



26 FEBRUARY 2015

COUNTRY RISK WEBCAST

Top violent risks to watch out for in 2015

Richard Jackson, Deputy Head of Violent Risk Forecasting
Firas Abi Ali, Head of Middle East & North Africa Forecasting
Gus Selassie, Deputy Head of Africa
Carlos Cardenas, Deputy Head of Americas Forecasting
Omar Hamid, Head of Asia Forecasting

Agenda

- **Introduction**
- **Middle East/North Africa:** Terrorism Forecast – Islamic State and the spread of jihadism
- **Africa:** Nigerian elections and terrorism in east Africa
- **Latin America:** Mexican cartel violence and the prospect for peace with the FARC in Colombia
- **Asia Pacific:** Afghanistan after ISAF and India's political violence outlook.
- **Question & Answer**

Middle East/North Africa: Islamic State and the spread of jihadism, conflict between Israel and Lebanon and the outlook for Egypt in 2015

Firas Abi Ali, Senior Manager, MENA – IHS Country Risk

Jabhat al-Nusra, al-Qaeda more dangerous than Islamic State?

Jabhat al-Nusra
(al-Qaeda in Sham)

Islamic State Caliphate

Tactics

- Radicalise society first
- Hearts and minds
- Appeals to the older and wiser
- More deliberate

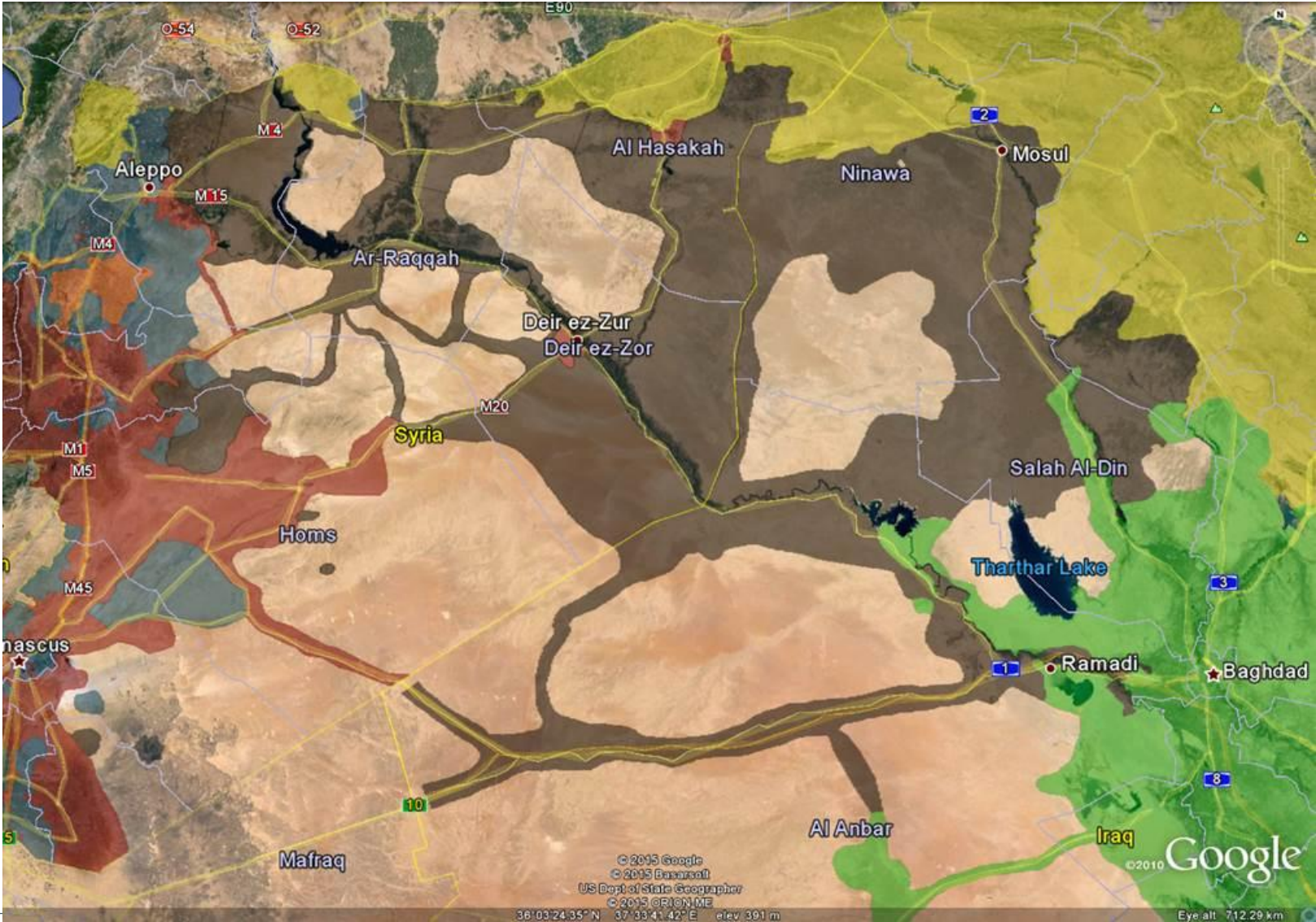
Final Aim

- Use sense of Sunni victimisation
- Overthrow Western hegemony
- Rule by Sharia law
- Caliphate dominating Arab and Muslim lands
- Territorial expansion

Tactics

- Polarise society to achieve radicalisation
- Seize territory and govern
- Appeals to youth
- More energetic

Islamic State map



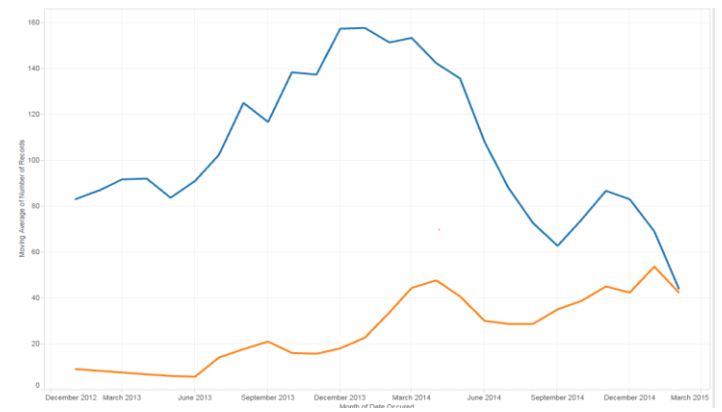
Egypt will need to balance labour and business demands to maintain stability, but is constrained by insurgency

Challenges

- Investors, Labour and Deficit Cuts
- Return of Mubarak and allies
- Bloated, corrupt and inefficient bureaucracy
- Unrest turning to Terrorism

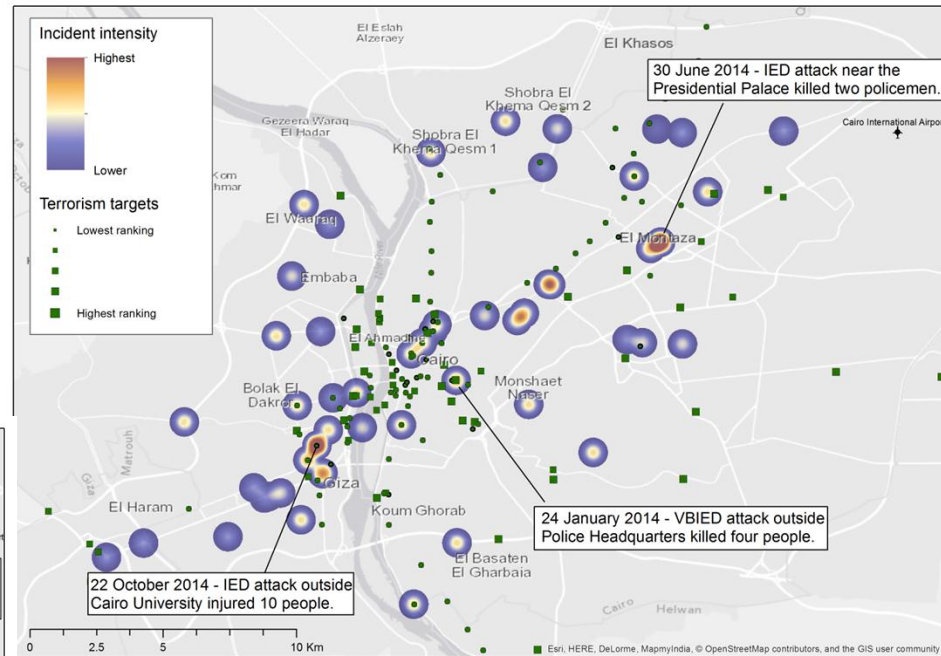
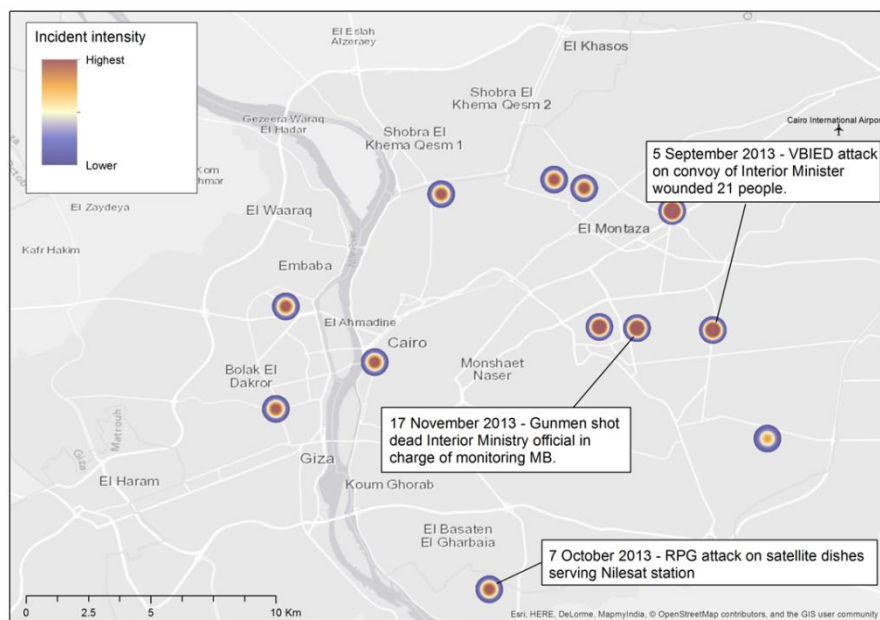
Implications

- Terrorism risks to gov't energy and tourism assets
 - Sinai and Western Desert
 - Police stations, courts, Interior Ministry, Army
- Economic failure would lead to severe risk of destabilising unrest in 3 year outlook



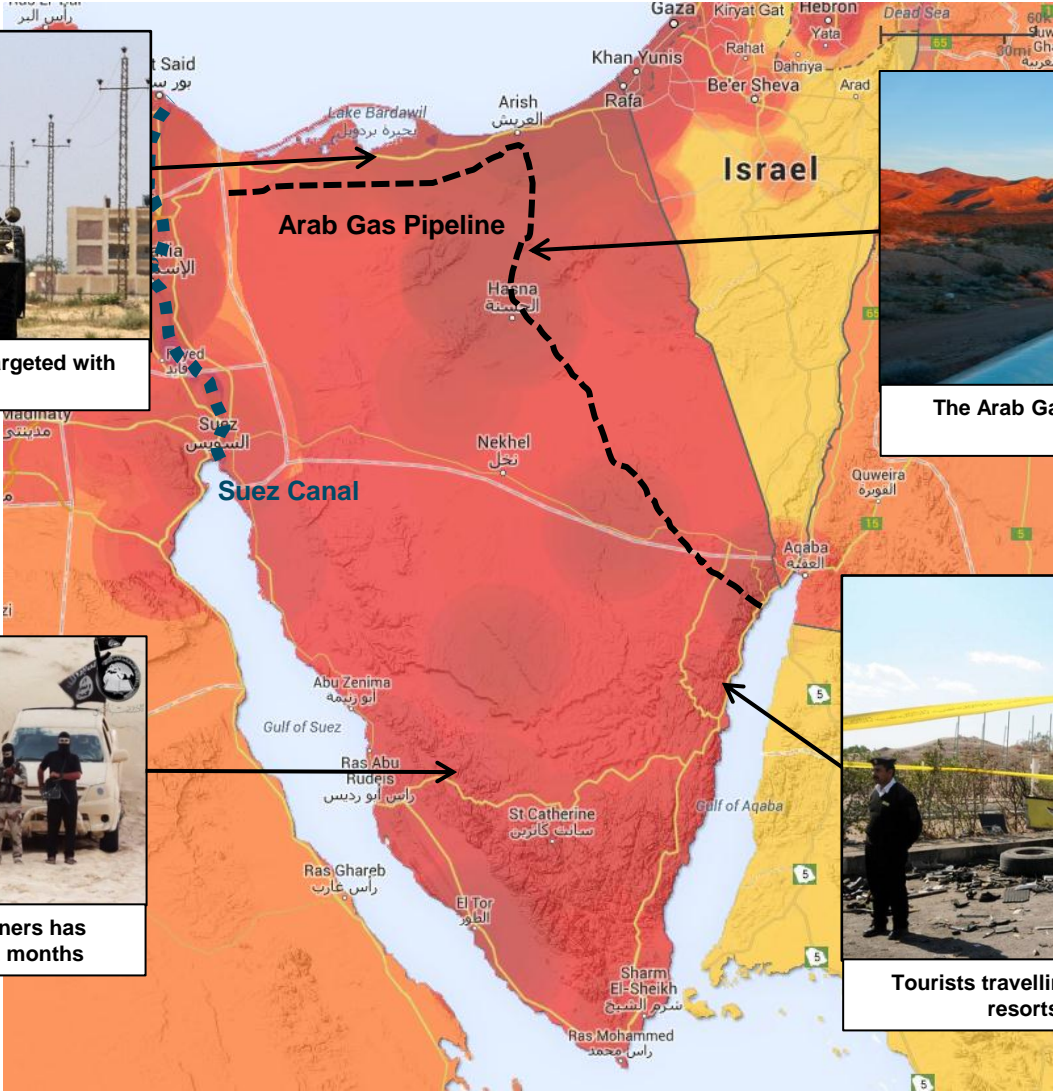
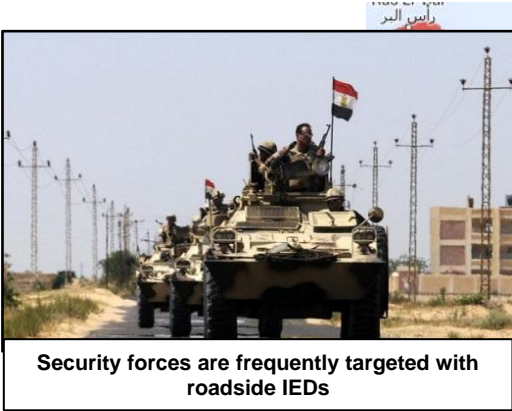
Egypt: Changing attack patterns

The 2014 graphic (right) indicates a marked increase in terrorism on 2013 (below)



September 2013 saw the first attempted attack by a Sinai-based group in Cairo

Islamic State in Sinai































































Israel Lebanon war risks – Will it involve Syria?

Status

- Israel prefers Sunni victory in the region
- Iran-P5+1 deal may pave way for Shia victory
- Hizbullah already expanding along the Golan
- Frequency of incidents growing

Risk Implications

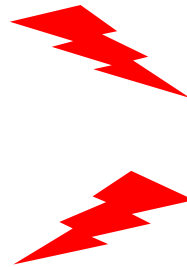
- Israeli opportunity to reverse the balance of power
- Strike Hizbullah, Syrian Army to prolong war, prevent Iranian victory
- Severe risk to infrastructure, border areas, ports, airports , energy assets

1 Forecast Briefs		95 Insight Briefs		510 Indicator Events	
13 Feb 15	Israel/PA - Syrian rebels reportedly provided locations of Hizbullah and Syrian government units near the Golan Heights and requested that the IDF attack them.				
28 Jan 15	Lebanon - Hizbullah sent a message to UNIFIL's senior commander in southern Lebanon saying it was not interested in a further escalation of forces with Israel.				
28 Jan 15	Lebanon - In the disputed Sheeba Farms area, Hizbullah reportedly fired an anti-tank missile at an IDF vehicle, injuring seven soldiers and killing two.				
27 Jan 15	Israel/PA - An IDF source claimed that the two rockets fired into the Israeli occupied Golan Heights from Syria had been fired by Hizbullah.				
26 Jan 15	Israel/PA - The Israeli government sent a 'strong warning' to Lebanon that it would respond with force should Hizbullah launch attacks against Israeli interests.				
20 Jan 15	Israel/PA - A security official claimed the IDF strike against a Hizbullah unit in Syria had not meant to target a senior member as well as an Iranian general.				
18 Jan 15	Syria - Near Hadr, Quneitra province, the Israeli airstrike on a Hizbullah building and two vehicles reportedly killed five Hizbullah leaders.				
18 Jan 15	Israel/PA - Near Quneitra, an IDF helicopter reportedly fired missiles at a Hizbullah unit, killing senior commander, Jihad Mughniyeh, son of Imad.				
18 Jan 15	Lebanon - Hizbullah mobilised its forces across Lebanon and threatened retaliation after an Israeli airstrike in Syria had reportedly killed leading members.				
15 Jan 15	Lebanon - Hizbullah leader Hasan Nasrallah said that Israeli attacks on pro-government targets in Syria constituted an attack on Hizbullah, Syria and Iran.				
09 Dec 14	Syria - A social media source claimed two 7 December 2014 airstrikes ascribed to Israel killed three Hizbullah fighters				
08 Dec 14	Israel/PA - Israel re-iterated it would not to allow the transfer of 'sophisticated weapons' to Hizbullah, amid the 7 December airstrikes in Syria.				
08 Dec 14	Israel/PA - In the Golan Heights region, security forces detained nine individuals for allegedly waving Hizbullah flags.				
07 Dec 14	Syria - At the 90th Brigade Army base, Quneitra province, the Israeli Air Force struck a weapons shipment intended for Hizbullah, a social media source said.				
05 Oct 14	Israel/PA - A military official said Hizbullah posed a greater rocket threat to Tel Aviv than the Gaza Strip should a conflict break out with Hizbullah.				

Africa: Nigerian elections and terrorism in east Africa

Gus Selassie, Deputy Head of Africa

Nigeria: Is the postponement of polls the PDP's last-ditch effort to retain power?



Ruling PDP (1999 – to date):

Incumbent President Goodluck Jonathan

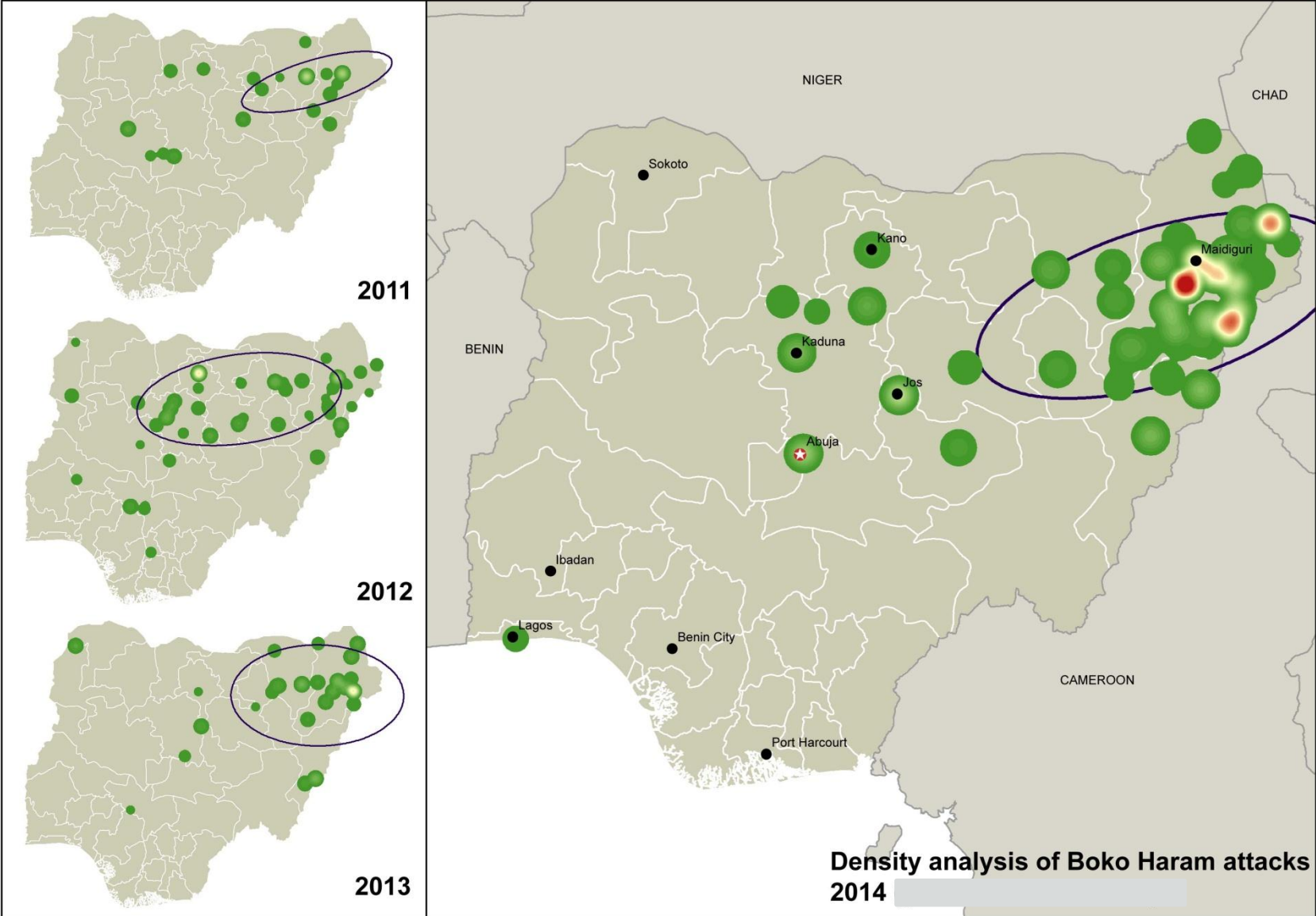
- Likely to secure the 2 of 6 geopolitical zones (South South and South East)
- If Jonathan is removed from office, ex-militants from his native Niger Delta region have threatened to 'go to war'
- Sabotage of oil infrastructure and disrupt production

Opposition APC:

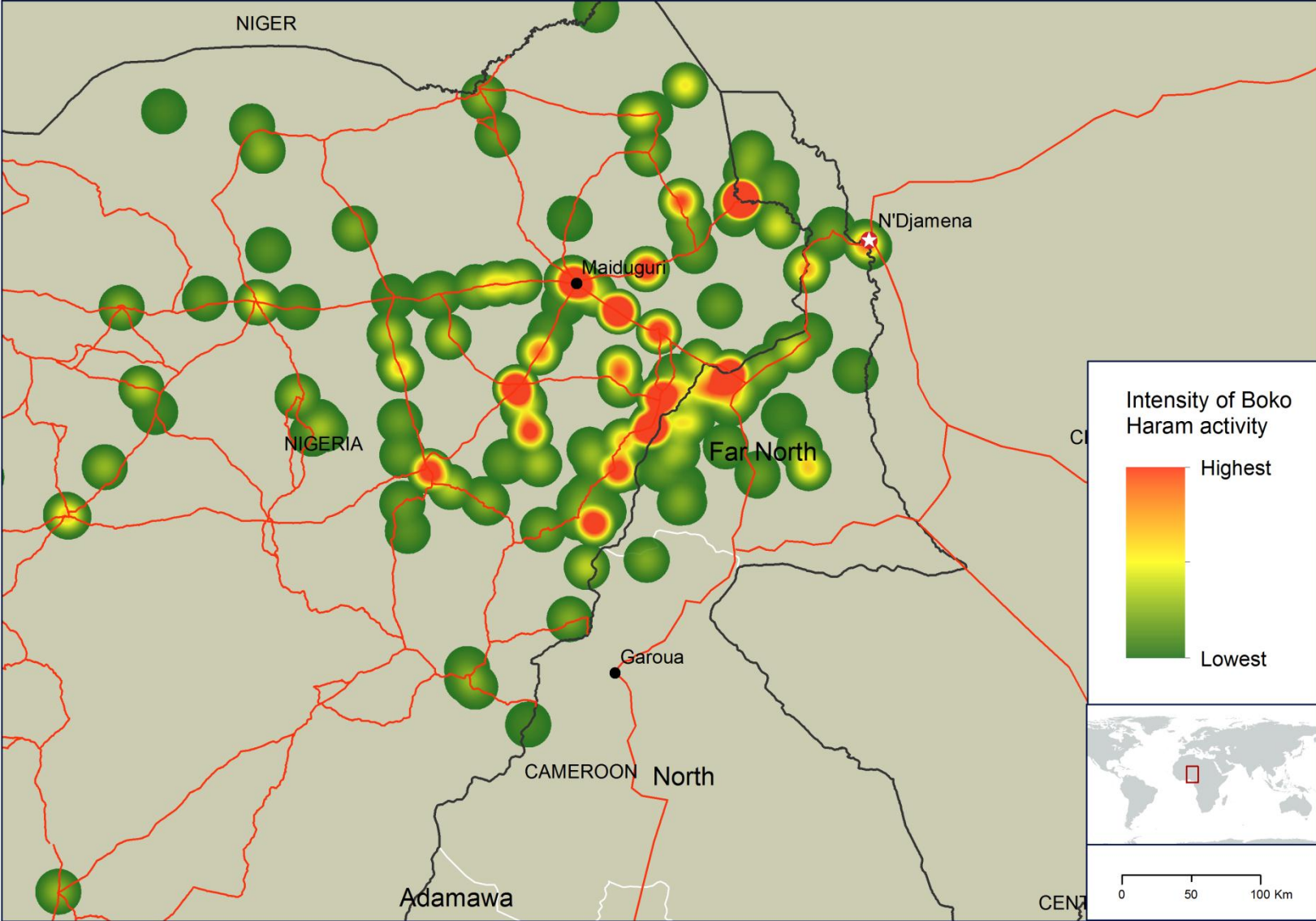
Former Military ruler Muhammadu Buhari

- Likely to secure the 3 of 6 geopolitical zones (South West, North West and North East)
- If Buhari loses or an interim govt is created, likely to see rioting in Lagos and across northern cities, Kano and Kaduna
- If Buhari wins, likely to see review of contracts awarded for marginal oil fields, oil imports and privatised power assets

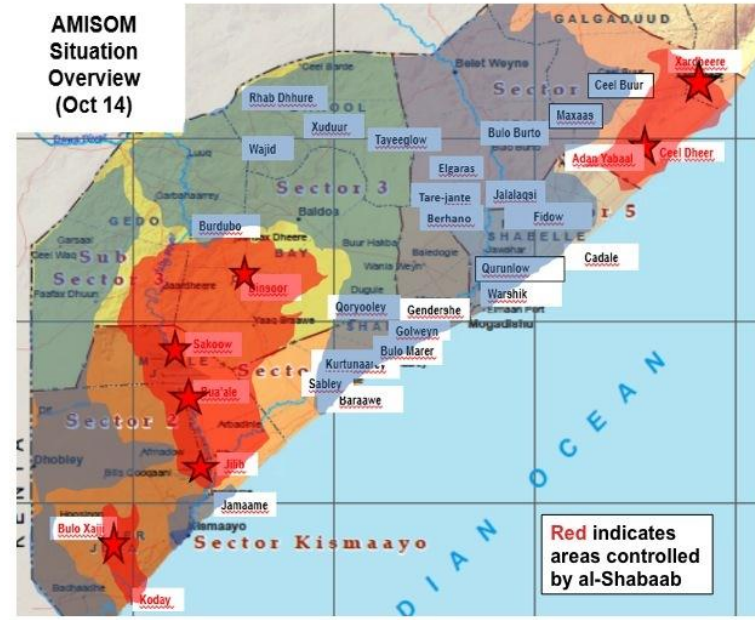
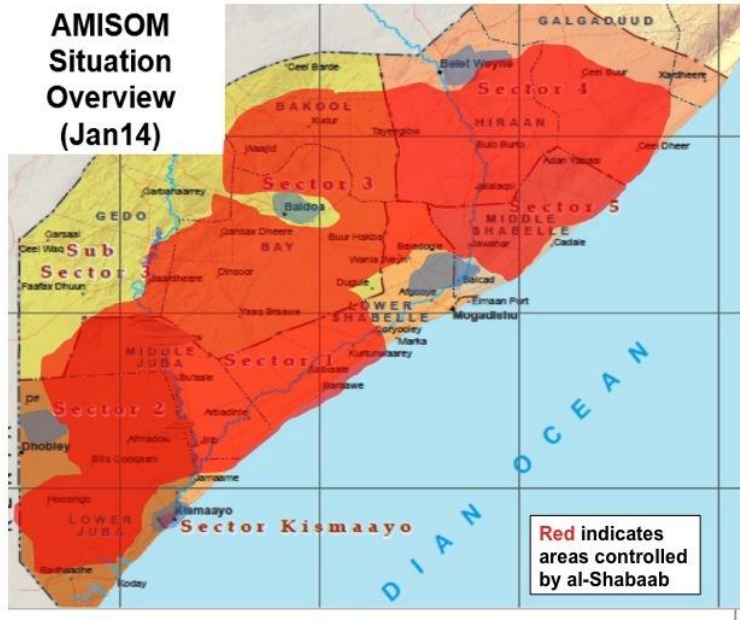
Evolution of Boko Haram attacks



Impact on Chadian and Cameroon cargo routes



East Africa: Al-Shabaab key losses (territorial)



East Africa: Al-Shabaab key losses (personnel)

Targeted killings

Ahmed Abdi Godane (Leader, September 2014)

Abdinasir Hassan Barakobe (Head of Intelligence, December 2014)

Abdi Nur Mahdi (Chief of External Operations for Intelligence, January 2015)

Internal assassinations and defections

Ibrahim Meeaad al-Afghani (Al-Shabaab Co-founder, June 2013)

Shiekh Maalim Burhan (Former Leader of Shura, June 2013)

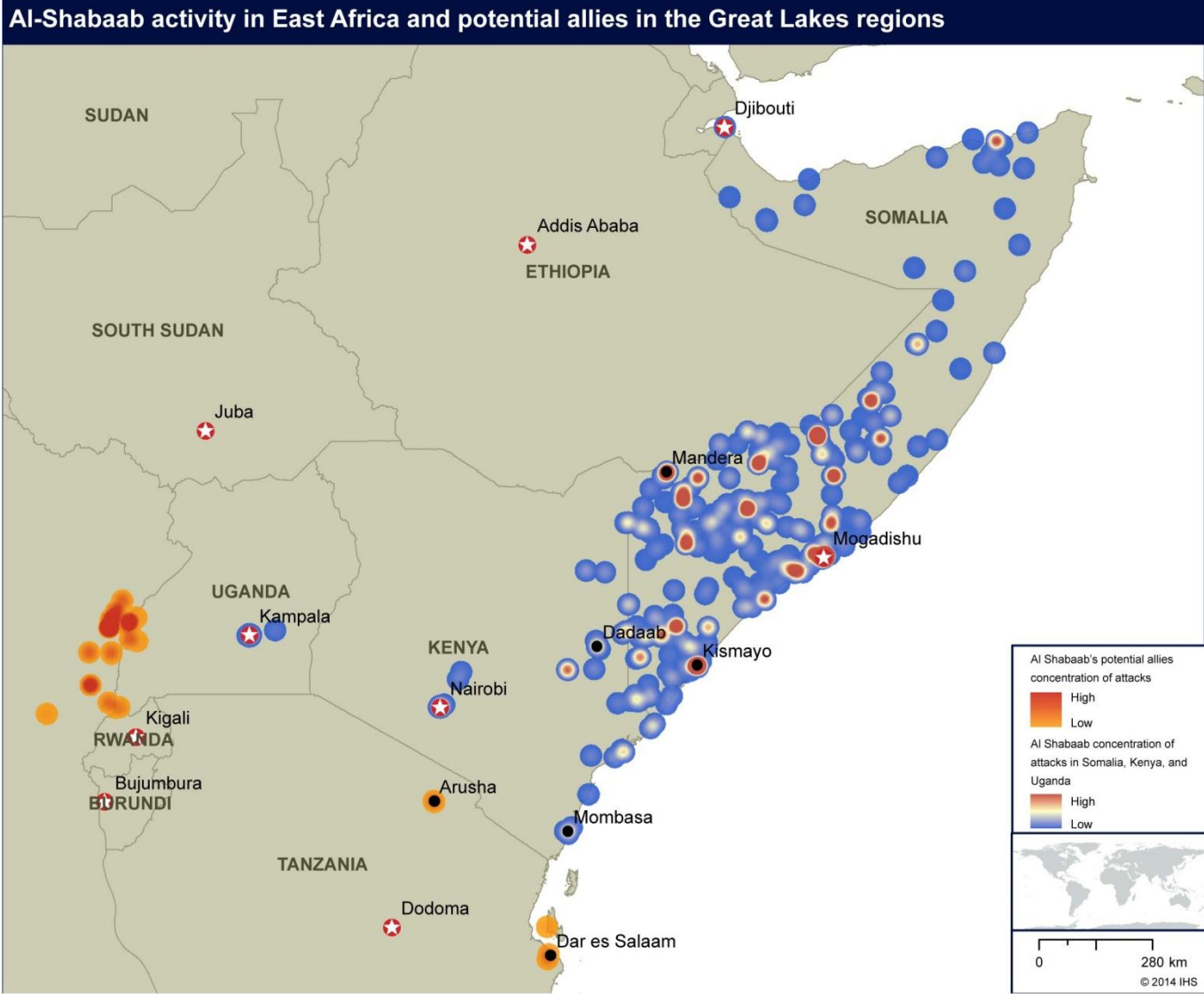
Abu Mansoor Al-Amriki (American-born jihadist, September 2013)

Mukhtar Robow (Deputy Leader, June 2013)

Sheikh Hassan Dahir Aweys (Senior Member and former leader, June 2014)

Zakariya Ismail Ahmed Hersi (Former Head of Intelligence, – December 2014)

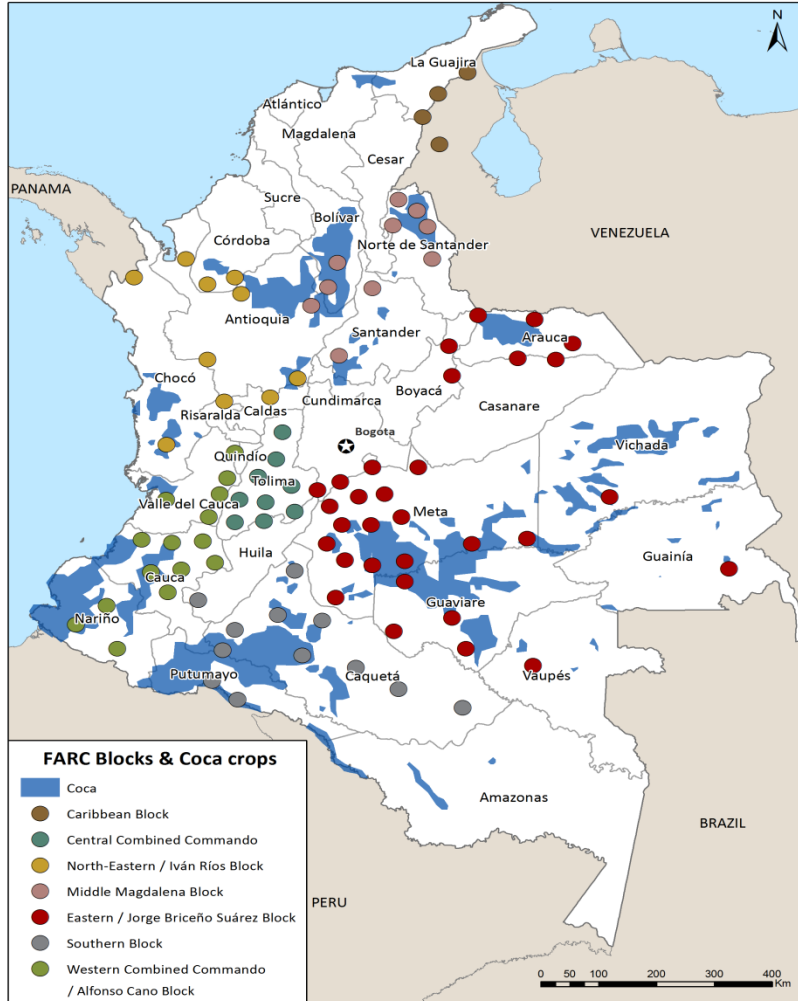
East Africa: Regional aspirations of al-Shabaab



Latin America: The prospect for peace with the FARC in Colombia and Mexican cartel violence

Carlos Cardenas, Deputy Head of Latin America

Colombia: Security outlook connected to ongoing peace talks

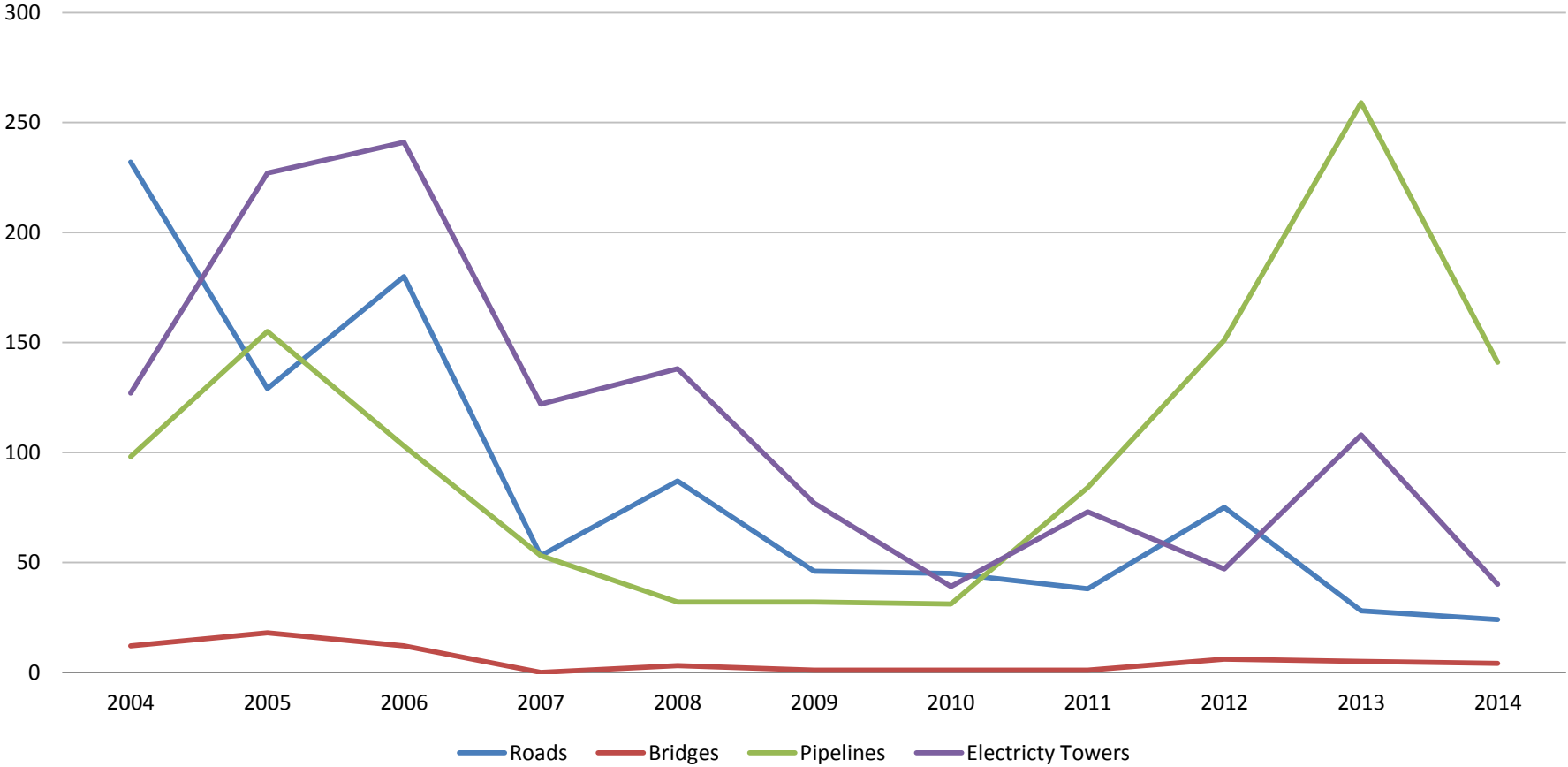


- **FARC: Unilateral ceasefire**
- **ELN: Likely to enter parallel peace talks**
- **Success (good prospects):**
 - Reduction in politically-motivated rebel attacks.
 - Probable FARC fragmentation in coca-crop areas.
- **Failure:** Renewed rebel offensive

Typical targets:

- Bicentennial pipeline (NE-NW)
- Caño-Limón Coveñas oil pipeline (NE)
- Transandino oil pipeline (SW)
- Cerrejón coal mine & railway line (NE)
- Oil trucks Puerto Asís (Putumayo).
- Electricity substations/towers (Antioquia, Nariño, Cauca).

Colombia: Terrorist attacks on a downward trend, though pipelines still face high risks



Mexico terrorism: Extortion risks rising



Subsidiary of PepsiCo warehouse set on fire in 2012



Site of July 2014 arson attacks against FEMSA (Arcelia, Guerrero)

• Targets:

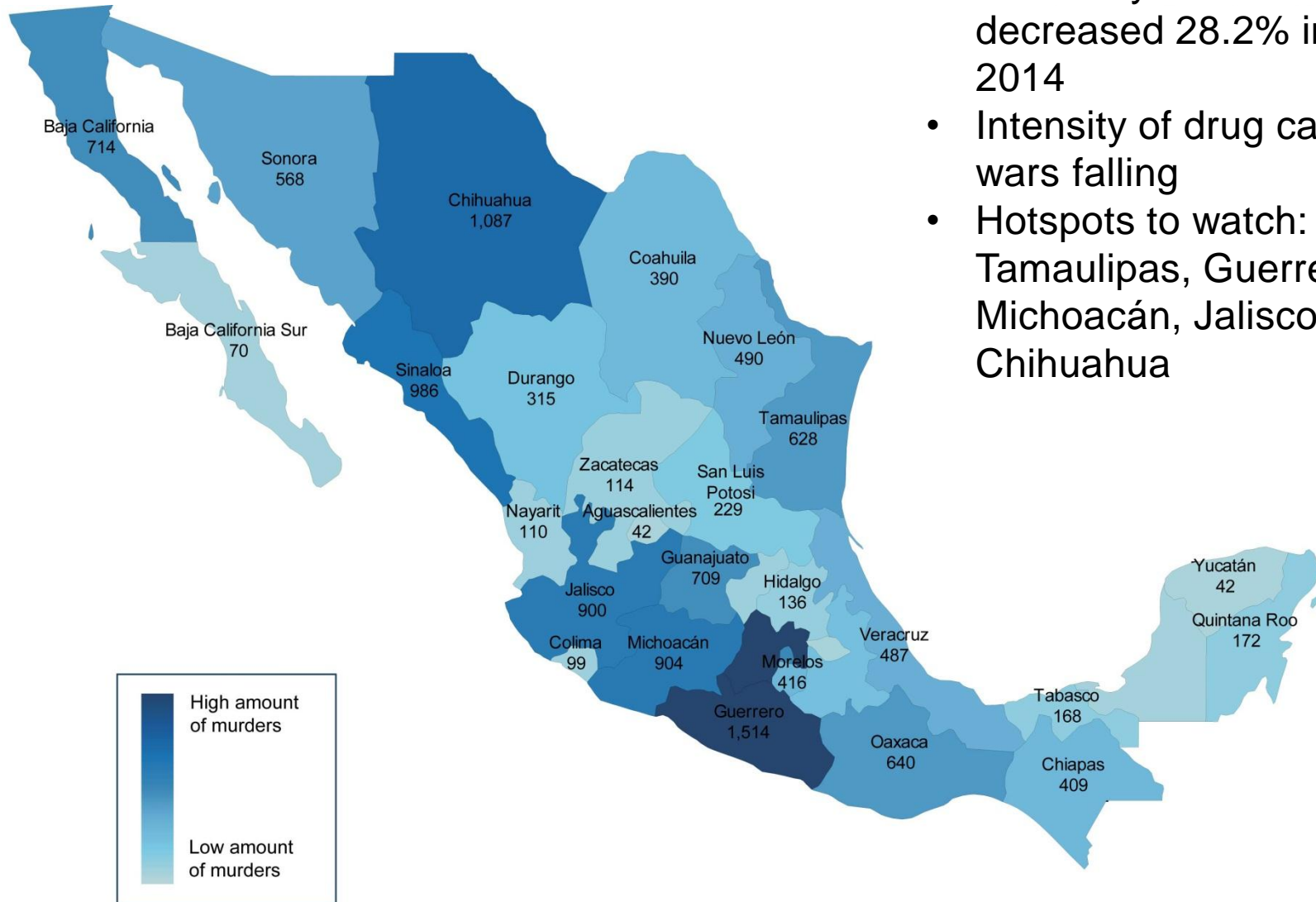
- Retailers, supermarkets, auto-repair shops, petrol stations
- Local services providers
- International firms not primary target, though there are exceptions

• Key Events:

- 30 July 2014, FEMSA shuts down plant in Guerrero following arson attack on trucks
- American Chamber of Commerce reporting its members have been harassed by extortionists
- In 2013, three large Mexican conglomerates demanded protection from extortionists
- In 2012, four warehouses and 40 vehicles belonging to PepsiCo's Sabritas in Guanajuato and Michoacán (company denied it was extortion)
- In 2012, Arson attack against small hotels in Acapulco, Guerrero.
- In 2011, Casino Royale arson attack in Monterrey

Mexico: Violent hotspots in the next year

- Year-on-year murders decreased 28.2% in 2014
- Intensity of drug cartel wars falling
- Hotspots to watch: Tamaulipas, Guerrero, Michoacán, Jalisco, Chihuahua

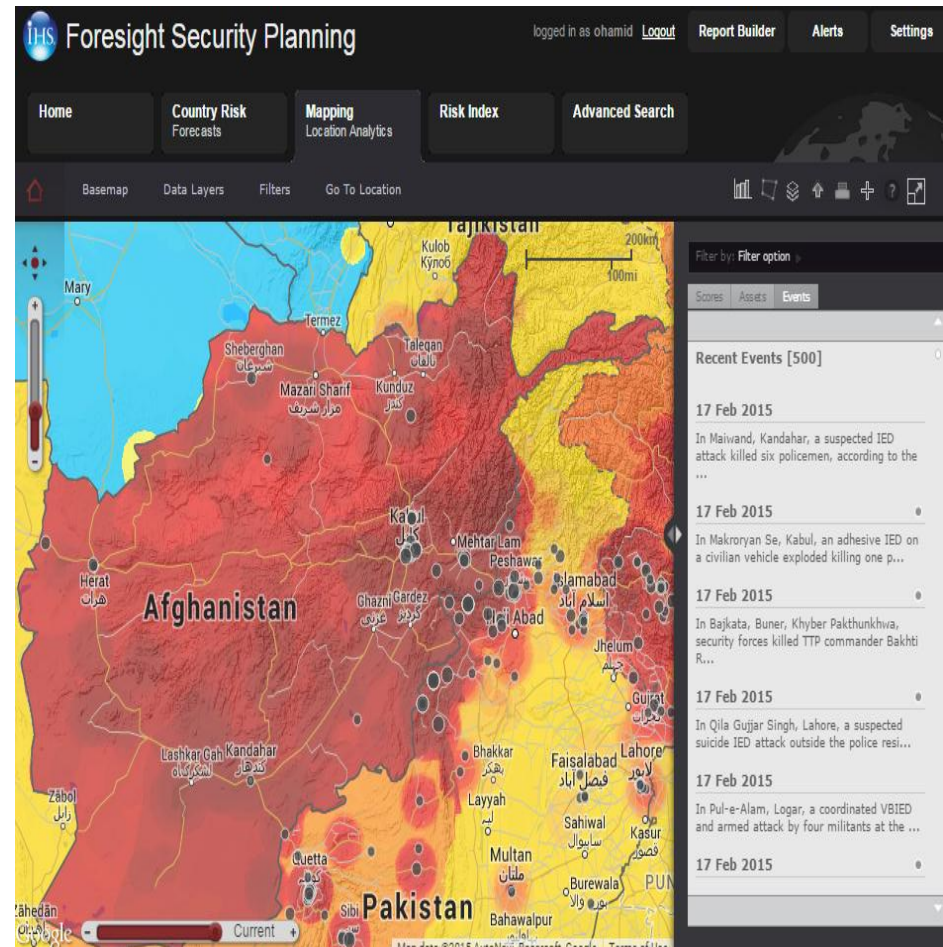


Asia Pacific: Afghanistan after ISAF and India's political violence outlook

Omar Hamid, Head of Asia Pacific

Afghanistan outlook for 2015

- Beginning of civil war style conflict
- Afghan Taliban continue to expose security vulnerabilities of ANSF
- US to continue offensive role in support of ANSF

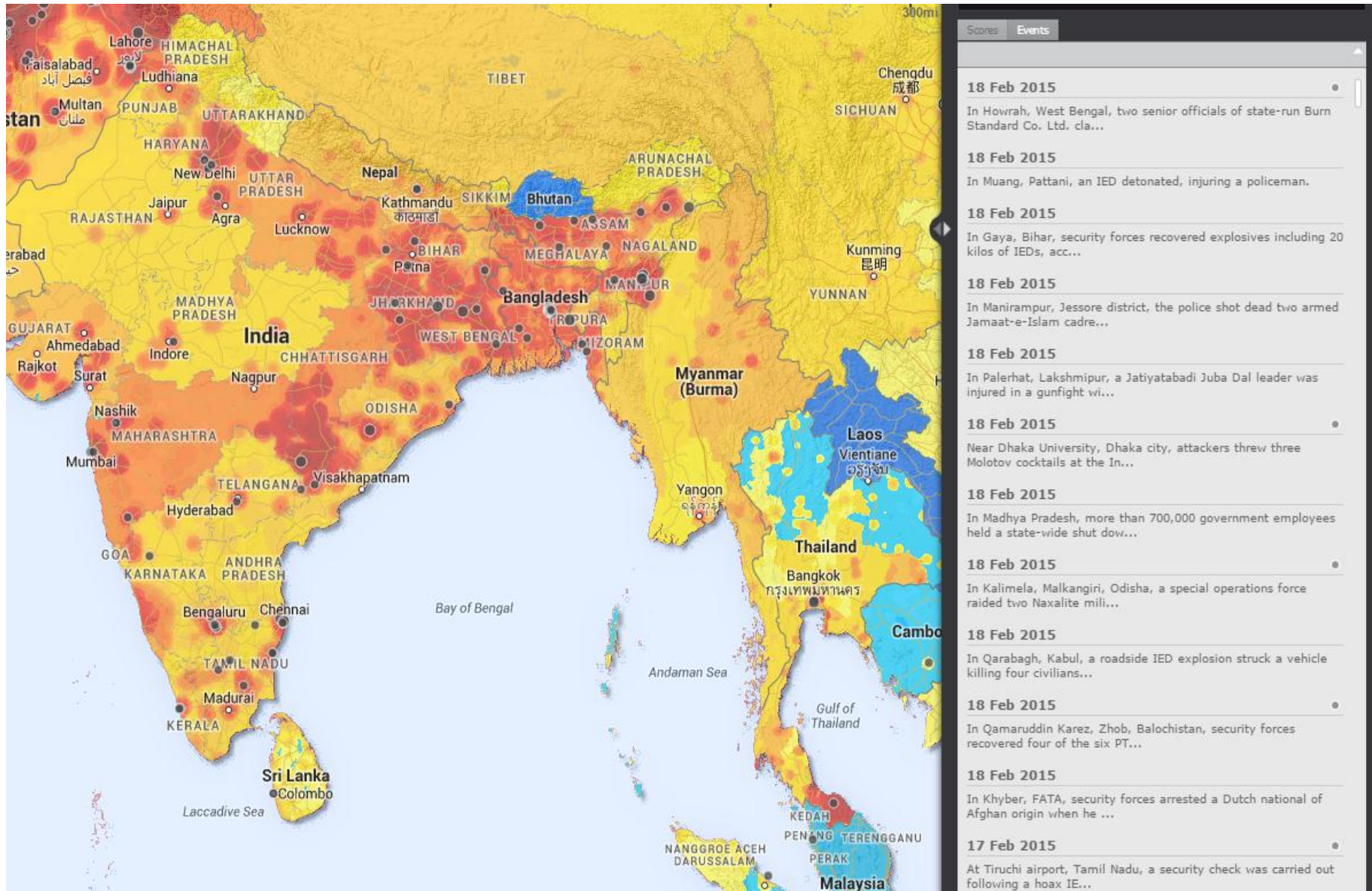


Afghanistan

- Attacks likely to increase as Taliban look to improve leverage for peace negotiations
- **Key indicator:** Greater cross-border cooperation likely between Pakistan, Afghan and US forces
- Increase in targeting of Pakistan Taliban in eastern provinces by US/Afghan forces
- Quid pro quo, Pakistan to push Afghan Taliban for meaningful peace talks



India violent risk outlook



India violent risk outlook



- Modi's election likely to be a recruiting boon for domestic Islamist groups.
- If incidents of communal unrest increase, domestic groups like Indian Mujahideen and SIMI more likely to conduct attacks.
- Capability remains low: homemade IEDs in public spaces.
- Even if some groups align with Islamic State or Al Qaeda, this will not signify increase in capacity.



QUESTION AND ANSWER



THANK YOU!

Richard Jackson, Deputy Head of Violent Risk Forecasting, Richard.jackson@ihs.com

Firas Abi Ali, Head of Middle East & North Africa Forecasting, Firas.abiali@ihs.com

Gus Selassie, Deputy Head of Africa, gus.selassie@ihs.com

Carlos Cardenas, Deputy Head of Americas Forecasting, carlos.cardenas@ihs.com

Omar Hamid, Head of Asia Forecasting, omar.hamid@ihs.com