

# Dentons Flashpoint

## Daily Global Situation Report

January 25, 2022

# Global Situation Update: January 25, 2022

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## KEY TAKEAWAYS

NATO reinforces eastern Europe with troops and equipment and Russia's Pacific Fleet forces arrives in Belarus.

The WHO warns that it is dangerous to assume the Omicron variant would herald the end of COVID-19's acutest phase.

Geopolitical tensions roil world stock markets.

*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

The fastest supercomputer in the world is being built by Meta, the parent company of Facebook, and will come into service by mid-2022. The machine, known as the AI Research Supercluster (SC), will process data almost 20 times faster than at present, and among other things, could even allow people speaking in several different languages to understand each other in real-time.

The new technology could also supercharge well-known risk management techniques used by the company, including those for data privacy compliance around the world and predictive modeling. If successful, the supercomputer would be sought after by financial institutions and those in possession of a vast amount data to speed up and lower the cost of risk analysis.



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# Global

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**Globally, confirmed coronavirus cases topped 340.5 million with 5.5 million deaths; almost 9.5 billion vaccine doses have been administered.**

- The head of the WHO warned on Monday that it was dangerous to assume the **Omicron variant** would herald the end of COVID-19's acutest phase, exhorting nations to stay focused to beat the pandemic.
- The **COVAX vaccine initiative** is unable to accept new dose donations because it has nearly exhausted the funds needed to buy crucial accessories including syringes. COVAX is seeking fresh cash injection of \$5.2 billion.
- A **new version of the highly contagious Omicron variant** is spreading in parts of Asia and Europe, per the WHO. There is no current evidence that the new variant, BA. 2, is more virulent, spreads faster or escapes immunity better than BA. 1.
- A new study found that a **booster shot** of AstraZeneca, Pfizer-BioNTech or Johnson & Johnson significantly increases antibodies for those who have received a two-dose course of Sinovac.
- Virus-fighting antibodies capable of blocking the omicron variant persist four months after a **third shot** of the Pfizer-BioNTech coronavirus vaccine, according to a new study, suggesting that a **fourth shot** may not be needed right away.
- Japanese researchers found that the **Omicron variant** can survive longer than earlier versions of the coronavirus on plastic surfaces and human skin

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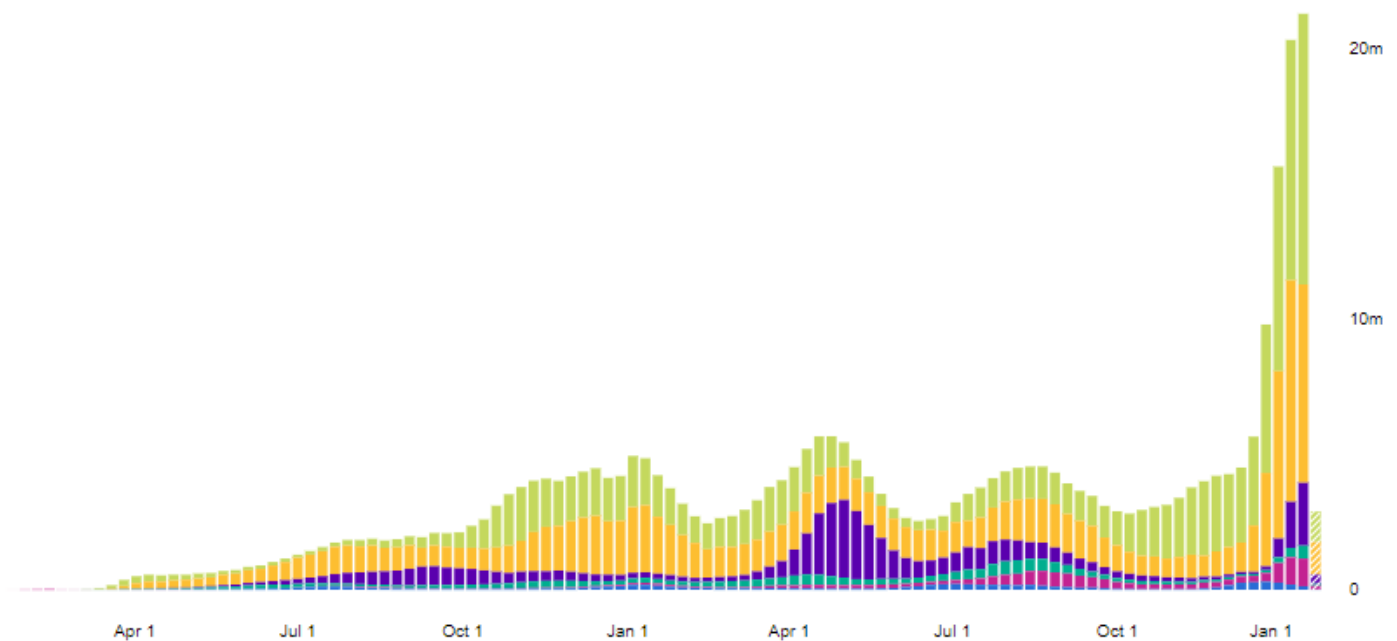
# Global

Globally, confirmed coronavirus cases topped 349.6 million with 5.5 million deaths; more than 9.6 billion vaccine doses have been administered.

## Situation by WHO Region

Line graph icon | Daily | Weekly | Cases | Deaths | Count [dropdown]

Europe	131,002,165 confirmed
Americas	127,975,395 confirmed
South-East Asia	50,112,782 confirmed
Eastern Mediterranean	18,299,374 confirmed
Western Pacific	14,308,546 confirmed
Africa	7,942,093 confirmed



Source: World Health Organization  
Data may be incomplete for the current day or week.

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# Markets & Business

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**Stocks on Wall Street ended higher on Monday after investors took advantage of a severe drop early in the session to snap up discounted shares. Vanda Research reported that retail investors bought a net \$1.36 billion in equities.**

- Texas, Indiana, Washington State and the District of Columbia sued **Alphabet Inc's Google** for deceptive location-tracking practices that invade users' privacy.
- The EU securities watchdog issued a warning that “gamification” has introduced a new generation of **retail investors** to financial markets who may not be aware there are few protections in assets like cryptocurrencies; the watchdog is seeking to raise awareness of associate risks.
- **Nvidia Corp** is preparing to abandon its purchase of **Arm Ltd** from **SoftBank Group Corp** after facing regulatory roadblocks in Europe and the US.
- **Unilever** plans to cut about 1,500 management roles globally as the company faces pressure from investors to improve performance after a failed £50 billion attempt to buy **GlaxoSmithKline's** consumer health unit.

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# Environment, Sustainability & Governance

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**A severe snowstorm swept across Greece and Turkey, stranding people in their cars and cutting electricity. The storm is being called a once-in-a-lifetime weather event.**

- Lufthansa and Air France joined a coalition of European airlines that plan to fight parts of the **EU's planned climate legislation**, arguing that green initiatives will leave them unable to compete with airlines outside the bloc.
- Cyprus is planning to issue its first **green sustainability bond** this year.
- Japan plans to release the first draft of its "**Green GDP**" plan, an economic growth measure that takes climate change into account, by the end of March.
- Verizon announced plans to invest proceeds from a round of green bonds issued last year in securing power contracts with **wind and solar facilities**.
- The Peruvian government said it plans to fine a subsidiary of Spanish energy group Repsol for causing a **devastating oil spill** that blackened beaches near Lima and prompted the state to declare an "*environmental emergency*."

# Africa

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- The army of **Burkina Faso** announced it has ousted the president, suspended parliament, dissolved the constitution and closed the borders, completing the coup attempt that began over the weekend.
- **Sudanese** security forces killed two protesters as anti-coup demonstrations continued in Khartoum. Sudan will reportedly ramp up its gold exports to attempt to offset the impact of foreign sanctions.
- **Mali's** government asked **Denmark** to immediately withdraw troops deployed to the West African nation as part of a **French**-led counter-terrorism task force.
- Shell has made a significant oil and gas discovery at a closely-watched offshore well in **Namibia** which could spark a wave of investment in the southern African country. Namibia is not a fossil fuel producer.



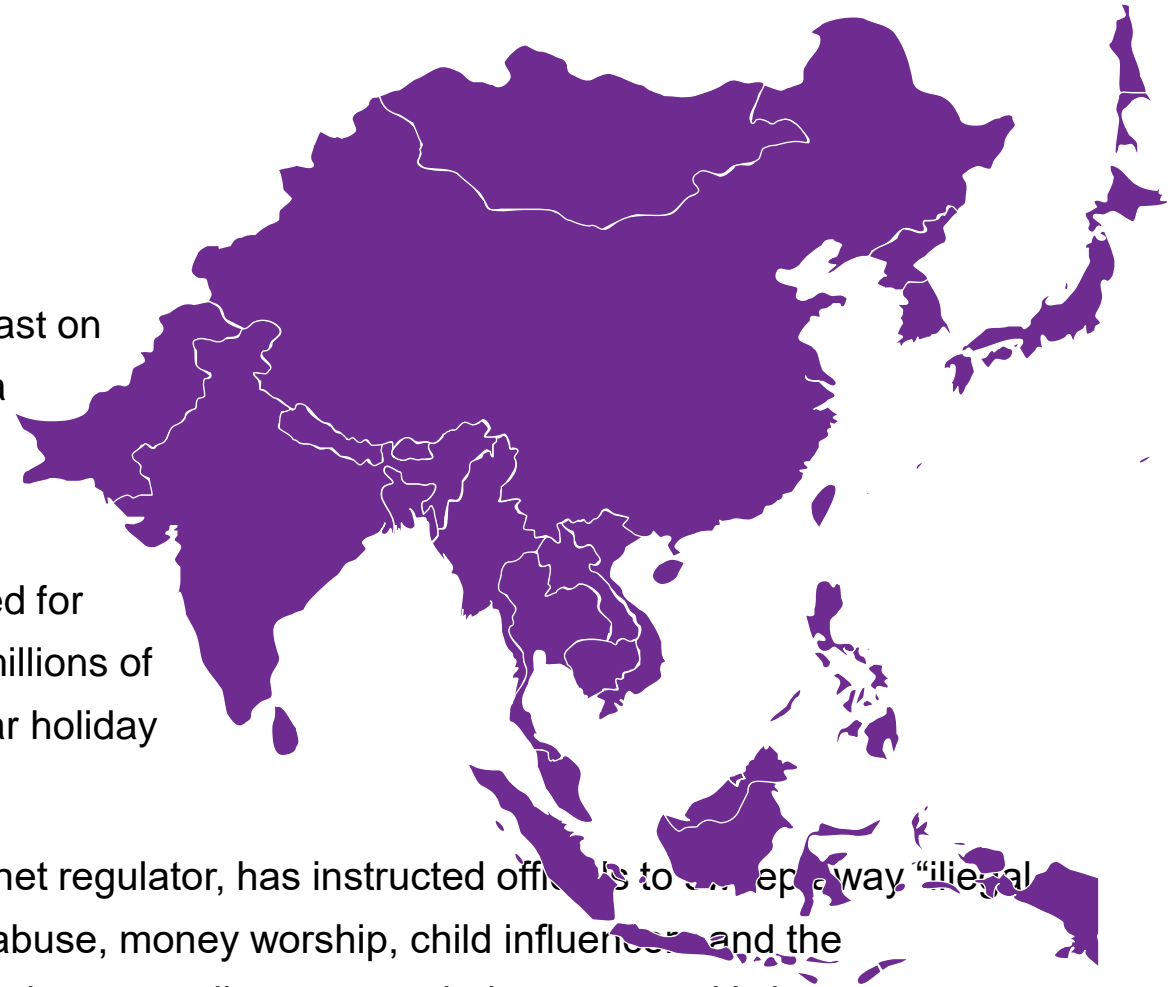
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# Asia

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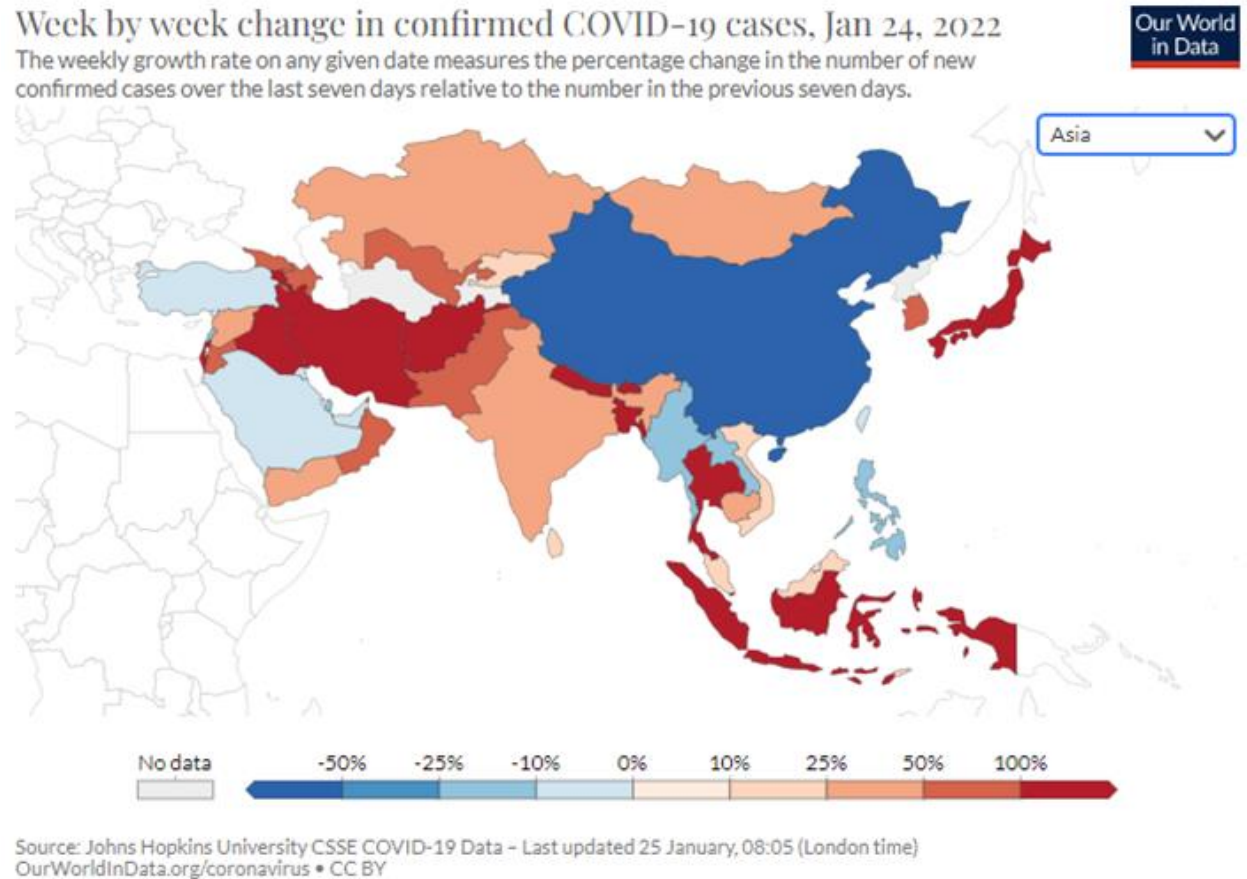
- **North Korea** fired two cruise missiles into the sea off its east coast on Tuesday, **South Korea's** military said, amid rising tension over a recent series of weapons tests. The launch was North Korea's fifth of the year.
- In **China**, Beijing authorities order 2 million residents to get tested for COVID ahead of the Olympics. China and **Vietnam** are urging millions of workers to forgo trips home during the upcoming Lunar New Year holiday due to fears of sparking outbreaks.
- The Cyberspace Administration of **China**, the country's top internet regulator, has instructed officials to sweep away "illegal content and information" and target celebrity fan groups, online abuse, money worship, child influencers and the homepages of media sites, as part of a month-long campaign to clean up online content during next week's lunar new year festival.
- **Indonesia** issued a new regulation aimed at ensuring coal miners sell part of their output to the domestic market or face operational suspensions and risk mining permits being revoked.



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# Asia

- Hong Kong will take steps from Tuesday to cut the number of civil servants working at offices as it battles a surge of infections.
- Japan is doubling the number of regions under enhanced coronavirus curbs as new daily records for infections mount.
- South Korea also reported record high new infections as the Omicron variant surges in the country.
- India's daily cases dip below 300,000 for the first time in six days.

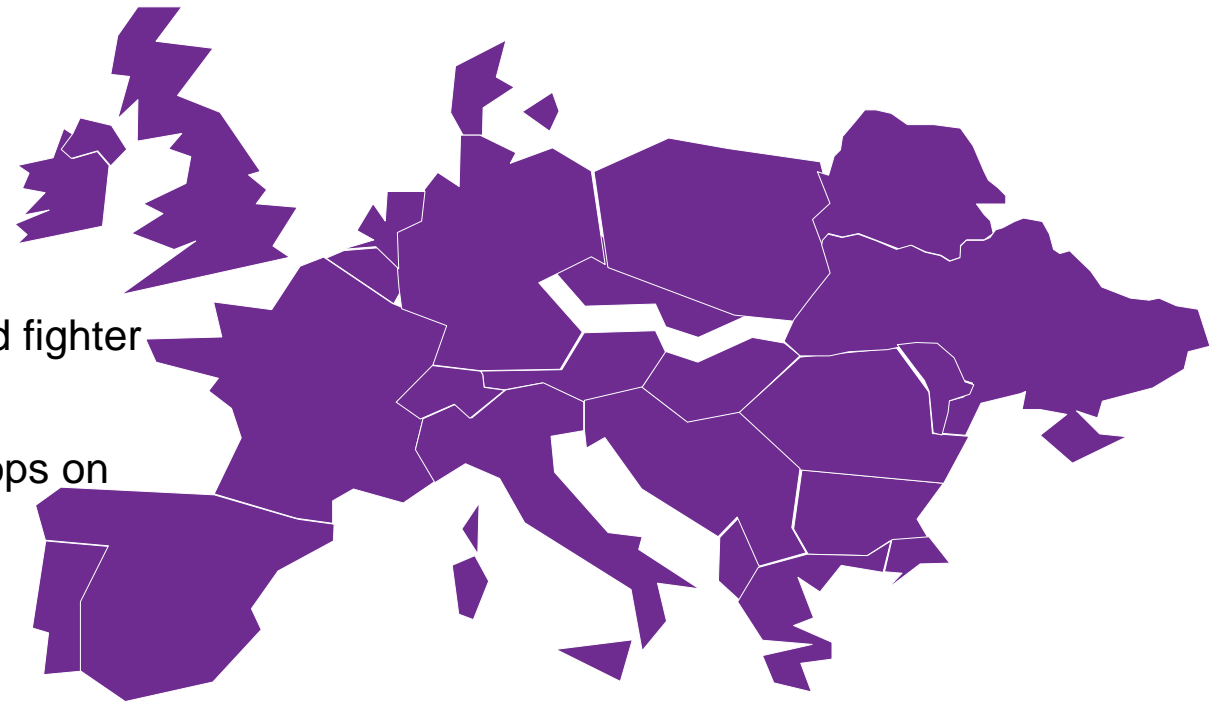


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# Europe

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- NATO is reinforcing **eastern Europe** with more ships and fighter jets while the **US** placed about 8,500 American troops on heightened alert in response to **Russia's** massing of troops on Ukraine's border. Political advisers from Russia, Ukraine, **France and Germany** will hold "Normandy format" talks on eastern Ukraine in Paris today. The Russian Defense Ministry also announced the arrival of Pacific Fleet forces in **Belarus** today.
- Lawmakers and regional electors cast mostly blank ballots on Monday in the first round of voting in **Italy's** presidential election amid a political stalemate. A two-thirds majority is required to win the election during the first three rounds. Parties are scrambling to agree on candidates with neither of the main two blocs having enough votes for a simple majority.
- **UK** Prime Minister Johnson's political woes deepened with the decision by the Metropolitan Police to investigate alleged breaches of lockdown rules around Downing Street and Whitehall.



# 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](#).*

# Europe

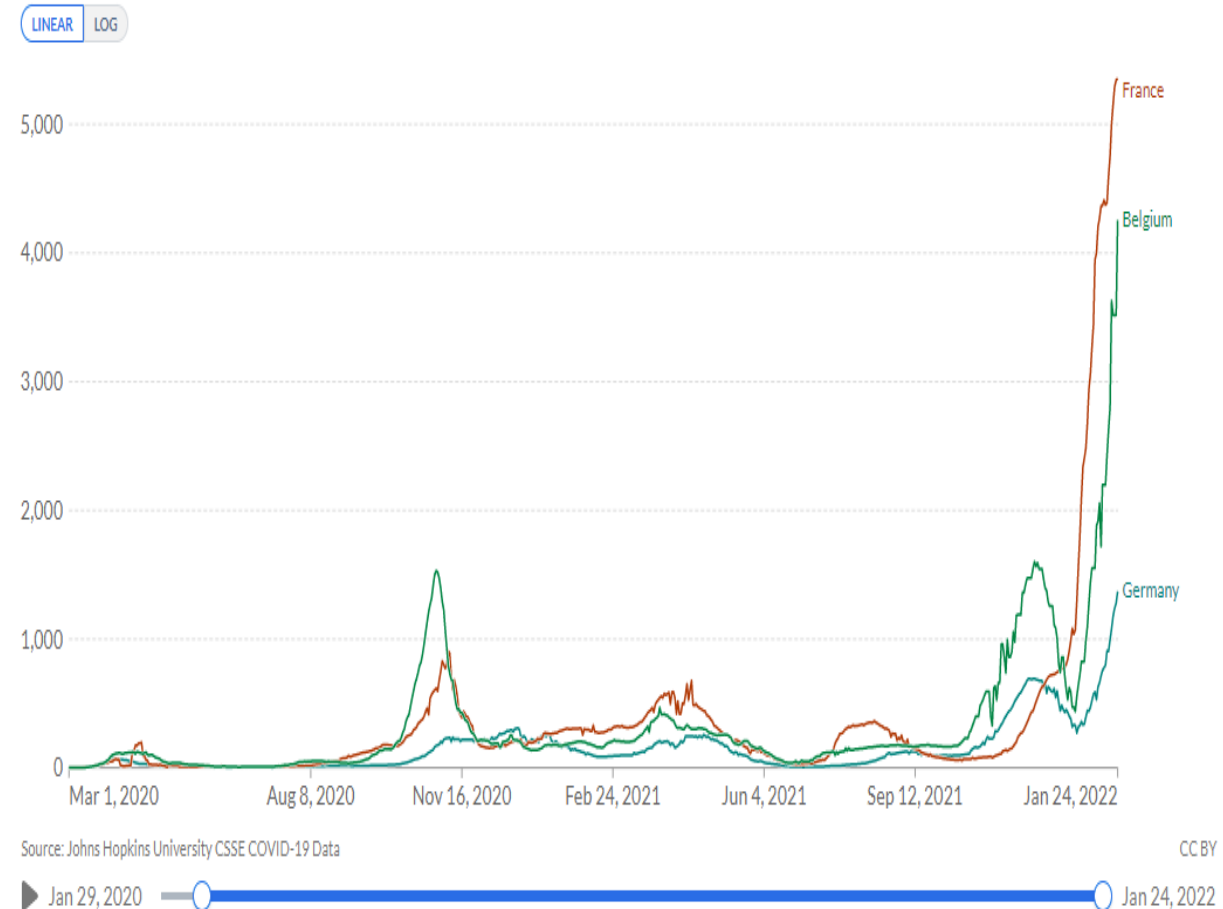
- Germany extended its current pandemic measures as public health experts warned that the fast-spreading Omicron coronavirus variant could bring critical infrastructure to a breaking point. Fully vaccinated travelers arriving in
- Britain no longer will have to take a COVID-19 test.
- France introduced a new vaccine health passport yesterday, citizens aged 16 and above must prove they have been vaccinated to access restaurants or bars, leisure activities, or use inter-regional public transport.
- Belgium's health ministers have approved a recommendation for a fourth dose of a COVID-19 vaccine to better protect vulnerable people.

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## Daily new confirmed COVID-19 cases per million people

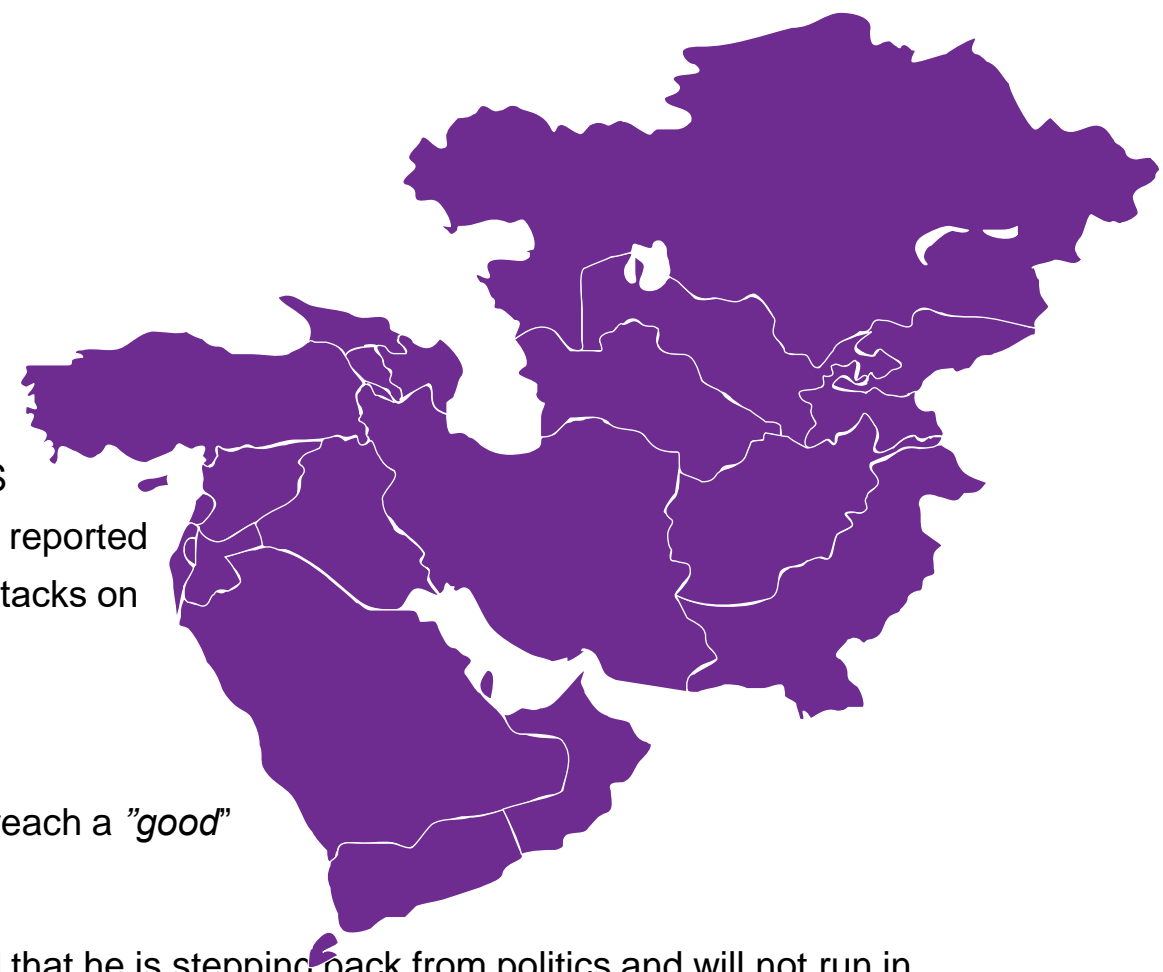
7-day rolling average. Due to limited testing, the number of confirmed cases is lower than the true number of infections.

Our World  
in Data



# Middle East

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- The **US** reported that it had aided the **UAE** in foiling a drone attack from **Yemen** on the country using the new anti-missile THAAD technology; the interception represents a higher-than-usual level of US involvement in Houthi military escalation. The Emirati defense ministry reported that it had destroyed the Houthi base that launched last week’s fatal attacks on Abu Dhabi.
- **Syria and Russia** began joint patrols in Syrian airspace.
- **Iran** said that it could hold direct talks with the US if it is necessary to reach a “good” agreement, after months of refusing to meet with the US.
- As predicted, former **Lebanese** Prime Minister Saad Hariri announced that he is stepping back from politics and will not run in upcoming elections, saying that he is convinced that there is “*no positive option*” for Lebanon amid current crises. Lebanon and the IMF began talks on a rescue package.
- **Tunisian** President Saied’s chief of staff resigned, citing “*fundamental differences of opinion*” over the direction for the country and showing cracks in Saied’s support weeks after he proposed a years-long transition back to fully democratic rule.

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# Americas

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- **Canadian** officials reported that hackers had launched an attack on the country's foreign ministry last Wednesday, and that some services remained down, but did not speculate on perpetrators.
- **Venezuelan** opposition leader Guaido said that the offer of **US** sanctions easing could be revoked if the ruling party does not return to talks.
- **Taiwan** Vice President William Lai is traveling to **Honduras** to attend the swearing in of its new leader. Honduras is one of only 14 countries to maintain formal diplomatic relations with Taiwan. Honduran President-elect Xiomara Castro has floated the idea of ditching Taipei for Beijing.



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# Americas: US

- Free N95 **masks** are now available at some US stores as part of the White House's plan to hand out 400 million of them from the Strategic National Stockpile. A New York judge struck down the New York's **mask mandate** on Monday, one week before it was due to expire, ruling the governor overstepped her authority. The Los Angeles Unified School District, the second-largest in the nation, now requires its **students** to wear "*well-fitting, non-cloth masks with a nose wire*" at all times.
- The FDA has rescinded its authorization for the **monoclonal antibody treatments** made by Eli Lilly and Regeneron, which proved highly effective at fighting earlier strains of COVID-19 but do not work well against the Omicron variant.
- US **home prices** grew at a slower pace, signaling the breakneck gains in the housing market are starting to cool. Rising infection rates driven by the faster-spreading Omicron variant led to a US **economic slowdown** as the year got under way, surveys of purchasing managers said.
- Judges in Georgia's most populous county granted its top prosecutor's request to impanel a special grand jury to investigate efforts to overturn Georgia's 2020 **election results**. The grand jury will not have authority to return an indictment but can subpoena witnesses, demand documents and make recommendations regarding criminal prosecution.



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# Escalating Tensions in Russia-Ukraine Standoff

By Alexander Lucaci

***Monday was a potential turning point in the ongoing security dilemma in eastern Europe, as global markets initially tumbled on heightened fears of a Russian invasion into Ukraine. Despite their denials of any plans to invade, Moscow has steadily amassed troops on their border with Ukraine since March 2021 and has escalated the pace of military deployments over the last several weeks.***

The fear is that the Kremlin is contemplating a redux of 2014, when Russian-backed forces instigated a guerilla war in the Donbass region of Ukraine and annexed the Crimean peninsula. Russia's threat perception is based on the widespread belief among Moscow's political leadership that Ukraine is ethnically and historically tied to Russia and cannot exist as a sovereign state outside of Russian control. As such, President Putin appears to have calculated that Kyiv's movement towards European Union membership (and eventually, accession into NATO) over the last several years has reached a tipping point, resulting in Russia's resort to military pressure to achieve its stated security objectives. These include Western guarantees that

Ukraine will never join NATO, and that the US-led security alliance reduce membership to 1997-era levels. The White House and State Department have rejected these terms alongside their European allies but have nevertheless sought to engage Moscow in high-level security talks, including between Secretary of State Antony Blinken and his Russian counterpart, Sergey Lavrov.

Although US intelligence sources do not believe that President Putin has made a final decision on whether to invade, Washington and Brussels are behaving as if a crisis is imminent. On Monday, the US placed 8,500 troops on "heightened preparedness to deploy" to NATO allies in Eastern Europe, and several NATO

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# Escalating Tensions in Russia-Ukraine Standoff

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members themselves announced the deployment of ships and fighter jets to the alliance's eastern flank. Simultaneously, the US, UK and Australia ordered some embassy staff and families to evacuate Ukraine, while the European Union proposed a 1.2-billion-euro financial aid package to mitigate the effects of a conflict with Russia. Analysts on the ground in Eastern Europe believe that the chances of a Russian invasion into Ukraine are now greater than 50-50, and that the likeliest timeline would be within the next three to four weeks, as Moscow has already announced joint military exercises with Belarus in February. These exercises are expected to be unprecedented in scope given the size of Russian deployment to Belarus and off-cycle shifts of Russian troops to the country's western military district.

The heightened threat of a new Russian invasion into Ukraine have already rattled global markets and will continue to loom over the continent for the short to medium term. How the EU responds to current and future Russian aggression will be important in assessing the economic implications of war in Europe. Cracks have begun to show in the NATO alliance based on energy supply concerns, as Russia supplies over 40 percent of the continent's natural gas and over 50 percent of Germany's energy imports. Moscow's recent

history of using energy as a geopolitical weapon presents a real threat, to the extent that Berlin has been deterred from supporting arms shipments to Ukraine. The Biden administration has been in regular discussions with several countries and companies in Europe, the Middle East, North Africa and Asia about stepping up production of liquefied natural gas to Europe if a Russian invasion of Ukraine leads to gas shortages. Norway and Qatar have been identified as the likeliest candidates for picking up supply slack, while the US itself has also increased exports to the EU via a "floating pipeline" of LNG tankers from east coast ports.

Should Russian troops march into Ukraine, it remains unclear what Moscow's ultimate objectives would be. The war in the Donbass has claimed over 14,000 Ukrainian lives without a sustainable political solution, while Russia has also borne significant economic and military costs for prolonging the conflict and annexing Crimea. An additional "frozen conflict" in the mold of Transnistria or Nagorno-Karabakh does not suit the Kremlin's interests, as it would further inflame pro-EU and pro-NATO sentiments in Ukraine and elsewhere within Moscow's intended "sphere of influence." Over the past several months, there have been numerous opportunities for President Putin to de-escalate both in terms of rhetoric and strategic

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# Escalating Tensions in Russia-Ukraine Standoff

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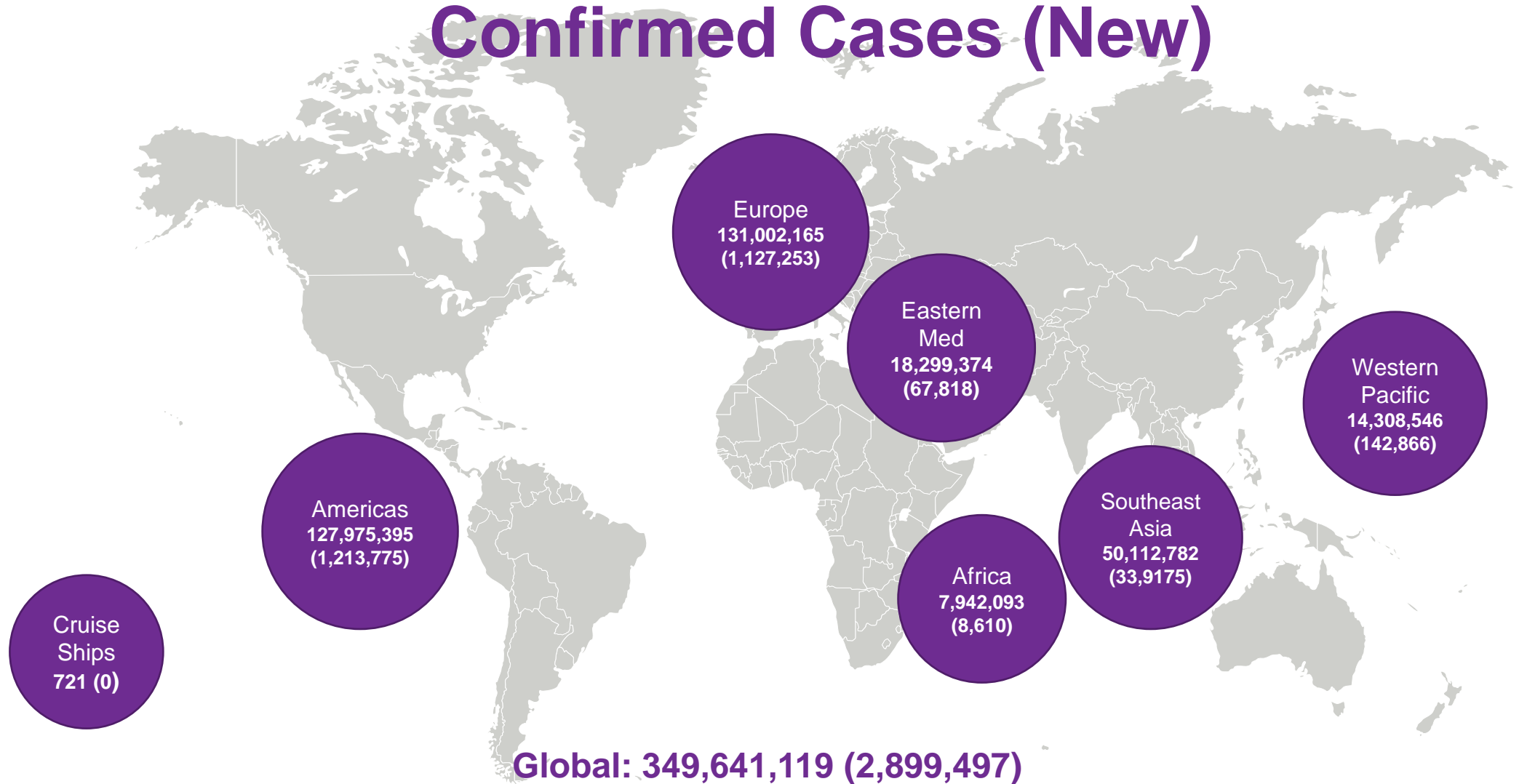
decision-making. In each instance, he has opted to reject conflict-reducing measures and issue unrealistic ultimatums. The key issue remains the Russian leader's conviction that Ukraine cannot exist independently of Russia – until there is a change in Russian presidential administrations, the capacity for the US and EU to find a political or diplomatic solution will be severely limited. Until then, Moscow has backed itself into a rhetorical corner, whereby Russia must either acquiesce to the EU's version of a continental security architecture or invade Ukraine in an effort to impose their own.

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# Coronavirus Condition Updates

As of 5:06 pm CEST on January 24, 2022

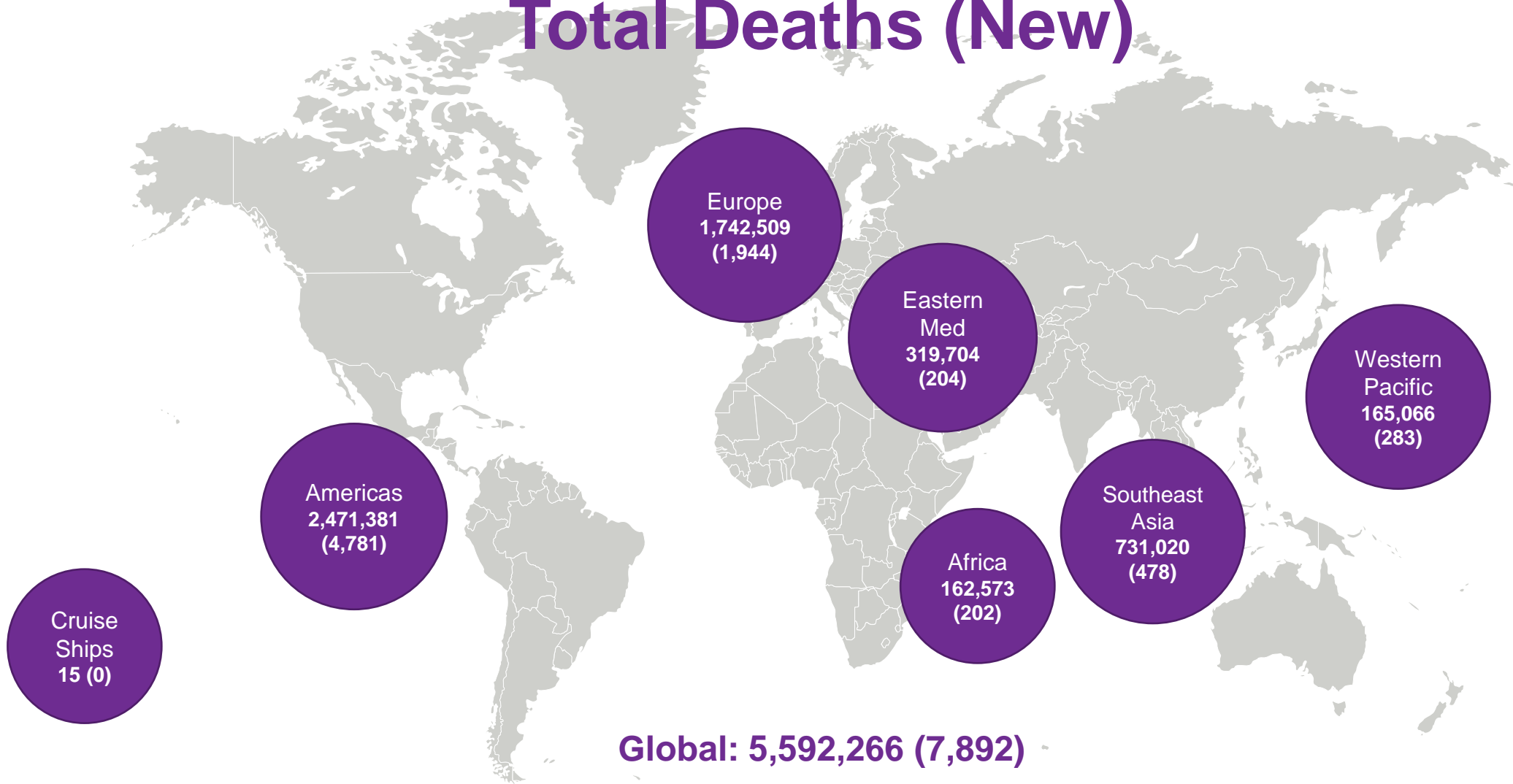
# Confirmed Cases (New)



Reflects data as of 5:06 pm CEST on January 24, 2022.  
Data Source: World Health Organization

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# Total Deaths (New)



Reflects data as of 5:06 pm CEST on January 24, 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)