



INTERNATIONAL RISK ASSESSMENT

TERRORISM TRENDS IN 2009

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Terrorism Trends in Asia in 2009

Mixing Terrorism and India-Pakistan Tensions: An Explosive Cocktail

Terrorism has become a significant threat to the peace and security of South Asia and this situation is likely to intensify in 2009. An ineffective response, at least to date, by the Indian and Pakistani governments to counter spiraling violence is contributing to an increasingly tense environment; this could, under a worst case scenario, ignite a military conflict between these two nuclear powers. One of the consequences of the November 2008 Mumbai attack by Pakistani militants is that terrorism has now become deeply intertwined in the complex political nationalist agendas in India and Pakistan. Terrorism will be one of the principal issues in this May's general election in India, while the Pakistani authorities are having to tread carefully in responding to Indian and international pressure to deal with militant figures connected with the outlawed Lashkar-e-Toiba because of ties to the powerful Pakistani military intelligence apparatus.

Distrust between the two countries has grown to such an extent that Pakistan moved troops to its borders with India and placed its air force on high alert on several occasions in the past months, in anticipation of Indian military retaliation for the Mumbai attack. To date, Indian leaders have downplayed such an option but there is strong populist sentiment to take a harder line against Pakistan.

Prospects for Major Terrorist Attacks in India and the Net Assessment of International Risk

With South Asia in such a precarious situation, the chances of another major terrorist attack being launched by Pakistan-based or organized militants into India are high. Although Pakistan has carried out raids and arrested a few of the organisers behind the Mumbai attack, terrorist and militant movements are flourishing, especially in the remote and under-governed tribal regions of the country. These groups have become increasingly active and confident in the past two years, so it is only a matter of time before they strike again.

India is poorly prepared to prevent terrorist attacks, as the Mumbai assault clearly demonstrated. While the forces on the ground in Mumbai did their best under difficult circumstances, the hard reality is that the attack represented a critical failure of

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intelligence. The Indian government is now in the process of revamping its security apparatus to tackle identified weaknesses, but its track record in overcoming legendary resistance between competing bureaucracies is poor. Another high-profile attack on the Indian Parliament building by Lashkar-e-Toiba in 2001 did not lead to any significant changes in practices, procedures or the capabilities of the Indian security services.

The net assessment of International Risk is that a volatile mix of terrorism and worsening India-Pakistan tensions has created a potentially combustible situation; one which could be set off by another high-profile terrorist strike. The Indian and Pakistani authorities are not currently assessed to be sufficiently equipped or prepared to prevent such an attack. This therefore is the primary terrorist threat in the Asia-Pacific region.

Pakistan's Slide into Militant-Led Instability

The Mumbai attack added to the growing realisation that South Asia is now the principal crucible in the global conflict against terrorism and militant activity. While India is becoming increasingly drawn into this struggle, the inhospitable border regions of Afghanistan and Pakistan are the primary hotspots for resurgent militant extremist, insurgent and terrorist groups. But these organisations are also expanding their attacks well beyond these safe-havens, in an attempt to destabilize and overthrow the ruling regimes in these states. In a clear challenge to the authority of the Pakistani and Afghan authorities, major terrorist bombings were carried out in Islamabad and Kabul over the past year.

Large portions of Pakistan would appear to be sliding into terrorist-inspired lawlessness. Islamic militants have taken control of an expanding swathe of territory in the Federally Administered Tribal Areas. Their influence, previously limited to North and South Waziristan, has now extended into the North West Frontier Province, effectively turning these areas into enclaves for Al Qaeda and the Taliban. Although popular support for radical Islamist groups such as Jamaat ud-Dawa and Muttahida Majlis-e-Amal is assessed to be to no more than 10% of the national population, they are able to “punch well above their weight” through their close-knit discipline, aggressive tactics and formidable use of means to mobilize their supporters.

Unless checked, the growing power of terrorist and militant groups may accelerate Pakistan's descent into chaos, which would pose a major source of geo-strategic concern, not only in the Asia-Pacific region but also for the rest of the world. Pakistan had previously been a lynch-pin in the US-led global “war on terror”, as well as being a nuclear armed power. If the Pakistani authorities are unable to stem a surging tide of Islamic fundamentalism and to halt militant resurgence, the US might be tempted to intervene in an attempt to secure the country's nuclear arsenal. The new Obama administration has reportedly been urged by a growing number of influential foreign

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policy think-tanks and prominent advisers in the US to make Pakistan one of its foremost priorities in its global counter-terrorism strategy. International Risk doubts that the current administration would want to intervene, but if events escalate out of control there may be no other option, despite the current efforts at “rapprochement” with the Islamic world by the new US President.

India

While the November 2008 Mumbai attack captured international attention, terrorism had already become a major political and security concern in India in the aftermath of a series of deadly attacks in major cities across the country over the past year, with nearly 145 people killed and many more wounded. Responsibility for these pre-Mumbai attacks came from a group called the Indian Mujahedeen (IM), a homegrown Muslim jihadist group that is suspected to have been supported by organisations from Pakistan. IM was one of the first groups to come under suspicion in the Mumbai attack, before attention shifted to Pakistan-based entities.

The opposition BJP Party has already made terrorism one of its central campaign themes for the May general election, especially focusing on the inability of the ruling Congress Party to stamp out these attacks.

Besides radical Muslim groups, numerous other terrorist and insurgent organisations are active in different parts of the country, including Jammu and Kashmir, Manipur and Assam in Northeast India where local Maoist rebel groups have been on the offensive. But as the operations of these rebel groups are geographically limited, not extending outside India and with limited known links with Al Qaeda or other global terrorist networks, they have attracted little international attention.

Published reports suggest that 2610 terrorism-related fatalities occurred in India in 2008, compared with 2600 in 2007. Of those killed last year, 1018 were civilians, 1220 were terrorists and the remaining 372 were security personnel. While 173 people, including nine terrorists, were killed in the Mumbai attack, the most dangerous parts of the country (statistically) were Jammu and Kashmir (541 deaths), Assam (373 deaths), and Manipur (472 deaths), all in Northern India.

Southeast Asia

Although the escalation of terrorist violence in South Asia has not spread to other parts of the Asia-Pacific region, states in Southeast Asia have also faced noticeable terrorist challenges over the past year. Indonesia has cracked down against terrorist cells, and the Philippine military launched major offensives against insurgency movements in its restive southern island of Mindanao.

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The counter-terrorism situation in Indonesia has been encouraging as there have been no successful large scale terrorist attacks since 2005. This has won Indonesia international praise for the execution of a highly successful counter-terrorism campaign. In May, the US government lifted a long-standing travel warning on Indonesia, although Australia continues to maintain a warning advisory. The security authorities have dealt a number of severe blows to the organisation and operations of Jemaah Islamiyah, the country's principal terrorist outfit, by apprehending senior leaders and cracking down against cells before they are able to carry out attacks. Bali though remains an appealing target to extremists, one guaranteed to provide massive publicity.

Terrorist-related deaths and incidents in Southern Thailand have also shown a tentative decline in the past year. However, the Thai authorities have been unable to put down the long-running Muslim separatist insurgency and there is concern that violence could escalate, especially if paralysis in the Thai government continues.

The Thai government insists that most attacks are due to local criminals, although there is abundant evidence that Islamic separatist groups are playing a role. A major reason that this insurgency continues to flourish is the inability of the Thai security services to master effective counter-terrorist and counter-insurgency skills.

In contrast, the adoption of modern counter-insurgency and counter-terrorism strategies has enabled the Philippine government to claim major successes over the past 18 months in neutralising the threat from terrorist and rebel groups such as Abu Sayyaf (AS) and the New People's Army. The government in Manila has been conducting military operations for the past two years targeted at AS locations in Basilan, its birthplace, and driving most of the militants into hiding on the Sulu Archipelago.

Despite these efforts, the surviving elements of AS still pose a significant security threat, although their ability to mount a major terrorist offensive is somewhat limited. There have been reports that AS groups may have linked up and formed alliances with rogue elements of the Moro National Liberation Front (MNLF) and the Moro Islamic Liberation Front. Renegade MNLF forces carried out several attacks in Mindanao in 2008 that killed dozens of civilians.

Despite these incidents, the terrorism situation in Southeast Asia offers grounds for **cautious optimism**. International Risk rates the risk of a large scale terrorist incident as medium to low across Southeast Asia, including Indonesia and the Philippines. This is because currently the indigenous terrorist groups appear to have limited capacity to mount such operations. However, as a result these terrorist organisations will likely focus instead on smaller-scale suicide bombings and kidnappings, actions that require less organisation and fewer resources.

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The Road Ahead

Multinational corporations and substantial local enterprises doing business in the region are natural targets for terrorists or insurgents, so proper risk mitigation requires a basic understanding of the differences between the countries of South and Southeast Asia. First, the good news:

- There is a growing sophistication in the use of advanced and nuanced counter-terrorism strategies by governments in Southeast Asia. These countries are pursuing policies that tackle both the immediate operational threats as well as the fundamental socio-economic, religious and ethnic causes of terrorism. This improvement in counter-terrorist capabilities and methodologies will greatly help to mitigate the threats of future major terrorist attacks. But while Indonesia and the Philippines have made strides in strengthening their counter-terrorist operations in the past year, they still have a long way to go. Bali and other soft targets are appealing to terrorist groups.
- The successful disruption of Jemaah Islamiyah and AS, through the arrest and killing of top leaders and the subsequent elimination of their safe havens, has left these networks vulnerable, operationally weak and on the defensive. They will require a considerable amount of time and effort to rebuild their capabilities. However, the remnants of these groups may turn to kidnapping and related activities as has previously been the case.

It is necessary to balance these somewhat optimistic scenarios with an escalating concern about the long-term trends in other countries of South and Southeast Asia:

- For South Asia, the near and medium-term terrorism picture is bleak. While the situation in Pakistan is of extreme concern, the spill-over into India makes the terrorism problem an increasingly regional issue. The escalating pace and scale of terrorist attacks in major cities in Pakistan and India means that foreigners, who are obvious and soft targets, are at potential risk anywhere they travel in these two countries, although the risk is much more significant in Pakistan.
- The major threat overhanging the region in 2009 is the potential for military conflict between Pakistan and India, especially if there were to be another major and spectacular “Mumbai-style” attack by Pakistan-based or organized militants.
- Effective counter-terrorism and counter-insurgency strategies continue to be a problem for a number of governments and militaries. Some currently lack the expertise, resources and effective inter-agency coordination among security services that have proven effective in Indonesia and the Philippines. India,

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Thailand and Pakistan are the most obvious examples of states with poorly developed and coordinated counter-terrorism capabilities.

Contact International Risk

International Risk has offices strategically located in Beijing, Hong Kong, San Francisco, Shanghai, Singapore and Tokyo, and operates globally. For more information, please visit our website: www.intl-risk.com.

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