

Dentons Flashpoint

Daily Global Situation Report

August 30, 2022

Global Situation Update: August 30, 2022

KEY TAKEAWAYS

A third of Pakistan is under water from catastrophic flooding.

The EU is preparing emergency measures to curb the price of electricity by separating it from the soaring cost of gas.

Violence rocks Iraq with “resignation from politics” of Iraqi Shia cleric Moqtada al-Sadr.

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WHAT WE'RE WATCHING

Today, the multilateral military exercise “Vostok 2022” kicks off in Russia’s far east and in the waters of the Sea of Okhotsk and Sea of Japan. Troops from ex-Soviet nations including Belarus and Tajikistan, plus China, India, Laos, Mongolia and Nicaragua, Syria and will participate alongside Russia. The drills will involve more than 50,000 troops, and over 5,000 weapons units, including 140 aircraft and 60 warships.

China’s People’s Liberation Army has dispatched forces from all three of its branches to participate in the exercise, which Beijing says will help it to deal with any potential threat from the direction of the Pacific Ocean. Russia, meanwhile, is signaling that it is prepared to fight a two-front war.



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

Global

The UN issued a flash appeal for \$160 million to help Pakistan cope with catastrophic floods that have killed more than 1,100 people, destroyed infrastructure and crops, and affected 33 million people. A third of the country is underwater.

- The EU's defense ministers will likely back a proposal to set up a Brussels-led initiative to train **Ukrainian** troops, as the latest step by the bloc to increase support for Kyiv's defense against Russia's invasion.
- **Worsening droughts, storms and torrential rain** in some of the world's largest economies could cause \$5.6 trillion in losses to the global economy by 2050, according to a new report by engineering and environmental consultancy firm GHD.
- As **global blood supply** runs out, a British grassroots social justice charity has attempted to break the Guinness World Record for the most donations in one calendar day to raise awareness of this life-saving measure.

Markets & Business

A court in Russia fined streaming company Twitch 3 million roubles (\$50,209) for refusing to remove a two-hour interview with an adviser to Ukrainian President Zelenskiy.

- Denmark and Germany approve a **Baltic Sea wind hub** to offset Russian gas. The project will connect to the German grid and should be able to supply electricity to 4.5 million European homes in 2030. A 470-kilometre undersea cable is expected to run from the Danish island of Bornholm to northern Germany through the Baltic Sea.
- **Finnair** is establishing a strategic partnership with **Qatar Airways** to open up new routes from Nordic capitals to the Qatari capital Doha.
- Japanese carmaker **Honda** and South Korean battery maker **LG Energy Solution** will invest \$4.4 billion to build a new battery plant in the US amid new incentives from Washington to cut China out of supply chains for electric vehicles.
- The US Federal Trade Commission has sued adtech group **Kochava** for allegedly selling location data from “*hundreds of millions of mobile devices*” that could be used to trace individuals’ movements, sending a warning shot to other data brokers.

Environment, Sustainability & Governance

Lawyers for conservative groups argued in federal court Monday that Nasdaq Inc.'s push to set diversity targets for listed companies amounts to an illegal racial and gender quota.

- US unions and freight railroads struck **contract deals** covering 15,000 workers after President Biden named an emergency board to help reach agreements.
- Dutch railway workers will **strike** across the country on Tuesday, bringing trains to a halt as a **wage dispute** between unions and state-owned NS Railways escalates. Only trains to and from Amsterdam's Schiphol airport, as well as Thalys and Eurostar international operators, will be running.
- China's Sinopec put into operation the country's largest **carbon capture, utilization and storage facility** in east China, and plans to build two more plants of similar size by 2025.
- Equinor and Wintershall plan to jointly develop **carbon capture and storage projects**, including a pipeline from Germany to Norway to transport and store carbon dioxide (CO₂) under the North Sea.

Africa

- **Namibia** announced the suspension of livestock imports and other related meat products from **Botswana** after Botswana announced last week that it is investigating a suspected outbreak of foot and mouth disease.
- A group of 700 Muslim imams and preachers in **Burkina Faso** denounced "*religious and ethnic intolerance*" after jihadist calls for the killing of Fulanis in the country.
- **Angola's** ruling party was officially confirmed to have won the recent parliamentary elections after the most hotly contested election in the country's history.
- **Central African Republic's** Constitutional Court ruled that a scheme allowing the purchase of citizenship, "e-residency" and land using a national cryptocurrency the government was unconstitutional.



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Asia

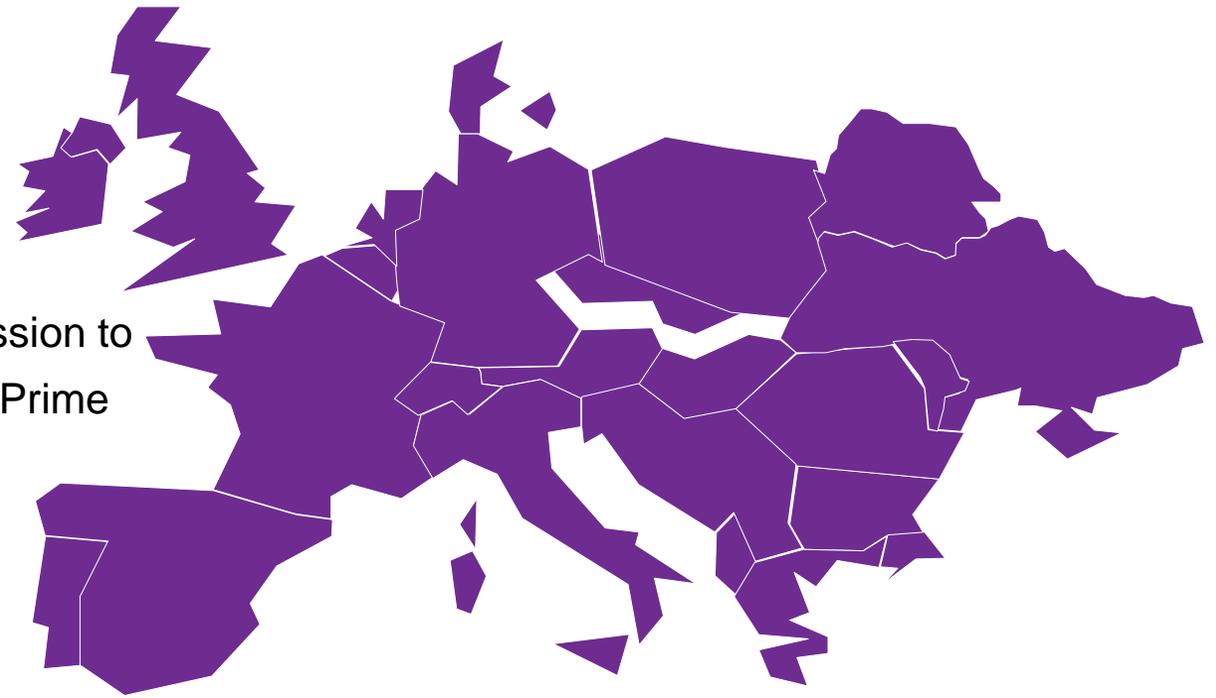
- The IMF approved the seventh and eighth reviews of **Pakistan's** bailout program, which will release US\$1.17 billion (S\$1.63 billion) in funds to the cash-strapped country.
- In **China**, Shenzhen closed more businesses and Dalian locking down millions, in new COVID-19 restrictions, renewing economic uncertainty and delaying the start of the school year for some.
- The **Solomon Islands** suspended entry into its waters for foreign navy ships pending adoption of a new process for approval of port visits, in a bid to better police its exclusive economic zones. Last week, two US and UK naval vessels were not given permission to dock in routine port calls.
- **Indonesia's** parliament passed a law approving membership in the **China**-backed Regional Comprehensive Economic Partnership (RCEP), making it the latest Southeast Asian nation to join the world's biggest trade bloc.



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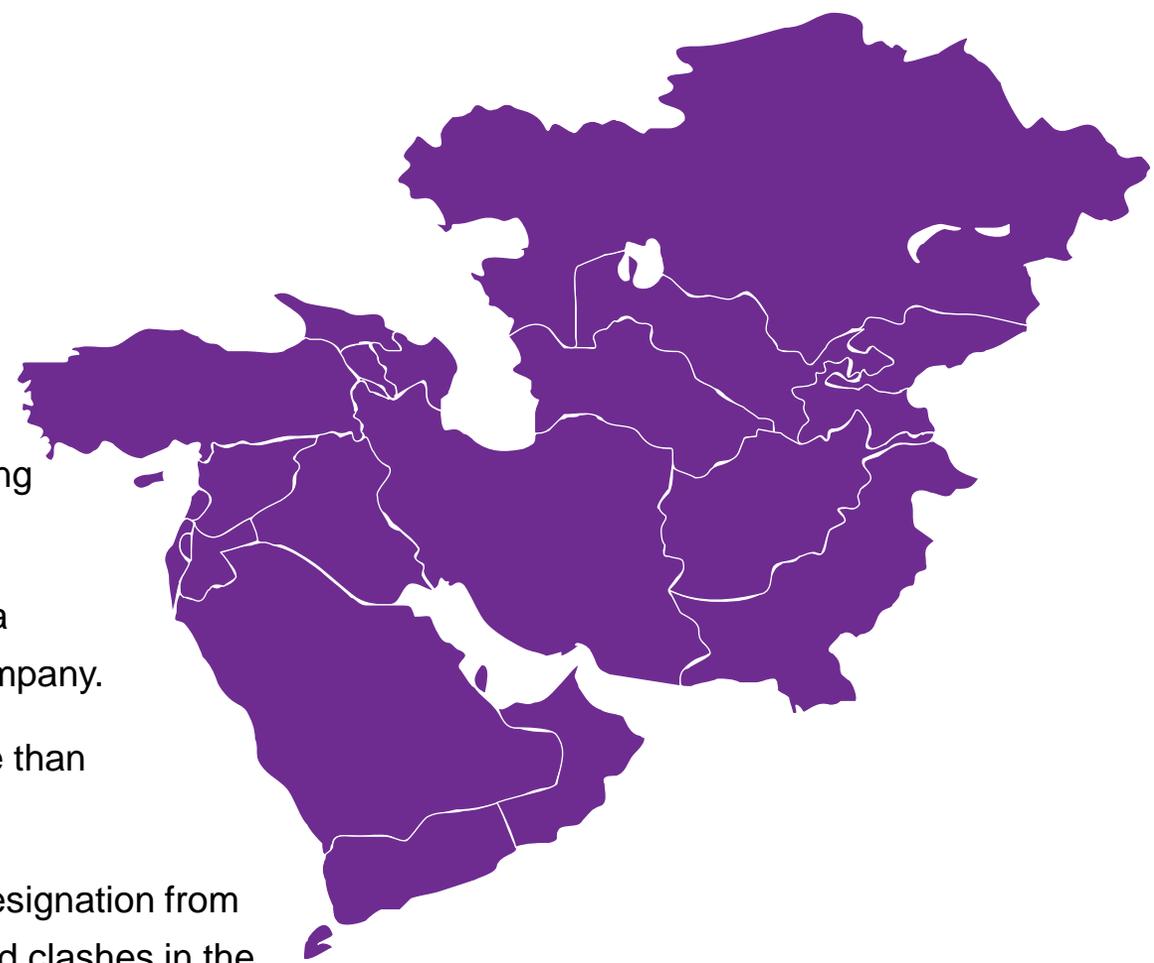
Europe

- **Greek** lawmakers approved setting up an inquiry commission to probe the phone tapping of an opposition leader that led Prime Minister Mitsotakis to fire the head of the country's intelligence service.
- **Ukraine** launched a counter-offensive against **Russian** forces near the city of Kherson, in a shift that has forced the Russian military to shift resources to the southern part of the country.
- The **EU** is preparing emergency measures to curb the price of electricity by separating it from the soaring cost of gas. Draft proposals will be discussed at an emergency EU energy council meeting next week. The EU is set to meet its gas storage filling goal two months ahead of target as the bloc braces for a tough winter with Russia limiting supplies.
- **Germany and France** have issued a joint warning against a ban on tourist visas for Russians, saying such a step, advocated by other EU member states, would be counter-productive. The two countries argue for close scrutiny of visa applications for security risks but believe visas should still be issued.



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Middle East



- Ten **Yemeni** soldiers were killed in an overnight rebel attack near the blockaded city of Taiz, per the internationally recognized Yemeni government, an escalation that could threaten the country's months-long ceasefire.
- **Russia** shipped a battery of S-300 anti-aircraft missiles from **Syria** to a Russian port near Crimea, according to an **Israeli** satellite imaging company.
- **Egypt** announced plans to issue yuan-denominated bonds worth more than \$500 million.
- Over the weekend, **Iraqi** Shia cleric Moqtada al-Sadr announced his resignation from politics amid a parliamentary deadlock, sparking escalated protests and clashes in the fortified Green Zone that reportedly killed 12. Sadr announced a hunger strike until violence ends. The **US** denied reports that it was evacuating its Baghdad embassy. **Iran** closed its borders with Iraq and urged its citizens to avoid travelling there.
- **Iran** and the **US** have reportedly found a way to address the IAEA probe, a key roadblock to reentering the JCPOA, in a way that allows both sides to claim victory without ultimately resolving the issue, according to several sources. **Israel's** spy chief will reportedly come to the US to discuss issues including the nuclear deal in early September.

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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](#).

Americas

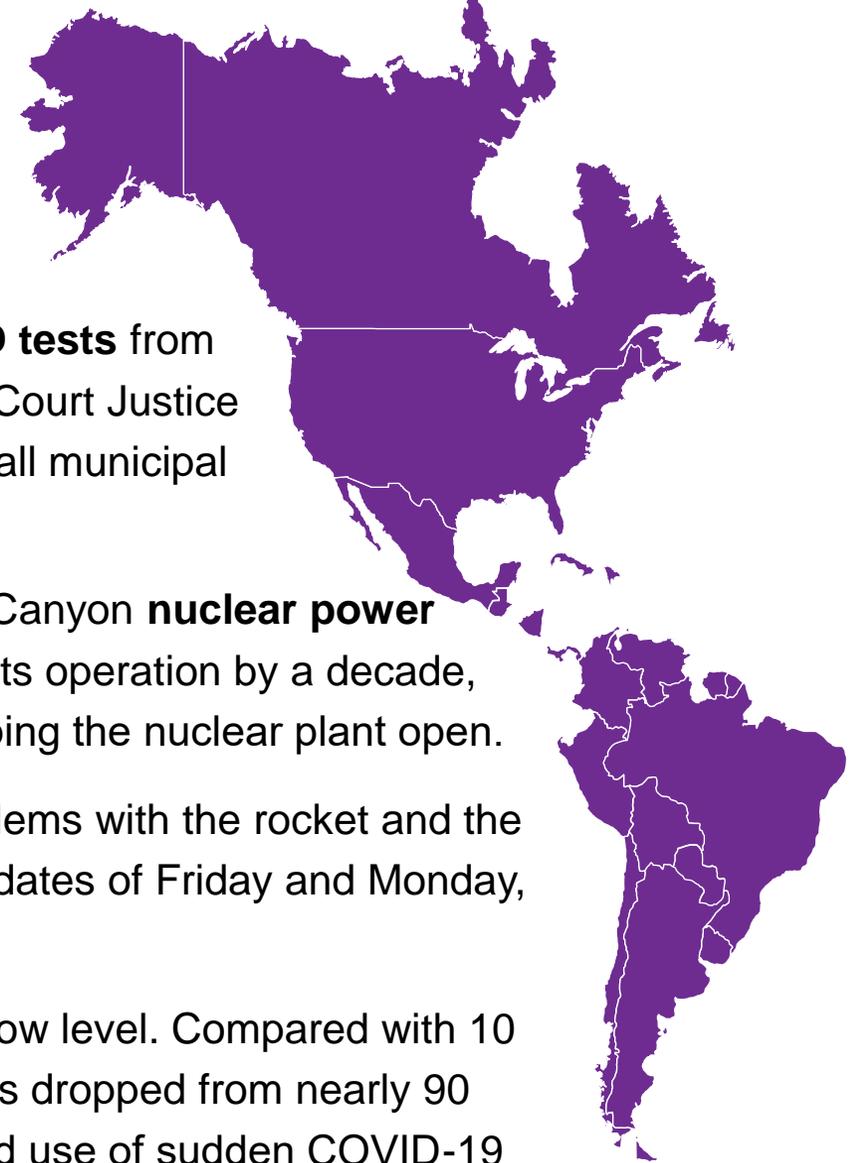
- Representatives of **Colombia's** oil, mining and tourism industries argued that a \$5.7 billion tax reform proposed by the government of leftist President Petro could put their sectors at risk.
- **Canada** invoked a 1977 pipeline treaty with the **US** for the second time in less than a year to prevent a shutdown of Enbridge's Line 5 pipeline in Wisconsin, which a Native American tribe has sought to close due to risks of leaks.
- The sister-in-law of **Peruvian** President Castillo was given 30 months of pre-trial detention, the most serious escalation so far of a host of criminal investigations that have targeted the leader's inner circle.
- **Guatemalan** Foreign Minister Bucaro, in Taipei, pledged support to **Taiwan**, after **China** conducted its largest-ever military drills around the self-ruled island earlier this month.



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Americas: US

- Starting next week, Americans will not be able to order free **at-home COVID tests** from a website set up by the US government due to limited supply. US Supreme Court Justice Sotomayor declined to block New York City from enforcing its mandate that all municipal workers be vaccinated against COVID-19.
- California Gov. Newsom, a longtime proponent of shutting down the Diablo Canyon **nuclear power plant**, has reversed course and embarked on a last-minute effort to extend its operation by a decade, citing “*unprecedented stress*” on state’s energy system as a reason for keeping the nuclear plant open.
- NASA scrubbed the first flight of **Artemis I** on Monday after a series of problems with the rocket and the fueling procedures could not be resolved quickly. NASA has backup launch dates of Friday and Monday, but it is not yet clear if problems can be fixed that quickly.
- US companies’ optimism about business conditions in **China** is at a record low level. Compared with 10 years ago, confidence among American firms about the five-year outlook has dropped from nearly 90 percent to just over 50 percent this year, driven largely by Beijing’s continued use of sudden COVID-19 lockdowns, according to the US-China Business Council survey.



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The Future of Cities: Smart Developments Across the World

Earlier this month, the Kingdom of Saudi Arabia released the first visualizations of its planned futuristic city The Line, prompting renewed attention to the futuristic development of several other planned “smart cities” in the works around the world.

The developments are planned experiments in green technology and social engineering intended to model potential solutions to issues like water and housing shortages, extreme weather, and the clean energy transition. While the cities present potential solutions to humanity’s most pressing challenges, as well as business opportunities, they have often struggled to get off the ground, and opponents criticize them as an inefficient allocation of resources.

Saudi Arabia’s “The Line” is just one of several futuristic smart cities in the works around the world. Garnering renewed international attention earlier this month due to the striking visualizations of the Line’s plans, the city as planned will be over 170 kilometers long but just 200 meters wide, encased in reflective glass and situated in Saudi Arabia’s deep desert as part of the broader Neom development. The city will be connected by a high-speed train capable of traveling from end

to end in just twenty minutes, feature vertical farming to limit dependency on food imports, and will solve the issue of the inherent lack of water through intensive desalinization, waste and seawater reclamation, and smart metering. Another high-profile smart city is the planned “Telosa” development, a city planned by billionaire entrepreneur Marc Lore, Danish architect Bjarke Ingels and his studio BIG, which is set to be built in an undisclosed location in the American Southwest and will house 20,000 in a city focused on sustainability and human welfare. The city will be entirely “green,” based on robust vertical farming and desalinization that Lore hopes will make the city a net exporter of food and water, and urban design best practices, such as making each of the city’s 36 districts a “15 minute city,” a concept in which most daily necessities can be accomplished by either walking or cycling from residents' homes.

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The Future of Cities: Smart Developments Across the World

Several other planned smart cities are essentially futuristic company towns, intended as convenient, low-cost homes for on-site workers as well as sites to test and deploy futuristic technologies. Net City is a town planned in Shenzhen, China by technology giant Tencent, and will house 80,000 workers in a territory the size of Monaco upon its completion. Toyota Woven City is a development being planned at the base of Japan's Mt. Fuji, and will house 2,000 workers and provide a large-scale test for Toyota's autonomous vehicles, smart technology and robot-assisted living research. Finally, some cities are intended as an explicit solution to persistent climate-related issues facing the world's cities. In the Maldives, sea level changes mean that most of the country will likely be uninhabitable by 2050; to confront this problem, the country is working on a floating lagoon city that could house 20,000 by 2024 in a network of floating structures that can rise with the sea. A Malaysian development, the BiodiverCity, will focus on protecting animal life, with buildings fabricated out of sustainable materials and each one designed with an ecological buffer to safeguard biodiversity. Lastly, Mexico's Smart Forest City, planned near Cancun, will boost reforestation, housing up to 130,000 in a city blanketed in 7.5 million carbon-absorbing plants and trees.

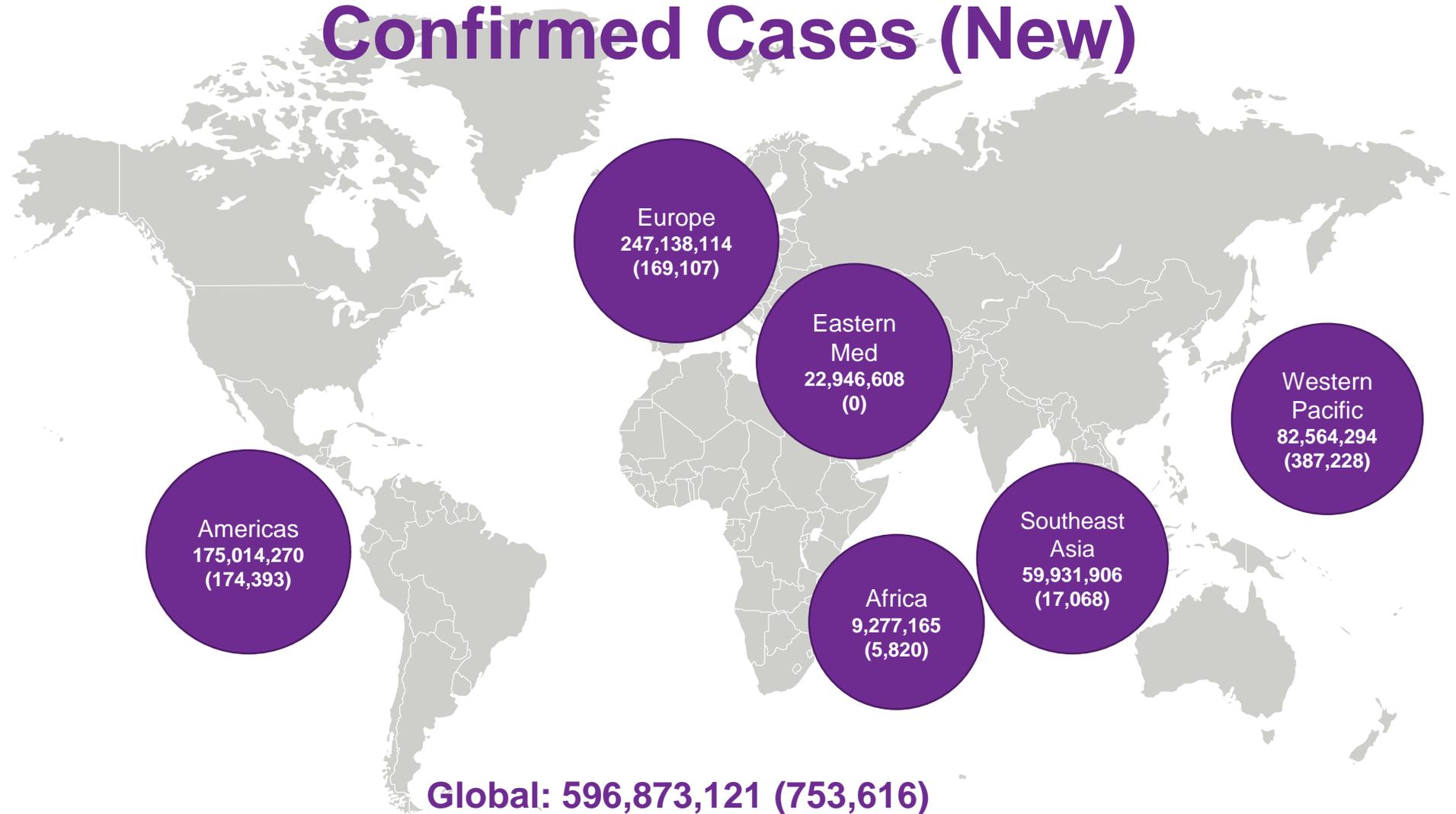
The cities present a potent illustration of potential solutions to the world's most pressing social and climate-related issues. The development of these futuristic settlements could present business opportunities such as partnering with new cities for advertising, retail space, or on-site accommodation for workers – especially as remote and hybrid working become the norm, establishing regional offices or coworking hubs in smart cities could serve as a powerful enticement for workers, while taking advantage of often attractive business environments. However, the cities are not without opponents: many question whether the construction of brand-new smart cities is the wisest allocation of resources, rather than updating existing cities to be more climate-friendly, for example (especially in countries with limited resources). These cities have also tended to face delays, with reports that Saudi Arabia's The Line, for example, has been bogged down by turnover and indecision.

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Coronavirus Condition Updates

As of 6:49 pm CEST on August 26, 2022

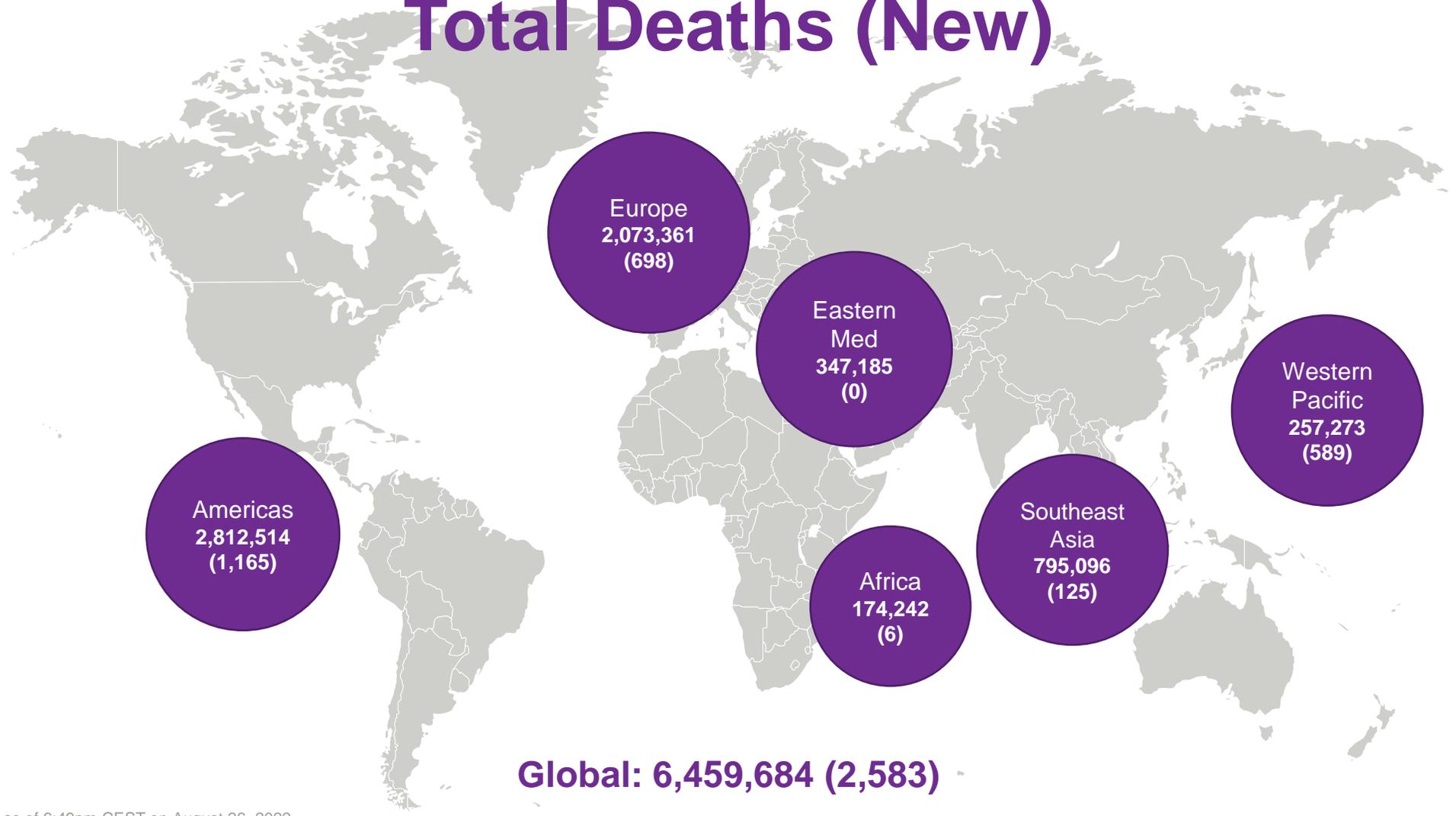
Confirmed Cases (New)



Reflects data as of 6:49pm CEST on August 26, 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 6:49pm CEST on August 26, 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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