



OVERVIEW

The 2016 Threat Forecast focuses on various political, security and kidnap for ransom and extortion (KRE) risks, as well as, non-traditional kidnapping variants in the five primary regions. The connection between political and security threats and KRE risk levels remains strong, and in areas where the former risks are present, kidnapping threat levels and incident rates are generally elevated.

Towards the end of 2015, some of the key security risks facing the globe were starkly highlighted by developments in Europe, traditionally a secure business and travel zone. The migration of tens of thousands of people into the region from conflict-ridden and economic-depressed states in Africa, Asia and the Middle East not only impacted on intra and inter-state transport but also disrupted the movement of persons and goods across borders.

In the Americas, pressure from disaffected middle class populations and opposition groups has already increased in various key states, including Argentina, Brazil, Venezuela and Ecuador. Associated civil unrest will remain a key concern and risk, which both business and general travelers will need to implement mitigation measures for in 2016.

The Middle East and North Africa's security and political troubles continue apace. The conflicts in Syria, Yemen and Libya, the persistent menace of the Islamic State and its various affiliate groupings, and rising tension between the region's two powerhouses, Saudi Arabia and Iran, threaten to draw in major global powers in even greater ways in 2016 and heighten already elevated sectarian tensions.

In Asia, the region's primary security issue in 2016 will remain the conflict in Afghanistan. The country has served as a breeding ground for Islamist extremists and the threat of a greater spillover into neighboring states remains a persistent likelihood.

REGIONAL THREAT BREAKDOWN

Americas

Long established as the kidnapping center of the world, kidnap for ransom will continue to pose one of the key security risks to individuals and companies operating in high-risk locations in South and Central America and the Caribbean in 2016. In 2015, threat levels and incident rates remained most elevated in kidnapping hotspots, Mexico and Venezuela, where financially and politically motivated abductions were frequently reported.

Virtual kidnappings have grown in frequency and scope across Central and South America over the past year. A ransom is usually demanded via telephone from the purported victim's family; demands are generally fairly low. For example, in 2015, South America-based criminal entities orchestrated virtual kidnappings targeting victims in the US and Spain.

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K&R AND EXTORTION THREAT: FORECAST 2016



Traditional and short-term kidnappings for financial gain will continue to affect locals and foreign nationals in the aforementioned countries, as well as in Colombia, Argentina, Brazil, El Salvador, Guatemala, Honduras, Haiti and elsewhere in 2016, albeit at varying rates.

Drug cartels/traffickers and well-organized criminal syndicates will constitute the primary extortion threat. These entities will continue to use extortion as an alternative to traditional kidnapping due to its reduced risks and rapid rewards, which may be demanded on a regular, long-term basis. An increase in extortion activity is highly likely in areas where foreign investment is expected to grow in 2016. Actual and attempted extortion incidents, be it of local or foreign staff, may potentially hamper business operations and impact profit margins.

A distribution center for Coca-Cola in Guerrero, Mexico, was closed in June 2015, reportedly as a result of ongoing extortion attempts by a criminal group.

Furthermore, opportunistic extortion may increase during this year, as petty criminals take advantage of the fear generated by criminal syndicates or drug cartels to solicit payments under duress. Opportunistic extortion by low-level criminals will be prevalent in Haiti, Honduras, El Salvador and Guatemala.

In addition to threats of violence, which will be used to coerce payments, past incidents in Mexico and Venezuela suggest that groups may physically attack critical infrastructure, including oil pipelines, manufacturing sites or transportation services, in order to solicit payments.

Kidnappings orchestrated by organized crime groups will continue to pose a security risk in countries such as Argentina and Brazil, and persistent lawlessness together with high crime and homicide rates in El Salvador, Haiti and Honduras will contribute to the ongoing elevated kidnapping risk in these countries.

Middle East and North Africa (MENA)

Kidnapping for the purposes of financial, political and ideological gains will be a key security risk in many countries within the Middle East and North Africa (MENA) region in 2016. Pre-existing kidnapping risks from criminal, extremist and militia groups will remain elevated.

In addition to the persistent high-risk environments of Algeria and Iraq, as well as extreme-risk location, Syria, kidnapping risk levels and incident rates are assessed to have increased in Libya and Yemen over the past year.

Precedent has shown that, when compared to other regions, the potential for negative outcomes in kidnapping incidents is most elevated in MENA. This has been clearly demonstrated by the abduction and subsequent execution of dozens of foreign nationals (including Chinese, Egyptian, Norwegian, UK and US citizens) by the Islamic State (IS) and affiliate groups.

The activities of IS and affiliate/sympathizer groups are expected to impact on the kidnapping dynamic of other groups in other unexpected ways.



Ransom demands and settlements have increased as well in these countries, as unaffiliated groups have taken advantage of growing fears of a negative outcome fueled by IS execution of foreign hostages. This has been compounded by a number of instances where unsophisticated criminal groups are believed to have sold foreign hostages to IS after being unable to absorb delays in negotiations due to operational inexperience or inability to hold hostages for longer periods of time. This possibility adds a new dynamic to the regional kidnapping threat and is expected to continue in 2016.

Sub-Saharan Africa

As in previous years, security forces, diplomatic personnel, journalists and aid workers remained valuable targets for criminal and extremist kidnapers alike.

Kidnapping for the purposes of ransom, as well as short-term variants such as extortion and express kidnapping, will remain a primary security concern in many high-kidnap risk countries in Sub-Saharan Africa and may increase in frequency in some low-to medium-risk locations in 2016.

In several countries, deteriorating political and security conditions have encouraged the proliferation of criminal groups into areas previously largely unaffected by kidnapping activity. Kidnappings perpetrated by criminal groups solely for the purposes of financial gain now comprise the vast majority of reported abductions in countries such as the Central African Republic (CAR), Democratic Republic of Congo (DRC), Kenya, Nigeria, Somalia and the Sahel.

Recorded incidents indicate an increasing kidnap risk to professional business personnel and non-professional employees. In particular, foreigners involved in the construction and/or engineering sectors have emerged as frequent targets, particularly in Nigeria; this trend is expected to continue in 2016.

Asia

Although the kidnapping risk posed by regional and international Islamist extremist groups garnered widespread media attention in 2015, in terms of incident rates and frequency, the primary kidnap threat in the majority of countries in Asia continued to stem from criminal groups.

In India and Bangladesh, tiger kidnapping gangs are expected to continue to target cash-rich organizations, such as banks and financial institutions, as well as jewelry and other high-end stores. The possibility of this crime spreading in frequency to other countries cannot be discounted.

Express kidnappings orchestrated by sophisticated criminal syndicates and opportunistic criminal gangs, will continue to pose one of the primary kidnapping threats to locals and foreign nationals in urban centers. Specifically, the risk will be most elevated for persons operating in larger cities in Bangladesh, China, Hong Kong, India, Indonesia, Malaysia, the Philippines and Taiwan. The abduction of company



employees, termed ‘economic kidnapping’, is fast becoming a lucrative business; individuals in the retail and manufacturing industries are subject to the highest risk.

With over 40,000 kidnapping cases reported per annum, the kidnapping rate in India is expected to remain one of the highest in the world during 2016.

Extortion will remain endemic in the insecure and conflict affected areas of Afghanistan, Pakistan and the Philippines, where rebel and militant groups and their criminal counterparts operate well-established extortion rackets that target various sectors, including private citizens, small businesses and transport companies.

With the growth in social media usage and the online presence of individuals/businesses, the use of technology in the planning and orchestrating of extortion in Asia is anticipated to continue to grow, including in low-to medium-risk locations.

Europe and Russia

Amid trepidation regarding concerns such as lagging European unity, growing terrorism threats, the migrant crisis, and the geopolitical machinations of key regional power players, risk mitigation strategies should take care not to ignore existing and evolving crime-and kidnapping-related security risks.

Non-traditional kidnapping variants, in their physical and virtual forms, will pose the most significant risk across Europe and Russia in 2016. Although the rewards of extortion, virtual kidnapping and cyber extortion are reduced, a myriad of nefarious entities motivated by fast access to money/power and relatively low risks of detection will be attracted to these forms of crime.

Within the European context, the extortive practices of sophisticated and opportunistic criminal groups will pose the most significant threat. Countries which already have an entrenched organized crime element may be subject to an elevated extortion risk; these may include Russia, Eastern European countries, Spain, Greece and elsewhere.

Together with physical kidnap for ransom and extortion (KRE), the threat posed by non-traditional forms of crime will also emanate from individuals and groups outside the criminal sphere, albeit in most cases still motivated by financial gain. In 2016, the anonymous nature and geographical freedom will likely see the inclusion of more cyber elements in existing crime forms, making it more difficult for authorities, companies and individuals to identify and neutralize the threat. European businesses and financial and political institutions during 2015 demonstrate that digital and cyber extortionists are capable of infiltrating a range of prominent targets.

A cyber-attack targeting the German Bundestag (Parliament) in May 2015 may require the institution to completely overhaul its IT system at the cost of several million euros.



KEY MARITIME SECURITY RISKS IN 2016

Due to regular incidents of piracy and armed robbery at sea, the Gulf of Guinea, which stretches from Cape Lopez in Gabon to Cape Palmas in Liberia, and includes Nigeria's coastal waters, will remain one of the most dangerous regions for sea travelers in the coming year. Decreases in both piracy incidents and kidnappings in the Gulf of Guinea in 2014 and 2015 are not assessed to point to a reduced threat in the region, as it is estimated that over two thirds of piracy incidents in the Gulf of Guinea go unreported. High crime rates, endemic corruption and political instability in many West African countries affected by piracy will make the threat more difficult to police and contain. Within Nigerian waters, regular actual and attempted piracy incidents should be anticipated near Lagos, Bonny River, Port Harcourt and Conakry.

Following no reported incidents for the first six months of 2015, an Iranian-flagged fishing vessel was hijacked and at least ten crew members kidnapped by suspected pirates off Somalia's eastern coastline on 22 November.

In the Indian subcontinent, there has been a rise in attacks off the coast of Bangladesh over the past 18 months, particularly in the vicinity of Chittagong anchorages. In addition, pirate attacks targeting vessels at anchor in Kochi, India may sporadically occur in 2016.

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