Intelligence Risk Assessment 2012
An intelligence assessment of developments abroad affecting Denmark’s security
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A printed circuit board with robot bug walking across. Istockphoto
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Welcome to the DDIS Intelligence Risk Assessment 2012. The report comprises an intelligence assessment of developments abroad affecting Denmark's security and is aimed at a wide audience.

Generally, all DDIS reports are classified to protect our sources and partners. The Intelligence Risk Assessment 2012, however, has been prepared with publication in mind, which is reflected in the information and assessments. This has also impacted on the way the report is formulated, on the number of details and on the sharpness of certain analyses. Even so, the Intelligence Risk Assessment is an assessment of strategic and regional developments affecting Danish security.

Intelligence risk assessments naturally focus on threatening or potentially negative developments. Our mission is to collect, process and communicate information on developments abroad of importance to Danish security, including the security of Danish forces deployed abroad. The information is related to military, political and economic developments as well as to transnational developments, in particular cyber threats, international terrorism and the proliferation of weapons of mass destruction. Our main focus is on areas where Danish forces are deployed, on terrorist networks abroad threatening Denmark and Danish interests and on the world's conflict and crisis areas.

Additional information on the Danish Defence Intelligence Service can be found at our website: www.fe-ddis.dk.

Information cut-off date is 12 October 2012.

Thomas Ahrenkiel
Director Danish Defence Intelligence Service
The threat posed by states, groups and private individuals in cyberspace generally constitutes a security risk for Denmark and the Danish Armed Forces, including troops deployed abroad. Foreign intelligence services, terrorist and insurgent groups as well as criminal organisations and groups are increasingly using the Internet to conduct espionage activities against Denmark or damage Danish websites and web servers.

The competition for the right to extract natural resources in the Arctic Ocean will intensify in the years to come. Russia has the strongest military presence in the Arctic and the largest economic interests in the region. However, China is increasingly interested in the Arctic, including Greenland, and sees the region as an attractive target for investment in energy and raw material extraction. Security challenges in the Arctic will primarily focus on the enforcement of sovereignty, and surveillance missions.

Al-Qaida’s senior political and operational leadership has been significantly weakened, but at the same time the militant Islamist movements have extended their presence to more countries in 2012. While under military pressure, the safe havens in Pakistan, Yemen and Somalia still exist and new safe havens have emerged in 2012 in the Sinai Peninsula in Egypt and in northern Mali. At the same time, Syria has become a key battlefield for militant Islamists, and al-Qaida’s role in the Syrian civil war has increased considerably. While the threat posed by al-Qaida has decreased; it is likely that the threat posed by al-Qaida-affiliated militant Islamist groups will emanate from more countries. In the short term, this will mainly affect Western interests in the regions where these al-Qaida-affiliated groups are present.

The threat from proliferation of weapons of mass destruction is growing. This trend will continue and in the long term several states will be able to strike NATO territory with nuclear weapons. So far, negotiations on the Iranian nuclear programme have proved unsuccessful. As long as sanctions and negotiations do not result in Iranian concessions, the risk of a military conflict due to the Iranian nuclear programme will increase.

Piracy and armed robbery at sea continue to pose a threat to civilian shipping in the waters off the Horn of Africa, the southern part of the Red Sea and in the Gulf of Guinea. The number of piracy attacks in the waters off the Horn of Africa has declined, yet the unstable situation in Somalia provides a breeding ground for piracy. The Gulf of Guinea has seen an increase in, primarily, armed robberies at sea. It is not likely that the Somali-based terrorist and insurgent group al-Shabaab formally cooperates with the pirates. However, individuals affiliated with al-Shabaab are likely involved in piracy activities.

The international and the Afghan security forces have maintained considerable military pressure on the insurgents in Afghanistan. However, the insurgent groups have not been defeated. Their resolve to continue the insurgency remains intact and they maintain a high level of operations and they continuously recruit new insurgents. Pakistan supports the Afghan Taliban and other Afghan insurgent groups based on a narrow consideration of its own interests. Pakistan will highly
likely continue to support the insurgents in a post-2014 scenario and work actively to include the Afghan Taliban in a future Afghan government.

The Syrian regime will likely fall in the short term, and the situation will remain uncertain and conflict-ridden irrespective of the outcome of the conflict. The threat against Western targets will increase as the militant Islamists gain better traction in Syria.

In North Africa, Egypt is facing a period of increased political stability and less civil unrest, yet setbacks cannot be ruled out. In the short to medium term, Egypt will maintain its relations with the United States and uphold its peace agreement with Israel. Despite difficulties, Libya will continue its political transition process, and the newly elected rulers will continue the reform process. Local ethnic tensions and political and military positioning contribute to destabilising the situation in the short to medium term. However, Libya will not likely be divided into two separate states. During 2012, Mali has disintegrated as a country. Insurgent groups have exploited the political crisis in the capital and now control the entire northern part of the country. Here, militant Islamists are expanding their safe havens.

The United States’ global dominance will be reduced in the long term. In the very long term, this trend will lead to a global strategic environment that involves a number of great powers, although the United States will remain the strongest. China is faced with a change of the political leadership but the current political and economic course will likely continue, and in 2020 China will likely be the dominating power in East Asia and one of the world’s leading great powers.
The threat posed by states, groups and private individuals in cyberspace generally constitutes a security risk for Denmark and the Danish Armed Forces, including troops deployed abroad. Foreign intelligence services, terrorist and insurgent groups as well as criminal organisations and groups are increasingly using the Internet to conduct espionage activities against Denmark or damage Danish websites and web servers.

Denmark is regularly the target of attempts at illicit intrusions into the Danish Information and Communication Technology (ICT) structure. Though a cyber attack which has extensively damaged or prevented the use of the ICT structure or the related physical infrastructure, for example the energy and water supply system or industrial control systems, has not yet been detected, Danish public authorities, companies and private individuals have been and continue to be the targets of illicit intrusions from different actors in cyberspace.

State actors
The most serious cyber threats against Denmark emanate from state actors who use the Internet to spy on and steal Danish intellectual property such as patented knowledge, research results and business secrets. The threat mainly emanates from states that use the information to support their own economic, military and social development, but it is not likely in the short or medium term that they harbour intentions of launching a targeted, destructive cyber attack against Danish ICT infrastructure.

There are signs that some states use private hackers to launch cyber intrusions on behalf of the state. In this way, a state can avoid incurring legal and political responsibility as it is often difficult to ascertain that the state in question did in fact commission the activity.

Hackers
Cyber threats also emanate from hacktivists; a term denoting hackers whose activities are often politically motivated. Moreover, the activities in cyberspace are often economically motivated. Some hackers have in-depth technical knowhow and are often capable of disrupting or damaging Danish websites and servers.

Terrorists
Militant Islamists are showing a budding interest in using the Internet to launch cyber attacks, and in one of its videos al-Qaeda calls for so-called electronic jihad against Western countries. However, militant Islamists still regard cyber attacks and hacking as secondary attack methods ranking below traditional terrorist attacks.

The insider threat
The insider threat is posed by individuals who unconsciously or deliberately compromise security in their work place, thus contributing to the theft of data or the transfer of harmful software. This could be a result of insufficient knowledge or understanding of security regulations or of deliberate disclosure of certain information.

The risk of employees deliberately breaching security grows as the demands for open online communication increase. In general, employees have gained easier access to information, raising the risk that those who want could deliberately harm their company.
Technological development
In future, the technology used in cyberspace will become increasingly complex. The number of devices and equipment connected to the Internet grows by leaps every year. People working for public authorities, companies and organisations will increasingly be able to access information on the company or organisation network from mobile units. More information will be accessible on the Internet instead of on local servers or computers, resulting in a changed risk pattern which, in turn, will call for new security precautions.

The so-called malware – programmes such as viruses, Trojans and worms – have become more sophisticated with the integration of several cyber attack methods. The complexity of the coding in some types of malware suggests that they have been developed by cyber actors with in-depth technical knowhow and access to significant resources.

A serious and evolving threat is the so-called supply chain threat where malware or technically controllable components, which can be activated over the Internet, are installed in hard- and software already at the production stage. Supply chain threats may occur in several stages of the production chain, and hard- and software are often so complex or inaccessible that even major international companies do not detect these threats.

Espionage
Foreign intelligence services, terrorist and insurgent groups, and criminal organisations all carry out espionage against the Danish state, the Danish Armed Forces and Danish companies. The collection methods are multifaceted, ranging from the use of mass media, such as the Internet, to traditional espionage that involves the exploitation of human relations through personal contact and the recruiting of informants.

Cyber espionage constitutes an increasing share of espionage activities compared to more traditional espionage as the former type is cheap and information can be collected over great distances and via third countries. This makes it extremely hard to uncover the source of the espionage. Foreign intelligence services are particularly interested in information on Danish companies and the Danish security and foreign policy, including the cooperation of the Danish Armed Forces with the EU and NATO, and Denmark’s strategy in the Arctic.
THE ARCTIC

The competition for the right to extract natural resources in the Arctic Ocean will intensify in the years to come. Russia has the strongest military presence in the Arctic and the largest economic interests in the region. However, China is increasingly interested in the Arctic, including Greenland, and sees the region as an attractive target for investment in energy and raw material extraction. Security challenges in the Arctic will primarily focus on the enforcement of sovereignty and surveillance missions.

To varying degrees, all Arctic coastal states consider enhancing their presence in the Arctic, primarily preparing for tasks such as maritime surveillance and search and rescue services. This will not least prove relevant once larger merchant cargo and passenger vessels start passing through the Arctic sea lanes. The military presence is also aimed at strengthening the coastal states’ capacity to enforce their sovereignty over their Arctic coastal areas and at bolstering their rights to exploit natural resources. Thus, naval and air force activities in the Arctic region will intensify over the coming decade.

Climate change has fuelled interest in the Arctic region. Most climate experts assess that this will improve the potential for extraction of raw materials, in particular oil and gas, from a larger area than anticipated so far and will open up Arctic sea lanes for maritime merchant traffic through the Northeast Passage north of Russia and the Northwest Passage north of Canada. This will, in particular, significantly reduce the transit time for ship transports from Asia to Europe.

The increase in energy and raw material prices has further fuelled interest in the access and right to the natural resources in the Arctic. Though most of the Arctic shelf remains unexplored, preliminary geological studies have proven the presence of raw materials such as oil and natural gas. However, it is likely that only a limited part of as yet undiscovered oil and natural gas reserves in the Arctic can be found within the disputed areas.

The interests of the coastal states and the great powers

The five Arctic coastal states – the United States, Russia, Canada, Norway and Denmark – have all increased their focus on the Arctic region and have strengthened their efforts to secure exploitation rights to the Arctic Ocean seabed. As signatories to the so-called Ilulissat Declaration from 2008, the coastal states have agreed to solve any future disputes in the Arctic through negotiations, pledging that they will observe the recommendations of the UN Commission on the Limits of the Continental Shelf (UN CLCS) as to which areas the coastal states are entitled to include in their economic zones.

The great powers have military interests in the Arctic of a strategic nature that goes beyond the increased demands for enforcement of sovereignty and surveillance missions that will emerge as the result of the expected enhanced access to the Arctic region. This is due to the fact that the Arctic Ocean generally affords the shortest distances to all other
great powers and most of the world’s populations. This makes the Arctic a suitable launch point for attacks involving long-range weapons systems such as strategic missile submarines. Similarly, the Arctic will continue to be a transit area for US and Russian strategic bombers and the intercontinental missiles which the two countries regard as essential to their mutual deterrence. To the United States, the Thule radar will continue to have major importance as a core element of the US missile defence structure.

Russian interests
Russia plays a key role in the Arctic region and gives high priority to its role in the Arctic region, for instance by reinforcing the troops assigned to the area. It is not likely, though, that Russia will initiate a significant military build-up in the Arctic area as long as other Arctic coastal states or foreign states, such as China, do not take steps in this direction.

Growing Chinese interest in the Arctic – and Greenland
Over the past few years, China has significantly intensified its focus on the Arctic, primarily because China sees the region as an attractive target for investment in energy and raw material extraction. It remains uncertain how China will pursue its interests in the Arctic, not least in Greenland, where also the United States has vital strategic interests.

China shows great interest in investing in raw material extraction projects in Greenland. China is trying to secure access to critical minerals and rare earths that constitute key components in the development and production of high-tech products – for instance within the defence industry. Both the United States and Russia are highly sceptical of Chinese attempts at securing control over the regions’ natural resources.

As far as China is concerned, new options will unfold if the sea lanes through the Northeast Passage and the Northwest Passage become navigable. Consequently, China is in the process of building a fleet of icebreakers that is irrelevant to operations in Chinese waters. China is interested in having the sea lanes classified as international straits. China’s geographical location will make the route to North Europe shorter than via the traditional routes through the Indian Ocean and the Suez Canal and thus less costly. In order for the Northeast Passage to become a lucrative commercial shipping lane, Russia would have to reduce its demands for transit payment. Similarly, the route would have to be ice-free for the most part of the year, at least if cargo shipping is to be lucrative.

Political risks and conflict potential
The strategic development in the Arctic will depend on factors such as the pace of global warming and how the relations between the coastal states will develop in case their demands for an expansion of their economic zones are not met by the UN CLCS. Moreover, the development of the price of raw materials will determine whether raw material extraction is profitable in the extreme Arctic environment.

The competition for the right to extract natural resources in the Arctic Ocean will intensify in the years to come. Though Russia is currently pursuing its claims in
the Arctic according to international law, Russia’s ambitions in the region could be of concern for the other Arctic coastal states.

Should the UN CLCS fail to meet Russia’s demands for an extension of its economic zone in the Arctic Ocean, Russia will likely respond by casting doubt on the impartiality and competence of the UN CLCS and on its recommendations. Russia may also react by adopting alternative interpretations on international laws and norms. The status of the Northeast Passage as international rather than Russian waters may also prove to be an issue of contention.

The risk of political disputes about the delimitation of the economic zones in the Arctic escalating into conflict, mutual distrust and military tension between the United States and Russia will primarily depend on whether relations between the United States and Russia deteriorate significantly and lastingly.

Overall, the strategic development in the Arctic region, including relations between great powers, will be characterised by competition and cooperation rather than confrontation and military conflict. The security issues will primarily concern enforcement of sovereignty and surveillance missions rather than military combat missions.
The al-Qaida senior political and operational leadership has been significantly weakened, but the militant Islamist movements have extended their presence to more countries in 2012. While under military pressure, the safe havens in Pakistan, Yemen and Somalia still exist and new safe havens have emerged in 2012 in the Sinai Peninsula in Egypt and in northern Mali. At the same time, Syria has become a key battlefield for militant Islamists, and al-Qaida’s role in the Syrian civil war has increased considerably. The terrorist threat has thus changed in nature. While the threat posed by core al-Qaida has decreased, it is likely that the threat posed by al-Qaida-affiliated militant Islamist groups will emanate from more countries. In the short term, this will mainly affect Western interests in the regions where these al-Qaida-affiliated groups are present.

The al-Qaida senior leadership has been significantly weakened as a result of loss of leaders, increased military pressure and increased difficulties in communicating with affiliated groups outside Pakistan. In addition, a number of terrorist groups affiliated with al-Qaida in, for instance, Pakistan, Yemen and Somalia have lost several of their local political and operational leaders. Still, al-Qaida and its affiliated groups have not been defeated. Moreover, the uprisings in the Arab countries have provided the militant extremist groups more operating space, which they have deliberately exploited. Consequently, the threat from militant Islamism has been extended to more countries.

For several years, militant Islamists have had safe havens in notably Pakistan, Yemen and Somalia, that is areas in which the groups can unfold their activities without authorities interfering. In the past year, militant groups in these areas have been under pressure from, for instance, drone attacks and military operations. In 2012, the Sinai Peninsula in Egypt and the northern part of Mali have entered the list of safe havens for militant Islamist training and capacity building efforts. Furthermore, over 2012 the Syrian civil war has turned the country into a key battlefield for foreign Islamists, and al-Qaida has significantly extended its role in the Syrian civil war. Furthermore, the domestic Libyan security structures have been markedly weakened since the 2011 political uprising. Though militant Islamists may not have actual safe havens in Libya, their scope for travelling, meeting and
obtaining the supplies they need to carry out their activities has improved markedly since 2011. Whereas threats to the West primarily used to stem from networks in Pakistan, Yemen and Somalia, threats now emanate from networks in several other places. In the short term, this will primarily be important to Western interests in the regions concerned.

Syria
In 2012, Syria has turned into a key battlefield for militant Islamists, and the conflict provides al-Qaeda with a chance to present itself as a champion against corrupt and authoritarian regimes in the Middle East; an opportunity missed by the organisation during the uprisings in Tunisia, Egypt and Libya. Moreover, the militant Islamists now have the chance of getting rid of President Bashar al-Assad’s regime — their long-standing enemy.

Al-Qaeda will not likely establish a safe haven in Syria, but following the overthrow of Assad a strong militant Islamist presence will likely emerge in Syria. There are no indications that militant Islamists in Syria plan to attack the West or Western interests in the country before the Assad regime has been toppled. The primary threat to the West from al-Qaeda’s engagement in Syria stems from westerners who travel to Syria to receive weapons training, gain combat experience and establish contact to Sunni extremist networks and then subsequently return to the West to launch attacks.

Egypt
Since 2011, a number of minor militant Islamist groups in the Sinai Peninsula in Egypt have unsuccessfully sought integration into the al-Qaeda organisation. Still, Sinai has turned into a hub for militant Islamists travelling to battlefields in, for instance, Yemen and Syria. Training is carried out not only for militants heading for the fighting in Yemen and Syria but also for individuals planning to launch regular terrorist attacks, including attacks against Western targets and local Western targets. Though the Egyptian authorities, the United States and Israel will not likely allow Sinai to consolidate its safe haven nature, Sinai will remain a key hub due to its support structures and the easy access to and from the area.

Mali
In Mali, Al-Qaeda in the Islamic Maghreb (AQIM) has expanded its operating space from limited pockets in the north-eastern part of the country in 2011 to a de facto unlimited safe haven in all of the northern part of the country, an area the size of France. In April 2012, AQIM and two local Tuareg insurgent groups fought back the government forces from the northern part of the country. Subsequently, AQIM has consolidated its foothold in the area and significantly bolstered its capability. It is likely that training activities take place involving foreign militant Islamists heading to and from the area via Egypt, Libya and along the northern border of Niger. AQIM’s capability to launch complex terrorist attacks in West and North Africa will likely increase.

Pakistan
Since the fighting against the Soviet occupation of Afghanistan in the 1980s, Pakistan has been the most stable base for the militant Islamist movements. Still, Pakistan’s role as a hub for militants is currently under strain; in part due to the
military pressure that includes drone attacks, and in part as the result of the plans of the Pakistan Armed Forces to conduct operations in North Waziristan but also owing to the fact that the uprisings in the Arab countries attract funds and extremists which previously flowed into Pakistan. However, for the al-Qaida senior leadership this is a well-known scenario. Previously Chechnya, Bosnia, Iraq and other combat areas have previously attracted militant extremists. These areas have been very important to al-Qaida, but they have not proven to be stable bases for militant Islamists. Al-Qaida’s senior leadership will continue to seek involvement in conflicts in other countries, but the senior leadership is likely to maintain its primary presence in Pakistan.

Somalia
In February 2012, al-Shabaab was formally recognised by al-Qaida as its Somalia-based network, but its safe haven has been severely constrained by the peacekeeping force of the African Union and by the Kenyan and Ethiopian incursions in the areas bordering the two countries. The killing of several key non-Somali members of al-Shabaab has reduced the movement’s capability to launch complex terrorist attacks in the West. At the same time, the terrorist threat stemming from al-Shabaab in Somalia and its neighbouring countries, especially against Western interests in Kenya, has increased.

Al-Shabaab is riven by internal discord and numerous foreign extremists have left Somalia for other countries, in particular Yemen. Yet, al-Shabaab and Somalia continue to attract foreign, including European, extremists. Furthermore, some European extremists consider themselves part of al-Qaida’s global fight and aspire to launch terrorist attacks against Western targets in the region and Europe.

Yemen
Since the summer of 2012, Al-Qaida in the Arabian Peninsula (AQAP) has lost significant parts of the territory it conquered back in 2011, but nevertheless it still attracts militant Islamists from both Arab countries and the West. Despite its setbacks, AQAP remains a serious terrorist threat to the West. Since 2009, AQAP has appealed directly to Western extremists in its propaganda and the group has planned complex attacks on Western interests, including several plans to attack air traffic. Though AQAP will likely continue to prioritise attacks against the West, the group is increasingly trying to launch simple attacks for instance by inspiring individuals residing in the West to conduct lone-wolf attacks.

Weakened al-Qaida senior leadership
At the same time as broader traction has been gained by regional militant extremist groups in more countries, the al-Qaida senior leadership has been weakened. Several key al-Qaida leaders and a number of operational terrorist kingpins have also been killed in 2011 and 2012 in Pakistan, Yemen and Somalia. Ayman al-Zawahiri, the new al-Qaida leader, lacks Usama bin Ladin’s iconic status as key champion of global jihad and he is isolated in the tribal areas of Pakistan. Nevertheless, there are no indications that militant Islamist groups have difficulties attracting new recruits; one of the reasons being that terrorist groups are skilled at radicalising and recruiting militants worldwide by means
of propaganda and social media on the Internet.

While al-Qaida-affiliated groups only played a marginal role in the political uprisings in Tunisia, Egypt and Libya, the al-Qaida senior leadership in Pakistan now tries to involve the movement in the uprisings in North Africa and the Middle East. The ambition is to establish states adhering to al-Qaida’s strict interpretation of Islam. The al-Qaida senior leadership is stressing the importance of keeping a low profile. The groups are not to attract attention which could generate military intervention towards their presence or which could make them unpopular with the locals. Instead, they are to focus on developing capabilities and winning popularity.

The al-Qaida senior leadership is isolated and has difficulties communicating with affiliated groups due to, for instance, security precautions. In spite of the senior leadership’s isolation, the al-Qaida-affiliated groups are trying to follow the guidelines set out by al-Zawahiri. Nevertheless, some minor militant Islamist groups act on their own motivations and out of step with the senior leadership.

The strong al-Qaida support structures counterbalance the weakening of the senior leadership to a certain extent. For several years, Iran and Turkey were the most important transit countries for individuals heading for the training camps and battlefields in Pakistan and Afghanistan. These support structures are continuously strengthened, not least the support structure in Egypt, and the travel routes are expanded, in particular the travel routes to Syria, Yemen and Mali. Militant Islamists from Scandinavia use these support structures to travel to terrorist safe havens and areas of conflict to gain training and fighting experience, creating the basis for potential deployment against their native countries later on.

Iran’s importance as an al-Qaida’s hub will wane in 2013, as militants increasingly travel to Syria and Yemen rather than to Iran’s neighbouring countries of Afghanistan and Pakistan. Additionally, Iran will be less tolerant of militants travelling to Syria to fight the Assad regime which is Iran’s ally.

**The threat against Western targets**

The global fight against terrorism has impaired the al-Qaida senior leadership’s capability to plan and launch spectacular terrorist acts. Such attacks affiliated with al-Qaida have not been launched in the West since 2005. However, the impaired capability has not reduced the attack aspirations of al-Qaida and its affiliated groups. Its capability would likely be restored, if the pressure on the al-Qaida senior leadership and its affiliated groups eases off.

As a result of the weakening of the al-Qaida senior leadership, the terrorist threat primarily stems from regions that are home to al-Qaida-affiliated groups, and in consequence there is a threat to Western targets in these regions. The weakening has also motivated al-Qaida and its affiliated groups to aim for less complex attacks. The threat will increasingly stem from so-called lone-wolf terrorists, i.e. people who have had marginal contact with formal terrorist groups, but have been inspired by these groups; an illustrative example being the

In July 2012, the Bulgarian town of Burgas was the scene of the first major bomb attack in Europe since 2005. Six people were killed and more than 30 wounded. The attack in Burgas is likely connected to Israel’s conflict-ridden relations with Iran and Lebanese Hezbollah.

The future terrorist threat to Europe will depend on the ability of countries in Africa, the Middle East and Asia to establish effective countermeasures against militant Islamists. In the medium term at least, a number of countries will act as safe havens, but if the Middle East uprisings result in governments with wider popular support and if the countermeasures are maintained, this could weaken al-Qaida’s appeal and thus the terrorist threat from militant Islamists in the long term.
The threat from proliferation of weapons of mass destruction is growing. This trend will continue and in the long term several states are likely to be able to strike NATO territory with nuclear weapons. So far, negotiations on the Iranian nuclear programme have proved unsuccessful. As long as sanctions and negotiations do not result in Iranian concessions, the risk of a military conflict due to the Iranian nuclear programme will increase.

Contrary to international agreements, several countries are developing weapons of mass destruction. Some of these countries are also working at developing ballistic missiles particularly suited for carrying nuclear weapons. In the long term, several states are likely to be able to strike NATO territory with nuclear weapons.

It has become increasingly difficult for the international non-proliferation organisations such as the International Atomic Energy Agency (IAEA) to cooperate with, in particular, Iran and North Korea, and consequently, the agency finds it difficult to verify the size and purpose of their respective nuclear programmes.

Iranian nuclear programmes
In November 2011, the IAEA published a report, seriously criticising the Iranian nuclear programme and directly linking activities in Iran to the development of nuclear weapons. Meanwhile, the IAEA encouraged Iran to engage in constructive cooperation. The 2012 IAEA reports have also been very critical of Iran’s continued uncooperative stance. Yet, on several occasions Iran has refused the IAEA access to facilities which, according to the IAEA, could be relevant to the development of nuclear weapons.

Despite mounting international pressure, Iran continues to expand its nuclear facilities. These facilities are relevant to the production of nuclear weapons and a number of them would be pointless economically if the purpose is exclusively civilian. Iran continues its production of almost 20-per cent enriched uranium, citing the objective to be the production of isotopes for medical purposes. However, the enriched uranium will facilitate rapid production of nuclear weapons.

A signatory to the Treaty on the Non-Proliferation of Nuclear Weapons, Iran is entitled to establish a peaceful nuclear programme. But Iran has repeatedly kept activities relevant to the production of nuclear weapons under wraps. Thus, in September 2009 it was uncovered that Iran was establishing a uranium enrichment facility which would be very difficult to justify under a peaceful nuclear programme. This facility is now being monitored by the IAEA. Besides, Iran continues to deny the IAEA access to a facility near the town of Parchin where Iran has apparently been conducting experiments very relevant to the development of nuclear weapons.

The Iranian nuclear programme is so advanced that a military attack on the Iranian nuclear facilities would probably not terminate the programme, but merely cause a delay.

Negotiations on the Iranian nuclear programme
Negotiations between Iran and the P5+1
countries, that is the five permanent UN Security Council members plus Germany, on the Iranian nuclear programme have so far been unsuccessful. Iran insists on its right to a peaceful nuclear programme, while the West demands that Iran discontinue its uranium enrichment activities.

Even if Iran and the P5+1 countries were to agree on a resumption of the negotiations, renewed negotiations would not likely bring about a diplomatic solution to the nuclear issue. Despite the fact that the United States and the EU have introduced a series of sanctions against the Iranian oil exports and the Iranian central bank in particular, there are no indications that these measures will make the Iranian leadership accept the demands made by the P5+1 countries.

In the event of renewed negotiations, Iran is likely to play for time and try to generate discord between the P5+1 countries.

Iran is prepared to pay a high price to continue its nuclear programme. The lacking negotiation results have already produced new threats, particularly from Israel, of military attacks on the Iranian nuclear programme. In the absence of negotiation results, it is likely that the West will also intensify its pressure on Iran, including the threat of a military attack. On its part, Iran has on several occasions threatened to close the Strait of Hormuz and the mere threat of doing so has caused a surge in oil prices, affecting the global economy.

As long as sanctions and negotiations do not result in Iranian concessions, the risk of a military conflict due to the Iranian nuclear programme will increase.

The North Korean nuclear weapons programme
The 2006 and 2009 North Korean nuclear tests have been condemned internationally as has its ambitious ballistic missile programme. North Korea’s most recent attempt at launching a space rocket, in April 2012, could potentially be a cover-up for the development of an inter-continental ballistic missile.

The North Korean nuclear weapons programme is based on plutonium, but it is likely that North Korea has established a facility for uranium enrichment. As the facilities can be subterranean, a uranium-based nuclear weapons programme is easier to cover up than is the case with a plutonium-based nuclear weapons programme.

The Six-party talks between North Korea, South Korea, the United States, China, Russia and Japan on the North Korean nuclear weapons programme have not been actively pursued since, in early 2012, North Korea indicated a short-lived willingness to negotiate, but the dialogue collapsed already after a few months. However, all parties are interested in keeping the six-party forum as a formal framework ready for the dialogue to be resumed. China has tried to put a certain pressure on North Korea to resume the negotiations, but its scope for influencing the policy of the North Korean regime towards South Korea and the United States is limited.

Chemical and biological weapons
Even though the international community is primarily concerned with nations’ capability to produce nuclear weapons,
chemical and, increasingly, biological weapons programmes also pose a threat. If the regime in Syria during the current conflict loses control with the extensive Syrian reserves of chemical weapons, this could enable non-state organisations and groups inside and around Syria to gain control of its chemical weapons.

Generally, globalisation has made the technology and the products necessary to develop weapons of mass destruction increasingly available to states with the requisite economic and organisational means. The countries in question often acquire this technology and these products by circumventing national export control regimes. This threat will likely grow in size and scope.
Piracy and armed robbery at sea continue to pose a threat to civilian shipping in the waters off the Horn of Africa, the southern part of the Red Sea and in the Gulf of Guinea. The number of piracy attacks in the waters off the Horn of Africa has declined, yet the unstable situation in Somalia provides a breeding ground for piracy. The Gulf of Guinea has seen an increase in primarily armed robberies at sea. It is not likely that the Somalia-based terrorist and insurgent group al-Shabaab formally cooperates with the pirates. However, individuals affiliated with al-Shabaab are likely involved in piracy activities.

According to the UN, piracy takes place in international waters, while armed robbery at sea takes place in territorial waters. Piracy continues to pose a threat to civilian shipping in the waters off the Horn of Africa and in the southern part of the Red Sea.

While the number of piracy incidents off the Horn of Africa has almost been halved in the first six months of 2012, piracy attacks and armed robberies at sea in the Gulf of Guinea, particularly in the waters off Nigeria, Benin and Togo, have increased in numbers. Despite the decline in piracy activities off the Horn of Africa, the unstable situation in Somalia provides a breeding ground for piracy.

The Horn of Africa
The positive trend in the Horn of Africa is a result of both the merchant ships observing the recommended anti-piracy precautions, including in particular the use of armed security guards on board the ships, and the international navel fleets initiating more offensive anti-piracy operations.

More offensive operations are conducted along the Somali coast and are especially directed at Somali pirate mother ships. As the mother ships have been seized from the pirates, the number of attacks and hijackings has been reduced significantly, and any captured crews on board the mother ships have been released.

In order to bypass the counter-piracy efforts of the international naval forces and the merchant ships, the pirates have on numerous occasions changed their modus operandi, though not very successfully.

In 2012, pirates and criminal gangs affiliated with Somali pirates kidnapped Westerners
ashore in Kenya and Somalia. These kidnappings could be considered attempts at adjusting to the difficult conditions at sea. To the pirates, kidnappings have advantages over piracy activities as the risk of being apprehended is minimal and kidnappings are less expensive than sea operations. Guards will not have to be paid to keep guard of the hijacked merchant ship and its crew. Rather, the number of hostages is limited and fewer guards are thus required in connection with kidnappings, giving the pirates an incentive to continue this type of activity.

Somali regions
The self-governing state of Puntland in north-eastern Somalia is very important to piracy activities as several attacks are launched from this area. The regional institutions are weak, and pirates are capable of bribing authorities or exploiting clan affiliations in order to avoid prosecution.

Puntland has made progress in combating piracy in 2012. The authorities and local clan leaders have conducted several operations against alleged pirates ashore. The police force has apprehended several alleged pirates, but many of them have been released without being prosecuted. Efforts made in Puntland will make it more difficult for the pirates to stay ashore, but Puntland will not likely be able to prevent the pirates from operating along the region’s coast.

Southern and central Somali authorities will not be capable of controlling the area and preventing piracy activities in the short term. However, it is likely that the Somaliland region in northwest Somalia will remain capable of preventing pirates from conducting attacks from the region’s coast.

It is not likely that the al-Shabaab terrorist and rebel group is formally cooperating with the pirates. However, individuals affiliated with al-Shabaab are likely involved in piracy activities.
Relations between Afghanistan and Pakistan are tense and characterised by mutual distrust. Still, the two countries have a common understanding that some sort of cooperation is necessary. Pakistan supports the Afghan Taliban and other Afghan insurgent groups based on a narrow consideration of its own interests. Pakistan will highly likely continue to support the insurgents in a post-2014 scenario and work actively to include the Afghan Taliban in a future Afghan government.

In 2012, relations between Afghanistan and Pakistan have again been put to the test as a result of long-lasting border disputes. A core issue in the dispute is the ability of both anti-Afghan and anti-Pakistani insurgent groups to launch operations from safe havens on either side of the Pakistani border. These safe havens have resulted in mutual accusations that the joint border has been violated during military operations and actual clashes between Afghan and Pakistani forces in the area.

Despite sustained tense relations between Afghanistan and Pakistan, the two countries have a common understanding that some sort of cooperation is necessary. It is particularly relevant in the context of potential peace negotiations between the Afghan government and the Taliban where Pakistan’s active support will be crucial in order for the negotiations to succeed.

However, there are no indications that a peace agreement will be negotiated before the end of 2014. Pakistan will highly likely continue to support the insurgents in a post-2014 scenario and work actively to include the Afghan Taliban in a future Afghan government.

The pressure on al-Qaida is generated by drone attacks and Pakistani operations. Moreover, the uprisings in the Middle East have led to a move of al-Qaida extremists and resources away from the border area between Afghanistan and Pakistan. To al-Qaida, which has previously managed to gain a foothold in other parts of the world just to lose it again a few years later, the borderland has long been its most stable area. As a result, the borderland is likely to remain home to the al-Qaida senior leadership.
Afghanistan

The international and the Afghan security forces have maintained considerable military pressure on the insurgents in Afghanistan. Especially in the southern and south-western parts of Afghanistan, the efforts have successfully reduced the Taliban’s military capability, freedom of movement, local influence and control. However, the insurgent groups have not been defeated; their resolve to continue the insurgency remains intact, they maintain a high level of operations and they continuously recruit new insurgents.

The insurgents will intensify the fighting and bolster their influence as the international security forces are withdrawing from Afghanistan. At the same time, there are clear indications that the insurgency has already taken on a more traditional Afghan form. Local interests and balances of power decide the outcome of ceasefires, changing alliances and other kinds of cooperation agreements between local power brokers, government representatives, insurgent groups and various units from the Afghan security forces. The complicated power struggle blurs the picture of which alliances are forged between the numerous stakeholders.

There are no indications that the situation will change noticeably within the first couple of years after 2014. It is likely that the insurgency will continue and that the security situation even then will be fairly unstable. The Afghan security forces will be capable of controlling the district centres, the towns and the most important infrastructure, but they will be under constant pressure from the insurgents, particularly in the southern and eastern parts of the country. The insurgents will largely be capable of controlling the rural areas.

The opposition to engage in substantial peace negotiations continues to prevail in the Taliban, which basically regards Hamid Karzai to be a local extension of the United States and the group does not consider him a legitimate negotiating partner. Meanwhile, Karzai insists that attempts at reconciliation must be led by Afghans, but he has yet to present initiatives with the potential to actually advance the process. Conflicting interests of other countries in the region could likely prevent a joint initiative for an international peace solution for Afghanistan. Thus, it is not likely that the coming years will bring a crucial breakthrough in the peace negotiations.

The al-Qaida presence in Afghanistan is limited to a few hundred individuals and its presence is mostly felt in Kunar, Nuristan and Laghman provinces in the eastern part of the country. Al-Qaida’s presence in Afghanistan reflects its ambition to secure bases as facilities for training and planning of external operations and as hideouts to where it can retreat should the pressure in Pakistan become too intense. As the pressure on al-Qaida has increased in northern Pakistan, al-Qaida has responded by trying to boost its presence in Afghanistan. It is highly likely that al-Qaida’s chances of operating in Afghanistan will improve concurrently with security responsibility in the provinces being transferred to the Afghan security forces.
The political development

In the run-up to the 2014 presidential election, domestic political tensions in Afghanistan will highly likely grow in intensity and the parties will find it difficult to reach consensus on a successor to President Karzai. Moreover, it is likely that the civilian government institutions will be weak and characterised by poor governance, and power will be decentralised even further in the coming years.

Karzai’s ability to secure the necessary support from ethnic minorities, to play opposition elements off against each other, and to include political opponents in his government will erode as the presidential election draws closer. Local power brokers will demand the transfer of power from Kabul to the provinces and districts in return for forging alliances with Karzai.

This combined with the central government’s relatively weak position in the local communities in several parts of the country will increasingly concentrate the de facto exercise of power with local power brokers. These power brokers will greatly be motivated by the chance to enhance their independence, secure their economic interests and strengthen their power bases.

The Afghan security forces

The Afghan National Army has been involved in all major military operations in the country since 2009, and the target set up by the international community and the Afghan government for the size of the army and the police force has been met ahead of schedule. Despite this positive trend, the majority of the Afghan National Army units are incapable of conducting complex and protracted operations independently, and the Afghan police force is fraught with extensive inefficiency and corruption. The police force has suffered greater losses than the army in connection with the insurgency as it is often deployed in the most exposed locations and lacks the required training and weapons.

The initiation of the third, and the coming fourth and fifth tranches of the security responsibility transition will challenge the Afghan security forces far more than the first two phases, as the forces are assuming security responsibility in areas of greater instability. The pressure exercised by the insurgents is already very distinct.

The growing number of attacks on the international security forces conducted by members of the Afghan security forces is significantly challenging cooperation between the international and Afghan security forces prior to the 2014 international withdrawal. The attacks are mainly motivated by internal disagreement, insults and misunderstandings, but also by the insurgents’ active attempts at infiltrating the Afghan security forces.

While international forces engage in training and joint operations with the Afghan security forces, the number of attacks of the above-mentioned kind has increased. Afghan National Army troops are behind the majority of these attacks, most of which have been launched in the southern and eastern provinces.

Helmand province

The international and Afghan security forces have exerted a strong military pressure on the insurgents in Helmand
province, particularly in the first six months of 2012. The military operations have forced the insurgents further away from the population centres of the province and caused a high number of fatalities among the insurgents. These losses have not, however, broken their resolve and at the same time, the Afghan government has only been partially successful in providing security as well as law and order for the population.

The Afghan government institutions in Helmand are weak and their activities reflect the efforts of individuals rather than the capability of these institutions to solve public tasks. It is highly likely that with the gradual transfer of security responsibility in the run-up to 2014, the insurgents will progressively win back some of the ground they have lost since the augmentation of the international forces in 2009.

The capability of the Afghan security forces and the Afghan government to prevent the insurgents from boosting their influence in Helmand will greatly depend on the forces’ will and ability to cooperate with local informal power brokers and on the scale of the international economic support.

The withdrawal of international forces from Helmand will further motivate the insurgents to win influence, in part by seizing key areas in North and South Helmand and in part by providing services to locals via the insurgents’ shadow government as an effective alternative to the official Afghan government administration.

Pakistan

Relations between Pakistan and the United States remain characterised by major mutual distrust and there is a noticeable anti-American sentiment in Pakistan. The United States will remain Pakistan’s key economic and military contributor in the short to medium term.

Though facing major economic and security challenges, Pakistan will not likely collapse in the short or medium term as its core institutions, especially its armed forces, are too strong for such a scenario to materialise. Even though the numerous national insurgent groups are destabilising factors, they will not seriously challenge Pakistan’s political and social foundation.

Pakistan wants a stable, but pro-Pakistan Afghanistan sharing its distrust of India which implies significant Pakistani influence in Afghan politics. Domestically, Pakistan fears that an unstable Afghanistan could generate a major influx of refugees, growing drugs smuggling and a deteriorating security situation. On the foreign policy front, Pakistan wants strategic depth vis-à-vis India, among other, for Pakistan to allow anti-Indian militant groups to use Afghan territory for bases and training. Even though the two nuclear powers have expressed willingness to negotiate and interest in rapprochement over the past year, Pakistan and India will not likely reach consensus on their biggest bone of contention, the Kashmir Valley, in the short to medium term.
The next Pakistani government will highly likely also be a coalition government led either by the centre-left Pakistani Peoples Party (PPP) or by the conservative Pakistan Muslim League-Nawaz (PML-N). Besides these two parties, a younger player on the political scene, the reformist party Pakistan Tehrik-e Insaf, will try to win a powerful position in the next coalition government. Generally, PPP-led governments have oriented themselves towards the United States and the West, whereas the profiles of the conservative governments have been distinctively more Islamic. It will thus be important to Pakistan’s relations with foreign states, especially the United States, whether the next coalition government will be centre-left or conservative. Moreover, the orientation of the government has an impact on the strongest national institution, the Pakistan Armed Forces.

Historically, the United States has been Pakistan’s biggest military and economic contributor. Relations between the two countries, however, have been characterised by major mutual distrust throughout 2011 and most of 2012. Relations reached a new low following the November 2011 border incident when unintended fighting between Pakistani and US soldiers resulted in the killing of 24 Pakistani soldiers. Subsequently, Pakistan cut off NATO supply lines through Pakistan from November 2011 until July 2012.

There is a distinct anti-American sentiment in Pakistan which is reflected in both the current election campaigns and in the way the powerful Pakistan Armed Forces regard the United States. The Pakistani political and military leaderships are increasingly sceptical of the US intentions vis-à-vis Afghanistan and Pakistan. Pakistan’s primary concerns are whether the United States wants to conduct operations in the Pakistani tribal areas and what strategy the United States intends to adopt in relation to the Pakistani nuclear weapons. The fact that the United States has openly declared India to be one of its closest Asian partners has not helped alleviate Pakistani concern. Even though Pakistan, in order to strategically counterbalance US influence, often stresses its good relations with China and underlines the need for rapprochement with Russia, the United States is the only country with sufficient resources and a security policy interest in supporting Pakistan on this scale. Consequently, the United States will likely remain Pakistan’s key partner and contributor in the short to medium term.

Militant Islamists in Pakistan
Over 2011 and in early 2012, signs emerged of a truce between several internal Islamist insurgent groups and the Pakistani state. The attacks launched by the internal insurgent groups against the security forces and the Shiite minority in the areas bordering Afghanistan intensified over the spring of 2012, culminating in August 2012 when militants attacked the Pakistani Minhas Air Base in the Punjab province. The Pakistan Armed Forces responded strongly, stepping up its operations. The armed forces will likely maintain pressure against the internal Islamist insurgent groups.

For years, the northern borderland between Pakistan and Afghanistan has been among the most important destinations for individuals from the West and the Middle East with aspirations to enter training camps or join fighting. The
al-Qaida leadership has used the area as a safe haven, producing its propaganda as well as planning operations abroad and conducting training activities in the area.

Militant Islamists in Pakistan have been under severe pressure from drone attacks and Pakistani military operations. On top of this, the uprisings in the Arab countries attract the majority of the Islamists who would otherwise have travelled to Pakistan. Still, Pakistan has dormant structures ready to be revived if the influx into the Arab countries subsides. Key al-Qaida leaders will likely remain in the area.

Besides al-Qaida, there are a number of militant Islamist groups in Pakistan whose key focus is not on attacking targets in the West but on fighting India, due to the disputed Kashmir Valley, and on fighting the government and the coalition forces in Afghanistan. Still, these groups also pose a threat to the West. There have been several examples of westerners, having trained with these groups, trying to conduct attacks in the West.
The Middle East and North Africa will remain a region characterised by instability and unrest. As a result of the uprisings in the Arab countries, the situation in the Middle East will be tense, both as regards security and future political leaderships. However, the uprisings likely reduce the risk of conventional wars between the countries. Iran and its nuclear programme remain the key security policy issue in the region.

The uprisings in the Arab world will not change the power balance in the region to the extent that Israel will lose its dominant position. The other Middle Eastern states have to take Israel’s military power into consideration, either by adapting to it, albeit with reservations, or by continued conflict.

Iran will make efforts to exploit the anti-Israeli and anti-Western sentiment which has grown even further in the wake of several of the Arab uprisings. Although we may see a certain degree of rapprochement between Iran and some of the Arab countries such as Egypt, their diverging interests as well as their religious and ideological differences will curb Iran’s regional influence.

Of all the uprisings in the Arab world, the Syrian uprising has the strongest implications for the regional balance of power. After the situation in Bahrain has been brought under control with Saudi assistance, the Syrian uprising is the most crucial element to Saudi Arabia in its rivalry with Iran.

Traditionally, relations have been sound between President Bashar al-Assad’s regime in Syria and Iran. The alliance is founded on pragmatic cooperation based on coinciding security political interests. Moreover, the Shiite Iran and the religiously associated Alawite regime in Syria contrast with the majority of Sunni Muslim leaderships in the region.

Syria plays a key role as a link between Iran and Lebanese Hezbollah. Consequently, a potential regime change in Syria will limit Iran’s possibilities of exerting influence in the region. The outcome of the Syrian conflict will likely weaken Iran’s position vis-à-vis Israel and Saudi Arabia as well as other pro-Western Arab countries in
the region. Even though the uprisings in other Arab countries also hold possibilities for Iran, they will not be able to offset a potential loss of influence in Syria.

So far, Syria has shared Iran’s, Hezbollah’s, Hamas’ and other minor Palestinian groups’ anti-Israeli and anti-Western sentiment. Still, Israel is apprehensive as the Syrian regime moves towards its fall. Under the current regime, Israel’s border with Syria is stable even though Syria, unlike Jordan and Egypt, has not signed a peace agreement with Israel.

Moreover, Syria has been a predictable opponent. A new, weak Syrian regime might be less interested in or might be incapable of upholding security along the Syrian-Israeli border. Moreover, greater instability in Syria or a new regime could destabilise the situation in Lebanon and Jordan, which could potentially spill over and create unrest along the Israeli borders. Finally, a regime change in Syria could also generate better conditions for terrorist activity.

The numerous security risks associated with the situation in Syria generate Israeli concern over the consequences of the fall of the Assad regime, even though it would lead to a weakening of Iran’s regional position.

However, Israel still considers Iran’s nuclear programme to be the key threat in the region, and Iran and its nuclear programme remains the key security policy issue in the region. A nuclear-armed Iran would not only strengthen Iran’s regional power, but also that of its allies.

Even though Egypt will remain a key actor in the region, including in particular in its neighbouring countries and in relation to the Palestinians, Egypt will focus on its economy and on stabilising the domestic situation. In the short term, Egypt does not have the clout required to challenge Saudi Arabia’s leading position in the Arab world. However, Egypt has begun making its mark on the foreign policy scene and it will likely assume a more prominent position in the Arab world in the medium to long term.

Iran and Saudi Arabia will continue their power struggle and make efforts to limit the rival’s influence in the region.

The growth of Islamist movements

Even though religion has not been the primary driving force in the popular uprisings, the Islamist movements in the region have generally seen a strengthening. These movements have previously been part of the opposition in their respective countries and have for the most part not had any de facto political influence. Many of these movements now have the chance to influence developments in their respective countries and in this connection they have to adjust to the role as power brokers.

As the majority of the populations in many Arab countries would like a more critical line towards Israel and the United States, the Islamist movements will come under pressure to reflect the popular sentiment in their foreign policy line. Illustrative examples of this are the events set off by the US film on the Prophet Muhammad and the ensuing protests across the Arab and Muslim world in September 2012. Consequently, the new rulers in several countries have been put in a difficult dilemma forcing them to strike a
difficult balancing act between preserving cooperation with the United States while at the same time considering public sentiment.

The Muslim Brotherhood is a broad, Islamist, popular movement with followers in many Middle Eastern countries. The movement has a comprehensive network and considerable financial resources, enabling the movement to cooperate across borders. The strengthening of the movement in Egypt will likely rub off positively on affiliated movements, for example the Islamic Action Front in Jordan and Hamas in the Palestinian territories. Moreover, it will strengthen the Islamist movements in Syria following the fall of the regime.

This contributes to heightening Israeli fear of a Muslim Brotherhood extending its influence from Egypt to other Arab states. Pro-Western Arab states such as Jordan, Saudi Arabia, Morocco and Algeria also fear this development as it may strengthen the Islamist opposition in their countries.

However, the supporters of the Muslim Brotherhood in the individual countries do not form a united entity; one of the reasons being that they are subject to very different local conditions. Moreover, there are significant differences between the Muslim Brotherhood and other Islamist movements; their views diverging on issues such as certain foreign and security policy matters, women’s rights, the role of religion in society and the degree of cross-border cooperation with other Islamist movements.

Turkey’s increased involvement in the Middle East

Over the past few years, Turkey has pursued an active foreign policy in the Middle East which includes increased political, military, security and economic cooperation with a number of countries in the region. Moreover, Turkey has played an active role as intermediary in the Israeli-Arab conflict and taken initiatives to improve relations with Armenia and the Kurds.

Turkey’s mounting involvement in the Middle East has increasingly established the country’s position as a regional power factor to which more and more countries are aligning. Moreover, Turkey is now pursuing its interests in the region more directly, even though this strategy jeopardises relations with certain countries.

Turkey has not unambiguously taken sides in the Middle East conflicts. Turkey has criticised Israel’s approach towards the Palestinians, significantly aggravating relations between the two countries. Moreover, Turkey has been very critical of the Syrian rulers’ handling of the uprising and has supported the Syrian opposition.

Turkey will continue to pursue an activist foreign policy in the Middle East aimed at increasing the country’s regional influence, emphasising its key strategic position and role as key actor in the Middle East vis-à-vis the United States, the EU and the UN. At the same time, Turkey will make efforts to navigate around existing conflicts in the region, for example the tensions between Shia and Sunni Muslims or between pro- and anti-Western wings. Moreover, Turkey will attempt to preserve an independent foreign policy line in relation to the United States.
Syria

The Syrian regime will likely fall in the short term, and the situation will remain uncertain and conflict-ridden irrespective of the outcome of the conflict. The threat against Western targets will increase as the militant Islamists gain better traction in Syria.

Fighting in Syria has reached a level rendering a political solution to the conflict unlikely. Even the most compromise-seeking part of the opposition cannot justify engaging in a dialogue with the regime to the population. The parties have sharpened their positions, and both parties are now focusing on a military solution to the conflict.

The armed opposition continuously improves its capacity and capability to coordinate attacks against the regime. The militarisation of the conflict and the strongly increased influx of weapons and ammunition to the different armed groups have pushed the armed opposition to centre stage, making it a key actor towards which the political opposition and the international community are increasingly orienting themselves. Parts of the armed opposition will likely progressively position themselves politically in order to try to maximise their influence in connection with a future political transition process.

The opposition remains divided. The Syrian National Council will make efforts to strengthen its role as the international community’s primary interlocutor by stepping up cooperation with the internal opposition groups in Syria. However, the different ethnic, religious, personal and political interests hamper the process of unifying the armed and political opposition.

The Syrian armed forces and security forces are experiencing growing attrition and desertions are increasingly a problem. Even though the forces are capable of recapturing areas from the opposition, their capability of maintaining control of these areas is weakened. The cohesion of the armed forces is under severe pressure; nevertheless, the regime will likely be capable of supporting the operations necessary to prevent a complete collapse, at least until the end of 2012. The Syrian regime still shows cohesion, although its power base is increasingly eroding, heightening the possibility that the regime will fall in the short term.

Militarily, the regime is focusing its efforts on Damascus and Aleppo while at the same time trying to prevent the opposition from controlling the area bordering Turkey through intense bombardments. This increases the risk that the conflict may periodically spill over into Turkey as was the case in early October 2012.

The Syrian economy is rapidly deteriorating as a result of the conflict. In particular, the EU’s sanctions against the oil sector negatively affect the Syrian economy. Even though the deteriorating economy complicates matters for the regime, it will not result in the fall of the regime in the short term.

Irrespective of when the regime falls, the situation will remain precarious and characterised by fighting, even after the
fall of the regime. Although the senior leadership may fall, ethnic and religious tensions will contribute to continued violence. This is emphasised by the inability of the divided opposition to present a viable alternative to the current regime. The growing interference from groups affiliated with al-Qaida will also increase the risk of prolonged violence following the overthrow of the regime.

Despite intra-group disagreement, the Muslim Brotherhood is one of the strongest and best organised movements, and it will play a key role in a new Syrian state that will be dominated by Sunni Muslims. This community makes up the majority of the armed opposition and two thirds of the population.

In a foreign policy context, reclaiming the Golan Heights will remain Syria's overall objective, irrespective of who will succeed President Assad. A new Sunni Muslim regime will likely rekindle relations with Hamas. Consequently, relations with Israel will continue to hold conflict potential.

The increased instability in Syria has provided militant Islamists with greater room for manoeuvre. Al-Qaida is showing a growing interest in the Syrian conflict. The al-Nusra Front, a militant Islamist group affiliated with al-Qaida in Iraq, has stepped up its attacks, including several suicide attacks. Even though the al-Nusra Front and al-Qaida are focusing their efforts on fighting the Syrian regime, the threat against Western targets will increase as militant Islamists gain better traction in Syria. The al-Nusra Front has the capability to attack Western targets in the country, but so far the group has focused its efforts on attacking the regime.

Assad will not likely use chemical weapons against his own people, among other things for fear that this would result in international intervention. However, security surrounding the chemical weapons storage facilities will likely deteriorate as the armed conflict intensifies and the regime loses its grip on the security situation and ultimately falls. This may potentially enable the armed opposition and militant Islamist groups to gain access to chemical weapons. The use of chemical weapons requires specialist knowhow and equipment.

Lebanon
The situation in Syria impacts directly on Lebanon as a result of Syria’s influence and the domestic division characterising Lebanon. The uprising in Syria already destabilises the security situation in Lebanon.

None of the leading political groups in Lebanon are interested in the situation escalating into civil war. However, the fall of the Assad regime and a new Sunni Muslim-dominated Syria will generate tensions in Lebanon. Political opponents of Hezbollah, a close Assad ally, will seek to limit Hezbollah’s power and influence following a change of power in Syria. However, a regime change in Syria will not weaken Hezbollah’s power and influence in Lebanon in the short to medium term as the organisation’s dependence on Syria is limited.

Disarmament of Hezbollah is unlikely, even in the long term, and Hezbollah will continue to use its influence to oppose any budding signs of peace between Lebanon and Israel.

Relations between Israel and Hezbollah remain conflict-ridden, but southern
Lebanon has been relatively peaceful since the 2006 war. Neither Israel nor Hezbollah is interested in armed conflict, yet the ceasefire between them is a reflection of a fragile power balance built on mutual threats that retaliation will be strong.

In the event of an attack on Iran’s nuclear facilities, Iran would likely be able to convince Hezbollah to retaliate militarily. However, Hezbollah’s response would be carefully adjusted to the nature and extent of the attack on Iran as well as to the extent of an expected Israeli response to an attack by Hezbollah.

Iran

Iran’s nuclear programme and its support for the Syrian regime are increasingly adding to the already strained relations between Iran and the Arab countries in the Persian Gulf. The Iranian regime is stable despite internal power struggles and sanctions which have weakened the Iranian economy. In the upcoming 2013 presidential election, it is highly likely that the new president will be found in Supreme spiritual leader Ali Khamenei’s inner circle. Iran’s significance as an al-Qaida hub will diminish in 2013.

Iran’s influence in the region, Saudi Arabia has unsuccessfully made efforts to transform the Gulf Cooperation Council into an actual union. Both Saudi Arabia and Bahrain, which both have large Shiite communities, will endeavour to improve security policy and defence policy cooperation.

Saudi Arabia will continue to clamp down on the unrest in Bahrain if it threatens to spread to the Shiite areas in Saudi Arabia, jeopardising the internal stability in the country. Iran will provide political and moral support for the Shiites in Bahrain in particular; however, it will not likely engage directly in the conflict in Bahrain.

Militant Sunni Muslim groups in Lebanon have been weakened over the past five years. As a result of the relatively enfeebled government, the country remains appealing to terrorist groups with the intent and capability to launch relatively complex terrorist attacks. So far, the primary targets for these groups have been Israel and UN peace-keeping forces. As the conflict in Syria has intensified, a number of militant Sunni Muslim groups in Lebanon have engaged in the conflict, siding with like-minded groups in Syria such as the al-Nusra Front.
grown following the US withdrawal. However, Iraq will likely develop a more independent regional profile in the medium term and assume a more prominent role in the region. At that time, Iraq will seek to take up a neutral position, balancing between Iran on the one side and Saudi Arabia on the other.

Power structures in the Iranian leadership
The Iranian regime is stable. Despite power struggles within the Iranian leadership and significant dissatisfaction in the Iranian population and among the country’s minorities, the regime will not likely fall in the short to medium term.

Under the Iranian constitution, Ahmadinejad is not eligible to run for president in the next election slated for the summer of 2013 as he has already served two consecutive terms. Through the pre-screening of candidates, Khamenei and the religious conservative powers will make sure that the next president will be more loyal to the supreme spiritual leader. Consequently, it is likely that the next president will have to be found among Khamenei’s devoted supporters and that the more populist conservative powers around Ahmadinejad will be weakened.

The political opposition in Iran is very weak and has no clear or uniting platform. The Iranian authorities are extremely heavy-handed when dealing with regime critics and Iran’s Green Movement will not likely be allowed to run in the upcoming presidential election. The hard line reflects strong fear of widespread social unrest.

The economic situation and the international sanctions
The sanctions, not least those imposed against the Iranian Central Bank and the oil sector, have to a certain extent weakened the Iranian economy. Iran is demonstrating great ingenuity at circumventing the sanctions, and already in August 2012, oil exports were back at the level prior to the EU sanctions which came into force in July 2012. Even though export revenues are weighed down by costs in connection with the manoeuvres to circumvent sanctions, they still provide the government with relatively large economic latitude. So far, the sanctions have only resulted in limited social unrest.

Relations between Iran and al-Qaida
Al-Qaida has long had relatively unrestricted movement in Iran as the group only uses Iran as a transit country and does not launch terrorist acts inside the country. Iran’s significance as an al-Qaida hub will diminish in 2013 as extremists are increasingly travelling to Syria and Yemen, rather than to Afghanistan and Pakistan.

Egypt
In North Africa, Egypt is facing a period of increased political stability and less civil unrest, yet setbacks cannot be ruled out. In the short to medium term, Egypt will maintain its relations with the United States and uphold its peace agreement with Israel. Egypt will be incapable of defeating the militant groups in Sinai in the short to medium term.
In Egypt, the power balance between the military and the Muslim Brotherhood has changed in favour of the Muslim Brotherhood. The transition to civilian rule became a reality in mid-August 2012, when President Muhammed Morsi of the Muslim Brotherhood sent the military leadership into retirement.

President Muhammed Morsi’s new government is dominated by technocrats and only includes a small number of members of the Muslim Brotherhood’s Freedom and Justice Party. However, they hold the ministries of communication, media, education and youth, providing Morsi with effective tools to limit criticism of his policies and to increasingly inject Islamic values into the Egyptian society.

In the Mubarak era certain limitations to the freedom of expression were imposed and Morsi will likely maintain these. During Morsi’s term in office, there have already been a number of legal cases against anti-Islamist journalists, and the Shura Council which is dominated by the Freedom and Justice Party has replaced a number of anti-Islamist editors-in-chief working in state-owned news media. It is likely that Islamist forces in the population and government structure will gain a greater room for manoeuvre under Morsi and that this will contribute to a certain degree of Islamification of Egypt. However, Morsi will not allow any such Islamification to reach a point where it will seriously affect the country’s tourist industry.

In the short to medium term, Egypt will not jeopardise relations with the United States and Israel as Egypt depends on economic assistance by the United States and is not interested in causing a major conflict with Israel. However, Egypt will likely make efforts to implement minor adjustments to the peace treaty with Israel, including to the treaty’s limitations to Egyptian military presence in the Sinai Peninsula. Egypt will not prioritise rapprochement with Iran over its relations with Saudi Arabia and the other Gulf countries, among other things because Egypt is interested in economic support from these countries.

Since President Morsi’s assumption of power, Egypt has seen increased political stability and reduced civilian unrest. However, the security structures in Egypt are weakened, and the security situation in the Sinai Peninsula has grown significantly precarious. Local Bedouins are responsible for increased smuggling activities and sabotage against government facilities as well as several kidnappings of foreign tourists.

The Sinai Peninsula has become a hub for militant Islamist groups with Egyptian as well as foreign members, including European and Palestinian extremists. Training efforts are taking place, attacks on Israel are prepared and networks facilitate terrorists to other areas such as Syria and Yemen. In 2012, several Egyptian citizens were killed in terrorist attacks launched by militant groups in Sinai. Though President Morsi has taken steps towards limiting the militant groups’ room for manoeuvre and activities in Sinai, Egypt will not likely be capable of defeating the militant groups in Sinai in the short or medium term.
Libya

Despite difficulties, Libya will continue its political transition process, and the newly elected rulers will continue the reform process. Local ethnic tensions and political and military positioning contribute to making the situation unstable in the short to medium term. However, Libya will not likely be divided into two separate states.

The political situation in Libya will be influenced by the negotiations on the new constitution as well as the parliamentary and presidential elections slated for 2013. The issues of division of power between the eastern and western part of the country, the future influence of the minority groups as well as reconciliation with groups which supported the late leader Muammar Gadafi during the conflict will be key issues in the constitution process. However, the development towards a more democratic regime will continue.

The newly elected rulers will continue the reform process, but the limited efficiency of state institutions will hamper the political transition process in the short to medium term and setbacks may occur. The population is affected by high unemployment rates and lack of public services which are some of the economic costs of the conflict. Compared to the other North African countries, Libya’s oil sector holds very large economic potential. However, social and economic problems could cause conflicts in the short to medium term.

In contrast to neighbouring Tunisia and Egypt, Libyan parties with a strong Islamist profile did not win the July 2012 election for the national assembly. One of the great winners, the moderate Islamic coalition National Forces Alliance, appeals broadly across secular and religious divides. However, Islamist groups and ideas will likely continue to play a significant social and political role in the new Libya, not least in the constitution process.

State institutions will not manage to establish full civilian control of the country’s territories and borders during the coming year. Several powerful militias refuse to subject to disarmament. Even though the security situation in Libya has gradually improved since the end of the conflict, there are groups opposing a democratic development in Libya, including former regime elements and religious militant groups. Al-Qaida in the Islamic Maghreb (AQIM) uses the instability and smuggling networks, especially in the border area between Libya, Niger and Mali, to increase its capabilities internally in the country as well as in the region as a whole. In Libya, Islamists are relatively free to move about, assemble and obtain the supplies needed for their activities. AQIM is increasing its capabilities in Libya in the form of training camps and improved support networks.

As a result of local ethnic tensions, control of smuggling routes, political and military positioning as well as the vast number of weapons circulating in the area, the situation in Libya will be unpredictable and unstable in the short term. However, Libya will not likely be divided into two separate states.
Yemen

Politically, Yemen will remain troubled by division and instability in the short term, and al-Qaida in the Arabian Peninsula will continue to challenge the Yemeni government by violent means in an attempt at regaining control of the lost territories in the southern provinces.

Despite considerable progress, the new President Mansour al-Hadi will not be able to solve the internal conflicts dividing the country along tribal, political and military affiliations in the short term.

The Yemeni government’s already limited control over its own territory has diminished even further throughout the current conflict. Al-Qaida in the Arabian Peninsula (AQAP), the Shiite al-Houthi movement in northern Yemen and al-Hirak in the former South Yemen have used the absence of government troops to increase their influence and control. However, al-Hadi is not capable of gaining full territorial control of Yemen in the short term.

The uprising has seriously affected the economy in Yemen which is also on the brink of a humanitarian disaster. In the short term, Yemen will increasingly depend on external aid. Saudi Arabia has announced that it will provide strong economic support for Yemen, and the growing success of al-Houthi and AQAP has resulted in increased focus on and involvement in Yemen from both the United States and Saudi Arabia. Economic support will not be sufficient to save the Yemeni economy, however, if it is not supplemented with sweeping reforms.

Al-Qaida in the Arabian Peninsula
Since the summer of 2012, AQAP has lost a number of territories conquered in 2011. The recent setbacks suffered by AQAP are in particular a result of increasing US support for the Yemeni security forces and an increased number of drone attacks. Despite its setback, AQAP will continue to make efforts to regain control of the lost territories in the southern provinces.

In 2011, AQAP effectively exploited the political unrest in Yemen and demonstrated its ability to take and retain control of large territories, mobilise local supporters and launch attacks on government forces and infrastructure. Even though AQAP has been forced to surrender control of some of its key territories since the summer of 2012, the success of the group has attracted militant Islamists from both the Arab countries and the West. AQAP will also remain capable of planning terrorist attack against the West and Western interests.

Other possible conflict areas in the Middle East and North Africa
The Middle East and North Africa are still in a period of turmoil, and the situation in several Arab countries is characterised by great uncertainty and instability. Jordan and Morocco are vulnerable and will primarily focus on limiting the destabilising effect of the uprisings on their internal situation. It is possible, though not likely, that in the short term an uprising will break out in Algeria as seen in other Arab countries.
High unemployment rates, increasing economic inequality and a population of which a third lives under the poverty line will continue to constitute Jordan’s key challenges even in the long term. The criticism of the results achieved by alternate governments as regards political and economic reforms could be directed against the royal family itself in the short to medium term, even though the royal family is otherwise widely respected and popular. The kingdom will come under increasing pressure as a result of the uprising in the Middle East, especially because the Muslim Brotherhood is gaining increasing influence in a large number of countries in the region.

In Morocco, King Mohammed VI has avoided a popular uprising by speeding up a gradual political and economic reform process. A new constitution has been adopted, and the overwhelming victory to the Islamist party Parti de la Justice et du Developpement (PJD) in November 2011 and the formation of a coalition government have given the Moroccan people hope that real political changes will take place. However, the new constitution still gives the king overall control and the royal family’s political dominance will likely continue in the short to medium term. Political stability in Morocco presupposes that the government is capable of ensuring substantial development of democracy and transparency in the administration. Social and economic problems will likely continue to spark protests in the short to medium term.

Algeria
The popular protests in Algeria have not escalated into a full-blown uprising. It is possible, though not likely, that an uprising will break out in Algeria in the short term as has been the case in other Arab countries. Still, the country is facing the same problems as other North African countries where there have been uprisings: high unemployment, great inequality, rampant corruption and distrust of the rulers. Consequently, the government has used part of its revenue generated by the significant oil exports to buy social peace with support schemes when the situation has become too tense. The May 2012 parliamentary elections consolidated the incumbent government’s power and the Islamists suffered defeat.

President Abdelaziz Bouteflika has promised reforms and amendments to the constitution, but the reform process will be slow and politically controlled aimed at maintaining status quo. The government’s concessions will be sufficient to prevent social and political unrest in the short to medium term if they are followed by de facto political and economic improvements.

In addition to popular demand, attacks on the security forces and kidnappings of foreigners launched by AQIM also contribute to maintain pressure on the Algerian regime.
The economic, political and social developments in Sub-Saharan Africa generally reduce the risk of major armed conflicts. Internal conflicts, especially in Sub-Saharan Africa and in the Horn of Africa, emphasise, however, the need for continued presence of peace-making and peace-keeping forces. Significant conflict potential exists between Sudan and South Sudan. Even in the medium term, there will be countries in Africa providing safe havens to militant Islamists.

Sub-Saharan Africa is experiencing rapid economic, political and social development, generally reducing the risk of major armed conflicts. At the same time this leaves individual countries and population groups in situations which provide breeding grounds for future conflicts and recruitment for extremist groups.

However, the economic growth seen in Sub-Saharan Africa in recent years needs to be compared with the strong population growth. It shows that the African economies would have to grow significantly in the future in order to absorb the influx of labour, ensure improvement in living standards and dampen potential instability.

Sub-Saharan Africa as one will continue to experience economic growth in the short term. However, many of the countries in the region are dependent on very few product groups and few export markets. Consequently, some countries risk facing sudden economic setbacks.

Over the past few years, several African countries, especially in the Horn of Africa and Sub-Saharan Africa, have been affected by serious food shortages as a result of drought, conflicts and price increases on basic foods. In the short to medium term, agricultural production in many African countries will remain weak, leaving the countries dependent on food imports. Food insecurity often sparks spontaneous civil unrest. Food insecurity could lead to famine in the longer term, potentially spawning vast numbers of refugees which could destabilise the weak states in the areas.

The current conflicts in Sub-Saharan Africa are internal. However, several of them have
an international aspect where different countries support different parties to the conflicts. In the short term, this conflict pattern will not change.

In the short term Somalia, Sudan, South Sudan, Mali and Nigeria will remain troubled by internal conflicts. In these weak states, chances are slim that the central governments will gain full control of their territories in the coming years. As the conflicts involve population groups regularly crossing the borders of the area, the conflicts could spread to other areas.

As a result of the conflicts, Africa will remain reliant on peace-making or peace-keeping troops. In this context, the UN, the African Union as well as the regional organisation in West Africa, ECOWAS, play key roles. All of these organisations find it difficult to fulfil their mandates and handle the crises on the continent efficiently. However, experience from the African Union’s mission in Somalia in particular shows that with a strong mandate the Union has improved its capability to plan and carry out peace-making operations for longer periods of time. Nevertheless, it would not be possible to fulfil the mission without bilateral support and support from the UN. In the short to medium term, the African countries’ military forces and the continent’s ability to handle crises will have to be improved. As long as the continent is incapable of handling its own conflicts, it will remain reliant on international military assistance.

The internal conflicts and the weak African states offer militant Islamists relatively unrestricted movement in the area and opportunity to mobilise forces, obtain supplies and conduct training. Training is a widespread activity in the Somali and Mali safe havens while a number of other countries in the continent, for example Kenya and Nigeria provide strong points. Militant Islamists enjoy relatively unrestricted freedom of movement on most of the continent. The terrorist threat to Europe from Africa will depend on the individual countries’ readiness to implement efficient countermeasures against militant Islamists. In the medium term, there will be countries in Africa providing safe havens for terrorists.

Somalia

A new Somali government will not likely show increased power to act, and Somalia will remain fraught with instability in the short term. Even though al-Shabaab is the strongest insurgent and terrorist group in Somalia, the movement has been weakened over the past year and is under considerable military pressure. Still, the terrorist threat from al-Shabaab against local and Western targets in Somalia and eastern Africa has increased, in particular in Kenya.

The new Somali government’s influence on security in the country is limited. An international naval force is engaged in anti-piracy operations and the African Union’s peace-keeping troops in Somalia are making efforts to dislodge the Islamist terrorist movement al-Shabaab, which has lost control of key areas in southern...
Somalia. The section of piracy deals with developments in Somali piracy.

Somalia’s new government institutions and the process of establishing them will be characterised by corrupt, tactical moves and a number of compromises, protecting the participants’ own interests. The new political actors and government institutions are still facing a number of significant challenges, and the current development in Somalia provides no hope for a more active government than the previous one whose political control did not extend beyond Mogadishu.

This creates uncertainty as to who shall administer and retain control of the territories held by the African Union’s peace-keeping troops since October 2011. The government will not be able to develop the capabilities required to resume the security responsibility in the short term.

Al-Shabaab
In October 2011, Kenya initiated a military offensive against al-Shabaab in the southern part of Somalia and has subsequently integrated its forces in the African Union’s peace-keeping forces in Somalia. At the same time, Ethiopia provides support for government-loyal forces, including the Sunni Muslim grouping Ahlu Sunna Wal Jamaa in south-west along its borders with Somalia.

Within the past year, al-Shabaab has been weakened and is under strong military pressure, forcing it to surrender control of large areas and important cities.

In addition to external pressure, al-Shabaab is weakened by internal conflicts such as numerous inter-tribal power struggles as well as ideological differences. The infighting is about issues such as to what extent al-Shabaab should focus on the national conflicts or participate in al-Qaida’s international struggle. Al-Shabaab is also riven by conflicts between the leadership and the movement’s foreign extremists who are met with distrust from al-Shabaab’s leadership, and who increasingly have ambitions to launch terrorist attacks outside Somalia. Though, not new, these conflicts have been aggravated as the military pressure has increased.

Despite the military pressure on al-Shabaab, the movement remains the strongest network of militant Islamists in eastern Africa. Al-Shabaab has boosted its presence in, as well as its cooperation with, militant Islamists in northern Somalia, including the mountainous border area between the Puntland and Somaliland regions. Moreover, al-Shabaab has strengthened cooperation with militant Islamists in Yemen and Kenya, and the terrorist threat from al-Shabaab against local and Western targets in Somalia and eastern Africa has increased, in particular in Kenya. Al-Shabaab’s loss of territory in southern Somalia is likely to have little effect on the movement’s capability to launch terrorist attacks.

As a result of the strong military pressure and the increased tension between al-Shabaab’s leadership and foreign extremists, there is a growing risk that individuals with experience from Somalia will move to other areas of operation or return to the West to launch terrorist attacks.
Sudan and South Sudan

Since South Sudan seceded from Sudan in July 2011, tension has risen between the two countries. Despite some progress in negotiations, conflict could still potentially erupt between the two countries. Moreover, both countries are facing great internal economic and security problems.

So far, the secession of South Sudan has not calmed relations between the two old enemies. Instead, as a result of a number of issues left unresolved in the 2005 peace agreement, open conflict has flared up between the parties during 2012. Firstly, South Sudan decided to shut down its oil production, resulting in armed conflict in the border area. The crucial points of contention include the issue of how much South Sudan should pay Sudan in compensation for the loss of oil resources and the issue of border demarcation. Moreover, both countries accuse each other of supporting rival insurgents in an attempt to destabilise the opposing government.

In late September 2012, the two countries made a number of agreements aimed at paving the way for the establishment of a demilitarised border zone and resumption of the oil production and cross border trade. However, the agreements do not solve key issues such as the national status of the Abyei area and other disputed border areas.

Even though the agreements will ease tensions between the two countries, they by no means guarantee lasting peace and stability. Disagreement about border demarcation and the issue of support for insurgent groups fighting the government in the opposing country will continue to destabilise the security situation in the border area and give rise to conflict between the two countries in the short term. However, the conflict will not likely escalate into full-scale war. However, continued conflict between the two countries as well as internally in the two countries will aggravate the current humanitarian crisis and weaken security and the economic development in the neighbouring countries.

Sudan

Internally, the two countries are also facing great economic and security problems. In Sudan, the deep economic crisis has sparked public protests in several of the countries larger cities, revealing growing public dissatisfaction with President Omar al-Bashir’s government. At the same time, the armed uprising continues, both in Darfur and in the southern border provinces of South Kordofan and Blue Nile. The government will likely seek military solutions to the conflicts rather than political ones. In the short term, neither the protesters nor insurgent groups will threaten the survival of the government.

South Sudan

South Sudan is also in deep economic crisis following the government’s decisions to shut down its oil production in January 2012, cutting off 98 percent of its income. The economic crisis will prevent the government from meeting the population’s expectations of higher living standards. Moreover, the crisis makes it more difficult for the country to handle the significant
security challenges. Attacks launched by insurgent groups and the increasingly violent local tribal conflicts will continue to destabilise the country.

Mali

During 2012, Mali has transformed into a country de facto split in two. Insurgent groups have exploited the political crisis in the capital and now control the entire northern part of the country. Here, militant Islamists are expanding their safe havens and their capability to launch complex terrorist attacks and kidnappings in Mali and its neighbouring countries.

During a military coup in March 2012, a group of junior officers ousted the Malian president, steering the country into instability – both in a political and security context. The coup aggravated the military and security situation in northern Mali and enabled a group of Tuareg rebels led by the National Movement for the Liberation of Azawad (MNLA) to take control of Mali’s three northern provincial capitals and introduce de facto division of the country.

The MNLA’s dominance in northern Mali was short-lived, though. During April 2012, an alliance of Islamist groups took control of the three northern provincial capitals. The Islamist alliance was made up of the Tuareg group Ansar al-Din, Al-Qaeda in the Islamic Maghreb (AQIM) and the Movement for Unity and Jihad in West Africa (MUJAO) – a splinter group of AQIM. As a result, Islamists are now consolidating their safe havens in the area. Among other things, training camps have been built in the barracks previously belonging to the Malian military. By keeping a low public profile in the area and primarily letting Ansar al-Din run the practical leadership, AQIM will first and foremost make efforts to develop its safe havens and use it to strengthen its capabilities, among other things by improving connections to Islamists in Libya and Egypt.

In the capital of Bamako in southern Mali, a transition government is struggling to normalise the political situation. Its most daunting task is to re-establish control of the northern part of the country. The military coup has left a weakened and fragmented army whose loyalty to the political rulers is fragile. Consequently, a military solution implemented by the government alone or with regional military support will not be sufficient to regain effective control of the areas now under rebel control. Moreover, the weak transition government in southern Mali will not be able to find an effective political solution to the conflict with northern Mali.

The crisis in northern Mali not only threatens the unity of Mali, it also threatens the precarious political stability in the neighbouring countries. Approximately a quarter of a million refugees have been forced to flee to neighbouring countries such as Mauritania and Niger, intensifying the effects of the already widespread food shortage. A continuous influx of refugees will generate social and political instability in the neighbouring countries.

With the safe haven in northern Mali, AQIM will enhance and generate closer ties to Islamist groups in North and West Africa. For several years, AQIM has supported the Nigerian terrorist group Boko Haram which has received training in Mali. Consequently, Boko Haram’s operational capabilities
have improved significantly over the past few years, and the group has largely copied AQIM’s modus operandi, including coordinated attacks and kidnappings of foreign citizens. Members of Boko Haram are likely present in Mali and are supporting AQIM. Boko Haram will likely continue to kidnap foreign citizens, including Western, in particular in northern Nigeria.

AQIM’s capability to launch complex terrorist attacks and kidnappings in Mali and its neighbouring countries will increase with the new safe haven. Consequently, the threat against local as well as Western targets in West and North Africa will increase.
One of the most important global trends is the competition for the world’s raw materials. This competition will intensify and stable energy supplies and prices will increasingly be given a higher priority. The United States, the EU, China and India’s dependence on imported oil and gas will grow.

The competition for resources, particularly oil, gas and minerals, will intensify in the next 10-20 years. The United States, the EU, China and India will all be unable to meet their domestic energy demands by domestic production, and consequently these countries will become more dependent on oil and gas. Stable energy supplies and prices will be given a higher priority and energy security will become more integrated into the countries’ foreign and security policies.

China is the fastest-growing energy consumer and even in the short term China will become the number one global energy consumer. North America, Europe and Asia will remain dependent on energy supplies from unstable regions and countries.

Consequently, oil will increasingly be transported by risky routes, such as the Strait or Hormuz in the Persian Gulf, the Gulf of Aden or the Strait of Malacca in South East Asia. Thus, the global oil supply will become more vulnerable, and energy security will remain a key issue. Importing countries will increasingly seek to spread out their import of energy onto several suppliers and types of energy in order to raise their level of energy security.

The level of investment in the energy industry has long been low and consequently the future growing demand for energy will be followed by a surge in prices as production will be unable to meet demand. Hence, energy spending will rise significantly in the importing countries, particularly in the OECD countries, and income from energy sectors will grow proportionately in the exporting countries.

However, surging oil prices and increased focus on emission of greenhouse gases will highly likely turn investors towards new oil sources, for instance oil sands, gas, including shale gas, alternative kinds of energy and increased energy conservation.

The continued surge in energy prices also results in growing food production costs as the development in energy prices cranks up prices on, for example, fertilisers and transport. The price on foods will also become more volatile as a result of periods of extreme weather.

Changes in the global power balance

The United States’ global dominance will be reduced in the long term. In the very long term, this trend will lead to a global strategic environment that involves a number of great powers with the United States remaining the strongest. China will become the biggest strategic competitor to the United States, first and foremost in East Asia.
Over the coming 10-20 years, the economic and military development will gradually change the balance between the world’s great powers. The most significant shift in the global economy will be towards China and Asia and away from the United States and Europe. The global economic crisis will accelerate China’s and India’s rise within the world’s largest economies.

However, towards 2020, the United States will remain the world’s largest economy and the only military power with a fully global strategic reach. Still, United States’ power will decrease and its status as the only superpower will weaken in relative terms. Moreover, around 2030 the United States will be surpassed by China as the world’s largest economy.

The emerging great powers are all fast-expanding economies, but their economic foundations vary greatly. They prioritise to develop the strength of their economies as the most important condition for their role and position in global politics. Here, Russia stands out, though, as it has great difficulties in shedding its dependence on exporting raw materials instead of manufactured products.

Besides giving priority to their economic development all great powers consider large modern armed forces as a prerequisite for their great power status. The global economic crisis will only have a limited effect on the growth of military spending in the medium term. This particularly applies to countries outside Europe, and countries such as China, India and Russia will give very high priority to the continued modernisation of their armed forces.

In the very long term, there will be no superpowers in today’s definition of the word, rather a number of great powers of which the United States will be first among equals.

Following decades of very high growth rates, China is the most powerful of the emerging powers, and China and the United States move in the direction of greater strategic rivalry, particularly in East Asia. At the same time, the United States is balancing its policy in East Asia carefully in order to keep relations between the two nations as stable as possible. Russia is reclaiming great power status, but its economic development is hampered by insufficient reforms. The Indian economic growth is also high and in the long term India will strengthen its global influence due to its growing share of the global economy. However, in the short to medium term India will primarily have great power status in military terms.

Below the emerging global great powers, a number of countries will manifest themselves as regional powers over the next 10-20 years, first and foremost Brazil, Turkey, Indonesia and Iran.

Although the balance between the global powers will undergo changes, this will not be reflected in the functioning of international institutions, e.g. the United Nations. However, as a larger number of powers emerge on the global scene, they will be able to increasingly influence the international development and the decision-making process in international crises. This will enable the emerging powers to formulate their own political and economic agendas without accepting Western political norms.
A common strategic objective for China, India, Russia and several of the emerging regional powers is their refusal to accept the United States’ dominant global role. Even though countries such as Turkey, Indonesia and Brazil fundamentally maintain positive relations with the United States, the United States will find it increasingly difficult to influence these countries politically.

While China and Russia have gained sufficient strength to challenge the West politically, they are to varying degrees distancing themselves from Western political norms and standing firm on their own values, traditions and interests. This trend will increase and inspire regional powers and other countries with conflict-ridden relations with the West.

Consequently, Western democratic values and principles will increasingly be challenged by other political systems and governments whose policy includes decisive state involvement in the economy. Western culture and the Western model for democracy in all its shapes will, however, maintain considerable global popular appeal.

China
In the medium term, China will be unable to maintain its high economic growth rate. China is faced with a change of the political leadership but the current political and economic course will likely continue, and in 2020 China will likely be the dominating power in East Asia and one of the world’s leading great powers.

China’s senior leadership will be replaced in 2012 and 2013 but the new leadership will not likely change China’s political and economic course. As long as China is experiencing economic growth and is capable of securing work for the majority of its population, the leadership will prefer status quo.

However, in the medium to long term, China will be facing major domestic challenges. The economic growth generates major economic inequality, leaving large groups of the population in appalling social conditions. As a result extensive protests and unrest regularly erupt locally. China’s social and economic challenges and its continued efforts to maintain a very high economic growth rate will motivate the Chinese leadership to focus on domestic issues.

The Chinese leadership has intensified its attention on domestic security. The leadership and the security apparatus closely monitor the uprisings in other countries by concern that these uprisings could inspire the Chinese population to revolt. It is likely that the Chinese leadership would only consider a readjustment of its current course if this is severely challenged by a serious domestic crisis. However, a popular uprising would not likely successfully deprive the Communist Party of China of its power monopoly.

The high Chinese annual growth rates will continue to fall slightly, but even with more modest Chinese growth rates in 2020, China will be the dominating power in East Asia and one of the world’s leading great powers.
The Chinese policy of non-interference

The Chinese leadership has become increasingly assertive in its external relations but has downplayed the role of communist ideology in foreign policy. However, the Chinese leadership still vigorously distances China from the West and Western democratic and liberal ideas in order to avoid an erosion of the legitimacy of China’s political system and culture.

China’s policy of non-interference in the affairs of other nations forms the nucleus of its foreign policy thinking. First and foremost, this policy is intended to prevent other nations from interfering in Chinese domestic affairs. But the principle is also to serve as the Chinese argument against Western military intervention in other countries. China’s persistence on its non-interference policy and its opposition to Western-supported regime changes will prompt some totalitarian states to seek political protection with China.

Relations with the United States are the most important aspect of Chinese foreign policy. China has a large trade surplus with the United States and very large parts of its foreign currency reserves are tied up in US government bonds. As long as China rejects US demands for a genuine revaluation of the Chinese currency, trade dispute will continue to characterise relations between the two countries.

The growing divergence of interests between China and the United States will first and foremost lead to competition over strategic influence in East Asia. China considers the United States’ cooperation with its neighbouring states an attempt to encircle China and thus a strategic threat. China is thus stepping up its efforts to underline its strategic interests in its neighbouring region, including its demands in the South China Sea which holds major energy deposits.

A pivot of China’s foreign policy is keeping the Taiwan issue off the international agenda. However, the one-China policy is at the core of the foreign policy principles of both China and Taiwan. Both China and strong elements in Taiwan call for unification of China and Taiwan, but both China and Taiwan consider the counterpart’s political system illegitimate, and both China and Taiwan demand that unification be based on their own political system.

China fears that a collapse of the current North Korean regime will lead to unification of Korea under US influence. In an effort to maintain status quo in the Korean peninsula, China continues its support to North Korea, but the Chinese influence on the North Korean leadership is limited.

China will maintain stable but restrained relations with Russia, using Russia to counterbalance the United States. China lets Russia act as spokesman on international issues of not vital importance to China. Relations between China and Russia will remain at the same stable level as long as the two countries have a common understanding of not challenging each other, particularly in Central Asia.

In order to better secure its foreign trade and oil imports, China is building transport facilities, primarily port facilities, in Pakistan, Myanmar, Bangladesh and Sri Lanka to secure Chinese access to the
Indian Ocean. The port facilities will also give the Chinese navy access to bases, enabling it to project military power in the Indian Ocean.

India is deeply sceptical of China’s increasing influence, and India regards China’s construction of port facilities in its neighbouring states as a Chinese attempt at encircling India strategically, and discord persists between the two countries over their common border.

China has a strong demand for most kinds of the world’s natural resources, especially energy, and it has become a significant player in the raw material markets. The Chinese leadership also gives very high priority to technology transfer and development of Chinese know-how within high-tech fields. Much of Chinese foreign policy involvement is driven by China’s demand for raw materials. China’s economic strength and its demand for raw materials also gives China the possibility of buying influence in several economically weak countries in most continents, including in countries ruled by regimes at odds with the West.

In pace with the national economic growth, the Chinese leadership has initiated a major modernisation programme of the People’s Liberation Army (PLA), transforming them from a low-tech people’s army to a modern great power military force. The official Chinese defence budget has more than quadrupled in fixed prices over the past decade.

Relations with Taiwan and the ability to deter the United States from intervening militarily in China’s neighbouring region are China’s primary motivations for modernising the PLA. As a result, the navy and the air force in particular have been upgraded with new equipment. However, relations between China and Taiwan are not likely to escalate into full-scale war. China is giving higher priority to the South China Sea in its military planning as reflected in its deployment of the newest ships and aircraft to the units which will be operating in the South China Sea.

The PLA gives priority to cyber war capabilities and cyber attacks are highly likely part of Chinese military planning.

With the deployment of a naval force to combat piracy at the Horn of Africa in early 2009, the PLA began operating beyond its own region. Moreover, China is increasingly participating in UN peacekeeping missions, and the next phase for the PLA is to expand its capability to operate in the Indian Ocean. In the long to very long term, China will build a global military force enabling it to play the role of a global great power – also in a military context.

In the long to very long term, China’s economic development will increase the country’s interaction with the rest of the world significantly as well as increase China’s dependence on the outside world. This will lead to a stronger Chinese inclination to influence other countries using a variety of levers, primarily economic and political levers, but also military levers. In the long to very long term, the decline in US dominance will give room to Chinese efforts to engage directly in international issues, including military intervention in regions of Chinese strategic interest.
Russia

In the short to medium term, the Russia under President Putin will not face a political opposition strong enough to challenge its grip on power. Even though a pragmatic foreign policy continues, Russia will remain a challenging partner for the West. Developments in the Middle East and NATO’s missile defence system in Europe in particular could turn Russia’s foreign policy on a more confrontational course.

President Vladimir Putin now has an even firmer grip on Russia’s leadership than he did as prime minister, and Russia will continue its well-known political course as regards its domestic, defence and foreign policies.

However, Russia’s new leadership will be facing more complex challenges. The 2011 and 2012 protests have evidenced that the young urban population and the growing middle class in particular are politically dissatisfied with the country’s leadership. However, in the short to medium term, Russia under President Putin will not be facing a political opposition capable of challenging the leadership’s grip on power.

Over the past two to three years, Russia has experienced stable economic growth, yet the Russian economy remains impaired by significant imbalances requiring sweeping reforms. The biggest challenges facing the country include widespread corruption and bureaucracy, strong state interference in the economy, dependence on energy revenues and large deficits on the national budget when energy revenues are not included.

Even though the Russian leadership acknowledges the need for modernisation of the Russian economy, it also prioritises economic integration with the other CIS states and wants to boost public spending, using strategies such as raising salaries and pensions and increasing the arms budget. Consequently, the Russian economy is more volatile and dependent on energy exports than before the onset of the economic crisis.

Russia will continue to challenge the United States’ dominance on the international scene. Here, Russia will, to varying degrees, seek to cooperate with other great powers; not least China with which Russia will cooperate on opposing Western political and military interventions in other countries. Another and equally highly prioritised objective will be to maintain and develop Russia’s dominant influence in the other CIS states and prevent them from orienting their foreign and security policy towards NATO, the EU, the United States and China.

Even though Russia will pursue a predominantly pragmatic foreign policy, in particular differences between the West and Russia hold risks which could eventually lead to political confrontations between Russia and the West. Russia finds it has legitimate interests in all key international issues. Russia will oppose the West if it believes that the Western great powers do not sufficiently take Russian viewpoints into consideration. These differences mostly centre around the handling of developments in the Middle East and North Africa, including the situation in Syria.
In the Middle East and North Africa, Russia finds it vital to be able to play a role on a par with the United States and other Western actors in order to be able to protect its own interests and the handling of conflicts. In general, Russia is making efforts to base its policy in these regions on principles such as non-interference in internal affairs, the preservation of the UN as the key forum for conflict solution and limited use of sanctions.

Consequently, Russia’s Middle East and North Africa policies are primarily focused on maintaining status quo and protecting the Syrian and Iranian regimes – with which Russia has long-standing political ties. Russia is exerting moderate pressure on these regimes in an attempt to make them show moderation and is providing them with some kind of protection in the UN Security Council. At the same time, Russia provides limited military assistance to Syria and Iran in the form of arms deliveries.

Russia considers Syria a key strategic strongpoint in the Middle East. Their close bilateral relationship goes far back, and Russia has a naval base in the port of Tartus. Russia’s interest in the current situation in Syria is focused on avoiding an uncontrollable regime change and bringing the conflict to a stalemate, enabling Russia to cultivate its interests under a weakened Assad regime. However, the crisis in Syria will highly likely constitute a strategic setback to Russia’s position in the Middle East.

In Russia’s relations with NATO, the issue of a NATO missile defence system in Europe plays a key role. Russia demands guarantees that a potential missile defence system in Europe will not be directed at Russia. If Russia does not find the United States and NATO sufficiently accommodating towards its reservations about the missile defence system following the November 2012 US presidential election, Russia will likely put cooperation on the back-burner and intensify threats and countermoves.

Russia has already in part initiated military countermoves, including deployment of Iskander surface-to-surface missiles in western Russia and has warned of deployment of these missiles in the Kaliningrad region. Russia’s military response to the missile defence system is aimed at demonstrating Russia’s power to the Russian population as well as serving as political leverage against the NATO countries. However, most of Russia’s announced military countermoves towards NATO’s missile defence system cover up the fact that Russia has already – independently of NATO’s plans to deploy a missile defence system – planned to implement new weapons programmes as part of the modernisation of the country’s armed forces.

Russia will not seek a military confrontation with NATO, but Russo-NATO relations could still potentially derail into major political disputes.

Over the past few years, Russia has increased its defence budget considerably despite the economic crisis. The political leadership has announced more increases, taking Russian defence expenditure in percentage of GDP to slightly less than 3 per cent towards 2020 according to official statements. However, in reality defence expenditure is considerably higher.
The Russian leadership has initiated a comprehensive arms procurement plan for its armed forces in response to the increasing attrition of most Russian military equipment. The political leadership will give high priority to arms procurement, also at the expense of other economic objectives. However, the procurement plan will not likely be implemented in full in the run-up to 2020 as Russia’s worn-out military industry is incapable of delivering what the plan requires.

In 2008 Russia embraced a wide-ranging defence reform whose key adjustments have now been carried out. The Russian ground forces will no longer fight great wars involving offensive operations far from the Russian borders. Instead, with fewer but more mobile forces, Russia is able to respond quickly to all threats and risks along the periphery of the country and its neighbouring countries. Russia will be able to deploy its standing forces without awaiting mobilisation and to fight local as well as regional wars. Russia will maintain a limited capability, primarily comprising air force and navy units, to project military power at great distances in order to support the country’s demand for great power status.

India
India aspires to become a great power on a par with China. India has met this goal militarily, but it will require long sustained growth before India will rank alongside the world’s largest economies. Just like Russia and China, India has ambitions for a multilateral world order where India will be able to play an important role.

India is gradually manifesting itself as one of the world’s important powers. Over the past two decades, the country’s economy has grown considerably, and India will likely be able to maintain this growth rate, even in the very long term. However, it will require long sustained growth, more than 20 years, before India will be able to match the world’s three biggest economies: the United States, China and the EU.

India is facing great internal problems that will hamper its economic growth. India still has difficulties feeding large parts of its own population. Moreover, the caste system hampers the social mobility, corruption and red tape are rampant and the country’s infrastructure is weak and underdeveloped. In addition, India has numerous ethnic and religious conflicts of which many are linked to the unstable neighbouring countries of Pakistan, Nepal and Sri Lanka.

However, India has a number of advantages compared to China. These advantages include a well-functioning political and judicial system modelled on Western standards plus a population of whom most have proficient English skills. This makes India an attractive partner to the West and gives India an effective platform for its role in international politics and trade.

Just like Russia and China, India has ambitions for a multilateral world order where it will be able to play an important role.

India is attempting to improve relations with all its neighbouring countries and regions, including Pakistan. India has stepped up its
cooperation with the United States, China, Japan, Israel and France. India will use the improved cooperation with other great powers to maximise its influence. However, India will not likely forge close and binding alliances and it will continue to protect its strategic independence.

Strategic cooperation between the United States and India will likely continue. For the United States, India is a big and friendly democratic power with which the United States can cooperate and a potential allied in the efforts to contain China’s growing influence. India’s interest in the cooperation is first and foremost focused on being acknowledged as an equal great power by the United States. However, India will not engage in a strategic partnership with the United States aimed at containing China’s increased influence in East Asia. Still, India will have a strategic understanding with the United States on containing China’s increasing naval activities in the Indian Ocean.

India gives high priority to its armed forces in order to support its strategic ambition to play a dominant role in the Indian Ocean and to become a global great power in the long term. Based on its economic growth and growth rates for the defence budget, India has the possibility of modernising its armed forces and building a global military capability. India has already achieved de facto great power status in military terms. Combined with its geographic location at the Indian Ocean, India will achieve a de facto global military capability in the long term which will include more aircraft carriers as of 2020.

In the long term, India will be a cautious military power. However, it is likely that in the very long term India will extend its military engagement beyond the current participation in peace-keeping UN operations and anti-piracy operations.

Future conflicts
Changes and shifts in the global power structures generate greater uncertainty and mounting risk of conflict. Consequently, states will be more inclined to challenge their competitors’ global or regional leaderships, potentially causing serious political and military confrontations, especially if the countries misjudge their own and others strength and determination.

Strategic nuclear weapons as well as conventional military means have made unlimited war useless as a political means to solve great power conflicts. China, Russia and India are the only states which the United States would be unable to defeat in a conventional war. To the United States, these three military heavyweights take up a special position as countries whose vital interests the United States cannot afford to ignore.

Moreover, during the last half of the 20th century, the development of international organisations and institutions has created a community of interests which limits the possibility of war between developed states. This also applies to the globalisation and the increasingly interwoven global economy. It would be very costly and detrimental to the US and Chinese economies if the two countries were to
engage in direct military confrontation.

The great powers will not show the same reluctance in using new, non-violent means of warfare such as cyber warfare, enabling states and non-state actors to inflict damage without participating in armed conflict.

Changes and shifts in the global power structures increase the possibility that states, and in part also great powers, will challenge their competitors’ global or regional leadership, heightening the possibility that the great powers will resort to demonstration of military power as well as engage in diplomatic harassment. This could lead to the countries misjudging their own and others strength and determination, risking political and military confrontations, both locally and regionally. Even though armed conflicts between great powers will remain a possibility, the risk is very low even in the very long term.

Areas containing known or expected deposits of natural resources such as oil, gas, metals or water hold the highest potential for military conflicts between regional or local actors. In East Asia, the regional territorial disputes in the South China Sea, particularly concerning the Spratly Islands, will remain a key regional problem in the run-up to 2020, but the risk of armed conflicts is low.

Ethnic and religious tensions in unstable and poor countries with frail government, i.e. the so-called weak states, will remain a significant cause for armed conflicts. This applies to Sub-Saharan Africa, parts of the Middle East and parts of South Asia, among other things because they can be used as terrorist safe havens. In the long term, these areas will likely be the home of most armed conflicts.

In the medium to long term, the Western countries, including the United States, will likely be less ready to engage in protracted military interventions similar to Western military engagements over the past 10-15 years. However, the Western countries will likely continue to carry out humanitarian operations as well as short and high-intensity military interventions. This will also be reflected in the structural changes taking place in the Western countries’ military organisations.

In the run-up to 2020, the status of the United States as a world leader will decrease but no other great power will be able or ready to take over the role of the United States. This will increasingly be reflected in greater room for manoeuvre for the regional powers which will not to the same extent as previously be held back by the United States. Consequently, in the medium to long term, this will entail increased risk of regional conflicts, particularly in areas where the United States has so far played a dominant role, e.g. the Middle East. Moreover, regional powers will increasingly make efforts to strengthen their regional power position. This, in turn, also increases the risk that in the short to medium term the United States will be forced to take military actions against, for example, regional powers underestimating the readiness of the United States to engage in short, high-intensity military operations.
In order to facilitate the reading of this risk assessment, we have prepared a brief outline of our special language usage and work methods.

Once the analysts receive information, it must be validated; that is, the reliability and the access of the source must be determined. Then the information must be assessed in order to determine its credibility and probability. We thus assess our sources and information on the basis of four criteria:

Reliability: How reliable has the source proved in the past? To what extent is the source familiar with the subject to which the information is related?

Accessibility: How close has the source been to events – first-hand or second-hand information?

Credibility: Has the information been provided by a normally reliable source with good access? Does the information fit with our general knowledge?

Probability: What is the probability of what the source describes happening or having happened? This depends on the reliability of the source, the access of the source, the credibility of the information and on how the information fits with what the analyst already knows.

Once we have determined all these factors, we have transformed the raw information into a validated piece of information that can form part of our further analysis and the final production of intelligence.

Normally, we protect the identity of our sources. As a main rule, however, we give our assessment of the credibility of the information as well as its probability. Though it might strengthen our credibility in the eyes of our readers if we mention the origin of our information, the need for credibility must be carefully balanced against the potential consequences of disclosing the source.

We rarely produce assessments which do not contain an element of doubt. Therefore, it is important to make it clear to our readers just how certain we are in our assessments. In order for our readers to understand our intelligence assessments correctly, we must express ourselves in a standardised way, using the same phrases for instance when expressing identical source evaluations or the same level of probability.

We thus exclusively use standardised language in the intelligence risk assessment. As regards probability, we use probability levels ranging from 0 over 25, 50 and 75 to 100 per cent. The extremes at either end are the easiest to deal with but are not the most commonly used. In practice, the analysts often have to assess a probability as fifty-fifty or between this and zero or 100 respectively.

We use a fixed terminology for the five degrees of probability:

• Highly likely
• Likely
• Possible
• Not likely
• Unlikely
The probability levels do not express precise numeric differences as would a metric rule. It merely informs the reader whether something is more or less probable than something else. In other words: This scale shows whether we assess the probability to be closer to 25 per cent than to 50 per cent. In this way we aim at guiding our readers to better understand our assessments.

If we fail to do so, we leave the job of interpreting the information to the readers. Moreover, this approach forces the analysts to consider the level of certainty. Even though the way we express ourselves linguistically can be discussed, it provides added value in the form of greater precision and makes the reader aware that an in-depth analysis and assessment have been performed. Definitions of the special terms used in this risk assessment are outlined below.

Definitions

Probability

• **Unlikely**
  We do not expect a certain development. Such a development is (almost) not a possibility.

• **Not likely**
  It is more likely that something will not happen than vice versa. The degree of probability is approx. 25 per cent.

• **Possible**
  It is a likely possibility; however, we do not have the basis to assess whether it is more or less possible that something will happen. The degree of probability is approx. 50 per cent.

• **Likely**
  It is more likely that something will happen than vice versa. The degree of probability is approx. 75 per cent.

• **Highly likely**
  We expect a certain development. It has (almost) been confirmed.

Time frames

• 0-2 years: short term
• 2-5 years: medium term
• 5-10 years: long term

Perspectives exceeding ten years (very long term) are subject to great uncertainty and are thus only seldom used.
Terrorist attacks

We assess the complexity of an attack based on the capabilities of the attackers as regards recruiting, reconnaissance, coordination, financing, logistics, technical know-how, special skills and operational security. The capacity to launch simultaneous attacks reflects a certain capability within more of these areas. We divide attacks into four categories:

- **Simple terrorist attacks** may consist of a single individual or a few individuals obtaining, for instance, a handgun or a simple homemade bomb to launch an attack against unprotected targets.

- **Terrorist attacks of a certain complexity** may consist of a smaller number of coordinated bomb explosions or a single large car bomb against unprotected or poorly protected targets.

- **Complex terrorist attacks** may consist of a larger number of coordinated bomb explosions or more than one large car bomb.

- **Highly complex terrorist attacks** such as, for instance, the 9 September 2001 attacks against the USA and the planned attacks against transatlantic flights from London in August 2006.