

Dentons Flashpoint

Daily Global Situation Report

July 22, 2022

Global Situation Update: July 22, 2022

KEY TAKEAWAYS

Ukraine, Russia and Turkey will sign UN-brokered deal today to resume Ukraine's Black Sea grain exports.

Oil production resumed in Libya following a three-month hiatus.

Vast heatwaves continue to punish Europe and China.

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WHAT WE'RE WATCHING

The leader of the Sudanese Freedom and Change Declaration Forces (the former ruling coalition) has announced that the group will organize protests in Khartoum and other cities on July 24 to oppose recent Sudanese tribal clashes. Violence recently broke out in the Blue Nile state between the Hausa ethnic group and the Bartis clan over access to water and land, resulting in 79 deaths and nearly 200 injuries.

Protests against the ruling Sudanese junta have proven deadly in the past, with recent demonstrations in Khartoum being met with police firing tear gas. This weekend's demonstrations across the country will likely be met with similarly heavy-handed police tactics, resulting in injuries and possibly deaths.



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

Global

Ukraine, Russia, Turkey and UN Secretary-General Antonio Guterres will sign a deal today to resume Ukraine's Black Sea grain exports, per Turkish President Tayyip Erdogan's office.

- **Extreme heat** alerts remain in effect for large swaths of the globe. The vast heatwave in **Europe** moved steadily eastwards on Thursday, forcing countries including Italy, Poland and Slovenia to issue their highest heatwave alerts as firefighters battled wildfires across the continent. Heatwaves are forecast in **China** over the next 10 days, with high temperatures expected from east to west. Searing temperatures are expected to envelop southern provinces, the country's economically vital provinces in the east, as well parts of Xinjiang in the west.
- The World Health Organization's emergency committee convened Thursday to consider for the second time within weeks whether to declare **monkeypox** a global crisis. There are now more than 15,000 monkeypox cases worldwide.
- The EU drug regulator has recommended Danish biotechnology company Bavarian Nordic Imvanex vaccine be approved, with label also noting protection against **monkeypox** on its label.

Markets & Business

Amazon.com Inc. is buying an operator of primary-care clinics, 1Life Healthcare Inc., in a \$3.9 billion deal that will help the tech giant expand by offering medical services to a large pool of employers and individuals.

- A former product manager at **Coinbase Global** and two others have been charged with wire fraud in the first insider trading case involving cryptocurrency.
- A **data access agreement** between the US and UK, which was signed in 2019, will come into effect in October this year, per the US Justice Department.
- German gas importer **Uniper**, its Finnish parent Fortum and their governments have agreed in principle on the terms of a bailout after Uniper was hit by high gas prices, with the Germany government taking a stake and providing funding.
- Britain's competition watchdog on Friday approved a merger of sports broadcasting businesses of **BT Group** and **Warner Bros. Discovery**.

Environment, Sustainability & Governance

Japan's nuclear regulators have approved a plan to release into the ocean water from the wrecked Fukushima Dai-ichi nuclear power plant. The regulators deemed it safe to release the water, which will still contain traces of tritium after treatment.

- Portugal is totally opposed to an EU proposal for member states to cut gas usage until March because it would hamper **electricity production through gas-fired plants** when the country faces an extreme drought, per Energy Secretary Galamba.
- The US government asked Mexico to review whether workers at a US-owned auto parts plant in northern Mexico were being denied their **rights of free association and collective bargaining** under the terms of the USMCA.
- Beer company Heineken revealed today that suppliers representing 80 percent of the company's **packaging carbon footprint** have committed to or are in the process of setting science-based climate targets with the Science Based Targets Initiative (SBTi).

Africa

- The World Bank agreed to provide the UN's World Food Program with \$100 million for emergency food aid in **Sudan**, primarily for those displaced by rising violence in the Blue Nile.
- Militants from **Somali** extremist group al-Shabab attacked two villages near the border with **Ethiopia** in a rare border attack.
- Over 70 **Malawians** were reportedly arrested for protesting against the high cost of living despite a ban on demonstrations.



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How do You Manage Incident Response?

2022 has already seen business disrupted by extreme weather, ransomware attack, the ongoing pandemic and more. The common refrain “It’s not if, but when” rings truer than ever for disruptive incidents that will impact business as usual.

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

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

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

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

All interaction with Dentons is attorney-client privileged

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

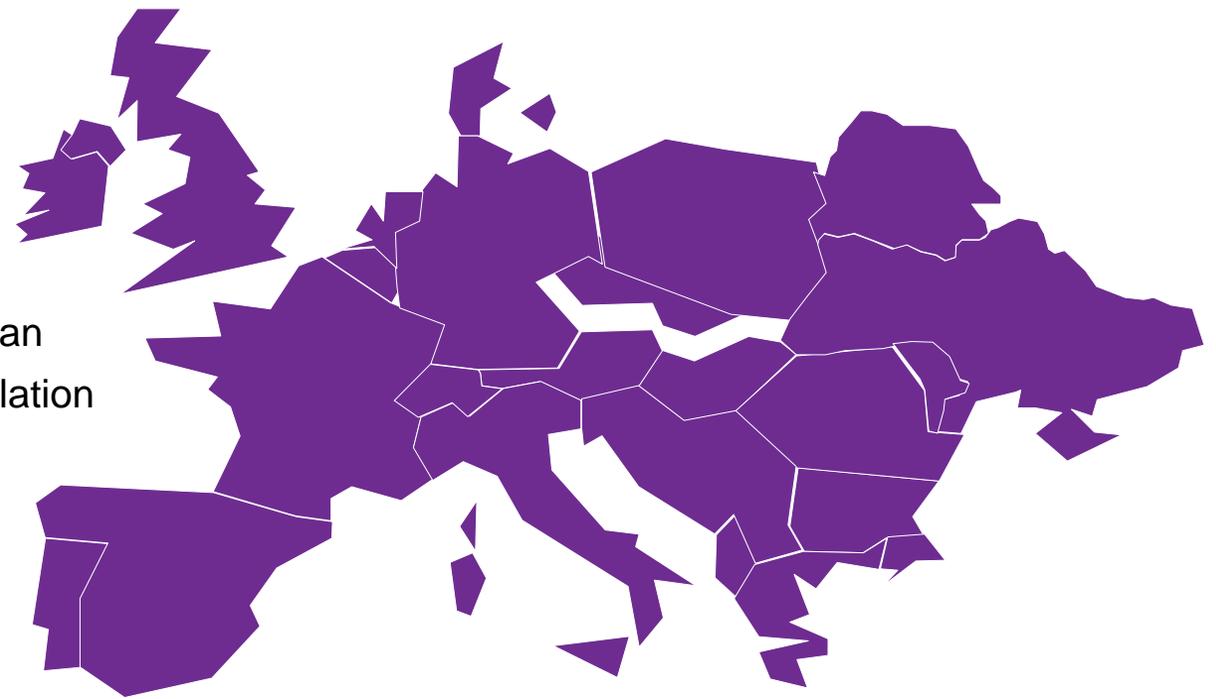
Asia

- **Japan** warned of escalating national security threats, including repercussions from Russia's war with Ukraine, **Chinese** intimidation of **Taiwan**, and vulnerable technology supply chains, in its annual defense white paper.
- **South Korea** and the **US** will resume long-suspended live field training during their joint military drills, as they work to curb **North Korea's** evolving nuclear and missile programs.
- Ms Droupadi Murmu has been elected as president of **India**, becoming the first tribal politician to occupy the top constitutional post in the world's largest democracy.
- **Sri Lankan** security forces raided a protest camp occupying government grounds in Colombo early on Friday and cleared out a section of it, fueling fears that President Wickremesinghe had launched a crackdown a day after being sworn in.



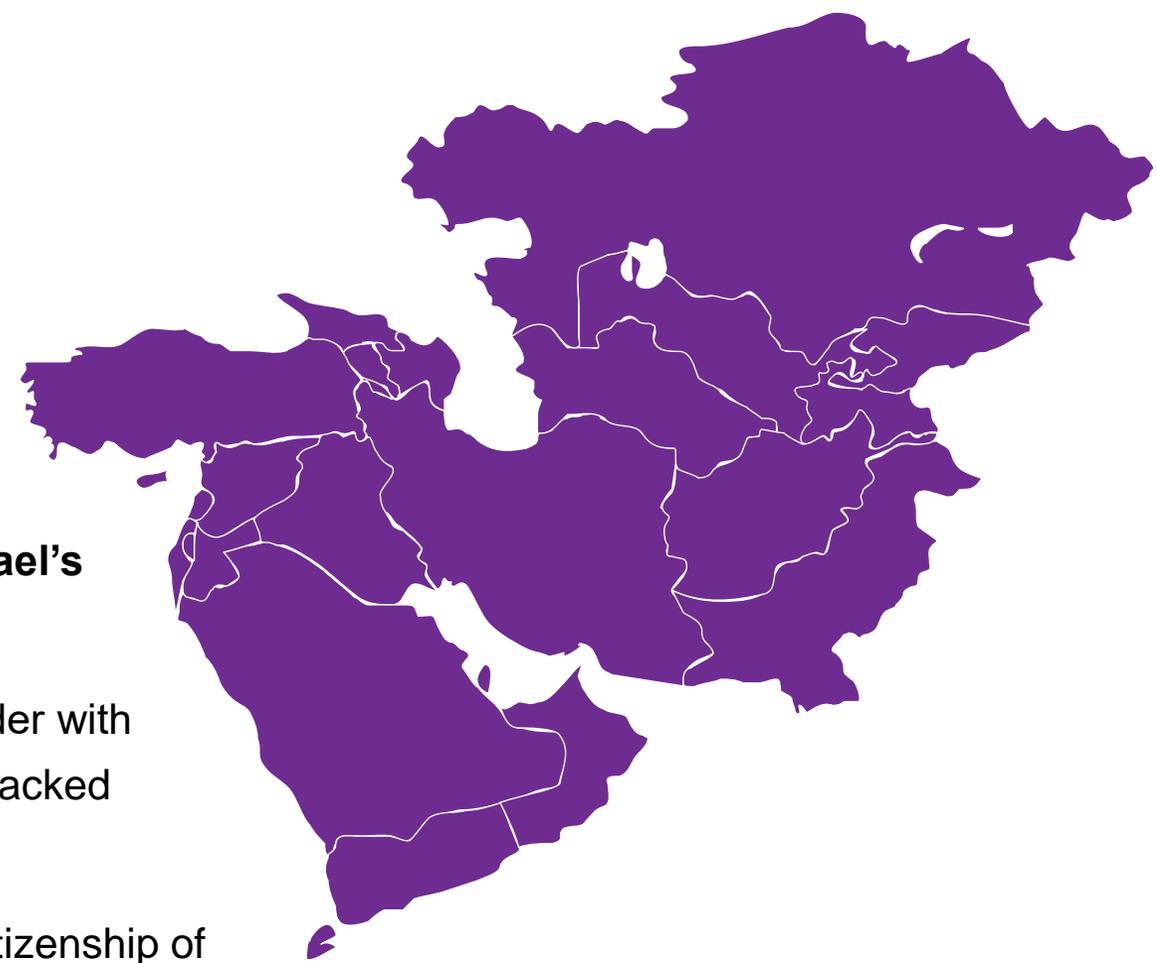
Europe

- The **European** Central Bank raised interest rates by more than expected, by 50 basis points, as concerns about runaway inflation trumped worries about growth.
- **Italian** President Mattarella announced he had dissolved parliament and said elections would have to be held within 70 days, with September 25, the last Sunday before that deadline expires, the likely date.
- **Hungary's** foreign minister is in Moscow seeking to buy close to a billion cubic meters of natural gas from **Russia** despite **EU** sanctions.
- **Britain's** Supreme Court will hear a legal case in October to establish whether the Scottish government can hold an independence referendum without consent from Westminster.
- **Britain's** Secret Intelligence Service (MI6) chief said on Thursday that China was now the top intelligence priority, surpassing counter-terrorism.



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Middle East



- Cameras will officially take over for **US** peacekeepers on Tiran Island in the strait of Aqaba to ensure freedom of international maritime shipping routes, part of a deal handing ownership of the island from **Egypt** to **Saudi Arabia**, with **Israel's** okay.
- **Syrian** soldiers mobilized towards the country's northern border with **Turkey**, as a possible Turkish military operation against **US**-backed Kurdish-led forces in northeastern Syria is anticipated.
- **Israel's** Supreme Court ruled that the state can revoke the citizenship of people who carry out actions that constitute a breach of trust against the state, including terrorism, espionage or treason.
- Oil production resumed in **Libya** following a three-month hiatus after the firing of the chairman of the state-run oil corporation by one of the country's rival governments. Conflict between rival groups continue, with fighting breaking out in Tripoli early on Friday.

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Americas

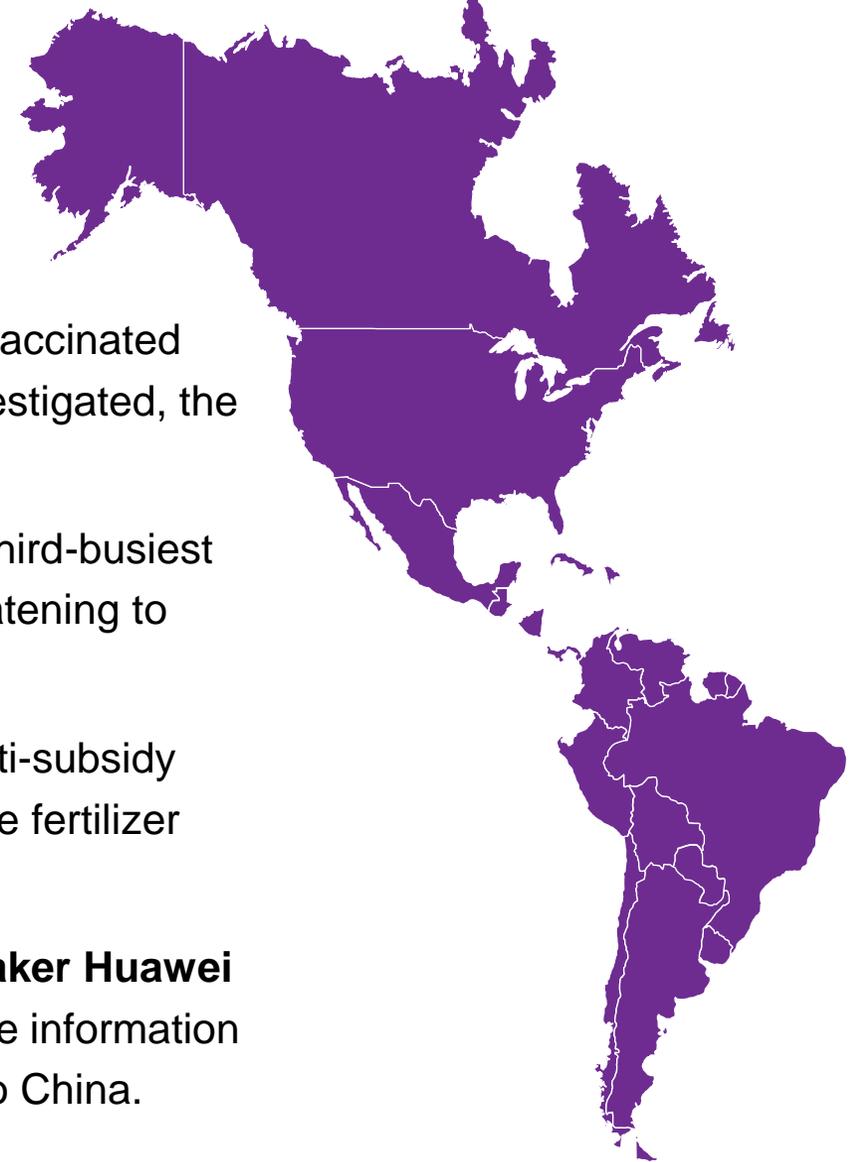


- **Cuba's** economy minister predicted that the country's economy will grow over 4 percent this year, painting a rosy picture despite persistent power outages and inflation.
- **Peru's** attorney general has opened a new probe of President Pedro Castillo, a day after the country's former interior minister accused the leftist leader of obstructing graft investigations of close allies.
- **Colombia's** top criminal gangs proposed a ceasefire to the incoming government of leftist Gustavo Petro as a starting point to peace talks. The board chief of Colombia's central bank defended the monetary policy authority's decision not to intervene in movements of the country's peso, even as market volatility pushed other central banks in the region to take action.
- **Argentina's** government will raise public transportation fares by 40 percent in the Buenos Aires metropolitan area in August, ending a freeze that had been in place since 2019.
- Former President Luiz Inacio Lula da Silva was officially nominated by his Workers Party for **Brazil's** October elections.

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Americas: US

- The first US **case of polio** in nearly a decade has been confirmed in an unvaccinated individual in New York State. While the origins of the case are still being investigated, the 20-year-old man had traveled to Poland and Hungary this year.
- Truckers protesting California's new "gig worker" law blockaded the state's third-busiest seaport for a second day on Thursday, stalling agricultural exports and threatening to worsen US **supply chain backups**.
- The US International Trade Commission revoked hefty anti-dumping and anti-subsidy duties on urea ammonium nitrate **fertilizers from Russia** in an effort to ease fertilizer shortages and price increases.
- The Biden administration is investigating **Chinese telecoms equipment maker Huawei** over concerns that U.S. cell towers fitted with its gear could capture sensitive information from military bases and missile silos that the company could then transmit to China.



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Ukraine War Update: The Next Phase of the War

Since consolidating control over Lysychansk and the Luhansk Oblast in early July, Russian forces have adopted an operational pause to reorganize and rebuild combat power. This does not mean, however, that they have stopped shelling of Ukrainian cities, which they continue in order to shape the battlefield for the next offensive. This next phase of the war will look familiar, mirroring the slow slog to gain new territory in the Donbas, with one key addition: rolling out the playbook from the 2014 Crimea war to prepare for territorial annexation.

Ukraine, with military assistance from its allies, will seek to stop and roll back the Russian offensive, but what happens on the ground in the occupied areas will be challenging to undo.

Establishing New Facts on the Ground through Russification

In the 2014 Crimea war, Moscow was successful not just in creating a frozen conflict that blocked Ukraine's pathway to EU and NATO membership, but also brought the captured territory firmly under control of the Russia state. The playbook that Moscow used included taking over local government, holding orchestrated elections and seeding pro-Russian activists into positions of authority – all with the purpose of imposing Russian control while making it seem to be the choice of the captured population. The Kremlin shut down pro-

Ukrainian and independent media and brought in Russian-language media with pro-Kremlin content. Roubles became the currency. The Russian language replaced Ukrainian in government offices, schools and trade.

Outlines of this aggressive policy to absorb and Russify newly occupied regions is already in play in territory newly occupied by Russian forces. Moscow has changed the law making Russian citizenship open to all Ukrainians. Local officials resisting Russification are being culled with new ones intimidated to cooperate with their new occupiers. With a land bridge established from the Crimea, Russian workers and volunteers are being resettled in the Donbas to rebuild destroyed cities and reorganize civic activity. Ukraine watchers assess that by the end of summer, planning will

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Ukraine War Update: The Next Phase of the War

have advanced to holding referendums so that the Ukrainian population can “choose” their future as part of Russia. Once the people’s choice is heard, according to the Kremlin, there can be no option of returning territory during a political negotiation.

There has been a mass exodus of civilians from the Donbas amid the fighting. Those who fled towards western Ukraine and into Europe presumably see their future as part of a sovereign and independent Ukraine. Under Russian domination, these displaced persons will not be welcomed back to their homes in the Donbas. Those who decided to stay and resist face arrest, deportation to Russia and filtration camps. As Russia erases the border, it is also cleansing the territory to make certain the remaining population adheres to Russian socio-political culture.

Winning the Peace after Occupation

While the Ukrainian forces have been successful in slowing the Russian invasion and forcing a Russian tactics change from blitzkrieg to a concentration of forces focused on capture and holding territory, Kyiv has not yet been able to turn the tide of the war. Western military planners are optimistic that with western financing, advance military equipment and training, Ukraine will be able to

match Russia on the battlefield and prevail with more sophisticated equipment, tactics and intelligence, enabling Ukrainian forces to move to the offensive. But this will take time.

Meanwhile, the Kremlin is countering with new threats and actions on the ground. Russian Foreign Minister Lavrov warned in an interview with *RT News* that Russia's objectives would expand further if the West delivers long-range weapons to Kyiv, expanding beyond Donetsk and Luhansk regions to include Kherson and Zaporizhzhia regions. Earlier this week, former president Dmitry Medvedev warned that the refusal of Ukraine and Western powers to recognize Moscow's control of Crimea poses a “systemic threat” for Russia and any outside attack on the region will prompt a “*Judgment Day*” response.

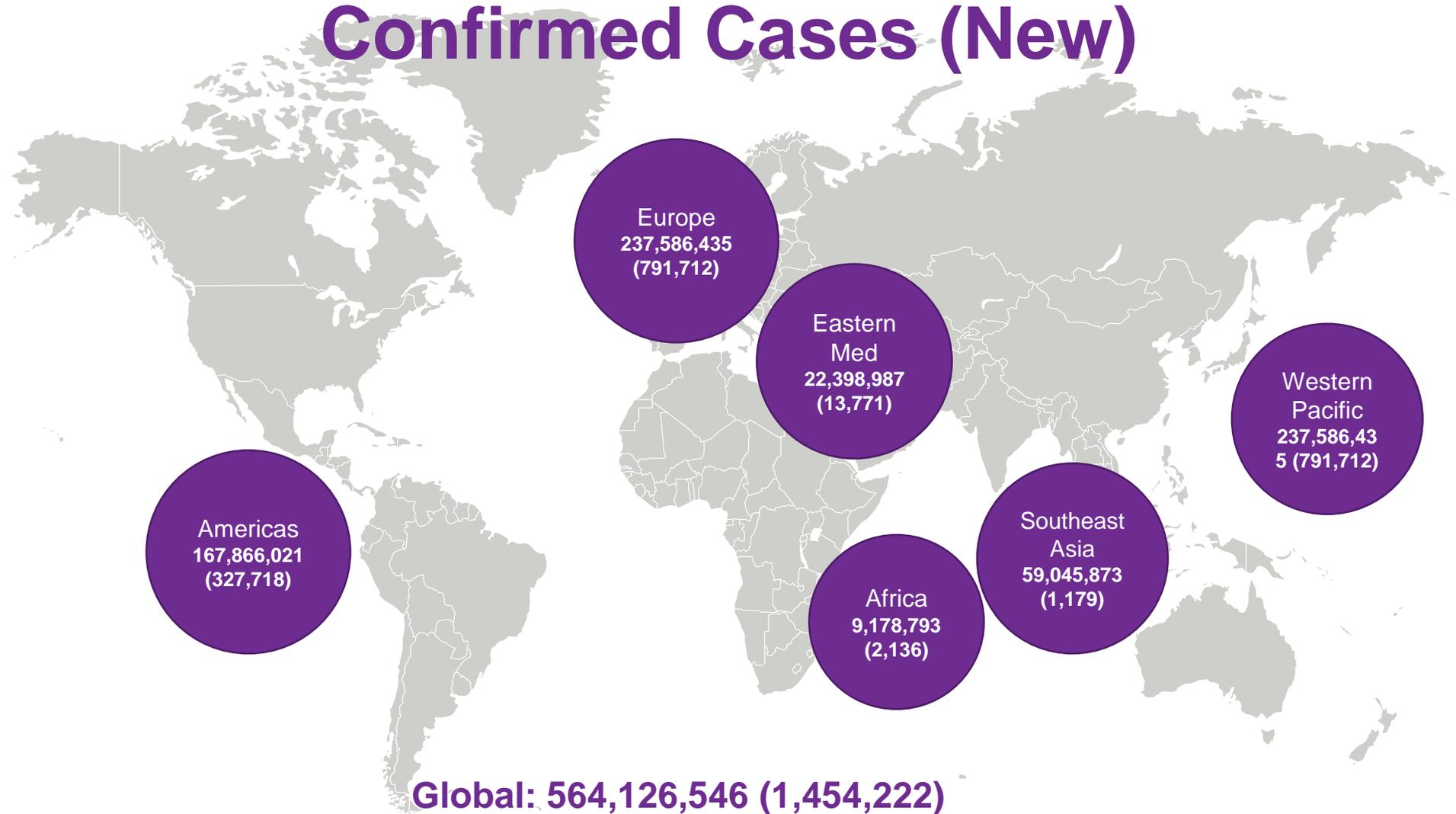
These statements telegraph the challenges ahead when Ukraine begins to reclaim land that Moscow will consider Russia territory. Ukrainian officials will also have to decide how to treat the people, as liberated, collaborators or illegal settlers. The longer Russia occupies, the harder it will be to reassemble Ukrainian identity during peace time and the longer Ukraine will be a center of insecurity in the heart of Europe.

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Coronavirus Condition Updates

As of 6:12 pm CEST on July 21, 2022

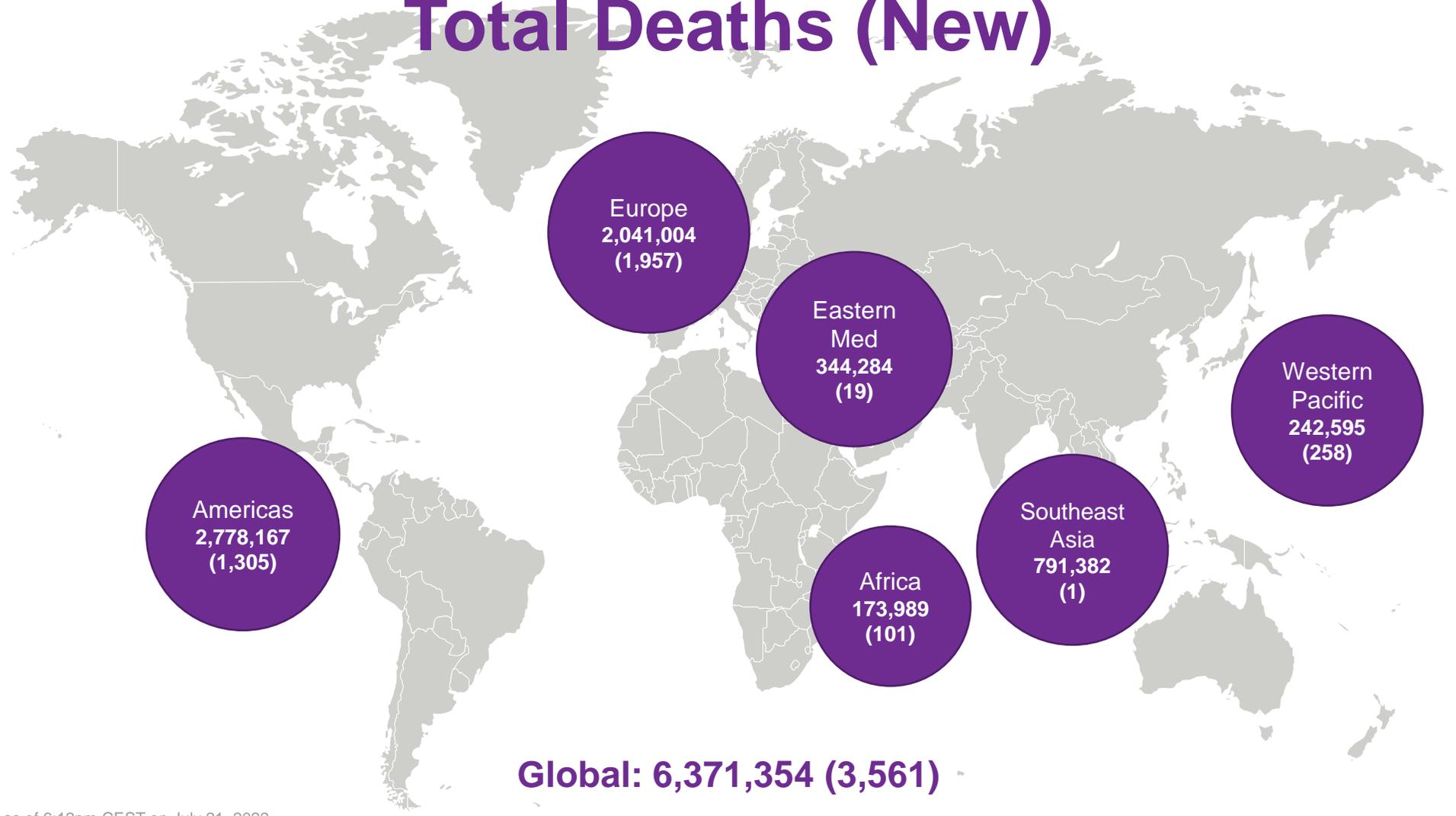
Confirmed Cases (New)



Reflects data as of 6:12pm CEST on July 21, 2022.
Data Source: World Health Organization

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Total Deaths (New)



Global: 6,371,354 (3,561)

Reflects data as of 6:12pm CEST on July 21, 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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