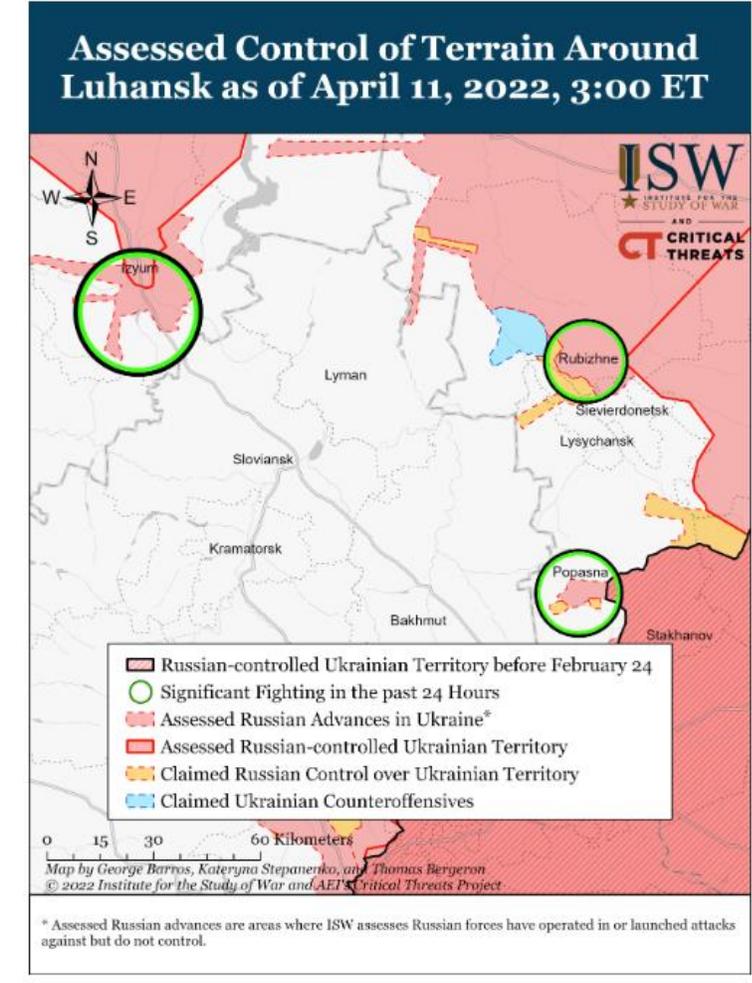
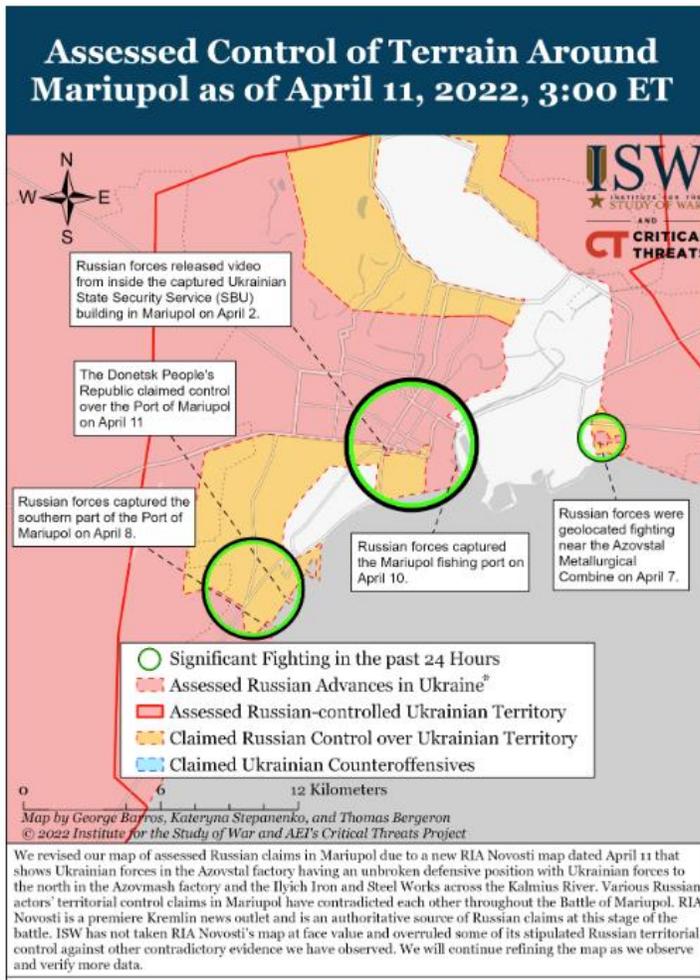
The Institute for the Study of War assessed that yesterday, Russian forces failed to make significant advances in continued assaults on Severodonetsk, Popasna, and Rubizhne in eastern Ukraine. Russian forces continued to amass troops in Kharkiv Oblast to reinforce offensive operations on the Izyum axis and conducted several minor attacks.

The US and UK said they are working urgently to investigate unverified reports that Russia used chemical weapons in the southern city of Mariupol.



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

Ukraine War Update: Fighter Jets, War Crimes Investigations, Ukrainian Children



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

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

Ukraine War Update: Fighter Jets, War Crimes Investigations, Ukrainian Children

Humanitarian Developments

Mariupol's mayor says over 10,000 civilians killed in siege and warned that the death toll might reach 20,000.

Ukrainian officials announced nine humanitarian corridors are open today for civilians, including from Mariupol.

The UN's children agency UNICEF said nearly two-thirds of all Ukrainian children have fled their homes since the beginning of the war.

Warsaw seized an abandoned Russian diplomatic compound and said it would be made available to the Ukrainian community. The Russian government protested the confiscation of diplomatic property, despite not having made lease payments on the property for years.

Economic Developments

Ukraine's finance minister has appealed for immediate financial support of tens of billions of dollars to plug a gaping fiscal deficit caused by the Russian invasion.

The EU foreign ministers, meeting in Luxembourg yesterday, considered new sanctions against Russia, but failed to reach a consensus on sanctioning Russia's oil and gas exports.

Japan is freezing the assets of 398 Russian figures, after the policy was endorsed by the cabinet. Japan also intends to reduce its coal imports from Russia as a step towards a complete Russian coal embargo in the future.

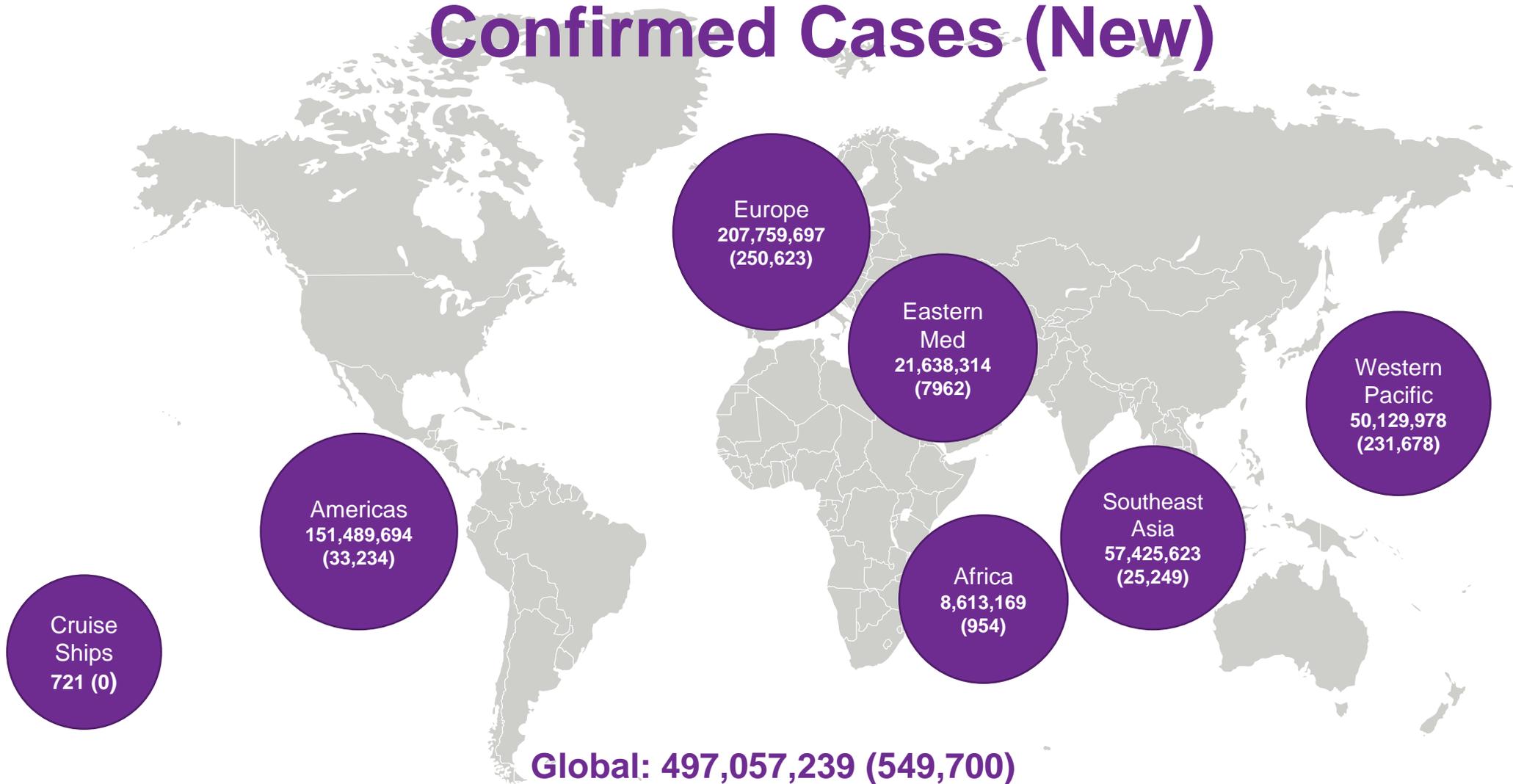
Russian companies are feeling the press of sanctions. Russian steelmaker Severstal decided not to post first-quarter results, saying that to do so would put some investors at a disadvantage because they cannot trade.

Telecoms equipment maker Nokia is pulling out of the Russian market, going a step further than rival Ericsson which indefinitely suspended its business in the country.

Coronavirus Condition Updates

As of 8:20 pm CEST on April 11, 2022

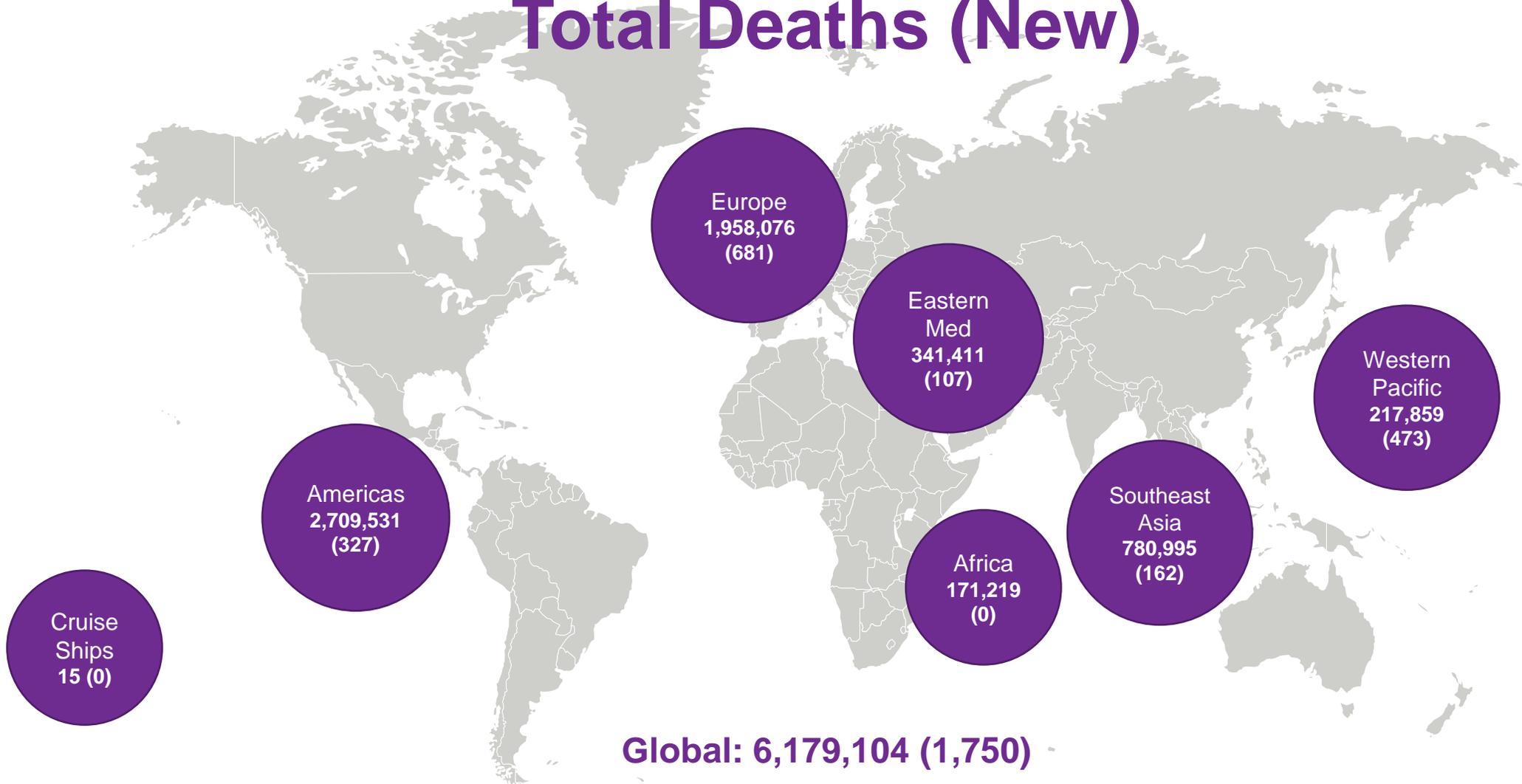
Confirmed Cases (New)



Reflects data as of 8:20 pm CEST on April 11, 2022.
Data Source: World Health Organization

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

Total Deaths (New)



Reflects data as of 8:20 pm CEST on April 11, 2022
Data Source: World Health Organization

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

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