

Dentons Flashpoint

Daily Global Situation Report

May 4, 2022

Global Situation Update: May 4, 2022

KEY TAKEAWAYS

Chinese authorities moved closer to lockdowns in Beijing to contain the COVID-19 outbreak.

North Korea conducted another ballistic missile test.

A record 4.5 million US workers quit the labor force in March, while the number of job openings hit a record high.

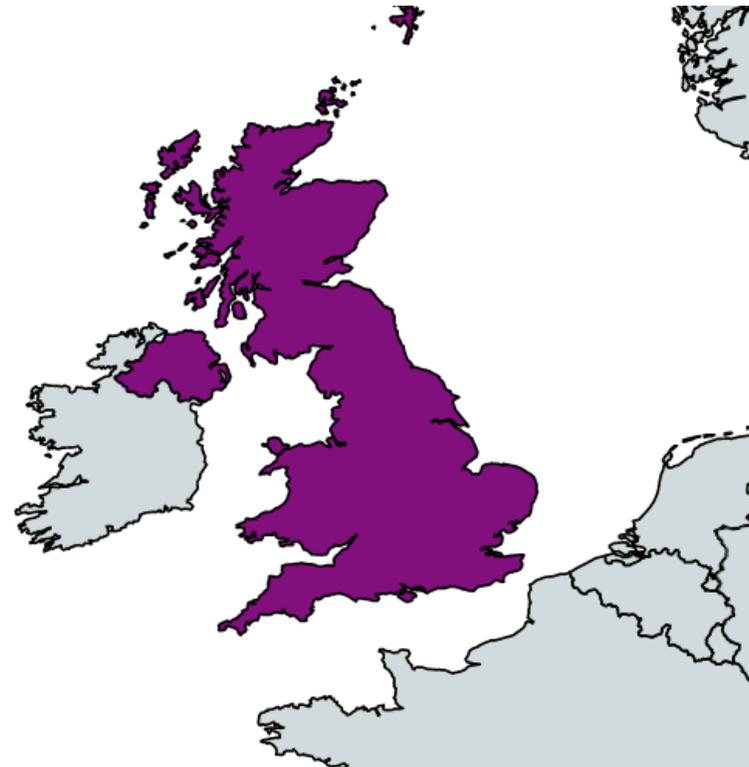
Note: This report is based on sources and information deemed to be true and reliable, but Dentons makes no representations to same.

Global Situation Update: May 4, 2022

WHAT WE'RE WATCHING

Sinn Fein appears on track to become the largest party in the Northern Irish Parliament following elections on May 5th. This would be the first time that a party devoted to Irish unification would dominate the assembly.

The immediate effect of a Sinn Fein victory would be their right to name the first minister in the next regional government, which is a major symbolic blow to unionist parties. The Democratic Unionist Party (DUP) has refused to take part in a government led by a Sinn Fein first minister, meaning that forming an administration could prove difficult. In a region still navigating a delicate peace process, this electoral turbulence could portend future instability.



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Global

EU Commission President Ursula von der Leyen proposed a sixth package of sanctions against Russia, including new bank sanctions and a ban on oil imports by the end of the year.

- French President Macron held his first phone call with Russian President Putin in more than a month. The readouts from Paris and Moscow reflect **significant gaps in positions on the** Ukraine war, with French president urging end to devastating aggression but Russian leader showing no sign of changing course.
- Russian missile strikes targeted **railway infrastructure** across Ukraine on Tuesday night, in one of the biggest long-distance bombardments since Moscow's invasion began on February 24.
- Globally, the number of new **COVID-19 cases and deaths** has continued to decline since the end of March 2022.

Markets & Business

OPEC+ sees a surplus of 1.9 million barrels per day (bpd) in 2022, 600,000 bpd higher from a previous forecast, amid expectations of slower demand growth this year.

- Elon Musk proposed that **Twitter Inc** charge a "slight" fee for commercial and government users, to grow revenue.
- Shipping group **Maersk** made its last cargo shipment to a Russian port this week and took impairment losses and writedowns of \$718 million because of Russia's invasion of Ukraine.
- Uzbekistan will allow companies to mine **cryptocurrencies** using solar energy and will exempt all crypto operations by domestic and foreign companies from income tax.
- The Reserve Bank of India announced a rise of 40 basis points in its **benchmark interest rate**, the first change in more than two years amid concerns about global inflation.
- The US Securities and Exchange Commission is investigating Chinese ride-hailing giant **Didi Chuxing's** botched New York IPO, adding to the company's regulatory woes after Beijing launched a national security probe into the group last year.

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Environment, Sustainability & Governance

Moody's Corporation announced a new commitment to cut greenhouse gas emissions across its operations and value chain by 90 percent by 2040.

- France's BNP Paribas pledged to end most new **financing for oil production** in the Amazon rainforest and said it would reduce its "*financed emissions intensity*" in the energy and auto sectors.
- **Intensive agriculture, deforestation, mining and pollution** have degraded up to 40 percent of the planet's land surface, threatening economies and the ability to grow enough food to feed billions more people in the future, according to the Global Land Outlook 2, from the UN Convention to Combat Desertification.

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Africa

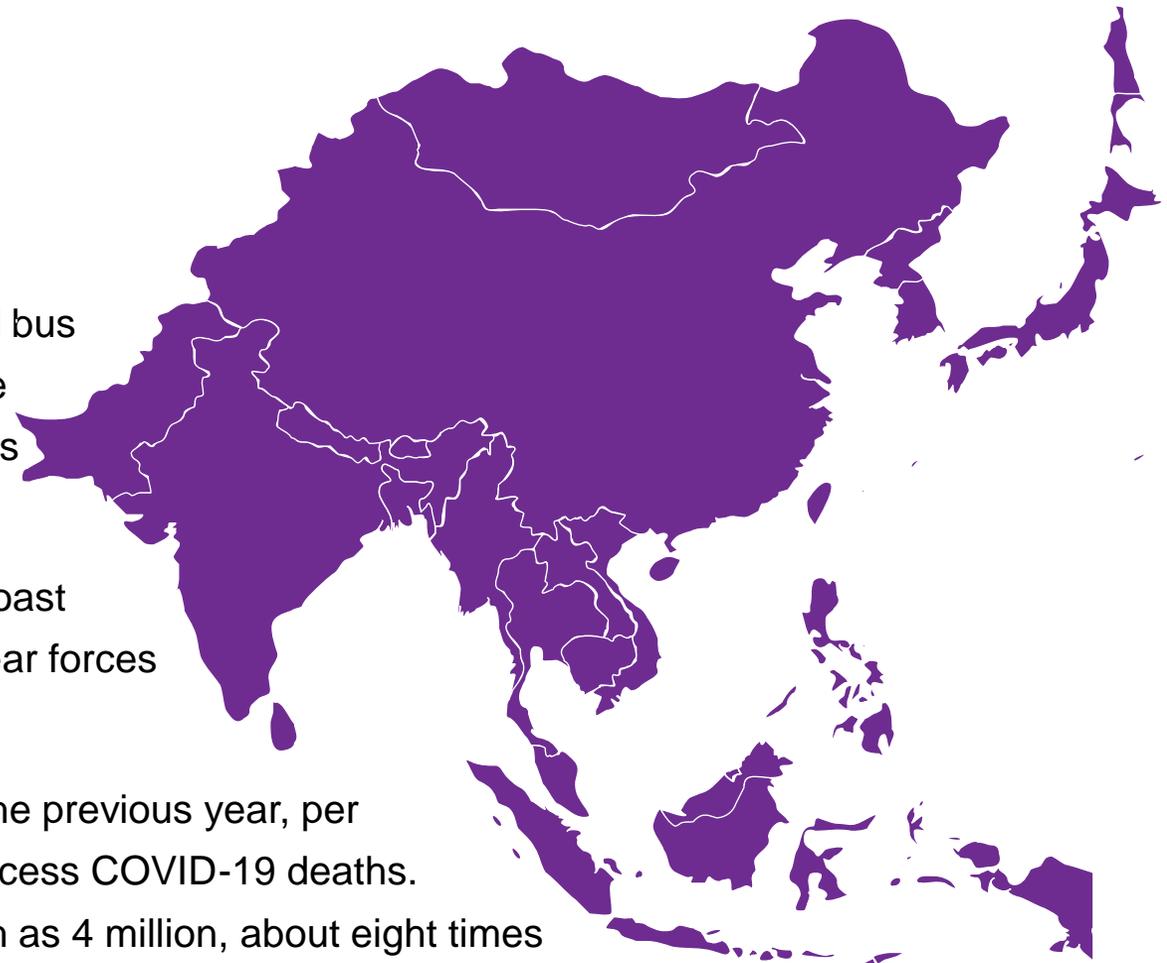
- **Mali's** ruling junta announced that it is formally revoking defense accords with **France** and other **European** partners, accusing France of “*flagrant violations of Mali's national sovereignty;*” the relationship has been deteriorating since the junta took power in June, and Mali has been upgrading relations with Russia.
- At least 76 were arrested after clashes between **Ethiopian** police and Muslim worshipers broke out during Eid prayers in Addis Ababa; the clash escalated after worshipers allegedly threw rocks at the police, who then used teargas, and the worshipers damaged several businesses.
- Human Rights Watch called on the US to intervene following reports that Russian mercenaries in the **Central African Republic** have committed abuses including summarily executing, torturing and beating citizens with impunity since 2019.



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Asia

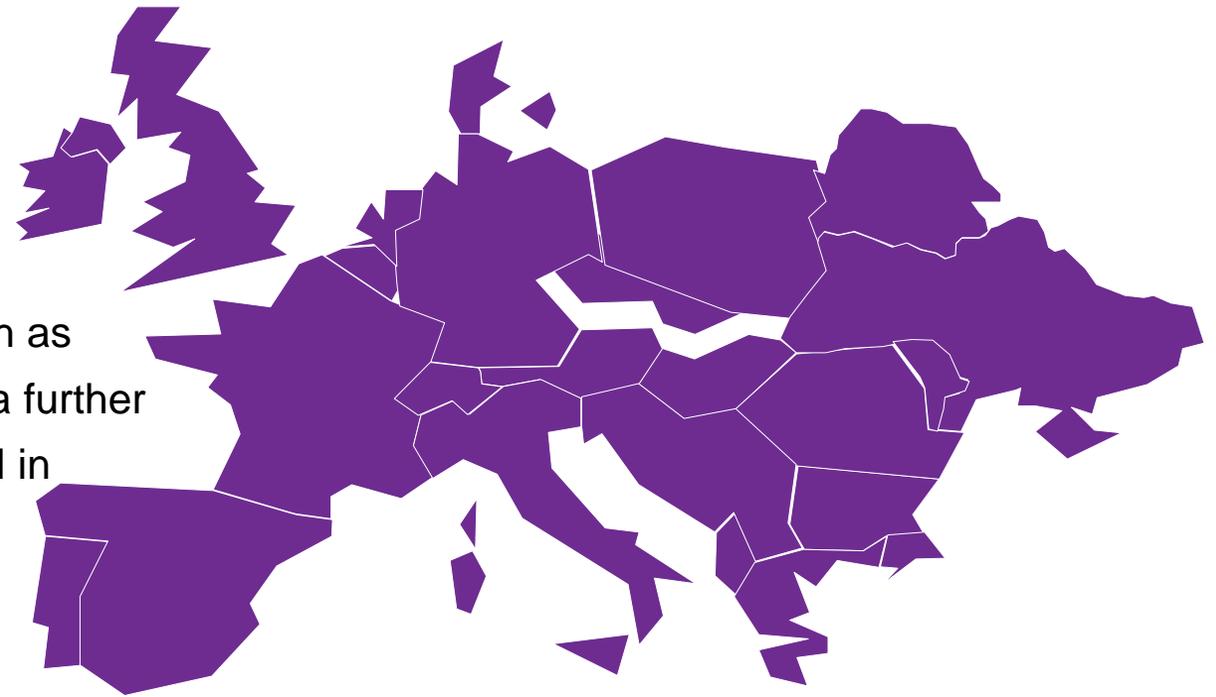
- **Chinese** authorities in Beijing shut dozens of metro stations and bus routes today in a campaign to stop the spread of COVID-19. The central city of Zhengzhou, with 12.6 million people, joined dozens of big cities in full or partial lockdown.
- **North Korea** fired a ballistic missile toward the sea off its east coast today, about a week after Pyongyang vowed to develop its nuclear forces "*at the fastest possible speed.*"
- **India** registered about 475,000 more total deaths in 2020 than the previous year, per government data, released early to preempt a WHO study on excess COVID-19 deaths. Some experts estimate India's actual COVID death toll is as high as 4 million, about eight times the official figure, especially as a record wave driven by the Delta variant killed many people in April and May of last year.
- **Sri Lanka** plans to replace its current "*unrealistic*" budget and is in talks with the World Bank to extend its support by US\$300 million (S\$415 million) to US\$700 million, per the country's finance minister.



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Europe

- Business activity in the **euro zone** accelerated last month as the bloc's dominant services industry took advantage of a further loosening of COVID-19 restrictions, offsetting a near-stall in manufacturing output growth. However, Eurozone retail sales fell 0.4 percent, a bigger decline than expected.
- In his first meeting with a foreign leader since re-election, **French** President Macron meets today with **Indian** Prime Minister Modi in talks expected to focus on expanding economic cooperation and the Ukraine war.
- **Bosnia** will hold presidential and parliamentary elections on Oct. 2, the electoral commission said on Wednesday, although rival ethnic leaders have failed to agree on electoral reforms and the government has still not secured funding for the vote.
- Police in **Armenia** yesterday detained more than 200 anti-government protesters as opposition parties up pressure on Prime Minister Pashinyan over his handling of a territorial dispute with Azerbaijan.



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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.

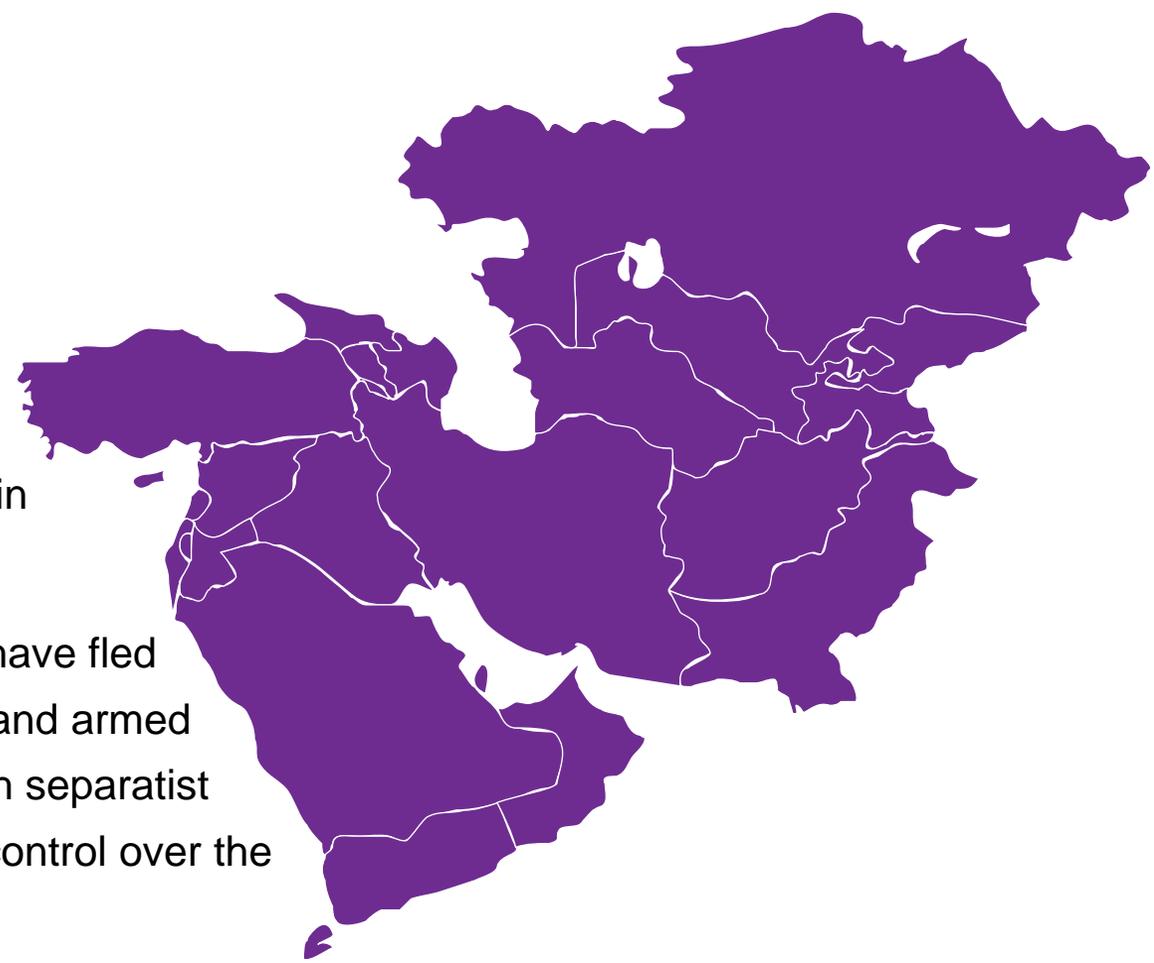
Dentons tabletop sessions are fluid, and designed to enhance preparedness with services, including:

- ❖ 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



- **Kuwaiti** media confirmed reports that **Iran and Saudi Arabia** planned to hold another round of direct talks aimed at easing tensions in the bilateral relationship, with officials set to meet in Baghdad, Iraq, after Eid al-Fitr.
- An estimated 3,000 Yezidi **Iraqis** residing in a northern town have fled to Kurdistan amid unusual clashes between the Iraqi military and armed elements of the local Yezidi militia, which is linked to a Kurdish separatist group. Baghdad said that the military had mostly reasserted control over the area after a brief episode of heavy fighting.
- **Iran** will execute **Swedish**-Iranian national Ahmad Reza Jalali on May 21. Jalali, a disaster medicine doctor and researcher, was arrested in 2016 on an academic visit to Iran and sentenced to death on charges of espionage for **Israel's** Mossad.

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Americas

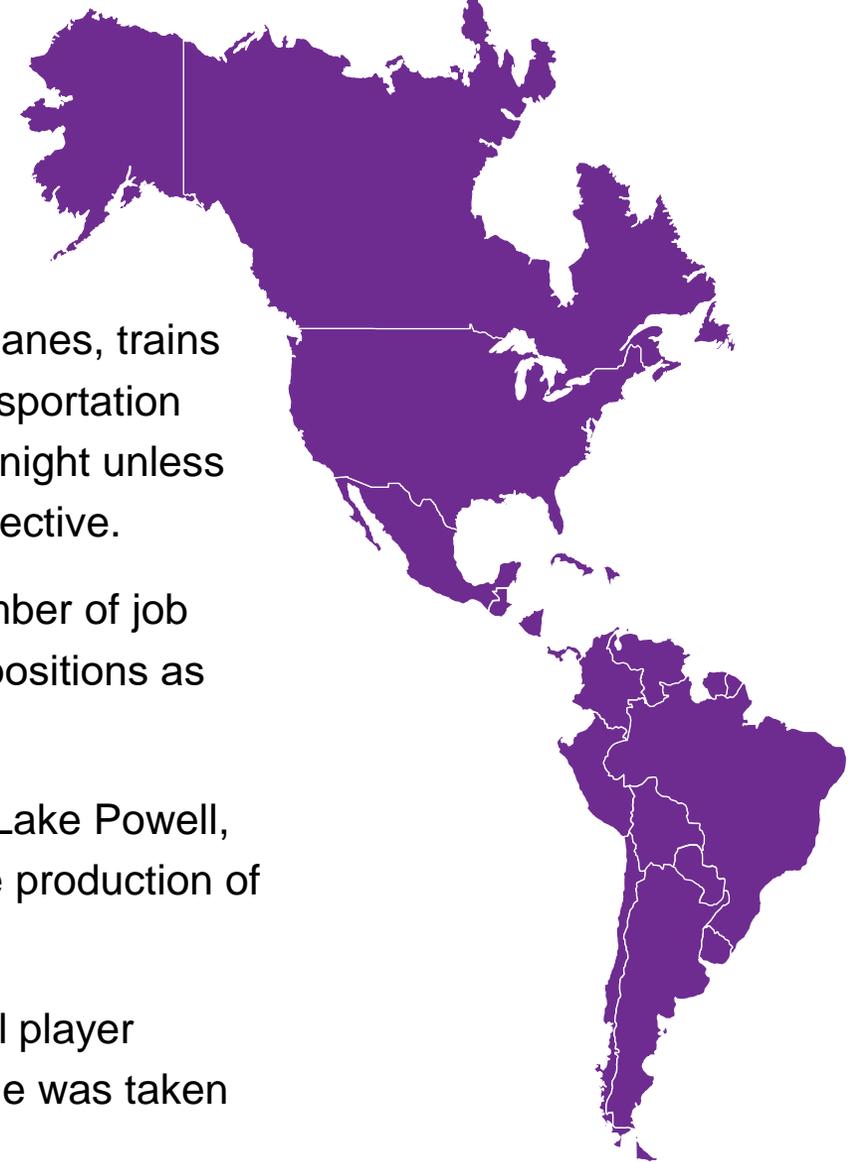
- Indigenous **Peruvian** groups occupying the key Las Bambas copper mine refused talks unless the government lifts its emergency order for the region.
- **Nigeria** signed an agreement to purchase emergency stores of **Canadian** potash after being unable to purchase the fertilizer from **Russia** due to western sanctions. **Brazil** is planning a “*fertilizer diplomacy*” delegation to North Africa and **Jordan** to boost fertilizer imports.
- **Brazil** withdrew an invitation for the EU to observe upcoming October presidential elections following objection from President Bolsonaro. Investigators from Brazil’s electoral courts are calling on Bolsonaro’s government to account for a huge tax cut on industrial goods over concerns about its impact on elections.
- The leader of **Haiti's** feared 400 Mawozo gang, which last year abducted a group of missionaries from the **US** and **Canada**, has been extradited to the US.



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Americas: US

- The CDC yesterday recommended travelers continue to wear masks in airplanes, trains and airports despite a judge's April 18 order declaring the 14-month-old transportation **mask mandate** unlawful. The mask mandate had been due to expire at midnight unless the CDC sought an extension of a Transportation Security Administration directive.
- A record 4.5 million US workers quit the **labor force** in March, while the number of job openings hit a high of 11.5 million, underscoring employers' struggles to fill positions as inflation ripples through the economy.
- US officials announced unprecedented measures to **boost water levels** at Lake Powell, an artificial reservoir on the Colorado River that is so low as to endanger the production of hydroelectric power for seven Western states.
- The US is elevating diplomatic action on detention of professional basketball player Brittney Griner, stating she is being "*wrongfully detained*" in **Russia**, after she was taken into custody on a drug charge two months ago.



Experts Weigh Fourth Vaccine Dose as Omicron BA.2. Takes Over

By Anni Coonan

As the BA.2. subvariant of the Omicron coronavirus strain has taken hold in many countries, several have opted to make a second booster available to vulnerable populations.

In recent months, countries such as the US, UK, and Australia have followed early adopters including Israel, Chile and Sweden to release fourth vaccine doses to older populations and the immunocompromised. The WHO, for its part, has declined to make a recommendation, with its chief scientist saying that “there isn’t any good evidence at this point of time.” The science on these fourth doses is not entirely clear, and the US too has stopped short of fully recommending another jab for those who are able to receive it. As BA.2. – or future variants – causes transmission and risk of infection to increase, individuals, businesses, and governments are increasingly grappling with whether to receive or recommend additional COVID-19 boosters.

How Much Does Another Dose Protect?

A central question in considerations around a fourth shot is whether a further vaccine dose provides significant protection from infection or severe disease. As relatively few people worldwide have received a fourth dose, and the regimen has been on the table for a short period of time, data is scant; however, studies that have taken place have shown a fourth dose to have a positive but limited effect. In Israel, which has been offering fourth doses to immune compromised and older individuals since the start of the year, studies on recipients showed that a fourth dose created a strong immune response that provided significant protection from severe illness, but short-lived protection from infection. Protection from infection peaked at about four weeks, with immunity returning to a baseline at eight weeks. Studies on animals have returned similar results.

Three Omicron-Specific Boosters

In addition to considering fourth doses of existing vaccines, several companies are developing Omicron-specific vaccines that they hope

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Experts Weigh Fourth Vaccine Dose as Omicron BA.2. Takes Over

will offer more targeted protection to the dominant variant. Moderna began Phase 2 trials of its Omicron-specific vaccine in March, and hopes to deliver at scale in the fall, Pfizer is also in the process of creating a new formula and is aiming to win regulatory approval in the fall, and Chinese pharmaceutical company Suzhou Abogen Biosciences Co gained approval this week to conduct clinical trials of an mRNA Omicron vaccine candidate in the UAE. However, existing science on these targeted vaccines is not promising: a preclinical primate study that compared the performance of Moderna's original vaccine and booster with its original vaccine paired with its Omicron-specific booster candidate found that the two courses resulted in similar immune responses, and broad protection from all strains of COVID-19. Similar studies with mice have replicated those results, both with mRNA vaccines and emerging replicating RNA vaccines. While human trials will yield important new information, scientists are currently skeptical that a targeted booster will be much more effective than an additional dose of the original vaccine. Alternately, however, a new mRNA Omicron booster could be helpful in China, as existing domestically-produced Chinese vaccines are not very effective against Omicron, and are not built on an mRNA base, making them less adaptable.

Other Priorities

The debate over fourth vaccine doses is taking place against the backdrop of other pressing public health concerns. Some experts worry that devoting resources to a booster drive could divert attention from other priorities, such as boosting baseline vaccination in reluctant communities, increasing testing and other forms of monitoring, or increasing vaccine aid to lower-income countries that still have low rates of initial vaccination. While vaccine supply is no longer the limiting factor for global vaccination efforts, funding and bandwidth for vaccination-related programs is finite.

Additionally, public indecision over a potential fourth dose could add to the vaccine hesitancy that has mired the US vaccine campaign since the beginning. Lack of clear recommendations or consensus within the scientific community – although understandable at this early stage of research – will likely sow doubt in the public and lead to a lack of confidence if a fourth booster dose, or an Omicron-specific vaccine, is made widely available. Vaccine uptake in the US has been poorer for each successive dose: while about 77 percent of Americans have received one dose of the vaccine, only about 66 percent are fully vaccinated, and Our World in Data estimates that

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Experts Weigh Fourth Vaccine Dose as Omicron BA.2. Takes Over

just 30.3 percent of Americans have received at least one booster. Uptake for a fourth dose is likely to fall even further, meaning that the jab will provide individual protection but contribute little to the US' herd immunity. Even as a lack of data legitimately stymies decision-making, further public disagreement on the appropriateness of a fourth dose could increase vaccine hesitancy for all shots as time goes on.

Future of Booster Shots

Despite the lack of clear science thus far on the effectiveness of fourth vaccine doses or Omicron-specific variants, public health officials maintain that continuing to pursue vaccination is a key component of fighting the COVID-19 pandemic. In January, top NIH doctor Anthony Fauci predicted that Americans may soon be taking annual booster shots, and the data does indicate that additional booster shots increase protection against severe disease, the kind that creates the largest burden on public health infrastructure. Some scientists, on the other hand, predict regular boosters only for the elderly or otherwise compromised individuals, as the nominal bump in protection may not be worth it for healthy adults – either

individually or in terms of public expenditure. Nonetheless, in the absence of clear governmental recommendations or a scientific consensus, the decision to boost or not will increasingly be a personal one, following a trend in which COVID-19-related risk assessment and decision-making is devolved to the individual in several areas.

Ukraine War Update: Macron-Putin Channel, Russian Railway Strikes, Sixth EU Sanctions Package

The Defense Ministry of Belarus announced the start of "sudden" military drills on Wednesday. According to Russian and Belarusian media, the exercises aim to test the military's combat readiness and the exercise posed no threat to its neighbors or the European community in general. Ukrainian officials are not ruling out the entry of Belarus forces into the war.

Political Developments

French President Macron held his first phone call with Russian President Putin in more than a month. In a call that lasted more than two hours, Macron urged Russia to allow evacuations from the Azovstal steel plant, which has been under heavy bombardment, and renewed his call for a ceasefire. Putin claimed the EU was ignoring war crimes by Ukrainian forces and called on the west to stop supplying weapons to Ukrainian forces. according to the Kremlin's version of Tuesday's call. Putin said he was "still open to dialogue" but criticized Ukrainian negotiators, accusing them of being inconsistent and unprepared for serious work.

Ukrainian lawmakers on Tuesday passed a resolution urging their US counterparts to recognize Russia as a state sponsor of terrorism following its invasion of Ukraine.

Russia doubled down yesterday on its claims about Jews, neo-Nazis and Ukraine, accusing Israeli Foreign Minister Lapid of making "antihistorical statements" when he said Jews did not murder themselves in the Holocaust.

Germany is increasing deliveries of heavy weapons to Ukraine with a planned shipment of a dozen self-propelled guns known as Panzerhaubitze 2000 or armored howitzer 2000.

Russia announced it will boycott a UN Security Council meeting today with the EU's Political and Security Committee, a further sign of deteriorating relations between Moscow and its United Nations partners.

In a media interview, Georgia's president, Zourabichvili pressed for a "quicker and surer path" towards integration in both NATO and the EU.

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Ukraine War Update: Macron-Putin Channel, Russian Railway Strikes, Sixth EU Sanctions Package

Russia's foreign ministry announced sanctions against 63 Japanese officials, journalists and professors for engaging in "*unacceptable rhetoric*" against Moscow. The list includes Japanese Prime Minister Kishida, Foreign Minister Hayashi and Defense Minister Kishi.

Battlefield Developments

Russian missile strikes targeted railway infrastructure across Ukraine on Tuesday night, in one of the biggest long-distance bombardments since Moscow's invasion began on February 24. Nearly 50 trains were delayed by several hours following the attacks. Russian forces reportedly shelled targets in the western city of Lviv and in the central region of Kirovograd and the southwestern region of Vinnytsia. The mountainous region of Transcarpathia, which borders Hungary and Slovakia and which has so far been spared attacks, was also hit.

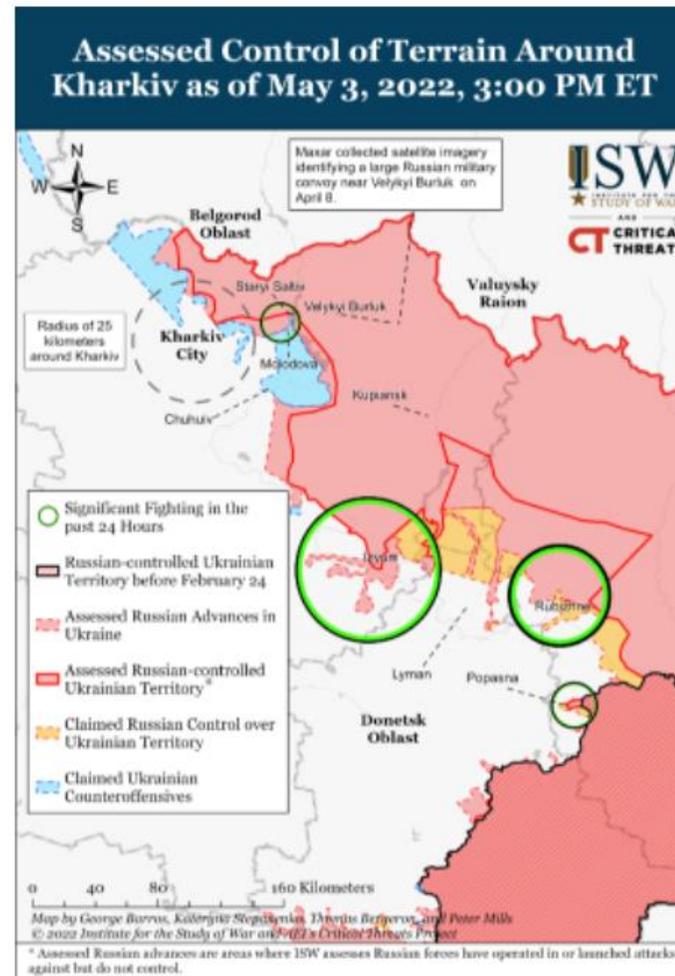
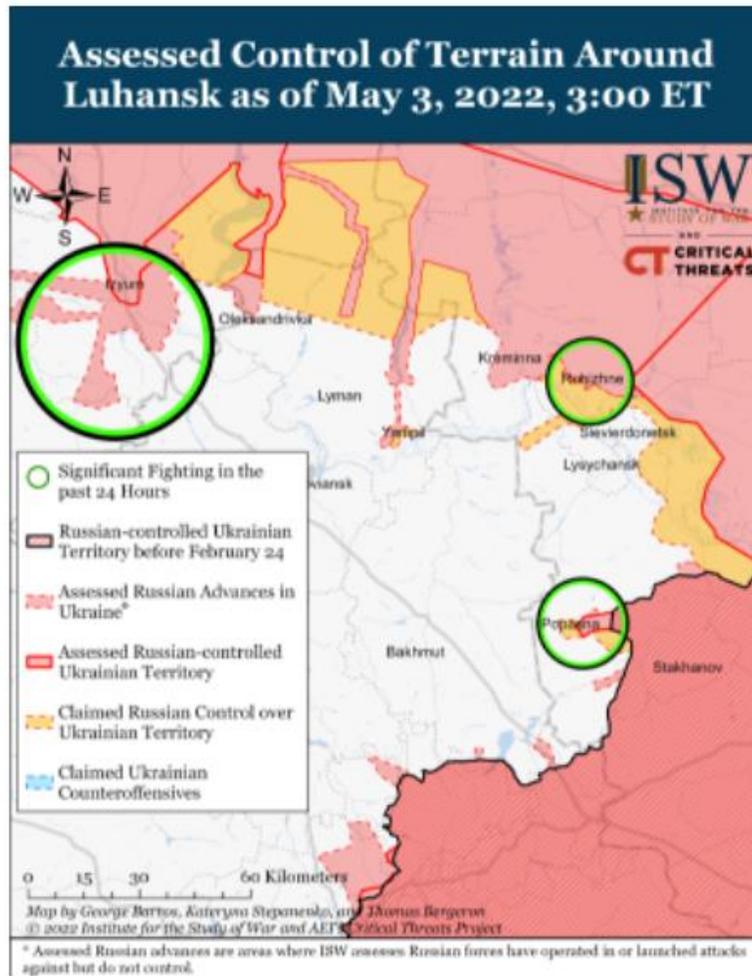
Russia has reportedly sent its forces into the last pocket of resistance in Mariupol, the Azovstal steel mill. Ukrainian commanders said Russian tanks began storming the sprawling plant, which is spread out over 11 square kilometers (4 square miles) and includes a series of bunkers and tunnels.

Moscow has deployed 22 battalion tactical groups near the eastern Ukrainian town of Izyum in a possible drive to capture the cities of Kramatorsk and Severodonetsk, according to British intelligence. Seizing these areas "*would consolidate Russian*



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Ukraine War Update: Macron-Putin Channel, Russian Railway Strikes, Sixth EU Sanctions Package



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

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Ukraine War Update: Macron-Putin Channel, Russian Railway Strikes, Sixth EU Sanctions Package

military control" in the northeastern Donbas region and provide a new staging point in their operations against Ukrainian forces.

The Institute for the Study of War reported that a significant Ukrainian counteroffensive has pushed Russian forces roughly 40 km east of Kharkiv City. The Ukrainian counteroffensive may unhinge the Russian positions northeast of Kharkiv and could set conditions for a broader operation to drive the Russians from most of their positions around the city. This possibility may pose a dilemma for the Russians, whether to reinforce their positions near Kharkiv to prevent such a broader Ukrainian operation or to risk losing most or all of their positions in artillery range of the city.

Pro-Russian separatists in the Trans-Dniester region of Moldova on Tuesday accused Ukraine of carrying out an armed drone attack on a broadcast facility. Trans-Dniester has increasingly become a point of concern for Moldova, Ukraine and the West, amid fears Russia could exploit the tense situation to expand its war in Ukraine and possibly drag the West into direct conflict.

Russian Defense Minister Sergei Shoigu said on Wednesday the Russian military would consider NATO transport carrying weapons in Ukraine as targets to be destroyed.

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Humanitarian Developments

A group of civilians from Mariupol, including around 150 who were trapped in the besieged Azovstal steel plant, arrived at a processing center in Zaporizhzhia on Tuesday. A convoy of buses left Mariupol today in a new attempt by Ukraine, the UN and the International Committee of the Red Cross to evacuate civilians.

Economic Developments

EU Commission President Ursula von der Leyen, addressing the European Parliament today, proposed a sixth package of sanctions against Russia. According to different sources, the package includes cutting off Sberbank, the country's top lender, from the SWIFT financial transfer system, sanctions on major Russian broadcasters and 58 individuals including Russian military personnel and the head of the Russian Orthodox Church, and a ban on oil imports by the end of the year, with reported carve outs for Hungary and Slovakia to continue buying Russian crude oil until the end of 2023 under existing contracts. The 27 EU member states must still agree the measures.

Ukraine War Update: Macron-Putin Channel, Russian Railway Strikes, Sixth EU Sanctions Package

As Ukraine's western and Asian allies reduce purchases of Russian oil and gas, Moscow is finding alternative buyers. Independent oil trader Vitol loaded a cargo of Russian ESPO Blend crude for the UAE this week, the first such voyage for the grade. China's independent refiners have been discreetly buying Russian oil at steep discounts as western countries suspend their own purchases.

Holders of nearly \$650 million worth of Russian government bonds received payments just ahead of a Wednesday deadline, allowing Moscow to avert default. On Friday, Russia's finance ministry said it had made the payments in dollars to a London branch of Citigroup that processes payments on behalf of bondholders.

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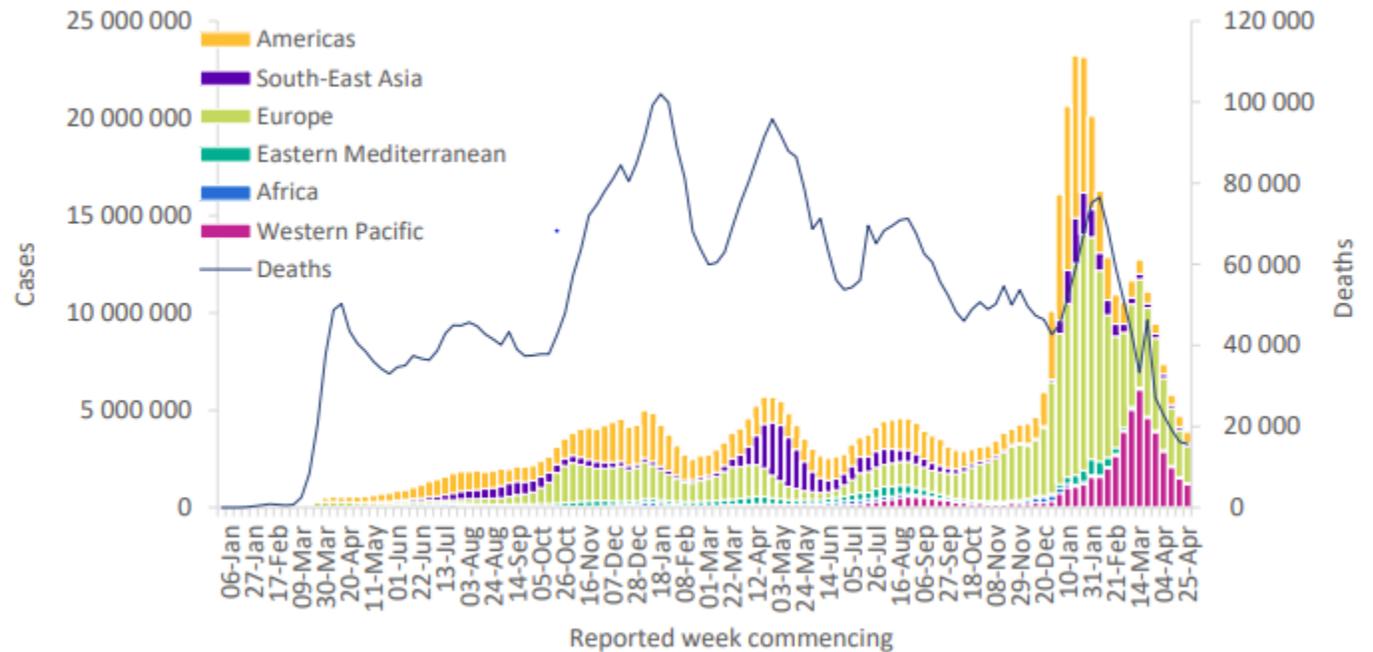
Coronavirus Condition Updates

As of 5:46 pm CEST on May 3, 2022

Coronavirus Snapshot

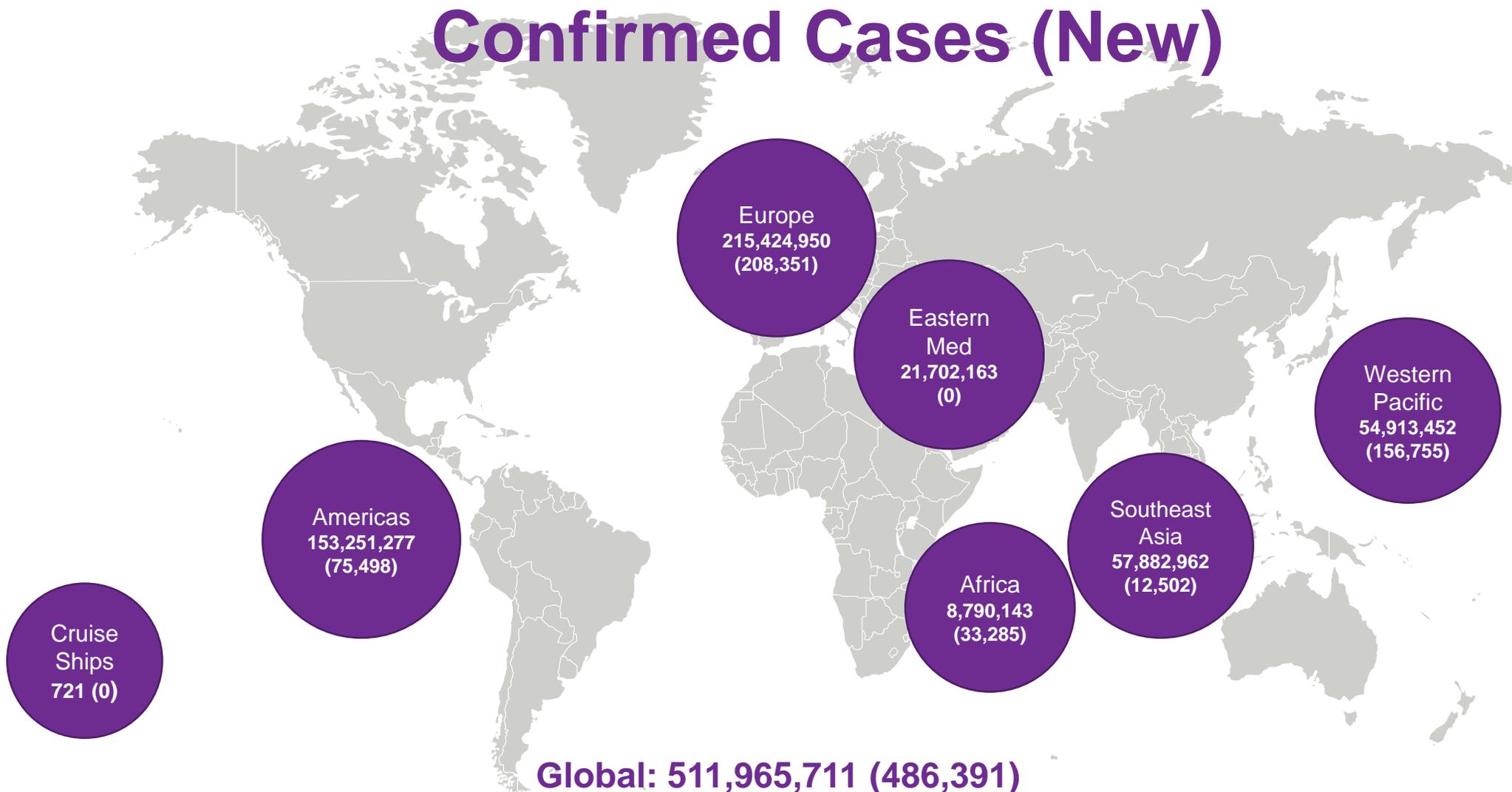
During the week of 25 April through 1 May 2022, over 3.8 million cases and over 15,000 deaths were reported, decreases of 17 percent and 3 percent respectively, as compared to the previous week. However, an increase in the number of new weekly cases was reported from the African Region (+31 percent) and the Region of the Americas (+13 percent).

Figure 1. COVID-19 cases reported weekly by WHO Region, and global deaths, as of 1 May 2022**



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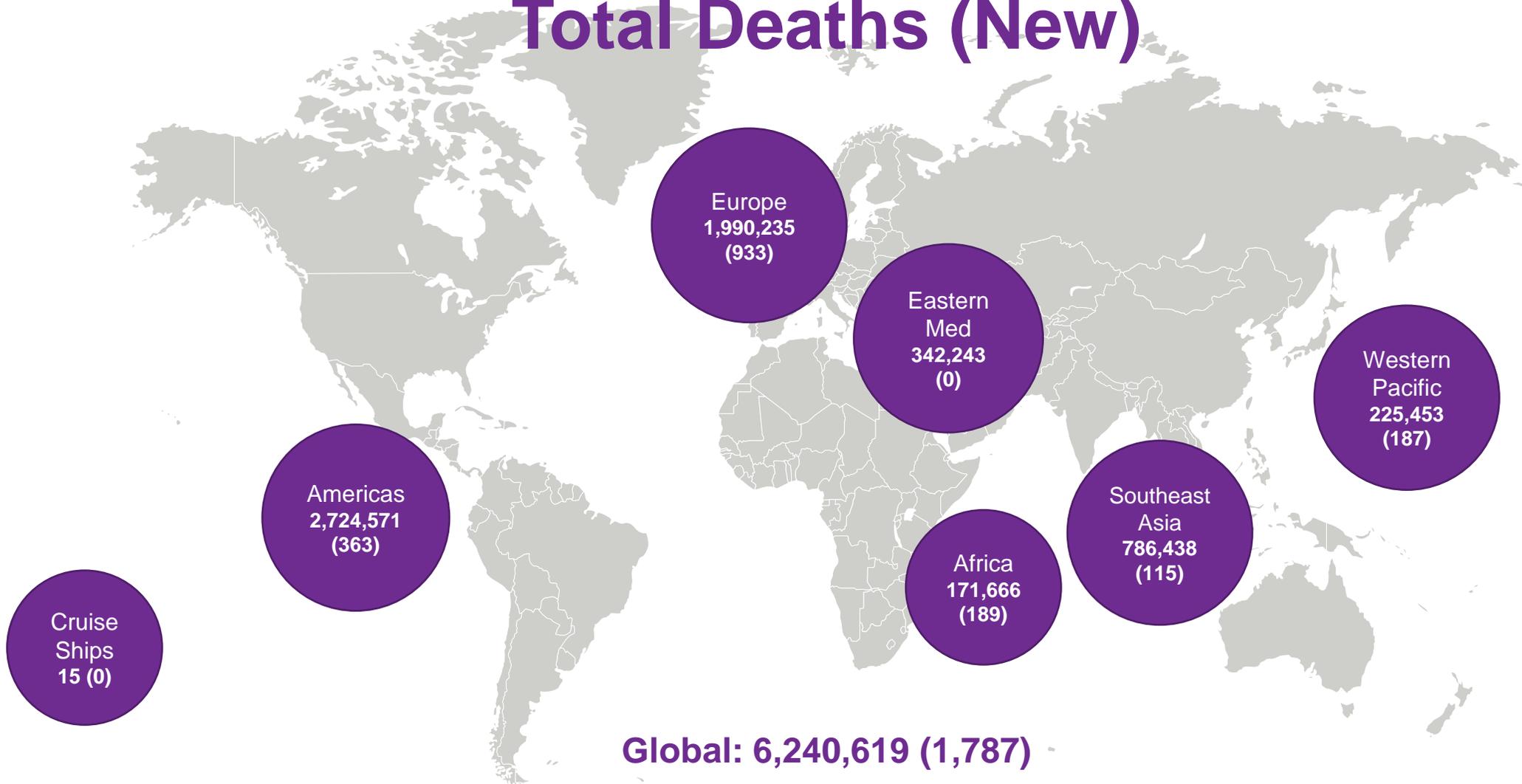
Confirmed Cases (New)



Reflects data as of 5:46 pm CEST on May 3, 2022.
Data Source: World Health Organization

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Total Deaths (New)



Reflects data as of 5:46 pm CEST on May 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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