Dentons Flashpoint

Daily Global Situation Report

February 10, 2022

Global Situation Update: February 10, 2022

KEY TAKEAWAYS

Russia begins military exercises in Belarus, spiking concerns on risk of European war.	COVID-19 related protests hit economic supply chain between the US and Canada.	The US is planning to roll out COVID-19 shots for children under the age of 5 in late February.

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WHAT WE'RE WATCHING

The largest ever joint military drills between Russia and Belarus kick off today south of Minsk. Top Russian military commanders are in Belarus along with S-400 surface-to-air missiles, Pantsir air defense systems and Su-35 fighter jets for the 10-day exercise. There are concerns in the West that 30,000 Russian troops deployed to Belarus for the drills may never leave.

Across the border, Ukraine begins its own 10-day exercise using unmanned aircraft and antitank missiles. Meanwhile, Poland and Lithuania, which both border Belarus, are on high alert. The Polish foreign minister is in Ukraine today, while Vilnius announced that it will ask the US to permanently station troops in the country to help boost security.

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Global

Globally, confirmed coronavirus cases topped 399.6 million with 5.7 million deaths; more than 10.0 billion vaccine doses have been administered.

- The **Ukraine crisis** enters a new phase, as Russia begins military drills and seeks to divide Europe diplomatically by rejecting a collective EU response. At talks in Moscow with Russian Foreign Minister Lavrov, British Foreign Secretary Truss warned Moscow against attacking Ukraine. NATO chief Jens Stoltenberg warned that with the start of the Russian military exercises, the warning time is decreasing should Russia move on Ukraine.

- A device based at a UK facility in Oxfordshire has produced the highest sustained **nuclear-fusion energy** ever recorded, a potential breakthrough for a future powered by nuclear fusion.

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Markets & Business

New bank lending in China more than tripled in January from the previous month, hitting a record high, as the central bank seeks to shore up slowing growth in the world's second-largest economy.

- **Ford and Toyota** are halting some production as anti-coronavirus mandate protesters blocked U.S-Canada border crossings, key supply routes for Detroit's carmakers products.

- Dubai plans to attract 50 multinational companies within three years, as part of a strategy adopted by the chamber of commerce to boost the emirate's status as a **global trade hub**.

- **Valeo SA** agreed to acquire **Siemens AG's** stake in their five-year-old electric-car components venture to bolster its position in the rapidly expanding EV market.

- Russia's Federal Antimonopoly Service on Thursday said **Alphabet's Google** had breached antitrust law related to suspending and blocking accounts on YouTube.

- **KoBold Metals**, a startup backed by Bill Gates's Breakthrough Energy Ventures that aims to use artificial intelligence to find metals needed for the electric-vehicle boom, raised $192.5 million in its latest financing round.

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Environment, Sustainability & Governance

Switzerland votes on Sunday whether to become the first country to completely ban medical testing on animals.

- New York state's pension fund announced plans to fully **divest from shale oil and gas interests**, offloading $238 million in investments.

- The Bank of England launched the second round of its Biennial Exploratory Scenario (BES) exercise, **stress test** aimed at assessing financial risks from **climate change** for UK's large banks and insurers.

- Global alternative investment manager Apollo announced the launch of a Supplier Diversity program, setting a new goal to achieve more than $1 billion in spend with **diverse businesses**, including minority- and women-owned businesses

- The US government is releasing plans on how it will award nearly $5 billion over five years to build thousands of **electric vehicle charging stations**.

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Africa

- **Mozambican** authorities reported that captured jihadist militants had relayed that anti-government militants are significantly weakened, illustrating Mozambique's success in pushing back militants over the last year.

- The US announced visa restrictions for **Somali** officials it accused of undermining the democratic process there; elections have been stalled for a year.

- The **Zimbabwean** government offered a 20 percent pay bump to striking teachers, which falls far short of demands and is likely to be rejected.

- A new study by the Center for Global Development found that from 2007 to 2020, **China** provided about $23 billion in financing for infrastructure projects to countries in **Africa**, more than double the financing offered by the **US, Germany, Japan and France** combined.

- The **Malian** military junta said that it would work with the AU, ECOWAS and the UN to establish a transition timeline back to a constitutional order, amid a push for the international community to remove crippling sanctions.

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Asia

- **India's** most populous state of Uttar Pradesh began voting today in the first of a series of local elections that will be a key test of the popularity of Prime Minister Modi and his ruling party.

- **China** has suspended imports of beef from **Lithuania** amid a growing trade spat with the Baltic nation and its Western allies over **Taiwan**. China's industry ministry published revisions to draft rules dictating how companies and localities should manage data, bringing more specificity to the country's evolving data governance regime.

- The defense ministers from **South Korea, Japan and the US** held a conference call to discuss threats posed by **North Korea** after missile launches by Pyongyang.

- The COVAX global COVID-19 vaccine-sharing program has scaled back the number of doses allocated for **North Korea**, as the country has so far failed to arrange for any shipments. **Japan's** biggest wave of COVID-19 cases to date is showing signs of peaking though authorities have extended restrictions into next month to try to bring down the rate of hospitalizations. **New Zealand** police arrested 120 people breaking up a protest group camped outside parliament rallying against COVID-19 vaccine mandates and tough coronavirus restrictions.
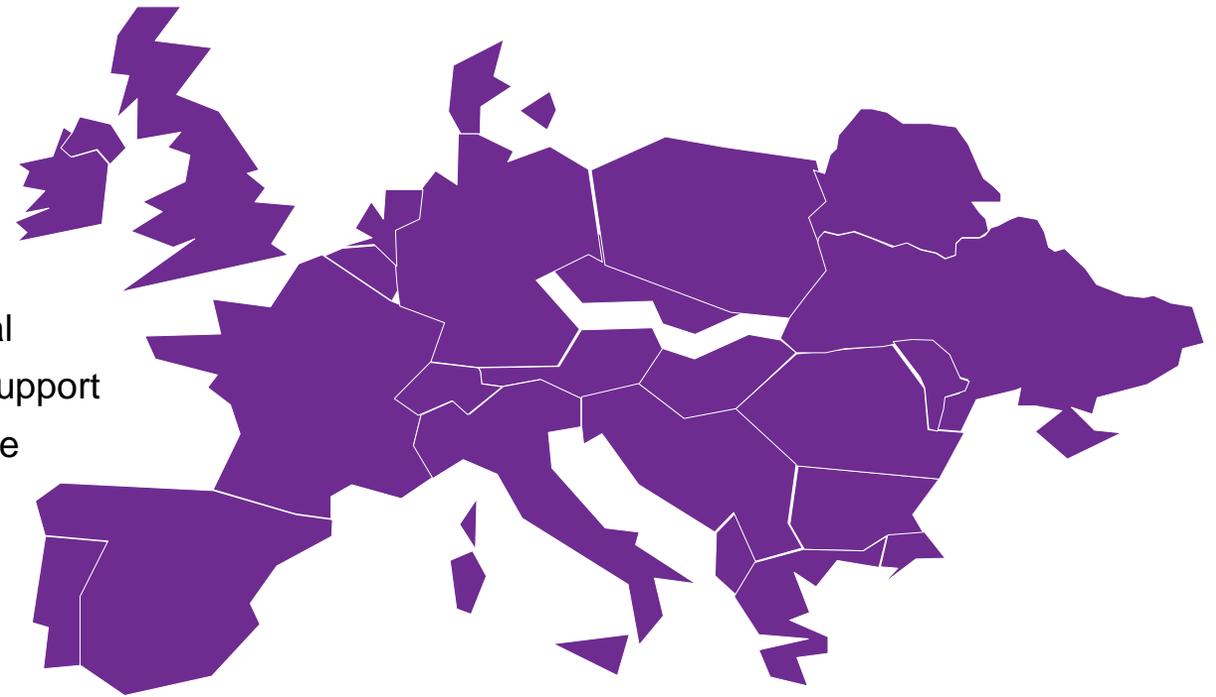
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Europe

- A senior **Russian** official accused the West of ramping up political pressure on Moscow by supplying weapons and ammunition to support **Ukraine** during a standoff over a Russian military buildup. Ukraine criticized Russian naval exercises near its southern coast on Thursday, saying the presence of warships were part of a "hybrid war" that had made navigation in the Black Sea and Azov Sea virtually impossible.

- The **UK** government plans for new sanctions legislation to come into force today which will enable it to target a broader range of **Russian** interests in response to aggression in Ukraine.

- Hungary will not accept further NATO troops on its soil as part of maneuvers over the **Ukraine** crisis, saying Hungarian armed forces are sufficient to guarantee the security of the country.

- **French** authorities have banned the "freedom convoy" motorist protest against COVID-19 restrictions from entering Paris. People in the **Czech Republic** no longer have to show COVID passes to gain access to bars, restaurants, cafes and hairdressers, as well sports and cultural events.

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How do You Manage Political Risk?

Today, the economic and political changes affecting international business are more complex than ever. Conflicts, coups and the coronavirus pandemic continue to impact governments and people worldwide and shape the business landscape in 2021.

Dentons offers business leaders routine and one-off political risk assessments on specific interests. Many clients also retain our team of attorneys and former intelligence and military professionals, equipped with the latest big data analytics tools, deep substantive knowledge and extensive networks of contacts, to provide services, including:

- ❖ Political and country risk forecasts and analysis
- ❖ Market-entry assessments
- ❖ Legislative and government action forecast

- ❖ Comprehensive project analysis
- ❖ Coronavirus vaccine tracker and return-to-work monitoring
- ❖ Investment risk analysis

All interaction with Dentons is attorney-client privileged

*To learn more about the bespoke intelligence and risk services from Dentons, contact **Karl Hopkins**.*
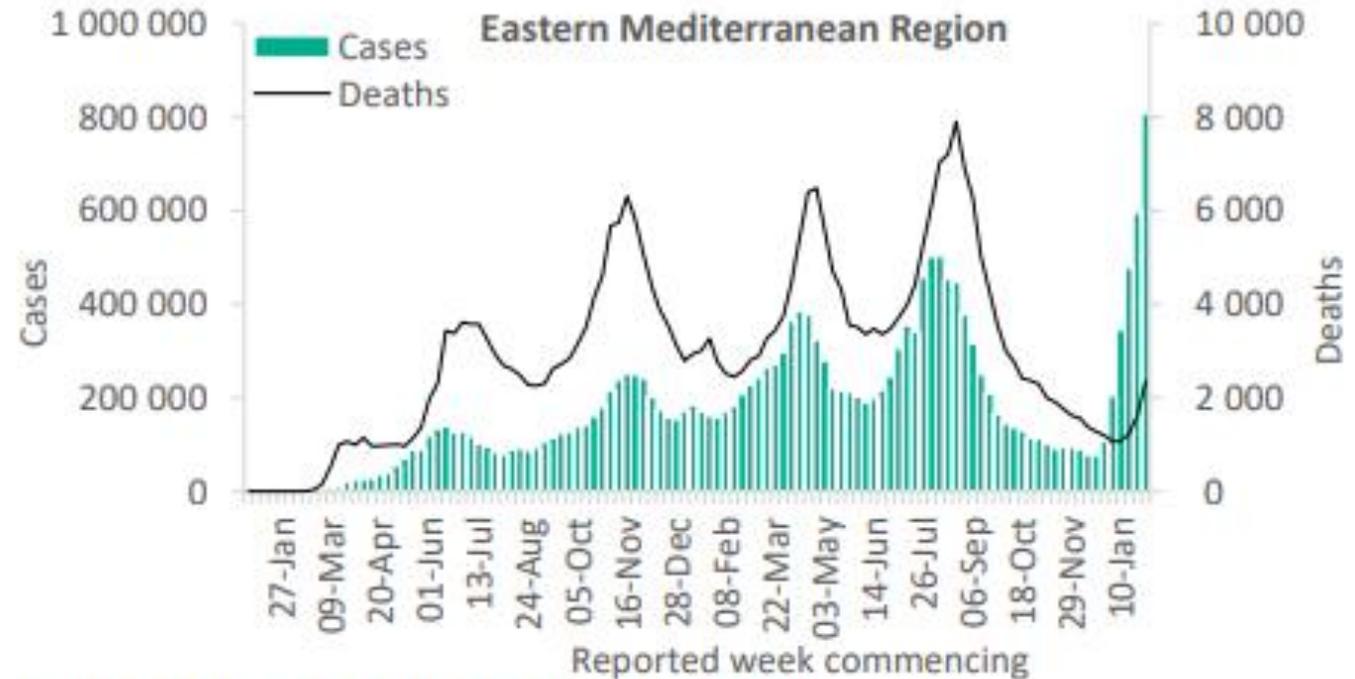
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Middle East
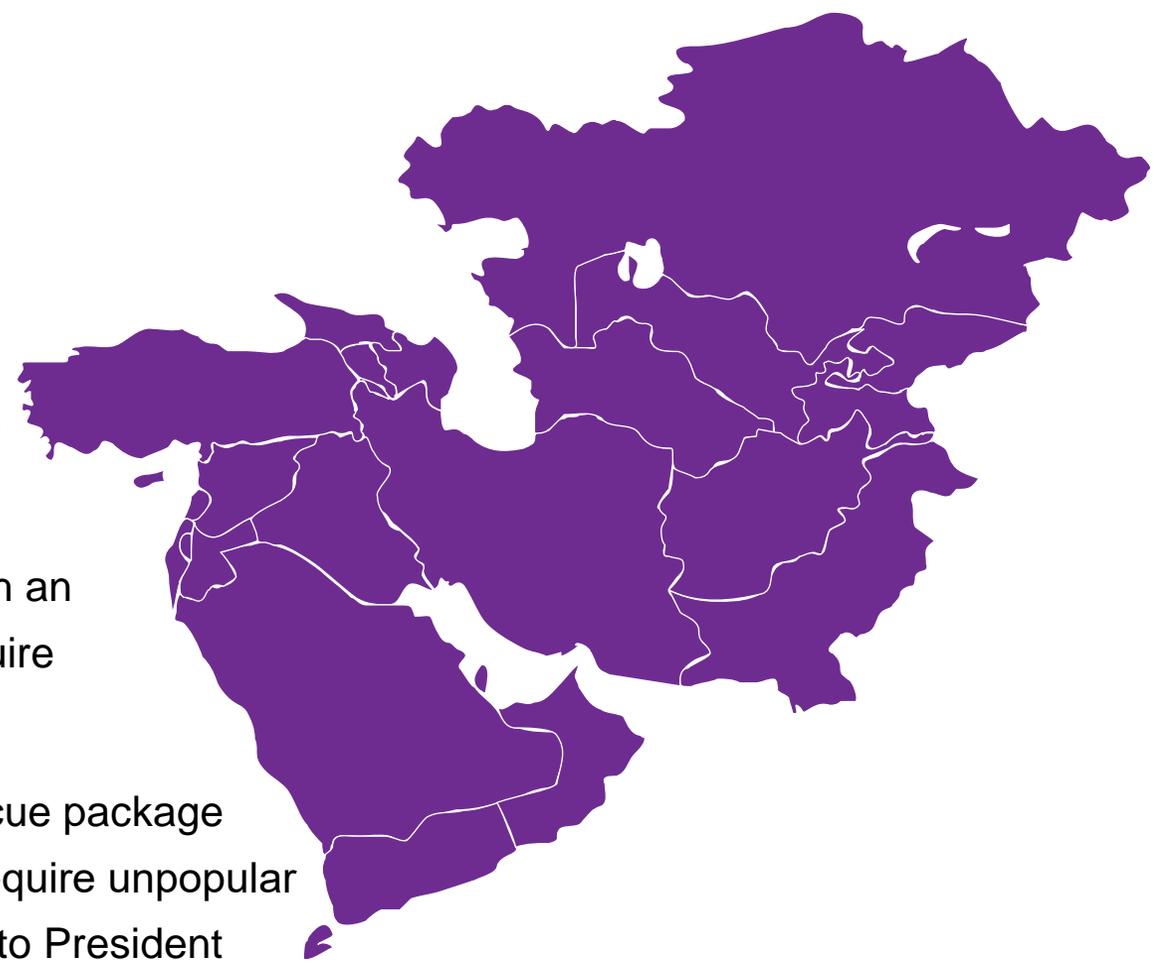
- The **US** said that **Israel and Lebanon** are "*narrowing gaps*" in the way of reaching a deal on a longtime disputed maritime border.

- The **UAE** will begin gradually lifting COVID-19 restrictions with an aim of reach full capacity in public spaces, most of which require vaccination, in the next two weeks.

- The IMF will visit **Tunisia** virtually next week to discuss a rescue package for the country's ailing economy; the package, which would require unpopular austerity measures, also comes at a time of rising opposition to President Saied's seizure of power.

- **Saudi Arabia** intercepted a drone attacking Saudi's Abha airport, launched by **Yemen's Iranian**-backed Houthis. Four travelers and airport workers were injured from shrapnel.

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Middle East

While most regions in the world are reported average weekly decreases in new COVID-19 cases, the WHO Eastern Mediterranean region reported a 36 percent increase last week. Nine countries reported increases of 20 percent or greater, with the highest relative increases reported from Iran, Afghanistan and Jordan. There was also a 45 percent increase in COVID-19 deaths.

Updates from the Eastern Mediterranean Region

Americas

- Thousands for **Argentine** citizens marched in Buenos Aires against efforts to revamp debt to the IMF, restructuring of which would likely require unpopular fiscal adjustments.

- Leading **Brazilian** presidential candidate Lula pledge to increase taxation on the rich and change Petrobras' pricing scheme to reduce costs for consumers.

- **Mexican** President Obrador suggested that Mexico should pause relations with **Spain** amid a push to change the country's energy policy to advantage state producers after what he characterized as years of unfair incentives for foreign investors.

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Americas: US

- The US is planning to roll out **COVID-19 shots for children** under the age of 5 as soon as February 21. A US appeals court panel on Wednesday declined to block a lower court ruling that President Joe Biden could not require **federal employees** to be vaccinated against the coronavirus, likely sending the case to the US Supreme Court. In New York, Illinois and Rhode Island, governors said they would soon end **mask mandates** for public indoor places, and some states, including Massachusetts, promised children would no longer have to wear them in school.

- Seven predominately Black schools in Washington DC were evacuated over **bomb threats** on Wednesday and later cleared. The incidents have further raised fears among **Black communities** already rattled by a series of bomb threats made last week to at least a dozen historically Black colleges and universities, nationwide.

- The USDA reported an outbreak of **highly pathogenic avian flu** in an Indiana turkey flock, the nation's first case in a commercial poultry operation since 2020, prompting swift reaction from importers seeking to limit the spread of the bird flu

- The White House has approved a Pentagon plan for US troops in Poland to help thousands of Americans likely to flee **Ukraine** if Russia attacks, seeking to avoid a repeat of the chaotic Afghanistan evacuation.

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Geopolitical Hot Spots Inform Cyber Security Practices

By Emilio Iasiello, Dentons Global Cyber Threat Intelligence Manager

The crisis between Russia and Ukraine has heightened concerns that Moscow, as well as its non-state sympathizers and nationalistic hackers, will execute disruptive and/or destructive cyber attacks against Ukrainian, European and American targets. Due to the interconnected global environment, cyber conflict in this day and age increases risk to all organizations in a region, as rarely have malware attacks conducted by nation states remained restricted to the original target.

For example, the 2010 Stuxnet attack was designed to specifically affect systems that ran the Siemens SIMATIC Step 7 industrial control application. Yet, despite being a directed attack against an air-gapped target (meaning a disconnected network), Stuxnet ultimately escaped into the wild, infecting hundreds of thousands of computers worldwide.[1] Similar happenings occurred with the 2017 NotPetya attack, whose malware started in Ukraine but quickly went global, causing as much as $10 billion in damage to public and private sector organizations.[2]

There are several regions of the world where aggressive cyber activity ebbs and flows dependent on the tension level between countries. China-Taiwan,[3] China-India,[4] Russia-Ukraine,[5] Iran-Israel,[6] and India-Pakistan[7] involve longstanding disputes that have already fomented hostile cyber activity. Offensive activities between these nations have exploited technological infrastructure as well as the information that is created, processed, and distributed on systems. Web page defacements, distributed denial-of-service attacks, disinformation and propaganda, ransomware, wiper malware, and cyber espionage have all been conducted, depending on the intent and objectives of the perpetrators. One thing has become abundantly clear: instability in these hot spots can increase cyber attack volume and severity, the spillover of which can affect organizations directly, or via collateral damage to other entities on which they rely.

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Geopolitical Hot Spots Inform Cyber Security Practices

Nation states are fully aware of the opportunities that geopolitical tensions provide and take advantage of them to further their own strategic interests. Cyberspace is the perfect medium to implement soft-power weaponry either via state agents or nonstate proxies, the latter of which enables governments to claim plausible deniability, despite circumstantial evidence to the contrary in many cases. This allows governments to use various degrees of attacks to signal discontent against a perceived transgression, punish an offending government or other target, or try to influence a target audience without suffering substantial repercussions

Those organizations with a better understanding of the geopolitical situations in which they exist will be better able to ascertain if they may incur any potential cyber attacks as a result of geopolitical tensions. Knowledge of the state and non-state actors that are linked to previous cyber activity in their regions of operation can provide valuable insight into their targeting, tactics, techniques, and procedures, and can be used to heighten awareness and harden cyber security perimeters. Furthermore, these indications and warnings can better inform decision makers at organizations to either advocate for additional resources as necessary, or reallocate existing resources according to the nature of the threat. In this way,

organizations will be able to better tailor security strategies for their own unique environments.

It is impossible for organizations to stop actors from conducting cyber attacks against them. There are too many diverse offensive cyber weapons at an attacker's disposal designed to create a specific effect on a victim. But where organizations can minimize the impacts of attacks is by building cyber resilience into key business components to ensure operational continuity of essential functional areas during periods of adverse conditions. Readying incident response plans, ensuring systems are patched, enabling multifactor authentication, and backing up key data and systems are just some proactive measures that will better position an organization to prepare for, respond to, and recover from those attacks against its enterprise. Lessons-learned are then reviewed to identify areas for improvement, providing the organization an organic means for self-assessment whose recommendations can be acted upon. Knowing the adversary, monitoring the geopolitical climate, and continually fine-tuning one's own ability to respond to cyber malfeasance will help ensure organizations limit disruption, avoid downtime, preserve their brand and reputation, and maintain customer confidence.

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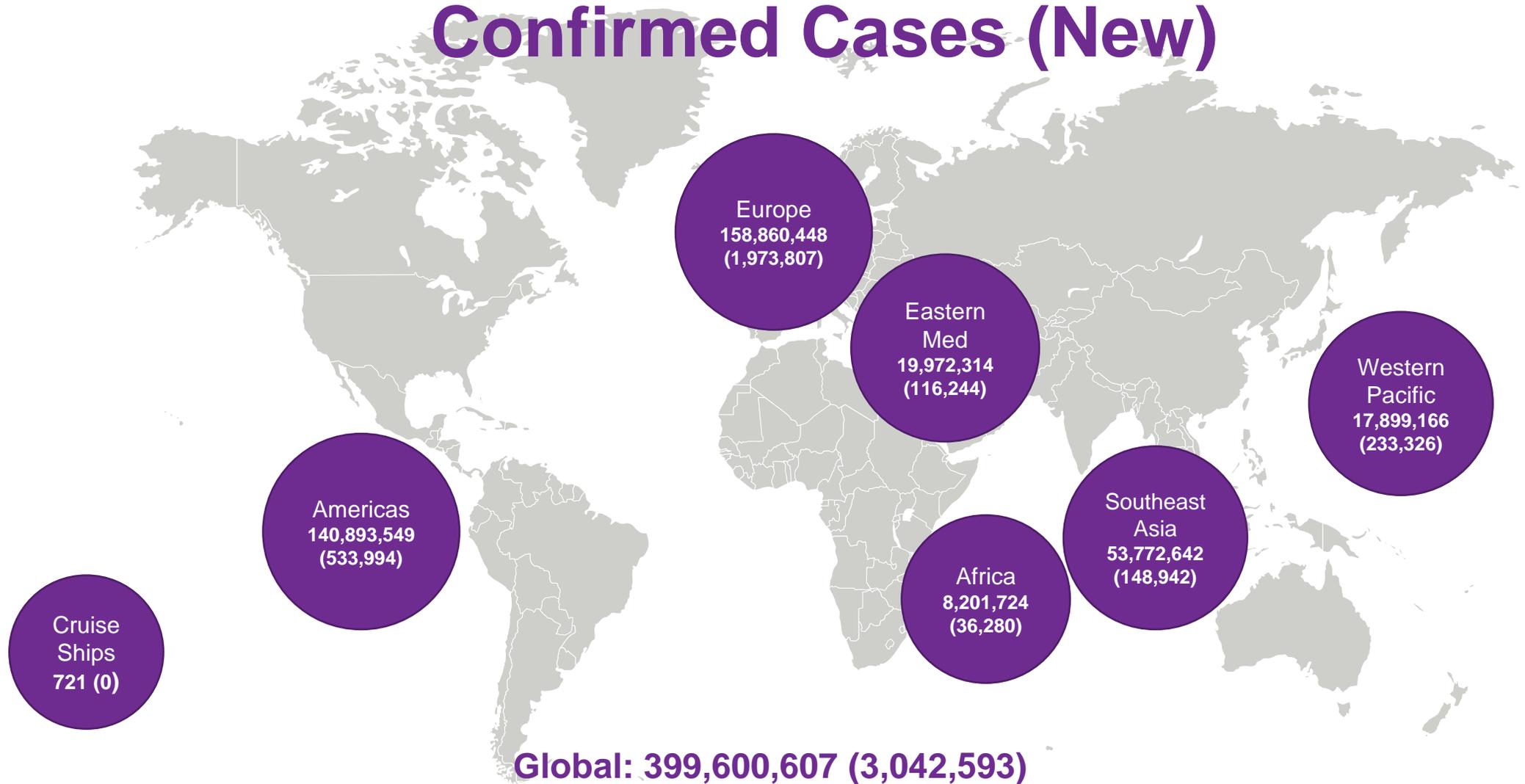
Geopolitical Hot Spots Inform Cyber Security Practices

1. https://www.industrialcybersecuritypulse.com/throwback-attack-how-stuxnet-changed-cybersecurity/

2. https://www.apextechservices.com/topics/articles/435235-notpetya-worlds-first-10-billion-malware.htm

3. https://geographical.co.uk/geopolitics/item/4081-geopolitical-hotspot-china-and-taiwan

4. https://www.cfr.org/in-brief/china-india-border-dispute-what-know

5. https://www.cfr.org/backgrounder/ukraine-conflict-crossroads-europe-and-russia

6. https://strikesource.com/2020/09/19/iran-israel-the-larger-implications-of-cyber-conflict/

7. https://www.e-ir.info/2020/10/07/a-look-into-the-conflict-between-india-and-pakistan-over-kashmir/

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Coronavirus Condition Updates

As of 8:32 pm CEST on February 9, 2022

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Confirmed Cases (New)

Europe
158,860,448
(1,973,807)

Eastern Med
19,972,314
(116,244)

Western Pacific
17,899,166
(233,326)

Americas
140,893,549
(533,994)

Southeast Asia
53,772,642
(148,942)

Africa
8,201,724
(36,280)

Cruise Ships
721 (0)

Global: 399,600,607 (3,042,593)

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Total Deaths (New)

Europe
**1,800,762
(5,023)**

Eastern
Med
**324,963
(648)**

Western
Pacific
**171,071
(426)**

Americas
**2,546,275
(4,654)**

Southeast
Asia
**748,376
(1,426)**

Africa
**166,102
(353)**

Cruise
Ships
15 (0)

Global: 5,757,562 (12,530)

Reflects data as of 8:32 pm CEST on February 9, 2022.
Data Source: World Health Organization

*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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