

Dentons Flashpoint

Global Situation Report

October 24, 2022

Global Situation Update: October 24, 2022

KEY TAKEAWAYS

The US warns Russia against using a “dirty bomb” pretext to escalate war in Ukraine.

China’s GDP grew well below target in the third quarter.

Twenty-six large or disruptive measles outbreaks have sprung up worldwide, per the WHO.

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WHAT WE'RE WATCHING

In Chad, further pro-democracy, anti-government protests are likely over the coming days, as the public reacts angrily to a promise broken by the ruling military junta to hold new elections by end of October (18 months since it seized power). Late last week, the junta killed around 50 demonstrators and arrests of opposition and civil society figures could ignite more unrest.

The junta was initially seen as a bulwark against jihadists across the Sahel. However, after the latest crackdown, there are calls to suspend Chad from the African Union and sanction junta leaders. Forthcoming protests could take on an anti-French tone because of perceived support from Paris for the junta. French companies like energy major Total have significant business stakes in oil-rich Chad that are impacted by ongoing instability.



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

Global

Russian Defense Minister Shoigu discussed the "*rapidly deteriorating situation*" in phone calls with British, French and Turkish counterparts, per the Russian Defense ministry and warned Ukraine could detonate a "*dirty bomb*." US Defense Secretary Austin in a call with Shoigu, "rejected any pretext for Russian escalation" in Ukraine.

- **Ukrainian** President Zelensky is warning that Russian forces in occupied Ukraine may be making preparations to destroy the dam at the **Kakhovka Hydroelectric Power Plant**, flooding and widening the Dnipro River to delay Ukrainian advances, but which would also flood 80 Ukrainian cities and displace hundreds of thousands of people and damage Ukraine's already-tenuous electricity supply. The dam also supplies water Russian-held Zaporizhzhia nuclear power plant, required to cool the nuclear reactors.
- The UN said that "*much more needs to be done*" to clear a backlog of more than 150 ships involved in a Black Sea grain-export deal to alleviate **global food insecurity**, with delays attributed to disruptions to the supply chain and port operations.
- The COVID-19 pandemic interrupted **measles** vaccine campaigns globally in 2020 and 2021, leaving millions of children unprotected against one of the world's most contagious diseases, whose complications include blindness, pneumonia and death. Twenty-six large or disruptive measles outbreaks have sprung up worldwide, per the WHO.

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Markets & Business

InterContinental Hotels Group judged US business travel revenue was now back at pre-pandemic levels, in a hopeful sign for the industry that remote working will not permanently cut demand.

- **Nasdaq Inc** has halted initial public offering preparations of at least four small Chinese companies while it investigates short-lived stock rallies of such firms following their debuts.
- **Facebook** warned that it may block sharing of news content on its platform in Canada over concerns about draft legislation that would compel digital platforms to pay news publishers.
- Japanese authorities appear to have spent more than \$30 billion last week in their **second intervention** in a month to prop up the **yen** after it fell to a fresh 32-year-low against the dollar.
- **Tesla Inc.** lowered prices for vehicles sold in China, days after CEO Musk said most materials costs are falling and amid growing competition from local rivals.

Environment, Sustainability & Governance

The International Sustainability Standards Board said it has made "significant progress" in refining its draft standards, which will include the full range of carbon emissions, but with 'relief provisions' on measuring greenhouse gas discharges from a company's suppliers.

- Australia has joined the **Global Methane Pledge** as part of multilateral efforts to reduce global methane emissions.
- South Africa's plan to start its **transition from coal to renewable energy** will need \$46.5 billion, more than five times the \$8.5 billion Western nations have pledged to the project over the next three to five years.
- The US Environmental Protection Agency began the process of designing a **\$27 billion green bank** that will offer grants to disadvantaged US communities to deploy low- or zero-emissions projects.

Africa

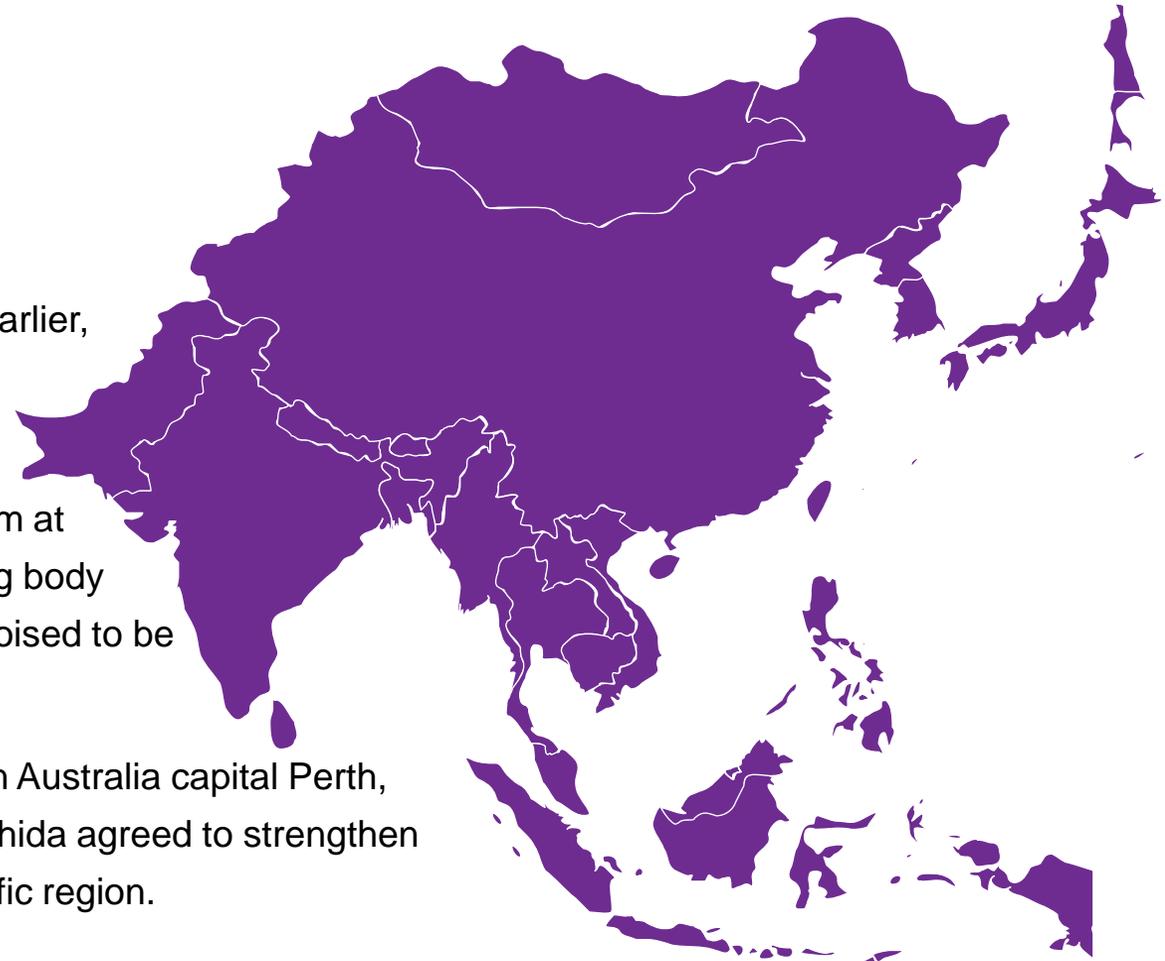
- **Uganda** has reported nine more Ebola cases in the capital Kampala, bringing the total number of known infections to 14 in the last two days, per the health minister.
- **Guinea's** military government proposed a shorter timeline for a transition to elections of 24 months, down from a 36-month timeline earlier rejected by the Economic Community of West African States.
- The IMF has reached a staff-level agreement with **Malawi** for up to \$88.3 million in emergency financing, as the southern African country struggles with acute foreign exchange shortages.
- An **Ethiopian** government delegation and rival Tigray forces were due to meet in **South Africa** for the first formal peace talks since war broke out two years ago.



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Asia

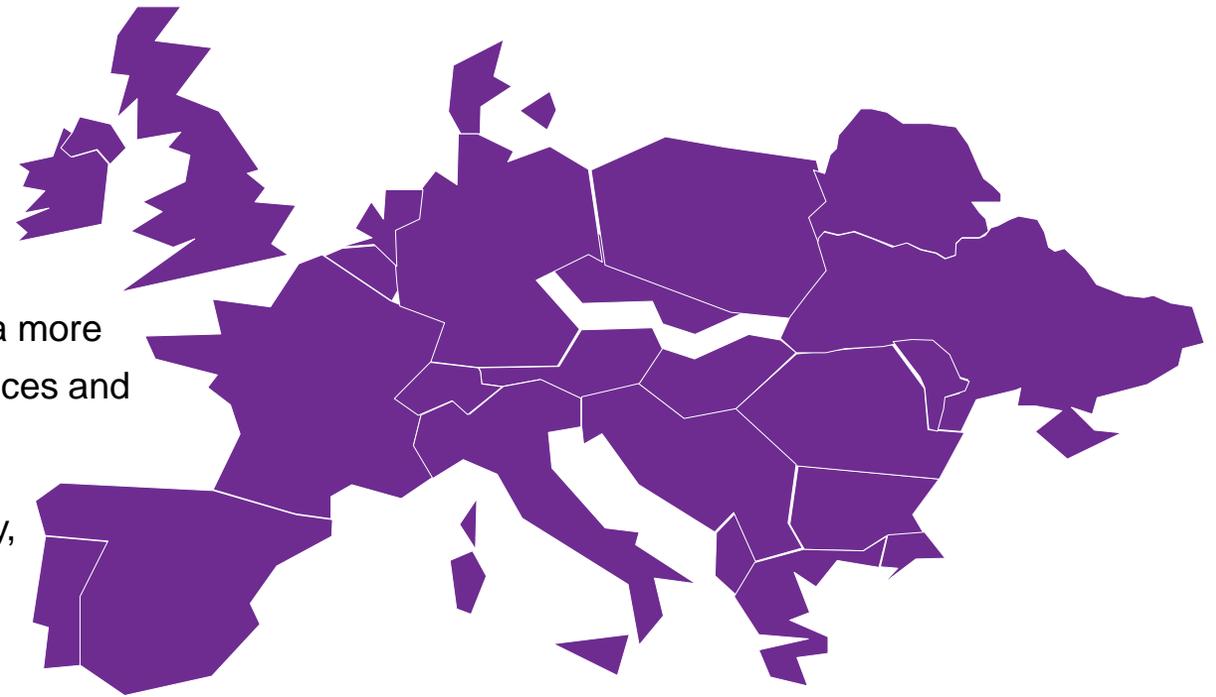
- **China's** GDP expanded 3.9 percent in July-September from a year earlier, faster than the 0.4 percent growth in Q2, but below the government's target annual goal of "around 5.5 percent."
- **China's** Xi Jinping secured a precedent-breaking third leadership term at the Communist Party's 20th Congress and introduced a top governing body stacked with loyalists. Shanghai Communist Party chief Li Qiang is poised to be premier when Li Keqiang retires in March.
- At the annual **Australia-Japan** Leaders' Meeting, held in the Western Australia capital Perth, Australian Prime Minister Albanese and Japanese Prime Minister Kishida agreed to strengthen security ties amid **China's** push for greater influence in the Asia-Pacific region.
- **Sri Lanka's** parliament passed a constitutional amendment, reducing presidential powers, augmenting anti-corruption safeguards as the country adopts reforms to find a way out of the country's worst financial crisis since independence.
- **South Korea and North Korea** exchanged warning shots early on Monday morning after a North Korean merchant ship was accused by Seoul of crossing a disputed maritime border west of the Korean peninsula.



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Europe

- Tens of thousands of protesters in six **German** cities demanded a more just distribution of government funds to deal with rising energy prices and living costs.
- Thousands of **Hungarians** also protested in Budapest on Sunday, demanding higher wages for teachers and a curb on surging inflation that is eroding incomes.
- **Russian** forces fired dozens of cruise missiles at **Ukraine's** power infrastructure on Saturday, triggering more electricity blackouts in the latest phase of the eight-month war. The capital Kyiv was among the targeted cities, but all five incoming missiles were intercepted. Russian occupation authorities in Kherson have ordered civilians to evacuate as Russian forces also retreat beyond the Dnipro River.
- Giorgia Meloni was sworn in as **Italy's** first woman prime minister on Saturday alongside her cabinet team, giving the country its most right-wing government since World War Two.
- Rishi Sunak looked set to become **Britain's** next prime minister; his appointment could come as early as today.
- Several thousand protesters denouncing **Moldova's** pro-Western leaders marched through ex-Soviet state's capital for the sixth consecutive Sunday and set up a new tent camp days after police cleared a similar encampment.



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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.

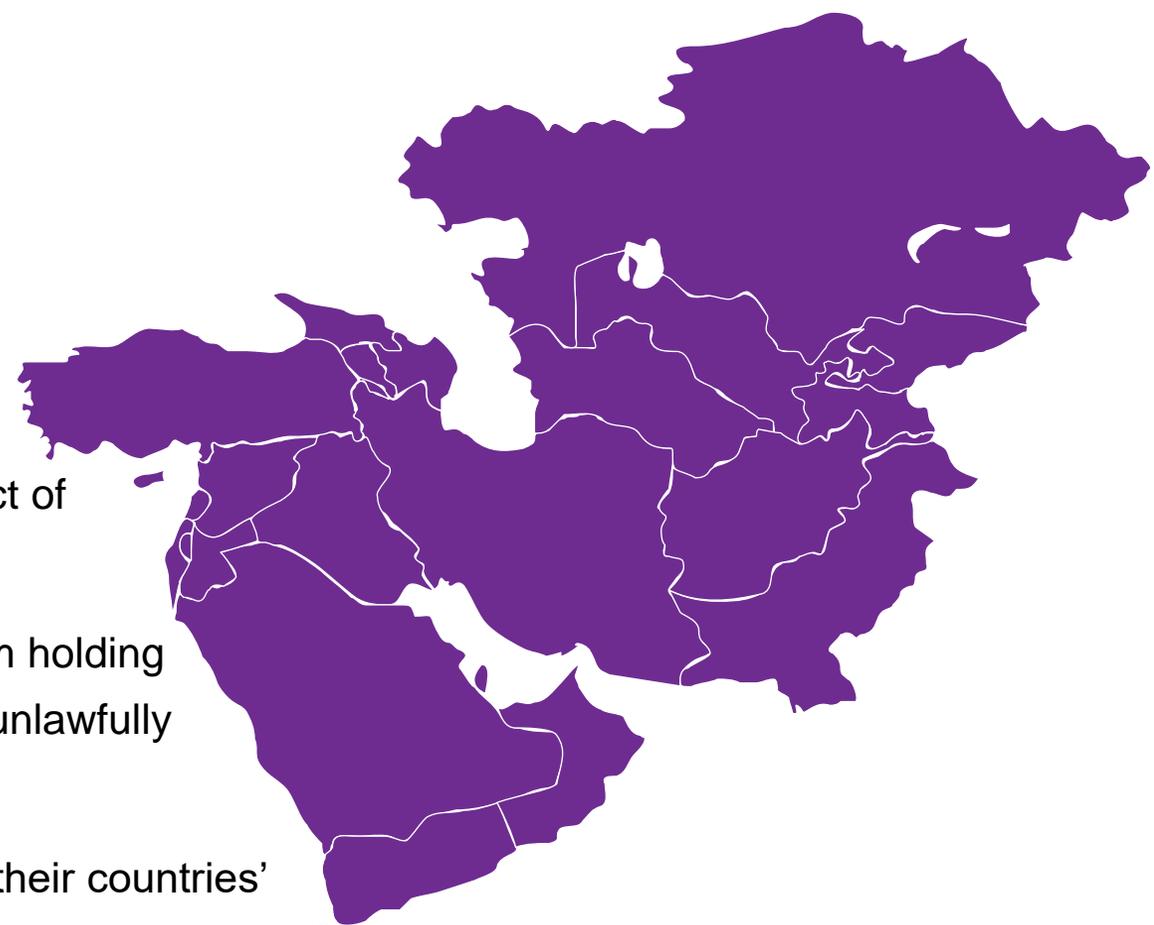
Dentons tabletop sessions are fluid, and designed to enhance preparedness with services, including:

- ❖ 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

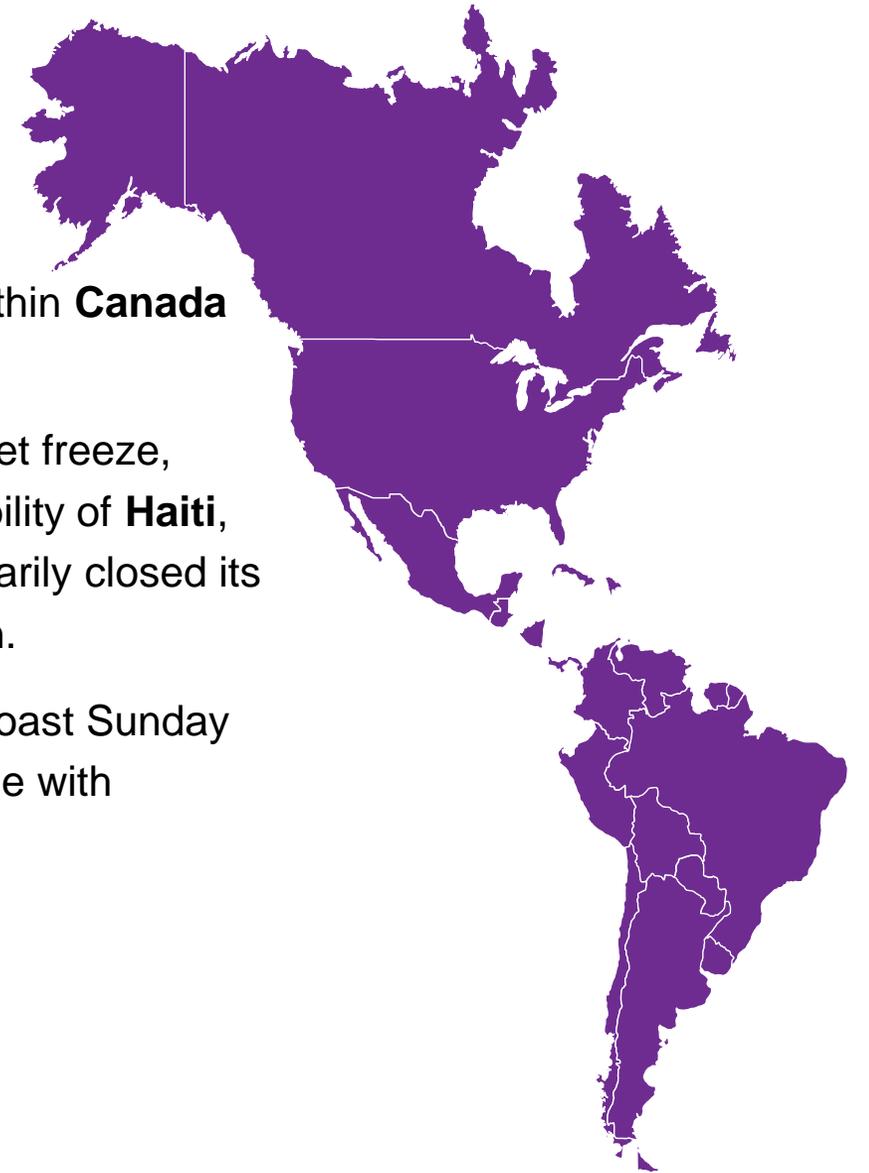


- An **Iranian** hacking group, Black Reward, said in a statement published on Twitter that it had released hacked information relating to Iranian nuclear activities, declaring the action an act of support for protesters in Iran.
- Former **Pakistani** Prime Minister Imran Khan was barred from holding public office after the top election tribunal found him guilty of unlawfully selling gifts from foreign dignitaries and heads of state.
- The **Lebanese and Syrian** presidents discussed delineating their countries' shared maritime border on Saturday before a visit to Damascus next week by  a Lebanese delegation tasked with negotiating the issue.
- **Lebanon's** parliament failed to elect a president for the fourth time today, with just a week left until outgoing President Aoun's term ends and warnings of a constitutional crisis growing louder.

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Americas

- New regulations prohibiting the sale, purchase or transfer of handguns within **Canada** has taken effect, adding to regulations banning handgun imports.
- The UN Security Council approved sanctions allowing it to impose an asset freeze, travel ban and arms embargo on anyone who threatens the peace or stability of **Haiti**, naming gang leader Jimmy Cherizier as its first target. **Japan** has temporarily closed its embassy in Haiti due to the worsening security and humanitarian situation.
- Hurricane Roslyn made landfall in **Mexico's** Nayarit state on the Pacific coast Sunday morning as a Category 3 hurricane, dumping a life-threatening storm surge with damaging winds in its path.



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Americas: US

- The Biden Administration is campaigning for Americans to get their second **COVID-19 booster shot**. Only 20 million people have received an updated COVID vaccine through last week.
- Federal Reserve officials are headed toward another **interest-rate rise** of 0.75 percentage point at their meeting Nov. 1-2 and are likely to debate then whether and how to signal plans to approve a smaller increase in December.
- Education Secretary Miguel Cardona said the Biden administration is moving “*full speed ahead*” in preparing for the implementation of its plans for widespread **student debt forgiveness**, despite a federal appeals court temporarily blocking the loans from being immediately canceled.
- US Customs and Border Protection reported that there were a record 2.2 million arrests in the last year by the US Border Patrol of people caught crossing the southern border illegally. About 48 percent were turned back and the rest permitted to wait in the US while they pursue asylum or other claims in federal **immigration** court.



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Winter Outlook: Omicron Variants and New Winter Surge

For the last two years, winter has brought with it a new COVID-19 spike due to a combination of chillier weather and an ill-timed new and more infectious variant. While cases are falling in the US, regional trends, as well as rising infections driven by new variants in Europe and in Singapore, foreshadow another likely winter surge. Higher levels of natural immunity, effective bivalent boosters, and a general unwillingness to return to widespread restrictions mean that broad disruption is unlikely; the surge, however, could pose issues for return to office plans, the already fraught travel industry, and personal holiday plans.

Variants Overview

While subvariants of the BA Omicron strain of COVID-19 still dominate the US, there are several new variants gaining steam abroad that could come to impact the US. In Europe, BQ and BF subvariants of the Omicron variant are gaining a growing share of new infections, with monitoring at the University of Bern estimating that the new variants account for 8-10 percent of new cases in Western Europe. While this share of infections is not high enough to fully explain the rise in cases in the region, their distinctive mutations could cause them to drive greater transmission if they gain a foothold. Singapore, also, appears to have passed the peak

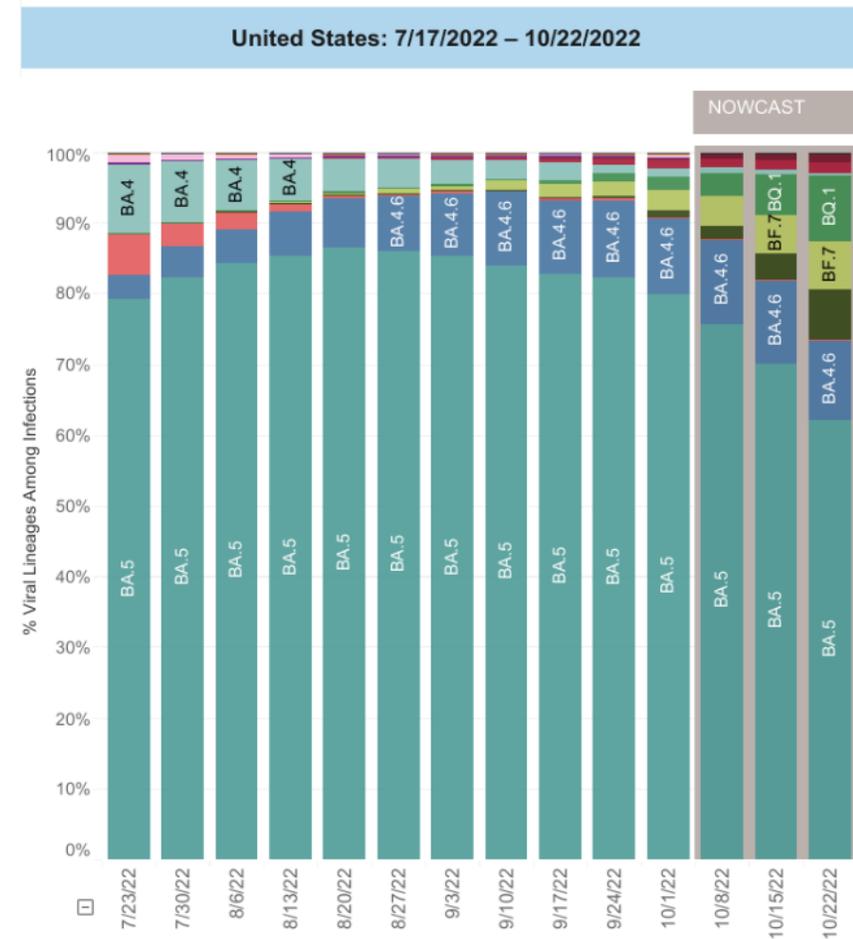
of a COVID-19 spike from the new XBB subvariant of Omicron, which caused new cases to double in the first half of October. The variant also appears to be driving some new infections throughout Southeast Asia and has been reported in Europe as well.

One of the most novel elements of this new crop of variants, according to epidemiologists, is that because they are not extremely distinct, it is unlikely that one will emerge as the dominant strain. Instead, this new stage of the pandemic will look like a “*variant soup*” made up of several similarly mutated variants. Despite attention-grabbing headlines calling XBB a “*nightmare*” variant, the newly-emerged subvariants appear to have followed a familiar trend

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in mostly mutating to become more efficient at evading antibodies from vaccination and prior infection. In preliminary study, the variants do not appear to be causing more severe illness, although scientists note that the variants are very new, and that low rates of illness in Singapore could be due to high rates of vaccination there. The original vaccine, and the new bivalent boosters, are expected to achieve reduced but still sufficient protection against these variants. The most concerning consequence of this adaptation is the challenges that antibody evasion poses for monoclonal antibody-based treatments, one of the most successful treatments for severe illness. Antibody treatment maker Regeneron paused new treatment development in September in order to spend more time studying new variants, and the FDA warned this month that Evushield, a longer-acting antibody treatment used as a long-term solution for people with compromised immune systems, is not likely to be effective against BA.4.6., a strain that represents around 10 percent of new cases in the US. Difficult to predict and numerous COVID strains could make it difficult to create effective antibody treatments that work for very long, making the coronavirus more dangerous for those infected and also making antibody treatments less profitable as they must be developed more frequently and sold for a shorter time period.



Source: [CDC](#)

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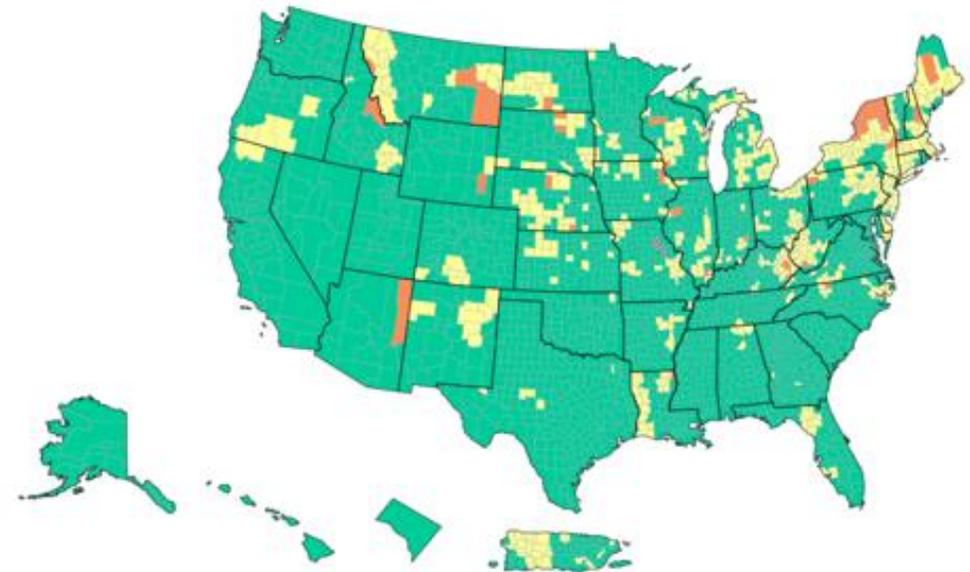
Prospects for the US

While new variants are circulating in the US, there is limited evidence at present that they are contributing to a surge in new infections. New cases are down throughout the US, although that trend is regional – California and the sunbelt are mostly driving that decrease, while colder states in the northeast are starting to see higher levels of community transmission as people begin spending more and more time inside. The trend could signal higher transmission coming as winter settles in.

However, some analysts believe that the US could be in a worse position for a winter surge. The US is coming off of a long COVID-19 plateau, meaning that a high proportion of Americans have natural immunity (an estimated 80 percent of Americans have had Omicron in the last year). The level of security that this grants is up for debate, though, given the new variants' abilities to evade antibodies. Another point of concern is that booster uptake is relatively low: just about 6 percent of Americans who are eligible have received the most recent booster, with 35.6 percent having received the first. There is hope that Americans who were waiting to receive the booster in order to maximize protection ahead of holiday travel could begin to get the booster in coming weeks, upping that number.

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COVID-19 Community Transmission



Source: CDC

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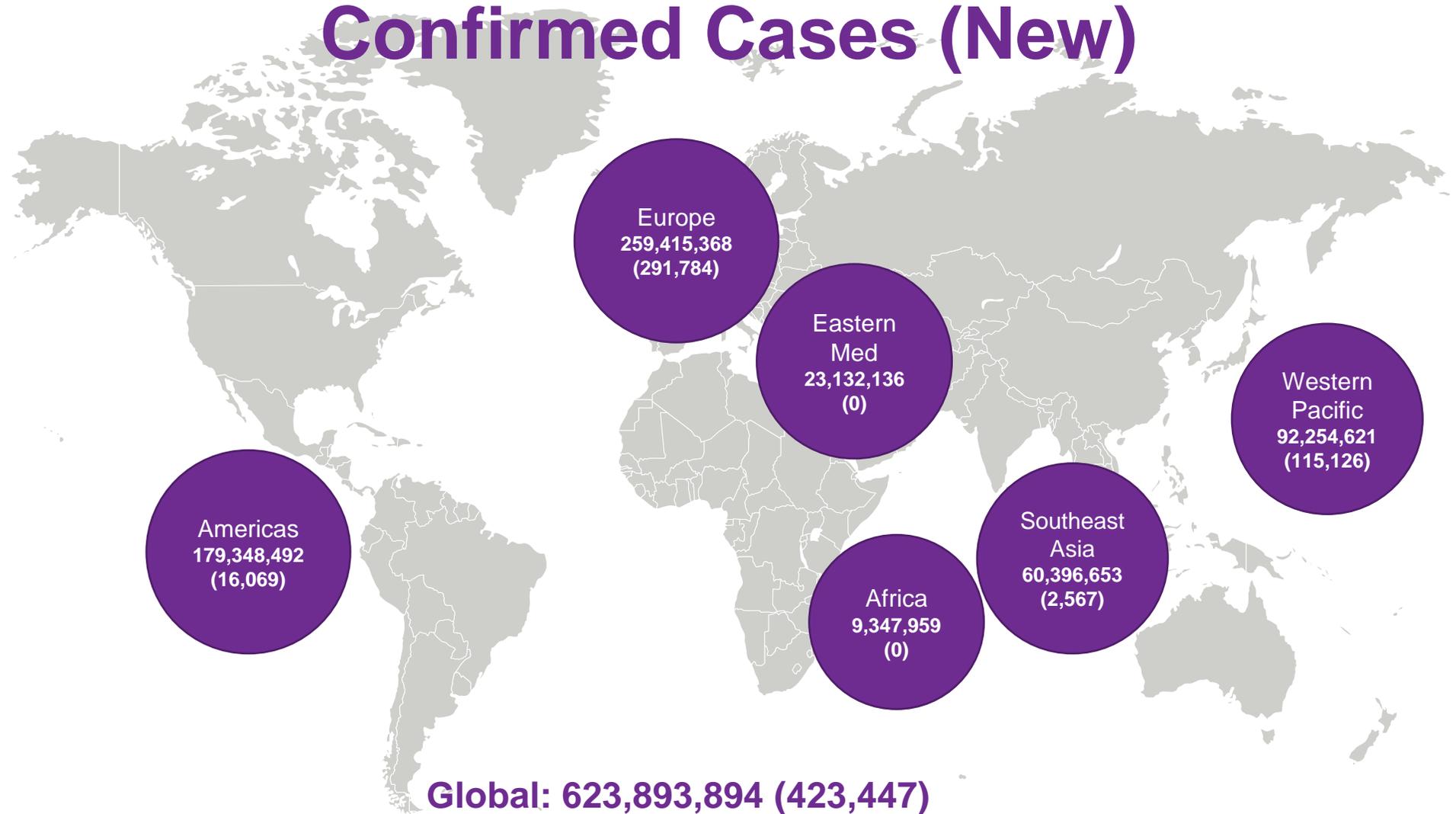
While public anxiety about COVID-19 is low – as is willingness to return to widespread restrictions – a winter COVID-19 surge could interfere with return to office plans, the still-struggling travel industry, and personal travel schedules. It is also important to note is that the current data is not what it was last year. Funding for monitoring at all levels of government have gone down, and the dominance of self-administered at-home rapid tests makes data on infection rates fuzzy. A potential surge will be difficult to predict with accuracy until the country is in its midst. As ever, individuals should take proper precautions to avoid illness, including avoiding those who are sick, masking when appropriate, and receiving proper vaccinations.

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Coronavirus Condition Updates

As of 6:24 pm CEST on October 21, 2022

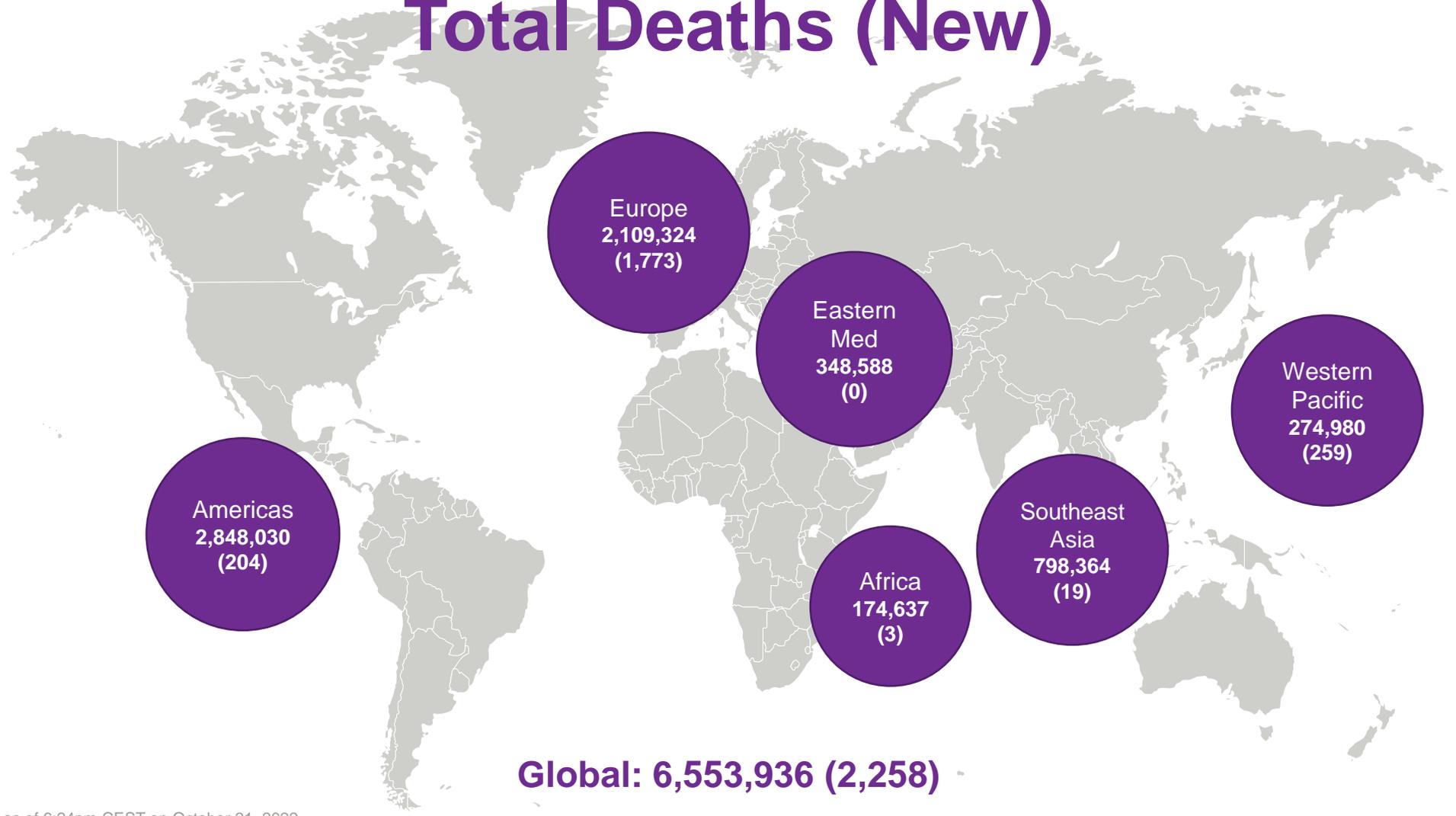
Confirmed Cases (New)



Reflects data as of 6:24pm CEST on October 21, 2022.
Data Source: World Health Organization

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Total Deaths (New)



Reflects data as of 6:24pm CEST on October 21, 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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