

Dentons Flashpoint

Daily Global Situation Report

March 7, 2022

Global Situation Update: March 7, 2022

KEY TAKEAWAYS

The top diplomats from Kyiv and Moscow will hold talks in Turkey on Thursday.

Energy markets were roiled by reports that the US and European leaders are actively discussing banning Russian oil imports.

The number of refugees fleeing Ukraine surpassed 1.5 million on Sunday, most flowing into Poland.

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

More details will emerge this week in the case of a City of Dallas, Texas IT worker who accidentally deleted 20 terabytes of data with 8 million archive police photos, videos, audio, case notes and other items. The massive data deletion of police records was not maliciously or criminally motivated, according to a recently released independent investigation, but the IT worker did not have enough training to do the job properly.

The disastrous incident serves as a reminder of the risks to all organizations if personnel in charge of handling data have insufficient training. Initial findings in this case indicate that the IT worker only received training on the cloud storage software twice before the huge data error.



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Global

The top diplomats from Kyiv and Moscow will hold talks in Turkey on Thursday, in what will be the highest level meeting between the two sides since Russia invaded Ukraine.

- As the **invasion entered its 12th day**, Ukrainian forces launched counter-attacks against Russian forces attempting to encircle the capital. Russian forces continued their brutal assault on Mariupol in the south. Over the past 24 hours, there has been only limited changes on the ground. Ukrainian air space remained contested.
- Russian President Putin declared **sanctions** on Russia are akin to a declaration of war and warned that Ukraine's statehood is in jeopardy. Putin said Russia will only halt **military operation** if Ukraine stops fighting. In a call with French President Macron, Putin reiterated his goals of “denazifying” Ukraine.
- Russian forces occupying the Ukrainian Zaporizhzhya **nuclear power plant** have switched off some communication networks, including mobile and the internet, moves which contravene two of the seven pillars of nuclear safety, the IAEA said in a statement on Sunday.
- The agreements from the second round of talks, opening **humanitarian corridors** to allow civilians out of some combat zones, did not materialize, with the sides accusing each other of violating local ceasefire. Russian authorities are now saying that civilians must evacuate through Belarus.

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Markets & Business

Brent crude soared near \$130 a barrel on Monday, its highest since 2008, driven by supply uncertainty as the US and Europe consider a Russian oil import ban and delays in the potential return of Iranian crude to global markets.

- European energy prices roared to records after the US said it was considering curbs on imports of Russian oil. The **benchmark gas prices** leapt 79 percent to 345 euros a megawatt-hour, equivalent of more than \$600 a barrel of oil. Commodity traders warn that gas suppliers throughout Europe “risk going bankrupt within a matter of days.”
- **Gold prices** rose above \$2,000 per ounce, the highest since August 2020. Nickel surged as much as 31 percent higher, in one of the most extreme price moves ever seen on the London Metal Exchange.
- Shares of **Toyota’s** truck-making subsidiary Hino suffered their biggest one-day fall in more than two decades after the company admitted it had falsified emissions data.

Environment, Sustainability & Governance

Twenty-four institutional investors in Amazon are putting pressure on the ecommerce group to increase transparency on where and how much it pays in tax around the world.

- China plans to build 450 gigawatts (GW) of **solar and wind power generation capacity** on the Gobi and other desert regions, as part of efforts to boost renewable power use to meet climate change goals.
- The UAE and Austria signed a memorandum of understanding to cooperate on advancing **hydrogen production** capacity in the UAE,
- State-run Coal India, the world's largest miner of the fuel by output, plans to become a **net-zero carbon** emitter in three to four years, per its chairman,

Africa

- **Burkina Faso's** interim president Paul-Henri Damiba has approved a new government that includes the same defense minister as served under former president Roch Kabore before his ouster in a military coup.
- The United Nations peacekeeping mission in **Mali** said it was investigating allegations that dozens of people were massacred in the center of the country.
- **South African** President Ramaphosa defended the decision to abstain from the UNGA vote condemning Russia for the invasion of Ukraine because it failed to welcome the commencement of dialogue between the parties and seek to create the conditions for these talks to succeed.
- **Russia** is seeking to expand its network of trade missions in Africa, according to the Russian Chamber of Commerce and Industry, as the country seeks alternative markets to import food such as fruit and tea. Russia currently has four trade missions located in **South Africa, Algeria, Egypt, and Morocco**.



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Asia

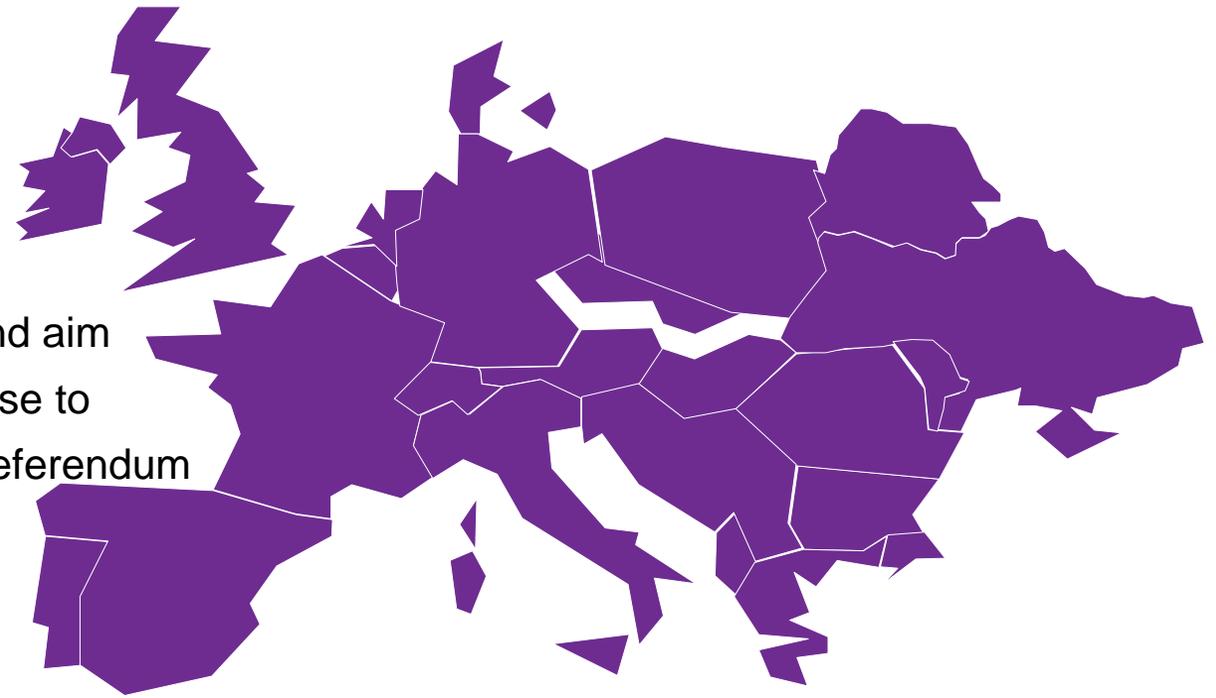
- **North Korea** said it conducted "*another important*" test for reconnaissance satellite systems, a day after regional military authorities reported the launch of a ballistic missile from the country for the second time in a week.
- The **Australian** government announced plans for a new A\$10 billion (US\$7.4 billion) nuclear-powered submarine base on the country's east coast calling Russia's invasion of Ukraine and China's failure to condemn it a "*wake-up call*" for the world.
- **China** has unveiled its lowest growth in three decades, as Beijing seeks to buttress its economy after a sharp loss of momentum in 2021 and fallout from Russia's invasion of Ukraine.
- **Indonesia** is considering a quarantine waiver for foreign visitors to its holiday island of Bali from next week. **Malaysia** announced the removal of curbs on travelers from **Thailand and Cambodia**. **Hong Kong** will stick with its COVID Zero policy, pressing forward with mass testing and the construction with **China's** aid of quarantine facilities with about 50,000 beds. Mainland China has logged its highest number of daily new local symptomatic COVID-19 infections in about two years.
- **South Korea** will implement export controls against Belarus for "effectively supporting the Russian invasion of Ukraine." The leader of South Korea's ruling party was hospitalized today after being attacked by a hammer-welding assailant while campaigning for this week's presidential election.



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Europe

- **Denmark** will significantly increase its defense budget and aim to become independent of Russian natural gas in response to **Russia's** invasion of Ukraine. Denmark will also hold a referendum on June 1 on joining the common **EU** defense policy.
- Rules requiring people to show a COVID-19 vaccine passport to access venues will be lifted in **France** on March 14, about a month before the presidential election.
- Demonstrators marched throughout **European** cities on Sunday to protest **Russia's** invasion of **Ukraine**. The UN High Commissioner for Refugees said Europe needs to share responsibility for refugees “*in a more structured manner.*” The number of refugees fleeing Ukraine surpassed 1.5 million on Sunday, most flowing into **Poland**.
- **Ireland** will ask farmers to plant grains under a “*wartime tillage*” program reminiscent of a second world war scheme to help counter an expected drop in global supplies from **Ukraine**.



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.

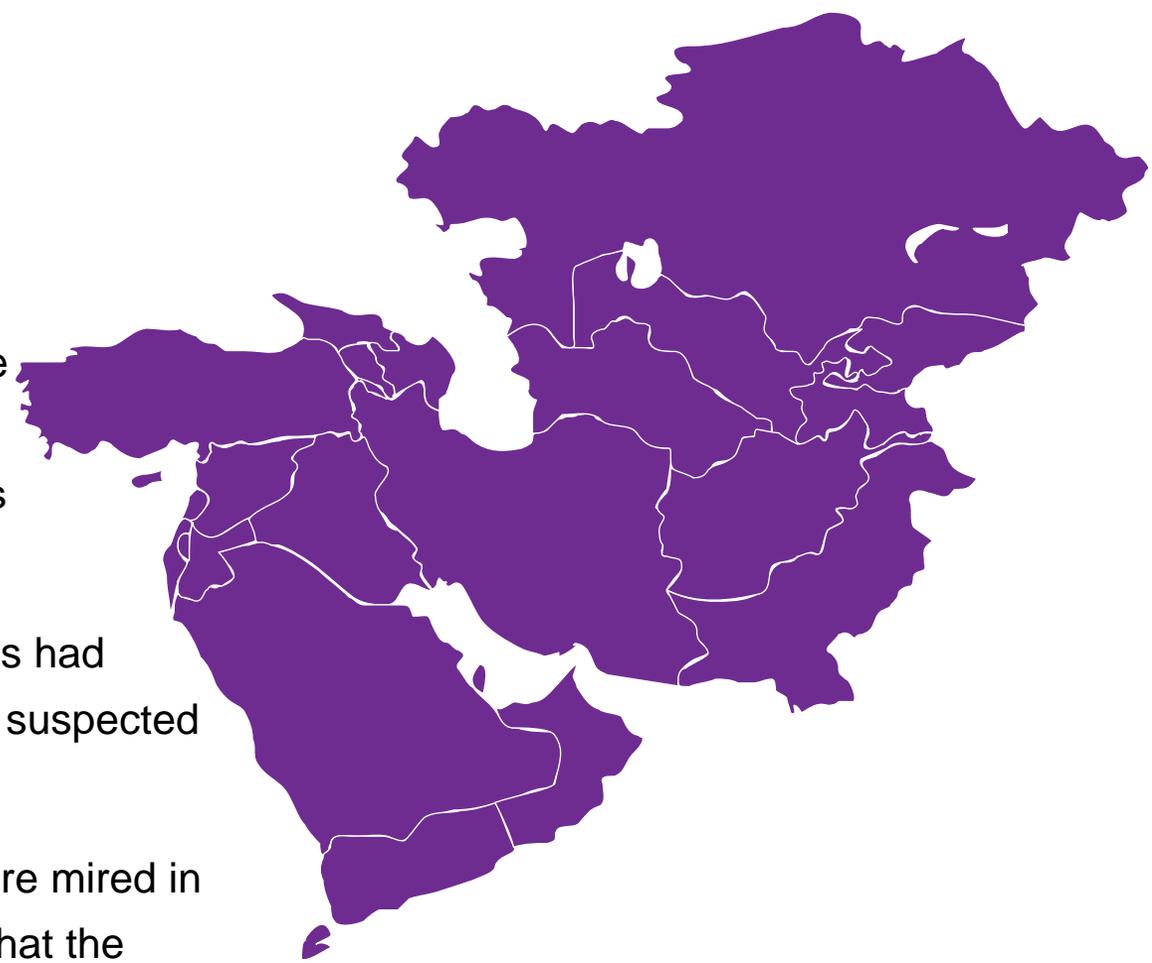
Dentons tabletop sessions are fluid, and designed to enhance preparedness with services, including:

- ❖ 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



- **Yemen's** Houthi movement has signed an agreement with the United Nations to deal with a decaying oil tanker threatening to spill 1.1 million barrels of crude oil off the war-torn country's coast for the past six year.
- **Tunisia's** interior ministry said on Saturday that security forces had foiled a planned terrorist attack and arrested a female jihadist suspected of involvement.
- Talks to revive **Iran's** 2015 nuclear deal with world powers were mired in uncertainty following **Russia's** demands for a **US** guarantee that the sanctions it faces over the **Ukraine** conflict will not hurt its trade with Tehran.
- In **Egypt**, non-subsidized bread prices are increasing, driven by soaring insurance and freight costs sending wheat prices to the highest in more than a decade. Authorities say Egypt's stocks are enough for at least four months as it seeks alternative suppliers and bigger local harvests while studying a reduction of the subsidy system that was proposed before the **Ukraine** conflict.

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Americas

- **Canada** told its citizens on Saturday to leave **Russia** "*while commercial means are still available.*"
- A **Mexican** journalist was shot and killed in the central state of Zacatecas on Friday, the latest in a string of assassinations of media workers this year
- **US and Venezuelan** officials discussed the possibility of easing oil sanctions on Venezuela but made little progress toward an agreement in their first high-level bilateral talks in year.



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Americas: US

- A panel of public health officials and former government advisors recommended that the US develop a **roadmap** of getting the nation back to “normal” while maintain strong preventative measures, such as setting a goal to vaccinate 85 percent of Americans against the **coronavirus**, ensure that people experiencing long COVID can get disability benefits and develop a plan to restore trust in the CDC.
- Hundreds of trucks, recreational vehicles and cars, the so-called People’s Convoy, were circling the outskirts of Washington on Sunday and plan to return today, threatening to cause traffic backups around the capital as part of a **protest against pandemic restrictions**.
- Seattle is one of many US cities, from Los Angeles to Chicago to New York, that have seen **shootings and killings** jump since the onset of the pandemic. Several cities, including Albuquerque, Philadelphia and Portland, Ore., endured their deadliest year ever in 2021.
- The State Department warned Americans to leave **Russia** immediately, citing the country’s new law criminalizing the spread of “*false information*” about the war in Ukraine. House Speaker Nancy Pelosi said that Congress intends to enact a humanitarian, economic and military aid package worth \$10bn to **Ukraine** “this week.”



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Russia, Africa, and the War in Ukraine

By Matthew Skros

“Even should African countries decide to maintain commercial contracts and import/export relationships, the cost of doing business with Russia will skyrocket over the difficulties in clearing financial transactions, and increased insurance and shipping costs. “

Russia’s efforts over the past decade to extend its influence in Africa appeared to have paid off last week as several African countries (including South Africa, Mali, Uganda, Tanzania, Senegal and Sudan) abstained from a UN General Assembly vote to condemn Russia for its invasion of Ukraine. Russian involvement on the continent can be characterized as a transactional one involving arms deals and mercenaries in exchange for the natural resources these African countries offer. Forces from the Wagner Group (a private military company connected to the Russian Defense Ministry) have deployed to Mozambique and Mali, among other countries, to assist embattled governments. Many African leaders see a partnership with Moscow as having fewer “strings attached” than one with the US or other Western countries. The internationally condemned Russian invasion of Ukraine,

however, risks putting these African leaders in line with a partner likely to become increasingly unreliable in future as Moscow’s resources are stretched. Sanctions coupled with military setbacks in Ukraine will likely cause Russia to scale back its involvements elsewhere, leaving African countries without a partner they relied on for stability.

Prior to the Russian invasion of Ukraine, reports indicated that Wagner Group mercenaries were being redeployed from their posting in the Central African Republic (CAR) to Russia’s border with Ukraine. Given that the mercenaries play a key role in supporting the CAR government of President Faustin-Archange Touadéra, a reduction of troops there could have negative consequences for the CAR government, which struggles to control the country beyond the capital

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Russia, Africa, and the War in Ukraine

city. In Guinea, Wagner troops play an important role in keeping Mamady Doumbouya in power following a September 2021 coup. There is also a large Wagner presence in Mali that could be affected the longer Russia's war in Ukraine drags on. If Wagner mercenaries redeploy to fight in Ukraine, that could leave Mali vulnerable to insurgent forces. This is especially concerning given France's termination of their mission in Mali and considerations by other European powers of doing the same. Across the continent, the risk of instability is high if a Wagner withdrawal leaves a vacuum.

In addition to military support, sanctions due to the invasion will affect other Russian interests on the continent. According to the RAND Corporation, Russia is one of the top weapons exporters to Sub-Saharan Africa, and it is unclear what the disruption of that flow of arms will mean for countries that rely on it. Russia's discussion of leasing a port in Sudan for a Red Sea naval base could also be affected. According to the Wall Street Journal, Sudanese junta officials are eager to offer the base in exchange for Russian support, but that support will likely either not materialize or be less forceful than expected. On the natural resources front, Russian state-associated enterprises have heavily invested in mineral extraction in Africa. This includes the mining of cobalt, gold, diamonds, and coltan

(a mineral used in mobile phone components). As the West sanctions Russian businesses, those operations in Africa will be hit hard. Even should African countries decide to maintain commercial contracts and import/export relationships, the cost of doing business with Russia will skyrocket over the difficulties in clearing financial transactions, and increased insurance and shipping costs.

African governments who are perceived internationally to side with Russia via abstentions over Ukraine are already facing diplomatic pressure from other African and European peers. Given that the African Union's leadership publicly expressed concern regarding the invasion, disagreement among member states over Ukraine may cause friction in the bloc. African leaders who have placed their bets on Russia will soon be faced with a quandary. As the war in Ukraine drags on, more of them may seek out more reliable partners than Moscow, leading them to forge closer ties with Europe or with China. However, for those leaders who have relied heavily on Russian security and economic support, adjustment – as many countries struggle to contain destabilizing jihadist insurgencies and stoke economic growth while coping with record-high food and fuel costs – could be painful.

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Ukraine War Update: Talks in Turkey, Attacks on Humanitarian Corridors, Discussions on Russian Oil Ban

“There is increased speculation that Russian authorities may seek to shut down internet access, creating a “digital Berlin wall” barring outside information from entering Russia and protecting Russian networks from external cyber attacks.”

Political Developments

The top diplomats from Kyiv and Moscow, Russia’s Sergei Lavrov and Ukraine’s Dmytro Kuleba, will hold talks in Turkey on Thursday, in what will be the highest level meeting between the two sides since Russia invaded.

The UK’s deputy prime minister has warned that western powers must show “*strategic stamina*” in dealing with Moscow, adding that he expected the war in Ukraine to last “*for months, if not years.*” Prime Minister Johnson is expected to pledge an extra \$100 million of aid to Ukraine today.

Over the weekend, leaders from France, Israel and Turkey called Russian President Putin in an effort to mediate and de-escalate the conflict. President Putin appears resolute, insisting the Ukraine

needs to stop fighting and reiterating his goal of “denazifying” Ukraine. President Putin declared sanctions on Russia are akin to a declaration of war and warned that Ukraine’s statehood is in jeopardy.

Russia’s interior ministry has warned it will clamp down on “unauthorized” protests planned on Sunday in different parts of the country, according to Interfax. The ministry threatened “detention and punishment” for those who “*stage provocations or aggressive acts*” against law enforcement. The OVD-Info human rights media project has documented 8,283 people who have been arrested at anti-war protests in Russia since February 24.

While praising the relationship with Russia as “rock solid,” Foreign Minister Wang Yi said China’s Red Cross will provide humanitarian aid to Ukraine “*as soon as possible.*”

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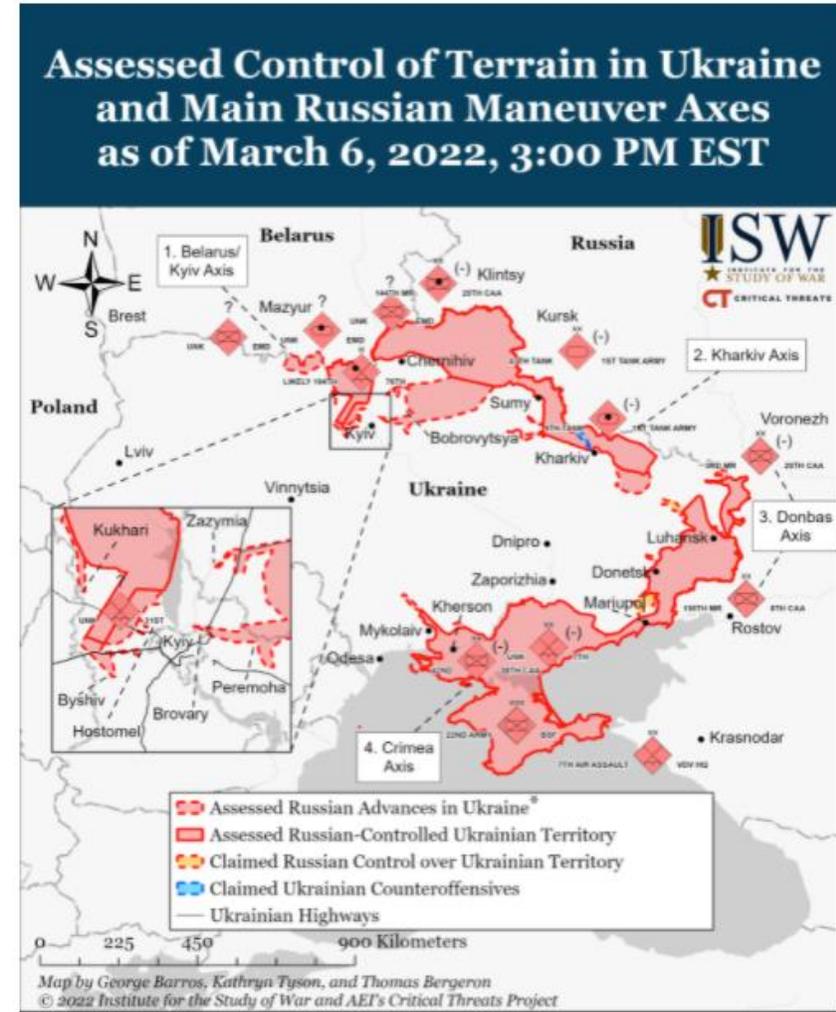
Ukraine War Update: Talks in Turkey, Attacks on Humanitarian Corridors, Discussions on Russian Oil Ban

Battlefield Developments

As the invasion entered its 12th day, Russian forces continue to mass for renewed offensive operations east and west of Kyiv, west of Kharkiv, and toward Mykolayiv-Odesa but have not yet initiated new large-scale ground attacks. Russian forces continued their brutal missile assault on Mariupol in the south. Over the past 24 hours, there has been only limited changes on the ground. Ukrainian air space remained contested. The Pentagon said Russia had increased the frequency of its missile strikes against Ukraine, attacking civilian positions and infrastructure, including designated evacuation corridors.

The Pentagon said some Russian forces had moved north-west from Kherson to Mykolaiv, bringing them closer to Odesa. Officials assess Russia could be preparing to launch a ground operation and a naval invasion on the city. Russian troops stationed in the Moldova's separatist-held eastern province of Transnistria, which borders Ukraine and is less than 60km from Odesa, are reportedly preparing to enter the war and create a fourth invasion axis.

According to European intelligence officials, Russia's external intelligence agency (FSB) has been charged with maintaining political order in



Source: Institute for the Study of War

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captured towns. Officials warn that Russia will probably use lethal measures to disperse peaceful protests or otherwise counter peaceful exercises of perceived resistance.

After NATO declined to impose a no-fly zone over Ukraine at the desperate urging of President Zelensky, the US is working with Warsaw to help provide Ukraine with Polish fighter jets as part of a deal in which the Pentagon would give Poland F-16s in exchange. Zelensky held a call with almost 300 US lawmakers over the weekend, saying Ukraine badly needed more aircraft. Moscow has warned countries neighboring Ukraine against allowing their air bases to be used by Kyiv forces.

Ukraine called off an attempt to evacuate civilians from the besieged city of Mariupol after accusing Russia of violating a ceasefire and attacking the escape route for hundreds of thousands of beleaguered civilians. Russia is now demanding that evacuation routes run through Belarus.

Russian forces occupying the Ukrainian Zaporizhzhya nuclear power plant have switched off some communication networks, including

mobile and the internet, moves which contravene two of the seven pillars of nuclear safety, the IAEA said in a statement on Sunday.

Civil Society Developments

The on-line media disconnection of Russia from the rest of the world is accelerating at unprecedented rates. Western news agencies are suspending reporting from Russia after President Putin signed legislation restricting coverage of the war in Ukraine. UK broadcaster BBC, CNN, Bloomberg and Canada's CBC were among the organizations to announce the move. Russia officially blocked access to Facebook marking the latest crackdown against social media platforms. There is increased speculation that Russian authorities may seek to shut down internet access, creating a "digital Berlin wall" barring outside information from entering Russia and protecting Russian networks from external cyber attacks.

The monitor OVD-Info said 4,888 people were detained during protests in 69 cities as of early on March 7. In Moscow, the number detained was at least 2,319, OVD-Info said. It added that police departments may have more detainees than appear on their published lists.

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Ukraine War Update: Talks in Turkey, Attacks on Humanitarian Corridors, Discussions on Russian Oil Ban

Economic and Commercial Developments

Energy markets were roiled by reports that the US and European leaders are actively discussing banning Russian oil imports. US Secretary of State Blinken confirmed discussions were taking place, while stressing the importance of maintaining steady oil supplies globally.

The New Zealand government said today it would apply sweeping new sanctions on Russian individuals and businesses through a bill set to be passed this week. New Zealand has already applied targeted travel bans, prohibited exports to the Russian military, and suspended bilateral foreign ministry consultations with Russia.

VTB Bank, Russia's second-biggest lender, is to wind down its European operations after being hit by western sanctions. Western banks are assessing their exposure to Russia. In Europe, Italian and French banks have the largest Russian exposure, representing just over \$25 billion each at the end of September, followed by Austrian banks with \$17.5 billion, according to data from the Bank of International Settlement. The exposure of US banks totals \$14.7 billion, according to BIS data.

The global economy is facing “*very serious*” consequences from the war in Ukraine as inflationary pressures intensify, the International Monetary Fund has warned.

S&P Dow Jones Indices will remove all Russian stocks from its benchmarks, including the widely tracked S&P 500. Rating agency Moody's said it is suspending its commercial operations in Russia but will continue its analytical coverage for existing ratings from outside the country.

The exit of businesses from Russia continues at top speed.

Credit card companies Visa and Mastercard on Saturday said they would suspend operations in Russia. PayPal will also shut down all its services in Russia. Several Russian banks said they would soon start issuing cards using the Chinese UnionPay card operator's system coupled with Russia's own Mir network, to replace services offered by Visa and MasterCard.

TotalEnergies has decided to remain in Russia, despite international pressure and the withdrawal of rival oil groups.

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New York State pension fund, one of the largest US public pension schemes has urged McDonald's, PepsiCo and other US companies to consider pulling out of Russia.

Inditex, the world's largest clothing retailer is closing more than 500 stores in Russia.

Three of the Big Four accounting firms, EY, KPMG and PricewaterhouseCoopers LLP (PwC) announced they will no longer have a member firm in Russia due to the country's invasion of Ukraine. Deloitte, said last week that it was reviewing its "*business and presence in Russia.*"

French asset manager Carmignac will not buy Russian securities and plans to divest from existing assets, joining other fund managers exiting Russian investments.

International law firm Freshfields Bruckhaus Deringer said it has terminated its relationship with VTB Bank PJSC.

Netflix suspended its services in Russia. TikTok, the Chinese-owned video app, is suspending live-streaming and the uploading of videos

to its platform in Russia as it reviews the implications of a new media law signed on Friday by President Vladimir Putin.

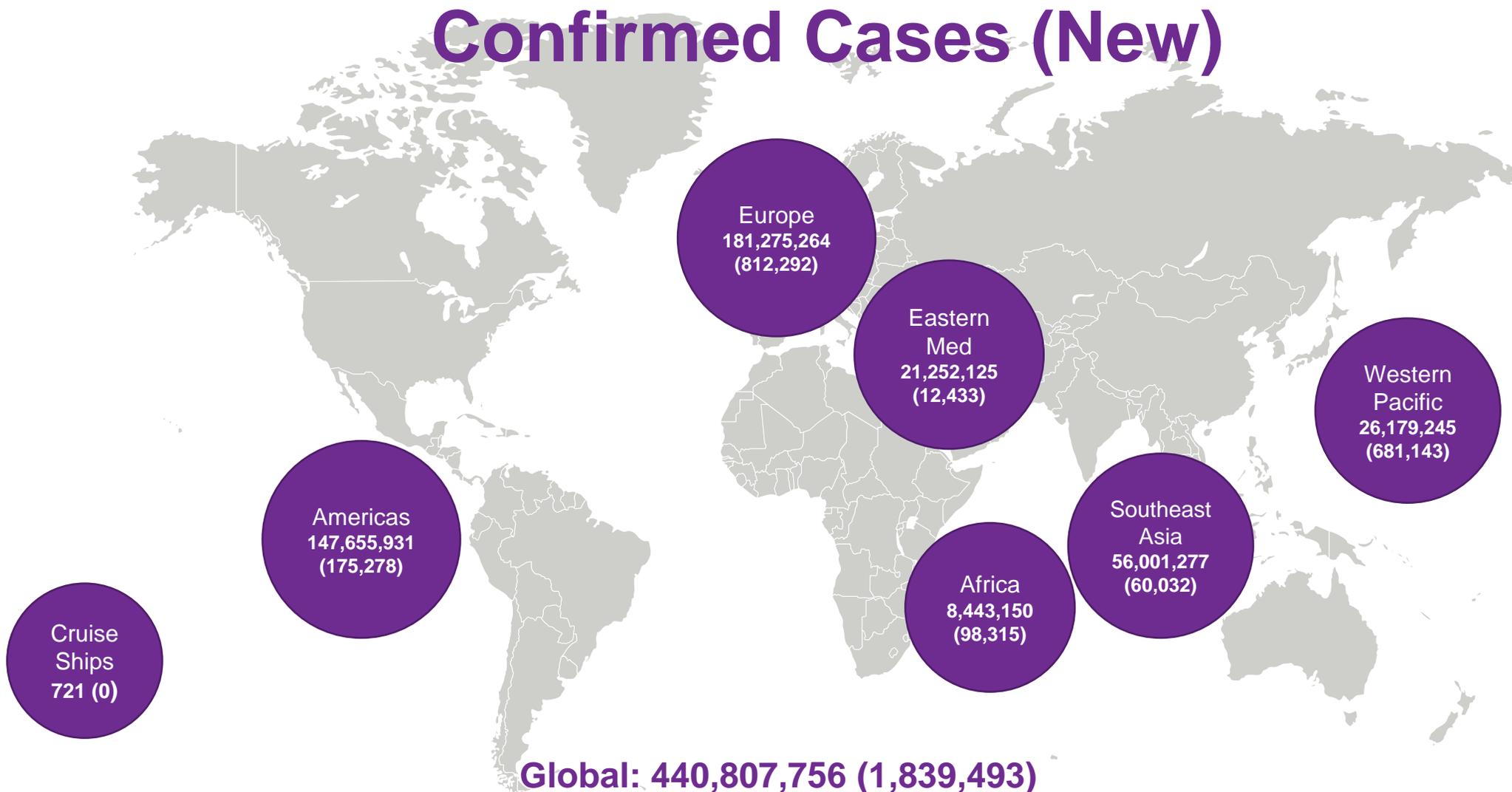
Russian airline Aeroflot is to stop all international flights other than to Belarus.

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Coronavirus Condition Updates

As of 5:18 pm CEST on March 4, 2022

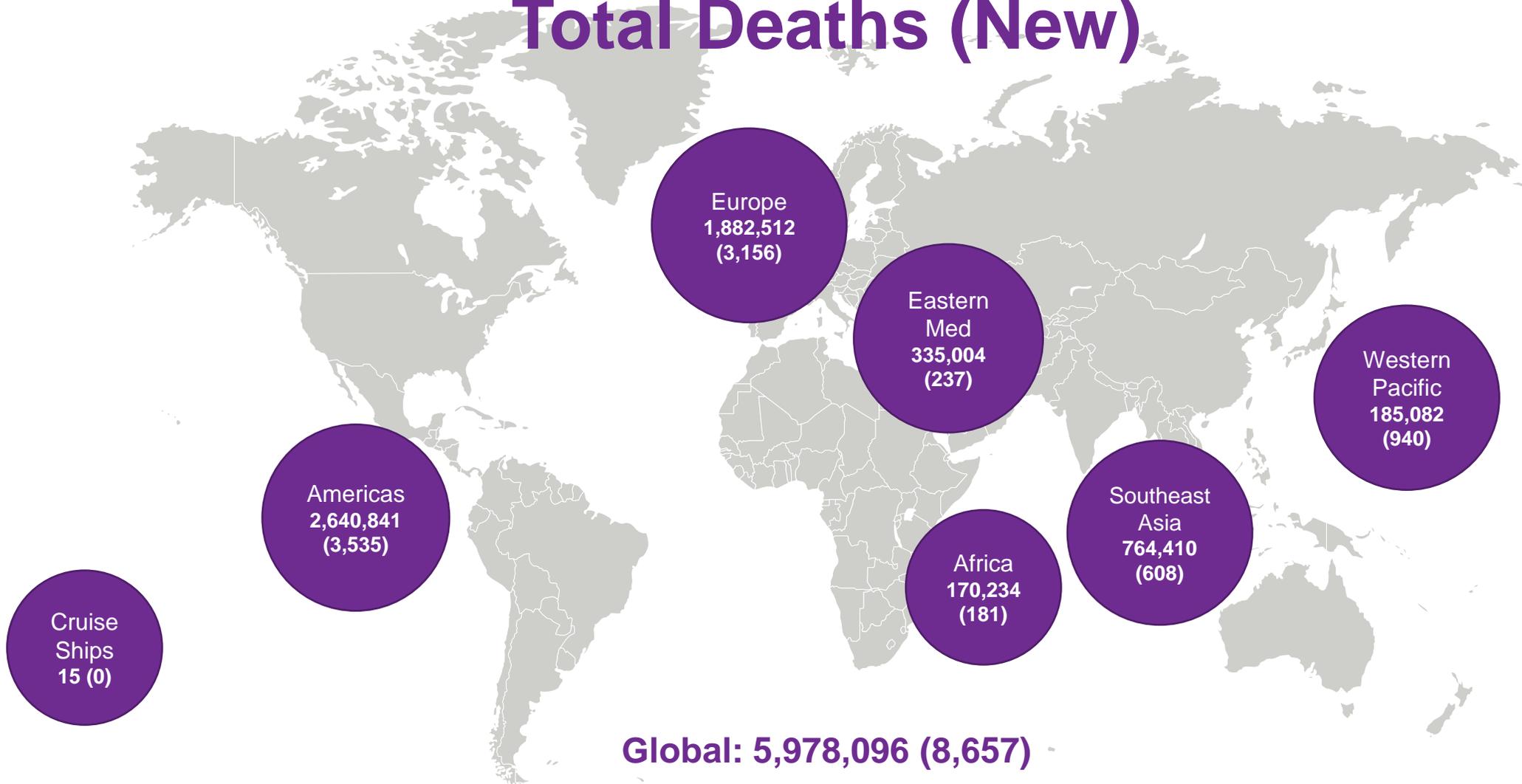
Confirmed Cases (New)



Reflects data as of 5:18 pm CEST on March 4, 2022.
Data Source: World Health Organization

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Total Deaths (New)



Reflects data as of 5:18 pm CEST on March 4, 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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