

Dentons Flashpoint

Daily Global Situation Report

June 6, 2022

Global Situation Update: June 6, 2022

KEY TAKEAWAYS

North Korea conducted its largest single test of short-range ballistic missiles on Sunday.

The 9th Summit of the Americas starts today, with economic, security and migration on the agenda.

The value of IPOs in the US and Europe has fallen 90 percent this year.

Global Situation Update: June 6, 2022

WHAT WE'RE WATCHING

Today, the 9th Summit of the Americas kicks off in Los Angeles, California. The US aims to bolster engagement with Latin America at the conference that brings together countries in the Western Hemisphere within the Organization of American States. However, members are divided with Cuba, Venezuela and Nicaragua not invited, while Mexico and some Caribbean nations are boycotting in solidarity.

The Organization of American States must defend democracy, according to Colombia, and therefore dictatorships should not participate. President Biden had hoped to discuss a hemispheric free trade agreement and address key issues such as migration, climate change, security and economic reactivation coming out of the COVID-19 pandemic.



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

Global

According to Russian media reports, the Kremlin is in discussions with Ukraine and Turkey on allowing shipments of grain to leave the Ukrainian port city of Odesa, with the Turkish navy removing mines from the area and escorting the ships to "*neutral waters*."

- President Putin warned the West that Russia would strike new targets if the US started supplying **Ukraine with longer-range missiles**. If such missiles are supplied, "*we will strike at those targets which we have not yet been hitting*."
- Ukraine pushed back against French suggestions that Kyiv make territorial concessions in order to give the Kremlin an "*exit ramp*," saying it will only allow Moscow to solidify its grip on occupied areas and regroup for future attacks.
- China sent three astronauts on Sunday on a six-month long mission to oversee a pivotal period of construction of its space station, whose final modules are due to be launched in the coming months. The space station, when completed by the year-end, will lay a significant milestone in China's three-decades long manned space program. It will also flag the start of **permanent Chinese habitation in space**.

Markets & Business

Activist hedge-fund manager Elliott Management Corp. sued the London Metal Exchange for more than \$456 million, after the exchange earlier this year suspended nickel trading and canceled some trades following wild swings in the metal's price.

- China's **Ant Group**, a financial technology controlled by billionaire Jack Ma launched a digital wholesale bank incorporated in Singapore, called **ANEXT Bank**.
- The value of **IPOs in the US and Europe** has fallen 90 percent this year. Just 157 companies raised a total of \$17.9 billion in the first five months of 2022, compared with 628 that raised \$192 billion in the same period last year, according to data from **Dealogic**.
- **Tenaris SA**, a global manufacturer of steel pipes, said on Thursday it will pay \$78.1 million to resolve US probes into its alleged payment of bribes to win business from Brazil's state-owned oil company Petrobras.
- The US issued a 24-month tariff exemption **for solar panels** from four Southeast Asian nations after an investigation froze imports and stalled projects. The Commerce Department is investigating whether imports of solar panels from Cambodia, Malaysia, Thailand and Vietnam are circumventing tariffs on goods made in China.

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Environment, Sustainability & Governance

Taser-maker Axon Enterprise Inc said it was halting work on a project to equip drones with stun guns to combat mass shootings, after the majority of its ethics board for AI resigned in protest.

- French President Macron and UN Special Climate Envoy Bloomberg announced creation of a new committee as part of efforts to **enhance transparency to monitor business climate actions** through an open data platform.
- The US Environmental Protection Agency on Friday issued **biofuel blending mandates** for 2022 and the prior two years - with this year's number below one proposed in December - while denying oil refiners waivers to be exempt from the requirements. Under the Renewable Fuel Standard, oil refiners must blend billions of gallons of biofuels into the nation's fuel pool or buy credits from those that do. The credits, known as RINs, are used by oil refiners and importers to show compliance with mandates.

Africa

- **Senegal's** President Sall said Russian President Putin said he was ready to enable the export of Ukrainian grain to ease a global food crisis that is hitting Africa especially hard.
- More than \$400 million in tax advances and loans that **Democratic Republic of Congo's** state mining company Gecamines said it paid to the national treasury cannot be found, according to a report by the government's public finances watchdog. Gecamines has long been accused of corruption by non-governmental organizations and opposition politicians.
- Two UN peacekeepers were killed in **Mali** on Friday and two more injured when their vehicle hit an improvised explosive device. This is the sixth incident in which a UN peacekeeping convoy was hit since May 22.
- Gunmen attacked a Catholic church in southwest **Nigeria** during mass on Sunday, killing at least 50 people including women and children. The identity of the attackers is not yet clear.



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Asia

- **North Korea** fired eight short-range ballistic missiles towards the sea off its east coast on Sunday, its largest single test, a day after **South Korea** and the **US** ended joint military drills.
- **Australia's** defense department stated that a **Chinese** fighter aircraft dangerously intercepted an Australian military surveillance plane in the South China Sea region on May 26. The Royal Australian Air Force P-8 maritime surveillance aircraft was conducting "*routine maritime surveillance activity*" in international airspace in the region.
- Hundreds of people gathered in **Taiwan** on Saturday to commemorate **China's** bloody crackdown on pro-democracy demonstrators in Beijing's Tiananmen Square 33 years ago. Chinese-run Hong Kong deployed heavy security to prevent any sign of protest there.
- **Tajikistan** accused neighboring **Kyrgyzstan** of provoking a border clash, the latest in a series of armed confrontations between the two small impoverished Central Asian nations. The frontier between the two countries is poorly demarcated.



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:

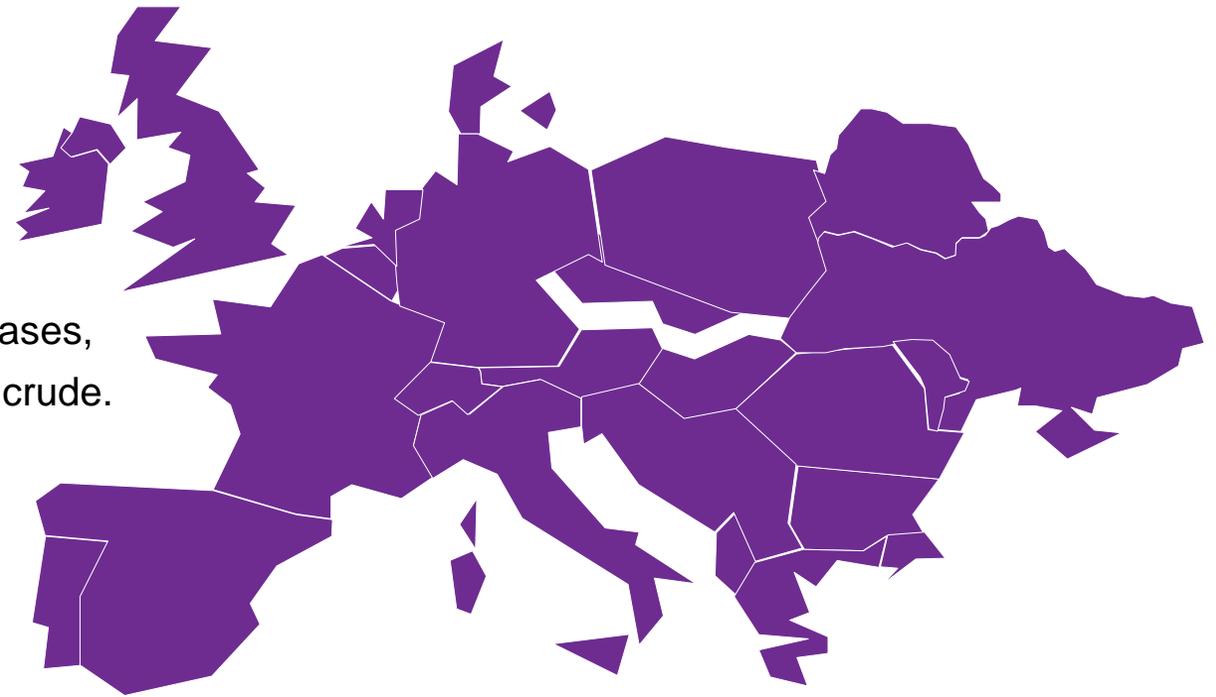
- ❖ Ransomware tabletop exercises
- ❖ Post-tabletop action reports
- ❖ Maturity assessments for preparedness
- ❖ Supply-chain attack simulation
- ❖ Comprehensive incident response plan
- ❖ Threat analysis and monitoring

All interaction with Dentons is attorney-client privileged

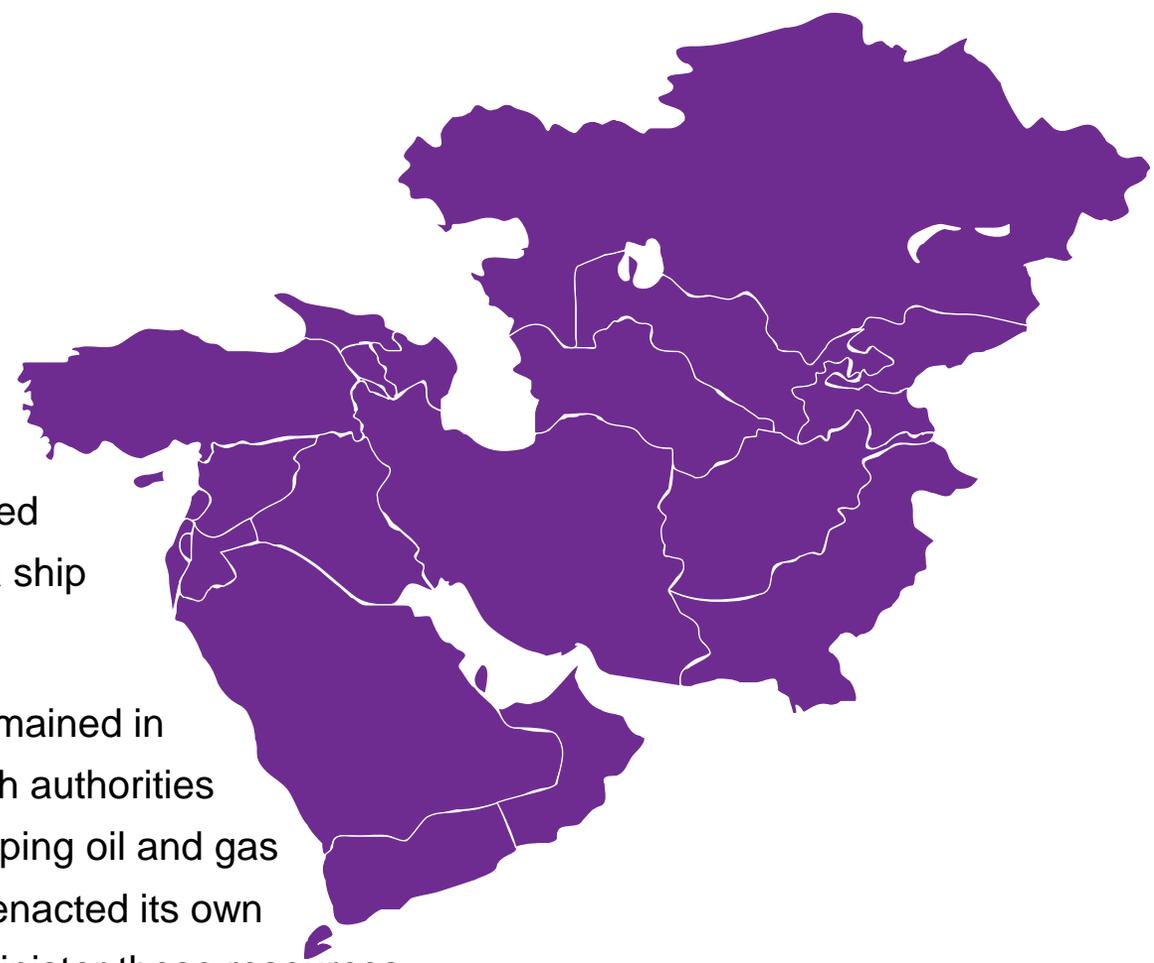
To learn more about the bespoke intelligence and risk services from Dentons, contact [Karl Hopkins](#).

Europe

- **France** is in talks with the **UAE** to replace **Russian** oil purchases, which will stop after the imposition of an **EU** ban on Russian crude.
- **Italian** oil company Eni SpA and Spain's Repsol SA could begin shipping **Venezuelan** oil to Europe as soon as next month to make up for **Russian** crude, resuming oil-for-debt swaps with the waiver of **US** sanctions on Venezuela.
- **Mediterranean** countries on major migrant routes into Europe expect over 150,000 arrivals this year as food shortages caused by the **Ukraine** conflict threaten a new migration wave from Africa and the Middle East. Some 36,400 asylum seekers and migrants have already landed in **Italy, Spain, Greece, Cyprus and Malta** this year, after 123,318 arrivals in 2021.
- **UK** Prime Minister Johnson faces a confidence vote today, after a growing number of lawmakers in the governing Conservative Party questioned the British leader's flagging authority over the "*partygate*" scandal.



Middle East

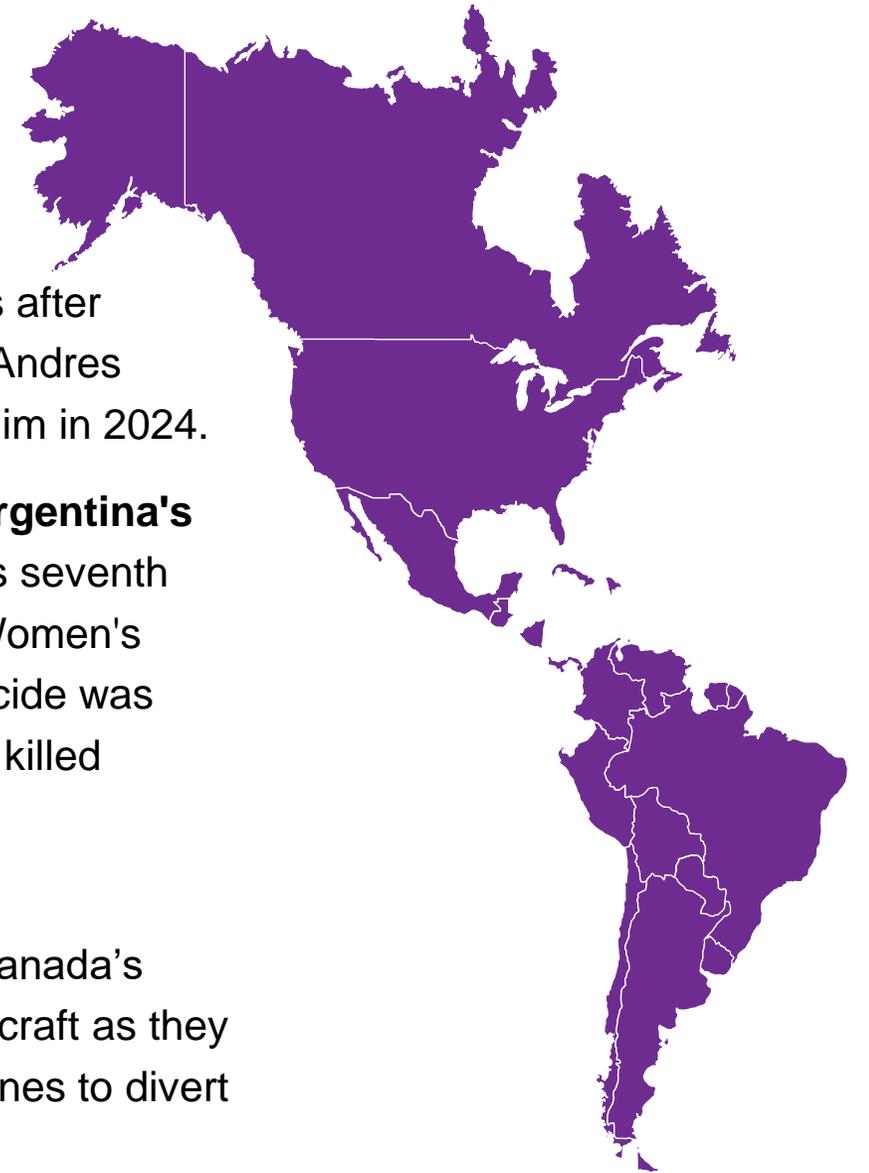


- **Oman** has made new oil discoveries that will raise its production by 50,000 to 100,000 barrels in the coming two to three years.
- **Lebanon** warned **Israel** against any "*aggressive action*" in disputed waters where both states hope to develop offshore energy, after a ship arrived off the coast to produce gas for Israel.
- The judicial council of **Iraq's** Kurdistan said the region's oil law remained in force, rejected a ruling from the federal supreme court that Kurdish authorities should hand over their crude supplies. The KRG has been developing oil and gas resources independently of the federal government, and in 2007 enacted its own law that established the directives by which the region would administer these resources.
- **Iranian** Supreme Leader Ayatollah Ali Khamenei on Saturday blamed recent protests in Iran on foreign "*enemies*" seeking to overthrow the Islamic Republic. Authorities have blamed the collapse of the 10-storey residential and commercial building in Abadan on local corruption. Protesters, however, say the disaster stemmed from government negligence and entrenched graft and have chanted slogans against officials, including Khamenei.

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Americas

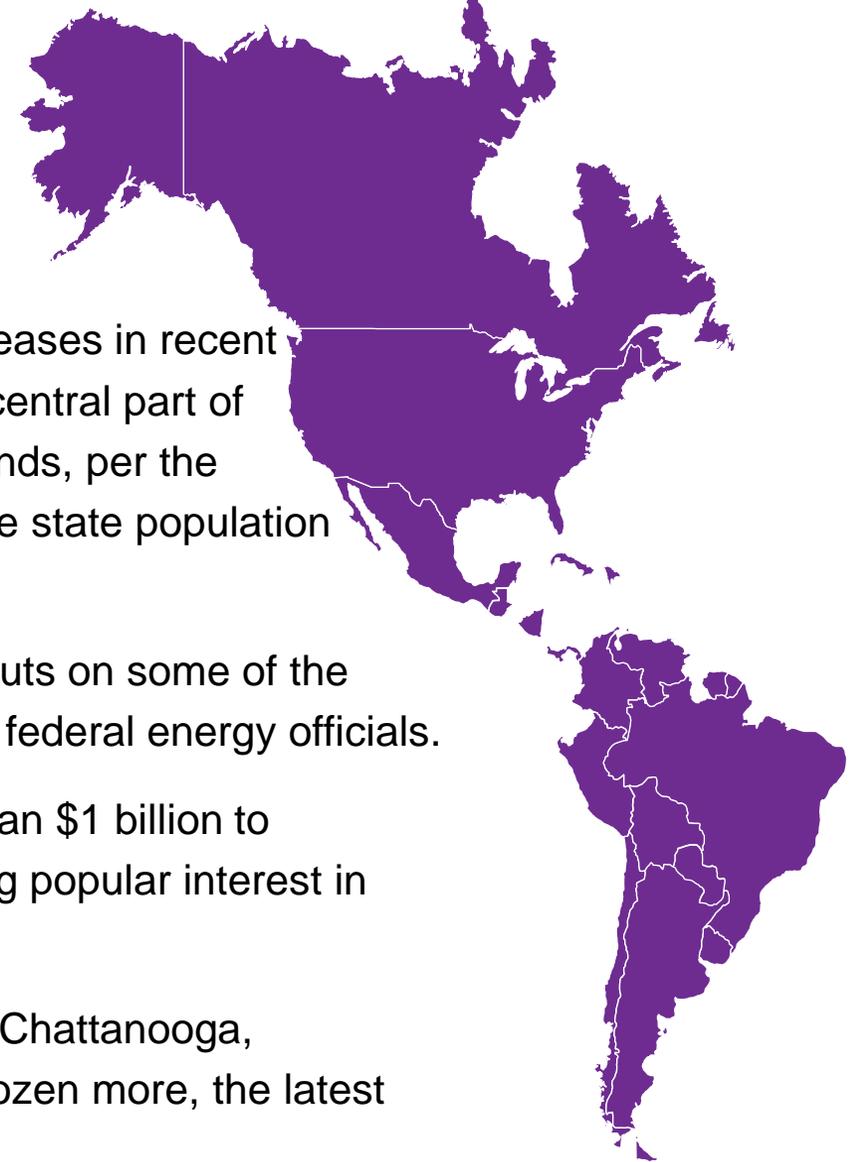
- **Mexico's** ruling party was primed to capture four more state governments after elections yesterday, preliminary results showed, strengthening President Andres Manuel Lopez Obrador's grip on power ahead of the contest to succeed him in 2024.
- Thousands of people marched against femicide and gender violence in **Argentina's** capital of Buenos Aires Friday afternoon, as part of a movement now in its seventh year called Ni Una Menos, or "Not One Woman Less." According to the Women's Office of the Argentine Supreme Court of Justice, an average of one femicide was recorded every 35 hours in the country last year, with 81 percent of those killed classified as victims of domestic violence.
- China's defense ministry claimed **Canadian** military jets have stepped up reconnaissance and provocations against **China**, pushing back against Canada's accusation last week that Chinese warplanes were harassing its patrol aircraft as they monitor **North Korea** sanction evasions, sometimes forcing Canadian planes to divert from their flight paths.



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Americas: US

- The latest **COVID-19 wave** in the US has shifted westward, while pressure eases in recent Northeast hot spots. There are now 13 California counties, clustered in the central part of the state, which have high community levels based on case and hospital trends, per the CDC. An additional 20 California counties covering roughly 60 percent of the state population are in the CDC's medium zone.
- The **power grid** in the Central US could be forced to impose rotating blackouts on some of the hottest days of the summer due to rising demand and plant retirements, per federal energy officials.
- The Federal Trade Commission estimated that Americans have lost more than \$1 billion to **cryptocurrency scams** since the start of last year, as criminals exploit rising popular interest in scoring quick digital riches.
- Over the weekend, three **mass shootings** – in Philadelphia, Pennsylvania, Chattanooga, Tennessee and Saginaw, Michigan -- killed nine people and wounded two dozen more, the latest outbreaks of gun violence.



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Monkeypox Virus and the Mystery Surrounding its Spread

New cases of the monkeypox virus continue to be reported, now numbering more than 780 cases in 27 countries that are not endemic for monkeypox virus, according to the World Health Organization (WHO) as of June 2. Scientists and public health experts are emphasizing that the virus is treatable and is not going to become the next pandemic. Still, they remain mystified on its rapid spread, now hypothesizing that the virus might have been silently spreading outside of Africa for some time.

Unusual Number of Mutations

The genomes from the current outbreak share 40-some mutations with each other that distinguish them from their closest relatives, which were from around 2018. While mutations are common in RNA viruses (like COVID-19), they are less common in DNA viruses, of which monkeypox is one. Scientists would expect a virus like monkeypox to pick up that many mutations in 50 years, not four, according to Richard Neher, a computational evolutionary biologist at the University of Basel. There are different possible explanations, including that the virus has been circulating among people at low levels, mutating as their bodies produced enzymes trying to kill off the virus, without complete success. The virus with the mutations

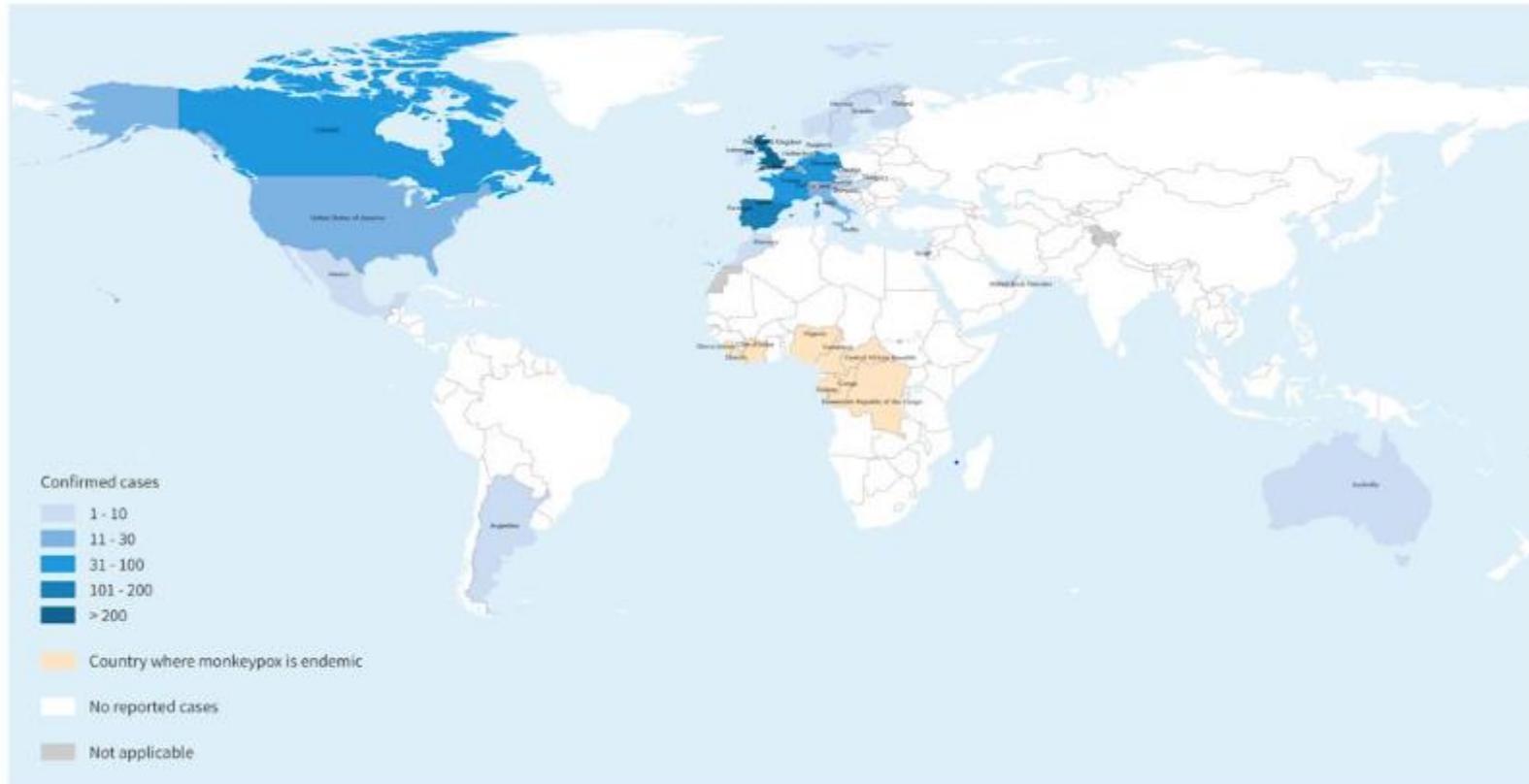
only became noticed when the virus traveled outside of endemic areas, propelled by global travel and large festivals. An alternative hypothesis, scientists at the Genomics and Bioinformatics Unit of the National Institute of Health in Lisbon point to signs of gene deletion in the genomes, which could be leading to increased transmission. Gene deletion may have led to an evolutionary leap in monkeypox, causing the gene sequences to diverge more than would have been expected.

Nigeria has been suffering from a monkeypox outbreak since 2017. Research efforts have been hampered by lack of funding, with the international scientific community not showing much interest in what was viewed as a niche disease, spread from animals to human in

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Monkeypox Virus and the Mystery Surrounding its Spread

Figure 1. Geographic distribution of cases of monkeypox in non-endemic countries reported to or identified by WHO from official public sources, between 13 May and 2 June 2022, 5 PM CEST.



The designations employed and the presentation of the material in this publication do not imply the expression of any opinion whatsoever on the part of WHO concerning the legal status of any country, territory, city or area or of its authorities; or concerning the delimitation of its frontiers or boundaries. Dotted and dashed lines on maps represent approximate border lines for which there may not yet be full agreement.

Data Source: World Health Organization
Map Production: WHO Health Emergencies Programme
Map Date: 3 June 2022



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Monkeypox Virus and the Mystery Surrounding its Spread

very isolated locations in Africa, with a tendency to burn out quickly after a short chain of human transmission. Scientists are now calling for the outbreak in Nigeria to be intensely investigated, not just its spread to non-endemic countries.

Scientists do not have a good understanding of how the virus interacts with the human body. The mutations may have made the virus become more transmissible between humans, or the spread may be due to networks of people with lots of close contact. More genomes need to be studied and how the hosts could have come into contact with the virus and spread it. If research shows that the virus has spread more among humans than previously through, and distant from an animal source, this will open more questions on the risk of it becoming endemic in places beyond Africa.

Public Health Risk is Moderate, per the WHO

In an updated assessment on June 4, the WHO also suggests that the sudden and unexpected appearance of monkeypox simultaneously in non-endemic countries may be due to undetected transmission for an unknown duration of time followed by recent amplifier events (super spreader events). WHO assesses the risk at

the global level as moderate considering this is the first time that many monkeypox cases and clusters are reported concurrently in non-endemic and endemic countries in widely disparate geographical areas.

Per the WHO, most reported cases so far have been presented through sexual health or other health services in primary or secondary health care facilities and have involved mainly, but not exclusively, men who have sex with men (MSM). While the West African clade of the virus has been identified from samples of cases so far, most confirmed cases with travel history reported travel to countries in Europe and North America, rather than West or Central Africa where the monkeypox virus is endemic. The confirmation of monkeypox in persons who have not travelled to an endemic area is atypical, and even one case of monkeypox in a non-endemic country is considered an outbreak.

The WHO assessment warns that the public health risk could become high if this virus exploits the opportunity to establish itself as a human pathogen and spreads to groups at higher risk of severe disease such as young children and immunosuppressed persons. The WHO recommends immediate action from countries to control

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Monkeypox Virus and the Mystery Surrounding its Spread

further spread among groups at risk and prevent spread to the general population.

Vaccination against smallpox had been shown to protect against monkeypox. However, immunity from smallpox vaccination will be limited to persons under the age of 40 or 50 years since smallpox vaccination programs ended following the eradication of smallpox. In addition, protection for those who were vaccinated may have waned over time.

Smallpox and monkeypox vaccines are available, although in limited quantities, and are being deployed to countries with outbreaks. While smallpox vaccines have been shown to be protective against monkeypox, there is also one vaccine approved for prevention of monkeypox.

Community transmission in the US

On June 3, the Centers for Disease Control and Prevention (CDC) released a study on monkeypox cases in the US, warning that monkeypox could be spreading from person to person. In the study, the CDC reported 17 cases being investigated. Most cases (16) were diagnosed in persons who identify as gay, bisexual, or men

who have sex with men. Fourteen of the patients reported international travel in the three weeks leading up to symptoms. The remaining three either had contact with other cases or did not know how they caught the virus.

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Ukraine War Update: Western Arms Shipments, Russian Escalation Warning, Odesa Grain Shipments

President Putin warned the West that Russia would strike new targets if the US started supplying Ukraine with longer-range missiles. If such missiles are supplied, "we will strike at those targets which we have not yet been hitting."

Political Developments

Ukrainian Foreign Minister Kuleba sharply rebuked French President Macron on Saturday for saying it was important not to "*humiliate*" Moscow, and to allow the Kremlin an "*exit ramp*" in future peace talks. Ukraine is pushing back against perceived pressure from some European allies to relinquish territory to secure a ceasefire, which Kyiv says would let Moscow solidify its grip on occupied areas and regroup for future attacks.

The UK will provide Ukraine with M270 multiple-launch rocket systems capable of hitting targets as far away as 80 kilometers (50 miles). The effort to supply Ukraine with multiple-launch rocket systems was coordinated with the US.

Spain will supply Ukraine with anti-aircraft missiles and Leopard battle tanks, increasing its military support. Spain will also provide essential training to the Ukrainian military in how to use the tanks. It

would take place in Latvia, where the Spanish Army has deployed 500 soldiers within the framework of NATO's Enhanced Advanced Presence operation.

Pro-government newspaper *Izvestia* has reported that the Russian government is planning to allow shipments of grain to leave the Ukrainian port city of Odesa. Citing government insiders, the report said that the Kremlin discussed easing the blockade with both Ukrainian and Turkish authorities. The Turkish navy will be responsible for removing mines from the area and escorting the ships to "*neutral waters*." Russian warships will then follow the vessels carrying the grain to the Bosphorus.

Russian Foreign Minister Lavrov's visit to Serbia has been cancelled after countries around Serbia closed their airspace to his aircraft. Serbia, which has close cultural ties with Russia, has resisted pressure to take sides over Russia's invasion of Ukraine and has not joined western sanctions against Moscow.

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Ukraine War Update: Western Arms Shipments, Russian Escalation Warning, Odesa Grain Shipments

The Russian Ministry of Construction, Housing and Utilities website appeared to be hacked early Monday, with internet searches for the site instead leading browsers to a sign that says "Glory to Ukraine" in the Ukrainian language.

Battlefield Developments

After retreating steadily in Severodonetsk in recent days, over the weekend, Ukraine mounted a counterattack taking Russian troops by surprise. Control over the city is fiercely contested in street battles. Both sides say they have inflicted huge casualties in Severodonetsk, a battle that could determine which side carries the momentum into a protracted war of attrition in coming months.

Britain's defense ministry said on Sunday that Ukrainian counterattacks in Severodonetsk over the past 24 hours were likely to blunt any operational momentum that Russian forces had previously gained. Russia was deploying poorly equipped separatist fighters in the city to limit the risk to its regular forces.

In neighboring Donetsk province, which Moscow also claims on behalf of its separatist proxies, Russian forces have been advancing

in recent days in territory north of the Siverskiy Donets river, in advance of what Ukraine anticipates would be a push on the major city of Sloviansk.

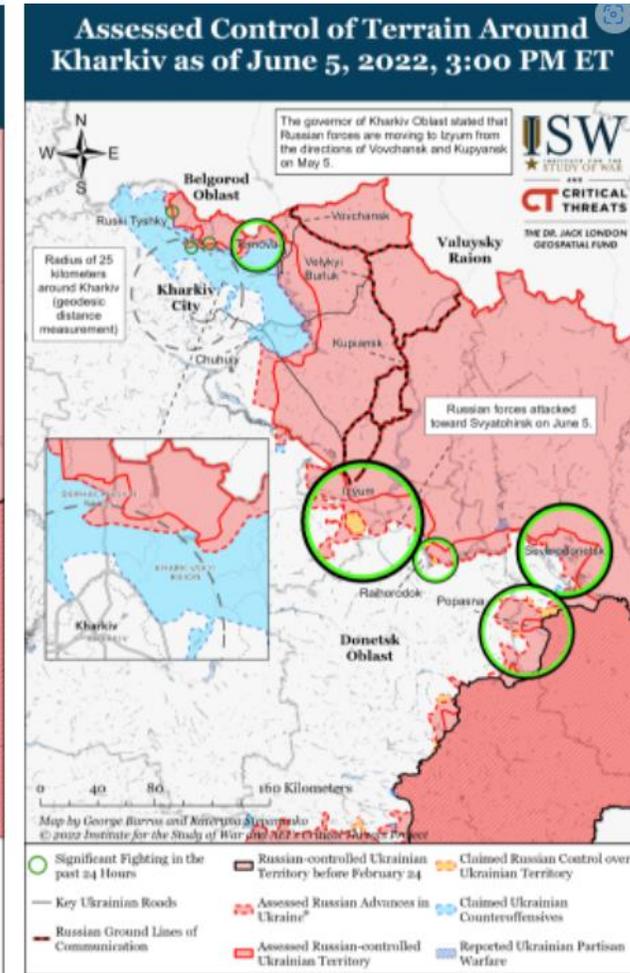
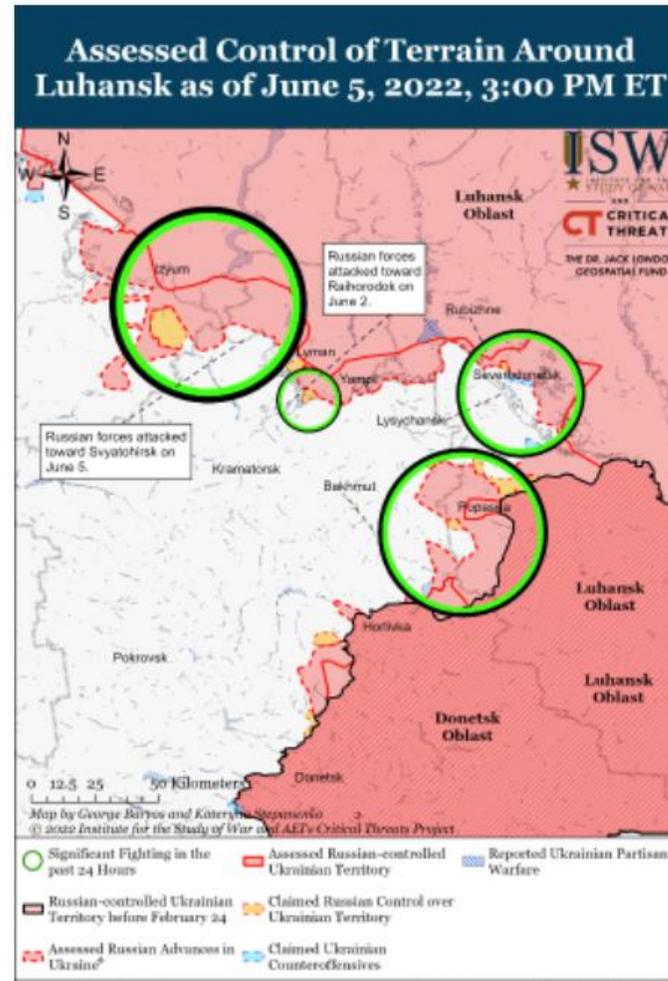
Russian forces are fortifying their positions in the Kharkiv region and "conducting intensive artillery and mortar shelling of our positions" to keep hold of the territory they had occupied, according to Ukraine's military general staff on Monday.

On Sunday, Russia struck Ukraine's capital Kyiv with missiles for the first time in more than a month. Moscow said it had hit a repair shop housing tanks sent from eastern Europe. Ukrainian officials said the Darnytsia rail car repair facility in eastern Kyiv was hit. Ukraine said Russia had carried out the strike using long-range air-launched missiles fired from heavy bombers as far away as the Caspian Sea - a weapon far more valuable than the tanks Russia claimed to have hit.

A Russian state media journalist on Sunday said Russian Major General Roman Kutuzov had been killed in eastern Ukraine, adding to the string of high-ranking military casualties sustained by Moscow.

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Ukraine War Update: Western Arms Shipments, Russian Escalation Warning, Odesa Grain Shipments



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

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Ukraine War Update: Western Arms Shipments, Russian Escalation Warning, Odesa Grain Shipments

The Institute for the Study of War (ISW) assessed Ukrainian forces are successfully slowing down Russian operations to encircle Ukrainian positions in Luhansk Oblast as well as Russian frontal assaults in Severodonetsk through effective local counterattacks in Severodonetsk and their defense of the western Siverskyi Donets riverbank. Russian forces continued efforts to converge on Slovyansk from the southeast of Izyum and west of Lyman but remain unlikely to make notable advances around Slovyansk due to their continued prioritization of Severodonetsk.

ISW noted that Kremlin Spokesperson Peskov reiterated on June 3 that Russia will continue its “*special military operation*” in Ukraine until Russia achieves all of its objectives. Peskov noted that Russia has already “*liberated*” many settlements since the start of the operation. Kremlin officials have begun steadily returning to their original claims about the successes of the Russian invasion of Ukraine in contrast to previous statements in late May explaining the slow pace of the war. Russian Defense Minister Sergey Shoigu also claimed on June 3 that Russian forces are adopting new unspecified tasks to accelerate the progress of the war. The Kremlin is likely

setting conditions to announce some sort of victory in eastern Ukraine while preparing for a protracted war. The Kremlin has not abandoned its maximalist political goals for Ukraine even though it has been forced to revise downward its immediate military objectives.

Economic Developments

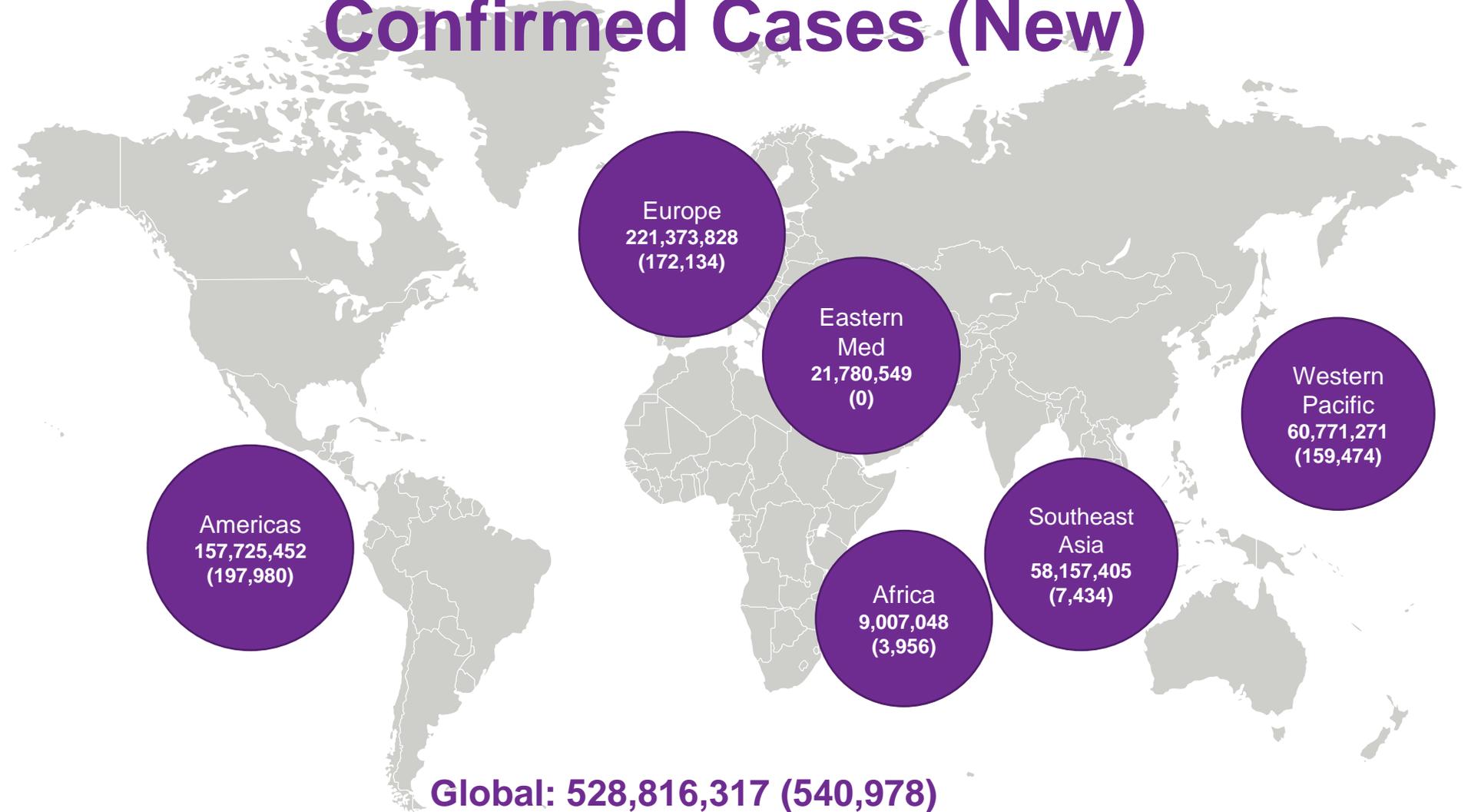
Russia's sanctions against Gazprom Germania and its subsidiaries could cost German taxpayers and gas users an extra 5 billion euros (\$5.4 billion) a year to pay for replacement gas, the Welt am Sonntag weekly reported, citing industry representatives.

Russian internet giant Yandex announced that Arkady Volozh had stepped down as CEO and left the board of directors after the EU included him on its latest list of sanctions against Russian entities and individuals.

Coronavirus Condition Updates

As of 5:37 pm CEST on June 3, 2022

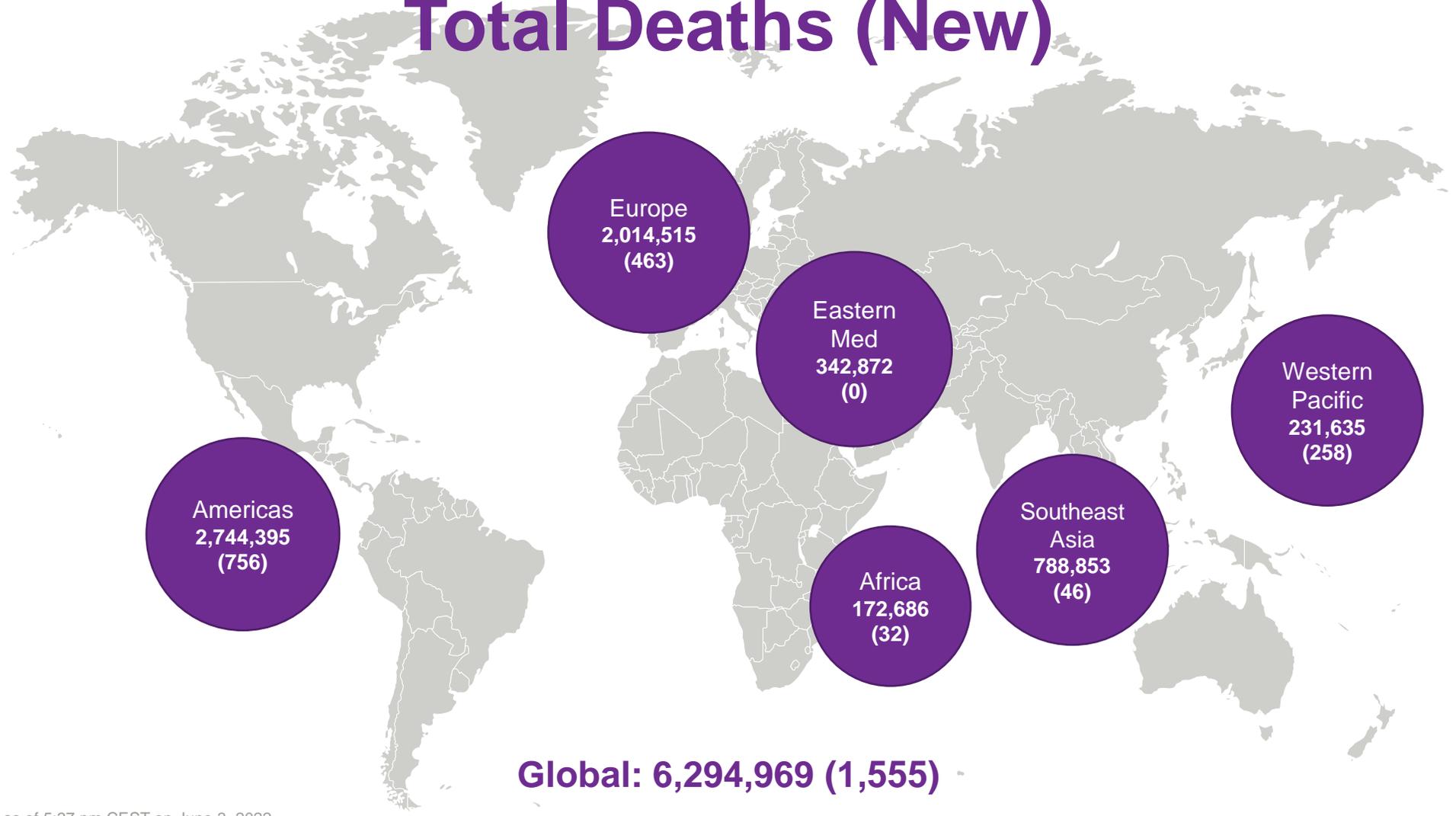
Confirmed Cases (New)



Reflects data as of 5:37 pm CEST on June 3, 2022.
Data Source: World Health Organization

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Total Deaths (New)



Reflects data as of 5:37 pm CEST on June 3, 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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