

# Analysis selection for JCC

September 2021

## Bolivian cocalero conflict likely to expand, roadblocks and further confrontations with police likely in Las Yungas, La Paz

29 Sep 2021 - Country Risk | Headline Analysis

Social groups in Bolivia announced their support on 27 September for a faction of coca growers (cocaleros) seeking to retake the Departmental Association of Coca Producers (Asociación Departamental de Productores de Coca: Adecococa)'s headquarters and coca market, located in Villa Fatima, La Paz. The market was occupied on 20 September by a rival faction of cocaleros, supported by the ruling Movement for Socialism (Movimiento al Socialismo: MAS) party.

- **The government's involvement in the cocaleros' internal decisions has exacerbated divisions and is fuelling continued violence.** The ruling MAS party opposed the December 2020 election of Amin Lluta as president of the Adecococa in internal elections and instead backed Arnold Alanes, who heads a rival faction within the organisation. A smaller third faction also emerged, formed by a group of MAS supporters. The two MAS-backed factions united and took control of the Adecococa building on 20 September. At the time of writing, confrontations are ongoing as the faction led by Lluta seeks to retake the facility. As a result of MAS support for the group occupying the building, police response, including the use of firearms and tear gas, has been directed principally at those seeking to regain control. However, local residents in the area have poured oil on roads surrounding the building to try to impede police response and passage of police motorbikes. The conflict has resulted in numerous injuries, 30 arrests, and five police cars being set on fire by protesters, while the use of dynamite sticks by the cocaleros have resulted in fires at nearby residential blocks. Protests are likely to continue at least until all parties involved agree to a dialogue, while local support for Lluta's faction is likely to generate a stronger police response, further aggravating the conflict.
- **The Bolivian government is likely to seek to diffuse immediate situation through negotiations but is unlikely to meet demands of opposition factions.** Local groups have expressed support for protesters and there are growing calls for protests in other areas of the city and country. These are likely to prompt the government to negotiate and offer concessions to avoid violent larger scale protests and wider disruption. The faction seeking control of the building has agreed to a dialogue but has conditioned its attendance on three demands: the return of the Adecococa building, the release of all those arrested during the protests, and the resignation of three government ministers. Although the government is highly unlikely to agree to all of the demands, it is likely to offer some concessions probably relating to the arrests. If dialogues take place, they are likely to mitigate the risk of further violence around the building.
- **Local support is likely to lead to geographical shift in the conflict away from Adecococa building and into Las Yungas region of La Paz.** Social groups based in the Las Yungas area, including informal sector groups, transport unions, and commercial sectors, have announced their support for the cocaleros led by

Lluta and have said that they will mount roadblocks and protests throughout Las Yungas, stating that they intend to paralyse all economic activity in the area. The cocaleros conflict is increasingly driving broader opposition to the government. As a result, even after the immediate conflict over the building is resolved and even if talks take place, protests and confrontations between the police and anti-MAS groups are still likely to expand into the Las Yungas region. This will increase the risks of business interruption for up to a week as well as property damage occasioned during confrontations with the police, with protesters likely throwing projectiles and dynamite at security forces, raising the risk of arson and damaged building facades. Protestors are also highly likely to block the Las Yungas road, a key transit point from La Paz to the Peruvian and Brazilian borders as well as to Pando in North Bolivia, which would be likely to result in supply-chain disruption.

- **Declarations of support from opposition groups are increasing risks of larger scale mobilisations.** Opposition figures in the city of El Alto have voiced support for the Lluta-led cocaleros, calling on populations in El Alto and Santa Cruz to mount protests in support of the group. Alongside the cocaleros conflict, a protest march involving 300 indigenous protesters will arrive in the city of Santa Cruz on 29 September. They are planning to present a list of demands to the president and the vice-president, although at the time of writing, details of these have not been released. With multiple centres of government opposition across the country demanding dialogues with ruling party leaders, pressure on the government is mounting and protest movements are increasingly likely to unite. This is likely to manifest in disparate groups opposing the government uniting across regions in order to form broader opposition networks capable of mobilising thousands of participants in nationwide protests and strikes.

### Indicators of changing risk environment

#### Increasing risk

- The governor of Santa Cruz, a key opposition figure, voices support for the Lluta-led cocaleros, increasing the risk of indigenous protesters arriving in Santa Cruz joining protests in support of cocaleros.
- Trade unions beyond Las Yungas give support to anti-government protests, raising the likelihood of widespread labour strikes.

#### Decreasing risk

- Concessions by the government end conflict surrounding Adepcoca headquarters within a week, giving other sectors insufficient time to mobilise and organise wider protest movements.
- Government dialogues lead to new internal elections within the Adepcoca, in which all the factions reach an agreement to elect a new leader, uniting the factions within the organisation.

## Renewed protests likely affecting most port activities despite Sudanese government's announcement confirming oil export resumption

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28 Sep 2021 - Country Risk | Headline Analysis

The Sudanese government announced on 27 September that, following negotiations with local tribal leaders, protesters had lifted their blockade of oil pipelines and the airport in Port Sudan, which started on 25 September. The protests are led by the Council of Beja Nazirs, composed of tribal leaders from eastern Sudan who reject the terms of the Sudanese peace agreement with armed groups, the Juba Peace Agreement (JPA). These tribal leaders consider that the JPA does not represent Sudan's eastern regions, comprising Gedarif, Kassala, and Red Sea states. Protesters affiliated with the Beja Congress blocked two key pipelines at Sudan's main oil terminal (Bashayer) in Port Sudan, through which landlocked South Sudan's

oil supplies are exported, as well as a pipeline carrying imported crude oil to Sudan's capital, Khartoum. Port Sudan's closure for four days has reportedly caused a USD3.4 million loss in revenue, according to Sudanese authorities. At the time of writing, other key assets remain blockaded, including Kassala airport, as well as the national road linking the Red Sea coast to Khartoum and the rest of the country.

**Significance:** The lifting of the blockade at Port Sudan is likely to reduce the likelihood of South Sudan being forced to suspend its oilfields' production. The Sudanese energy and oil ministry warned after the disruption started that a continued blockage would fill the port's oil depots to capacity within 10 days. South Sudan's government is almost entirely dependent on oil export revenue and transporting South Sudan's oil is a key source of revenue for Sudan. Oil exports earned Sudan half of its total fiscal revenues before the secession of South Sudan in 2011. IHS Markit assesses that, despite the current agreement removing the blockades, periodic protests and disruptive strikes across eastern Sudanese states are likely to persist in the at least the six-month outlook, severely threatening the country's already fragile economy and raising protests risks. The peace process is likely to remain undermined by evolving dynamics of regional patronage networks, as well as by persisting intercommunal rivalry between the Beni Amer and Beja tribes in Red Sea state, which are vying for key resources and patronage networks. With the ongoing dissolution of ousted president Omar al-Bashir's patronage networks, a process mainly initiated by civilian members of the Sovereign Council, the Nazirs have sought to align themselves with the head of the Sovereign Council, General Abdel Fattah al-Burhan. Any public accusation by the military against the civilian branch of the Sovereign Council would indicate that the military was seeking to sideline the council's civilian members, heightening the likelihood of disruptive protests led by the Beja Council. The signing of the JPA by Beja representatives would indicate a reduction in protests risks. Currently, the 'Eastern Track' of the JPA has been signed by a Beni Amir on behalf of the whole of the East, which contributed to the Beja tribes' rejection of the agreement.

**Risks:** Protests and riots; Labour strikes; State failure; Government instability; Operational

**Assets or sectors affected:** Cargo; Transportation; Infrastructure; Ports; Cargo; Marine; Aviation

## UK government moves to mitigate petrol shortages, but labour supply issues indicate longer-term vulnerabilities

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28 Sep 2021 - Country Risk | Headline Analysis

The UK government announced on 27 September that it would suspend competition law to help address supply problems that led to petrol shortages and long queues at petrol stations in recent days. Kwasi Kwarteng, the government's business secretary, took the measure to help the industry address the challenges caused by a shortage of truck drivers. Supplies to petrol stations are likely to be helped by the move, which will allow sectoral companies to work together, including by sharing information, to target petrol stations. The government has also put armed forces personnel on standby to help bridge the current supply-chain challenge caused by the truck driver shortage. National business association the Road Haulage Association (RHA) has assessed a shortage of an estimated 100,000 drivers, out of about 600,000 drivers before the coronavirus disease 2019 (COVID-19) virus pandemic.

**Significance:** The shortages in recent days reflect the challenges caused to various UK sectors by a lack of labour attributable to requirements enacted as part of the Brexit process, a slowdown in training and accrediting drivers because of COVID-19, and drivers leaving the industry over pay and conditions. Disruption is unlikely to be fully resolved in the short term, and there is a significant likelihood that sectors including agriculture, manufacturing, and hospitality will experience ongoing labour shortages and consequent disruption through to late 2021 and into early 2022. Resolution of the issue is complicated by internal political factors within the governing Conservative Party, much of which is opposed to greater flexibility to allow EU

citizens to fill jobs. Petrol shortages are also exacerbating disruption to UK transit caused by protest dynamics, most recently the activities of Insulate Britain activists, who have temporarily blocked the key M25 London orbital motorway repeatedly in the last two weeks. Violence, other than very limited scuffles, is unlikely around either these protests or in connection with the petrol shortages, although a moderate possibility of minor property damage to petrol stations would exist if the shortages extend. However, should driver shortages affect other sectors, it would increase the risk of for-profit robbery attempts both on in-transit and in-store goods, most likely targeting high-value goods at peak demand periods, such as the run-in to the Christmas period. The current most likely indication of longer-term resolution to the shortage of drivers would be indicated by a ramped-up government policy to recruit and train drivers, and a significant boost in pay levels for them.

**Risks:** Regulatory; Cargo; Protests and riots

**Sectors or assets affected:** Supply chain

## Guinea's coup

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21 Sep 2021 - Country Risk | Strategic Report

In response to a coup carried out in Guinea on 5 September, the regional Economic Community of West African States (ECOWAS) has insisted on a six-month transition to elections and frozen the assets of the coup's leaders.

- **Initial military, political, and social reactions suggest the coup has gained widespread acceptance against a president, Alpha Condé, who changed the constitution to win a third term.** After swiftly taking over authority with minimal reported resistance, Special Forces leader Colonel Mamady Doumbouya has installed himself as head of the National Rally and Development Committee. Doumbouya ordered the National Assembly and constitution to be suspended, borders closed, and military representatives have replaced regional governors. He has pledged to install a unified, transitional government, but has not yet said how or when this will happen. However, the coup has received widespread support from all the main opposition parties and leading civil society groups. They have been participating in a process of consultations with all stakeholders initiated by Doumbouya from 14 to 18 September, beginning with representatives of political parties. The degree of representation the military requires in the transitional government, and the speed with which that handover is arranged, will be key indicators of whether it is prepared to relinquish power within the outlook timeframe acceptable to ECOWAS and other international partners. ECOWAS has demanded a six-month limit, although this does not appear feasible given the preparations necessary for fresh elections, and it is likely to accept 12 months after further negotiations. The risk of further sanctions on coup leaders and the country will only arise if the junta insists on a transition of at least 18 months.
- **Weak domestic and international support for Condé is likely to promote post-coup stability despite initial international disapproval.** In the wake of the coup, key international partners such as France and the United States called for a return to constitutional order and the release of Condé. ECOWAS has suspended Guinea, but stopped short of imposing economic sanctions, over which, in any case, it has limited capability because Guinea does not belong to the West African Monetary Union and has its own currency. ECOWAS has imposed asset freezes and travel bans on coup leaders and their families, but this is only likely to be a token gesture. As in other recent irregular changes of government, such as in Zimbabwe and Mali, key partners and organisations are likely to recognise implicitly the new situation, while outwardly maintaining disapproval. Condé's long process towards amending the constitution so he could stand for a third term was opposed vigorously by almost the entirety of the political opposition, who regularly held protests involving tens of thousands of people. In addition, he was also openly criticised by France and the US, among others, for not respecting constitutional limits. His subsequent election win was aided by a partial opposition boycott and

heavy manipulation of the voting process. Many ECOWAS leaders and regional presidents were dismayed by Condé's behaviour and he was on particularly bad terms with the presidents of neighbouring Guinea-Bissau and Senegal, Umaro Sissoco Embaló and Macky Sall respectively, with the borders between the countries remaining closed since Guinea's October 2020 presidential election. Russia, China, and Turkey had provided strong support for Condé, but mostly on the basis that they believed he represented political and security stability for their mining and infrastructure interests. They are all likely to accept a *fait accompli* if they are not discriminated against by a transitional military government or subsequent new political administration.

- **Mining and infrastructure companies are likely to face higher contract alteration and taxation risks under new administrations.** Guinea bucked the global trend of coronavirus disease 2019 (COVID-19) pandemic-induced recession in 2020 with a 4.2% increase in GDP, largely due to sustained bauxite mining activity. However, civil society groups and the political opposition criticised the fact that mining revenue fell by 9.4% even though production rose by 18% and extractive exports by 25%. They stated that too many generous exemptions were being applied, a view backed up by the latest International Monetary Fund (IMF) report in April 2021, which said that most of the mining contracts signed since the introduction of the new Mining Code in 2013 were far from compliant with its tax and royalty regime. However, Guinea's dependence on mining for 80% of export earnings and over 20% of GDP means that the risk of the leaders of the coup abrogating existing concession contracts or expropriating assets is minimal. The coup leaders' insistence that rampant corruption was a major motivation for intervention also suggests that opaque contracts in other sectors will be investigated. Top of the list are likely to be much-criticised port administration contracts signed with French and Turkish companies.

### Indicators of changing risk environment

#### Increasing risk

- Splits appear in the military ranks, and units or branches of the armed forces declare their opposition to the coup and possibly engage in armed confrontations.
- Violent protests take place in RPG heartlands, particularly Haute-Guinée, especially if they receive overt or covert support from locally based security forces.
- The National Rally and Development Committee led by Doumbouya insists on a lengthy transitional period, likely upwards of a year, before elections can be held.

#### Decreasing risk

- The coup receives further endorsements from across the political spectrum, and gains tacit acceptance from former ministers.
- ECOWAS and other key international partners avoid the imposition of sanctions affecting general business activity, and prioritise negotiations aimed at the early holding of fresh elections.

## Tunisia's president suspends constitution

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24 Sep 2021 - Country Risk | Strategic Report

President Kais Saied announced on 22 September a partial suspension of Tunisia's constitution and a further extension of the extraordinary measures he first introduced on 25 July.

- **The measures introduce a new constitutional order in Tunisia and demonstrate President Saied's attempt to permanently expand his powers beyond the foreign policy and military role, with the apparent aim of permanently amending the constitution and changing Tunisia from a parliamentary system to a presidential system.** The new presidential decree, entitled "Decision 117 on temporary

measures", formally retains only the first two chapters of the 2014 constitution and introduces a list of 29 parliamentary powers that the president will exercise by decree, ultimately granting Saied with legislative power. The new measures also indefinitely suspend parliament, and MPs would no longer be paid their salaries or receive parliamentary privileges. The new measures enable the president to exercise executive power with the help of a Council of Ministers that he would eventually appoint. Additionally, they abolish the provisional Commission to review the constitutionality of draft laws and grant the president the power to "prepare draft amendments on political reforms with the assistance of a committee to be set up by presidential decree". This latter move is likely intended to provide Saied the authority to permanently amend the constitution and introduce a presidential system.

- **This latest move by President Saied is likely to widen opposition and unify diverse political parties and unions.** Saied's move to dismiss the prime minister and suspend parliament, breaking an eight-month political deadlock, was facilitated by public resentment against the main political parties and large protests that culminated in the events of 25 July. Saied came to power on a graft-busting platform; he is now relying on the army's intelligence branch (Agence des Renseignements et de la Sécurité pour la Défense: ARSD) to recover embezzled public funds, and aims to demonstrate to the International Monetary Fund (IMF) that he is taking effective steps to address the IMF's long-standing demand to tackle corruption. Although Saied's July actions received widespread public support, the latest decrees openly circumvent the provisions of the constitution, which only allow the president to resort to emergency powers for a maximum of 30 days, and concentrate all political powers in the president's hands. This is likely to push those political parties that initially tacitly supported Saied to challenge the president and align their positions with those opposing him. Four opposition political parties announced the formation of a "Democratic Front" on 22 September, with the aim of forcing the removal of the president.
- **Political parties, unions, and civil society movements are likely to stage recurring protests nationwide, with a high risk of violent confrontations with security forces.** IHS Markit assesses that the new measures will reinvigorate calls by Islamist, centrist, and leftist parties, as well as the powerful Tunisia General Labour Union (UGTT), to end the emergency period and reinstate parliament, and effectively mobilise their support bases to take part in large-scale protests. These are likely to attract a few thousand people and will be held in key traditional hotspots for politically motivated demonstrations, in particular Tunis, Sousse, Sfax, Kairouan, and Monastir over the coming days, and would grow in numbers and duration in the event – which we consider likely – that more political parties decide to support the "Democratic Front" platform over the coming weeks. Protesters are unlikely to initiate violence in the early stages, but the risk of an unarmed confrontation with security forces is likely to increase as protests grow in frequency and size. The response by security forces during such events will provide an indication of the position of senior members of Tunisia's security apparatus. Should the president ban public gatherings and security forces use heavy force, including readily using teargas, baton charges, and mass arrests to disperse public gatherings, and up to use of lethal force, this would indicate that the president still retains the support of the army. If security forces, or elements within, reject the president's orders, this would instead indicate a growing risk of military coup, although IHS Markit assesses this to be unlikely at present.

## Indicators of changing risk environment

### Increasing risks

- Media offices considered by Saied's political supporters to be associated with Islamist movements continue to be raided and closed by security services, indicating a sustained attempt to isolate Ennahda and its supporters and the risks of additional detentions of staff.
- Mass arrests of Islamists on terrorism charges and the banning of political parties on similar charges would indicate a sustained campaign of repression by the government, supported by the military and security services, and increase the likelihood of an escalation in civil unrest.

- Saied appointing a prime minister with a background in the military or intelligence services, or selected directly from one of those branches of government, would indicate probable intent to establish a military-backed governance structure.
- Security forces rapidly and forcibly disperse protests and the president bans public gatherings, which would be likely to trigger violent demonstrations and rioting.

#### Decreasing risks

- Regional governments supportive of anti-Islamist parties, particularly the United Arab Emirates and Egypt, publicly support Saied's position and offer political and material support for the new government, particularly focused on additional resources to treat and contain COVID-19 and hold over any budget shortfalls until an IMF agreement can be reached.
- President Saied, under pressure from large-scale protests, appoints a caretaker prime minister and calls for early elections.
- The UGTT and all political parties propose a National Dialogue to discuss political reforms, which President Saied accepts.

## Mortar attack on Burundi's main airport in Bujumbura unlikely to indicate increased militant group capacity

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22 Sep 2021 - Country Risk | Headline Analysis

Burundi's Bujumbura airport was targeted with mortar and small arms fire during the night of 18–19 September. However, minimal damage was caused and no casualties were reported, with the anti-government armed group Resistance for the Rule of Law-Tabara (Résistance pour un État de Droit: RED-Tabara) claiming the attack. Burundi's President Évariste Ndayishimiye departed as scheduled on 19 September from Bujumbura airport for New York for the United Nations General Assembly. Meanwhile, four people were subsequently killed and over a hundred injured in grenade attacks in Gitega and Bujumbura on 19 and 20 September, respectively. The Gitega attack targeted a bar associated with Burundi's ruling party; RED-Tabara has not yet commented on this. However, the group has denied responsibility for the grenade attacks in Bujumbura, which targeted a car park and a space near a public market, accusing government agents instead.

**Significance:** The low level of damage and disruption caused to Bujumbura airport and the absence of any more sophisticated weaponry indicate that RED-Tabara's attack capabilities have likely not increased, and therefore, IHS Markit assesses that the attack does not indicate an increased threat from the group, which has a history of staging attacks in Bujumbura. RED-Tabara is also unlikely to have secured new foreign support, with relations between the governments of Burundi and Rwanda having improved over the past year (see **Burundi: 09 March 2021: [Burundian military operations against Rwandan anti-government militants based in Burundi indicate improving bilateral security co-operation with Rwanda](#)**). Consequently, larger scale attacks by RED-Tabara inside Burundi, such as the Bujumbura airport attack or the group's self-proclaimed "offensive" in several locations during August-September 2020, will remain unlikely to be launched more than once a year, and grenade and small arms attacks in Bujumbura are likely to remain less frequent than once a month.

**Risks:** Terrorism; Death and injury

**Sectors or assets affected:** All

## Militant group EZLN threatens unspecified actions against rival organisation in Mexico's Chiapas, increasing risks of blockades, kidnapping

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22 Sep 2021 - Country Risk | Headline Analysis

The Zapatista National Liberation Army (Ejército Zapatista de Liberación Nacional: EZLN) issued on 19 September a communique entitled “Chiapas on the brink of civil war”, in which it blames the Regional Organisation of Ocosingo Coffee Growers (Organización Regional de Cafecultores de Ocosingo: ORCAO), an armed organisation associated with local political leaderships, of kidnapping two of its members on 11 September amid an escalation of armed aggressions, such as the indiscriminate firing of multiple rounds of ammunition, against the Zapatista communities in Chiapas state. The EZLN has also pledged to “take pertinent measures to bring about justice” in the event of another kidnapping or shooting by the ORCAO. The EZLN ceased violence in 1994 but has retained political and administrative control of areas across more than 30 municipalities in Chiapas, with an estimated population of hundred-thousands.

**Significance:** The EZLN communique comes amid escalating violence across Chiapas state, mostly as part of an ongoing turf war between the Sinaloa and the Jalisco New Generation (Cártel de Jalisco Nueva Generación: CJNG) cartels for the control of migrant smuggling and drug-trafficking routes in the border region with Guatemala. Although direct confrontations between drug cartels and the EZLN have not been reported, the multiplicity of non-state armed groups (NSAGs) operating in the state heightens the risk of the ORCAO–EZLN rivalry to spillover and incorporate other groups, including criminals. The EZLN’s firepower is most likely limited to hunting rifles, handguns, and a few assault rifles. Therefore, rather than seeking overt fighting with the ORCAO, it is likely to stage road blockades or carry out minor sabotage operations against facilities linked with the ORCAO, such as warehouses or residence of their known associates. Besides minor rural roads, the EZLN would have the manpower to stage road blockades causing severe disruption to cargo along federal motorways 190 (including the 190D toll road), 195, and 199 in order to raise national attention to their demands. Moreover, truck drivers, as well as utility company workers or law enforcement and military personnel, are likely to face increased risk of kidnapping when travelling across Zapatista territory, a tactic intended to pressure authorities into enforcing measures to ensure other NSAGs stay out of EZLN-controlled land.

**Risks:** Death and injury; Kidnapping

**Sectors or assets affected:** Cargo; Utilities; Defence and security forces

## Foreign assistance facilitates resumption of domestic Afghanistan flights; Taliban security heightens risk from Islamic State attack

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21 Sep 2021 - Country Risk | Headline Analysis

Qatari Foreign Minister Sheikh Mohammed bin Abdulrahman Al Thani said on 14 September that negotiations were ongoing with the Taliban over a deal to resume operations at Kabul International Airport. Limited domestic and humanitarian flights resumed on 4 September from Kabul, Kandahar, Mazar-e-Sharif, and Herat airports, facilitated by emergency Qatari and Turkish assistance after technical experts arrived in the country on 1 September, one day after the NATO withdrawal from Afghanistan concluded. On 18 September, a Qatar Airways flight carrying 28 US citizens and seven permanent residents departed from Kabul, following assistance from Qatari officials in the management of airport operations.

- **IHS Markit assesses that an agreement between a Turkish-Qatari consortium and the Taliban enabled the resumption of initially domestic, humanitarian, and evacuation flights in Afghanistan earlier in September.** The collapse of the Afghan government and the withdrawal of foreign troops from the country in
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August 2021 has left the Taliban with limited technical expertise to manage air traffic control and logistics at airports across the country, including at Kabul International Airport. The US Federal Aviation Administration (FAA) has barred civilian flights over Afghanistan, and this is likely to be largely replicated by Western partners. IHS Markit sources have confirmed reports that Turkey and Qatar are in consultation to run the administrative management of Kabul airport as part of a private consortium. We expect any finalised deal to also include broader assistance to resume operations at Afghanistan's international airports in Kandahar, Herat, and Mazar-e-Sharif. The Taliban, however, insists that no overt foreign state security forces can be deployed inside the country. On 7 September, Turkish Foreign Minister Mevlüt Çavuşoğlu said that security for Turkish personnel at the airport remained unresolved in negotiations with the Taliban. The same sources have reported that a potential compromise would include security for Turkish and Qatari nationals within the airport being provided by Turkish private security services with extant ties to Turkey's military and intelligence. If so, any Turkish special forces are likely to be plain-clothed and operationally confined to the Turkish embassy compound and areas inside Kabul airport's perimeter.

- **The Taliban's reluctance to allow any foreign security forces will render airports – and aviation assets located onsite – more vulnerable to significant damage from insurgent attacks.** The Taliban has very limited experience in securing infrastructure and complex facilities like airports. The Islamic State in Afghanistan – Wilayat Khorasan (IS-WK) – is likely to target airports and has likely benefited from the fall of the Afghan government, specifically through the release of several thousand of its fighters from Afghan jails in the final stages of the collapse of the Afghan government. IS-WK fighters have demonstrated capability to conduct operations in eastern Afghanistan and in Kabul, where the group has staged assaults involving vehicle-borne improvised explosive devices (VBIEDs) against government targets and airports. In August 2021, IS-WK fighters claimed a complex attack against Kabul airport involving two suicide bombers who detonated improvised explosive devices (IEDs) outside the airport's perimeter, killing at least 170 Afghan civilians and 13 US military personnel. Although this was an opportunistic attack against the US-led evacuation operation, it underlined IS-WK's intent to target aviation assets. Under Taliban control, IS-WK assaults – most likely against Kandahar and Kabul airports – will be more likely to breach perimeter security, increasing the risk of damage to parked aircraft. IS-WK fighters are also likely to target airports with indirect rocket fire, which is largely inaccurate but can result in substantial damage to aircraft and other property.
- **Although Turkish and Qatari officials continue to engage with the Taliban, more formal recognition is unlikely for now but would be expedited in the improbable scenario of recognition from the United States.** Distrust around the Taliban's intent to uphold human rights and inclusivity norms, and the group's willingness to deny operational space to groups such as Al-Qaeda in Afghan territory, is likely to dissuade the Turkish government from offering outright recognition in order to avoid further damaging co-operation with NATO partners. A previous limiting factor affecting any Turkish-backed security and management of Afghanistan's airports was an agreement signed between the previous Afghan government and a United Arab Emirates (UAE)-based consortium of GAAC/G42 in October 2020. While the negation of this contract would have likely led to a legal challenge from the consortium, IHS Markit assesses that ongoing outreach between the UAE, Turkey, and Qatar is likely intended to ameliorate potential disputes around the airport contract and other issues of disagreement between the countries' respective governments. The chair of G42, Tahnoun bin Zayed Al Nahyan, is National Security Adviser in the UAE and met with Turkish President Recep Tayyip Erdoğan on 18 August, as well as Qatar's Emir Tamim bin Hamad Al Thani on 26 August. The details of these meetings have not been disclosed, but IHS Markit considers it likely that operational management of Kabul airport was discussed. Should this be the case, Emirati interests are likely to be focus on countering Qatari diplomatic influence with international partners, developing aviation assets in Kabul, and providing aid that facilitates its de-politicised approach to Islam.

## Indicators of changing risk environment

### Increasing risk

- Dissent within the Taliban or a meaningful suppression of Al-Qaeda by the Taliban government would likely drive militant defections to IS-WK, further increasing the threat to airports in Afghanistan.
- Turkey evacuating its embassy in Kabul over an assessment of credible security threats to its staff would indicate that co-operation with the Taliban had broken down.

### Decreasing risk

- Taliban willingness to accept international support to secure Kabul airport's perimeter security would mitigate the risk of damage to aviation assets during insurgent assaults, but would drive IS-WK's intent to carry out operations against airports.
- A deepening of Taliban-US collaboration in countering IS-WK – including intelligence sharing – would likely reduce the insurgent group's capability, mitigating the risk of attacks against airports.

## Kosovo-Serbia dispute on vehicle licence plates to cause border delays and increased likelihood of localised violent protests

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21 Sep 2021 - Country Risk | Headline Analysis

The Kosovan government deployed special police units to Northern Kosovo on 20 September, in response to hundreds of members of the local Serb community blockading roads in protest against a government decision to require all vehicles entering Kosovo from Serbia to use temporary Kosovo licence plates. The protest has caused significant border delays at the Jarinje border crossing point, resulting in a queue of several kilometres. Under a previous provisional agreement between Kosovo and Serbia on licence plates, signed in 2011, vehicles from Serbia were allowed to enter Kosovo freely, but vehicles entering Serbia from Kosovo were required to display temporary paper plates upon entry. Kosovo's Ministry of the Interior announced on 9 September that Kosovo would not renew the agreement, which expired on 15 September, but would instead pursue a policy of reciprocity and apply the same measures towards Serbia, pending a new agreement giving mutual recognition of licence plates. The Serbian government has refused to recognise Kosovo licence plates, viewing this as a tacit recognition of Kosovo's independence. Northern Kosovo is home to some 50,000 ethnic Serbs, many of whom do not recognise the legitimacy of the central government in Pristina.

**Significance:** While the situation is currently calm, the recent development increases the likelihood of localised violence in Northern Kosovo, which has previously been the locus of civil unrest and exchanges of fire between Kosovo police and local armed groups. A key indicator of violent escalation will be the Serbian government's response, and whether it uses public rhetoric and social media and informal channels to encourage Serbs in Northern Kosovo to undertake violent protests. Following the police operation in Northern Kosovo, Serbian President Aleksandar Vučić called a meeting of his national security cabinet, while the 72nd Special Brigade of the Serbian Army, normally based in the north of Serbia, was reportedly patrolling close to the Kosovo border, according to social media reports. The government in Kosovo deployed additional police units to deal with the roadblocks, which are likely to continue to cause significant delays at the border in the coming days. Concerted diplomatic engagement by the EU and the US would make early resolution of the dispute more likely.

**Risks:** Policy direction; Protests and riots; Interstate war

**Sectors or assets affected:** Cargo

## Missile attack on Mokha port signals Houthi capability and intent to disrupt economic activity in southern Yemen

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16 Sep 2021 - Country Risk | Headline Analysis

Several large explosions hit the Red Sea port of Mokha in southwest Yemen on 11 September. According to Yemeni government and military officials, Houthi militants based in central Taiz province targeted the port with four precision-guided missiles and three weaponised unmanned aerial vehicles (UAVs). No casualties were reported, but several warehouses containing food stockpiles belonging to traders and humanitarian agencies operating in the area were reportedly destroyed. Mokha port reopened in mid-August after months of maintenance work, and the attack took place while senior Yemeni government officials were visiting the site. It follows another similar attack on 29 August, when Houthi missiles and UAVs hit the southern al-Anad military base in Lahij province, killing 30 Yemeni soldiers and injuring 60.

**Significance:** Although most of the fighting between the Saudi-backed Yemeni government and the Houthis is concentrated in central and northern Yemen, these attacks demonstrate strong Houthi capability to strike deep inside territory controlled by the Yemeni government. They also signal Houthi intent to disrupt the resumption of economic activities in southern Yemen, so as to deprive the government of much-needed revenues. IHS Markit assesses that further Houthi attacks across southern Yemen are likely over the next two months given the current impasse in peace talks and Houthi resolve to increase pressure on the Yemeni government. Likely targets include coalition military positions, airports in Aden and Seyoun, and Aden port, as well as economic infrastructure further north such as energy assets controlled by the Yemeni government in Ma'rib province. An intensification of fighting and coalition airstrikes around areas controlled by the Houthis in Taiz is also likely. Coalition interception of further Houthi UAVs or missiles in areas such as Abyan and Shabwa would be a key indicator of attempts to expand the geographical range of attacks in Yemen.

**Risks:** Civil war

**Sectors or assets affected:** Aviation; Marine; Oil and Gas

## Azerbaijan's screening of Iranian cargo trucks increases likelihood of supply disruptions for Armenia and Azeri Nakhchivan exclave

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15 Sep 2021 - Country Risk | Headline Analysis

Starting from 12 September, Azerbaijani police began to screen cargo trucks with Iranian licence plates as they enter the 21-km Azeri-controlled section of the Goris-Kapan highway in Armenia. The screening takes place at the checkpoint set up near the village of Eyvazli in Azerbaijan's Qubadli district and entails checking the consignment documents and inspecting cargo. At least one Iranian truck driver told the Armenian Service of Radio Free Europe/Radio Liberty (RFE/RL) that the Azeri police also collect USD120 from each truck for the use of the road. The Azerbaijani authorities introduced this measure in response to Iranian trucks entering the Armenian-controlled breakaway region of Nagorno-Karabakh without their permission. The Azeri side claims that gasoline accounts for the bulk of the cargo brought to the Nagorno-Karabakh enclave from Iran. On 11 August, the Azeri foreign ministry handed a protest note to the Iranian Ambassador, but to no effect as, according to the Azeri government, 58 such trucks entered the separatist capital of Stepanakert (Azeri toponymic designation: Khankendi) between 11 August and 10 September. On 12 September, Azerbaijan's defence ministry issued a press release according to which it sent letters expressing objections to the Russian defence ministry and the command of Russian peacekeeping forces in Nagorno-Karabakh conflict zone over the "illegal entry of vehicles belonging to other countries." The Goris-Kapan road is of strategic importance for

Armenia as the only overland route connecting it to Iran. Azerbaijan's measures already resulted in dozens of Iranian trucks amassing on the side of the road in Armenia's Syunik province.

**Significance:** At the time of writing, Armenia's National Security Service with support from Russian border guards deployed in Armenia were trying to resolve the situation. Until now, Azerbaijan has been enforcing impromptu border control leniently as Azeri police allow Iranian truck drivers to proceed even when they cannot pay the transit fee and none of the trucks have been seized. If enforcement becomes more rigorous, however, this will probably result in Iran retaliating by renegeing on its commitments within the framework of the memorandum of understanding signed with Azerbaijan in May and aimed at facilitating movement of people and cargo between the two countries. Under such a scenario, Iran would most likely block the overland route connecting Baku to the Azeri exclave of Nakhchivan, which passes through Iran. Creation of a special mechanism that would allow Azerbaijan to know in advance what enters the breakaway enclave from Iran is likely to be the key risk mitigating factor. Another key mitigating factor would be the completion of construction of a bypass road by Armenia, which is a work in progress. Once it is built, probably in 2022, trucks from Iran will be able to circumvent the Azeri-controlled section of the Goris-Kapan road altogether.

**Risks:** Ground

**Sectors or assets affected:** Cargo transport

## Mozambican insurgents' probable first use of IED increases risk to ground cargo in Cabo Delgado province

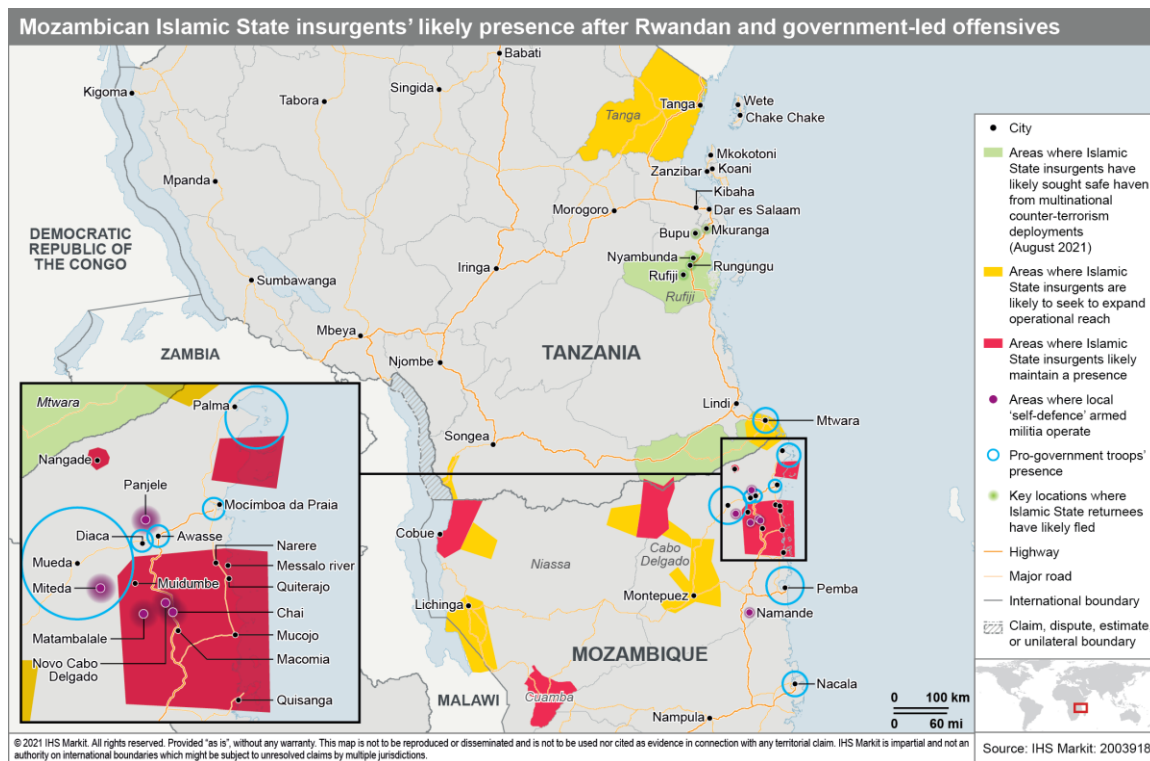
13 Sep 2021 - Country Risk | Headline Analysis

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Islamic State-linked Ansar al-Sunna insurgents on 12 September targeted a military convoy with an improvised explosive device (IED) between Mocímboa da Praia and Narere, in Mozambique's northeastern Cabo Delgado province (see map below), according to local reports on social media. No details have been provided of the impact of the IED or the number of casualties, at the time of writing. If confirmed, this attack would represent the first reported use of an IED by the insurgents. Separately, a news outlet reported that Rwandan and Southern African Development Community (SADC) troops had deployed in Lichinga city in the northwestern province of Niassa over suspicions that insurgents were planning attacks in the province. Groups of insurgents are likely to have moved to Niassa province in search of recruits, as well as to exploit artisanal mining sites to obtain ingredients for the manufacture of explosives and revenue to make up for loss of revenues incurred by territorial losses in Cabo Delgado province.

**Significance:** The use of an IED by Ansar al-Sunna, if verified, would confirm that the group has acquired the know-how and the materials to produce and deploy IEDs to target security forces. According to an IHS Markit source with extensive local contacts in the area, the IED used on 12 September was constructed using a landmine probably taken from military stockpiles captured by the insurgents. The attack would also mark a shift in the group's modus operandi from direct armed confrontation aimed at seizing territory to indirect insurgency tactics. This comes in response to the deployment of Rwandan and SADC troops and the increased use of armoured vehicles, which in August expelled the insurgents from areas they previously held around Mocímboa da Praia in Cabo Delgado province. IEDs are most likely to be used on roads in the northeastern part of Cabo Delgado, which were abandoned by the insurgents after the Rwandan troops' assaults in August. Although security forces are likely to be the main target of roadside IEDs and ambushes, there is also a high risk of such attacks against individuals associated with energy major Total's liquefied natural gas (LNG) projects in Cabo Delgado province, especially when accompanied by military escorts. The roads affected are likely to be used by LNG staff and related contractors resuming activity at the Afungi site. If the deployment of Rwandan and SADC troops to Niassa province is also confirmed, the threat of IEDs will

probably extend to Niassa province, and to Lichinga city, in particular. Such a deployment is likely to stretch the government-aligned forces and relieve the insurgents in northeast Cabo Delgado province, providing them with greater freedom of movement.



**Risks:** Terrorism; Death and injury

**Sectors or assets affected:** Road cargo; Oil and gas; Mining

## Algerian airspace closure for Moroccan aviation likely to last at least six months, but limited commercial impact

24 Sep 2021 - Country Risk | Headline Analysis

On 22 September, the Algerian Supreme Security Council announced the closure of Algerian airspace to all Moroccan civil and military aircraft, as well as to aircraft registered in Morocco, with immediate effect. The decision was taken in response to alleged continuous “provocations and hostile practices from Morocco”. It comes amid worsening relations between the two countries over the past year over the disputed territory of Western Sahara, alleged Moroccan support for Berber separatists in north-eastern Algeria, and former US President Donald Trump’s recognition of Morocco’s sovereignty over Western Sahara in return for normalising Morocco’s relations with Israel. In July, Algeria accused Morocco of using the Israeli NSO Pegasus spyware to track over 6,000 telephone numbers belonging to Algerian officials, and Israeli Foreign Affairs Minister Yair Lapid criticised Algeria in August for its alleged rapprochement with Iran, considering it as a source of concern for both Morocco and Israel. Algeria officially cut its diplomatic ties with Morocco in August 2021.

**Significance:** The airspace closure is likely to cause delays for commercial aviation operating out of Morocco in the coming days as operators will have to re-route or cancel flights passing through Algeria’s airspace. This will primarily affect flights to and from Sub-Saharan Africa (Western and Central), North Africa, and the Middle East (mainly Egypt, Tunisia, and Turkey). The closure of Algerian airspace to Moroccan aviation is likely to

remain in place for at least six months, and is likely to be reciprocated by Morocco. Direct flights between Algeria and Morocco had already been halted in August. The commercial impact has, however, been minor due to the already-limited commercial exchanges between the two countries. The deteriorating relations and closure of Algerian airspace also increase the risk of misidentification and shootdown for helicopters or low-flying aircraft operating in the vicinity of the Algerian border. Any indication of increased defence and military co-operation between Morocco and Israel, especially on contracts and technology transfer agreements on the military aviation sector and unmanned aerial vehicles (UAVs), would indicate a likely extension of the airspace closure beyond six months.

**Risks:** Cargo, Aviation

**Sectors or assets affected:** Aviation