Dentons Flashpoint

Daily Global Situation Report

September 21, 2021

Global Situation Update: September 21, 2021

KEY TAKEAWAYS

Pfizer says that its COVID-19 vaccine is safe and effective for children as young as five.

President Biden will seek to raise the refugee admissions cap to 125,000 amid criticism over the handling of Haiti deportations.

Concerns about indebted Chinese property developer Evergrande drove a sell-off across global stock markets.

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WHAT WE'RE WATCHING

Today, the first day of the high-level General Debate kicks off at the 76th Session of the UN General Assembly in New York. World leaders will meet each other throughout the weeklong event and the outcomes of discussions between them could have significant impacts for countries and companies. Top issues on the global agenda include the coronavirus pandemic, climate change and Afghanistan.

There are some concerns that the in-person summit with participants from all over the world could turn into a super spreader event as the Delta variant rages in New York. US President Biden will address the gathering first, while there will be important sideline meetings that could lead to breakthroughs on certain issues. The UN seats of Myanmar and Afghanistan are of interest as previous governments still hold accreditation, not the military junta and the Taliban, respectively.

GENERAL ASSEMBLY

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Global

Globally, confirmed coronavirus cases topped 228.3 million with 4.6 million deaths; more than 5.7 billion vaccine doses have been administered.

- Pfizer said that its **COVID-19 vaccine is safe and effective for children as young as five**; the company plans to submit data to regulators "*as soon as possible.*"

- India's health minister confirmed that the country will begin **exporting COVID-19 vaccines** again in the fourth quarter, with supply priority given to Covax and neighboring countries.

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Vaccines

Five months after halting shipments to the Covax facility during its own devastating wave of infections, India plans to resume shipments in November. India will produce more than 300 million vaccine doses in October and a total of at least a billion over the final three months of 2021. This will significantly boost supplies to poorer countries, Africa in particular.

COVID-19 vaccine doses administered by continent
For vaccines that require multiple doses, each individual dose is counted. As the same person may receive more than one dose, the number of doses can be higher than the number of people in the population.

☑ Relative
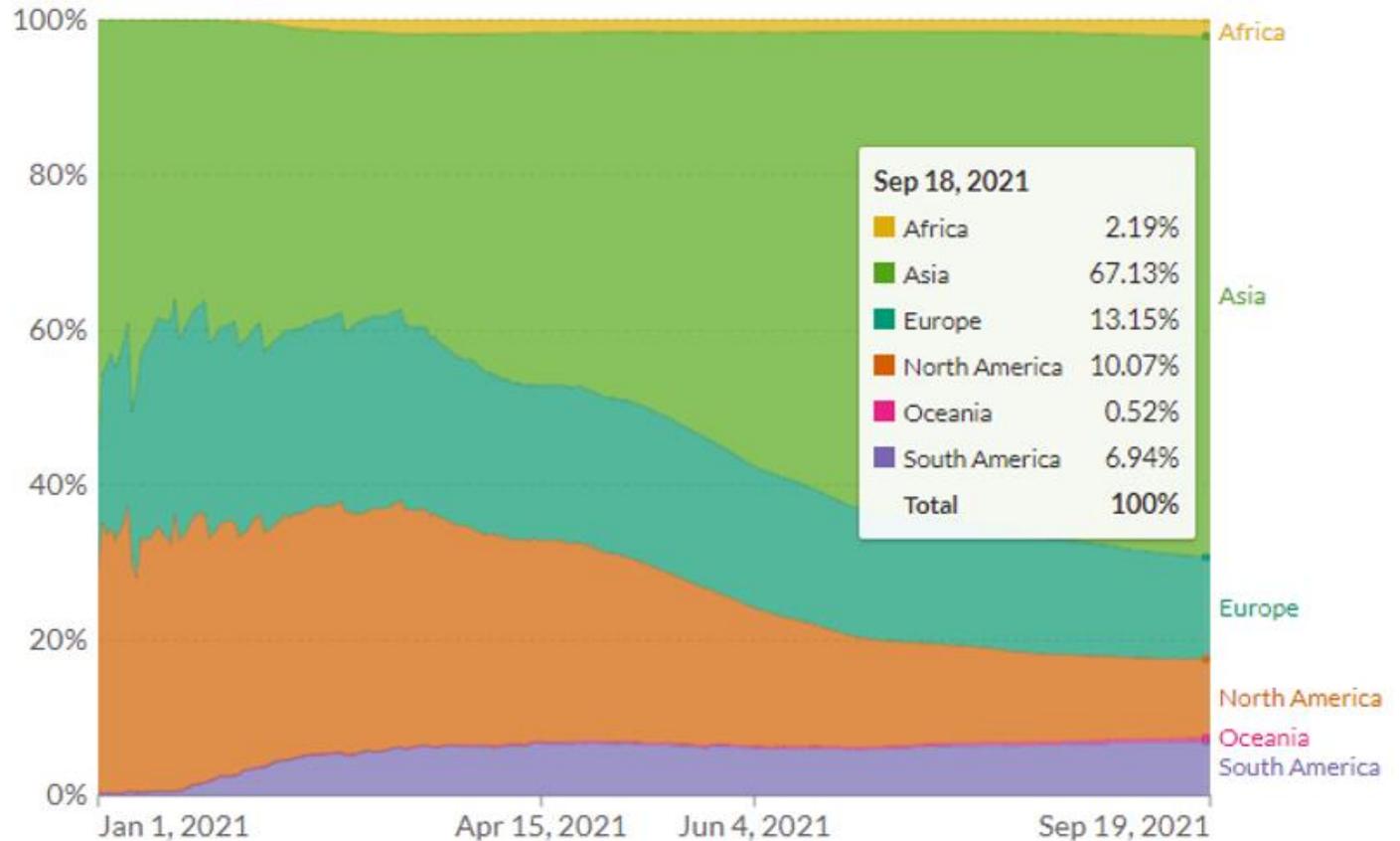
Sep 18, 2021	
Africa	2.19%
Asia	67.13%
Europe	13.15%
North America	10.07%
Oceania	0.52%
South America	6.94%
Total	100%

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Markets & Business

A global drive towards electrification of road transport to reduce carbon emissions may cut demand for the world's oil refining capacity by half in 2050, per new report.

- Concerns about indebted Chinese property developer **Evergrande** drove a sell-off across global stock markets; the Dow and S&P 500 closed down nearly 2 percent despite recouping some daily losses.

- **Bitcoin** prices slid on the wider market jitters.

- **Coinbase**, the largest US cryptocurrency exchange, dropped its plans for a new digital asset lending product amid pressure from the SEC.

- Texas-based homebuilder **DR Horton** cut its full-year outlook as high prices, tight labor market and shortages or delivery delays in housing materials continue to slow the momentum of the US housing market. However, US **homebuilder confidence** rose for the first time in five months in September.

- **Shell** is nearing a deal to sell assets in the Permian basin to **ConocoPhillips** for around $9.5 billion, following escalating pledges by Shell to reduce its carbon emissions.

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Africa

- Dozens of **Sudanese** protesters opposed to the peace deal blocked key roads, including one providing access to Port Sudan.

- Paul Rusesabagina, the **Rwandan** human rights figure memorialized in "Hotel Rwanda" who later became a fierce critic of the government, was sentenced to 25 years in Rwandan prison on terrorism charges; the US expressed concern at the "lack of a fair trial."

- A **South African** court resumed a trial that has dragged out for years over a $2 billion arms deal involving ex-president Jacob Zuma. In July, Zuma was jailed for failing to cooperate with a separate corruption probe, precipitating some of the worst riots and looting the country has witnessed since the end of white minority rule in 1994.

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Asia

- Universal Studios reopened its theme park in Beijing, welcoming crowds despite ongoing COVID-19 concerns and heightened tensions between **China and the US**.

- Exiled former **Thai** prime minister Thaksin Shinawatra, one of the most polarizing political figures in Thailand, has joined an online talk show in Dubai that is helping boost his popularity among young, pro-democracy Thais. As anger over the current government's handling of COVID-19 rises, Shinawatra may be able to gain ground amid growing interest in opposition figures.

- **Malaysia's** government welcomed **China's** application to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTCC), joining **Singapore** in support for China while other members including **Japan, Australia, and Canada** remain less enthusiastic.

- As **Taiwan's** opposition Kuomintang (KMT) party prepares to elect a new leader, a hardline pro-unification candidate has gained a surge of popularity, threatening to upset what was previously expected to be a two-man race between New Taipei mayor Eric Chu Li-luan and current KMT chairman Johnny Chiang.

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Europe

- The **Vatican** will require a negative test or proof of vaccination for workers and visitors. The **UK** began administering vaccines for 12- to 15-year-olds.

- **European** governments may send billions of euros in aid to households facing surging gas and electricity costs, seeking to head off a winter energy crisis. EU energy ministers meet this week to discuss addressing energy costs without undermining climate or economic recovery plans.

- Olaf Scholz, **German** finance minister and frontrunner to succeed Chancellor Merkel, was questioned by MPs over irregularities at the national anti-money laundering agency; with days to go before the September 26 election, the affair may threaten Scholz's tenuous lead.

- Tensions are rising at the **Kosovo-Serbia** border, as Kosovo began implementing a rule removing Serbian license plates from cars entering the country. The move is apparent retaliation for Serbia's practice of removing Kosovo license plates – Serbia does not recognize Kosovo as a separate state.

- Opponents accused **Russian** authorities of mass fraud after the ruling United Russia party, which supports President Putin, won a bigger than expected parliamentary majority despite unease over living standards. The scale of the victory means United Russia will have more than two-thirds of deputies in the 450-seat State Duma lower house of parliament, enabling the party to push through laws without having to rely on other parties.
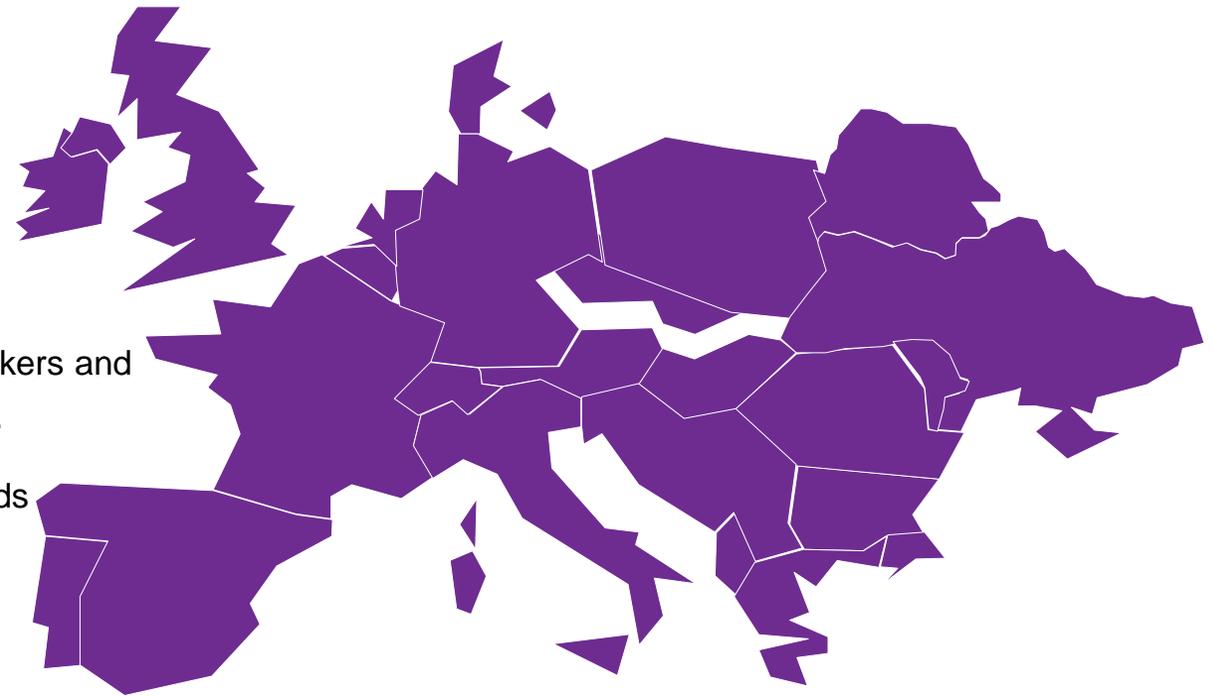
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Middle East

- **Lebanon's** new cabinet won a confidence vote after the session was delayed for over an hour due to power outages.

- The **US** reported that it had killed a "*senior al-Qaida leader*" in an airstrike on **Syria** near Idlib.

- **Libya's** upper house of parliament called for December elections, the first since the onset of the civil war, to be delayed by a year due to a lack of agreement on the electoral law.

- The **UAE's** economy minister is in the **UK** seeking one of several free trade deals in a broad push to expand the Emirates' economic diplomacy.

- ISIL claimed responsibility for a series of bomb attacks in the **Afghan** city of Jalalabad; Taliban spokespeople said that the terrorist group is not a serious threat.

- **Egyptian** President Sisi expressed interest in hosting next year's COP27, the international climate change conference.
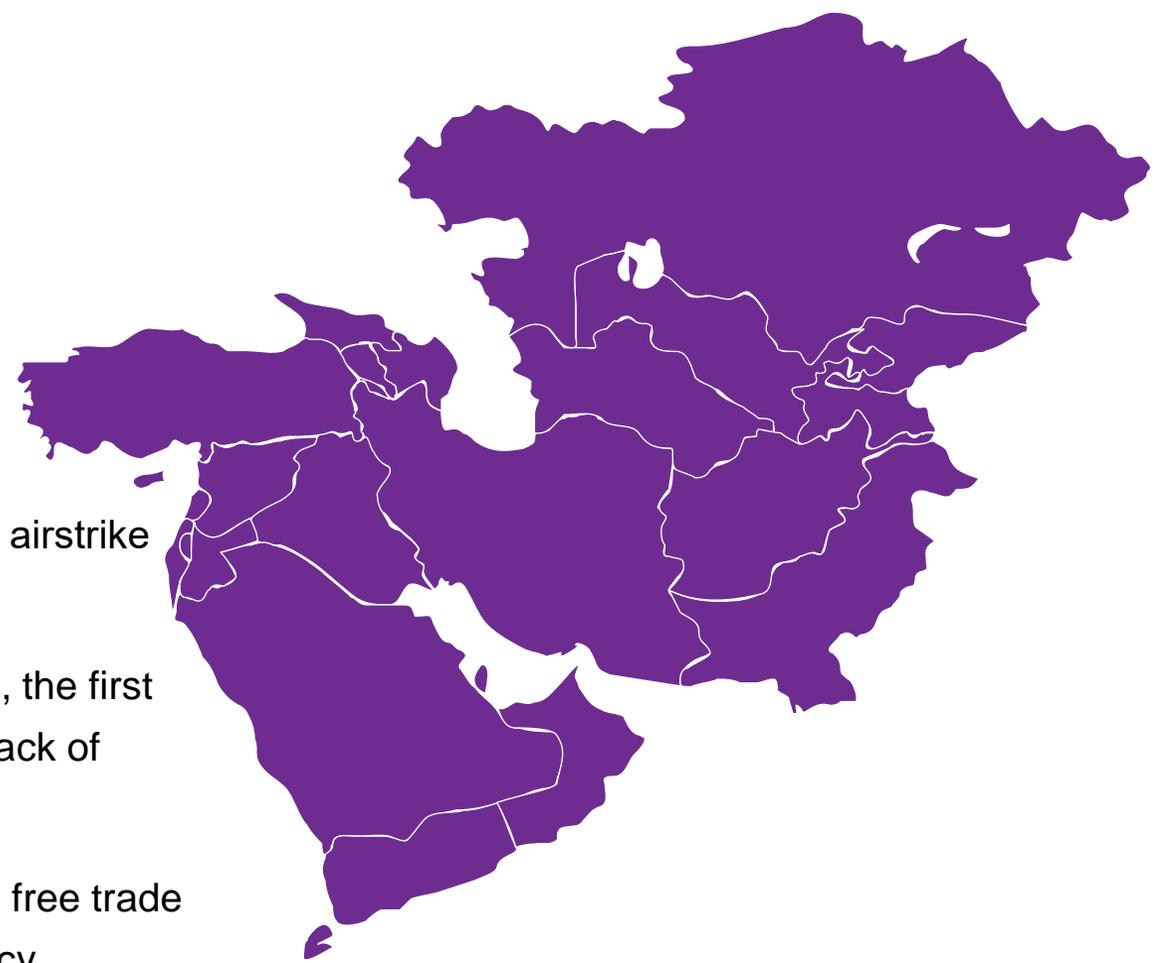
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Americas

- **Canadian** Prime Minister Trudeau's Liberals secured a third term but fell short of winning a majority in parliamentary elections, leaving Trudeau once more dependent on opposition legislators to govern.

- The **US** placed **Guatemala's** attorney general and five Salvadoran Supreme Court justices on a list of "undemocratic and corrupt" officials.

- The **US** extended a ban on nonessential travel through the **Mexican and Canadian** borders to October 21.

- **Nicaragua** asked the International Court of Justice to compel **Colombia** to respect a 2012 ruling on maritime borders.

- **Ecuador** will seek $1.9 billion in private power generation investment.

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Americas: US

- Across the nation, 212 million have received at least one dose of the **vaccine**; or 63.9 percent of the total population. The FDA could authorize the Pfizer **booster shot** for older and some high-risk Americans early this week in time for the government to roll them out by Friday. The US will reopen in November to **air travelers** from 33 countries including China, India, Brazil and most of Europe who are fully vaccinated against COVID-19.

- The **US death toll** from COVID-19 surpassed that of the 1918 Spanish flu pandemic; the recent surge of COVID-19 cases primarily among unvaccinated people has brought the country's seven-day rolling average of daily deaths to nearly 2,000. New York City schools will begin weekly COVID-19 testing for **students**.

- President Biden ordered his administration to seek ways to protect people from **extreme heat**, including through new workplace regulations.

- President Biden will raise the **refugee admissions** cap to 125,000. The move comes as the administration faces criticism from the left over the deportation of Haitian asylum seekers and handling of Afghan refugees.
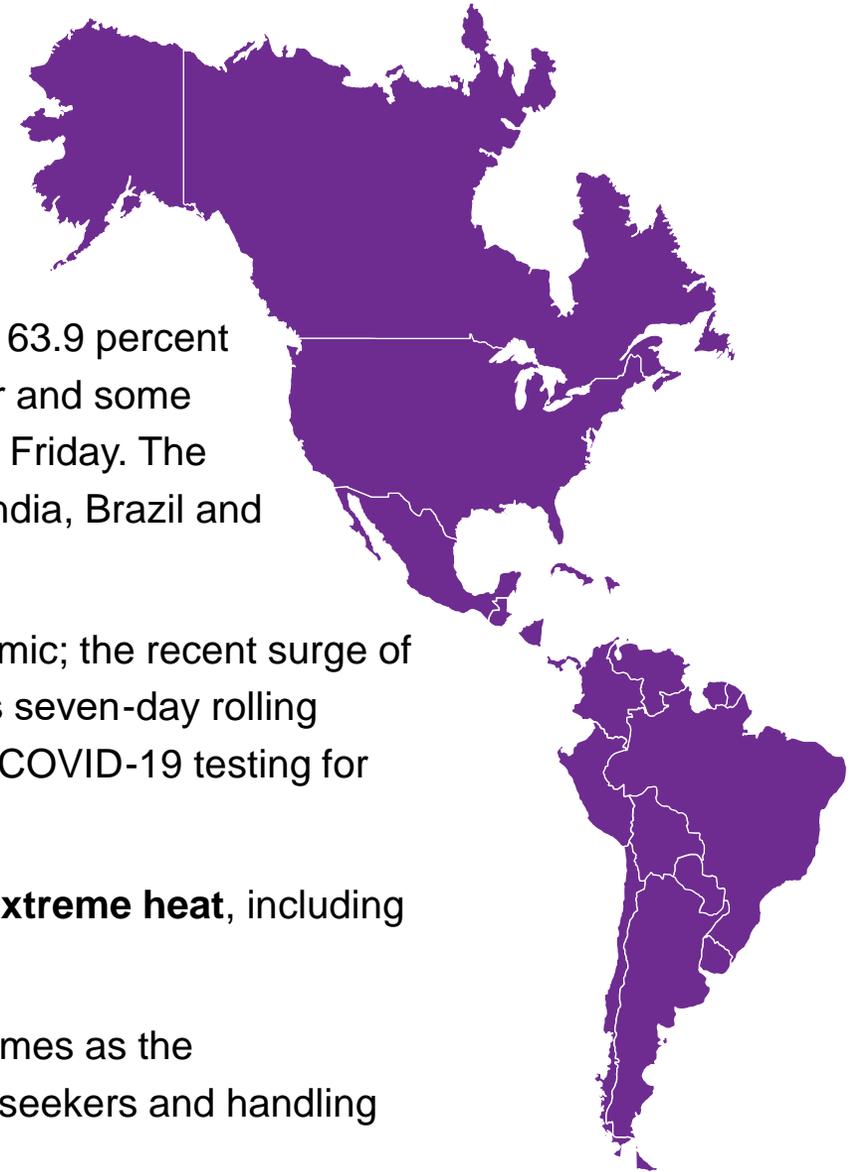
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Organizations Face New Threats From AI-Enabled Disinformation, Deepfakes

By Scott Muir

In today's digital sphere, artificial intelligence (AI)-enabled synthetic content, or content made purely through AI and machine-generation, is an emerging threat to countries and companies, alike.

As is usually the case with technology, the latest and greatest AI systems built with the intention to entertain, automate work, and solve complex problems are now being used to deceive, distort, and divide. Media coverage of recent examples of disinformation campaigns that employ AI technology have primarily centered on interference in pivotal elections by nation-state adversaries or the manipulation of public opinion by powerful and capable interests using networks of bots and false and legitimate social media accounts. However, as AI tools become increasingly available to anyone on the deep and dark marketplaces with the time to learn, will to use and necessary computing power, all types of organizations are at risk of becoming targets of disinformation and deepfakes. Corporations could face extortion for financial gain, or attempts to shift opinion against certain products, services and perhaps even personnel. At the moment, detection of AI-generated or AI-modified content is difficult in many cases and thus raising

employee awareness of new threats and follow guidance issued by concerned authorities are important first lines of defense.

AI and Disinformation

The use of AI and machine learning for disinformation operations that spread false or manipulated information is a growing threat to all on the internet. Cutting edge AI text generation systems empower bad actors to automate disinformation in the form of social media posts, news stories and op-eds. The latest AI large language models can generate content based on billions of words and terms that can be leveraged by individuals, "influence for hire" firms, and nation-states to exploit societal fissures and distort key conversations on the public agenda. Human-machine teaming produces the most credible content for disinformation campaigns as a skilled quality control manager oversees a model to maintain high quality output through careful tweaks to messages and scale. Crafting messages

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How do You Manage Cyber Risks?

Today, there are more risks for cybersecurity and a wider array of threat actors capable of doing damage to organizations due to rapid advances in technology. A single cyber breach risks dealing irrevocable harm to businesses and their critical assets.

Dentons offers business leaders a full complement of counseling and advice, regulatory and litigation services, analysis and intelligence products for cyber risk management that helps them thrive in complex operating environments, including:

- ❖ organizational cyber risk assessment

- ❖ crisis management for cyber incidents

- ❖ privacy law and compromised data advice

- ❖ self-reporting, liaising with law enforcement following cyberattack

- ❖ ransomware attack guidance

- ❖ cybersecurity readiness and remediation

- ❖ cyberattack source and method identification

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*To learn more about the bespoke intelligence and risk services from Dentons, contact **Karl Hopkins**.*

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Organizations Face New Threats From AI-Enabled Disinformation, Deepfakes

on major issues such as climate change, close elections, geopolitics, race relations, and more can shift views significantly if they are tailored to specific demographics and political affiliations.

Business executives and companies may soon be top targets of AI-enabled disinformation campaigns. Publicly available language generation technology can amplify online discussion of organizations, spin news stories, and write divisive targeted messages. C-suite leaders and their firms will face threats that jeopardize their reputational and financial health with fake and legitimate social media accounts posting deceptive, biased, or abusive language at scale. Malicious actors will extort for financial gain or tarnish the public image of another organization for a competitive edge. Organization leaders should be aware that machine generated content on short-form social media platforms like Twitter is especially difficult to distinguish from authentic human authored content and that entities in the Anglosphere face the greatest threat because a majority of AI language generation technology is in the English language as of today. There are, of course, language models in Chinese, French, and Russian languages, in addition to others, that will jeopardize leaders and organizations in those information environments.

AI and Deepfakes

Deepfakes are highly likely to become an integral tool for disinformation against executives and companies. The FBI released a warning about the rising threat of deepfakes earlier in 2021 and noted that besides the obvious threat of extortion over fraudulent images that portray a target in some compromised way, employees and organizations will also face highly believable spear phishing messages and sophisticated social engineering attacks. As a result of new and ever-evolving technology, it is possible to envision deepfakes designed to create a sophisticated emulation of an existing executive or employee or perhaps some corporate department to induce a fraudulent financial transaction from victim to perpetrator.

Importantly, deepfakes are often more detectable than AI-enabled disinformation campaigns because they have distinguishable patterns, such as pixel layout, that indicate machine authorship. While attackers may find the AI-generated images known as deepfakes easier to weaponize against targets because they can use open source apps and tools, there are more noticeable visual inconsistencies such as head and torso movements in videos, or

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consistent eye spacing and placement in photos. In this era where anyone can willingly access the technology to create deepfakes, organizations will need to consider, as always, insider threats that alter images to extort money or damage the reputation of a supervisor or co-worker.

Combatting Synthetic Content

The scourge of AI-enabled synthetic content is already on the radar of major public and private players around the world. The UN, for example, is calling for human rights safeguards on available AI technologies, while social media companies like Facebook are stepping up efforts to stop coordinated campaigns that cause harm with the use of AI tools. Big Tech will play an increasingly vital role in identifying and removing posts and accounts associated with disinformation activity, which includes deepfakes. Tech leaders are also helping combat synthetic content by producing better image verification tools to identify and assess digitally altered photos and videos and mining social media networks to flag fake news stories and suspicious trends. Organizations in all sectors can play a role by assisting the US Government's forthcoming Deepfake Task Force by reporting synthetic content and by including these new threat vectors in cybersecurity awareness training.

Following is guidance from the FBI on how individuals and organizations can lower the risk of becoming victim to malicious actors using synthetic content:

- Be aware of the potential for cyber or foreign influence activities using synthetic content. Be alert when consuming information online, particularly when topics are especially divisive or inflammatory;

- Seek multiple, independent sources of information;

- Do not assume an online persona or individual is legitimate based on the existence of video, photographs, or audio on their profile;

- Train users to identify and report attempts at social engineering and spear phishing which may compromise personal and corporate accounts

- Establish and exercise communications continuity plans in the event social media accounts are compromised and used to spread synthetic content.

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Coronavirus Condition Updates

As of 7:03 pm CEST on September 20, 2021

Confirmed Cases (New)

Europe
68,419,751
(129,294)

Eastern Med
15,480,394
(30,417)

Western Pacific
7,974,488
(60,114)

Americas
88,053,862
(178,889)

Southeast Asia
42,547,959
(49,037)

Africa
5,917,354
(5,849)

Cruise Ships
721 (0)

Global: 228,394,572 (453,600)
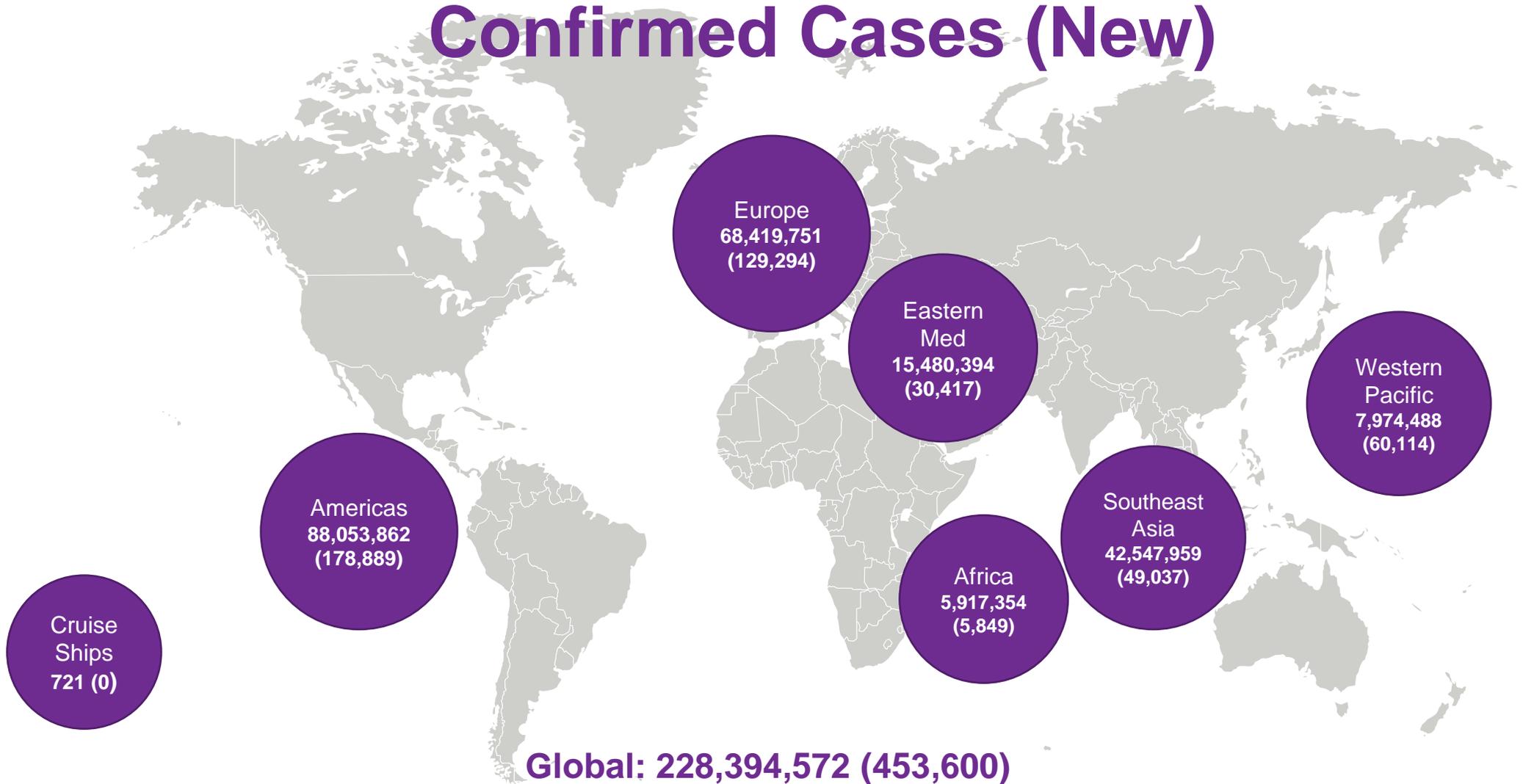
Reflects data as of 7:03 pm CEST on September 20, 2021.
Data Source: World Health Organization

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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