

A nighttime satellite map of the world, showing city lights and landmasses in a dark blue color scheme. The map is centered on the Atlantic Ocean, with Europe and Africa clearly visible.

Global Risk Bulletin

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Moscow Calling

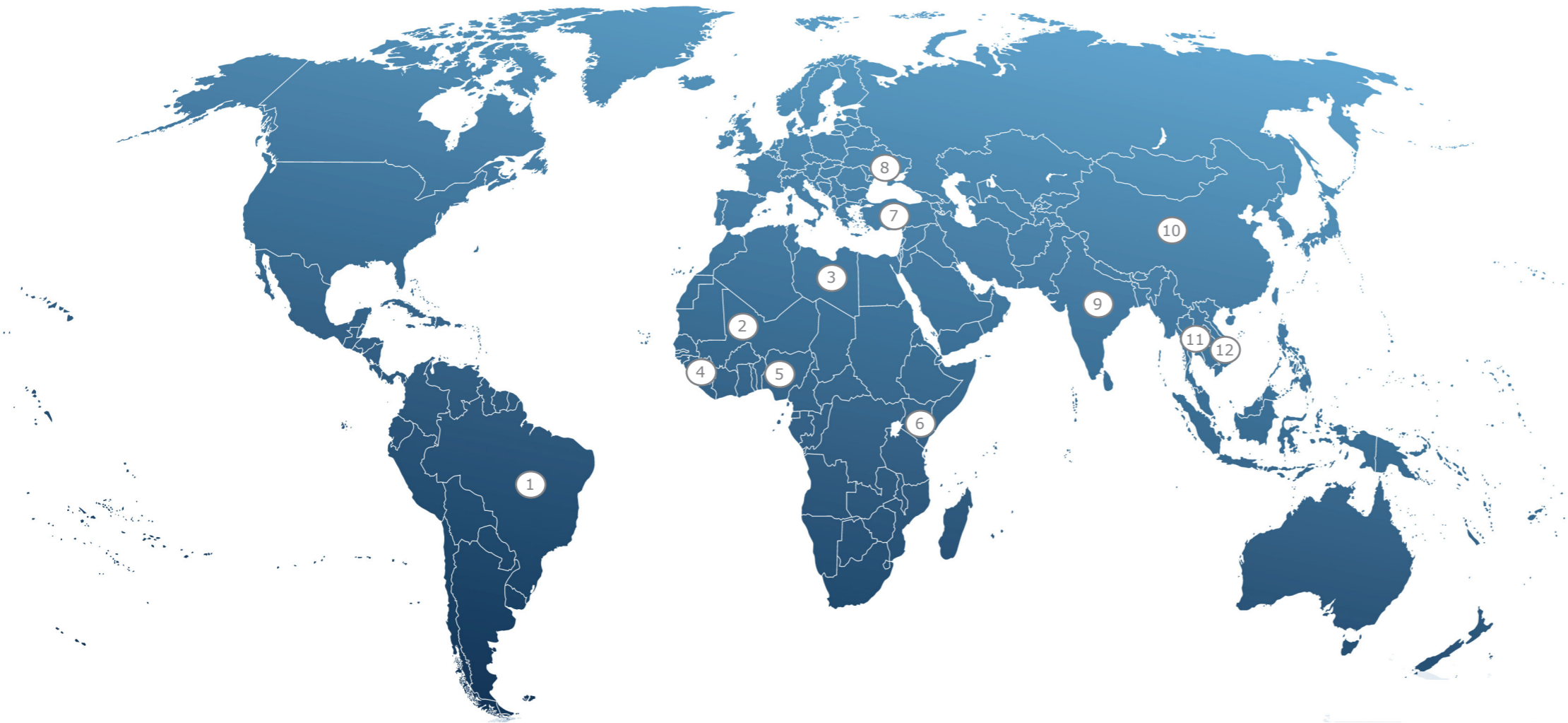
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Fatah and Hamas:  
For Better or Worse

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Eastern Africa:  
Mapping Insecurity

# World News in Brief



## 1 Brazil

A series of strikes held on 20 and 21 May brought several major cities in Brazil to a standstill. A bus driver strike in São Paulo reportedly affected some 230,000 commuters. Police strikes held on 15 May in Recife led to looting, vandalism and a spike in crime resulting in the deployment of the Brazilian military, raising safety concerns ahead of the World Cup in June.

## 2 Mali

Tensions between armed Tuareg separatist groups and the government of Mali have been reignited after several violent confrontations in May. President Ibrahim Boubacar Keïta has called for dialogue to resolve the ongoing issue, while French reinforcements have been sent to bolster security in the north. Islamist elements within the Tuareg groups, backed by regional terrorist groups, are continuing to foment instability.

## 3 Libya

On 16 May, forces loyal to Khalifa Hifter, a former army general, carried out a military operation in Benghazi targeting Islamist-leaning militias in response to a prolonged assassination and kidnapping campaign against security and military officials. The operation resulted in the death of 70 people. Two days later, Hifter's forces stormed the General National Council in Tripoli and dissolved the parliament.

Hifter has stated that the aim of operation 'Libyan Dignity' is to re-establish security in the country, while outlining plans for a transition of political power to Libya's top judicial council and the bringing forward of parliamentary elections. Islamist-leaning politicians and militias have condemned the operation as illegal, increasing the risk of further violence.

## 4 Guinea-Bissau

On 20 May 2014, African Party for the Independence of Guinea and Cape Verde (PAIGC) candidate Jose Mario Vaz won a presidential run-off election. However, Nuno Gomes Nabiam, an independent candidate close to the army has rejected the result and threatened to take the case to the supreme court. There is a high likelihood of unrest in Guinea-Bissau due to the army's history of intervention.

## 5 Nigeria

The kidnapping by Boko Haram of over 200 girls from a school in Borno State, Nigeria, has drawn military and intelligence support from the US, UK, French, Israeli and Chinese governments. The Nigerian military is likely to benefit from counter-terrorism support, which may mitigate the threat from Boko Haram in the long-term. In the short-term, however, the situation has deteriorated, with several major attacks occurring in the Middle Belt, outside of Boko Haram's base in the North East. In April and early May, two bomb attacks in Abuja killed around 100 people. On 20 May, a twin bomb attack on Jos, the capital of Plateau State, led to 118 fatalities.

## 6 Kenya

On 16 May an improvised explosive device exploded at Gikomba market in Nairobi, killing at least four and injuring over 30 people. This is the fourth terrorist attack this month and follows a similar-style attack at Reef Hotel, a popular tourist hotel in Mombasa. The Reef Hotel attack was the first attack in an area frequented by foreigners since the attack on Westgate shopping centre in September 2013. The Gikomba attack occurred a day after UK tourists were evacuated from Mombasa following updated travel advice issued by the UK FCO warning against travel to Mombasa, certain parts of Nairobi and areas within 60 km of the Kenya-Somali border.

## 7 Turkey

On 13 May, a mine collapsed in Soma, western Turkey, killing over 300 people and injuring hundreds of others. An investigation into the causes of the disaster unveiled insufficient security measures and led to the arrest of 25 people. Violent demonstrations against the government and the operators of the mine have broken out in several cities across the country.

## 8 Ukraine

In late May, 14 soldiers were shot dead in the Donetsk region of eastern Ukraine during a raid on a checkpoint. The incident represents the largest loss of life incurred by the Ukrainian authorities since operations were launched against armed separatists in the east of the country, and came just three days before Ukrainians were due to vote in presidential elections. 127 people have died since the conflict began in eastern Ukraine. Pro-Russian separatists have justified their actions so far by highlighting the Kyiv government's illegitimacy, a claim that will be defunct after the elections and may leave separatists isolated and vulnerable to further attacks from the Ukrainian military.

## 9 India

On 16 May, Narendra Modi was declared the new Prime Minister of India. Since then, there has been a decrease in civil unrest and terrorist attacks in the country. In the longer term, however, there are concerns that the new Prime Minister's Hindu nationalist and neo-liberal agenda will increase instability in India, by stoking religious tensions and discontent among workers and providing additional motivation to extremist Islamist and anti-capitalist terrorist groups.

## 10 China

On 22 May, a suicide bombing killed 31 people and injured 94 in a marketplace in Urumqi, the capital of Xinjiang Province. The attack was the deadliest to date in northern Xinjiang and the second suicide attack in the capital in just over three weeks, marking a recent uptick in terrorist violence in the region. Security across Xinjiang is being heightened under a forceful counter-terrorism strategy launched by President Xi Jinping, although the greater organisation and increased international support for local Uighur militant groups make further attacks on civilian targets very likely.

## 11 Thailand

On 22 May, General Prayuth Chan-ocha, the head of the Thai army, announced a military coup. The announcement followed the declaration of martial law and the failure of military-brokered peace talks to reach a conclusion. Since the announcement, several hundred activists have been detained, partisan media broadcasts have been banned and anti-coup demonstrations have been suppressed in Bangkok and the north of the country. While the army has vowed to keep the peace, it will soon be forced to decide whether to lead the country towards fresh elections or unelected reform, threatening violent resistance from one side or the other in the political impasse.

## 12 Vietnam

On 14 May, a series of demonstrations against China's deployment of an oil rig to a disputed area of the South China Sea descended into widespread rioting. Initially peaceful protests by workers at various industrial parks near Ho Chi Minh City resulted in arson attacks targeting property thought by protesters to be Chinese-owned, including many Taiwanese and other East Asian businesses. The worst violence occurred in Duong Binh and Dong Nai provinces. Thousands of Chinese nationals were evacuated and the Vietnamese authorities cracked down on subsequent protests, restoring relative calm to the country.

# Moscow Calling: The Crisis in Ukraine and its Implications for the Baltic States

Russian intervention in Ukraine has alarmed the international community, not least Russia's Baltic neighbours to the West. While any military incursion is unlikely, the Baltic States remain vulnerable to Russia's destabilising influence, writes [Ted Cowell](#).

Since the annexation of Crimea and Russia's intervention in eastern Ukraine, political commentators and international investors alike have been looking cautiously at Russia's 'near abroad', wary of what implications the country's expansionist outlook may have for other neighbouring states. Nowhere has this been more the case than in the Baltic States of Estonia, Latvia and Lithuania, all of which gained independence from the Soviet Union in 1991. Despite gaining entry into the EU and NATO in the 2000s, the countries are still viewed in Moscow as part of Russia's sphere of influence. The Baltic States are a key market for Russian energy exports, and all three countries – with the exception of Lithuania – have sizeable ethnic Russian minorities. Recent unrest and Russian interference in Ukraine have prompted observers to consider what impact the events there could have on Russia's relations with the Baltic countries, and how the region's Russian communities will respond to them. It has even lead some commentators to ponder whether Russia could launch another irredentist 'land grab' in the Baltic region itself.

There are certainly similarities, on paper at least, between the Ukrainian and Baltic scenarios. Estonia and Latvia have sizeable ethnic Russian communities just as in Crimea and eastern Ukraine, where tensions between Ukraine's interim administration and pro-Russian separatists are running high. In practice, however, Ukraine represents a very different proposition to Russia. Lying as it does between Russia and an EU/NATO bloc, Ukraine is of far greater strategic importance than the Baltic States. A westward looking Ukraine with a roadmap towards future EU integration would also be a disastrous development for Russia's fledgling Eurasian Customs Union. This key policy initiative of the Kremlin currently includes only Russia, Kazakhstan and Belarus, and it is widely accepted that its economic viability and future expansion plans would be thrown into doubt were Ukraine not to join. However, the most significant deterrent against any Russian military aggression in the Baltic States is the countries' NATO membership and the security it affords them. NATO defence chiefs and member states have responded to Russia's actions in Ukraine with more than mere denouncements, with around 6,000 troops from member states recently coordinating in heightened military exercises in Estonia. The US has also deployed over 600 troops to Poland and the UK has deployed fighter jets to patrol Baltic airspace, all in a bid to demonstrate their continuing support for NATO allies.

Of course, the remote likelihood of a Russian military incursion does not mean that the Baltic region is insulated from Russia's destabilising influence.

With its actions in Ukraine, Russia has demonstrated its willingness to interfere in its neighbours' internal affairs in order to safeguard its strategic interests when threatened. One such strategic interest is energy exports, which play a vital role in the Russian economy. Estonia, Latvia and Lithuania have all stressed their commitment to reduce their considerable dependency on Russian energy imports, a policy which could have serious implications for Russia's influence in the region. Lithuania, for example, is set to open the region's first LNG terminal in the Black Sea Port of Klaipeda later this year. One of the tools Russia has employed with great effectiveness in Ukraine has been to foment social and political unrest in the country by pitting an ethnic Russian minority population in the East against the interim national government through a mix of propaganda, misinformation and scaremongering. There is a risk that Russia may adopt similar destabilising tactics in the Baltics with a view to halting the region's move away from the Russian sphere of influence.

The ethnic Russian populations of both Estonia and Latvia are less typically pro-Russian than their Ukrainian counterparts. Instances of civil unrest in the communities have also lessened considerably since 2007, when Estonia witnessed violent clashes between security services and ethnic Russians angry at the removal of a Soviet war memorial. However, the preconditions for wide scale pro-Russian, anti-government protest in both countries is certainly present. Both countries' Russian populations harbour deep seated resentments linked to citizenship laws and language requirements which disenfranchise them from participating in the political process. Similarly to ethnic Russians in Ukraine, the Russian communities in both countries are exposed almost exclusively to Russian television and media, and therefore Russian state propaganda, in the absence of Russian-language domestic alternatives. The ethnic Russian populations of Estonia and Latvia are also concentrated overwhelmingly in the capitals of Tallinn and Riga, meaning there is an increased potential for civil unrest to gather momentum in the cities. Both governments have introduced initiatives aimed at addressing ethnic Russians' grievances – Estonia's newly elected Social Democratic coalition, for example, has a more conciliatory stance on the status of the Russian language than its predecessor, and Latvia has recently seen the emergence of a pro-European civil society movement for ethnic Russians. However, much still needs to be done to better include ethnic Russians in national life, and so long as the Baltics continue to pursue their course away from Russian influence, the potential for destabilising civil unrest in the region will remain.

# The Palestinian Reconciliation: For Better or Worse?

The Fatah-Hamas rapprochement could have a positive effect on security, but residual fault lines may make cooperation short-lived, writes [Noemi Casati](#).

On 23 April, representatives of Fatah and Hamas, the two main rival Palestinian factions within the Palestinian Authority (PA), signed a reconciliation deal. The deal comes seven years after Hamas' takeover of Gaza following a power struggle over the result of parliamentary elections. Thus far, it has resulted in Israel's enforcement of new economic sanctions against the PA and its withdrawal from the latest round of US-brokered peace negotiations. Israel says it will not negotiate with Hamas, which it designates as a terrorist organisation. The newly reconciled Palestinian leaders are now expected to name a consensus government of technocrats before general elections – five years overdue – are held by the end of the year.

Although international observers have focused on the immediate negative consequences of the deal, a long-lasting reconciliation could have a positive effect on both Palestinian and Israeli security. In many ways, the deal can be seen as a capitulation by Hamas. Following the Syrian revolution and the outlawing of the Muslim Brotherhood in Egypt, Hamas lost much of the backing of Iran, Syria, Egypt and the Gulf. With the humanitarian situation in Gaza deteriorating, Hamas is seeking an alternative to political isolation, making it more accommodating to Fatah's diplomatic position. If successful, the deal will diminish the risk of terrorism in Israel. While Israel's sanctions on the PA are likely to lead to popular demonstrations in the West Bank, the PA will advance the efforts already began by Hamas to strengthen its hand over Gaza-based militant groups. This will be particularly important for any future Palestinian coalition, not only because the PA will now be held responsible for any attacks emanating from either the West Bank or Gaza, but also because any attack by Palestinian militants targeting the settlements or mainland Israel will acutely escalate the risk of military intervention against the Palestinian Territories. The reconciliation has similar implications for wider regional security. Egypt, who acted as mediator between the two Palestinian factions, has welcomed Hamas' shift towards Palestinian nationalist issues and away from its Brotherhood identity. Hamas' stepping down as the primary authority in Gaza would likely temper the situation at the Rafah border between Gaza and Egypt and improve security in Egypt's Sinai Peninsula. Alternatively, should the reconciliation fail, Egypt will strongly tighten its control at the border in order to completely isolate Hamas and prevent the movement of fighters to the Sinai.

The endurance of the Fatah-Hamas deal depends on the resolution of a number of existing fault lines. The international community is yet to agree on a common line, and it remains to be seen whether Western powers will intervene and thwart the recognition of a Fatah-Hamas coalition.

In the short term, Hamas is unlikely to accept the conditions imposed by Western powers for the recognition of a Palestinian government. In particular, it has stated that it will not recognise the state of Israel and that it still regards armed resistance as a means to end the occupation. However, while Israel sees these as deal breakers for any peace negotiations, it may not be necessary for Hamas to comply with these points for a Palestinian coalition government to be recognised.

The PA will now be held responsible for attacks emanating from either the West Bank or Gaza. Any attack by Palestinian militants targeting the settlements or mainland Israel will acutely escalate the risk of military intervention.

As long as the coalition abides by the above conditions as a whole, which is expected to be the case, there is no international requirement for each party to do so individually. In other words, the Palestinians could follow the Lebanese model where Hezbollah, a Shi'a political party and militant group, is represented in the government despite being listed as a terrorist organisation by Western powers.

Should the deal ultimately collapse, an outcome that is unlikely to surprise the Palestinian population, the PA may choose to dissolve itself in response to its inability to fulfil its governing mandate – a threat it has made in recent weeks. The dissolution of the PA would result in a power vacuum that would seriously threaten Palestinian political stability, with some even suggesting that it could trigger a third intifada. However, this move is currently not in the interest of either the Palestinian or Israeli side. Under this scenario, Israel would become fully responsible for the Palestinian Territories both politically and financially, a situation that would aggravate economic grievances and lead to protests from supporters of Israel as a Jewish-majority state. While important fault lines exist and previous failed attempts at Palestinian cooperation leave many wondering how long the agreement will last, the Fatah-Hamas deal is in the interest of both sides and has a real chance of improving stability in the region. The response of Western powers and international organisations will be crucial for a successful reconciliation and the avoidance of an escalation in violence between the various factions. A number of unanswered questions remain, but what is now clear is that no future negotiation with Israel is likely to succeed without Hamas' support.

# Eastern Africa: Mapping the Region's Growing Insecurity

Weak governments and miscalculated counter-terrorism strategies have contributed to a recent upsurge in terrorist attacks in eastern Africa. While international allegiances have the potential to combat terrorist threats, inward-looking policies and entrenched ethnic divisions threaten to undermine security initiatives in the region, writes **Sharon Cheramboss**.

From almost fortnightly terrorist attacks to prolonged periods of widespread ethnic violence, in the past six months, eastern Africa has seen a marked increase in insecurity. In Kenya and Somalia, weak governments and miscalculated counter-terrorism policies and strategies have contributed to an upsurge in terrorist attacks from Harakat al-Shabaab al-Mujahideen (Al Shabaab), a transnational, jihadist militant group. In South Sudan, the escalation of ethnic tensions into a civil war scenario demonstrates the region's vulnerability to politically-motivated ethnic violence.

Eastern Africa has a complex history of domestic and international terrorist attacks with the first major attack being the 1998 bombings of the US embassies in Tanzania and Kenya by Al Qaeda-affiliated militants. More recently, Al Shabaab poses the pre-eminent threat of terrorism in the region. Since emerging in Somalia during the early 2000s as a subversive Islamist group focussed on overthrowing the Somali government, Al Shabaab has transformed to become a transnational militant group. In 2010, it committed its first attack on foreign soil, with multiple bombings in Kampala, Uganda. It achieved truly global attention with the September 2013 attack on the Westgate shopping centre in Nairobi, Kenya, after which Al Qaeda recognised Al Shabaab as an affiliate group and part of a global anti-western terrorist front. Since then, other local Islamist militant groups such as Al Hijra in Kenya have claimed to be affiliates or part of the Al Shabaab network in eastern Africa. April and May of this year saw a record number of terrorist attacks conducted by Al Shabaab or affiliated militant groups in Kenya and Somalia.

The greater incidence of attacks is a result of Al Shabaab's transformation into an organisation with international ambitions. This is principally a result of the deployment of troops by the African Union Mission in Somalia (AMISOM). Set up in 2007 to promote peacekeeping operations and to support the Federal Government of Somalia, AMISOM has emerged to become the key military force in Somalia. It is now part of a global anti-terrorism offensive against Al Shabaab which has had some success in dislodging Al Shabaab from key strongholds such as Mogadishu. However, despite AMISOM's territorial gains, the intervention force, which includes troops contributed by Ethiopia, Uganda, Kenya, Burundi and Djibouti, added an international element to the conflict. This has resulted in Al Shabaab-directed retaliatory attacks against some of the contributing states, and has increased the threat of attacks in others. Kenya and Somalia have both experienced multiple terrorist attacks by Al Shabaab and Al Shabaab-affiliated militants in the past six months, most of which involved grenades and improvised explosive devices and took place in major cities.

Notably, not all AMISOM contributing countries are equally at risk. Ethiopia's sizeable army and a well-established US military presence in Djibouti act as a deterrent. Uganda and Burundi's remoteness from the porous Somali border effectively reduce the number of attacks that occur within these states, although Uganda's high-profile involvement in Somalia makes it a target.

In addition to Al Shabaab's adoption of a more international outlook, the increased number of attacks can be attributed to miscalculated counter-terrorism policies by eastern African governments. The Kenyan government's domestic response to the Westgate attack and the April bombings in Nairobi has been heavy-handed and has contributed in part to further attacks by jihadist groups. Operation Fagia Eastleigh, which involved the repatriation of Somali refugees and other illegal immigrants mainly resident in the Somali-dominated suburb of Eastleigh, has been criticised by the international community as well as the Somali-Kenyan community and Kenyan Muslims.

The Kenyan government's domestic response to the Westgate attack and the April bombings in Nairobi has been heavy-handed and has contributed in part to further attacks by jihadist groups. Without a political resolution, the situation is unlikely to improve, even in the long term.

It was shortly followed by further attacks in Nairobi and Mombasa by militants thought to be linked to Al Shabaab. While the government has put in place policies such as Nyumba Kumi, a neighbourhood policing initiative, there has been no attempt by the government to seek a political solution to resolve any of these issues. Without such a political resolution, the situation is unlikely to improve, even in the long term.

Weak governments have also played a key role in facilitating terrorism in the region. Since the re-establishment of the Somali government in 2012, President Hassan Sheik Mohamoud's government has been criticised for corruption, clan-based power struggles and failing to effectively combat Al Shabaab despite support from AMISOM. Moreover, the reach of Mohamoud's government is limited, faced with breakaway territories such as Somaliland and Puntland. These factors reduce the Somali government's efficiency in dealing with terrorism.

In Somalia, Al Shabaab remains a formidable insurgent organisation which targets AMISOM troops and the Somali government. This was evidenced in March and April of this year, when Al Shabaab claimed responsibility for killing AMISOM troops, Somali soldiers and two Somali members of parliament.

In addition to terrorism, eastern Africa has seen some of the worst cases of politically-motivated ethnic violence in Africa this year. Politics in the region is often defined by religious, tribal, ethnic or clan-based biases. This regularly results in extensive politically-motivated ethnic violence, with a destabilising effect on security in the region. This was the case in Kenya during the 2007 post-election violence and is one of the primary causes of the current crisis in South Sudan. Following widespread conflict during early 2014, South Sudan continues to experience high-intensity ethnic conflict, centred on the country's two largest communities, the Dinkas and the Nuers.

South Sudan has a chequered past including a 22-year long civil war which caused ethnic divisions and the formation of secessionist rebel movements along ethnic lines. After its secession from Sudan in 2011, the South Sudanese government worked on establishing state institutions. However, little emphasis was placed on nation building and addressing ethnic issues.

This continues to weaken state authority, as politicians and civil servants revert to guerrilla tactics instead of diplomatic means to resolve disputes. The signing of a peace deal in May by President Salva Kiir, an ethnic Dinka, and former Vice President Riek Machar, an ethnic Nuer, follows an agreement by both sides to form an inclusive transitional government to put an end to the conflict. Nevertheless, the conflict is determined by long-standing issues and, in spite of international pressure, is unlikely to be resolved by the peace deal.

Whilst state action has so far exacerbated regional problems, there is a possibility that the recent uptick in insecurity will trigger a change in government responses to terrorism and political violence. Reinforced international security relations, such as the striking of a maritime security partnership between Kenya and the European Union, and progress from international and regional counter-terrorism operations such as AMISOM, could result in better counter-terrorism policies and strategies. Further, the proposed creation of a regional army before the end of the year could see a reduction in insecurity in eastern Africa in the long term. However, an inward focus on local politics and the seemingly myopic strategies of some of the eastern African governments could hinder any progress in ameliorating security in the region.

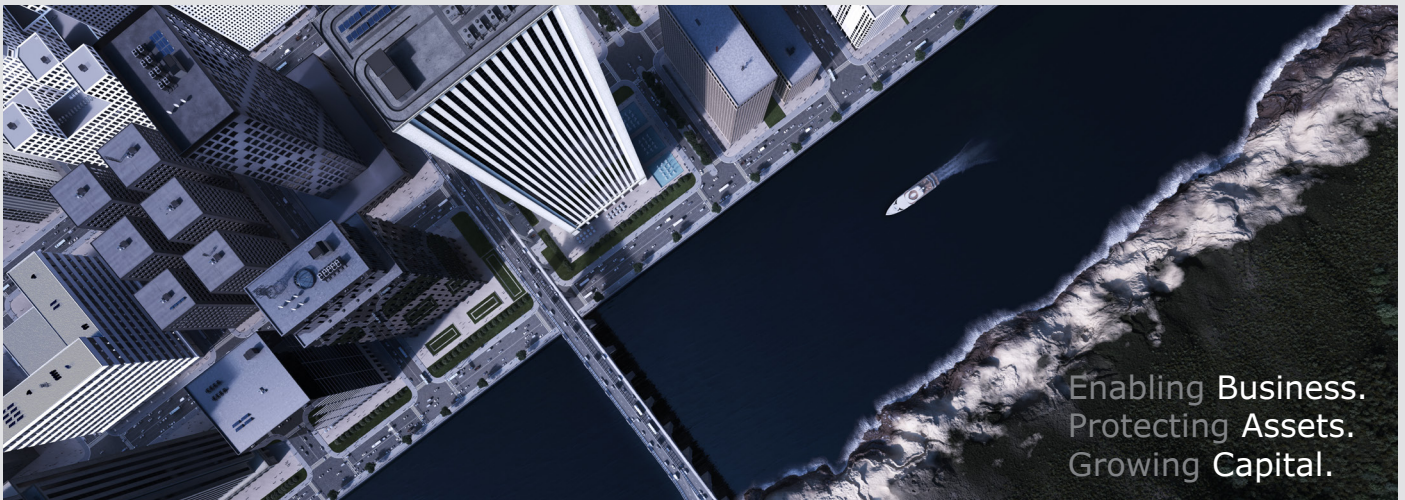


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# About

Led by its Business Intelligence & Investigations division, Salamanca Group leverages its holistic risk management expertise to provide XL Group with a range of information resources and advice to inform their business operations.

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# Contact

Salamanca Group  
Nash House  
St George Street  
London  
W1S 2 FQ

+44 (0)207 495 7070  
[www.salamanca-group.com](http://www.salamanca-group.com)

Contributors:

Ted Cowell  
Email: [t.cowell@salamanca-group.com](mailto:t.cowell@salamanca-group.com)

Noemi Casati  
Email: [n.casati@salamanca-group.com](mailto:n.casati@salamanca-group.com)

Sharon Cheramboss  
Email: [s.cheramboss@salamanca-group.com](mailto:s.cheramboss@salamanca-group.com)

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