

Dentons Flashpoint

Daily Global Situation Report

August 11, 2022

Global Situation Update: August 11, 2022

KEY TAKEAWAYS

China ends
military drills around
Taiwan.

US inflation
eased in July
with a drop in
gasoline prices.

The UN targets
2-to-5 million tons a
month of Ukrainian
grain exports to meet
global needs.

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

Today, pro-democracy activists across Brazil will protest President Jair Bolsonaro and what they see as a series of authoritarian moves by him to remain in power. Bolsonaro has denied that he has any intention of conducting a coup if he loses October's election. However, his political opponents are concerned about the increasing radicalization of his supporters and calls for them to take to the streets amid recent polls that indicate he will lose.

Companies in Brazil face a highly politicized environment, as anti-government activists pressure firms and executives to support pro-democracy manifestos and events.

Meanwhile, Bolsonaro's allies have proposed boycotting brands that support a pro-democracy manifesto with hundreds of thousands of signatures.



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Global

The United Nations expects a "*big uptick*" in ships wanting to export Ukraine grain through the Black Sea after transit safe passage agreement, setting a goal of 2-to-5 million tons a month as "*achievable*."

- China's military said on Wednesday it has "*successfully completed*" various tasks around **Taiwan** after around a week of drills.
- British Foreign Secretary Liz Truss on Wednesday summoned China's ambassador to Britain to explain Beijing's aggressive actions towards **Taiwan** following US House Speaker Pelosi's visit.
- With a surge on assaults on monkeys, the WHO issued a reminder that despite the virus's name, monkeys should not be blamed for **monkeypox** transmission. The US has reported 9,461 confirmed monkeypox cases as of August 9, followed by Spain with 5,162 and UK with 3,022 cases. Across the world, 10 people have reportedly died from monkeypox.

Markets & Business

Coca-Cola HBC AG said it took a one-time write down of 190 million euros (\$195.4 million) in the first half from costs related to its exit from Russia.

- Britain's **Deliveroo** said it would quit the Netherlands after failing to gain a strong local position.
- US gas exporter **Freeport LNG** has retracted the force majeure it initially declared after an explosion in June, a development that could cost its buyers billions of dollars in losses.
- **Samsung Electronics** unveiled its latest high-end foldable smartphones yesterday, keeping prices at the same level as last year's in a bid to cement its leadership in an expanding niche market.
- **Walt Disney** defied concerns about a slowdown in the streaming industry by adding 14.4 million new subscribers to its Disney Plus service in Q3.

Environment, Sustainability & Governance

India's parliament passed the Energy Conservation Amendment Bill 2022, enabling a series of moves by the government to regulate and mandate the transition from fossil-based energy to clean and renewable sources in industry, transportation and buildings.

- The head of the European Space Agency is warning **economic damage from heatwaves and drought** could dwarf Europe's energy crisis, calling for urgent action to tackle climate change. Successive heatwaves along with wildfires, shrinking rivers and rising land temperatures as measured from space left no doubt about the toll on agriculture and other industries.
- Ford announced that every vehicle it manufactures in Michigan would be assembled using solar and other **renewable energy sources** by 2025.
- Britain's environment minister urged water companies to take precautions to **protect water supplies** and tackle the effects of the prolonged dry weather as another heatwave is forecast across the country.
- The US Securities and Exchange Commission (SEC) proposed a rule to improve the **quality of disclosures** it receives from large hedge funds about their investment strategies and leverage amid worries that the industry is a growing source of systemic risk.

Africa

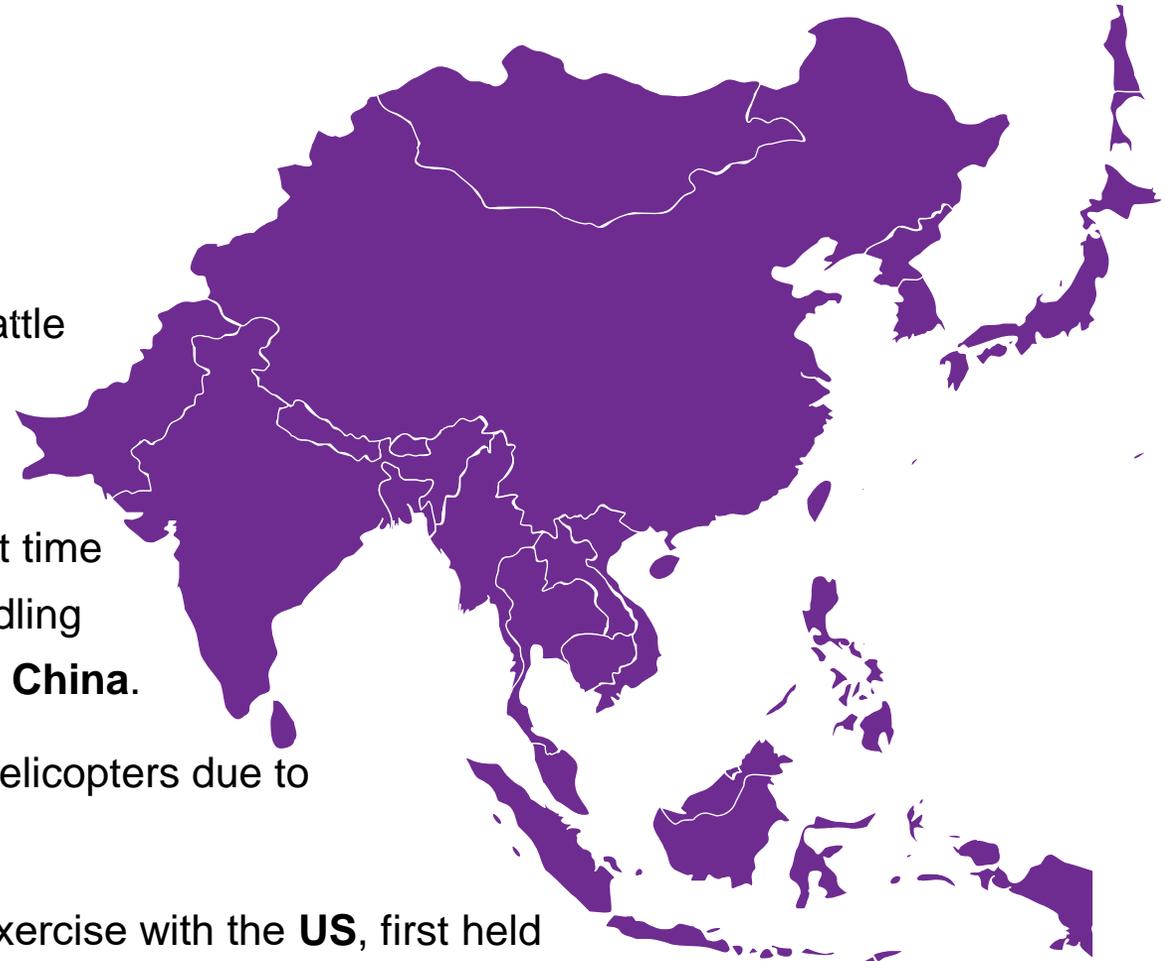
- **Kenya** delayed the reopening of schools until Monday as vote counting in its national election continued.
- The **Guinean** military junta ordered the dissolution of a major civil society protest group ahead of a planned anti-government protest.
- **South Africa's** Aspen Pharmacare will stop making COVID-19 vaccines from the end of this month due to a lack of orders, further undermining **Africa's** already meager capacity to produce doses.
- In one of the deadliest attacks in recent years, 42 **Malian** soldiers were killed and 22 injured in an attack by an Islamic State affiliate near the town of Tessit on Sunday.



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Asia

- **North Korean** leader Kim Jong Un declared victory in the battle against COVID-19 and ordered a lifting of its maximum anti-epidemic measures imposed in May.
- **Japan's** prime minister has reshuffled his cabinet for the first time since the assassination of Shinzo Abe last month amid dwindling public approval and resurgent tensions between the **US and China**.
- The **Philippines** dropped an order for 16 **Russian** military helicopters due to **US** sanctions on Moscow.
- A senior **Indian** army officer confirmed 'Yudh Abhyas' joint exercise with the **US**, first held in 2002, will take place in Himalayas in October and focus on high-altitude warfare training. The joint military exercises will be held near a disputed area of the Himalayas, the Line of Actual Control (LAC), the de facto border between India and western **China's** Tibet autonomous region.



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:

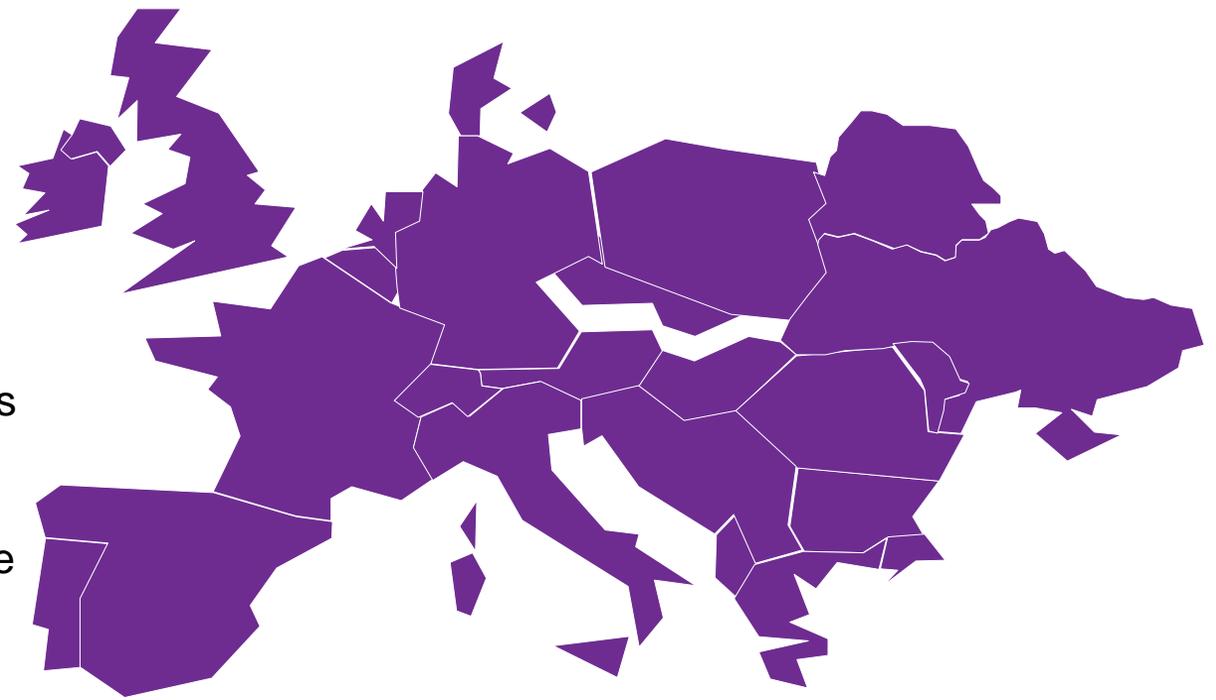
- ❖ Ransomware tabletop exercises
- ❖ Post-tabletop action reports
- ❖ Maturity assessments for preparedness
- ❖ Supply-chain attack simulation
- ❖ Comprehensive incident response plan
- ❖ Threat analysis and monitoring

All interaction with Dentons is attorney-client privileged

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

Europe

- **Sweden** overtook **France** as Europe's largest net power exporter in the first half of 2022, as deep-rooted problems reduced French nuclear availability to historic lows.
- **Kosovo** Prime Minister Kurti warned that worsening strife with minority Serbs could result in a new armed conflict. Tensions between **Serbia** and Kosovo flared earlier this month when Pristina said it would oblige Serbs living in the north, who do not recognize Kosovo institutions, to start using license plates issued in Pristina.
- At an international donors conference in Copenhagen the **UK** pledged to provide **Ukraine** with more multiple-launch rocket systems and **Denmark** increased its financial aid to Ukraine by 110 million euros (\$113.6 million).
- **Ukraine's** overseas creditors have backed its request for a two-year freeze on payments on almost \$20 billion in international bonds, a move that will allow the war-ravaged country to avoid a messy debt default.



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Middle East



- The **US** charged a member of **Iran's** Islamic Revolutionary Guard Corps for plotting to murder former National Security Advisor John Bolton. US officials reported that Iran has started training **Russian** officials on using Iranian-made drones.
- Judicial authorities in **Lebanon** ordered the temporary seizure of the property of two deputies allied with Hezbollah in conjunction with an investigation into 2020's deadly Beirut port explosion.
- **Iraqi** Shia cleric Muqtada al-Sadr called on the country's judiciary to dissolve the parliament by end of next week. The dissolution would trigger snap elections, the culmination of Sadr's strategy in withdrawing his supporters from parliament in protest over an Iran-backed prime minister candidate.
- **Tunisia's** judicial authorities revoked the firing of almost 50 judges by President Kais Saied; it is unlikely that Saied will reinstate the judges given powers granted him in the newly-approved Tunisian constitution.

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Americas

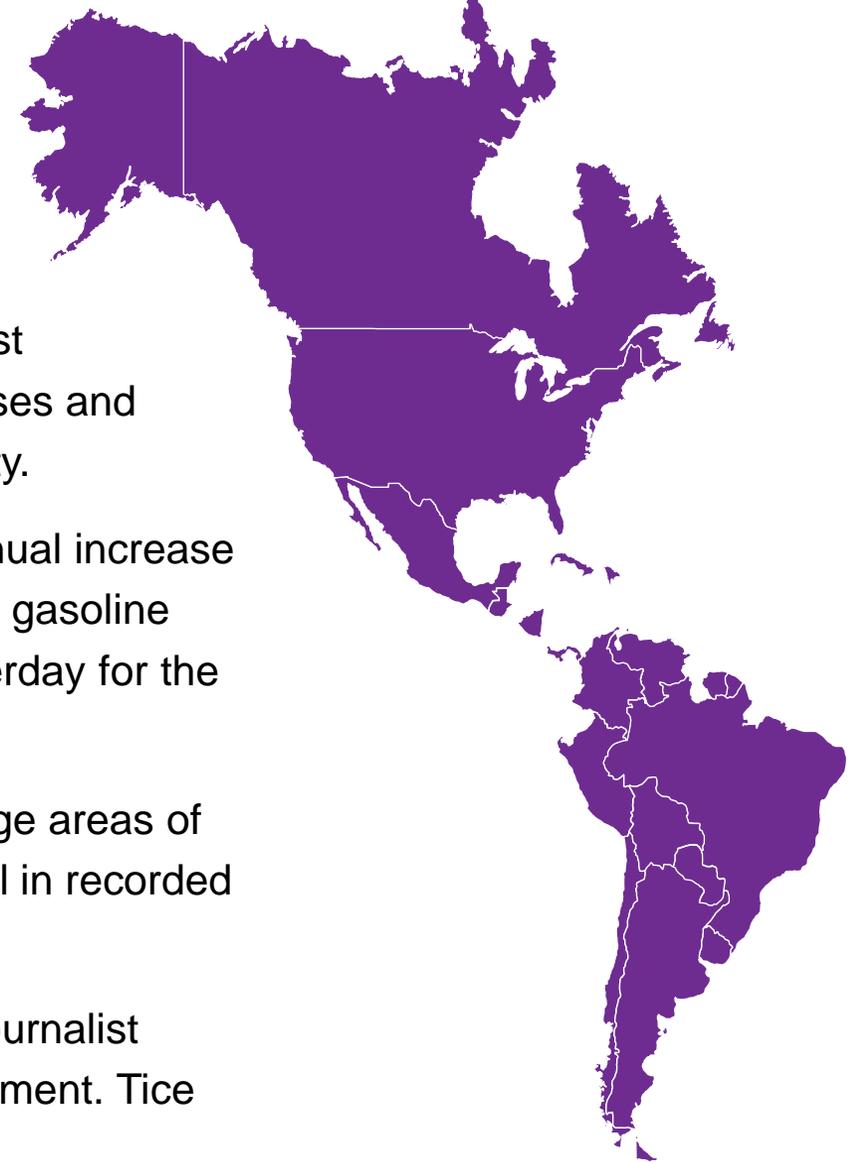
- **Cuban** firefighters controlled a multi-day fire at the country's largest fuel depot, but operations remain disrupted.
- **Mexico** is considering investing around 30 billion pesos (\$1.50 billion) to boost internet connectivity, especially in isolated rural areas.
- **Costa Rica** plans to regularize the status of some 200,000 migrants, largely from neighboring **Nicaragua**, making them eligible to work and receive healthcare benefits. Requests for asylum surged late last year after Nicaraguan President Ortega won a fourth consecutive term in office.
- **Costa Rica** formalized its request to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), a trade partnership of 11 countries across Asia, Australia and the Americas, in a step toward strengthening trade ties with **Asian** economies.



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Americas: US

- The manufacturer of the only vaccine approved by the FDA to protect against **monkeypox** warned senior Biden health officials about their plan to split doses and change how the shots are delivered, citing very limited safety data availability.
- The US **consumer price index** rose by 8.5 percent y/y in July, a slower annual increase compared with June, as **inflationary pressures** eased on the back of lower gasoline prices. The average price of US retail gasoline fell below \$4 per gallon yesterday for the first time in months.
- Unseasonably hot July days turned into uncomfortably warm nights over large areas of the US mainland, as average **overnight temperatures** hit their highest level in recorded history, according to NOAA.
- President Biden demanded that the **Syrian** government release freelance journalist Austin Tice, saying that the US knows that he has been held by their government. Tice was abducted 10 years ago.



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Cyber Mercenaries Provide Shadowy Buyers with Dangerous Capabilities

By Emilio Iasiello, Global Cyber Threat Intelligence Manager, Scott Muir, Senior Analyst, and Courtney Barnard, Global Cyber Threat Intelligence Coordinator

The “hacker-for-hire” ecosystem is steadily growing with significant demand for a range of virtual capabilities by public and private entities around the world. Businesses, individuals and small governments without the means to conduct certain online operations can purchase services that deliver an immediate capability, and which also provide a level of anonymity and plausible deniability.

There is also a notable increase in “gray hat” hackers and companies, or those that typically discover vulnerabilities to ultimately enhance cybersecurity, advertising their services online. Many purport to be legitimate penetration testing (pen-testing) or auditing services but are used for malfeasance purposes. Organizations must understand that it is easier than ever to become the target of “hackers-for-hire.”

Industry Under Fire

The legal industry is recently a target for hackers-for-hire that seek to steal sensitive and confidential information for their customers from law firms involved in litigation. In one reported instance, a hacker-for-hire service recruited a small group of hackers in India to work with private investigators employed by clients that are directly involved

in lawsuits. Their hacking activities were global in scope and impacted multinational organizations with global footprints.

The three companies reportedly involved are BellTroX, CyberRoot Advisory Ltd., and Appin. They are legally incorporated entities known to share human and technical resources to meet the objectives of customers. In addition to working directly for clients, they are often hired through third parties like law firms or private investigators on behalf of clients that do not wish to be directly tied to the companies. In this capacity, their activities are more akin to cyber espionage, as they search for sensitive and/or confidential data that can be of tactical or strategic advantage to clients. In addition to lawsuits, other key commercial areas that can provide valuable insight are mergers and acquisitions; research and development, intellectual property; regulations

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and standards; personal identifiable information; contract details; and trade secrets.

A Growing Service

In addition to hackers-for-hire, there is more spyware than ever before available in the digital marketplace for those looking to secretly obtain information. Companies in Israel and the UAE have garnered unfavorable attention in recent years for selling spyware tools to governments and law enforcement who used it against political opponents, journalists, and activists, among others. The now-defunct Italian Hacking Team was on the forefront of selling its hacking services internationally, but ultimately rebranded after a scandal in 2020.

Another company is Gamma International, Ltd., known for its FinFisher spyware that it sold exclusively to governments and law enforcement. However, like with Hacking Team, its practices were revealed when unknown hackers compromised Gama International in 2014 and exposed its clients, prices, and information pertaining to the effectiveness of the spyware against operating systems and applications.

Attack Vector

Any organization reliant on email to conduct internal and external business operations can be exploited by hackers-for-hire that prey on human vulnerabilities for entry and access. Nowadays, it is easier for hackers to compromise the identity of a staff member via human error than to compromise an entire system, which in most cases requires a general understanding of the network and how it works. After taking over an employee account, bad actors can perform a myriad of activities including surveillance, theft of information, deployment of malware, or lateral moves to compromise other parts of the network.

Going Forward

Organizations must be aware of the data they have stewardship over because it can help them better understand the types of bad actors that may want to attack and seize such information. Auditing and awareness of stored data can also help organizations consider how information could be used to harm them and clients if it were ever stolen. Finally, cybersecurity professionals must pay attention to tactics used by bad actors to gain illicit entry into networks, as often times attacks may be misattributed as regular cybercrime activity

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rather than economic espionage or data theft that will provide competitors with an advantage.

“Hackers-for-hire” are here to stay, and more gray hat companies are emerging on the dark web, reflecting the fact that more cybercriminals are seeking to monetize their skillsets by selling services to willing buyers. Dentons offers business leaders a full complement of counseling and advice for cyber risk management and also offers regulatory and litigation services. Analysis and intelligence products from Dentons can help to better understand fast-changing complex operating environments and, importantly, all interaction is attorney-client privileged. To learn more about the bespoke cyber intelligence and risk services from Dentons please contact us today.

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Coronavirus Condition Updates

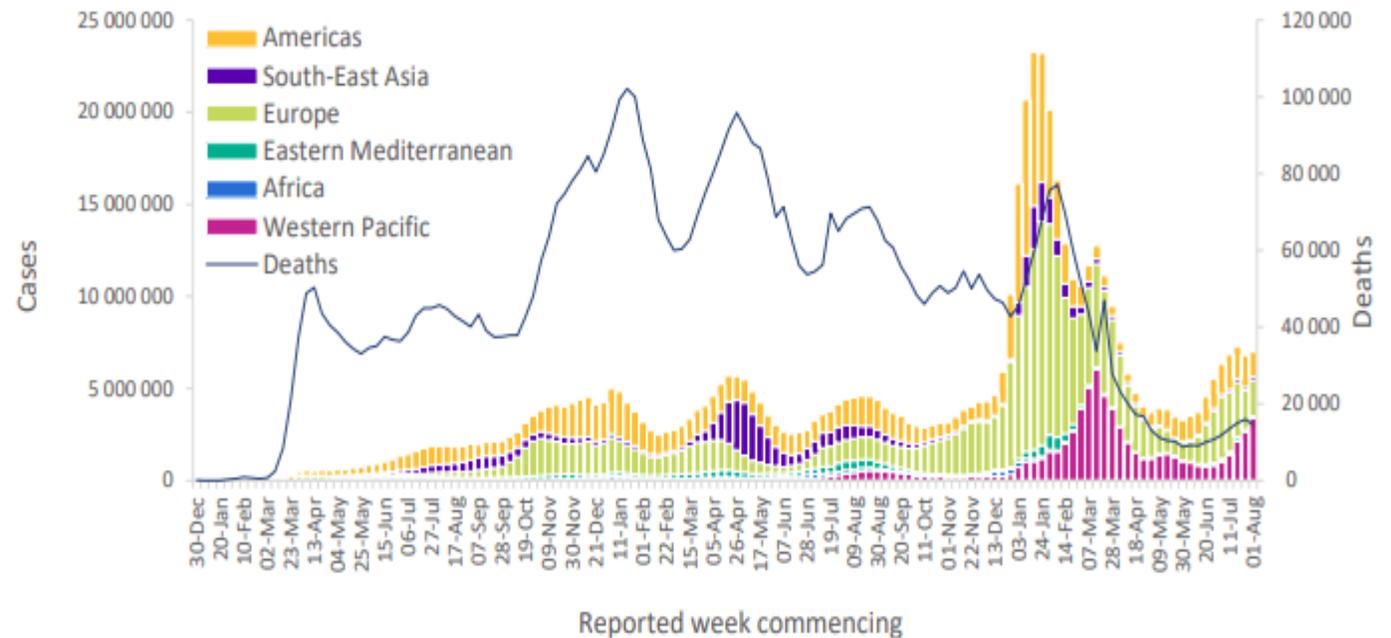
As of 3:10 pm CEST on August 10, 2022

Coronavirus Snapshot

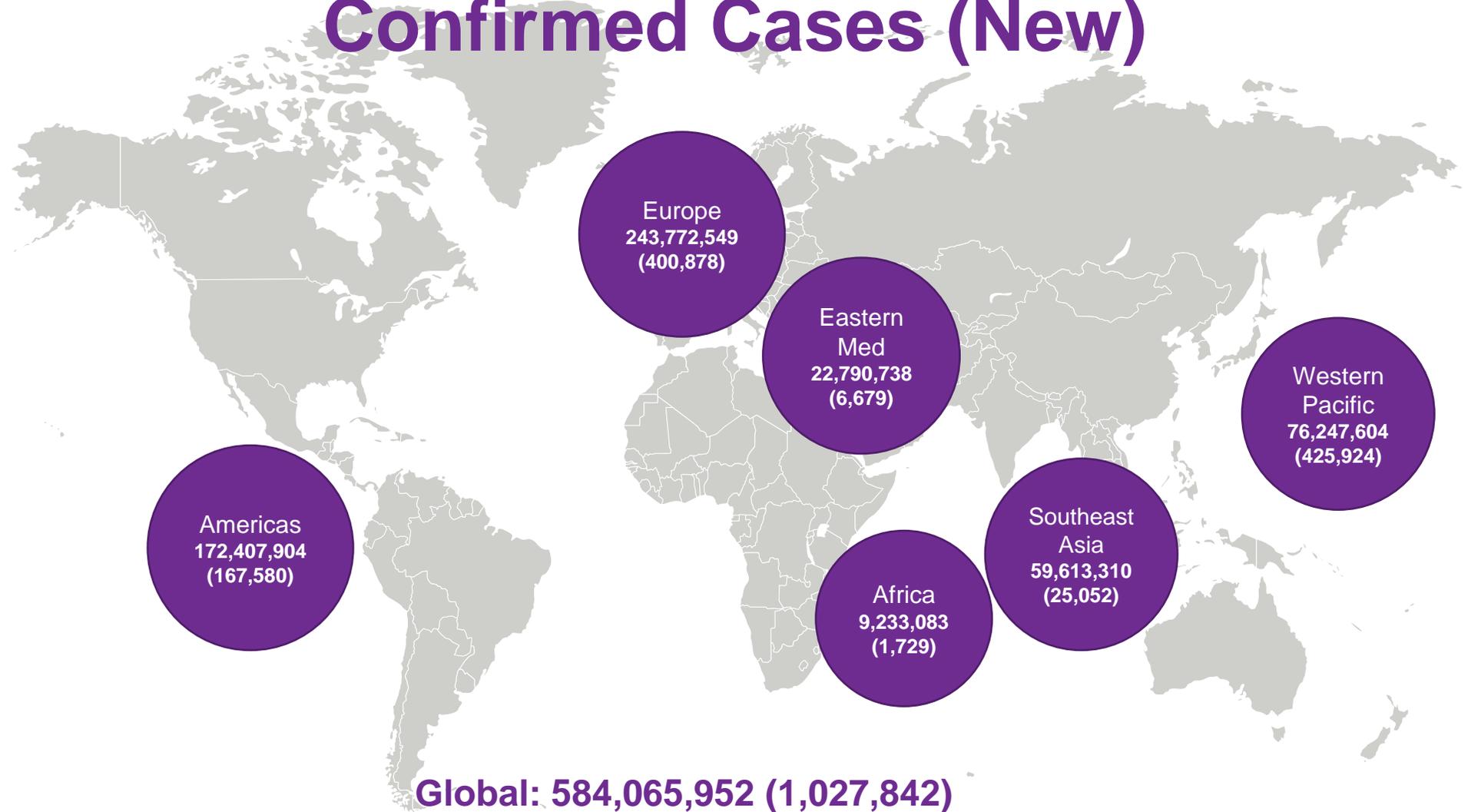
Globally, confirmed coronavirus cases topped 584.0 million with 6.4 million deaths; more than 12.3 billion vaccine doses have been administered.

- Globally, the number of new weekly cases remained stable during the week of 1 to 7 August 2022, as compared to the previous week, with over 6.9 million new cases reported.
- The number of new weekly deaths decreased by 9 percent, with over 14,000 fatalities reported, as compared to the previous week.

Figure 1. COVID-19 cases reported weekly by WHO Region, and global deaths, as of 7 August 2022**



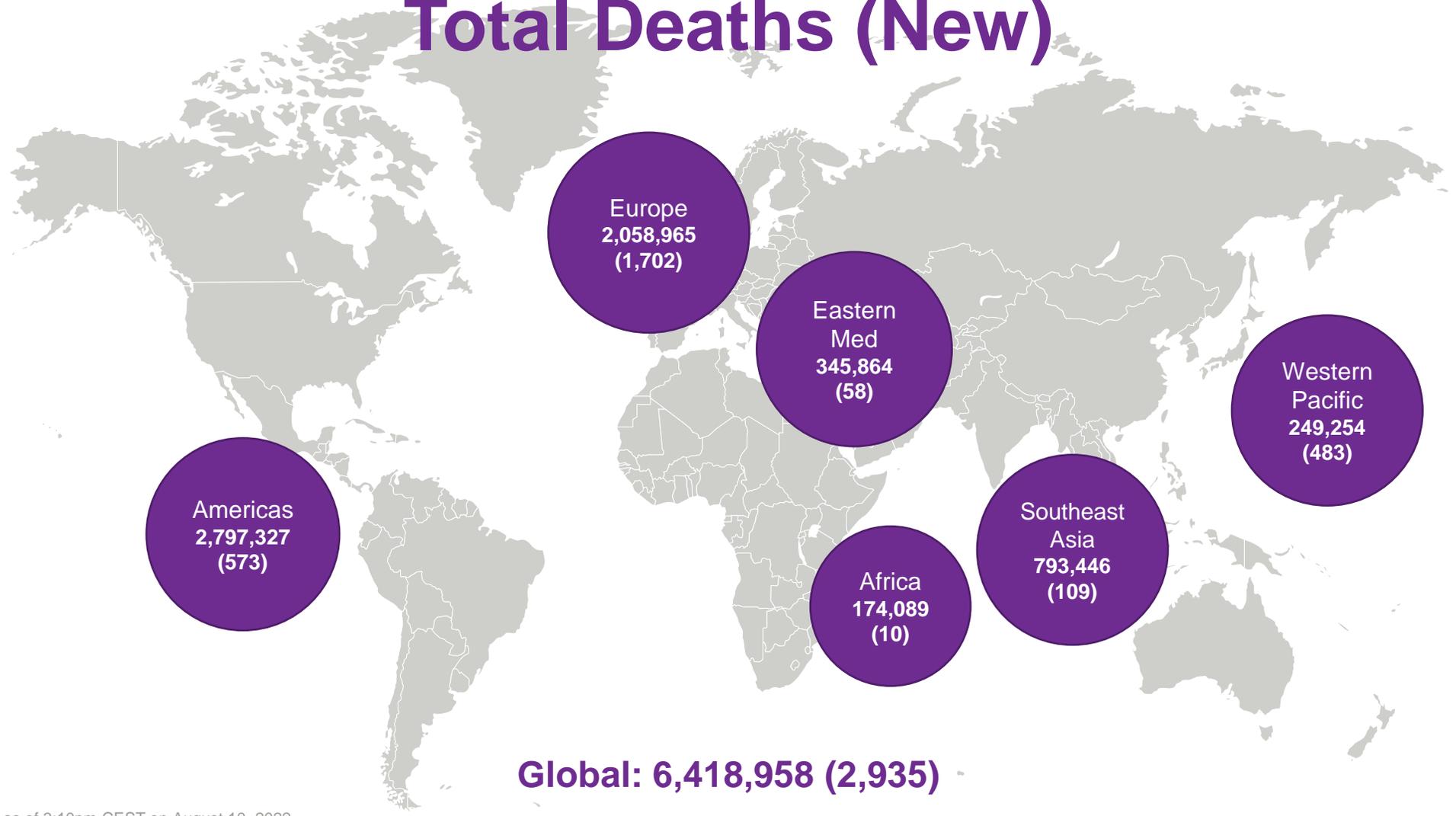
Confirmed Cases (New)



Reflects data as of 3:10pm CEST on August 10, 2022.
Data Source: World Health Organization

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Total Deaths (New)



Reflects data as of 3:10pm CEST on August 10, 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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