

# Dentons Flashpoint

## Daily Global Situation Report

March 30, 2022

# Global Situation Update: March 30, 2022

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## KEY TAKEAWAYS

The UN assesses that global impact of the Ukraine war on food security will be *“beyond anything we’ve seen since World War II.”*

Germany begins planning for gas rationing in preparation for a potential halt in deliveries from Russia.

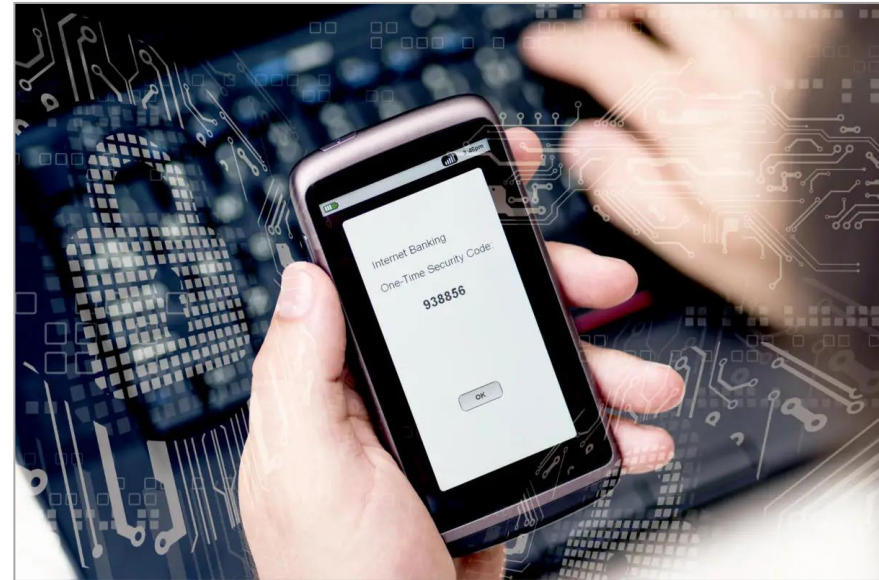
China confirms plans to attend the long-delayed EU-China Summit.

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## WHAT WE'RE WATCHING

Cybercriminals are employing a tactic described as 'MFA prompt bombing' to breach company systems. Multifactor authentication (MFA) remains among the strongest cybersecurity defenses, but threat actors are using the technique, around now for years, to bombard accounts with multiple MFA requests until users accept the authentication. Lapsus\$ hacking gang claims they recently gained access to the laptop of a Microsoft employee in this way.

This trend serves as an important reminder that employees should never approve random MFA requests pushed to their device and should only approve requests that they personally know they initiated. Stolen credentials available on the dark web and elsewhere can be used to log into accounts and generate the MFA requests to unsuspecting staff.



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

# Global

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## Western leaders have acknowledged Russian announcements to scale back its offensive in Ukraine but remain skeptical of Moscow's overall intentions.

- Ukrainian negotiators delivered proposals in writing to their Russian counterparts yesterday at **peace talks in Turkey**, proposing a future neutral status for their country that would be supported by international guarantees and includes never permitting foreign military bases or troops to be stationed on its territory.
- Despite the Russian claim to have shifted its strategy away from Kyiv and on securing the Donbas region, Russia continued **deadly strikes across Ukraine**.
- The head of the UN's World Food Program assessed the war in Ukraine has created “*a catastrophe on top of a catastrophe*” and will have a global impact on **food security** “beyond anything we’ve seen since World War II” because many of the Ukrainian farmers who produce a significant amount of the world’s wheat are now fighting Russians.

# Markets & Business

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**More than \$600 million has been stolen from Ronin Network, the digital ledger that powers the popular cryptocurrency game Axie Infinity, in one of the largest hacks targeting the booming digital assets sector.**

- **Fortescue** and **E.ON** signed an agreement to replace Russian gas with Australian green hydrogen. Fortescue chair Andrew Forrest seeks to replace about a third of its gas imports from Russia, in an ambitious plan requiring \$50 billion in investment.
- **Goldman Sachs** is buying **NextCapital**, a robo-adviser that specializes in workplace pensions, as the company seeks steadier income streams including asset and wealth management.
- A private equity consortium led by **Elliott Management** and **Brookfield Asset Management** has agreed to buy television ratings group **Nielsen** for \$16 billion, including debt, the largest buyout since the Russian invasion of Ukraine.
- **UnitedHealth Group Inc.** has agreed to buy **LHC Group Inc.** for about \$5.4 billion in cash, in the latest tie-up linking a managed-care company to the home-health business.

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# Environment, Sustainability & Governance

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## Four women were confirmed to the US Commodity Futures Trading Commission in a historic vote.

- A summit of international delegates in Geneva to discuss **biodiversity strategies** ahead of a to-be-scheduled Convention on Biodiversity closed with no concrete agreements; the delegates agreed to meet again in June in Kenya.
- Energy major Shell filed an appeal in a landmark Dutch case that found in favor of activists calling for the company to speed up **emissions commitments**.
- A former DeepMind employee has accused the artificial intelligence group's leadership of mishandling multiple allegations of **sexual misconduct and harassment**, raising concerns over how grievances are dealt with at the Google-acquired company.
- Meta suspended plans to build a giant data center in the Netherlands following political opposition. The plan, while approved by the town, was opposed by some environmental campaigners who do not want the limited supply of **sustainable power** generated in the Netherlands to be used by a multinational company.

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# Africa

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- Rebels from M23 group in the **Democratic Republic of the Congo** shot down an UN helicopter containing eight peacekeepers during a monitoring mission in the country's north, the army reported; the incident follows heavy fighting over the weekend.
- A new Amnesty International report finds that coronavirus lockdowns have contributed to “soaring rates” of sexual and gender-based violence throughout **Africa**.
- **South African** unemployment hit a new record of 35.3 percent in Q4 of 2021.
- **Ghana's** parliament approved a tax on electronic transactions so controversial that it prompted a brawl and an opposition walk-out last week; critics say that the tax will disproportionately impact the poor, while proponents say the country has few options to increase tax revenue.

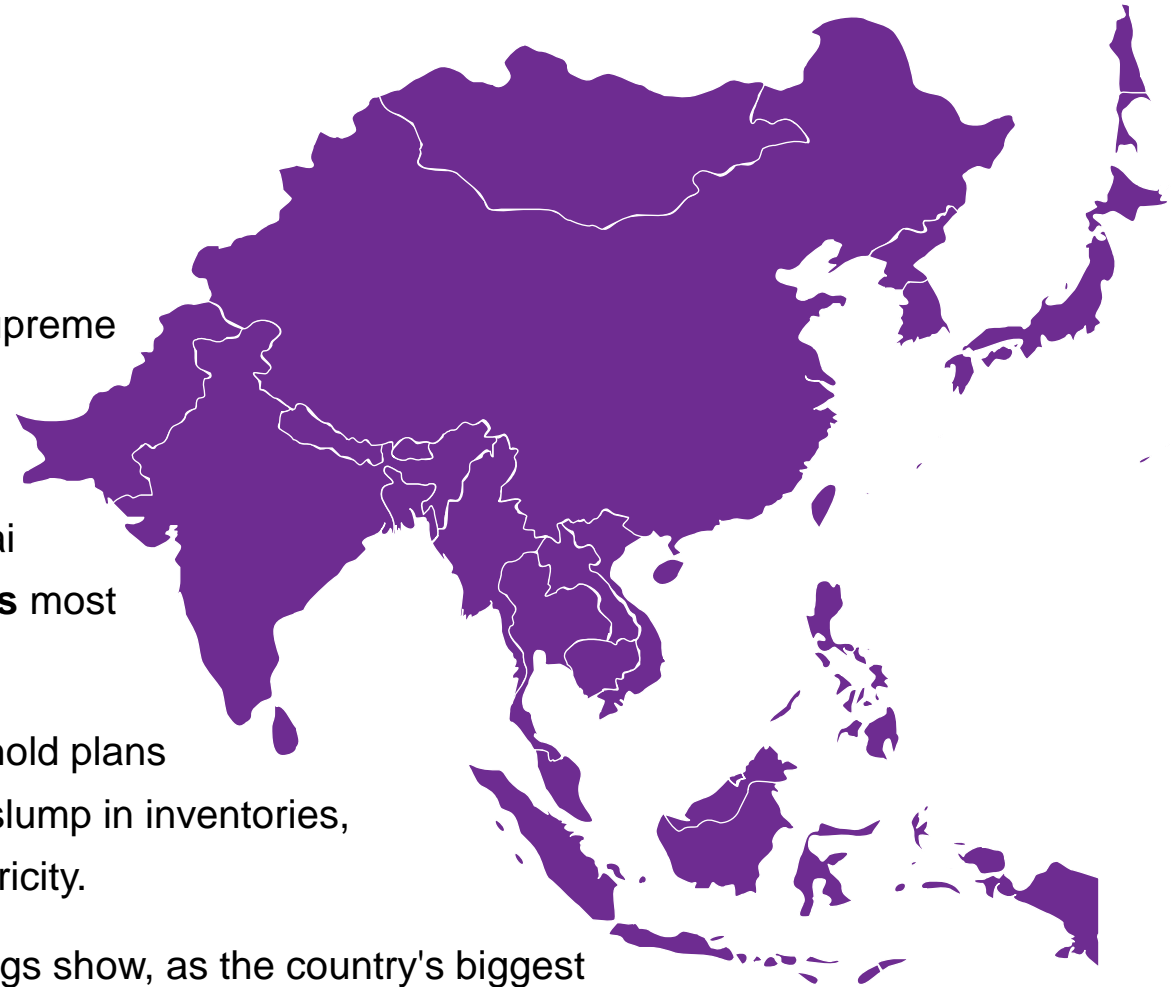


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# Asia

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- Two leading British judges have resigned from **Hong Kong's** Supreme Court, citing Beijing's imposition of a tough national security law on the territory.
- Authorities began locking down some western areas of Shanghai two days ahead of schedule, as new COVID-19 cases in **China's** most populous city jumped by a third.
- **India** has cut coal supplies to the non-power sector and put on hold plans for some fuel auctions for utilities without supply deals due to a slump in inventories, even as the country battles a seasonal jump in demand for electricity.
- More **Chinese** companies are halting domestic listing plans, filings show, as the country's biggest coronavirus outbreak in two years hampers due diligence and information gathering, affecting an estimated \$9 billion-plus in fundraising.
- **Chinese** President Xi Jinping and Premier Li Keqiang will meet with **EU** leaders on April 1, China's foreign ministry said today, confirming that the China-EU summit would take place this week.



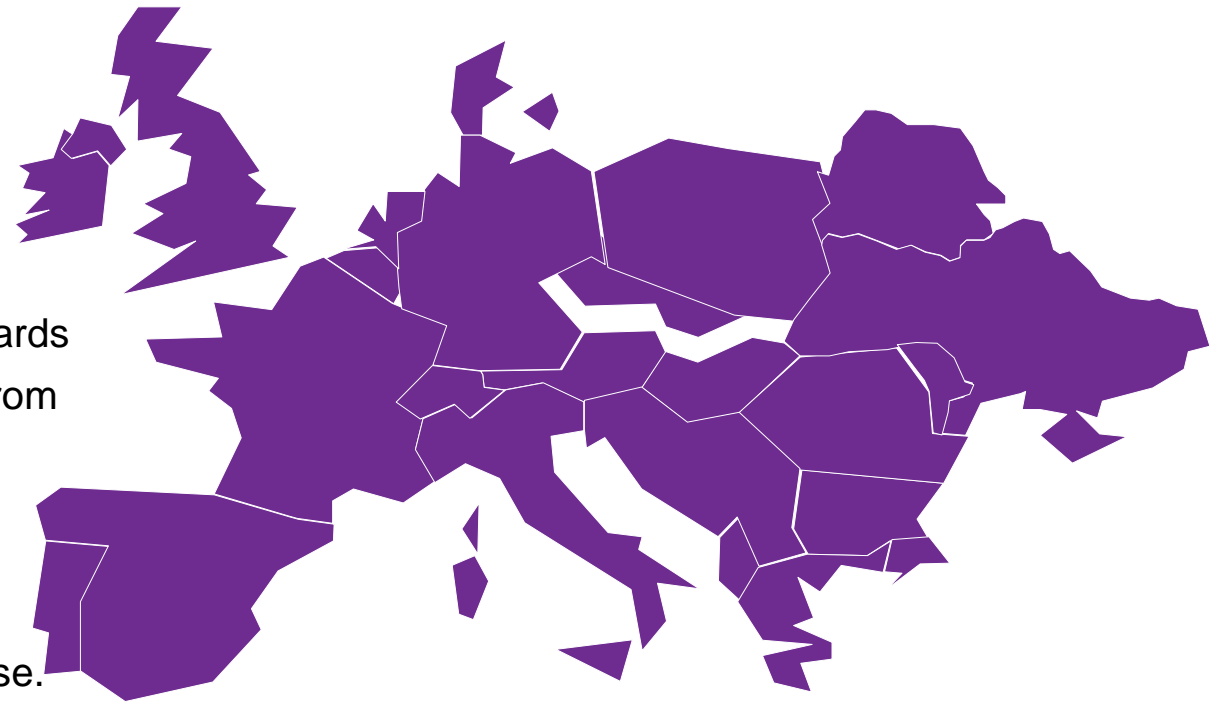
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# Europe

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- The **German** government has taken the first formal step towards gas rationing in preparation for a potential halt in deliveries from **Russia** due to a dispute over payments.
- **Spain** has approved a €16 billion “*shock plan*” to address the fallout from the war in Ukraine, as the government tries to prevent the conflict from blowing economy further off course.
- **Belgium, the Netherlands, Ireland and Czech Republic** on Tuesday expelled **Russian** diplomats as more EU members acted to curb alleged spying by Moscow.
- **Russia** has offered to buy back dollar bonds maturing next week in roubles in a move seen by analysts as helping local holders of the \$2 billion sovereign issue receive payment, while also easing the country's hard-currency repayment burden.
- A Visegrád Group defense ministerial in **Hungary** has been cancelled after **Poland and the Czech Republic** decided not to attend due to Budapest's stance on **Russia's** invasion of **Ukraine**.



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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:*

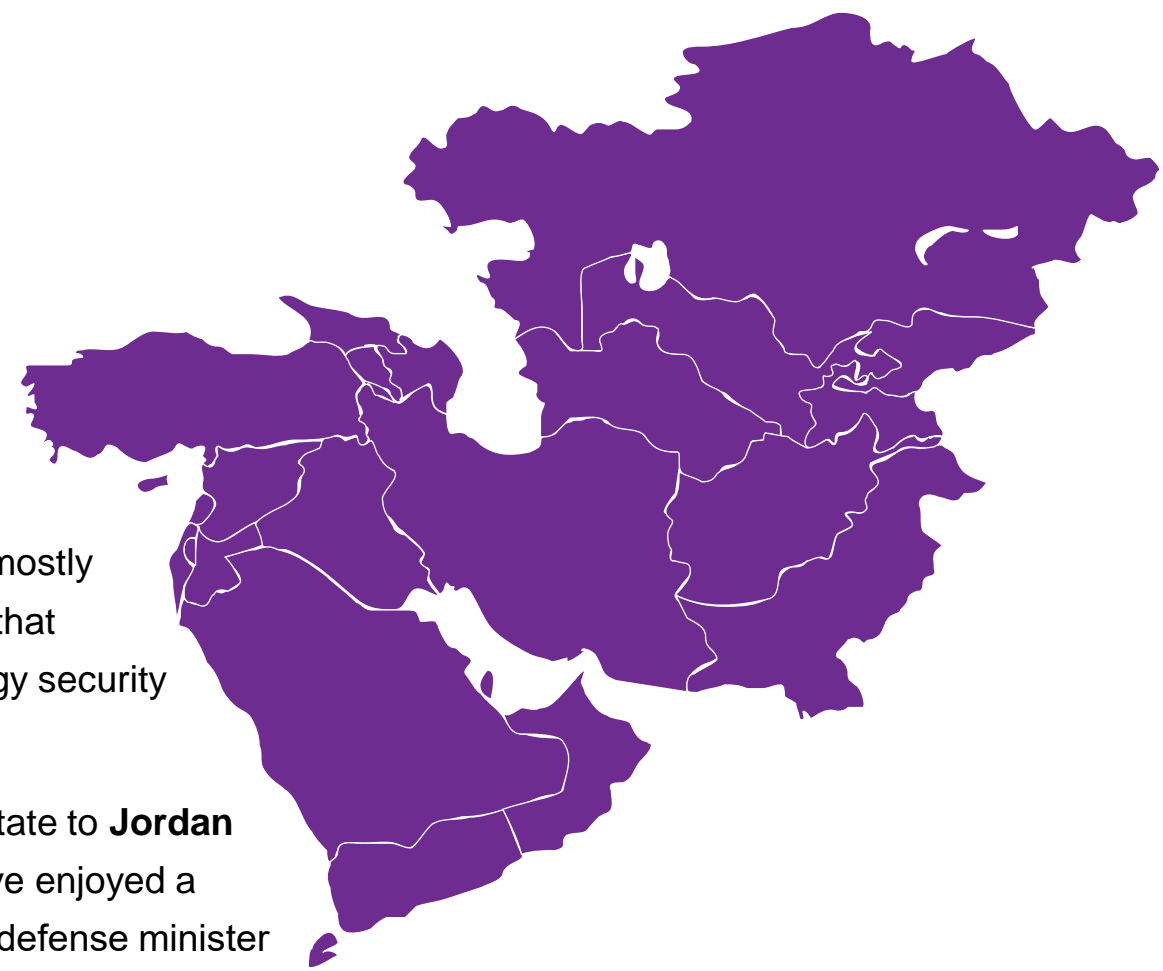
- ❖ Ransomware tabletop exercises
- ❖ Post-tabletop action reports
- ❖ Maturity assessments for preparedness
- ❖ Supply-chain attack simulation
- ❖ Comprehensive incident response plan
- ❖ Threat analysis and monitoring

*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

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- A suspected Arab gunman killed at least five people in a Tel Aviv suburb; the shooting follows another fatal attack on **Israeli** citizens last week.
- A summit to discuss peace in **Yemen** began in Riyadh but is seen as mostly ineffectual as the Houthis have declined to attend. **Saudi Arabia** said that cross-border attacks by the **Iran**-backed Houthis have put global energy security “*in question*.”
- **Israeli** President Herzog will make the first visit by an Israeli head of state to **Jordan** today, another sign of warming bilateral ties between the countries have enjoyed a “cold peace” since the 90s. Yesterday, King Abdullah met with Israel’s defense minister in another rare high-profile public meeting.
- In **Iraq**, three people were killed in clashes between ISIL and guards of a large camp in Kurdistan that houses some 56,000 displaced people and relatives of extremists, and that is plagued by increasing attacks and escape attempts.
- The **EU** will lend **Tunisia** 450 million euros to support the country’s budget amid looming public finance crisis as the country seeks IMF support.

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# Americas

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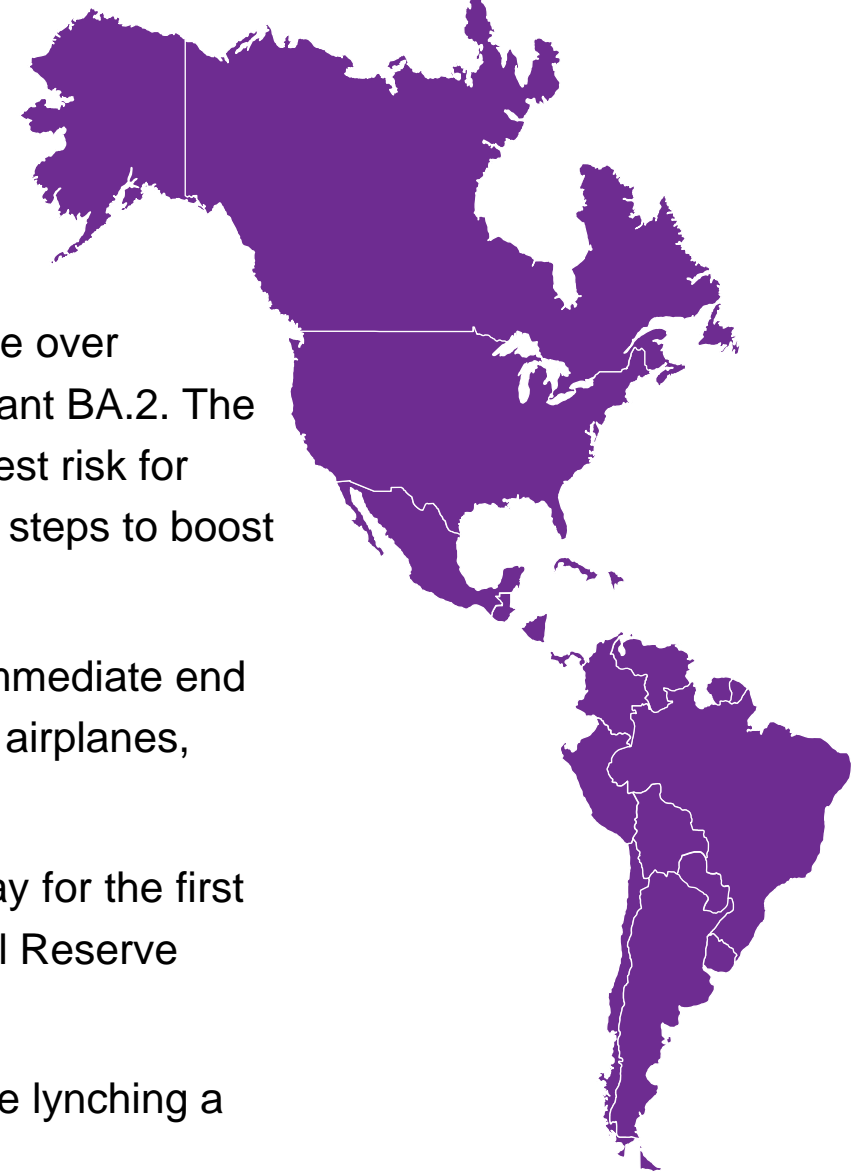
- The **Canadian** government has launched a sweeping plan to cut emissions, targeting pollution from oil production and motorists, as it laid out in detail for the first time how it would achieve its international climate commitments.
- The number of migrants crossing the Darien Gap, a dangerous migrant route between **Colombia and Panama**, has nearly tripled since the last year, according to UNHCR.
- **Mexican** President Obrador floated a plan to allow voters elect local electoral authorities, sparking concern that the plan could be a move to install loyalists in electoral bodies as Obrador has a history of corruption accusations against electoral authorities.
- **Ecuadorian** President Lasso said that he will use decree powers to implement his plan to boost the country's economy after parliament voted down his strategy once again, denouncing it as the privatization of public assets.

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# Americas: US

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- US regulators have authorized a second **COVID-19 booster shot** for anyone over 50 years of age amid concerns about a new wave of infections from subvariant BA.2. The White House is emphasizing that poorly ventilated indoor air poses the biggest risk for coronavirus infections, urging schools, businesses and homeowners to take steps to boost **air quality**.
- Twenty-one states, mostly Republican-led, filed suit yesterday seeking an immediate end to a federal mandate that requires people to wear **masks** when traveling on airplanes, buses, subways and other modes of public transportation.
- A closely monitored section of the US Treasury yield curve inverted yesterday for the first time since September 2019, a reflection of market concerns that the Federal Reserve could tip the economy into **recession** as it battles soaring inflation.
- President Biden yesterday signed into law the first federal legislation to make lynching a **hate crime**, addressing a history of racist killings in the US.



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# Emerging & Existing Hotspots: Egypt & the Fallout from Russia's War on Ukraine

By Alexander Lucaci

***Russia's war on Ukraine has already caused numerous second and third-order effects throughout the global economy, many of which will increase political and economic insecurity in the short-term. Egypt is set to be one of the nations most affected by Moscow's aggression – as the largest country in the Arab world, Egypt is particularly vulnerable to political destabilization resulting from price shocks in the agricultural sector.***

Cairo is the world's largest buyer of wheat, approximately 80 percent of which came from Russia and Ukraine in 2021. Over the last month, global wheat prices have risen to their highest level since 2012, causing the price of unsubsidized bread in Egypt to jump as much as 25 percent. President Sisi's government has apparently identified this as potential threat to internal stability and has fixed the price of bread temporarily to limit inflationary impacts. In 2011, the revolution in Egypt occurred partly because of a rise in the price of commodities – “Bread, freedom, social justice” was among the most popular chants in the country during the Arab Spring protests.

Although President Sisi has announced that Egypt's strategic wheat stock will last for at least four months, the war in Ukraine has

accelerated Cairo's need to ramp up domestic production. This has placed additional pressures on Egypt's relationships with Sudan and Ethiopia, upon whom Cairo depends for a reliable flow of water from the Nile River. Earlier this month, Ethiopia began operating a new 5,000 megawatt dam, prompting concerns that the diversion of water from the Nile will impact the flow rate to Egypt and Sudan downstream. Both Cairo and Khartoum have alleged that this violates an agreement signed in 2015 that prevents any of the three countries from making unilateral decisions on the dam's operations. As there are no official dispute-resolution mechanisms or arrangements for the dam during periods of protracted drought, this disagreement has the potential to escalate given existing agricultural inflationary pressures in Egypt.

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# Emerging & Existing Hotspots: Egypt & the Fallout from Russia's War on Ukraine

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Moscow's war in Europe has also begun to affect traditional political alliances across the Middle East. President Sisi's government has developed close ties to Russia in recent years, including arms sales, cooperation to build a nuclear powerplant, as well as growing economic, tourism, and trade ties. Additionally, Cairo has previously cooperated with Moscow on policy decisions in Syria and Libya, where it tacitly endorsed the Kremlin's objective of keeping President Bashar al-Assad in power in Damascus while militarily supporting General Khalifa Haftar in Libya's civil war. Should the confrontation between Russia, the EU, and US continue to escalate, Cairo's ability to triangulate between Washington and Moscow will diminish and force President Sisi into a binary choice. Furthermore, Egypt has also begun to reestablish and reinforce partnerships across the Middle East, including with regional rival Qatar. The two countries announced an investment deal this week worth \$5 billion, a sign that Cairo is willing to move past its diplomatic feud with Doha because of increasing financial pressures. Although Egypt and many regional powers have attempted to tread carefully around Moscow's invasion of Ukraine, this position will eventually become untenable because of political and economic ramifications and cause unpredictable shifts in alliances both in the Middle East and globally.

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# Ukraine War Update: Ukraine's Neutrality, Russia's Strategy Shift, Western Skepticism

***Western leaders have acknowledged Russian announcements to scale back its offensive in Ukraine but remain skeptical of Moscow's overall intentions.***

## ***Political Developments***

Ukrainian negotiators delivered proposals in writing to their Russian counterparts yesterday at peace talks in Turkey, proposing a future neutral status for their country that would be supported by international guarantees and includes never permitting foreign military bases or troops to be stationed on its territory. A member of the Ukrainian delegation said Ukraine and Russia would continue negotiations for the next two weeks and after that, the “*guarantor countries*” — the states expected to underwrite Ukraine's security as part of a settlement — would be invited to join the negotiations.

The Turkish government said there would not be a second round of talks between Russia and Ukraine in Istanbul today.

The western alliance reaction to Russia's announcement that it intends to dramatically scale back its military activities near Kyiv has been met with a “*wait-and-see*” response, as leaders watch

Moscow's actions. There is deep skepticism over Russian intentions, accompanied by a belief that the sanctions campaign may have left Russia with few options and seeking a face-saving way to end the conflict.

Ukraine's President Zelensky warned Ukrainians to not “*lose vigilance*” following an announcement.

Media coverage in China of the war in Ukraine continues to characterize the US as the aggressor. State newspapers focused on the potential political benefits to the US from the conflict, with a prominent editorial in the Communist party-run People's Daily arguing that the conflict allowed Washington to use NATO as a “*tool for the United States to practice its hegemony.*” Popular media outlets and social media were even more hawkish, praising Russia's stand against western hegemony and often noting that if Russia falls, only China will remain.

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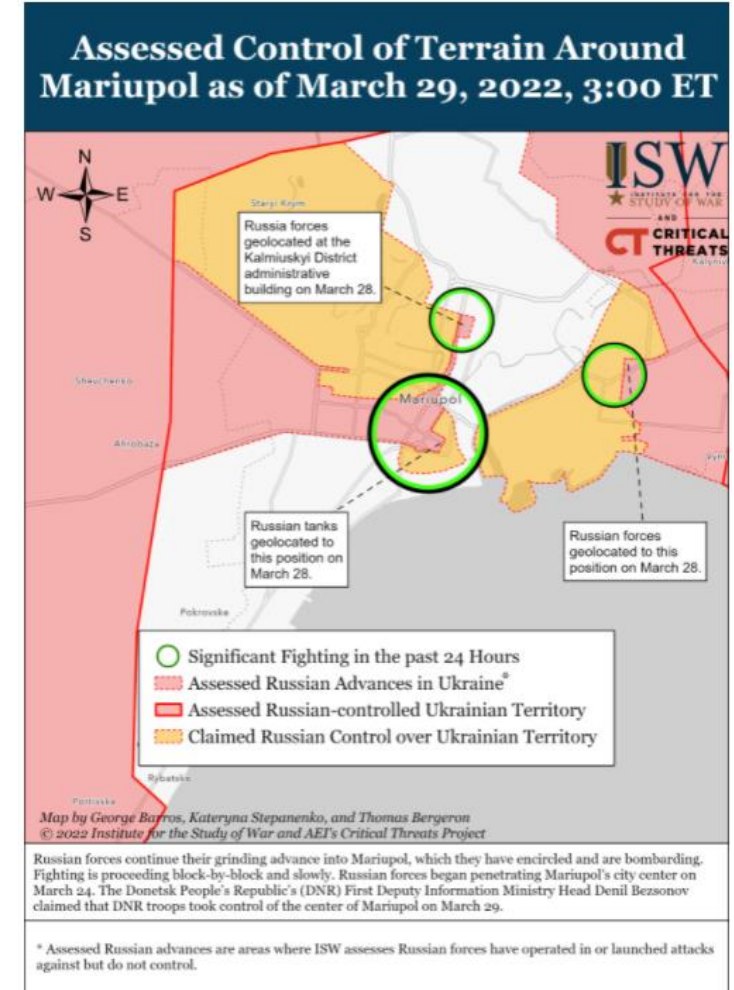
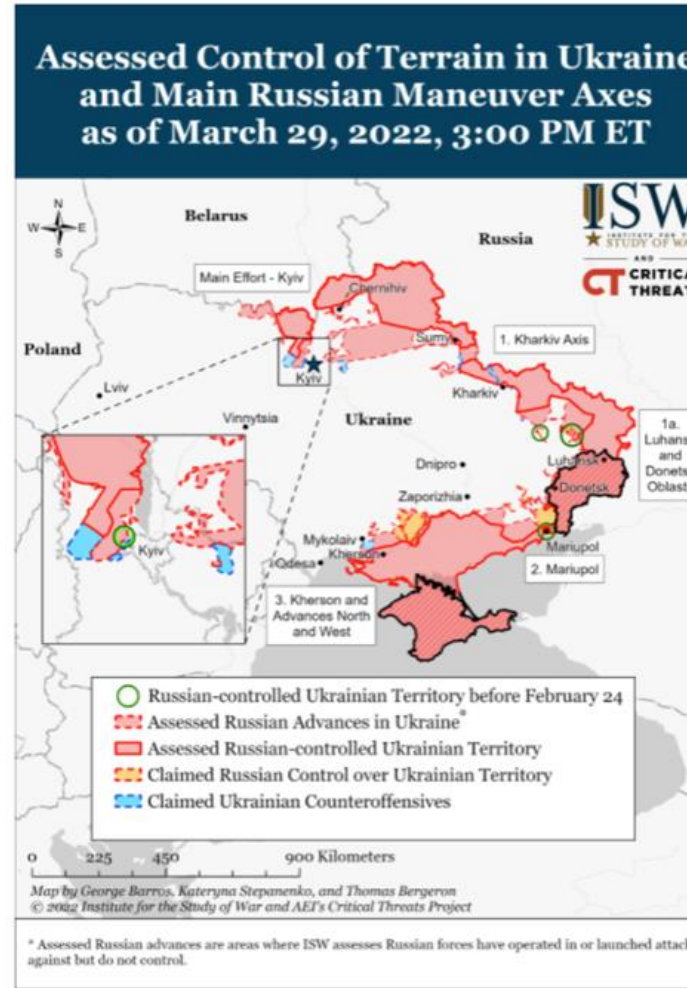


# Ukraine War Update: Ukraine's Neutrality, Russia's Strategy Shift, Western Skepticism

## Battlefield Developments

Despite the Russian claim to have shifted its strategy away from Kyiv and on securing the Donbas region, Russia continued deadly strikes across Ukraine. Ukrainian officials reported shelling around Kyiv and the northern region of Chernihiv on Wednesday. Western analysts assess that Moscow has abandoned plans to encircle Kyiv but will remain dug into defensive positions around the city.

The Ukrainian military said it had fought off four Russian advances in the Donetsk and Luhansk areas of eastern Ukraine's Donbas region. On Wednesday, authorities in the Donbas said residential areas in Lysychansk, a city in the region, were shelled by heavy artillery.



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

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# Ukraine War Update: Ukraine's Neutrality, Russia's Strategy Shift, Western Skepticism

Russia continues to reinforce its efforts in Ukraine's northeast likely attempting to link its positions southeast of Kharkiv and Izyum with its forces in Luhansk Oblast.

Russian operations in southeastern Ukraine have left large portions of Donetsk Oblast under Ukrainian control. Securing the boundaries of Donetsk Oblast along with the entirety of Luhansk Oblast will likely require a major offensive operation, according to the Institute for the Study of War analysis.

The UK Defense Ministry assessed that Moscow's shift in strategy, although framed as a trust building measure, gave a justification for the retreat of Russian forces in the face of Ukrainian counterattacks. Russian units have been forced to return to Russia and Belarus to reorganize and resupply after suffering heavy losses.

Russia is likely planning to concentrate forces and firepower in the Donbas to achieve what has thus far alluded the Kremlin with its four-pronged strategy, gaining control over key cities and holding territory.

The Institute for the Study of War assessed that the Russian advance in Mariupol continued to gain ground, and Russian forces have likely bisected or even trisected the city. Pockets of Ukrainian defenders continue to hold out in Mariupol, but the Russians will likely complete the conquest of the city within days.

Mariupol City Hall has denounced Russian troops for forcibly evacuating a maternity hospital in the besieged southern port city and taking them into Russia.

UNHCR said more than 4 million people have now fled Ukraine.

## *Economic Developments*

UK Prime Minister Johnson warned that a ceasefire alone would not be enough to enable the lifting of sanctions against Russia.

The Kremlin has said it will not "supply gas for free," as G7 countries declined to pay for Russian energy in roubles following President Vladimir Putin's directive.

# Ukraine War Update: Ukraine's Neutrality, Russia's Strategy Shift, Western Skepticism

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Russian State Duma chairman Vyacheslav Volodin said the country should consider demanding rubles for exports of grains such as wheat, fertilizer, oil, lumber and other commodities in addition to gas.

Dubai state carrier Emirates said that the airline would continue to fly into Russia until its owners decide against it.

Decathlon SA said Tuesday it is suspending all activity in Russia, including by closing its stores and halting e-commerce sales.

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# Coronavirus Condition Updates

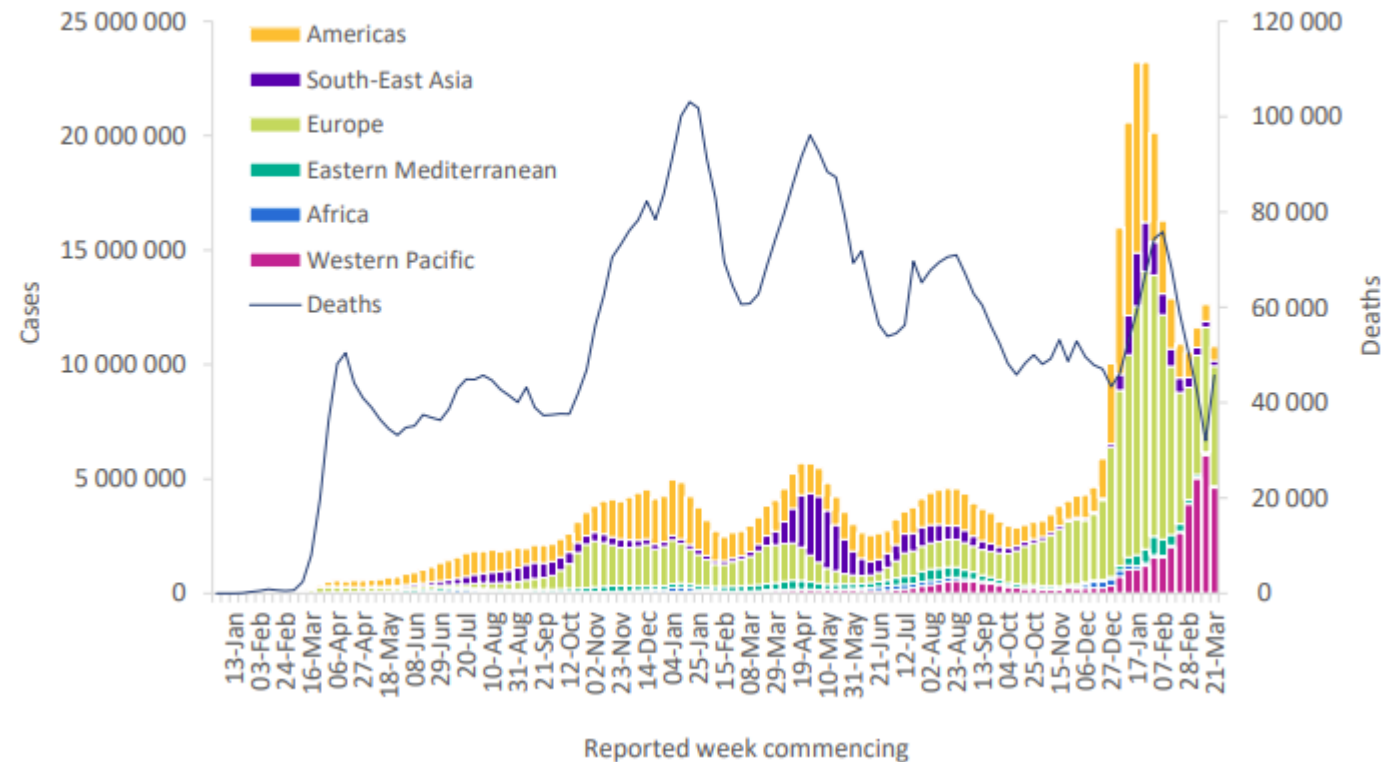
As of 6:10 pm CEST on March 29, 2022

# Coronavirus Snapshot

Between the end of January and early March 2022, there was a consistent decreasing trend in the number of new COVID-19 cases, which was followed by two consecutive weeks of increase in cases.

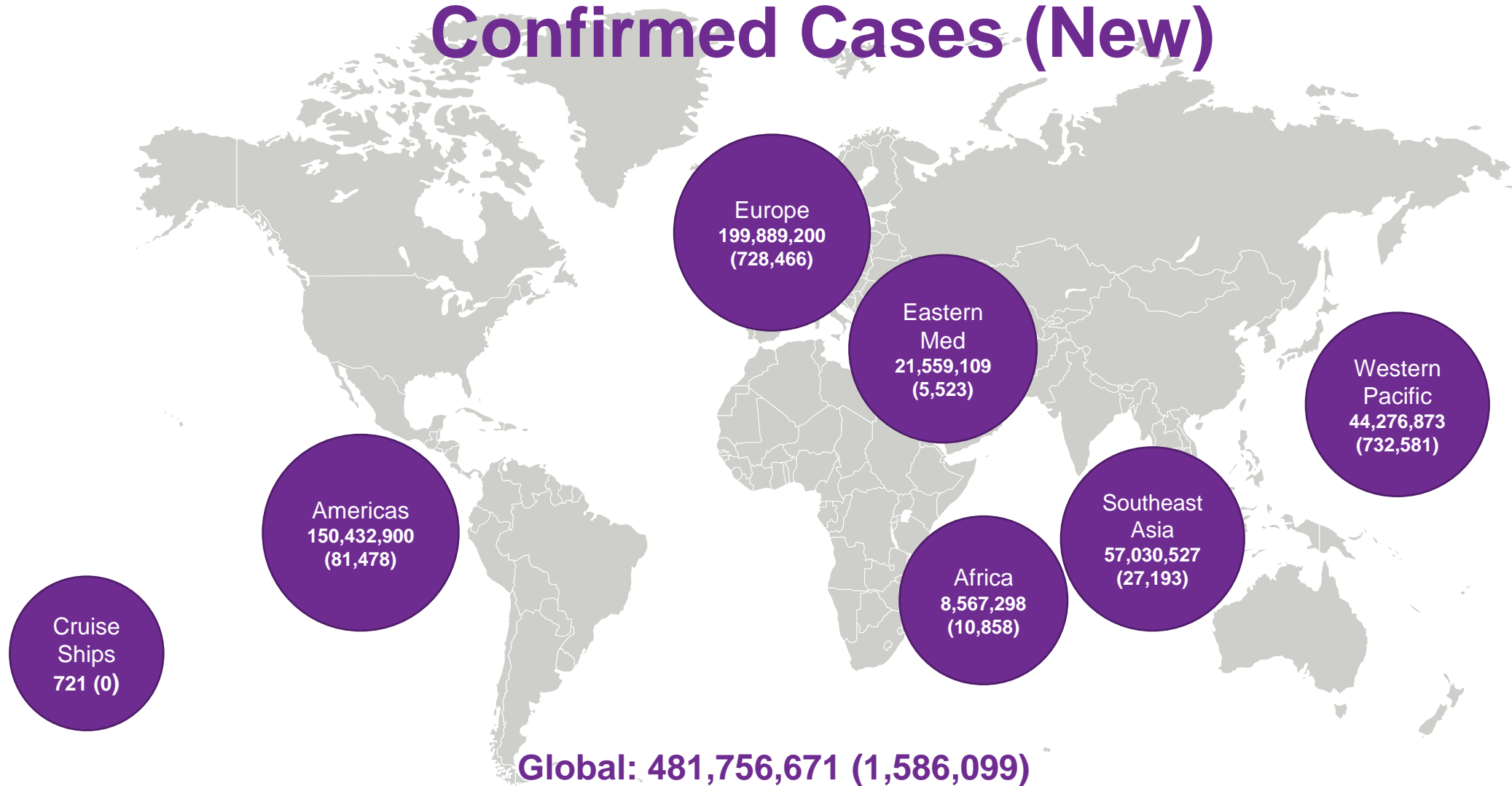
During the week of 21 through 27 March 2022, the number of new cases declined again with a 14 percent decrease as compared to the previous week.

Figure 1. COVID-19 cases reported weekly by WHO Region, and global deaths, as of 27 March 2022\*\*



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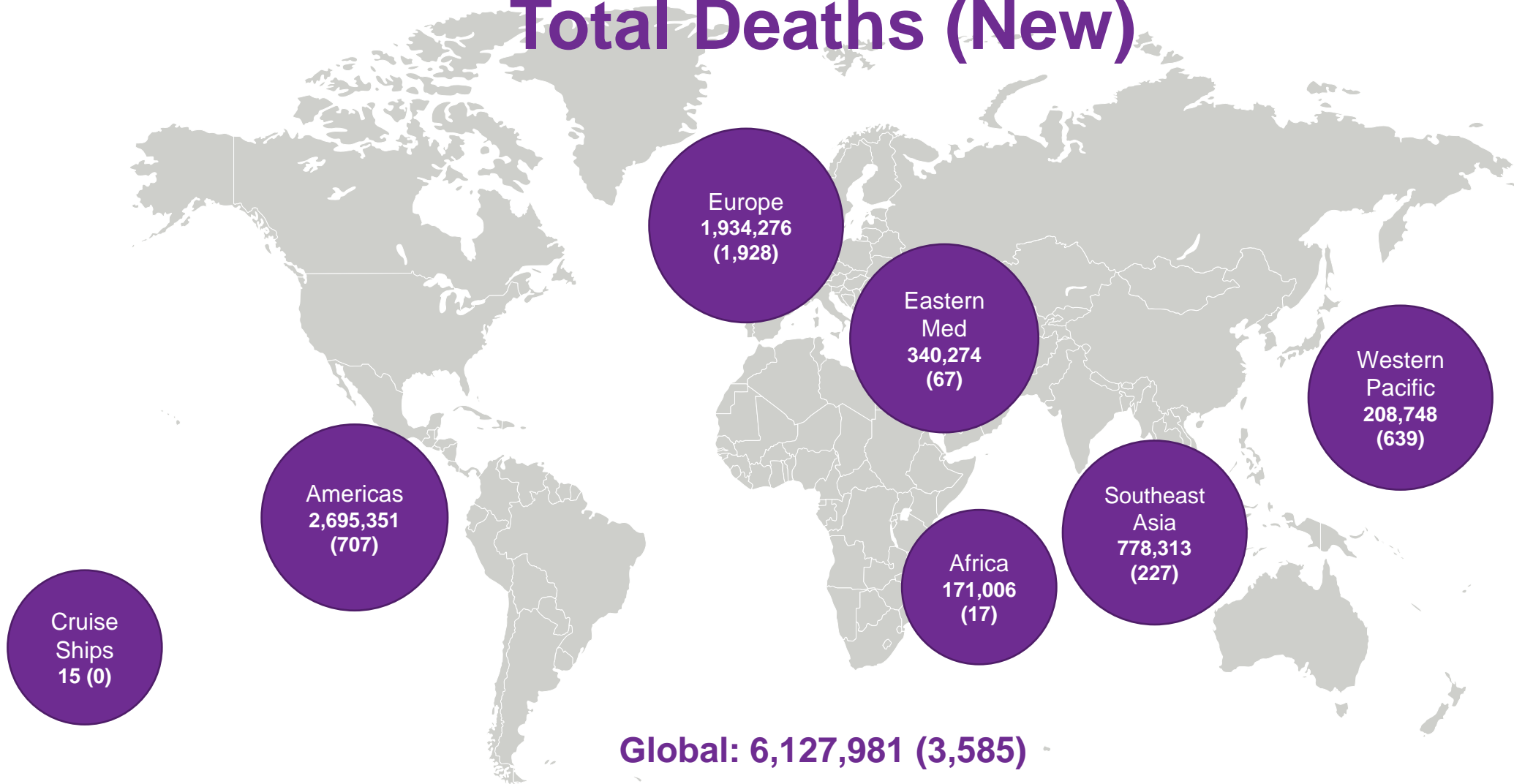
# Confirmed Cases (New)



Reflects data as of 6:10 pm CEST on March 29, 2022.  
Data Source: World Health Organization

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# Total Deaths (New)



Reflects data as of 6:10 pm CEST on March 29, 2022.  
Data Source: World Health Organization

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# Contacts

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*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.*

## **Karl Hopkins**

Partner and Global Chief Security Officer  
Dentons  
Washington, DC

D +1 202 408 9225  
[karl.hopkins@dentons.com](mailto:karl.hopkins@dentons.com)

## **Melissa Mahle**

Senior Analyst  
Dentons  
Washington, DC

D +1 202 408 6383  
[melissa.mahle@dentons.com](mailto:melissa.mahle@dentons.com)