

Dentons Flashpoint

Daily Global Situation Report

April 26, 2022

Global Situation Update: April 26, 2022

KEY TAKEAWAYS

The UN Secretary General is in Moscow seeking to broker a ceasefire in the Ukraine War.

China begins mass COVID-19 testing in Beijing after discovery of a cluster of infections.

Finland and Sweden set dates to submit NATO applications.

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

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WHAT WE'RE WATCHING

Beijing is kicking off a mass testing program for millions of residents after record new COVID-19 cases. The outbreak has prompted fears of a Shanghai-style lockdown and led to a run on supplies, particularly groceries. Meanwhile, Shanghai is seeing its highest number of daily COVID-19 deaths in the current outbreak, likely prolonging an economically disruptive lockdown.

A possible new lockdown in Beijing and the continuing one in Shanghai in pursuit of the Chinese government's Zero-COVID policy will have major ramifications for international business. Chinese stocks dropped to the lowest levels in two years yesterday over fears of more restrictions in the capital city.



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Global

The US is hosting more than 20 countries for talks today at Ramstein Air Base in Germany, focused on coordinating security assistance to Ukraine.

- The UN Secretary-General Guterres is in Moscow today to meet with Russian Foreign Minister Lavrov and President Putin. Talks will focus on a **ceasefire**. There is low probability of a breakthrough.
- Russian Foreign Minister Lavrov told state television that NATO weapons deliveries mean that the alliance is "*in essence*" engaged in **war with Russia through a proxy**, adding that Western arms deliveries in Ukraine would be "*legitimate targets*" for Russian forces and that the "*risks*" of nuclear escalation were "*considerable*."
- The Ukraine war is spilling over into Moldova, where explosions in the break away region of Transnistria are being used by Russia to agitate for escalation. These are likely **false flag operations** conducted by Russian-aligned operatives.

Markets & Business

The US dollar rallied to its highest level since March 2020 yesterday and is on track for its best month since January 2015, buoyed by expectations that the Federal Reserve will lift interest rates aggressively to tame inflation.

- **Twitter's** board has agreed to sell the company for roughly \$44 billion to Elon Musk, a deal that would result in the world's richest man seizing control of the influential social media platform.
- **Aircraft leasing** companies have launched a multinational effort to persuade safety authorities to allow grounded planes that were returned from Russia without full maintenance records back into commercial service.
- **Heathrow**, operator of the UK's busiest airport, said it believed this year's surge in demand for flying was a "bubble" unlikely to last past this summer and predicted another year of losses.
- **Fidelity Investments** plans to allow investors to put a bitcoin account in their 401(k)s, the first major retirement-plan provider to do so.

Environment, Sustainability & Governance

Britain's corporate governance regulator assessed that many companies are failing to spell out clearly whether they comply with modern slavery laws, partly for fear of triggering a public backlash.

- The European Union is likely to suffer severe **shortfalls in lithium, rare earths and other metals** needed to cut carbon emissions, but recycling could help plug the gap from 2040, according to an industry study.
- A group of Credit Suisse investors pushing for faster **climate action** at the bank has more than doubled in size, raising pressure on its board ahead of its annual shareholder meeting on Friday.
- New York City pension leaders said the \$262 billion system will mostly favor calls for sharp limits on **fossil fuel lending** at top banks this week.

Africa

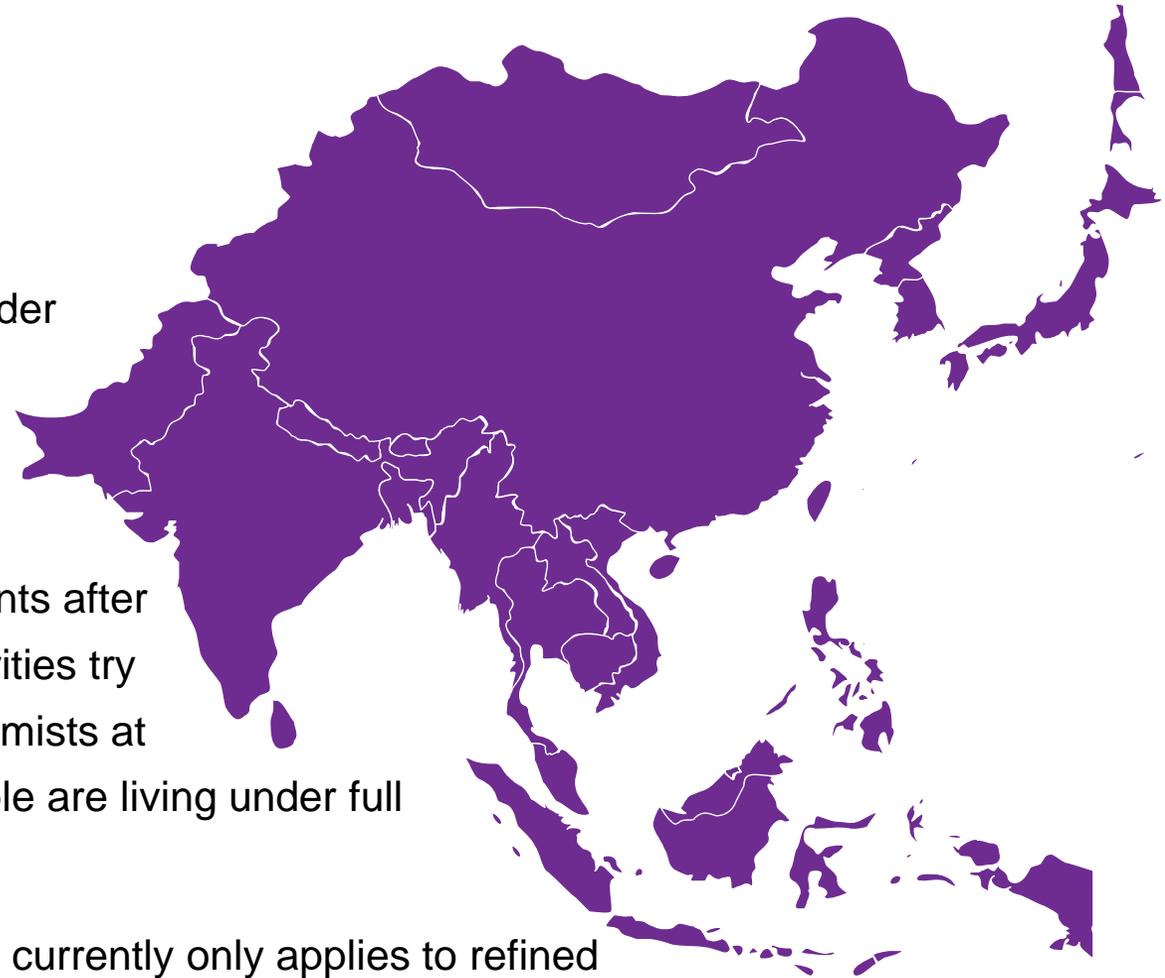
- A **Malian** jihadist group claimed that it had captured a member of the **Russian** Wagner Group, which is deployed alongside the Malian military.
- The WHO reported a new Ebola outbreak in the northwest of the **Democratic Republic of the Congo**.
- Some **South African** officials, including the shadow parliament, are raising concerns that the country may be experiencing a new wave as COVID-19 cases tick up.
- **Sudanese** residents reported that violence in the embattled Darfur region had spread to some nearby villages.
- Spokespeople for the **Ethiopian** Tigrayan rebels said that they were withdrawing from the neighboring Afar region.



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Asia

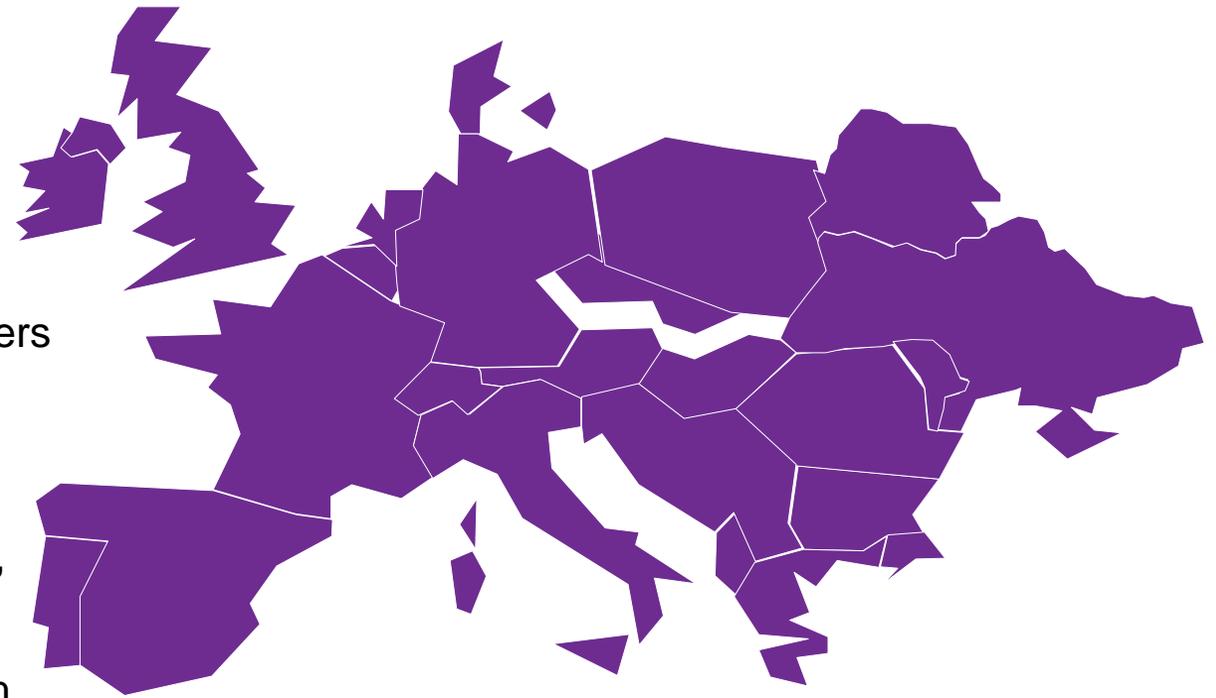
- **Hong Kong** authorities have no plans to further relax its border control measures, dashing business hopes that recent relaxations to the city's border rules might herald a gradual return to quarantine-free travel.
- **Chinese** capital Beijing has started testing millions of residents after 33 new coronavirus cases were found on Monday, as authorities try to avoid the kind of mass outbreak seen in Shanghai. Economists at the Japanese bank Nomura estimate that 343.5 million people are living under full or partial lockdowns across 46 cities in China.
- **Indonesia** is prepared to widen a palm oil export ban, which currently only applies to refined palm olein, if local shortages of derivative products used in cooking oil occur.
- **North Korea** will speed up development of its nuclear arsenal, leader Kim Jong Un said while overseeing a huge military parade that displayed intercontinental ballistic missiles and other weapons, during celebrations for the founding anniversary of North Korea's armed forces.



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Europe

- Twitter has suspended **Dutch** far-right leader Geert Wilders for violating the platform's rules on hate speech.
- **Finland and Sweden** have agreed to submit NATO applications at the same time during the week of May 16, per media reports. Three NATO warships arrived in the southwestern Finnish port of Turku yesterday to train with Finland's navy amid increased tensions with **Russia** over **Ukraine**.
- The **UK's** post-Brexit trade deal with the **EU** has caused a “*steep decline*” in the number of trading relationships Britain has with the bloc as red tape at the border curbs the ability of smaller firms to export, per new research.
- **Turkish** philanthropist Osman Kavala was jailed for life without parole for charges including attempts to overthrow the government by funding protests, a move that human rights organizations and western governments denounced as politically motivated.



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How do You Manage Incident Response?

2021 has already seen business disrupted by extreme weather, ransomware attack, the ongoing pandemic and more. The common refrain “It’s not if, but when” rings truer than ever for disruptive incidents that will impact business as usual.

Working with Dentons, you can effectively develop an organizational incident-behavior adopted by all your team members. Dentons will help you build muscle memory through tabletop exercises, which are crafted to fit the business strategy of every client.

Our team plays events and incidents of different severities and complexities and accounts for real-world factors such as inconclusive evidence, mistakes by responders, and the business impact of eradication steps. Our tech-savvy lawyers continuously revise the playbooks per the evolving sector-specific threat landscape.

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

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

All interaction with Dentons is attorney-client privileged

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

Middle East

- **Iran** called for new nuclear meetings in the stalled JCPOA process as “*soon as possible.*”
- Iranian-backed **Yemeni** Houthis released the **Emirati** crew of an oil tanker seized in the Gulf in January.
- **Saudi Arabia** said it is targeting a tenfold increase in international air transit traffic as it aims to become a global finance and tourism hub.
- Regional rivals **Iran and Saudi Arabia** held a fifth round of “*positive*” talks in Baghdad last Thursday on normalizing bilateral relations, per Iran's foreign ministry.



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Americas

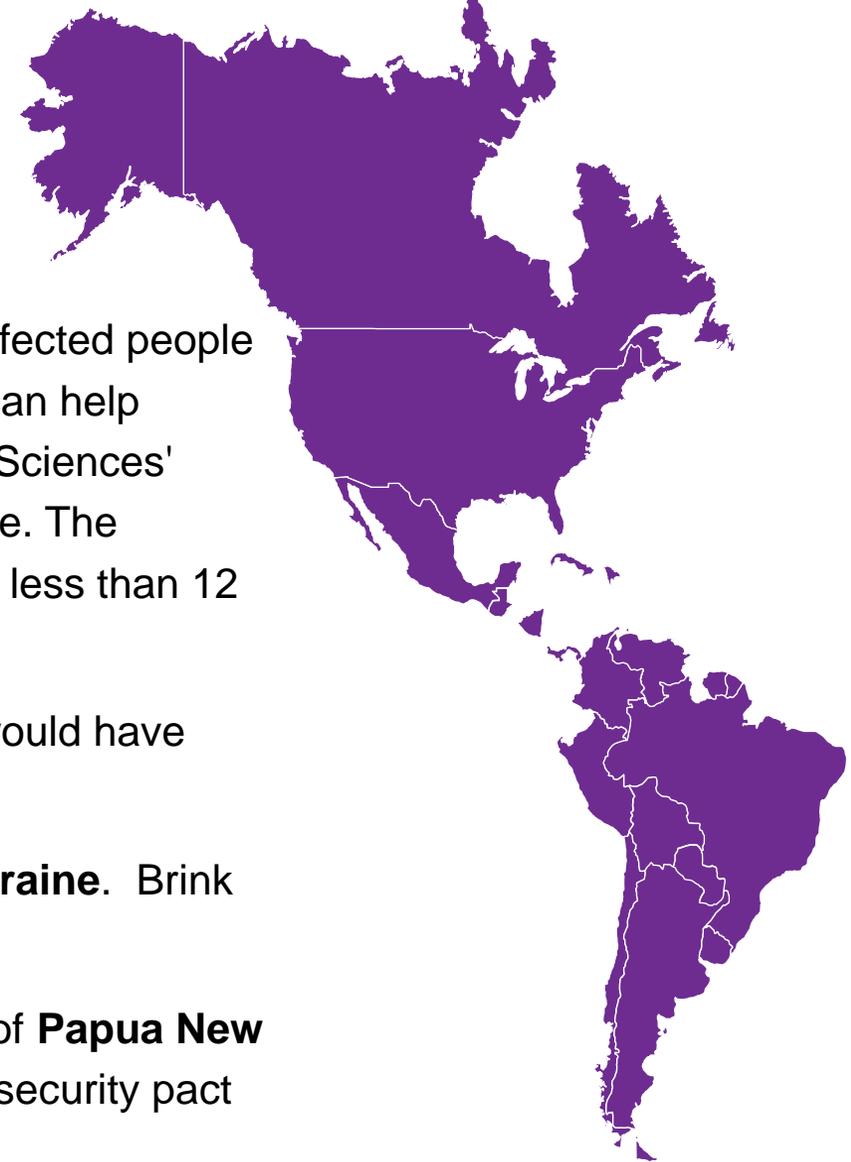
- **Peru's** prime minister said that the government will call for a referendum to propose redrafting the constitution, renewing a campaign proposal aimed at boosting the role of the state in the country's economy.
- **Mexico's** Supreme Court ruled that a controversial plan to create a national cellphone user registry with biometric data is unconstitutional, a blow to President Obrador's government.
- New data shows that asylum seekers at the **US-Canada** border were persistently high throughout the winter, a time at which crossings usually drop; December crossings hit a high not seen since August 2017.
- **Mexico** detained almost 6,000 foreign migrants in a four-day span, per the country's National Migration Institute. Mexican immigration authorities have detained 115,379 migrants from the beginning of the year to April 13, pointing at a sharp rise in irregular migration.



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Americas: US

- The Biden administration is expected to outline plans to make it easier for infected people to get **COVID-19 treatments**, by expanding access to free treatments that can help COVID patients avoid hospitalization. The FDA granted approval for Gilead Sciences' COVID-19 drug remdesivir to treat **infants and children** over 28 days of age. The decision makes the drug the first approved COVID-19 treatment for children less than 12 years of age.
- The Biden administration overturned a controversial Trump-era policy that would have opened new swathes of Arctic Alaska to **oil development**.
- President Biden has named Bridget Brink as the new US ambassador to **Ukraine**. Brink is currently the US Ambassador to Slovakia.
- The US wants to expand security cooperation with the Pacific island nation of **Papua New Guinea**, amid concerns in Washington about **China's** motives for striking a security pact with the nearby **Solomon Islands**.



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Environmental Impacts of the Ukraine War

By Anni Coonan

In addition to the vast human and economic costs of the war in Ukraine, experts are increasingly flagging the growing environmental costs of the Russian invasion. Significant ecological destruction, which appears to be underway in Ukraine, will add to the scars that a post-war Ukraine must overcome and amplify the ramifications of the war for the rest of the world.

The primary risk at present is of continued shelling and combat damaging industrial or mining activity, resulting in water and soil contamination, but the danger of radioactive contamination, air pollution, and wildfires also looms.

Potential contamination from the Russian occupation of the Chernobyl disaster site is an especially visible example of the environmental impact of the Russian invasion. In March, Russian forces briefly occupied the site, during which time troops dug trenches and potentially gave themselves full-body radiation poisoning from disturbing the toxic soil (the Ukrainian military claimed that widespread radiation poisoning was among the reasons that Russia withdrew from Chernobyl). However, experts working for the Ukrainian government, the UN, and international environmental NGOs think that the scale of environmental destruction is much wider.

PAX, a Dutch nonprofit that documented pollution in Syria and other conflict zones, the Conflict and Environment Observatory, a UK charity, and Ecoaction, a Ukraine-based environmental group, have documented damage that could result in environmental contamination at more than 100 sites, ranging from power plants to military installations and water-treatment plants. PAX reports that conflict has destroyed more than a dozen such water treatment plants, allowing untreated waste to flow into nearby rivers and streams. The Ukrainian environmental minister recently told the Wall Street Journal that water samples in a river in the Ternopil region near fertilizer tanks damaged by missile debris showed ammonia levels 163 times above normal and nitrates 50 times as high. Ecoaction has reported that many contaminated sites have already been identified near the cities of Kyiv, Luhansk and Kharkiv.

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Environmental Impacts of the Ukraine War

Number of Environmental Crimes Committed by Russia in 47 Days



Source: Ukrainian NGO Ecoaction

The damage has the potential to be much wider: Ukraine and NGOs active in the country have flagged the risk that bombing coal mines or reservoirs storing liquid waste from mining and industrial activity (which the Organization for Security and Cooperation in Europe put at 6 billion tons in 2019) could cause toxic waste to leach into water sources and the ground. The eastern part of the country, where fighting is increasingly focused, is a heavily industrialized corridor with a high concentration of chemical factories, and experts have expressed worry that additional conflict-related damage could cause heavy metals such as lead and cadmium, which cause developmental delays in children, to contaminate local groundwater. Experts also note that if heavy shelling continues into the summer, the likelihood will only increase that fires from strikes could ignite

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Environmental Impacts of the Ukraine War

The environmental impact of armed conflict has historical precedent. The Cost of War project, run jointly by Brown University's Watson Institute and Boston University's Pardee Center, has divided the costs of post-9/11 wars into three separate categories: budgetary, human, and environmental. The project estimates that the US has contributed 1.2 billion metric tons of greenhouse gases to the global atmosphere in the course of the War on Terror, with 400 million tons of that directly due to war-related fuel consumption. Environmental monitoring following the Iraqi invasion of Kuwait in the 1990s, when invading forces set hundreds of oil wells ablaze, found that the burning oil made up for at least 2 percent of all global carbon dioxide emissions that year, and ice core samples from Tibet suggest that the soot traveled throughout the globe.

In addition to deepening humanitarian suffering as the conflict rages on, continued environmental destruction will complicate recovery efforts, both for Ukraine and the globe. Soil and water contamination will threaten the ability of Ukrainians to return to their homes (or even drive new internal displacement as potable water becomes undrinkable) and endanger Ukraine's future agricultural output – the loss of which is already creating disastrous ripples in the global food

market. Wildfires would have a similar effect. Further, widespread environmental damage – and heightened global attention to it – demonstrates how interwoven global markets are with each other and with the environment, amplifying the global and local impacts of war.

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Ukraine War Update: Diplomatic Talks, Military Planning, False Flag Operations

The UN Secretary-General Guterres is in Moscow today to meet with Russian Foreign Minister Lavrov and President Putin. Talks will focus on a ceasefire. Ukraine has urged Guterres to press for an evacuation of Mariupol. Guterres is set to travel to Ukraine after his Moscow meetings.

Political Developments

The US is hosting more than 20 countries for talks today at Ramstein Air Base in Germany. General Mark Milley, chairman of the US Joint Chiefs of Staff, said a key goal of the talks was to synchronize and coordinate security assistance to Kyiv that includes heavy weaponry, like howitzer artillery and well-armed drones and ammunition. US Defense Secretary Lloyd Austin kicked off the defense talks by expressing confidence that Ukraine can prevail against Russia in the two-month-old conflict.

Germany is expected to announce today it will deliver Gepard armored vehicles to Ukraine, after weeks of stalling on sending heavy weaponry directly to the authorities in Kyiv. The tanks will be delivered from Bundeswehr stocks. Norway will allocate 400 million crowns (\$43.7 million) to a British-led initiative for buying weapons for Ukraine.

European Commission President Ursula von der Leyen is in India in an effort to pressure India to reduce its reliance on Russia. It follows British Prime Minister Johnson visit last week, which resulted in India and Britain jointly calling for an immediate cease-fire in Ukraine.

Russia expelled 40 German diplomats in response to Berlin's decision to kick out Russian diplomats over the conflict in Ukraine.

Russia's foreign ministry has denied claims that Moscow is planning a referendum on the secession of the southern Ukrainian region of Kherson.

Battlefield Developments

Britain's Defense Ministry confirmed that the town of Kreminna in Ukraine's eastern Luhansk region, west of the line of control between Ukrainian forces and Russian-backed separatists, has fallen to

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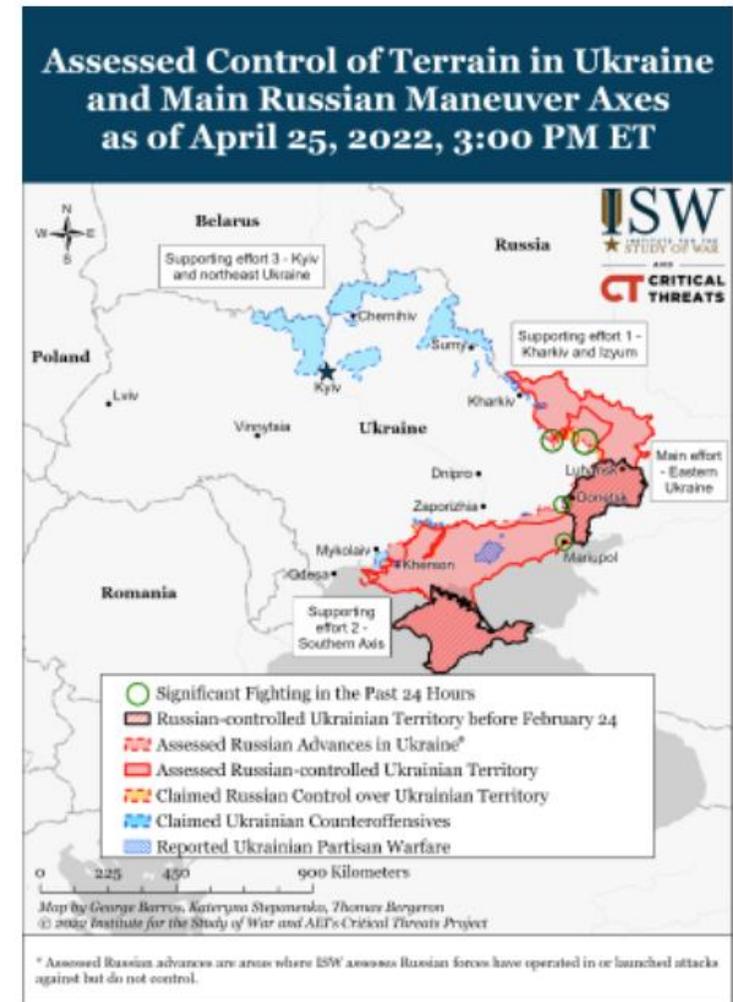
Ukraine War Update: Diplomatic Talks, Military Planning, False Flag Operations

Russian forces, assessing that "*Russian forces are likely attempting to encircle heavily fortified Ukrainian positions in the east of Ukraine.*" Russian forces are also attacking from the north and east around Izyum, a strategic town west of the previous front line.

Russian forces struck five railway stations in central and western Ukraine on Monday, in what military analysts say is an attempt to disrupt Ukrainian troop movements and materiel shipments to the front line.

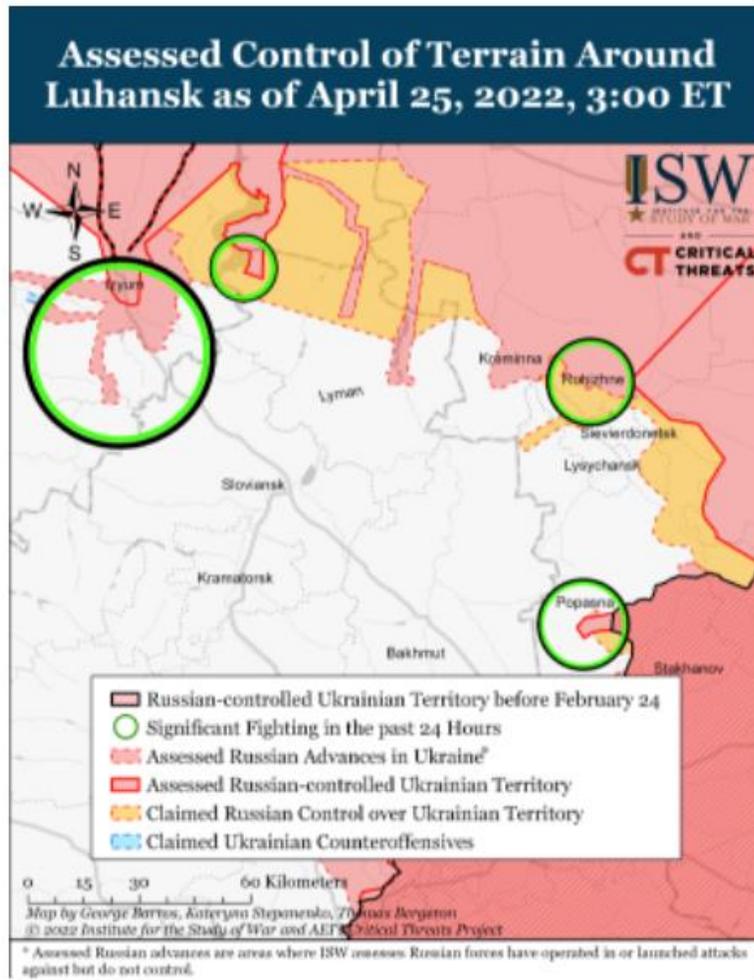
The Institute for the Study of War assessed that local Ukrainian counterattacks retook territory north of Kherson and west of Izyum in the past 24 hours. Russian forces continue to make little progress in scattered, small-scale attacks in eastern Ukraine. Ukrainian forces are successfully halting Russian efforts to bypass Ukrainian defensive positions around Izyum, and Russian forces are struggling to complete even tactical encirclements. Russian forces are preparing for renewed attacks to capture the entirety of Kherson Oblast in southern Ukraine after minor losses in the past 48 hours.

Russian Foreign Minister Lavrov told state television that NATO weapons deliveries mean that the alliance is "*in essence*" engaged in war with Russia through a proxy, adding that Western arms deliveries in Ukraine would be "*legitimate targets*" for Russian forces and that the "*risks*" of nuclear escalation were "*considerable.*" British



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Ukraine War Update: Diplomatic Talks, Military Planning, False Flag Operations



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

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Ukraine War Update: Diplomatic Talks, Military Planning, False Flag Operations

Armed Forces Minister James Heapey countered Lavrov's statement, saying he did not think there was an imminent threat of escalation in the war in Ukraine leading to nuclear conflict.

The UK assessed that about 15,000 Russian troops have been killed since Russia invaded Ukraine. Russia has acknowledged only 1,351 military deaths.

Authorities in Transnistria, the Moscow-backed breakaway region of Moldova bordering Ukraine, have reported more explosions, deepening fears that the region could be pulled into the war. On Monday, explosions caused by a rocket-propelled grenade attack struck the breakaway region's state security building in the city of Tiraspol. Ukrainian and Moldovan officials described the incident as a provocation and potential pretext for further escalation in the conflict. The Institute for the Study of War assessed that these are likely false flag attacks to amplify Russian claims of anti-Russian sentiment in Moldova, but Transnistrian forces remain unlikely to enter the war in Ukraine.

Humanitarian Developments

Ukrainian President Zelensky questioned whether Russians are truly Christians after its military refused to open humanitarian corridors to

Mariupol and conducted missile strikes over the weekend of Orthodox Easter.

Vadym Boychenko, the mayor of Mariupol, said a new mass grave had been identified 10 kilometers (6 miles) north of the city. This is the third mass grave identified in the area.

Economic Developments

EU member states are looking at whether to impose a ceiling on what they would pay for Russian oil as a way to hit Kremlin revenues, as part of the sixth sanctions package.

The UK has dropped tariffs on all goods coming from Ukraine, following a direct request from Ukrainian President Zelensky.

The German government wants to use rail transport to arrange alternative means of exporting grain from Ukraine.

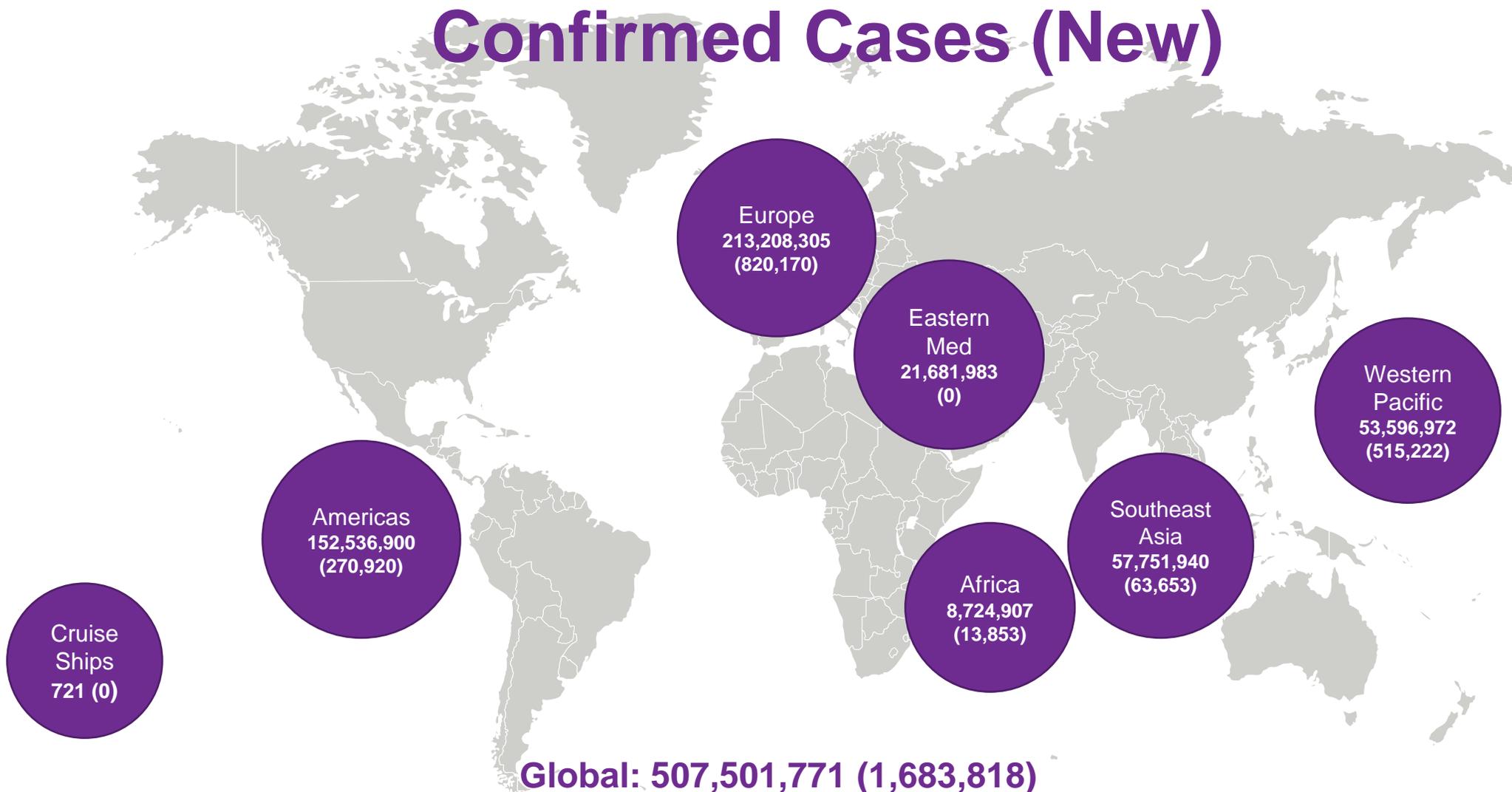
Hotel groups are under renewed pressure to cut operating contracts in Russia after Best Western and Hyatt became the first to terminate deals with Russian hotel owners.

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Coronavirus Condition Updates

As of 5:22pm CEST, 25 April 2022

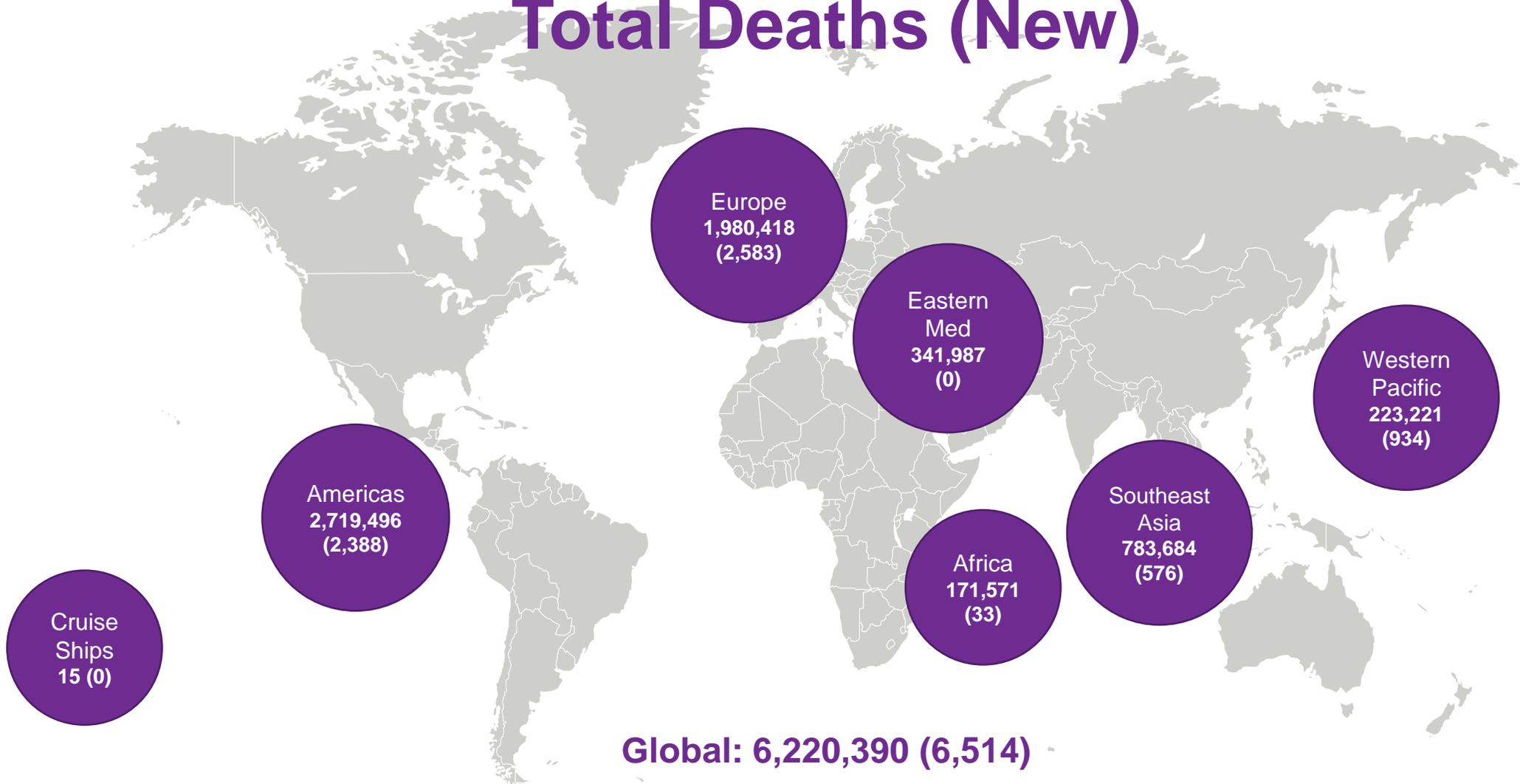
Confirmed Cases (New)



Reflects data as of 5:22 pm CEST on April 25, 2022.
Data Source: World Health Organization

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Total Deaths (New)



Reflects data as of 5:22 pm CEST on April 25, 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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