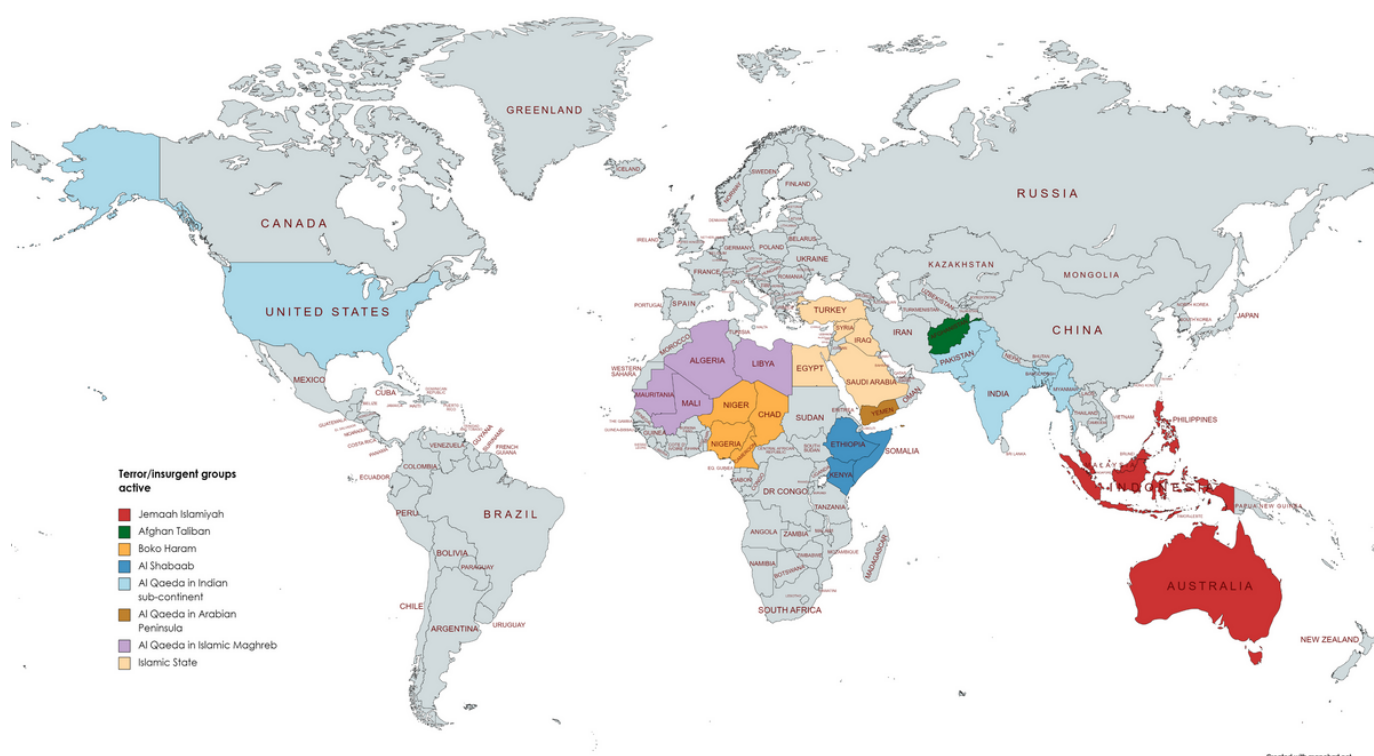


Have Business Resiliency thresholds changed in Terror zones?

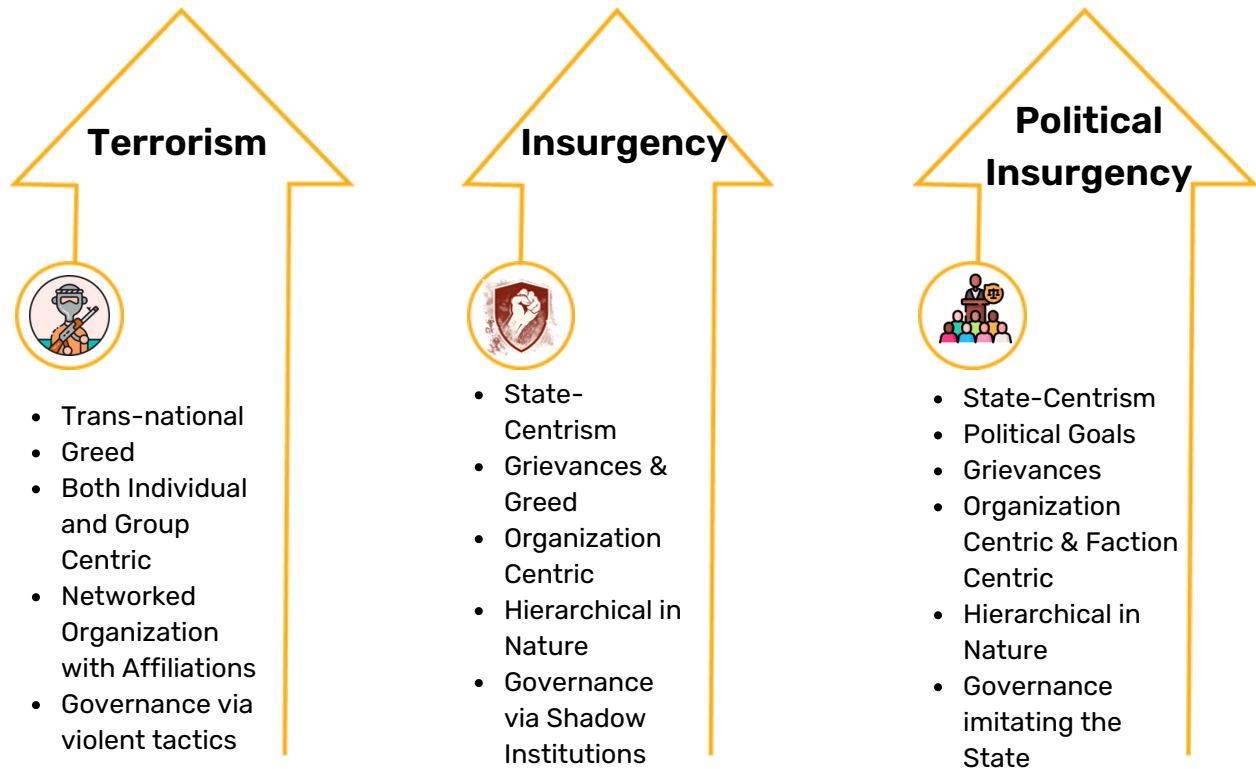


Summary

In the recent times, it has been observed that the nexus between Non state Armed Groups (NSA) and Business ecosystem has been on a rise. We look at the playbook of this win:win strategy

Prashant Rastogi- Risk Analyst
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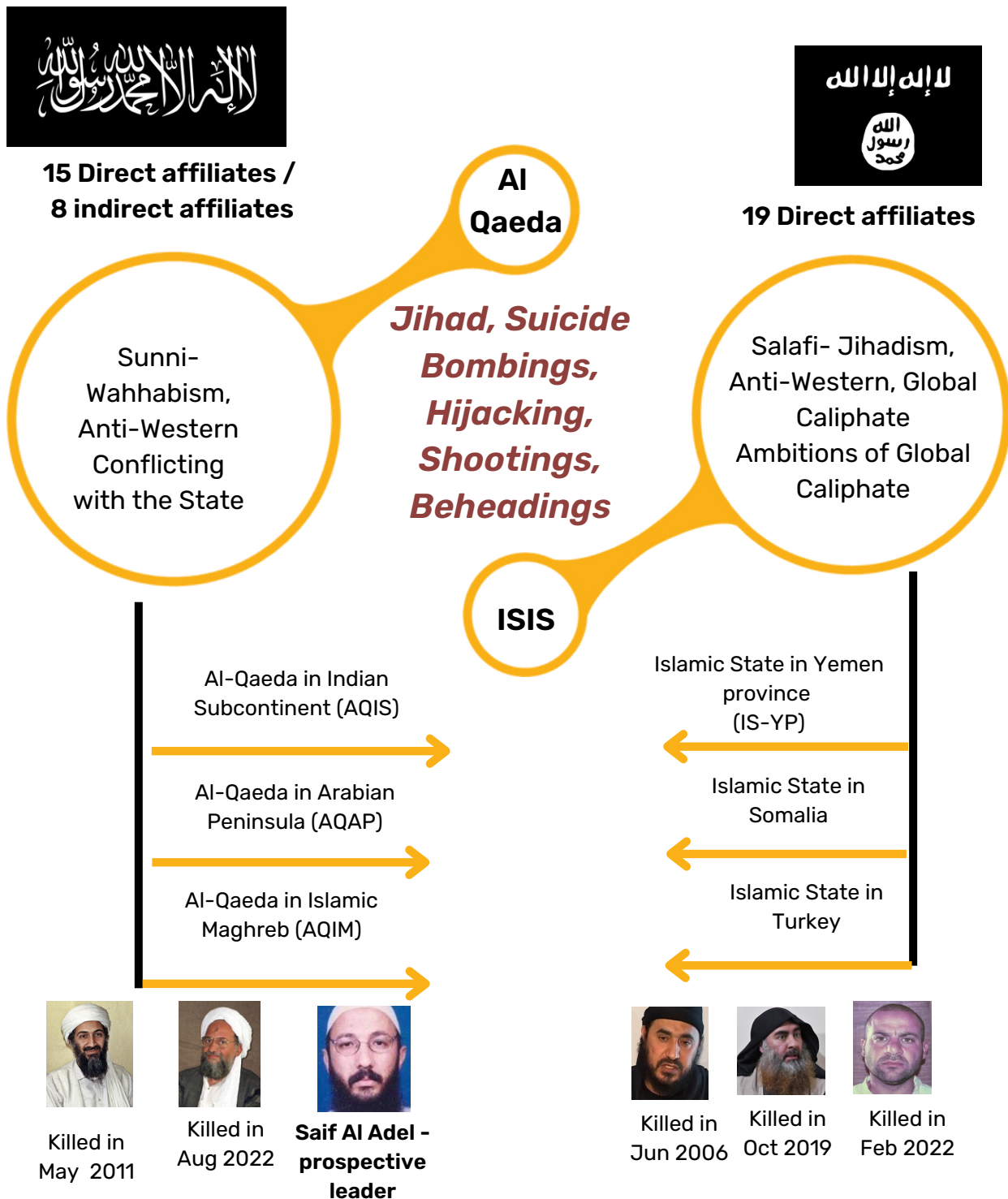
Definitions



Cause/ Effect Analysis



Portrait of Terror outfits



USA And Israel has been involved in Air strikes to eliminate terror leaders



Portrait of Insurgency outfits

Afghan Taliban

- Ethnic Pashtunism, Religious Fundamentalism, Deobandi Islamism
- Political Insurgency, Islamic State in Afghanistan

Jemmah Islamiyah

- Religious Fundamentalism, Anti-Christian, Pan-Islamism
- Ambition to Establish Islamic State in Indonesia

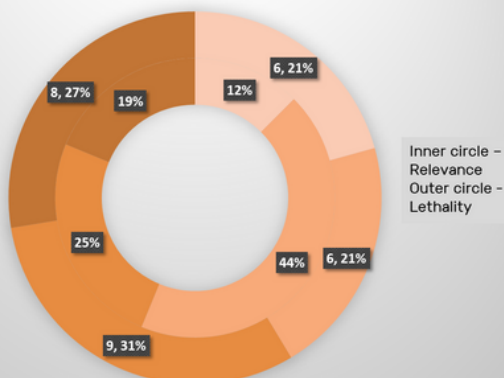
Al Shabaab

- Wahhabism, Qutubism, Islamism
- Conflicting with the Govt

Boko Haram

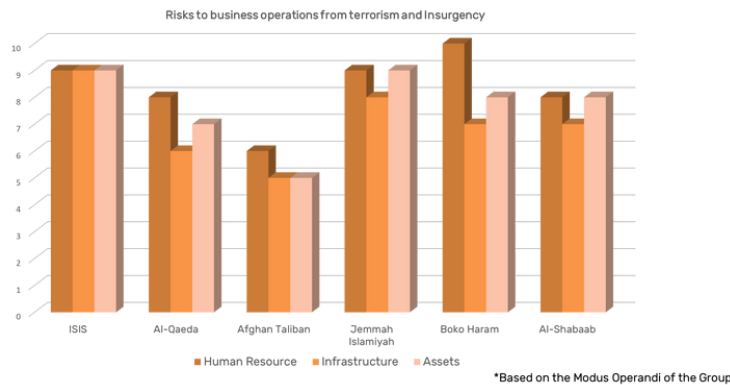
- Against Apostates, Religious Fundamentalism, Takfirism
- Conflicting with the Govt

Regional Relevance and Degree of Lethality



Israel, Turkey and Ethiopia have been involved in Air strikes to eliminate insurgent leaders

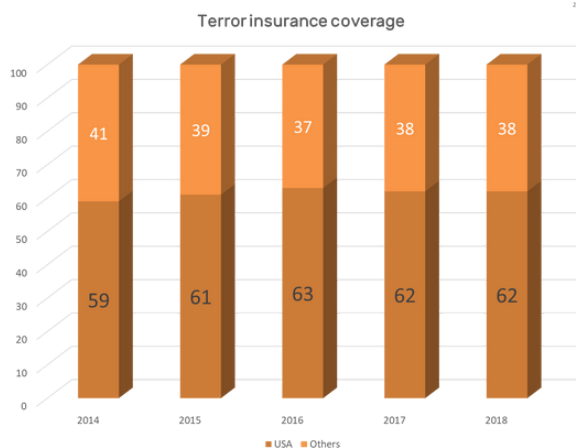
Data Trends on Business disruptions and Terror Insurance



Ambushes, Guerilla Warfare, Suicide Bombings, Hostages, Information Operations

Choke Points of Losses:

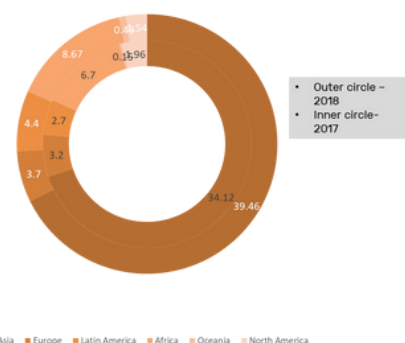
- 2001- 9/11 Attacks
- 2014- Rise of ISIS



- US-origin companies dominate terrorism insurance purchases by volumes.
- The percentage has stalled since 2017, due to downward trend in terror attacks.

- China's SINOSURE's insurance coverage to Chinese physical investments abroad.
- The coverage percentage by volume has been increasing as China's investments increase

Global Terror insurance share



Mitigation strategies

US AND EUROPE

Possibility of Partnerships with regional govt for protection

- US Terrorism Risk Insurance Act (2001)
- Insurance products specific for conflict and terror management
- Guaranteed by Federal Govt- Coverage of up to the limit of USD 100 billion (cumulative) from an act of terrorism

High Insurance premiums for Business operations in Conflict regions

CHINA

Possibility of Usage of Private Military Corporation (Militias)

- No laws governing
- Issued by state owned insurance companies- SINOSURE
- Coverage from political instability as well as any act of violence leading to physical damage.
- Guaranteed by state owned bank

CASE STUDIES

IMPLICIT INTERACTIONS -

TURKISH GOVT AND ISIS

It has been established that Turkish government personnel right from the family of President Erdogan and ISIS have connections that safeguard the business interests of the family. These transactions were made by a Turkish intermediary Powertrance.

The intelligence of Israel and Russian countries have been monitoring this nexus. This is to primarily look into the regional instabilities and international norms governing NSAs.

PROTECTION BY MILITIA & STATE-CHINESE FIRMS IN PAKISTAN TERROR ZONES

Frontier Services Group, China Overseas Security Group, HuaXin ZhongAn have been operating in Pakistan. The objective of operating to safeguard the BRI investment Companies like infrastructure, ports, mines. Most notably they have been involved in quelling the insurgent protests in Gwadar port in Balochistan.

This has led to talks to propel the need for military strategic deployments

RISK BAROMOETER

Systemic / Political Risk



High Risk

- High Possibility of Affiliated terror groups gaining higher power
- High Possibility of US and allied nations increasing air strikes on other sovereign nations
- High Possibilities of China propelling regional governments to fight terror and insurgency groups
- High Possibilities of intra group fights for gaining higher grounds / coverage

Security Risk



High Risk

- High possibilities of rise in Lone Wolf attacks
- High possibilities of Political insurgencies rising due the neglect of citizenry sentiments on counter terror operations
- High Possibility of Terror groups resorting to radicalization techniques based on fear to induct more followers

Financial Risk



High Risk

- High possibility of more insurance product lines for operations in Conflict zones
- Heightened surge in premiums for Terror / political risk specific insurance products
- Heightened claims on loss in supply chains in insurgency areas

Back door strategies resiliency strategies

- High possibilities of lucid legal structures to give an impetus conducting business on Conflict regions
- High Possibilities of Corporations having understated collaborations with insurgency groups
- High possibilities of hiring of the services of Private Military Corporations

RESILIENCY PLANNING

Back door strategies

- High possibilities of lucid legal structures to give an impetus conducting business on Conflict regions
- High Possibilities of Corporations having understated collaborations with insurgency groups
- High possibilities of hiring of the services of Private Military Corporations

Surveillance and monitoring strategies

- High possibilities of rise RFID of supply chain for asset protection
- High possibilities of Geo Fencing monitoring of infrastructures
- High possibilities of Geo tracing, monitoring of employee movement in conflict zones

ABOUT THE AUTHORS

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Prepared at the Risk Assessment and Analysis Centre, Bangalore

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