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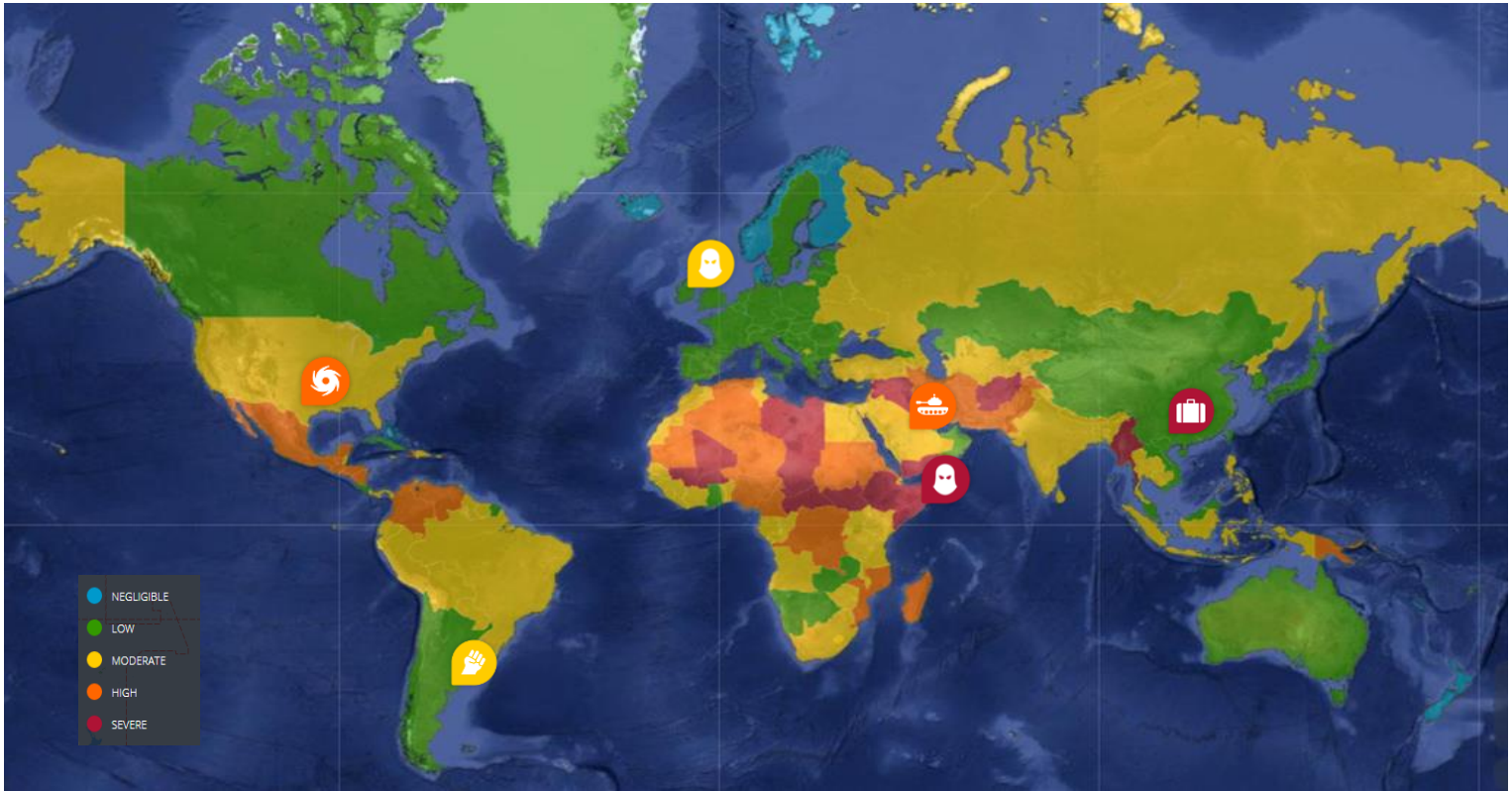
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KEY STORIES TO LOOK OUT FOR:



Argentina

Senate approves IMF loan amid economic uncertainty and civil unrest



Somalia

Prominent female MP killed in series of terror attacks



Saudi Arabia

Biden Administration transfers Patriot defence system to KSA military amid Houthi strikes



United States

Tornadoes damage multiple Southern states



Northern Ireland

Terror Alert level lowered to Substantial



China

Airliner crashes near Guangxi



GLOBAL HEADLINES



Argentina

Senate approves IMF loan deal amid economic uncertainty and civil unrest

On 17 March, the Senate of Argentina approved a deal to refinance the country's loan with the International Monetary Fund (IMF) and avoid a default. Senators voted to approve the deal with a majority of 56 to 13, and three abstentions. The deal has completed its legislative procedure in the Argentine National Congress and will now be signed off by the IMF.

The deal with the IMF will see Argentina refinance a \$45 billion loan agreed by then President Mauricio Macri in 2018. Under the original terms of the agreement, Buenos Aires was to pay back \$19 billion in 2022 and \$20 billion in 2023. The revised deal postpones these repayments until 2026. In return, the country is expected to balance its economic deficit by 2025.

Comment: The requirement for Argentina to balance its deficit has triggered significant unrest in recent months. In the previous week, protesters hurled rocks at the Congress building as the lower house, the Chamber of Deputies, voted on the deal. During the Senate vote, steel barricades were erected around the Congress building to prevent protesters gaining entry. Now that the deal has been approved, large scale protests should be anticipated nationwide, particularly in major population centres such as Buenos Aires.

The deal has also caused tensions in the left-wing coalition government led by President Alberto Fernandez. Vice President Cristina Fernandez de Kirchner, a heavily influential political figure in the country, has criticised the IMF for causing 'poverty and pain in Argentine society'. Through to 2025, the IMF will monitor Argentina's progress in balancing its deficit every three months. It remains a significant possibility that political decisions to enact this, including devaluing the Argentine peso and reducing public spending, will further the political divide in the governing coalition, and may even result in its collapse. Organisations with operations in Argentina should factor this into their decision making.

Furthermore, the possibility for the current deal to be further revised cannot be ruled out. Indeed, the IMF has admitted that the economic fallout from the Russian invasion of Ukraine will impact the deficit targets of the deal. Persistently high inflation and rising global energy and commodity prices are likely to inhibit Argentina's progress in reducing its deficit. Prior to the invasion, inflation in the country was already high, having reached 50.9 percent in 2021. Such revisions have the potential to cause further political uncertainty in the country and may even result in the country's Issuer Default Rating (IDR) being lowered further from its current 'CCC' grading from Fitch Ratings. As such, prolonged high-level inflation that has the potential to impact the availability of essential goods and services should be anticipated.



Somalia

Prominent female MP killed in series of terror attacks

On 23 March, Somalia saw a series of terror attacks take place, killing a number of civilians. The initial attack took place at Mogadishu International Airport, where two al-Shabab gunmen tried to force their way into the airport. According to local media, the attack was stopped when Somali and African Union Peacekeeping forces shot dead the two attackers. Authorities later reported that this attack led to at least six people being killed, including unconfirmed reports of foreign nationals.

The other attacks took place in Beledweyne. Within this location the major attack was a suicide bombing at a polling station. This attack killed Amina Mohamed Abdi and at least fifteen others. In recent years Mrs Abdi had emerged as a prominent female opposition politician and was campaigning to retain her seat in Somalia's national assembly. This first attack took place as Ms Abdi was approaching the residence of the President of the federal region of HirShabelle at the Lama Galay military base.

The second attack then took place around ten minutes later, close to the main hospital in Beledweyne and targeted vehicles carrying the wounded from the first attack. This second attack is believed to have been





conducted using a vehicle-borne improvised explosive device (VBIED), and left at least a further ten people dead including the former politician and respected tribal elder, Hassan Dhuhul.

Comment: Both the attack on Mogadishu International Airport and the attacks in Beledweyne are believed to have been conducted by Al Shabab. The militant group has long standing ties to Al Qaeda, and has in recent years been engaged in a long running insurgency campaign against the Somali Government and foreign peacekeepers in its bid to impose sharia law in the country. Despite losing control of Mogadishu in 2011, Al Shabab remains capable of conducting complex and deadly attacks across the city and indeed across Somalia more widely. Mogadishu airport is home to a number of Western diplomatic compounds, and also a military base operated by the Somali armed forces, as a result it is regularly attacked by Al-Shabab.

The death of Ms. Abdi highlights the dangers that those in the federal government face from Al Shabab, who persistently target local and national government officials in a bid to destabilise the political situation in Somalia. At the moment, Somalia is trying to complete countrywide voting in parliamentary elections for its lower chamber, House of the People. This comes after the country has repeatedly missed several deadlines to complete the process. Around eighty percent of all seats have been elected, however, elections for remaining seats in HirShabelle, and Jubaland continue to face challenges. Ms Abdi at the time of her death was campaigning to retain her seat in these final elections. Alongside these elections, Somalia is meant to see the opening of Presidential elections on 31 March. These elections have been postponed several times to try and allow for the federal states and region to complete the elections to the House of the People.

The head of the United States' Africa Command, which is heavily involved in trying to stabilise Somalia had prior to these attacks warned that recent months had seen Al Shabab "grow bigger, bolder and stronger". This is due to them having exploited the effects of the pandemic across Somalia and the fact that the US-President Donald Trump, ordered the 800 US troops in Somalia to leave the country. This order is likely to have given Al-Shabab the operational room they needed to regroup. This combined with the fact that elections in Somalia often are accompanied by an uptick in insurgent violence as Al-Shabab attempt to disrupt and discredit the electoral process; this means that further deadly attacks across the country should be expected in the coming weeks. Targeting of first responders with a secondary attack is a common tactic employed by terrorist groups across much of Africa and the Middle East, in order to maximise the fatality and psychological impact. As such, it remains highly likely that this tactic will be employed during any subsequent attacks on the Somali political process in the coming months.



Saudi Arabia

Biden Administration transfers Patriot defence system to KSA military amid Houthi attacks

On 19 March, unnamed officials in the Biden Administration stated that the United States has transferred a 'significant amount' of the MIM-104 Patriot surface to air missile (SAM) systems to the Kingdom of Saudi Arabia (KSA). This follows repeated requests in late 2021 made by the KSA that the US resupply the system, which had become dangerously low on ammunition due to repeated missile and drone strikes launched by Ansar Allah (Houthis).

On 19 March, the Saudis also reported that the country's oil output dropped due to a Houthi attack on the YESREF refinery in Yanbu Industrial City. Riyadh warned on 20 March that Houthi attacks on Aramco facilities across the kingdom were a 'direct threat' to global oil supplies. The KSA foreign ministry stated that the country 'will not incur any responsibility' for global oil shortages due to the repeated Houthi attacks.

Comment: The KSA is the world's largest importer of arms, with half of US arms transfers going to the kingdom. In 2021, the US accounted for 79 percent of Saudi weapons purchases. Throughout 2021, US-KSA relations saw significant tension. Indeed, from the outset of President Biden assuming office, Washington announced that it would end support for the Saudi-led Arab Coalition's offensive operations in Yemen, and refused to directly communicate with Mohamed Bin Salman, the de factor ruler of the KSA. The US also removed Ansar Allah from its list of international terrorist organisations, although there are indications this could be reversed following the group's attacks on the United Arab Emirates (UAE).

The Biden Administration's decision to resupply the Patriot system to Saudi Arabia is part of Washington's moves to convince the KSA to increase oil output and thereby stem ever increasing oil prices caused by the Russian



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invasion of Ukraine. In this regard, the kingdom is crucial as it is the second largest producer of oil after the US; in 2020 the Saudis produced 10.81 million barrels of oil per day amounting to 12 percent of the worldwide total. Thus far, members of the Organisation of the Petroleum Exporting Countries (OPEC) Plus, which includes the KSA, the UAE, and also Russia, which account for 60 percent of global petroleum trade, are refusing to alter their current post-COVID pandemic production quotas. From the Saudi perspective, weaponising the high price of oil as a means to obtain previously withheld military support from the US is a cynical but shrewd move which is likely to be repeatedly leveraged in the longer term, in order to achieve similar concessions.

The Houthis are likely to exploit high oil prices and increasingly seek to target Saudi Aramco facilities, as well as those belonging to the Emirates National Oil Company (ENOC) in the UAE, with the aim of causing maximum material and economic disruption, and organisations with operations in both countries should be aware of this risk. Whilst the MIM-101 is an advanced SAM system able to intercept the majority of the drones and missiles launched from Yemen, the combined geographical size of the KSA and the UAE means that some Houthi drones and missiles will likely still be able to reach their targets.

Given that the Houthis receive their drones and ballistic missiles primarily from Iran, attacks that cause significant damage, injuries, or loss of life have the potential to bring an end to the tentative rapprochement between Riyadh and Tehran in recent weeks. Such attacks are also certain to result in retaliatory airstrikes and offensives by the Arab Coalition against the Houthis in Yemen, further worsening the already critical humanitarian situation in the country.



United States

Tornadoes damage multiple Southern states

Several tornadoes impacted central Texas during the late afternoon and evening hours of 21 March. Damage was recorded in multiple locations, ranging from the state capital of Austin to the cities of Elgin and Jacksboro. Prompted by a severe storm, tornadoes were also recorded in other Southern states, such as in the town of Kingston in Oklahoma. The storm's progress eastward led to further tornado warnings in the states of Louisiana, Mississippi, and Alabama throughout the week.

On 23 March, a multi-vortex tornado touched down in the city of New Orleans in Louisiana. Property damage was recorded in Arabi, Gretna, and the Lower Ninth Ward of New Orleans. One fatality was confirmed in the immediate hours following the event, and multiple reports of injuries were documented. The full extent of the damage caused by the tornado remains unknown at the time of writing, though power outages had been documented across New Orleans affecting thousands of residents.

Comment: These tornadoes mark the start of the United States' 'tornado season'; an annual weather phenomenon which runs from March through to June. A peak in tornado activity is typically registered during April and May, when warm and humid air from the Gulf Stream meets cooler, drier air-flows moving south from Canada. Severe thunderstorms are therefore certain to continue in the Southern United States over the coming weeks and months, triggering further tornadoes and other related weather events such as flooding.

Tornadoes are also likely to spread northeast towards the East North Central region of the United States. A mixture of Central and Southern states such as Kentucky, Arkansas, Tennessee, Missouri, Illinois, Georgia, Ohio, and Indiana were impacted by an outbreak of tornadoes in December 2021. Though this event occurred outside of the official tornado season, up to 80 people were killed across eight states.

Travellers and businesses operating in the Central and Southern states of the United States should prepare for the tornado season by rehearsing tornado siren drills and considering the requirement for infrastructure protection. Businesses are advised to guarantee that all employees are aware of the best procedures to follow in the event of a tornado warning. As with previous tornado seasons, economic and human costs are highly likely to grow over the coming weeks and months as more and more tornadoes occur.



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Northern Ireland Terror Alert level lowered to Substantial

The Terror Alert Level in Northern Ireland was lowered from Severe to Substantial on Wednesday, meaning that the likelihood of terrorist attacks has dropped from 'highly likely' to 'likely'. Announcing the change, Northern Ireland Secretary Brandon Lewis noted that this was the first change in the Northern Irish threat level since 2010 and was the result of continued engagement with the peace process. Lewis further noted, however, that the threat posed by dissident Republican groups in Northern Ireland had not dissipated completely and cautioned that the New IRA were still operationally active in the country.

Despite low levels of violence occurring sporadically over recent years, particularly regarding the impact of the Northern Ireland protocol, the Joint Terrorist Analysis Centre and the Security Service (MI5) have assessed that the likelihood of severe or critical terrorist activity has decreased sufficiently to warrant the lowering of the threat level.

Lending credence to their assessment, there have been no significant terrorist incidents in Northern Ireland since April 2021, when elements of the New IRA targeted an off-duty police officer in Londonderry with an explosive device, which was discovered and did not detonate. Concerted efforts by the Police Service of Northern Ireland (PSNI) and MI5 to disrupt the leadership of dissident Republican groups have led to some high-profile arrests and terrorism charges in the past few years, particularly in the aftermath of the Lyra McKee killing in 2019.

On 25 March, a peace-building event was interrupted and Irish Foreign Affairs Minister Simon Coveney extracted by security teams, following reports that a van had been hijacked at gun-point and a 'canister' put into the back before being driven towards the Holy Cross church next door to the event. A security cordon remains in place as a precaution and the incident is ongoing at the time of writing, although it is unclear if there is a viable explosive device.

Comment: Dissident Republican and Loyalist paramilitary groups are becoming increasingly linked to organised cross-border criminality in Northern Ireland, with an increased focus on smuggling and human trafficking since Brexit and the establishment of the Northern Ireland Protocol. This terror-crime nexus likely indicates that dissident groups in Northern Ireland retain considerable access to financing and weapons, with which to conduct attacks against the PSNI and security forces, or indeed to pursue rival criminal enterprises with links to paramilitary groups.

Disruption to the hierarchical and centralised leadership structures of terrorist groups is likely to cause commensurate disturbance to facilitation networks and attack planning in the short term, however as observed with international and regional terror groups across the Middle East and North Africa this strategy does little to eradicate longer-term insurgent activity because leadership figures can be replaced. Some reports have indicated that the New IRA in particular is reorganising following the arrests to key leadership figures, replacing them with hardliners from the Donegal and Londonderry regions, although it is unlikely that this will manifest in a renewed campaign of violence in the short term.

Sporadic instances of violence will likely continue to occur in response to political developments and around historically or religiously significant anniversaries, but will most likely remain limited to locations at the interface between Loyalist and Nationalist areas of Northern Ireland. PSNI and other security forces are almost certain to remain priority targets for insurgent activity in Northern Ireland, although the risk of terrorist groups encouraging civil unrest and small-scale damage to infrastructure is highly likely to persist into the longer term. Bomb scares, such as the ongoing incident in Belfast, are intended to cause disruption to the political peace process but are unlikely to manifest in mass-casualty attacks in Northern Ireland. Shankill Road, where the hijacking occurred, is the site of one of the highest profile incidents from the Troubles during which the Provisional IRA attempted to assassinate leaders of the Ulster Defence Association using explosives. In addition to the location and modus operandi, the timing of the incident, so close after the lowering of the terror alert level, is also highly likely intended to be symbolic.





China Airliner crashes near Guangxi

On 21 March, China suffered its worst civilian air disaster in over a decade when China Eastern Airlines MU5775 crashed in Guangxi province. The flight was a scheduled flight between Kunming and Guangzhou, with 132 people on board who all are believed to have perished in the disaster. Flight data shows that the airliner in question, a Boeing 737, plunged from a height of 6,000 metres before disintegrating upon impact.

On 23 March it was announced that one of the two black boxes in the plane had been found, which despite being externally damaged had been sent to Beijing where its data was being analysed. It was also announced that human remains had been found for the first time at the crash site. Given the height from which the airliner descended and the fact it crashed in one of the Southern China's more inhospitable areas, there is little hope that any survivors are to be found. Search and rescue operations at the site have been hampered by the inhospitable terrain and the fact that recent heavy rains have flooded the site.

Comment: Initial disclosures from China Eastern Airlines shows that the plane, a Boeing 737-800, had passed all its pre-flight checks. It must also be noted that the Boeing 737-800 involved in this air disaster is the not the same model as the Boeing 737-MAX which was involved in two fatal hull losses between 2018 and 2019. There is already much speculation about what can have caused the crash, however, there has been little data and evidence released yet from the investigators into the cause.

Whilst the investigation continues, China has invited officials from the American National Transportation Safety Board to join them – which is often the case when American-built aircraft crash in foreign states – however due to the country's strict COVID-19 restrictions it is not known at this time whether the US officials will be able to take up this offer. For China's aviation sector this accident is the worst since the 2010 Henan Airlines Flight 8387, which resulted in the deaths of 44 of the 96 passengers on board and led to changes in the country's Civil Aviation Sector.

These reforms around aviation safety have meant for that the last twelve years, despite aviation traffic growing by over 140 percent, the China civil aviation sector had not recorded a single deadly accident. Due to this record, and the high-profile nature of the accident, it is certain that the Chinese government will seek to rapidly determine the cause, however, there does remain the risk that political interference could hamper accurate reporting and investigations, particularly if it looks as though these findings could reflect badly on the CPC or their aviation reforms.

As an immediate consequence of the accident on 24 March, over three quarters of all Chinese flights were cancelled. Some of this disruption will be partially due to the fact that China Eastern has announced all of its Boeing 737-800s will be grounded until further notice. Longer term the crash may reverse the trend of Chinese travellers choosing airliners over the nation's High Speed Rail network rather than civil aviation. This trend was prompted in the aftermath of the 2011 Wenzhou High Speed Rail collision. The final report into which discovered the accident was partially prompted by lack of safety measures, and institutional management failures in China Railways. This outcome is more likely if the accident report is suppressed, or uncovers that aviation reforms, or government policies contributed to the crash.

