

Control Risks

Political-Security Update

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Overview

- Political situation
- Security overview
- North overview
- Anbar overview
- Baghdad Belt overview
- Baghdad overview
- South overview
- Challenges for Business
- Iraq Outlook



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■ Political Situation

- Government formation complete
 - Defence and Interior ministers appointed
 - Kurdish ministers appointed
 - Fewer ministries than Maliki administration
 - More inclusive than Maliki administration
- Impact of new government
 - Initial signs of inclusivity and devolved power over security institutions are positive
 - Improvement is likely to gain momentum but still has considerable inertia of inefficiency , corruption and sectarianism to overcome
 - Apart from security there have been no abrupt changes in policy
 - Bureaucracy remains largely as before
 - However new Government perceived as business friendly & reform minded (within limits)

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■ Security Situation

- Islamic State no longer making significant gains
- Iraq no longer faced with collapse
- Air strikes have contained IS expansion and are driving IS back in some key areas
- Iraqi security forces beginning to go on the offensive but still lack capacity to defeat Islamic State
- Four main campaigns
 - North Iraq
 - Anbar
 - Baghdad Belt
 - Baghdad
- Significant changes in security unlikely in the near future
- Increased power of Shia militias presents a challenge to ISF, mainly in Baghdad: potential for conflict in the future

Use of particular words within ISIS rhetoric 2013/14

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Word	Frequency	Word	Frequency
Explosive	449	Weapons	175
Device, devices	448	Wounding	174
Army	401	Islam, Islamic	119
God, Allah	394	Hypocrisy	118
Apostate, apostates	379	Mujahid, mujahidin, mujahideen	97
Detonate, detonated	345	Military	91
Destruction, destroy, destroyed	333	Iraq, Iraqi	85
Iran, Iranian, Safavid, Safavids, Safavi	312	Baghdad	75
Kill, killing	282	Mosul	63
Criminal	220	Pagan	53
Police	212	Muslim, Muslims	52
Security	178	Green Zone	50
Assassination	176	Antichrist, dajjal	49
		Martyr, martyrs, martyrdom	35
		Shiites, Shiite, Rafida, Rafidi, Rafidiyah	30
		Crusader, crusaders	24
		Infidel, infidels	23
		Jihad	20
		America, American, Americans	8

*Source: Eurasia review

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How bad is it really?

Syria

- Attack figures not established
- Primary targets Syrian Army, civilians
- At least 178 people killed every day

Iraq

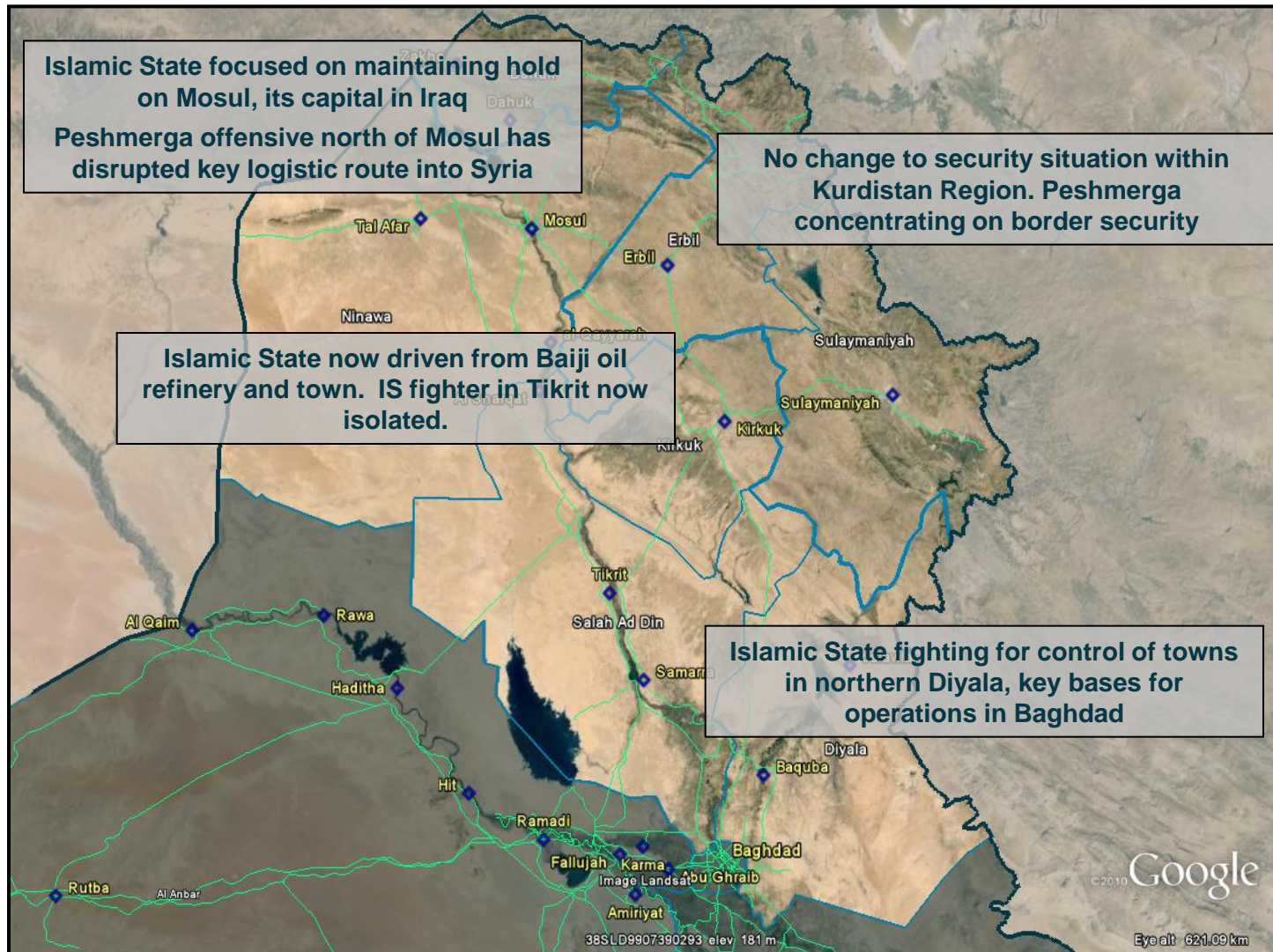
- Average of 27 attacks per day
- Primary targets ISF, GoI and civilians
- At least 33 people killed every day

Afghanistan

- Average of 25 attacks per day
- Primary targets – Security forces, civilians GoA and ISAF
- At least 9 people killed per day

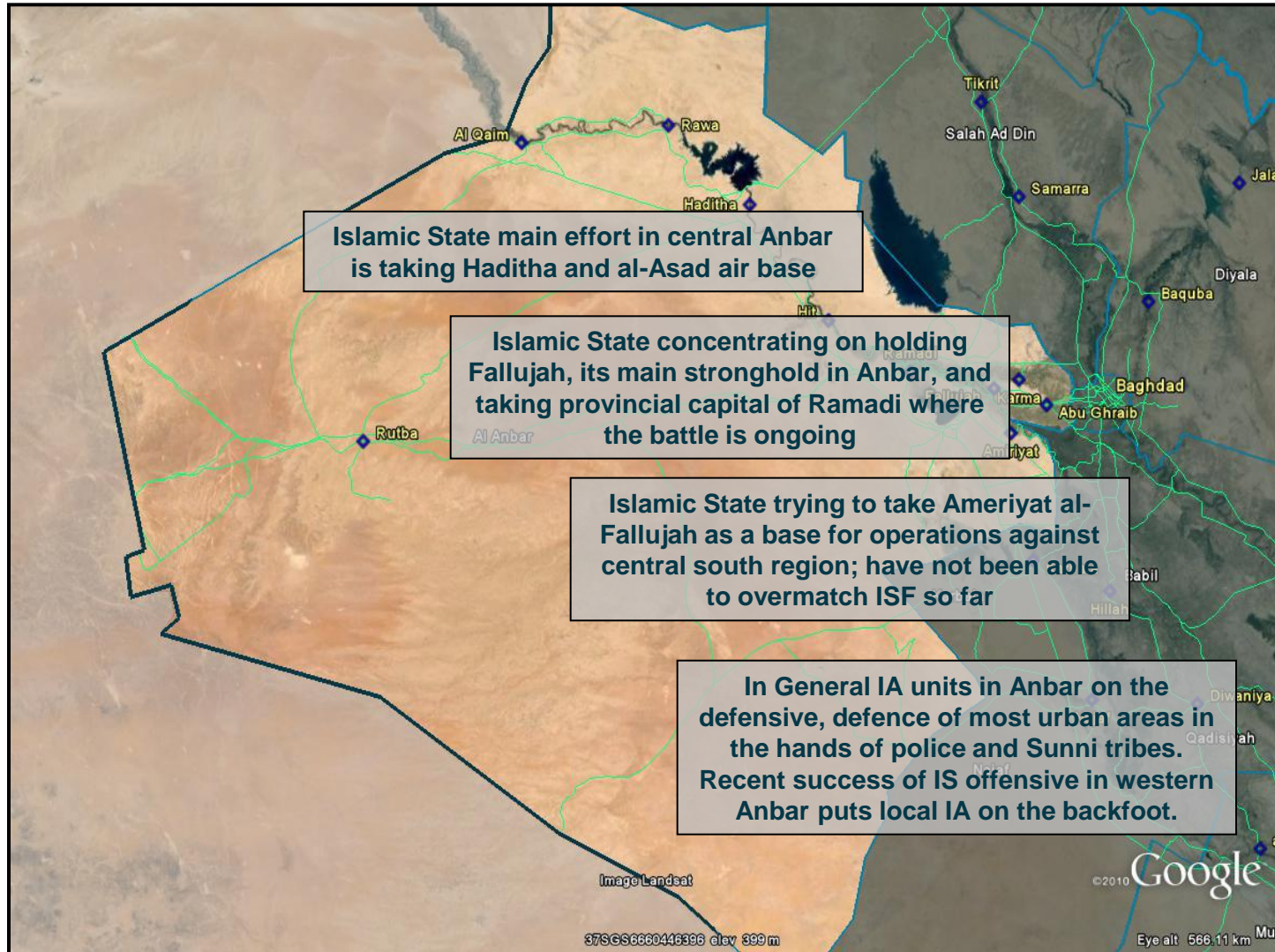
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North



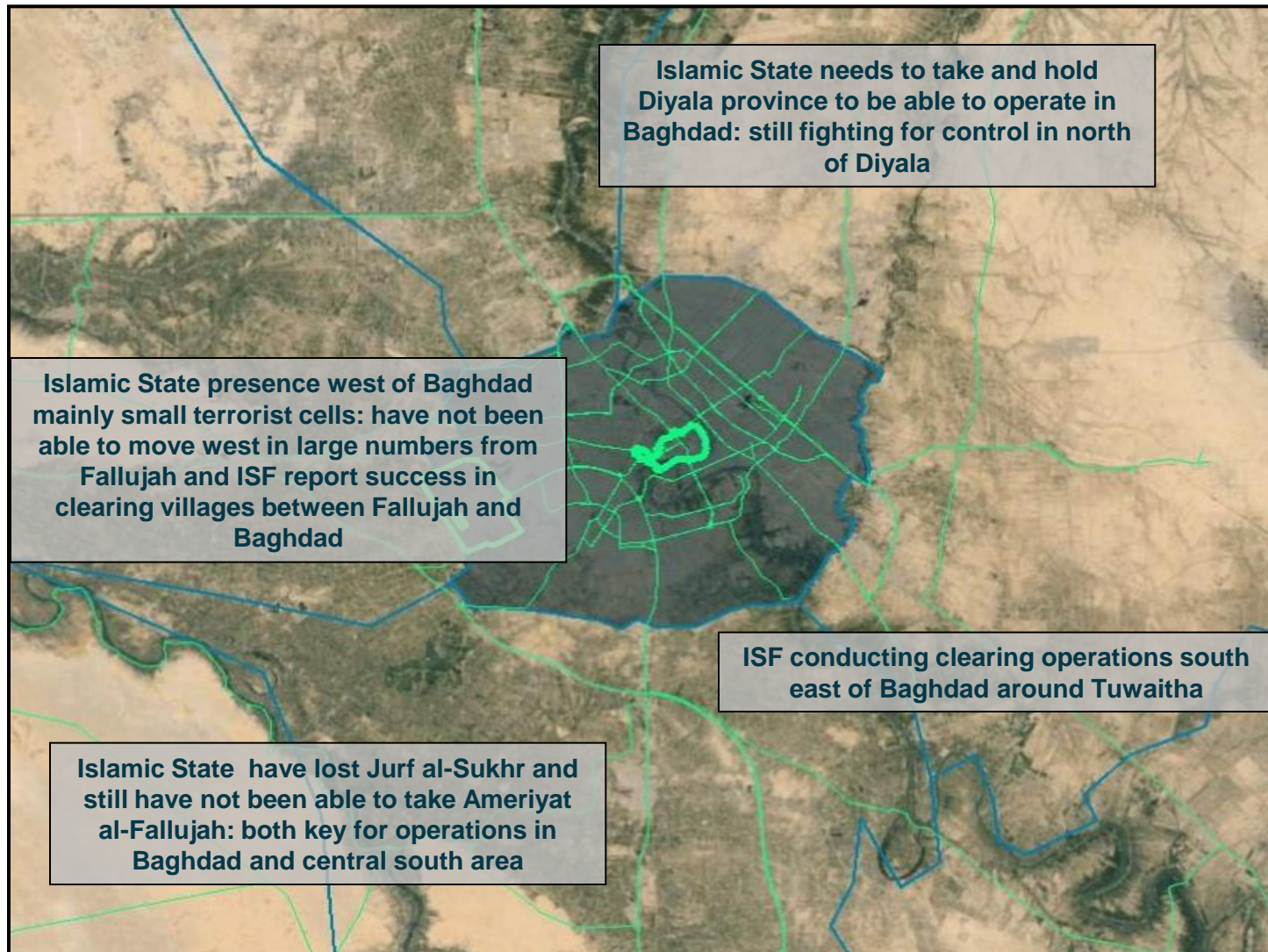
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Anbar



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■ Baghdad Belt



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■ Baghdad

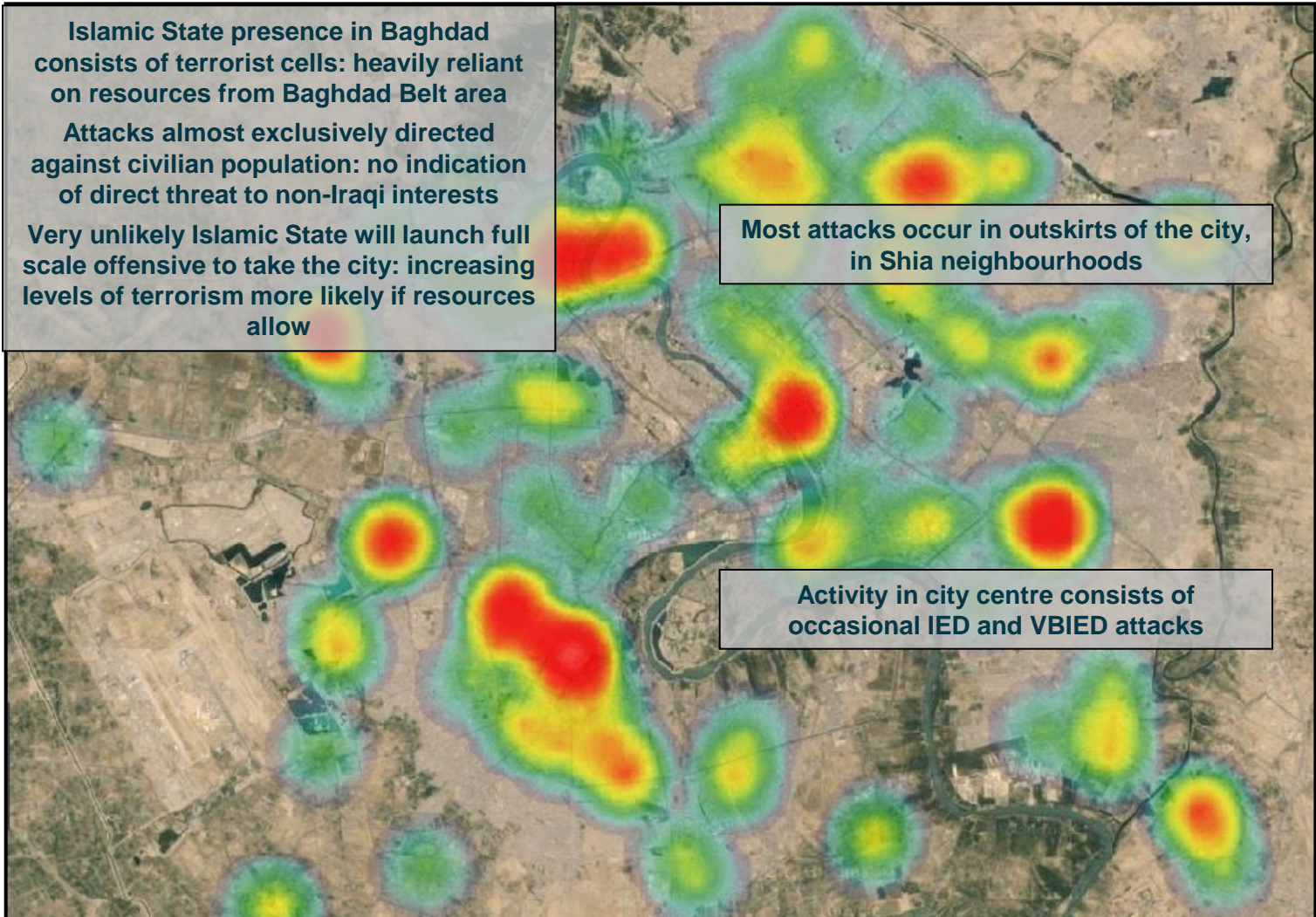
Islamic State presence in Baghdad consists of terrorist cells: heavily reliant on resources from Baghdad Belt area

Attacks almost exclusively directed against civilian population: no indication of direct threat to non-Iraqi interests

Very unlikely Islamic State will launch full scale offensive to take the city: increasing levels of terrorism more likely if resources allow

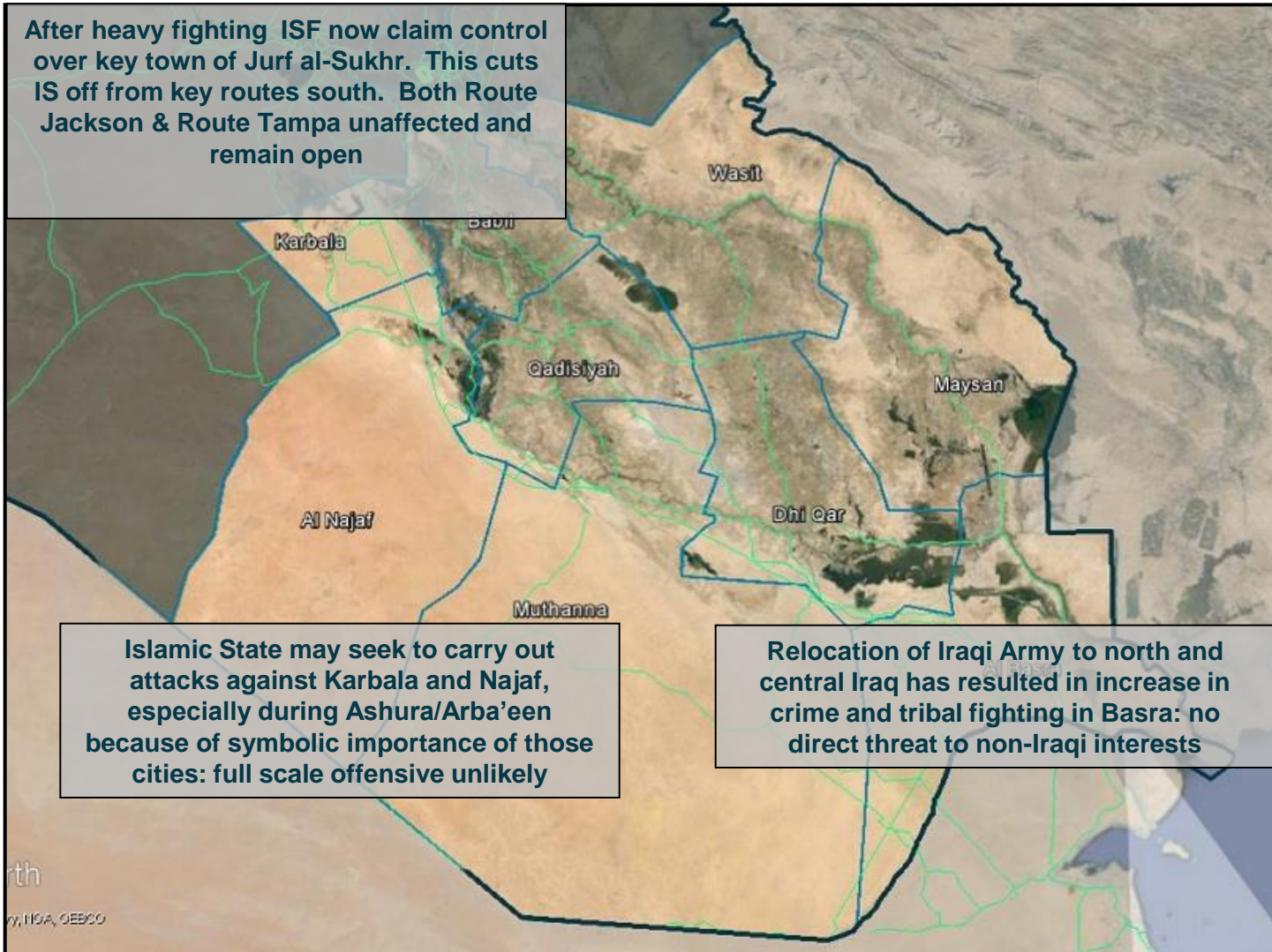
Most attacks occur in outskirts of the city, in Shia neighbourhoods

Activity in city centre consists of occasional IED and VBIED attacks



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South



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Challenges for Business

Embryonic Government institutions



Compliance

Incomplete legal frameworks

Medical services

Corruption & bribes

Security Threat Environment

Local knowledge



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Iraq outlook

- Increased stability at the political level
- Greater Sunni and Kurdish involvement in Government
- Strategic pause of the Iraqi military campaign against IS over the winter period as weather increases the logistic and mobility constraints
- Possible increase in asymmetric attacks within Baghdad, BUT unlikely to affect the center of the city or western interests directly
- Possible issues as Baghdad Government attempts to control Shia Militias
- Business as usual in southern provinces
- Iraq very much open for Business as the new Government attempts to boost economic output