

# SECURITY BULLETIN



DECEMBER 2010

ARUP

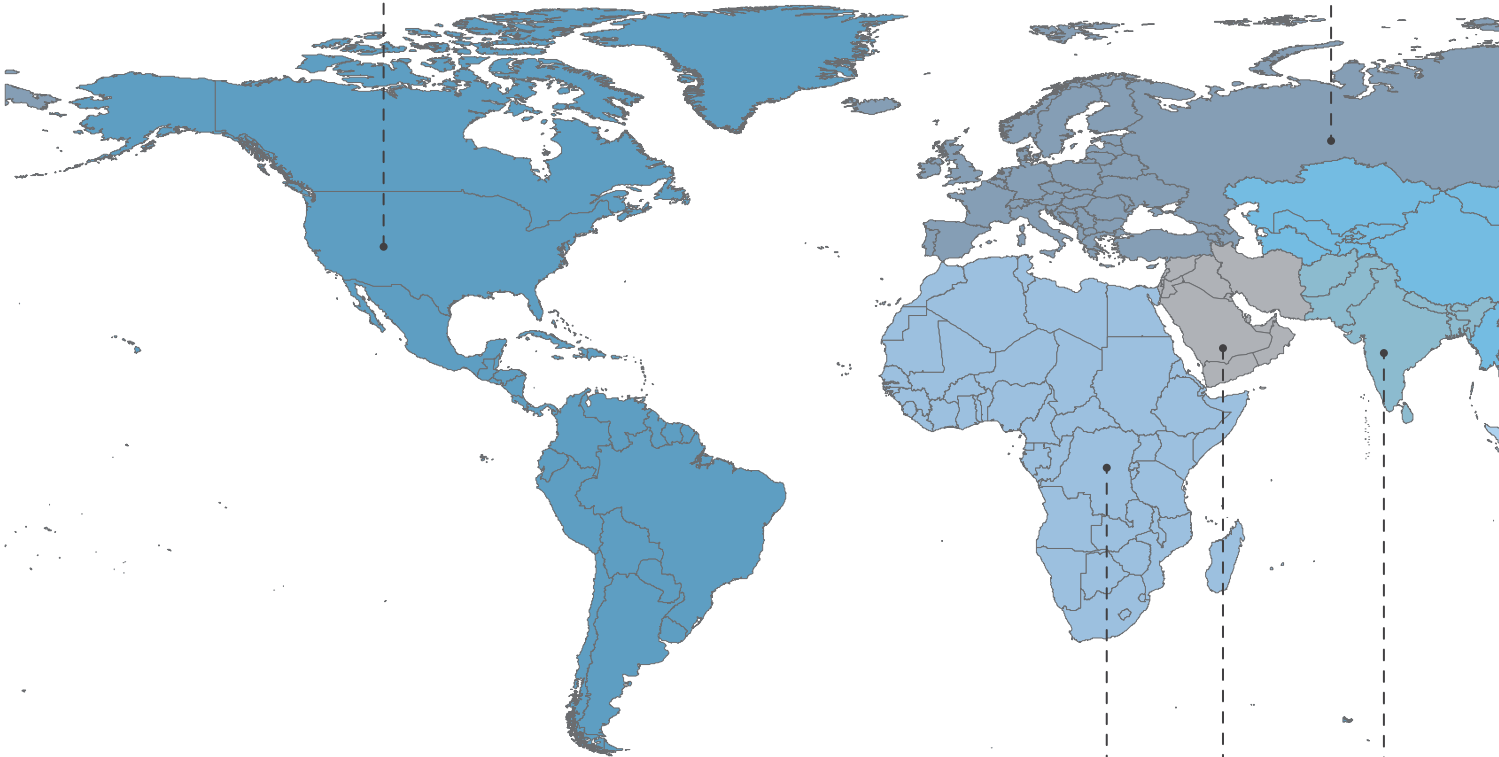
# EXECUTIVE SUMMARY

## Americas

Questions concerning the extent of Hizbollah's activities in South and Central America again came under the spotlight in December. Terrorist attacks continued to be reported across the region, with a number of small bombings directed at banks and other targets being reported in Chile and Argentina. Meanwhile, those involved in Mexico's illegal narcotics trade carried out a car bomb attack targeting a police station in the north of the country. In the US, authorities discovered the largest ever cache of homemade explosives and in Peru, the remnants of a once-powerful leftist guerrilla group continued its attacks on the police in support of its drug cartel employers.

## Europe

Concerns over the possibility of attacks by Islamist extremists grew across Europe and arrests in the UK, Denmark and elsewhere all point to there being some substance behind the fears. Domestic terrorism also continued through the month in Greece, Italy and Northern Ireland. Sweden and Germany have faced a challenging month, coming to terms with domestic Islamist extremism which has a foothold in some parts of their populations.



## Africa

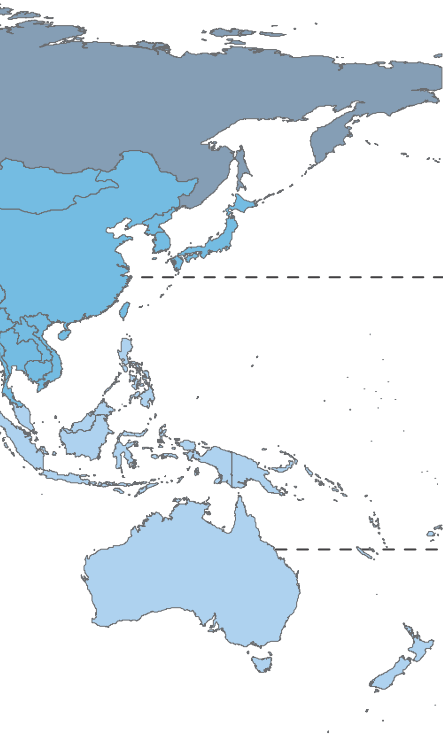
A series of bombs in northern and central Nigeria has shown how the Islamist insurgent group Boko Haram is a growing threat. The same country also continues to suffer from protesters in the oil-rich areas in the Niger Delta. Kenya has seen two blasts in its capital in December and the situation in Somalia continues to be thoroughly unstable.

## Middle East

The year 2010 ended with the middle east region showing no headway in US-brokered Israel-Palestine talks, stalled over Israel's building settlements in the West Bank and East Jerusalem, and unresolved tension over Iran's nuclear programme. However Iraq's prolonged post-election political process reached consensus to form a government. Major security risks could still develop in 2011 out of Palestinian politics in Gaza and Hezbollah's activity in Lebanon, both seeming determined to challenge Israel.

### Asia

The escalation of the conflict on the Korean Peninsula has been the key security concern in Asia in December. Thailand has seen an end to the state of emergency in Bangkok and reasonably quiet “Red Shirt” demonstrations but continues to suffer from Islamist attacks in the south.



### Australasia

December saw a slight increase in the perceived level of security incidents; however, as several regimes in the region maintain effective control on sources of open reporting, the statistical support for a small increase may not be credible. Within Australia extreme bad weather, political fallout from the Christmas Island ship wreck and the death throes of the NSW Labor government have dominated the headlines. Elsewhere in the region there is political uncertainty in Papua New Guinea.

The Arup Security Bulletin is a monthly circulation summarizing selected security events and strategic risk issues from around the world.

This issue of the Arup Security Bulletin includes those incidents and strategic risk issues developing during the month of December 2010.

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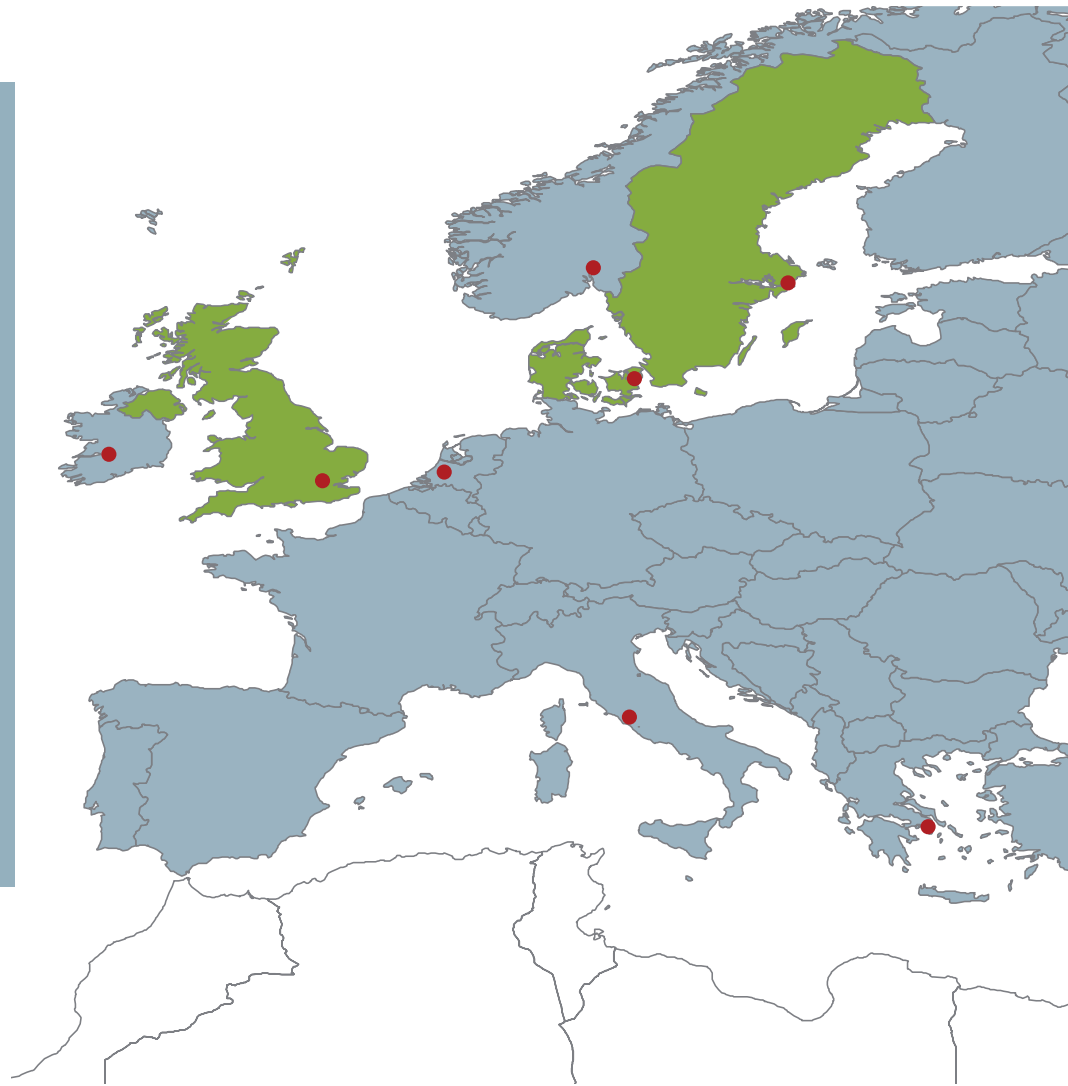
### South Asia

December saw political violence continue across the region, with frequent terrorist attacks being reported across India, Pakistan and Afghanistan – including the bombing of a Hindu religious ceremony in Varanasi, a twin suicide attack targeting the administrative headquarters of the Mohmand Agency in Pakistan and an attempt to assassinate the Chief Minister of Baluchistan in Quetta. Meanwhile, agreement was reached on the construction of the Trans-Afghanistan Pipeline, which will offer significant economic benefits for the region, but only if significant security challenges can be met.

# EUROPE

## Regional Summary

Concerns over the possibility of attacks by Islamist extremists grew across Europe and arrests in the UK, Denmark and elsewhere all point to there being some substance behind the fears. Domestic terrorism also continued through the month in Greece, Italy and Northern Ireland. Sweden has faced a challenging month, coming to terms with Islamist extremism which has a foothold in some parts of its population. In Germany the government remains deeply concerned that it also faces a terrorist threat and its national threat level remains heightened.



## Strategic Risk Highlights

### Sweden and Denmark

As the year closed the Danish and Swedish police did well to foil a potentially devastating terrorist attack planned for Copenhagen; five suspected Islamic militants were arrested in Copenhagen and Stockholm (although one suspect was subsequently released). Jakob Scharf, the head of Denmark's national security intelligence service (*Politiets Efterretningstjeneste* (PET)), said those arrested had apparently planned to storm the offices of Denmark's *Jyllands-Posten* newspaper, which published the controversial Muhammad cartoons in 2005. Once inside, the terrorists were planning to fire automatic weapons to kill as many of the building's occupants as possible. The men were arrested in two raids in the suburbs of the Copenhagen and a third in Stockholm; Danish police seized an automatic weapon, a silencer and live ammunition in the raids. Swedish police reported they had arrested the

fifth suspect, a 37-year-old Swedish citizen of Tunisian origin who was living in Stockholm. Swedish police have commented that the planned Copenhagen attack did not appear to be linked to the suicide improvised explosive device (IED) attack in Stockholm earlier in the month, when an Iraqi-born Swedish citizen blew himself up in a crowded shopping street after detonating a vehicle-borne IED. Liberal democracies in Scandinavia have been coming to terms with the fact that their immigrant populations contain Islamist extremists determined to attack the host societies they have failed to integrate into; the plots in December 2010 have highlighted that issue. They have also highlighted the desire by Islamist extremists to use the full range of attack methods to cause maximum shock and casualties – the vehicle and

person-borne IED and, when they can, using firearms in a 'Mumbai-style' attack on a crowded office building.

### United Kingdom

Senior union leaders have predicted a surge in strike action across the UK during 2011 and this is likely to be on a scale not seen since the mass protests against the so-called poll tax. Mark Serwotka, the leader of the Public and Commercial Services Union, has been quoted as saying that strikes in the spring were inevitable and could even affect the upcoming royal wedding between Prince William and Kate Middleton. The TUC's general secretary Brendan Barber has gone on record as saying that 2011 is going to be a "horrible" year, with cuts in benefits and public services and an increase in



## Significant Security Incidents

### Greece: Athens

On 6 December thousands of protesters gathered to mark the two-year anniversary of the police shooting of 15-year-old Alexandros Grigoropoulos. Protesters threw Molotov cocktails in front of the Greek parliament building and smashed storefront windows in downtown Athens; one person was injured.

### Sweden: Stockholm

On 11 December two explosions occurred in the vicinity of the city's shopping district. It appears an individual detonated a vehicle-borne IED, the Iraqi-born male then went on to detonate a person-borne IED killing himself, nobody else was killed or injured in the blasts. By all accounts the individual appears to have been an Islamist extremist resident in Sweden.

### Netherlands: Rotterdam

On 24 December 12 men of Somali origin were detained on suspicion of plotting terrorism-related offenses. Six of the arrested Somalis lived in Rotterdam, while five had no known address and one was a Danish resident. Five of the suspects were later released without charge, and seven were detained for further investigation.

### United Kingdom: London

On 27 December nine out of 12 men arrested on suspicion of planning a terrorist attack against targets including the US Embassy were charged with conspiracy to set off explosions and testing potential IEDs. The suspects, some of whom were said to be of Bangladeshi origin, are next scheduled to appear in court on 14 January 2011.

### Italy: Rome

On 27 December a letter bomb exploded at the Greek Embassy, injuring two people. An Italian anarchist group called the Informal Anarchist Federation (FAI) claimed the attack and other letter bombs sent to the Chilean and Swiss

embassies in Rome. The group stated the attacks had been staged to express solidarity with 13 suspected members of the Greek group Conspiracy of the Cells of Fire, who face trial next month. Italian anarchists are probably also responsible for two small IED attacks at the headquarters of a right-wing party (the Northern League) on 29 December.

### Republic of Ireland: County Limerick

On 28 December two explosive devices were discovered at an address in Rathkeale. One device exploded at the house while the second was found outside the premises and made safe by an army bomb disposal team.

### Denmark: Copenhagen

On 29 December Danish and Swedish police arrested five suspected Islamist militants, accused of planning a gun attack at the Copenhagen offices of a Danish newspaper. Three of the suspects arrested in Denmark have been charged, one was released and the suspect arrested in Sweden remains in custody. Sweden and Denmark did not raise their domestic terrorist alert levels.

### Greece: Athens

On 30 December an IED detonated outside a court building near central Athens, but telephone warnings had allowed the area to be cleared. There were no injuries, though the building and nearby cars were damaged. Greek anarchists are the likely perpetrators linked with those already facing trial for earlier letter bombs; the trial is set for 17 January 2011.

### Norway: Oslo

On 30 December an explosion destroyed a jewellery store and damaged other nearby stores and apartments in Oslo. Fire fighters and bomb squad specialists rushed to the spot and investigation has begun. No attribution has been offered for the blast, but it is assessed that criminals are likely to have caused the explosion in a botched raid.

unemployment. The ever militant RMT general secretary Bob Crow said the "fight back" against cuts would see public and private sector workers take to the picket lines. It is highly likely that student unrest will continue over the fee increases and this could put a substantial number of individuals in a mood to demonstrate. Importantly it seems likely the extremists will exploit the demonstrations for their own narrow radical ends and outbreaks of violence are inevitable. So more of the same sorts of demonstration seen in late 2010 should be expected, with large mass protest and highly organised violence targeted at specific targets (including businesses, commercial buildings and icons of government) all of which will bring substantial financial burdens in terms of policing and post-event clean-ups.

# MIDDLE EAST

## Regional Summary

The year 2010 ended with the middle east region showing no headway in US-brokered Israel-Palestine talks, stalled over Israel's building settlements in the West Bank and East Jerusalem, and unresolved tension over Iran's nuclear programme. However Iraq's prolonged post-election political process reached consensus to form a government. Major security risks could still develop in 2011 out of Palestinian politics in Gaza and Hezbollah's activity in Lebanon, both seeming determined to challenge Israel.



## Strategic Risk Highlights

### Israel – Palestine Gaza

Palestinian political groups in the Gaza Strip seemed determined to ramp up their rhetoric directed at Israel. on the anniversary of the start of Israel's Operation Cast Lead (launched on 27 December 2008). Hamas and Islamic Jihad have both stated they are prepared for a new war with Israel. Israel warned that rocket fire will not be tolerated, after at least 23 mortar rounds and six rockets were fired from Gaza since 19 December. Israeli Defence Minister Ehud Barak warned Hamas not to let the situation within Gaza deteriorate. The Israelis report that they have killed 10 "terrorists" and Israeli army chief, Lieutenant General Gabi Ashkenazi said his troops were ready for a new confrontation if it became necessary. While the rhetoric continues, many are hoping that the Palestinian political parties in Gaza are engaged in psychological operations, rather than actually paving a road to war. Certainly the

Israeli Defence Forces would be able to quickly counter any aggression from Gaza.

### Iraq

Nouri al Maliki will continue to serve as Iraqi Prime Minister, leading a coalition comprising his State of Law Alliance, the Sadrist movement, and several other Shiite parties, along with the major Kurdish parties and the mainly Sunni Iraqiya party. The power balance within the coalition offers more opportunities for Tehran to grow its influence through the Sadrist movement, which is beholden to Tehran in many ways. Even Mr al Maliki owes his position in large part to

Iranian pressure on the Sadrists to toe the line, so he will be expected to not promote any policy that hinders Iran's influence. Iraq's new government clearly consolidates the grip that Shiites have held on political power and it leaves open the question of whether the country's disgruntled Sunni minority will actually play a meaningful role. Iraqiya's leader, the former Prime Minister Ayad Allawi, agreed to join al-Maliki's government in exchange for heading a council that will oversee the government's security and foreign policies. It was still unclear how much power the council will have.



Hariri in 2005. Israel is concerned that the impending publication of the first round of indictments by the UN's Special Tribunal for Lebanon investigating Hariri's death could lead to regional instability. Hezbollah's leader Sheik Hassan Nasrallah has already said that the organisation would not allow its top operatives to be blamed for what he has called a "Zionist plot". Israeli Defence Forces' assessments suggest that Lebanese Hezbollah will refrain from attacking Israel as part of an effort to divert attention away from the tribunal's findings; but is more likely to topple the Lebanese government and steer the country toward political deadlock.

## Significant Security Incidents

### International waters off the Arabian Peninsula

In late December London's marine insurance market extended the areas deemed at high risk from Somali pirates, as these armed gangs consistently strike further out at sea. The cost of piracy 'riders' on insurance will rise to reflect this risk over a larger area of the Gulf of Oman and a wider stretch of the Indian Ocean. In other reporting, Somali pirates have freed a German-owned chemical tanker (Marida Marguerite), reportedly after a \$5.5m (£3.6m) ransom was paid.

### Yemen: Sana'a & Zanjibar

On 15 December an American Embassy vehicle was attacked by an IED thrown near the vehicle outside a restaurant in the in Hadda district of Yemen's capital. No one was hurt in the attack and Yemeni security officials said that several suspects were arrested, including a Jordanian in his 20s. In separate reporting a senior Al Qaeda commander Fahd al Quso, who was reported to have been killed in operations against militants in the south of the country, has appeared in an interview. Al Quso is reportedly in Waziristan in northern Pakistan; he is on the FBI list of the ten most-wanted suspects along with Osama Bin Laden and Ayman al Zawheri. On 17 December gunmen killed three Yemeni

soldiers and wounded seven others when they opened fire on a military base in the southern province of Abyan. The dawn attack targeted a military position in a suburb of the city of Zanjibar, said the official who requested anonymity, adding that three of the soldiers suffered serious wounds. The attackers, believed to have been three gunmen on motorbikes, managed to escape. But a soldier who survived told the News Yemen website the assailants arrived on three motorbikes and two minibuses and used machine guns, grenades and rocket-propelled grenades in the attack. Most of the soldiers at the base, who numbered more than 20, managed to escape as they had been in a neighbouring mosque for prayers at the time of the attack, he said.

### Iran: Zahedan

On 20 December the Iranian authorities announced 11 members of a Sunni Baluch militant group Jundullah had been hanged for murder and terrorism. Jundullah has been very active in acts of terrorism in the south-eastern province of Sistan-Baluchistan. It is reported that Jundullah was behind a recent attack on the Imam Hussein Mosque in Chabahar on 15 December, which killed 39 people.

### Israel: Jerusalem

On 21 December it was reported that Israeli security forces had arrested nine suspects (mostly adolescent Jews) over the last two weeks suspected in a string of attacks against Arabs in central Jerusalem. Seven of the nine suspects are minors and all are residents of Jerusalem or West Bank settlements. The same gang is suspected of attacking a Chilean tourist whom they mistook for an Arab.

### Saudi Arabia: Riyadh

On 27 December Saudi authorities confirmed they had killed a known Al Qaeda operative. Mohammed Issam Tahir al Baghdadi, disguised as a woman, was killed in a shootout at a Saudi checkpoint south of Riyadh, he was. Al-Baghdadi had earlier entered Saudi Arabia from neighbouring Yemen.

### Lebanon

Israel has made public an assessment that Iran has probably cut the annual support budget to its Lebanese surrogate Hezbollah by over 40 percent. Iran has in recent years provided Hezbollah with close to \$1 billion in direct military aid. The budget cut has stirred tension between Hezbollah and its Iranian patrons, further fuelled by disagreements between the top Hezbollah leadership and the Revolutionary Guard Corps officer Hossein Mahadavi, appointed to oversee Hezbollah operations. This adds pressure on the organisation at a time when a United Nations tribunal is expected to accuse Hezbollah of assassinating former Lebanese Prime Minister Rafik

## Regional Summary

The escalation of the conflict on the Korean Peninsula has been the key security concern in Asia in December. Thailand has seen an end to the state of emergency in Bangkok and reasonably quiet “Red Shirt” demonstrations but continues to suffer from Islamist attacks in the south.

## Strategic Risk Highlights

### Korean Peninsula

The heightened tension on the Korean Peninsula that started with North Korean shelling of the South Korean island of Yeonpyeong on 23 November continued in December. Although there has been constant tension on the peninsula since the Korean War ceasefire on 27 July 1953 the level of tension has varied. The Democratic People’s Republic of Korea, (to use the state’s official name) has been notoriously unpredictable and the actions of the isolated regime are difficult for outsiders to decipher. North Korea has repeatedly engaged in brinkmanship, pushing difficult situations to the point of armed conflict.

Korea had been independent and at times powerful when, in 1905, the Japanese Empire occupied it and then fully annexed it in 1910. In 1948 the victorious powers in the Second World War, the United States and Soviet Union, split the country in two along the 38th parallel. The North then developed a command economy under communist rule, while the South developed a market economy system albeit under the autocratic rule of Syngman Rhee.

On 25 June 1950 the Korean People’s Army crossed the 38th parallel, which started the Korean War. The UN Security Council condemned the North Korean action and later urged its members to assist South Korea in repelling the Northern

attack. The United States and United Kingdom were the largest contributors to the 21-country UN force, while the Soviet Union, China and several Eastern European countries fought on the Northern side. Hostilities would last until the ceasefire on 27 July 1953.

In the near six decades since the Korean War South Korea has developed tremendously and is now the world’s 14th largest economy. North Korea, on the other hand, is a country closed to outside influence and has an GDP per person one seventeenth that in the South.

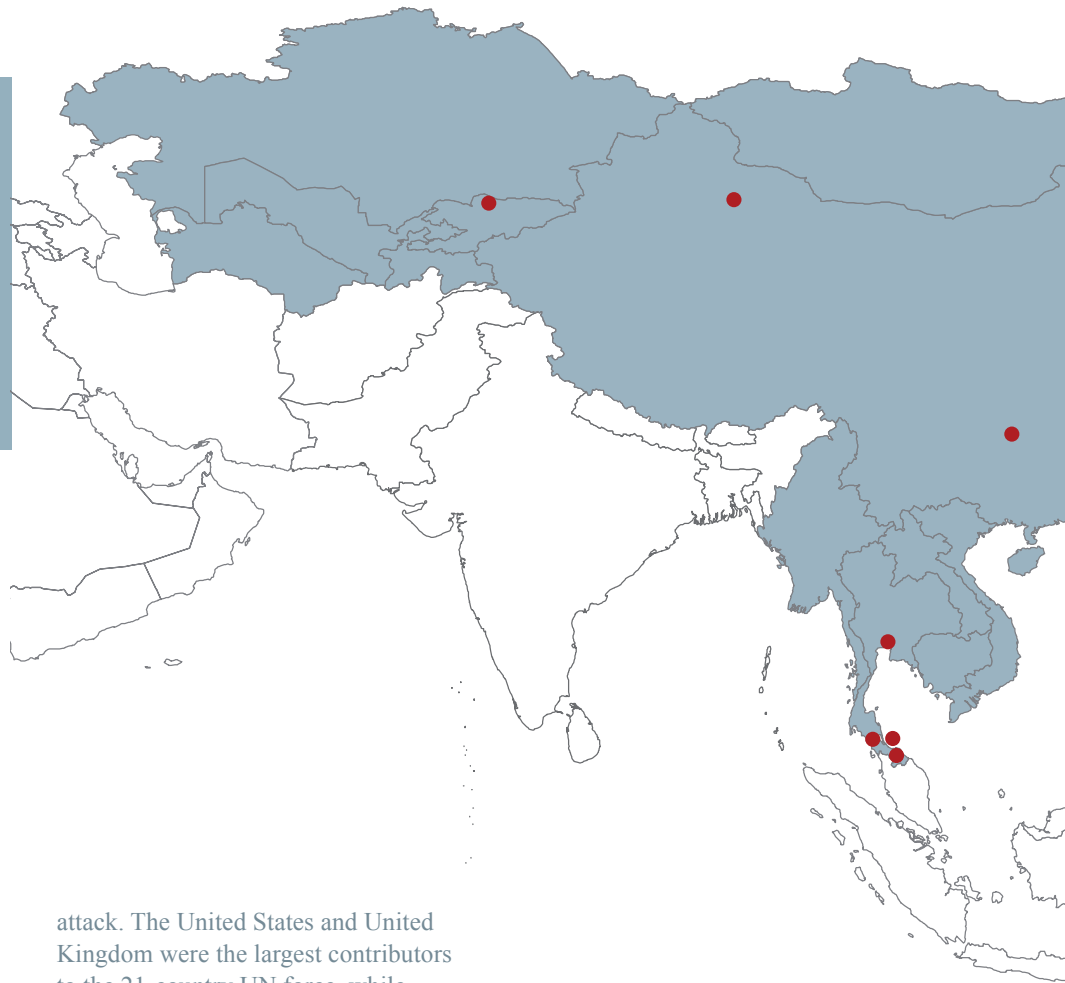
Since the ceasefire North Korea has, according to a recent article in Korea Herald, violated the armistice 221 times, including 26 attacks with armed forces. A number of Northern incursions across the Demilitarized Zone (DMZ) have resulted in loss of life on both sides.

On 26 March 2010 the South Korean corvette ROKS “Ch’önan” was sunk near the border with North Korea in the Yellow Sea and 46 crew members died. International experts attributed the attack to a North Korean torpedo.

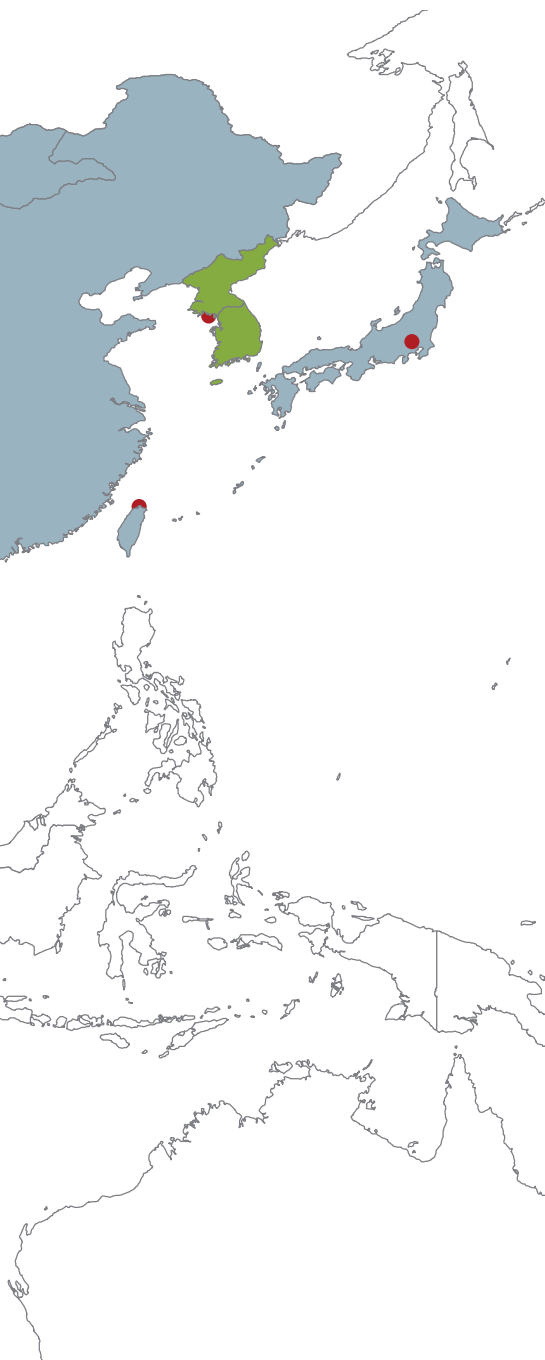
The North Korean shelling of Yeonpyeong Island on 23 November was followed by heated exchanges between Seoul and Pyongyang. The attack was followed by combined South Korean-US naval exercises. While Seoul stressed that these were routine exercises Pyongyang accused the South of colluding with the US and Japan to pressure the North. Pyongyang on 10 December raised the spectre of nuclear war as an option if the South continued with its military exercises.

There are doubts over North Korea’s ability to make a nuclear strike on South Korea but conventional forces on both sides are more than strong enough to create a devastating conflict should worst come to worst.

The situation is less clear than earlier as North Korea is undergoing a political transition from Kim Jong-il to his son Kim Jong-un. It is also







## Significant Security Incidents

### China: Kaili

On 5 December an explosion killed six people and injured 38 in an Internet café in Kaili, Guizhou province in southwest China. Local police attributed the explosion to illegally stored chemicals.

### Thailand: Ruso

On 7 December four soldiers in a teacher protection unit were injured in a roadside bombing and shooting attack in the Ruso district of southern Thai province of Narathiwat. It is believed that local separatists were behind the attack, which consisted of a buried bomb triggered by mobile phone. After the blast the soldiers were attacked by gunmen who later escaped.

### Thailand: Bangkok

On 10 December more than 10,000 people from the “Red Shirt” movement demonstrated in Bangkok for the release of their leaders. Although Thailand has been in a state of emergency, the authorities allowed this and other demonstrations following the violent demonstrations in April and May 2010, when more than 90 people were killed. The state of emergency for Bangkok was lifted on 22 December.

### Japan: Tokyo

On 17 December a man attacked and wounded 14 people on two rush hour buses at Toride in suburban Tokyo. Japan is known for low violent crime rates and the attack therefore received considerable notice. The perpetrator, a 27 year old unemployed man, was arrested and stated that he had wished to end his own life.

### China: Kuitun, Xinjiang Uighur Autonomous Region

On 18 December the investigative reporter Sun Hongjie was attacked by five men in Kuitun, in the Xinjiang Uighur Autonomous Region of China. Mr Sun had won fame in the area for uncovering corruption and abuse of power while working for the North Xinjiang

Morning Post. While local police and the newspaper leadership have attributed the attack to a personal vendetta, other journalists in the area suggest that the attack is linked to his reporting. Mr Sun died from the attack on 28 December.

### Thailand: Pattani

On 21 December two separate incidents in the Thai province of Pattani resulted in three dead. A married couple were shot dead in a market where they sold pork, while a construction worker was killed separately in a drive-by shooting close to an army base where he was working. Both incidents were attributed to Islamist separatists.

### Thailand: Narathiwat

On 23 December two paramilitary rangers were shot dead as they were driving home from work in the southern Thai province of Narathiwat. Two local women were wounded in the same attack. The four attackers were dressed as Muslim women. While the separate state of emergency had been lifted in Bangkok the day before, the three southern provinces of Narathiwat, Pattani and Yala are due to have their state of emergency lifted soon, according to Prime Minister Abhisit Vejjajiva. Muslim separatists have been waging violent campaigns since January 2004, and Yala has had a state of emergency since 2005.

### Kyrgyzstan: Bishkek

On 25 December a vehicle stolen from a US citizen was used in an attempted vehicular borne improvised explosive attack outside the Bishkek city police headquarters. Nine people were arrested in connection with the failed attack, and are also linked to the bombing of the Palace of Sports in Bishkek on 30 November. They are reportedly Kyrgyz citizens belonging to a jihadist organisation.

### Thailand: Muang

On 29 December two women were hurt in an ambush in Muang, Yala Province. The police attributed the attack to local separatists.

unclear how far Beijing’s patience with Pyongyang will stretch at the moment, or how much influence the Chinese have over their former protégé.

South Korea and the United States are likely to continue to tread carefully but at the same time show resolve and not allow North Korea to push them around. With the situation on the Korean Peninsula worse than it has been so far in this century there is much hanging on a de-escalation of the present tense situation.

## SOUTH ASIA

### Regional Summary

December saw political violence continue across the region, with frequent terrorist attacks being reported across India, Pakistan and Afghanistan – including the bombing of a Hindu religious ceremony in Varanasi, a twin suicide attack targeting the administrative headquarters of the Mohmand Agency in Pakistan and an attempt to assassinate the Chief Minister of Baluchistan in Quetta. Meanwhile, agreement was reached on the construction of the Trans-Afghanistan Pipeline, which will offer significant economic benefits for the region, but only if significant security challenges can be met.



## Strategic Risk Highlights

### Afghanistan, Pakistan and India: Trans-Afghanistan Pipeline (TAPI)

On 11 December, Turkmenistan President Kurbanguly Berdimukhamedov hosted his Afghan and Pakistani counter-parts in the Turkmenistan capital Ashgabat. The leaders had gathered, together with India's Petroleum and Natural Gas minister, to sign an agreement for the development of the Trans-Afghanistan Pipeline (TAPI). The TAPI project aims to connect Turkmenistan's lucrative natural gas fields to markets and export hubs in Pakistan and India, via Afghanistan. Turkmenistan has the world's fourth largest gas reserves and plans to triple annual output to 230 billion cubic metres by 2030, with almost 80% of anticipated production being earmarked for export. The TAPI project was first proposed in the 1990s and a number of foreign companies negotiated with the Taliban over construction of the pipeline. However, these plans were halted following the US-led invasion and the removal of the Taliban from power. Finance for the 1,700km pipeline – which is estimated to cost between US\$3.3 billion and US\$10 billion is being provided by the Asian Development Bank.

The agreement reached in Ashgabat has provisionally scheduled construction of the pipeline to begin in 2012. However, security concerns in both Afghanistan and Pakistan remain the primary obstacles to the project and make the 2012 date seem unrealistic. The proposed route of the pipeline takes it through some of the most insecure parts of Afghanistan – including Helmand and Kandahar – including areas where the government's ability to exert influence and provide security is weak. Further, the route also passes through the restive Baluchistan province of Pakistan, where separatist militant groups – principally the Baluchistan Liberation Army (BLA) – are well established and have previously focused their campaign on extractive industries in pursuit of an independent state of Baluchistan. These separatist groups have sought to drive foreign companies out of the region and have targeted the province's energy industry both to put pressure on the government and to protest perceived inequities in the distribution of the wealth generated from the region's extensive

natural resources. The structure of the agreement signed in Ashgabat is believed to absolve Turkmenistan of financial liability for disruptions in supply resulting from security incidents outside its territory, giving Afghanistan, Pakistan and India a strong financial incentive to secure the facility. The Afghan government has claimed that it will provide 7,000 troops to protect the pipeline and pay local communities to guard it; the credibility of these assurances given the current situation in Afghanistan is, however, questionable.

### Bangladesh

Continuing protests by textile workers in Bangladesh further escalated in December, with the government deploying the paramilitary Rapid Action Battalion (RAB) to restore order in the port city of Chittagong after four people were killed

## Significant Security Incidents

### Sri Lanka: Nuwara Eliya

On 1 December, a suspect who had been arrested for drug possession, detonated a hand grenade inside a police station in Nuwara Eliya in the Central Province, killing himself and injuring 16 others; 14 of those injured were police officers. The suspect – believed to be an army deserter – had earlier been arrested for possession of marijuana while travelling on a bus in the area. The assailant is not believed to have any links to the Liberation Tigers of Tamil Eelam (LTTE) or any other politically motivated militant group.

### India: Varanasi

On 7 December, an explosive device detonated at the Old Dashashwamedh Ghat, a Hindu religious site on the banks of the River Ganges in the city of Varanasi in Uttar Pradesh. Two people were killed and up to 40 others (including at least five foreign visitors) sustained injuries in the attack, including 10 people whose injuries were described as critical. The incident occurred at approximately 6.30pm as the ghat was hosting a religious ceremony which had attracted thousands of worshippers as well as foreign tourists to the site. The explosive device is believed to have been concealed in a metal canister – possibly a milk container – and detonated during the daily Ganga Aarti ritual. The Indian Mujahideen claimed responsibility for the attack in emails sent to a number of media outlets. The statements indicated that the attack was retaliation for a court decision in September, which ruled that the former site of the Babri Masjid in Ayodhya, also in Uttar Pradesh, would be divided into three parts, with the Muslim community receiving a third of the site and the remainder of the land being divided between two Hindu groups. The Babri Masjid had been demolished by Hindu extremists in 1992, which triggered intense communal violence that claimed at least 2,000 lives in one of the worst episodes of sectarian unrest in the country since partition in 1947.

### Pakistan: Quetta

On 7 December, a suicide attacker unsuccessfully attempted to assassinate Aslam Raisani, the Chief Minister of the Baluchistan province. The assailant is believed to have thrown a grenade at Mr Raisani's motorcade as it passed a railway crossing on Saryab Road in Quetta, the provincial capital. After the grenade failed to detonate, the attacker detonated the explosives contained within a 'suicide vest' which he was wearing. In addition to the bomber, one person was killed in the attack and a further nine sustained injuries; Mr Raisani was unhurt. Responsibility for the attack was later claimed by Lashkar-e-Jhangvi (LeJ), a Sunni militant group with links to the Tehrik-e-Taliban Pakistan (TTP).

### Pakistan: Ghalanai

On 6 December, two members of the Tehrik-e-Taliban disguised themselves as police officers and gained access to the administrative headquarters of the Mohmand Agency (a district of the Federally Administered Tribal Areas) in Ghalanai. Once inside, the assailants made their way to a meeting of the Kwezai – a pro-Government militia – where they detonated the explosive devices they were carrying, killing themselves and at least 40 others. More than 60 people were reported to have been injured in the attack.

### Nepal: Nepalgunj

On 29 December an improvised explosive device detonated in a busy marketplace in Nepalgunj in the Banke District of western Nepal. The device detonated outside a building that houses a bank and a hardware shop, it is not clear which was the intended target. Four people are reported to have sustained injuries in the attack. There are a number of militant groups active in the region, where indigenous communities blame successive governments of discrimination. Responsibility for the attack has not been determined.



and hundreds injured in rioting. This is the first time that the RAB has been used to respond to civil unrest in 2010. The protests, which also occurred in Dhaka and elsewhere in the country, forced the closure of tens of textile factories for several days. Despite violent protests by textile workers in June and July, the latest unrest represents an escalation in hostility. Textile workers are unhappy about the implementation of new wage laws which they claim have either been ignored by factory owners or have been used as an excuse to reduce other benefits, leaving employees worse off. The protesting workers returned to work after receiving assurances and back pay from factory owners; while this action is likely to quell unrest in the short term, it fails to offer a permanent solution to the industrial dispute and trade unions continue to oppose the changes.

# AUSTRALASIA

## Regional Summary

December saw a slight increase in the perceived level of security incidents; however, as several regimes in the region maintain effective control on sources of open reporting, the statistical support for a small increase may not be credible. Within Australia extreme bad weather and the death throes of the NSW Labor government have dominated the headlines. Elsewhere in the region there is political uncertainty in Papua New Guinea and in the Philippines the underlying level of criminal and political violence continues.



## Strategic Risk Highlights

### Australia

Across Australia extreme weather events have had a significant impact on harvest that will have a major knock-on effect on food prices. The eastern states of Queensland, New South Wales and Victoria have seen record rainfall levels after 13 years of drought; meanwhile, parts of Western Australia continued their prolonged dry spell as others received their first good rains in years just in time to ruin the ripening crops. Initial improvements in rainfall led producers to forecast a bumper harvest; however, when the rains didn't stop and crops became inundated, estimates have been revised downwards. Currently, the wheat harvest is forecast to be down by A\$1bn (17%) with this figure only buoyed by the increase in global grain prices following failures in the northern hemisphere. Despite the weather effects grain production is still forecast to top a record 26.8 million tonnes. Other crops are also affected with sugar production falling to a 20 year low and bananas predicted to reach \$20 per kilo. The effects of the weather will certainly flow through to high street prices adding to inflationary pressures within Australia and its major markets.

### Indonesia

In Indonesia the police have formally charged radical cleric Abu Bakar Bashir and handed the case over to the state prosecutors. The charges relate to material found at a terrorist training camp found in Aceh province earlier in 2010 and include allegations of incitement to commit terrorist acts. Earlier the Attorney General's office returned the Bashir file to the police for "improvement" indicating that the initial reporting and evidence was inadequate to secure a prosecution. Bashir, who is 72, has previously served 26 months following his conviction for a role in the Bali nightclub bombings of 2002; however, that conviction was overturned on appeal and he was released in 2006 since when he has been in the sights of the Indonesian authorities. Three days before Bashir was charged, Detachment 88 captured suspected terrorist trainer Abu

Tholut who is also connected with the Aceh camp. Bashir was quick to infer that the improvement in the file may have been a link between Bashir and Tholut. Despite being targeted, Bashir has continued to be an outspoken critic of western governments and their involvement in Islamic affairs encouraging his followers to take up jihad against the west.

### Papua New Guinea

In Papua New Guinea, Prime Minister Sir Michael Somare has stepped down so he can face a tribunal over allegations of official misconduct. Somare, who has led the impoverished nation for 16 of its 35 years of independence, has stepped aside until a leadership tribunal can hear allegations that he failed to lodge several annual financial statements in the 1990s. His place has been taken

## Significant Security Incidents

### Philippines: Zamboanga City

On 3 December suspected Abu Sayyaf rebels successfully hijacked a Malaysian cargo vessel off the coast of Sabah close to the Malaysian/Philippine border and stole fuel and navigation equipment before escaping. The rebels used a speedboat and fired automatic weapons before boarding the vessel off Lahad Datu town; none of the Indonesian crew on the hijacked vessel was injured and Malaysian Police are investigating the incident.

### Malaysia: Kuala Lumpur

On 4 December Malaysian Police announced the arrest of an Indonesian terrorist suspect linked to the Jemaah Islamiyah group. Fadli Sadama was arrested while travelling on a bus to Johor and was found to be carrying two revolvers. Fadli is believed to be the courier for the now dead Noordin Mohammad Top and was also suspected to be planning an attack on the Indonesian prison holding Toni Togar (also known as Indrawarman) who was convicted of masterminding the 2003 Marriott Hotel bombing in Jakarta in which 12 people were killed. It is expected that Fadli will be extradited from Malaysia to Indonesia in due course.

### Australia: New South Wales

On 5 December dozens of environmental protestors cut through a security fence protecting the Bayswater Power Station in the Upper Hunter Valley region. Police charged 69 protestors with a range of offences including entering a rail corridor and resisting arrest. During the protest action two men chained themselves to a coal conveyor belt and others occupied train tracks for several hours. The 'Climate Camp' group was protesting against the proposal to build a second coal-fired power station and planned the protest to coincide with the international climate talks held in Cancun, Mexico.

### Philippines: Compostela Valley, Southern Philippines & Sorsogon province, Central Philippines

On 7 December Philippine military forces killed 5 suspected New People's Army (NPA) rebels during two separate incidents. The first incident occurred in Sorsogon province where troops from the 49th Infantry Battalion killed two NPA rebels and captured 3 more. The second incident occurred in the village of Pasian in the Compostela Valley when Philippine troops engaged approximately 10 NPA rebels, killing 3 of them. The Philippine Government entered into a 19 day truce with the NPA over the Christmas season from 16 Dec to 3 Jan.

### Indonesia: Central Java

On 10 December the Indonesian National Police Anti-terror unit (Densus 88) arrested Abut Tholut, one of the country's most wanted terrorist suspects. Tholut (also known as Mustafa) was arrested at his house in the Bae Sub district of Kudus, Central Java and was found in possession of a firearm and several bags of ammunition. Tholut is believed to have been the field commander during the armed robbery of a bank in Medan, North Sumatra in Aug 2010 in which a police officer was killed and two security guards were seriously injured. The police believe this and other robberies were part of a larger effort to raise funds to support armed groups and a terrorist training camp in Aceh.

### Philippines: Samar

On 14 December New People's Army (NPA) rebels ambushed and killed 10 Philippine Army troops in Samar on the eve of a 19 day truce between the Philippine Government and the NPA. Troops of the 63rd Infantry Battalion were withdrawing to barracks in preparation for the truce when they were ambushed by NPA rebels using an improvised mine.

by his newly appointed deputy Sam Abal. Former foreign minister Abal will act as prime minister only for the duration of the tribunal which Somare had expended considerable effort in attempting to block. If found guilty by the tribunal, potential punishments range from fines to removal from office. The 74-year-old Somare is one of the region's longest-ruling leaders, but has been under pressure to resign all year, defeating a parliamentary no-confidence vote in July (triggered by the defection of some MPs) by adjourning proceedings until November. Although one of the poorest countries in SE Asia, PNG is on the brink of a resources-driven boom following the discovery of large deposits of natural gas.

# AFRICA

## Regional Summary

A series of bombs in northern and central Nigeria has shown how the Islamist insurgent group Boko Haram is a growing threat. The same country also continues to suffer from protesters in the oil-rich areas in the Niger Delta. Kenya has seen two blasts in its capital in December and the situation in Somalia continues to be thoroughly unstable.

## Strategic Risk Highlights

### Nigeria

Violence is not new to Nigeria whether it has religious, geographic or economic origins. Nevertheless December was particularly bad for the security situation in Nigeria. A robbery with economic motives and fatal outcome and attacks in the Niger Delta region with a combination of economic and geographic control motives are mentioned among this December's significant security incidents in Africa.

December's main development in Nigeria, however, is the deterioration in security related to Islamist actions, notably in Plateau and Borno States. On 4 December three passers-by were killed in a 30 minute gunfight in Maiduguri, Borno State in northern Nigeria. The fight was between the Islamist sect Boko Haram and government troops. The same group continued to attack a police checkpoint in the area the next day. Attacks aimed at Christmas celebrations in Maiduguri on 24 December included the killing of a priest.

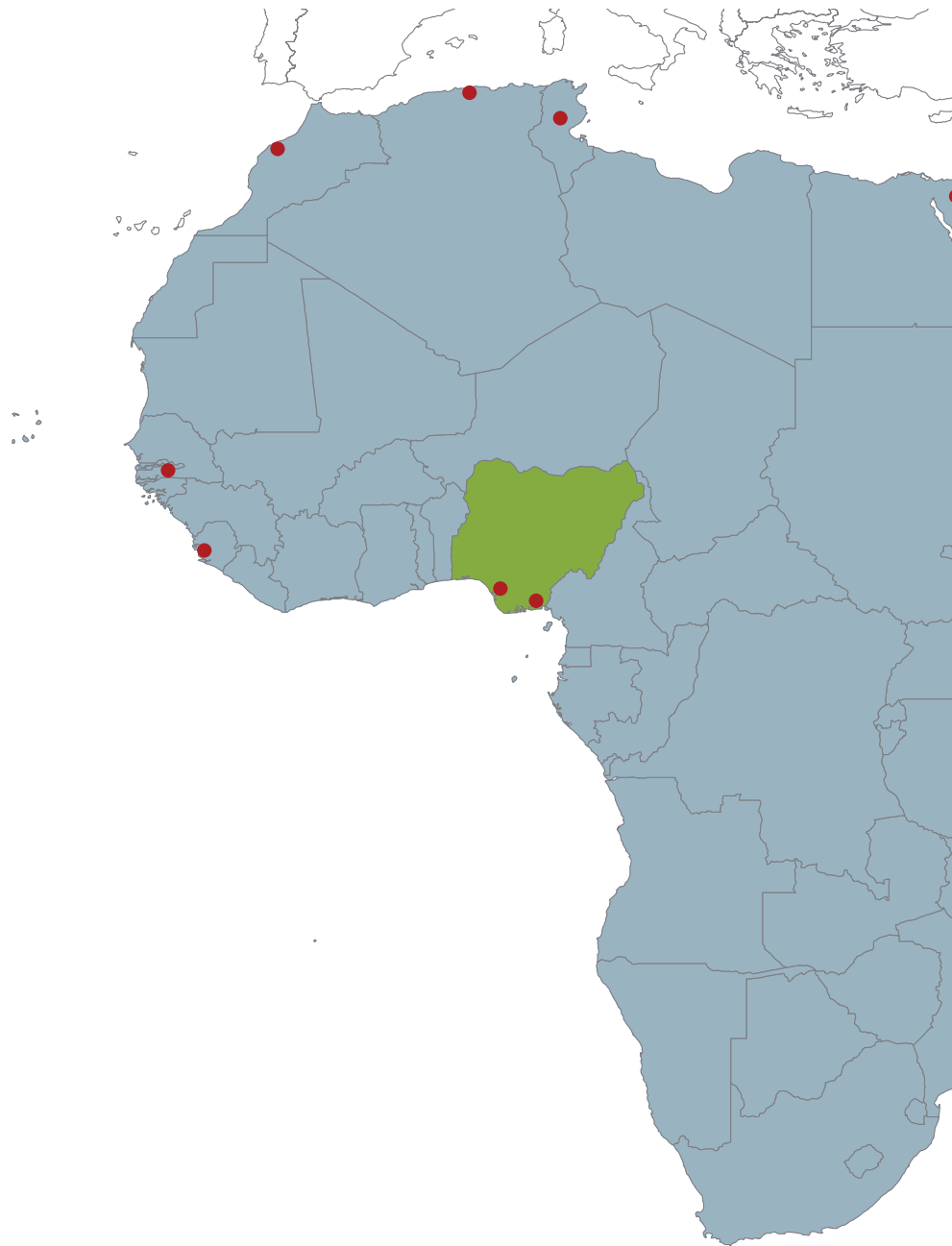
The same day saw the major attacks further south, in Jos, the capital city of Plateau State, in which at least three bombs killed more than 80 people and wounded 190. Boko Haram claimed responsibility for these bombs, which were followed up with attacks on Christmas Day and Boxing Day.

Unconfirmed news reports quoting US intelligence sources indicate that Al Qaeda affiliates were behind bomb attacks on 31 December in Maiduguri and Abuja. Whereas the Movement for the Emancipation of the Niger Delta (MEND), a group known mainly to operate in the Niger Delta and claiming to fight for local interests there, accepted responsibility for the car bombs in Abuja on 1 October, it has denied responsibility for the New Year's Eve bombs.

The Plateau State capital of Jos has become a centre for the religion-based conflict in Nigeria but Borno State and other northern areas are

also exposed. Boko Haram claimed responsibility for the bombings in Jos on 24 December, by official report, 80 people were killed and 190 wounded.

Boko Haram has in the past mainly carried out targeted attacks; the mass killings in December therefore indicate that they may carry out larger scale and more indiscriminate attacks in the future. As Nigeria heads towards national elections in April 2011 it is likely that the violence will continue and more bombings in northern and central Nigeria are to be expected. It is also likely that MEND will try to affect the political process by mounting attacks in southern Nigeria.





## Significant Security Incidents

### Nigeria: Ayakoromor

On 1 December Nigerian soldiers attacked militants close to Ayakoromor in Delta State. Local human rights activists claim that this fighting resulted in a large number of dead, including civilians. The attacks included the use of military aircraft and navy vessels.

### Kenya: Nairobi

On 3 December a police Land Rover pick-up was attacked with a hand hurled explosive device in a Somali area of Nairobi. One police officer was seriously wounded in the attack.

### Nigeria: Akwa Ibom

On 3 December robbers were in a gun battle with police in Akwa Ibom state of Nigeria. Three robbers were shot dead in the battle but three innocent victims and a police officer were also killed.

### Sierra Leone: Freetown

On 6 December at least 19 inmates escaped from the Pademba Road maximum-security prison in Freetown. It has been reported that the inmates fired a pistol to scare the guards. Several prison officers have been among those arrested following the escape.

### Egypt: Sinai peninsula

On 7 December the United Nations High Commissioner for Refugees (UNHCR) expressed concern over a reported 250 Eritrean captives in the Sinai desert. The Eritreans are believed to be the victims of people traffickers. Israel, which is the main destination for people smuggling in the area, has recently started construction of a new border fence to stop illegal immigrants entering their territory.

### Algeria: Boumerdès/Tizi Ouzou

On 10 December Algerian troops killed ten operatives of Al Qaeda in the Islamic Maghreb (AQIM) between Boumerdès and Tizi Ouzou in the Kabylie region. Several thousand troops supported by helicopters were involved in the operation.

### Morocco: Oujda, Nador and Casablanca

Around 10 December the Moroccan government arrested six extremists who had intended to set off vehicle bombs inside and outside Morocco. The arrests were confirmed by the authorities on 27 December, and the government said that this was the first time they had uncovered terrorists who used the Internet to plan acts of terrorism.

### Tunisia: Sidi Bouzid

On 18 December riots broke out in the Tunisian city of Sidi Bouzid. The protests followed police action against an unemployed man who had tried to sell agricultural produce on the street to support himself. The man had subsequently set himself of fire as a protest. The riots continued for several days and on 24 December the police came under attack from crowds throwing Molotov cocktails. Responding with gunfire the police killed one protester. On 27 December the protests reached the capital Tunis, where a thousand people were reported to have protested against the high unemployment levels.

### Kenya: Nairobi

On 20 December three people were killed and 39 wounded in a grenade attack on a bus station in Nairobi. Both Al Shabaab and Allied Democratic Forces (ADF) had earlier figured in threat reports from Ugandan authorities and Kenyan and Ugandan police suspect that Al Qaeda affiliates were behind the attack. The suspected attacker, of Tanzanian origin, attempted to board a long distance bus destined for Kampala, Uganda, when a Russian made grenade he was carrying detonated. The attacker was among those killed.

### Nigeria

On 23 December all four oil refineries in Nigeria were forced to shut down production after a series of attacks on pipelines in the country. The attacks meant that the refineries did not get their needed crude oil input.

### Senegal: Casamance

On 27 December five Senegalese soldiers were killed by separatists in the southern region of Casamance. It is believed that the separatists belong to the Movement of Democratic Forces of Casamance (MFDC). The Senegalese army intervened in the area in a new operation the day following the attacks.

# AMERICAS

## Regional Summary

Questions concerning the extent of Hizbollah's activities in South and Central America again came under the spotlight in December. Terrorist attacks continued to be reported across the region, with a number of small bombings directed at banks and other targets being reported in Chile and Argentina. Meanwhile, those involved in Mexico's illegal narcotics trade carried out a car bomb attack targeting a police station in the north of the country. In the US, authorities discovered the largest ever cache of homemade explosives and in Peru, the remnants of a once-powerful leftist guerrilla group continued its attacks on the police in support of its drug cartel employers.

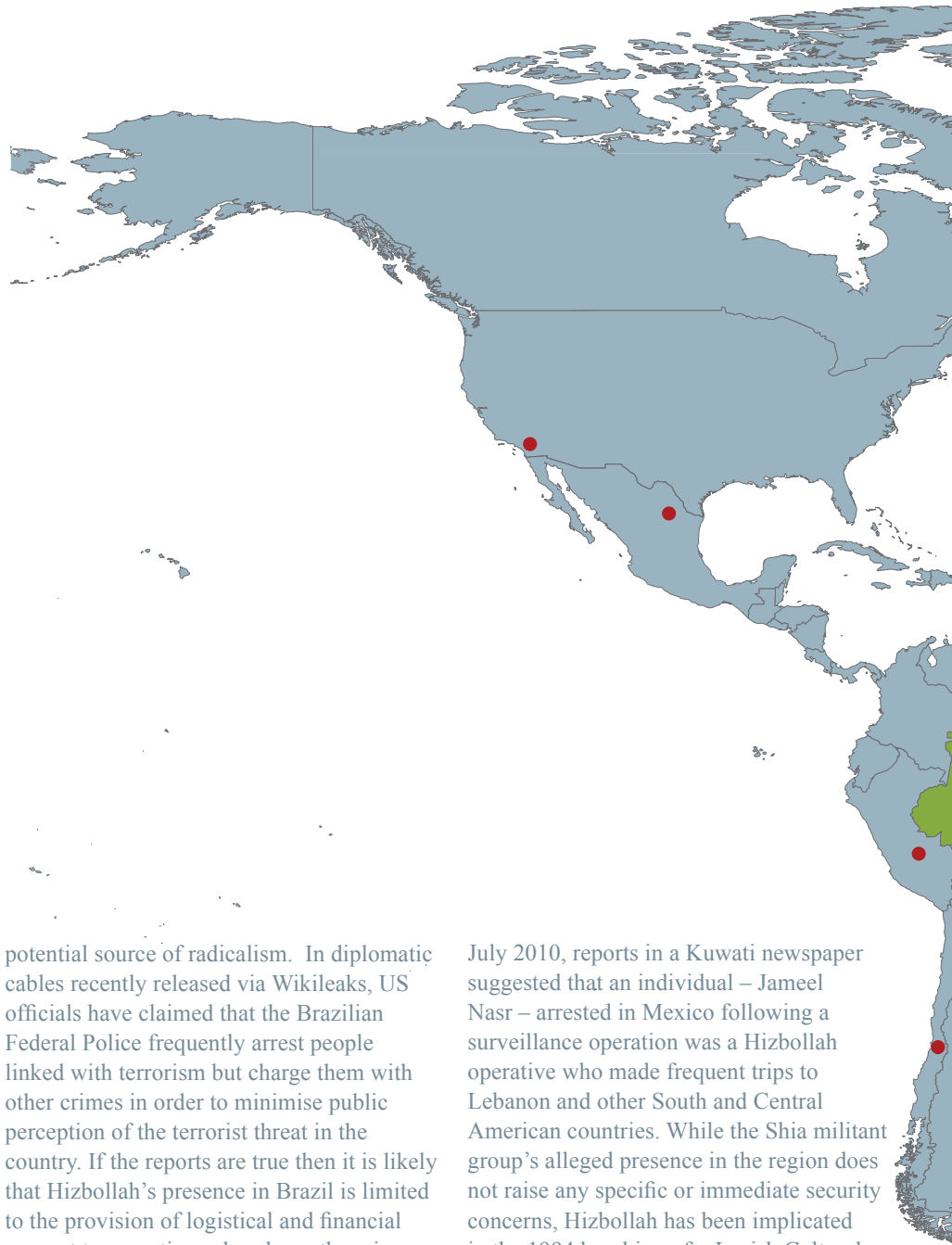
## Strategic Risk Highlights

### Brazil

According to media reports in Brazil, the country's federal intelligence agency – ABIN – has been observing a group of individuals within Brazil's Muslim community over suspicions that the group is connected to the Iranian-backed Shia militant group Hizbollah. The *Folha de Sao Paulo* newspaper reported that the group – comprising approximately 20 individuals based in Rio de Janeiro, Sao Paulo, in the southern state of Parana and in the north-east of the country – had been under surveillance for a number of years and members of the group had travelled to Tehran at least twice over the last three years. The reports indicate that all those under investigation are Brazilian citizens who have converted to Islam and monitoring of them began following a tip off from US intelligence agencies. While the accuracy of the media reports has not been verified, the prospect of Islamist terrorist groups operating in Latin America has been a long-standing concern and the tri-border region -where Brazil, Argentina and Paraguay meet - has previously been identified as a

potential source of radicalism. In diplomatic cables recently released via Wikileaks, US officials have claimed that the Brazilian Federal Police frequently arrest people linked with terrorism but charge them with other crimes in order to minimise public perception of the terrorist threat in the country. If the reports are true then it is likely that Hizbollah's presence in Brazil is limited to the provision of logistical and financial support to operations elsewhere; there is no open source evidence to indicate that Islamist terrorists are currently involved in planning attacks in Brazil, or elsewhere in South America. The latest reports add further evidence to claims that Hizbollah maintains extensive interests in the region. In 2009, a US official responsible for that country's military activities in South America claimed that Hizbollah was involved in the drug trafficking trade in Colombia and in June 2010 a US Congresswoman wrote to the Department of Homeland Security warning that Hizbollah was increasing its presence in Central and South America and that intelligence suggested that the group may be operating with Mexican drugs cartels in the US-Mexico border region. Additionally, in

July 2010, reports in a Kuwaiti newspaper suggested that an individual – Jameel Nasr – arrested in Mexico following a surveillance operation was a Hizbollah operative who made frequent trips to Lebanon and other South and Central American countries. While the Shia militant group's alleged presence in the region does not raise any specific or immediate security concerns, Hizbollah has been implicated in the 1994 bombing of a Jewish Cultural Centre in Buenos Aires, Argentina which killed 85 people and injured hundreds of others. It is possible that the network that Hizbollah has developed in the region could be exploited in future to support terrorist operations. It has also been speculated that the presence of Hizbollah operatives in the region raises the risk of attack if Iran were to use its overseas proxies to retaliate against any western military strikes aimed at disrupting its nuclear aspirations.







## Significant Security Incidents

### United States of America: Escondido

On 9 December, authorities in Escondido, California, set fire to a house containing what has been described as the largest amount of homemade explosives ever found in a single location in the US. The property was owned by George Jakubec, an alleged bank robber, who had turned the suburban home into a bomb factory. The quantity of explosive material in the house – which included crates of grenades, jars of explosive powders and jugs of volatile chemicals – meant that a controlled fire was the only way of safely disposing of them. Although Mr Jakubec is not known to have any connections with terrorists, the fact that he was able to acquire and manufacture such large quantities of explosives undetected indicates that terrorists may have the same potential.

### Mexico: Zuazua

On 17 December, an explosives-laden car detonated outside a police station in the town of Zuazua, in the Nuevo Leon province. The device detonated at approximately 1.00pm, although reports indicate that the vehicle had been parked in front of the police compound for several hours before exploding. The blast caused extensive damage to the police station and several police vehicles and resulted in two people (both bystanders) sustaining injuries. Zuazua is located approximately 30km north of the state capital, Monterrey – Mexico's third largest city. The region has been plagued in recent months by clashes between rival drugs cartels.

### Chile: Santiago

On 20 December, two small bombs exploded outside a bank branch and a police funeral home in the Chilean capital Santiago. The first incident occurred at approximately 1.15am when a small explosive device detonated outside a branch of Banco Santanfer on Vicuna Mackenna Avenue in the centre of the city. The attack caused minor damage to the property and is not reported to have resulted in any casualties. Approximately 15 minutes later a second bomb detonated outside a funeral home

on Vivaceta Avenue in the north of the city. The funeral home is operated by the Carabineros – a paramilitary police force. Although there have been no claims of responsibility for the attacks, the city has frequently seen similar bombings perpetrated by anarchist groups.

### Argentina: Buenos Aires

On 20 December a small explosive device detonated outside a branch of the BBVA-Banco Frances, a subsidiary of the Spanish BBVA banking group in the northern Recoleta district of Buenos Aires. The blast damaged an ATM and shattered the bank's windows but did not result in any casualties. The bank is located approximately 200 metres from the French and Brazilian embassies, which were unaffected. Pamphlets found at the site criticised alleged discrimination against the Toba Qom indigenous communities in the northern Formosa province. The pamphlets also mentioned the recent death of a protestor during a demonstration in the southern Rio Negro province and referred to the leftist militant group Moviento Todos por la Patria. The bombing represents the seventh such attack in the capital in 2010. The Chile-based anarchist group, Celulas Revolucionarias Brigada Andrea Salsedo is being treated as the prime suspects in the investigation into the blast.

### Peru: La Convención

On 29 December, at approximately 5.00pm suspected members of the Shining Path militant group ambushed a police patrol on a highway in the province of La Convención. Three police officers – including the chief of police in the Kiteni district – were killed in the attack. La Convención is located in the Valley of the Apurimac and Ene rivers (VRAE region) where the remnants of the Shining Path – a once powerful leftist guerrilla group – are now employed by drugs cartels to protect the area's extensive illegal coca production operations.



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