

**Changing Patterns in
Terrorism and the Threat
to Business**



Syrians surround the wreckage of a car following an explosion in Damascus, May 2018. (PLOUAI BESHARA/AFP/Getty Images)

Table of contents

▶ Global rise in IS-inspired attacks	5
▶ In the line of fire: the targets of IS-inspired attacks	8
▶ Other types of terrorism	12
▶ Risks and opportunities	15

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Source: Control Risks CORE. National figures - map does not reflect precise location within a country © Control Risks 2018

Control Risks continually monitors the terrorist threat across the globe by mapping incidents and monitoring trends. This report examines the changing patterns of Islamist and other forms of terrorism across the world and how they affect business operations.

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- Before the IS “Caliphate”: the footprint of Islamist terrorism in 2013: 2,676 incidents
- A broader threat in 2017: 5,276 incidents of global Islamist terrorism between 30 April 2017 and 30 April 2018



A member of the Iraqi Popular Mobilisation units removes a sign bearing the IS logo in Tal Afar, August 2017. (AHMAD AL-RUBAYE/AFP/Getty Images)

Global rise in IS-inspired attacks

The grip of the so-called Islamic State (IS) may have loosened in its Middle Eastern heartland, but the global threat posed by Islamist terrorism has grown and spread. Control Risks' incident tracking shows the majority of Islamist attacks still happen in the Middle East and North Africa (MENA), with 2,273 incidents between 30 April 2017 and 30 April 2018. But despite being the most affected region, the number of attacks in the MENA region has been declining.

In contrast, Asia Pacific and Africa¹ reached record numbers of incidents, though often the threat was geographically circumscribed and avoidable. Some EU nations have been on a broadly upward trend in recent years. Many factors lie behind this, including the alignment of existing Islamist militant organisations under the IS flag, the return of some IS

fighters to their homelands and the local dynamics of existing conflicts.

The fate of IS fighters as the group's territorial hold on Iraq and Syria diminished is a mixed one. While some of them fled, many were killed as the group's fortunes waned. The battle for Kobane in 2015 saw the first big setback for IS when US air strikes killed thousands of IS fighters. Subsequent battles saw more casualties and flight. The numbers and fate of those who fled is unclear. Many states have attempted to track nationals who travelled to Syria and those who returned. Western countries have among the most reliable estimates (Fig.1). It must be assumed that an unknown number have melted away, either returning home or travelling to other theatres of insurgency.

The number of Islamist extremist attacks in parts of Africa and Asia-Pacific in

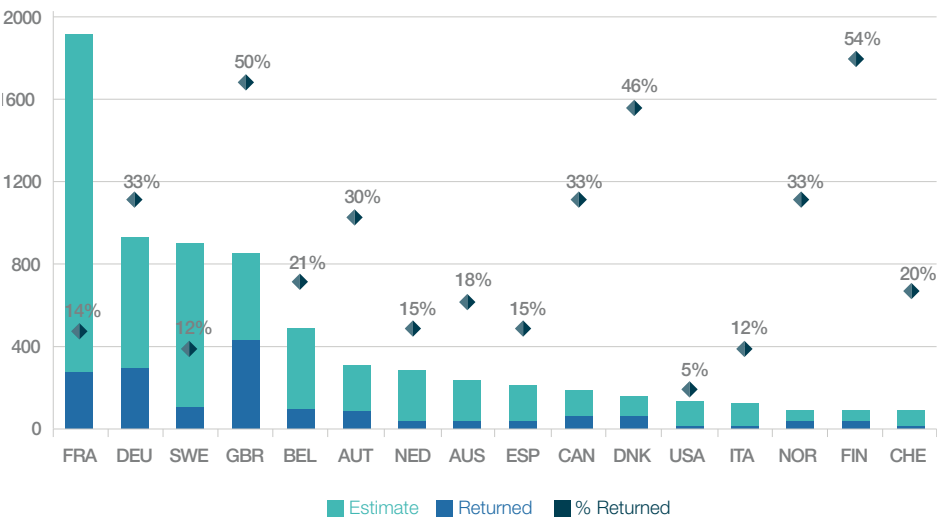
2017 - 2018 shows a sharp rise compared with 2013, before the global emergence of IS.

The threat from Islamist terrorism in the Americas remains generally low and only manifest in North America. Only four attacks were recorded in 2017 and the total number of attacks per year has never gone beyond single figures. However, the ready availability of firearms in the US does create the potential for a perpetrator of any motivation to carry out a mass-casualty attack such as the 2016 Orlando night club incident in which 49 people died. However, the incidence of Islamist attacks is consistently low.

Gun/firearm was the dominant mode of attack for terrorism incidents globally (47%), followed by improvised explosive device (IED) attacks (21%) and mortar attacks (13%).

Source: Control Risks based on Soufan Group 2017, UN 2017, and national authorities © Control Risks 2018

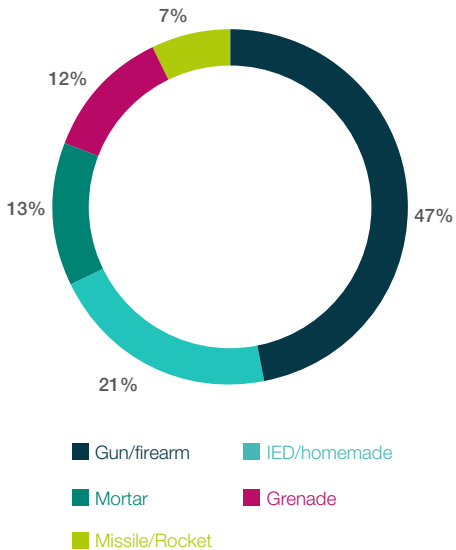
Fig.1 Recent estimates of Western foreign fighters to and returnees from Syria and Iraq



¹Throughout this document we refer to sub-Saharan Africa as 'Africa' in contrast to 'MENA', which includes North Africa.

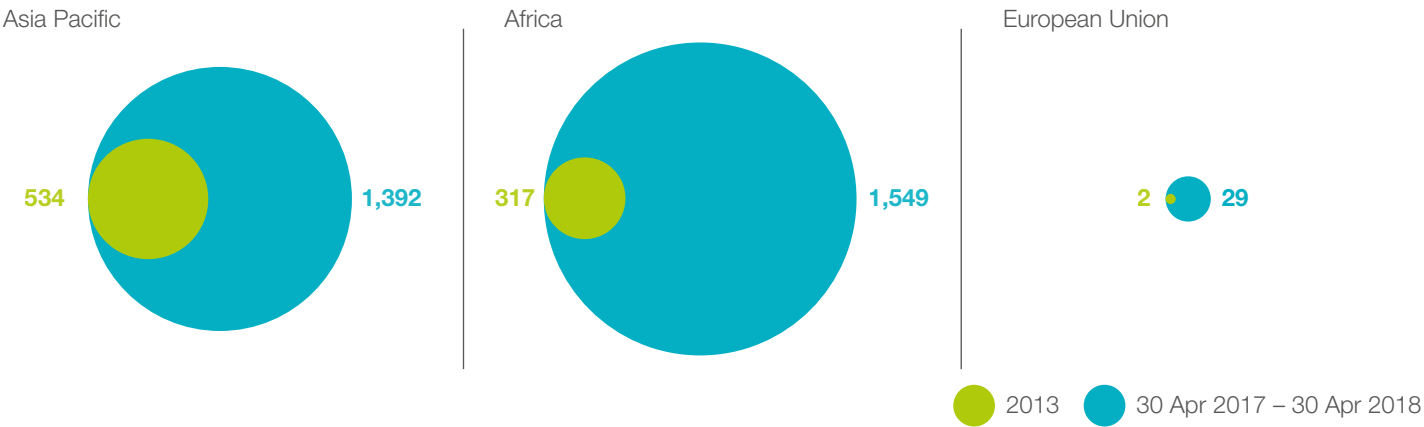
Source: Control Risks CORE © Control Risks 2018

Fig.2 Terrorist attack methods globally 2017/18



Source: Control Risks CORE © Control Risks 2018

Fig.3 ▶ Total Islamist attacks by region



Source: Control Risks CORE (rough clustering shown, more detail and analysis is available in the CORE platform) © Control Risks 2018

Fig.4 ▶ Distribution of Islamist attacks in South-East Asia 30 April 2017 – 30 April 2018

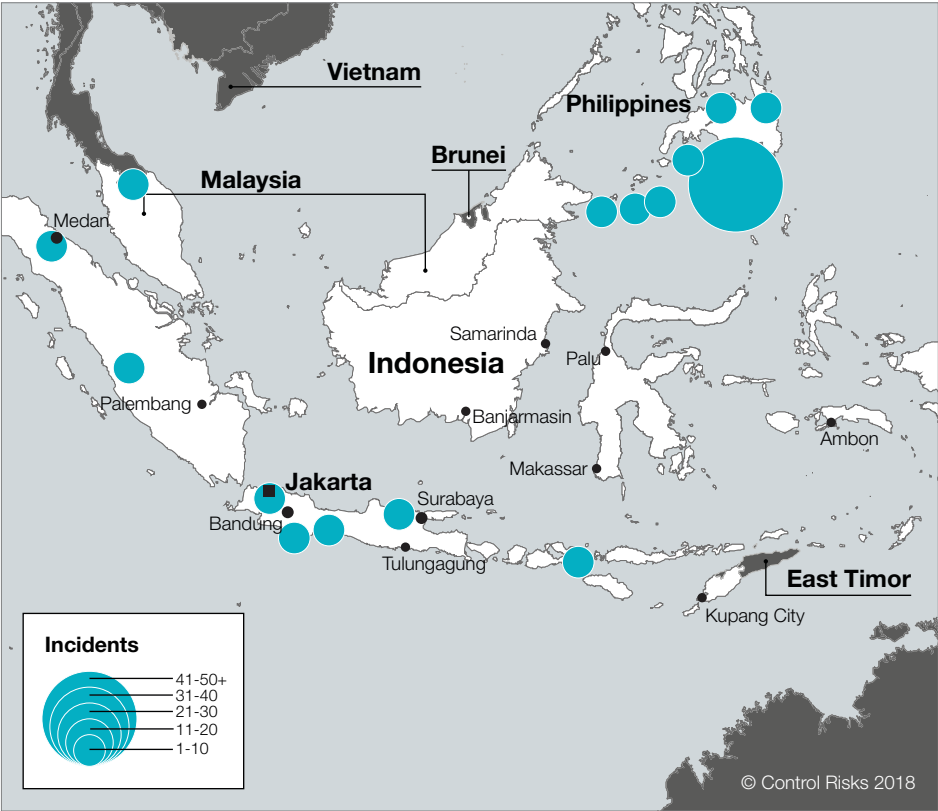
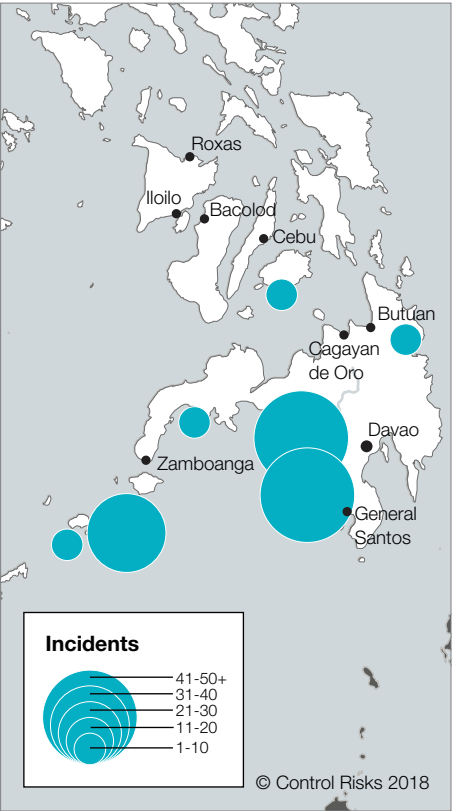


Fig.5 ▶ Philippines Islamist attack clusters 2017



Indonesians at a candlelight vigil in Jakarta following a series of bomb attacks in Surabaya, May 2018. (ADEK BERRY/AFP/Getty Images)

In the line of fire: the targets of IS-inspired attacks

IS and militants inspired by the group distinguish themselves from most other perpetrators by their desire to cause loss of human life, often at large scale. They target civilians randomly, often in public places, and attack security forces and military assets.

Looking at all types of terrorist activity, government, military and security forces and their installations typically top target lists across the world. Retail and road (vehicles and infrastructure) top the list of civilian sectors affected by terrorism – either directly or through collateral damage – because of their near ubiquity, as well as the prevalence of roadside improvised explosive devices in some regions.

In the EU, Islamist extremists were mostly active in France, Spain and the UK with vehicle-ramming attacks in public places

as the most prevalent tactic, such as the incident in the Las Ramblas area of Barcelona, Spain, that killed 14 people and wounded 120 others. A major suicide bomb went off at the Manchester Arena, UK, in May 2017, killing 22 people and wounding 64.

The majority of Islamist extremist attacks in the EU affected the entertainment and hospitality sectors and public spaces frequented by tourists. Attacks impacting the rail/mass transit sector were also recorded, most notably an explosion on a District line train near the Parsons Green station, London, in September that wounded 30 people, and an attack at the Central Station of Brussels in June where two low-intensity explosions occurred without casualties and a man trying to detonate an IED placed in a suitcase was shot dead by security forces.

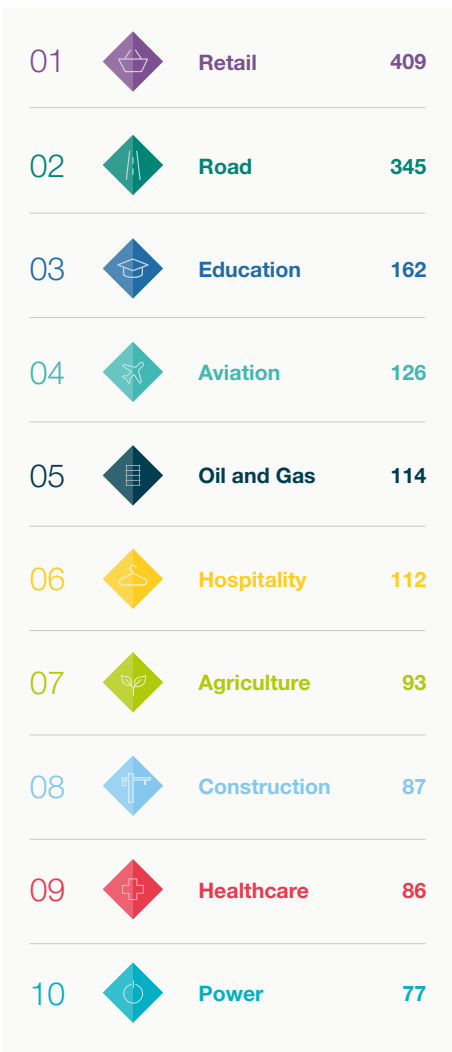


A damaged car near Le Campement tourist resort in Bamako, Mali after al-Qaida-linked militants attacked, killing 5, June 2017. (HABIBOU KOUYATE/AFP/Getty Images)

In the Asia-Pacific region, most attacks by Islamist militants target law enforcement and military assets. Only a small proportion has a direct or incidental impact on businesses. The majority

Source: Control Risks CORE © Control Risks 2018

Fig.6 ▶ Business-related sectors affected by terrorist incidents – globally 2017/18

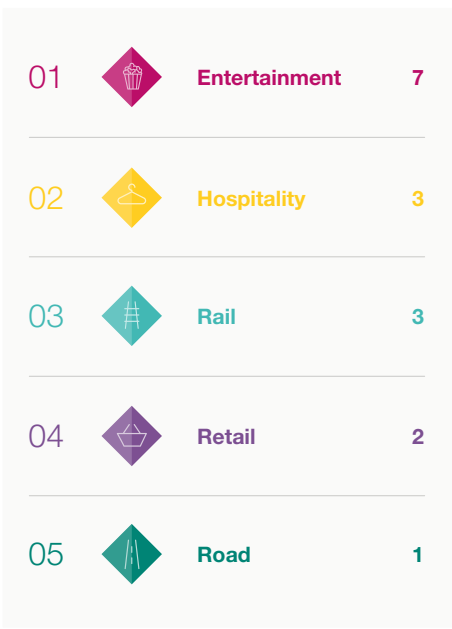


of these affect road infrastructure and vehicles, followed by education (schools, universities, campuses) and retail assets. Incidents impacting the aviation sector (which occur mostly in Afghanistan) generally target military bases at airports, with only an indirect impact on business. Notable was a rocket attack by Taliban insurgents at Hamid Karzai International Airport in Kabul in July 2017 that killed at least one person and disrupted commercial operations.

Most attacks by Islamist militants in Africa also affect vehicles and road infrastructure such as bridges, particularly in Nigeria, Mali, Kenya and Somalia. The hospitality sector comes in second (with most incidents in Somalia and Mali), followed by retail. Notable is an attack at Le Campement tourist resort, Bamako, Mali, in June 2017, where Islamist insurgents killed five

Source: Control Risks CORE © Control Risks 2018

Fig.7 ▶ Top business-related sectors affected by Islamist terrorist incidents – EU



people and wounded 12, while taking 32 others hostage. Aviation assets were attacked in Somalia and Mali.

Islamist terrorist attacks in the Americas occurred only in the US and Canada. Attacks targeted the Port Authority Bus Terminal in New York City in December 2017, where a man injured three people

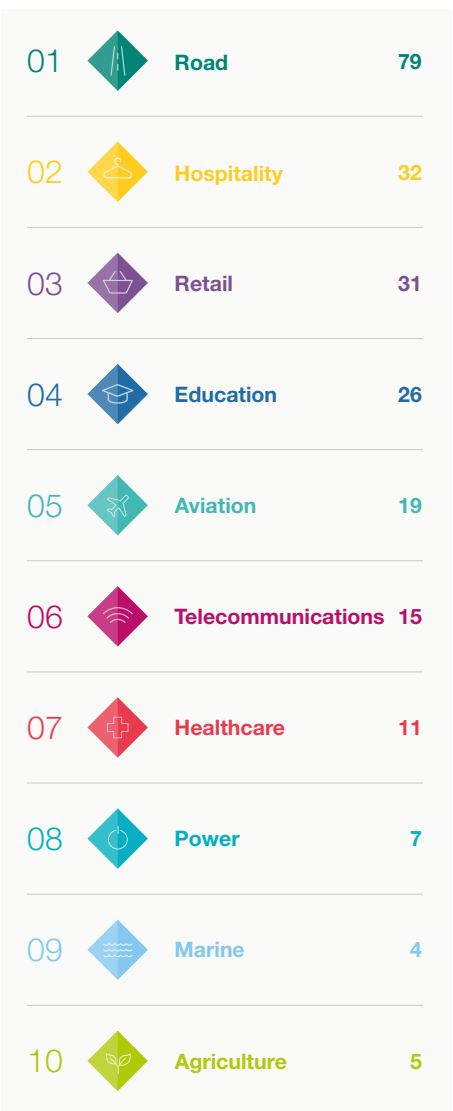
with a homemade bomb; a bike path in Manhattan, New York City, where an individual drove a truck into cyclists and runners in October 2017, killing eight people and wounding 12 others; and pedestrian areas in Edmonton, Alberta, in September 2017, where six people were wounded.

Source: Control Risks CORE © Control Risks 2018

Fig.8 ▶ Top business-related sectors affected by Islamist terrorist incidents – Asia Pacific



Fig.9 ▶ Top business-related sectors affected by Islamist terrorist incidents – Africa



A memorial at the site of the deadly car attack in Charlottesville, Virginia, August 2017. (Evelyn Hockstein/ The Washington Post/Getty Images)

Left-wing, right-wing, anarchist, and ethnic-nationalist actors combine to carry out a greater number of attacks than Islamist terrorists, but their methods and impacts are generally far less lethal.

Other types of terrorism

The lethality, political impact and cultural imagery of Islamist terrorism give it prominence in public perceptions across the world, even though victim numbers in most places are far lower than in the most heavily affected countries (Afghanistan, Pakistan, Iraq, Syria, Somalia). Left-wing, right-wing, anarchist, and ethnic-nationalist actors combine to carry out a greater number of attacks than Islamist terrorists, but their methods and impacts are far less lethal. Control Risks CORE data shows that of the 82 fatalities caused by terrorism in the EU in 2017, all but one were in attacks by Islamist extremists.

Attacks by anarchist militants (mostly in Greece, Germany, Italy and France)

account for the majority of terrorism incidents in the EU. Anarchists target mainly government and law enforcement assets, but also bank branches, universities, shops and vehicles, causing property damage to businesses in the financial and retail sectors. Right-wing extremist attacks come in second and were mostly recorded in Germany, Sweden and the UK, with an increase recorded in Italy. Their main targets were refugee accommodation facilities and religious assets such as mosques and Islamic centres. Several kosher shops were also targeted in arson incidents.

Most attacks by non-Islamist terrorists in the EU targeted assets in the financial and retail sectors, with anarchists

vandalising and setting fire to bank branches, ATMs, shops, delivery vans, but also a bus carrying holidaymakers near the Camp Nou stadium in Barcelona, Catalonia, in July 2017. The majority of these attacks were recorded in Germany and Greece.

One notable attack in the US was in August 2017 when a suspected right-wing activist drove a car into a crowd of people protesting against a nationalist march in Charlottesville, Virginia, US, killing one person and injuring at least 19 others.

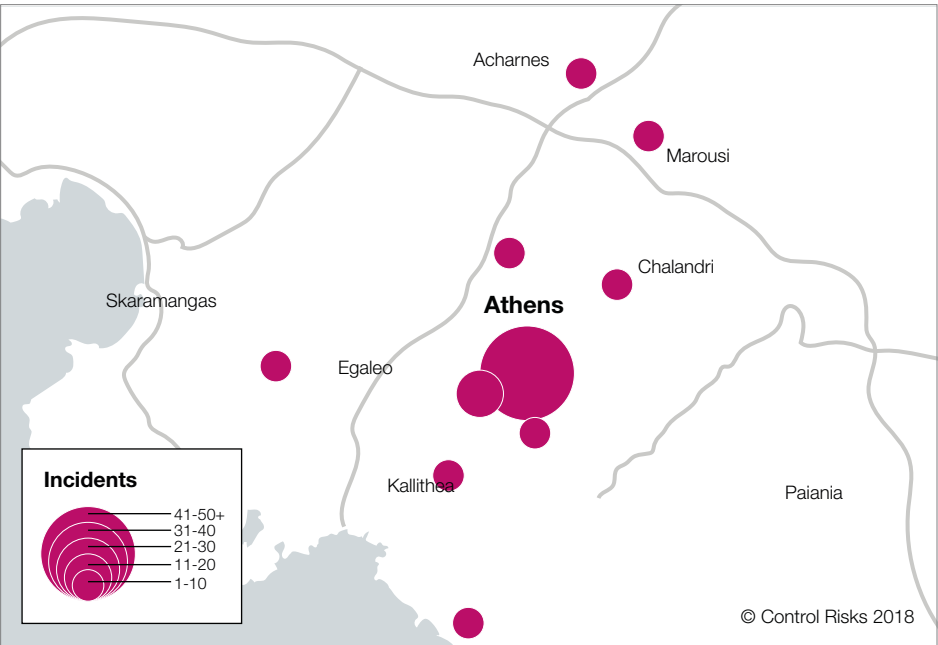
The attacks in the US and EU where the perpetrator was not identified (18 and 52 respectively) reflect incidents that were unclaimed and where investigations failed

Source: Control Risks CORE © Control Risks 2018

Fig.10 ▶ Top perpetrators by number of attacks in the EU, US and Canada

	EU	US	Canada
▶ Anarchist	99	0	2
▶ Unknown	52	18	0
▶ Right-wing	33	4	0
▶ Islamist	28	2	2
▶ Ethnic	19	0	0
▶ Left-wing	2	0	0

Fig.11 ▶ Incidents involving anarchists, Athens, 30 April 2017 – 30 April 2018



© Control Risks 2018

to identify an offender. Some of these may have involved terrorist-like methods but in fact were related to personal grievance, psychological disorder or random acts of violence without any political motivation.

In Colombia, the peace deal with leftist FARC guerrillas was sealed on 30 November 2016, and the UN Monitoring

and Verification Mission announced in June 2017 that the disarmament process of the FARC had concluded. Since then successor groups have attempted to fill the power vacuum left by the disarmed guerrillas and fight for control of illegal businesses in areas formerly controlled by the disarmed guerrillas. The FARC was the largest guerrilla group, operating

predominantly in rural areas. The National Liberation Army (ELN) continues to wage armed insurgency in rural parts of the country, in particular the border departments of Norte de Santander, Nariño and Arauca. In the 17 months following the FARC peace accord, Control Risks CORE recorded 331 attacks by leftist guerrillas.

Source: Control Risks CORE © Control Risks 2018

Fig.12 ▶ Top-business sectors affected by other types of terrorism – EU

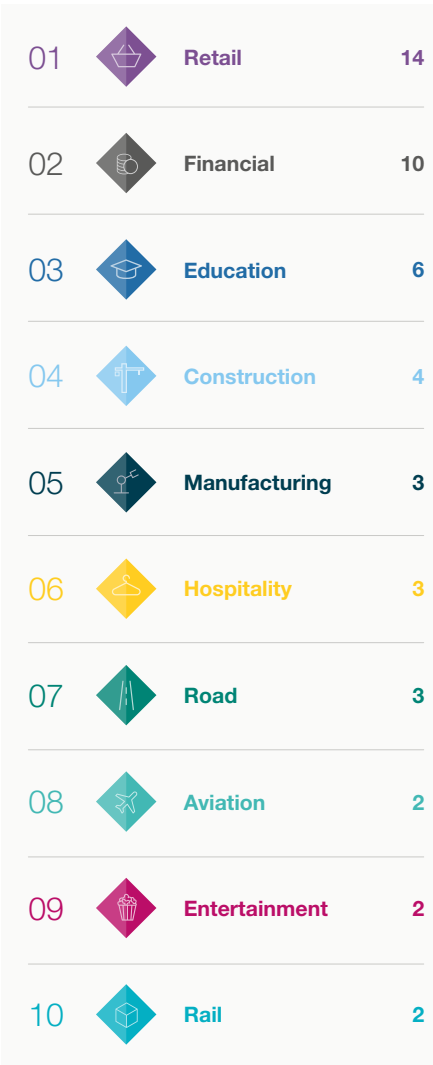
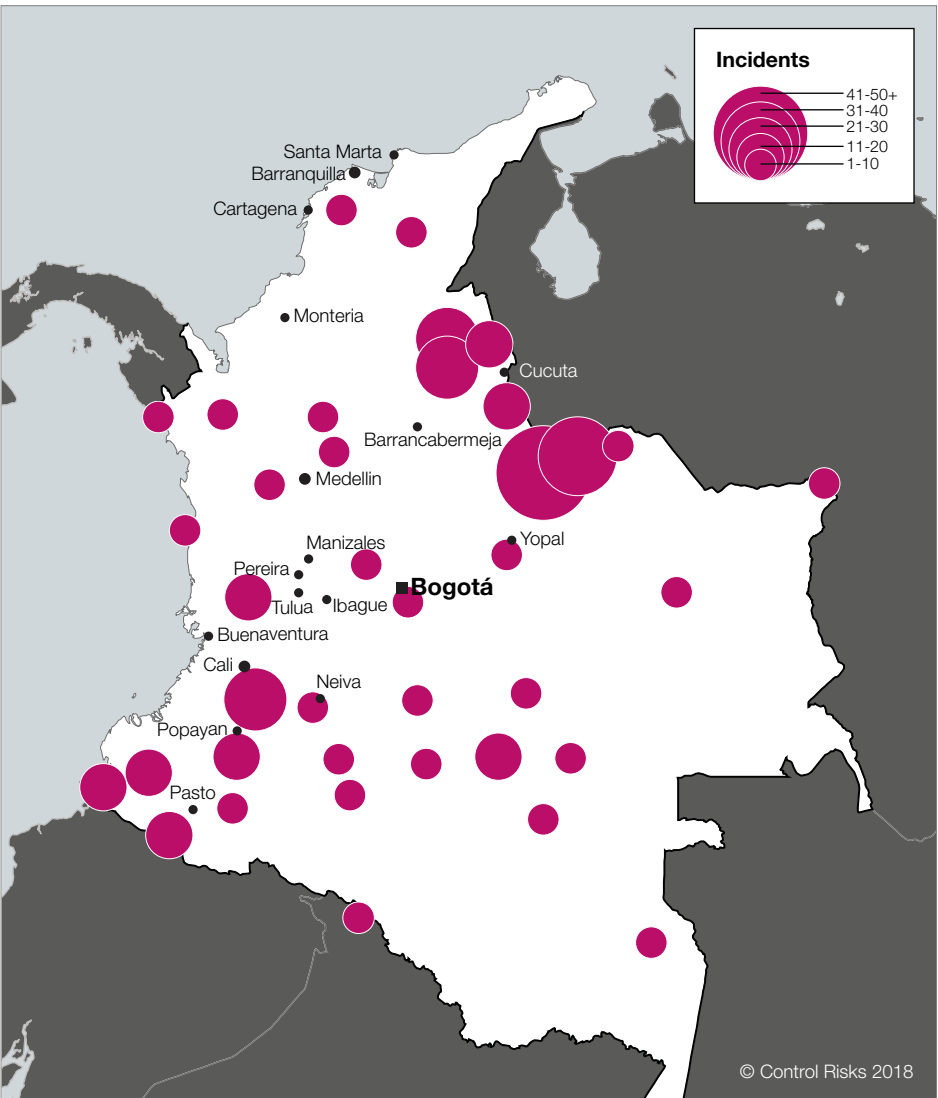


Fig.13 ▶ Terrorist incidents involving leftist guerrillas, Colombia, 30 November 2016 – 30 April 2018



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Makati, the financial hub of Manila, the Philippines. (simongurney/Getty Images)

Risks and opportunities

The many shades of political and ideological violence and militancy in play across the globe are part of a complex picture of risk and opportunity facing businesses and organisations. Combined with other threats such as cybercrime, kidnap and general criminality, these create a complex security environment for international business.

It is well documented that, barring an attack of a scale such as those targeting New York City and Washington DC in 2001, markets – and by extension, investors – have largely priced in the terrorist threat. The attacks in Surabaya, Indonesia, in May 2018 were the deadliest the country had seen since 2005, but the benchmark Jakarta Composite Index closed just 0.16% lower on the Monday after the assault.

Colombia topped the list of countries where terrorism affected the oil and gas sectors in 2017, but investors continue to find opportunity, with Foreign Direct Investment (FDI) inflows rising before and after the peace accord with the FARC and predicted to rise still further according to Control Risks' partner Oxford Economics. Countries with persistent terrorist threats such as the Philippines, Indonesia and Kenya all show FDI inflow on a rising trend.

Knowing a market well and being in full possession of all relevant information about the operating and threat environment helps decision-makers judge the potential impact of terrorism. In many countries, especially in South East Asia, the terrorist threat is geographically localised and not a serious issue unless a business is operating in the affected area. Some sectors are more vulnerable than others. Tourism is a case in point. If a popular destination suffers an attack, people stay away. Tunisia was a

beach holiday destination for visitors from Europe before two terrorist attacks in 2015 killed 60 tourists. In 2014, the year before the attacks, there had been 430,000 visitors from the UK. Last year there were just 28,000 according to the Tunisian government. Recovery is there, but it is slow. However, there is strong geographical variation: Paris has suffered terribly at the hands of terrorists, but tourist visitors reached their highest number in a decade in 2017. Paris, of course, can only be found in Paris, while sand and sea is not a Tunisian preserve.

So what are businesses and organisations to make of the threat posed by terrorism?

You cannot stop it happening, but you can reduce the risks to your people and operations. Employees need to know that everything possible has been done to reduce their exposure to threats so they can continue to function effectively and safely. Fear of terrorism for the business visitor to France, Indonesia or Colombia, for example, is rational, but an understanding of trends, targets and methods can help minimise exposure.

Consistent monitoring of which sectors, asset types and locations are vulnerable, and of emerging trends, is critical. Based on the qualitative analysis that helps understand drivers of terrorism, organisations can spend resources wisely and assess opportunities accurately. Terrorist violence in its most lethal form has a terrible human cost, but economic activity can endure. Resilience comes from having full visibility of the threat landscape and adopting an organisation posture that allows you to continue seeking opportunity.

Source: Control Risks CORE +Economics, Economic and Political Risk Evaluator © Control Risks 2018

Fig.14 ► Philippines FDI inflows (USD Millions)

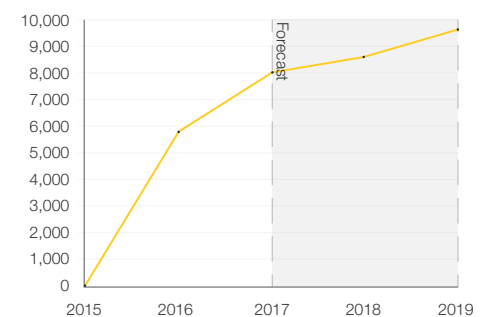


Fig.15 ► Kenya FDI inflows (USD Millions)

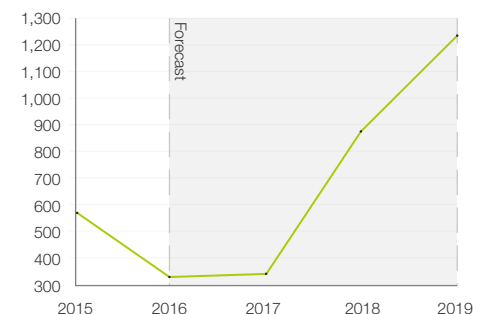


Fig.16 ► Colombia FDI inflows (USD Millions)

