

IUMI
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Future Middle East Hotspots

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Exclusive Analysis Ltd



- Israel War Risks
- Syria : the Proxy War
- Iraq
- Yemen
- Egypt
- Libya



- Key issues are **uranium enrichment** and specific International Atomic Energy Agency (**IAEA**) concerns registered in November 2011.
- **No progress** in Iran's response to the IAEA since February 2012, in terms of either **access to the Parchin** base or **substantive answers to outstanding questions**.
- **Iran is playing for time; Israel close to declaring diplomacy has failed.**



Parchin Military Base



Fordow Fuel Enrichment Plant



ISRAEL SEES A NUCLEAR IRAN AS AN EXISTENTIAL THREAT, NOT JUST BECAUSE OF IRANIAN HOSTILITY TO ISRAEL'S EXISTENCE, BUT THE RISK OF SUBSEQUENT REGIONAL NUCLEAR PROLIFERATION.

- Israeli strategic doctrine and psyche call for **pre-emptive action to eliminate an imminent threat** and for **self-reliance**, not trusting Israel's security to any ally, even the US.
- The **Israeli desired end-state** of a fully transparent and monitored Iranian civil nuclear programme **would require concessions that Iran shows no sign of making**.
- Sanctions, covert disruption operations and preparation for the *in extremis* contingency of military strike are **three complementary lines of action designed to inflict delay, not stop, Iran's nuclear programme**.
- There has been public opposition to the strike option from past defence and Mossad chiefs; however, **no-one in Israel is yet arguing that a nuclear Iran can be lived with**.
- **Critical decision makers are Netanyahu and Defence Minister Barak.**



No appetite for US military intervention overseas, particularly concurrent with Afghanistan, unless core US national security interests are threatened.



- But in the run-up to Presidential Elections, Obama cannot afford to be perceived as weak on Iran or failing to support Israel.
- If US is given a choice, enabling support, as in Libya, likely preferred model of military intervention. But high risk that US will be drawn in by threat to Israel.
- While currently unlikely, US participation in strikes on Iran would involve a sustained air campaign, with repeated strikes on nuclear sites and other strategic targets.
- Obama will be much less susceptible to Republican / Jewish lobby pressure if, as expected by Netanyahu, he is re-elected in November



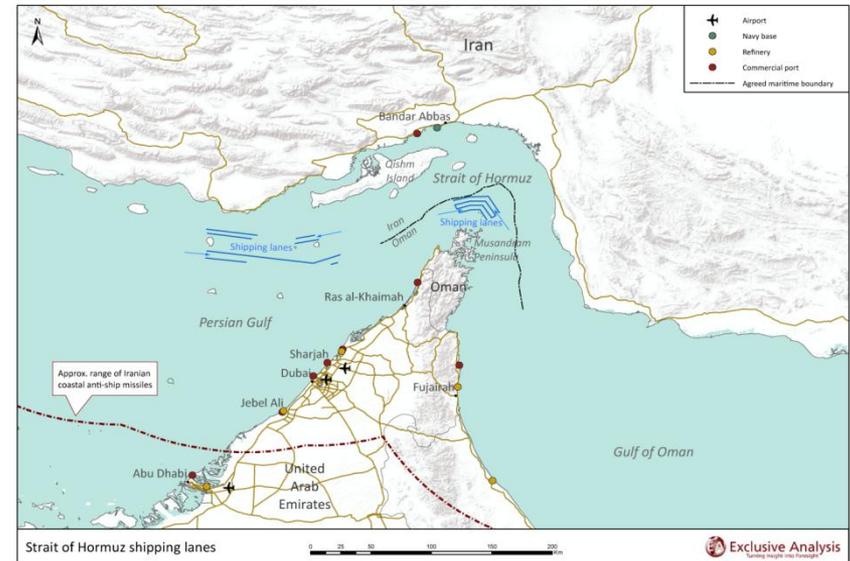
- **Iran's conventional forces are weak** and would be quickly defeated in a conflict with the US.
- Iran has a **ballistic missile force** capable of hitting **area targets across the region**, but its value is **mainly deterrence, not war fighting**.
- Iran is therefore **reliant on the use of its proxies** (Hamas and Hizbullah) to strike back at Israel and on **asymmetric operations by the IRGFC al-Qods Force**.
- Attacks mounted in January 2012 were botched, but **sleeper cells will be planning further attacks on Israeli and US interests**.



General Qassem Suleimani, al-Qods Force Commander



- Iran's military weakness leaves it with few options. Asymmetric attacks on Israeli interests and missile/rocket strikes are likely response to a unilateral Israeli strike. **Risk that Iranian miscalculation will trigger the strike they are seeking to deter.**
- **Closure of the Strait of Hormuz** is already being used by Iran as **a deterrent threat**, producing short-lived spikes in oil prices
- But in reality it would be **an extreme option** that would risk precipitating an all-out US-led attack and an Iranian military defeat.





Scenario 1



Israeli unilateral 'own effort' strike on two-three nuclear sites

Likely to include concurrent pre-emptive strikes on Hizbullah missile sites in south Lebanon

IRANIAN REACTION:

- Iran maximises political capital of status as aggrieved victim to press Russia and China to secure **an early ceasefire and condemnation of Israel**.
- Iran retaliates by:
 - **Missile/ rocket attacks** by its proxies.
 - **Asymmetric attacks** on Israeli interests.
 - **'Demonstrative' ballistic missile** strike on Tel Aviv .
 - **BUT seeks to avoid risk of US counter-strike**



Property/Industrial Assets: Severe disruption to economic activity in northern and central Israel; vehicle borne IED attacks targeting **Israeli embassies** and **Jewish assets** in region and beyond

Marine/Energy: A blockade of the **Strait of Hormuz** is very unlikely

Aviation: Iranian **seizure risks** to Western, Gulf or Turkish airlines are likely to be low

Individuals: Iranian attempts to assassinate or kidnap **Israeli diplomatic personnel** abroad or target **Israeli tourists** in the region are likely



Scenario 2



Sustained US-led air campaign, mounted as either 1) a deliberate US initiative, or more likely, 2) In response to a major escalation of Iranian attacks on Israel

IRANIAN REACTION:

Iran retaliates against Israel as under Scenario 1 but is much more likely to:

- **Launch missile strikes at US bases** within range and at **GCC countries**.
- To mount asymmetric attacks on **strategic targets of global importance (e.g. shipping in the Suez Canal)**.
- **To close the Strait of Hormuz, in a bid to internationalise the conflict.**

Key point: Iran knows it cannot defend itself militarily against overwhelming US maritime power but would have to respond to a clear US act of war, while hoping to secure an early ceasefire through its friends on the UNSC.



Property/Industrial Assets: Same as for Scenario 1 but Iran much more likely to retaliate by using missiles against GCC states perceived as supporting a US strike. This potentially includes **Saudi Arabia** and **Qatar** and to a lesser extent **Kuwait** and **Oman**

Marine/Energy: A blockade of the **Strait of Hormuz** becomes much more likely. Iranian missiles likely to target US Navy Fifth Fleet base in **Bahrain**. Commercial vessels caught in **Shatt al-Arab** likely to be seized. The loading of **oil tankers** off Iraq is disrupted

Aviation: Airspace across the region would be closed to all civilian and commercial flights. Increased risk of shoot down through misidentification

Individuals: Same as for Scenario 1 but increased risk of kidnap of personnel of US energy and oil services companies operating in **southern Iraq**



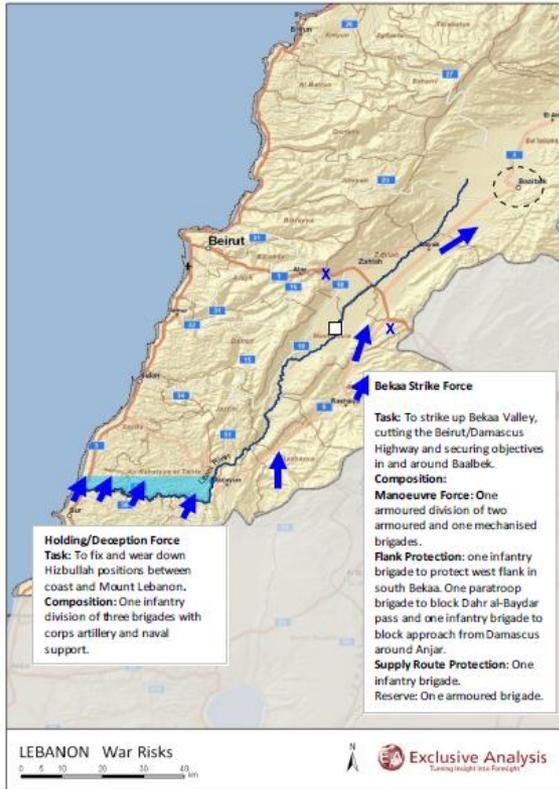
- Iran's conventional forces are weak and would be quickly defeated in a conflict with the US.
- Iran has a ballistic missile force capable of hitting targets across the region, of mainly deterrent value.
- Iran is therefore reliant on the use of its proxies (Hamas and Hizbullah) to strike back at Israel and on asymmetric operations by the IRGFC al-Qods Force.
- Attacks mounted in January were botched, but sleeper cells will be planning further attacks on Israeli and US interests.



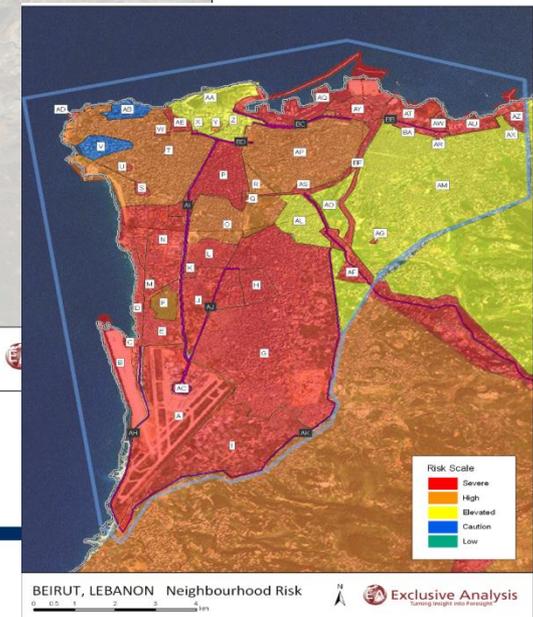
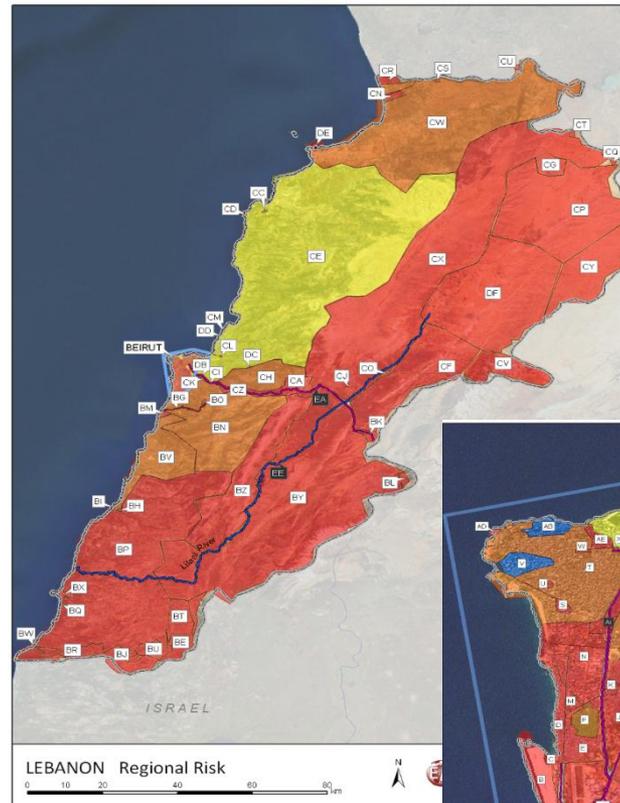
General Qassem Suleimani, al-Qods Force Commander



The Most Likely Form of the War

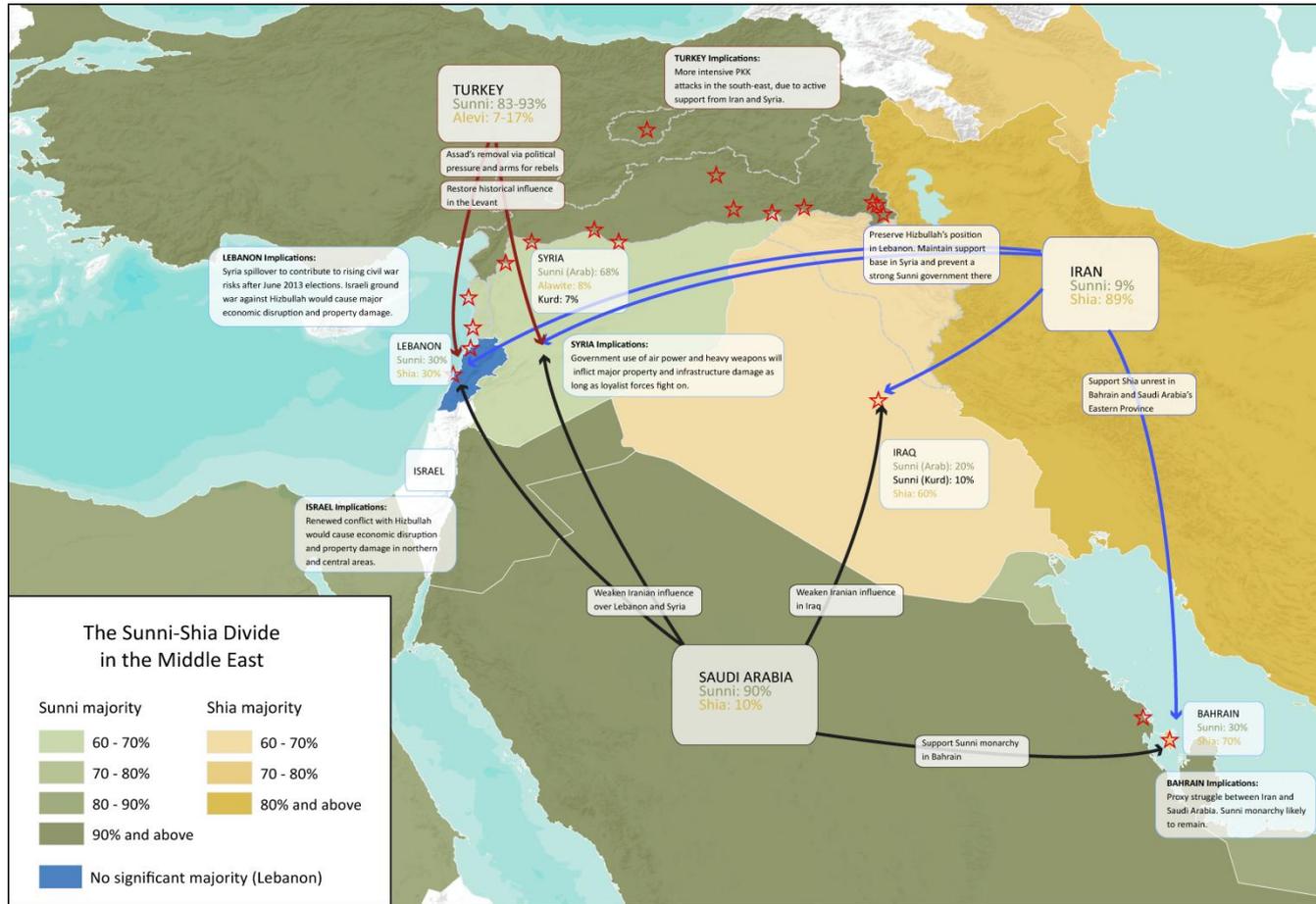


Risk Scores Across Lebanon and Beirut



IDF Air campaign and naval blockade supporting ground invasion through Bekaa Valley

Syria: the Proxy War between Sunni Saudi Arabia and Shia Iran





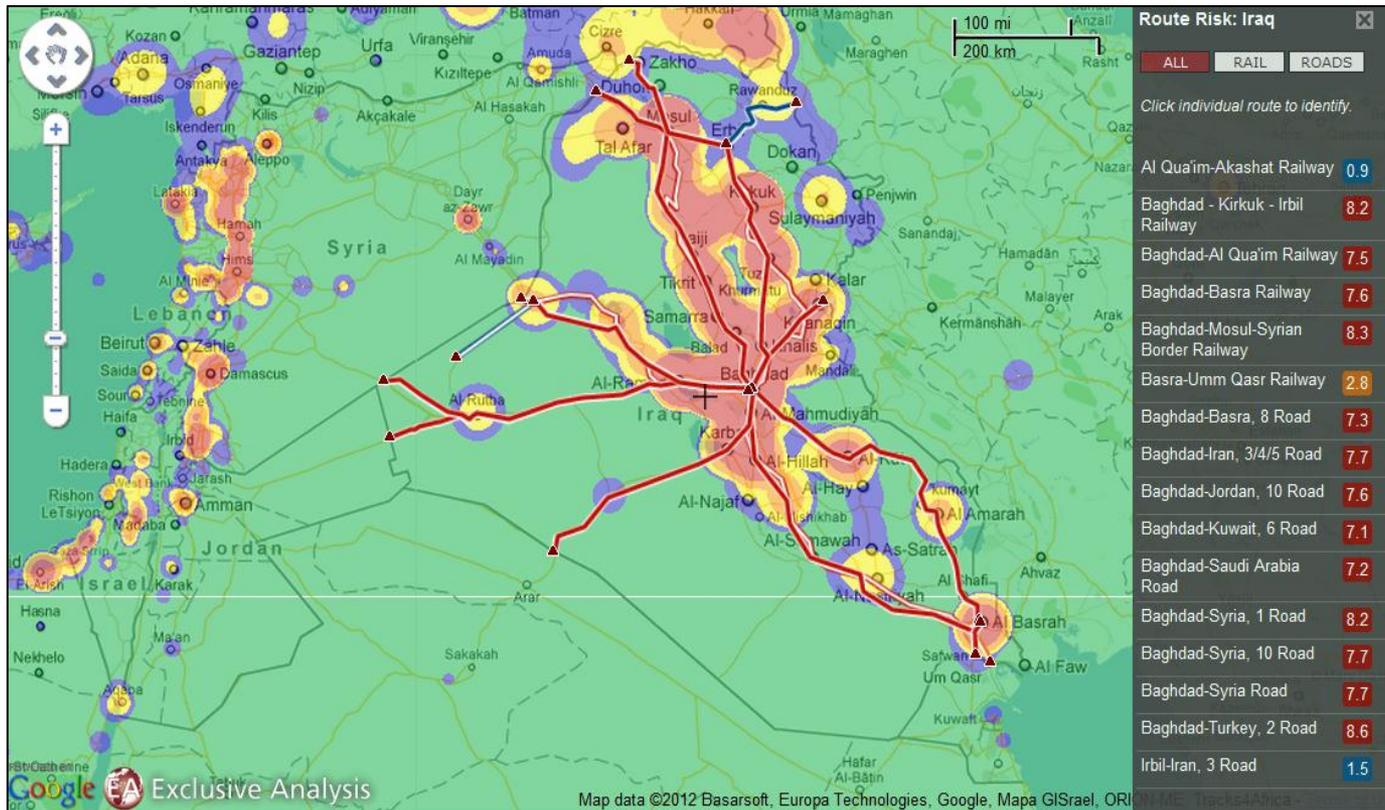
Key Judgment: Prime Minister Al-Maliki has strengthened his personal control over the state's institutions and the US-trained and equipped security forces.

Outlook for Cargo Risks:

- Reduced threat to aviation since US departure.
- Main terrorist threat is from Sunni Islamists and other extremists, targeting government buildings, security forces and Shia civilians, mainly in Baghdad and north and central Iraq.
- Growing risk of Saudi-backed Sunni extremist attacks on the energy sector, its employees and land cargo in southern Iraq but limited capability to inflict structural damage. Low threat to offshore oil terminals and marine cargo.



Iraq – Cargo Risk Outlook



Foresight Security Planning: Violent Risk Hot Spot Map, with Cargo Route Risk



AQAP has been driven out of southern towns but is still capable of mounting targeted hit-and-run attacks, primarily on government buildings and security force personnel.

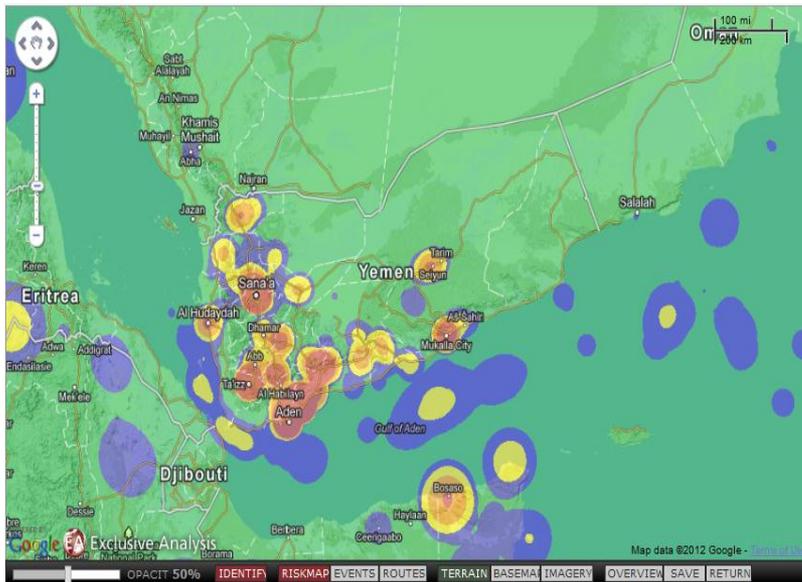


- President Hadi, with US and Saudi backing, is winning his battle against former President Saleh and his supporters for control of the security forces.
- Government is, however, incapable of dealing with a growing humanitarian disaster caused by drought.
- AQAP's capacity to sponsor terrorist attacks with a global reach, especially using IED attacks on civil aircraft, is intact, despite its loss of territory.
- The oil infrastructure in southern Yemen is vulnerable to IED attack.



“If we could gain control of the Bab el Mandeb and restore it to the territory of Islam, it would be a great victory of international significance.”

Sa’id al-Shihri, deputy commander of AQAP.



Foresight Security Planning: Violent Risk Hot Spot Map



- A deal between the Muslim Brotherhood (MB) and the Army offers the best prospect for stability.
- President al-Morsi is bringing the Army under control but the Army's commercial investments will be sacrosanct if he is to avoid a coup.
- Al-Morsi and the MB will be unable to resolve the economic drivers of unrest and expectations will be disappointed.
- Frequent, sporadic strikes are likely. affecting the land cargo and port operations.





- Sinai provides a secure base for Islamist militants equipped with weapons smuggled from Libya and disaffected Bedouin smugglers.
- Belated Egyptian military intervention in Sinai after August attack on border post.
- Terrorism risks will increase as a result of heavy-handed Army operations based on poor intelligence.
- Low probability, high psychological impact of a militant attack on a ship transiting the Canal.





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Libya

3.9

severe

A loose federation between east and west is likely to emerge. The risk of the east seceding would increase in the event of prolonged fighting in the west, or inability to reach agreement over the power of the central government relative to the provinces. Infrequent fighting between militias is very likely, especially in Tripoli, where disunited militia pose a high risk of petty, opportunistic crime.

External link: [CIA World Factbook](#)

Individuals	Cargo/Transport	Property	Business Risk
3.8	3.3	3.6	5.0
Risk increases	Risk increases	Risk Decreases	Risk increases

For more information view the [explanatory user guide](#)

Individuals

African and East European nationals are at high risk of detention by the former rebels. Opponents of the NTC are likely to target foreigners, oil workers and NTC officials in shooting and kidnapping attacks. Fighting among the former rebels will increase risks to Qataris, Emiratis and Westerners.

Cargo/Transport

Risks of theft and extortion will be highest on the routes in the western part of the country; on the road connecting Sirte and Sebha, there will be an additional risk of kidnapping. Fighting among rebels in the west is likely to disrupt travel along the Tripoli-Tunisia highway.

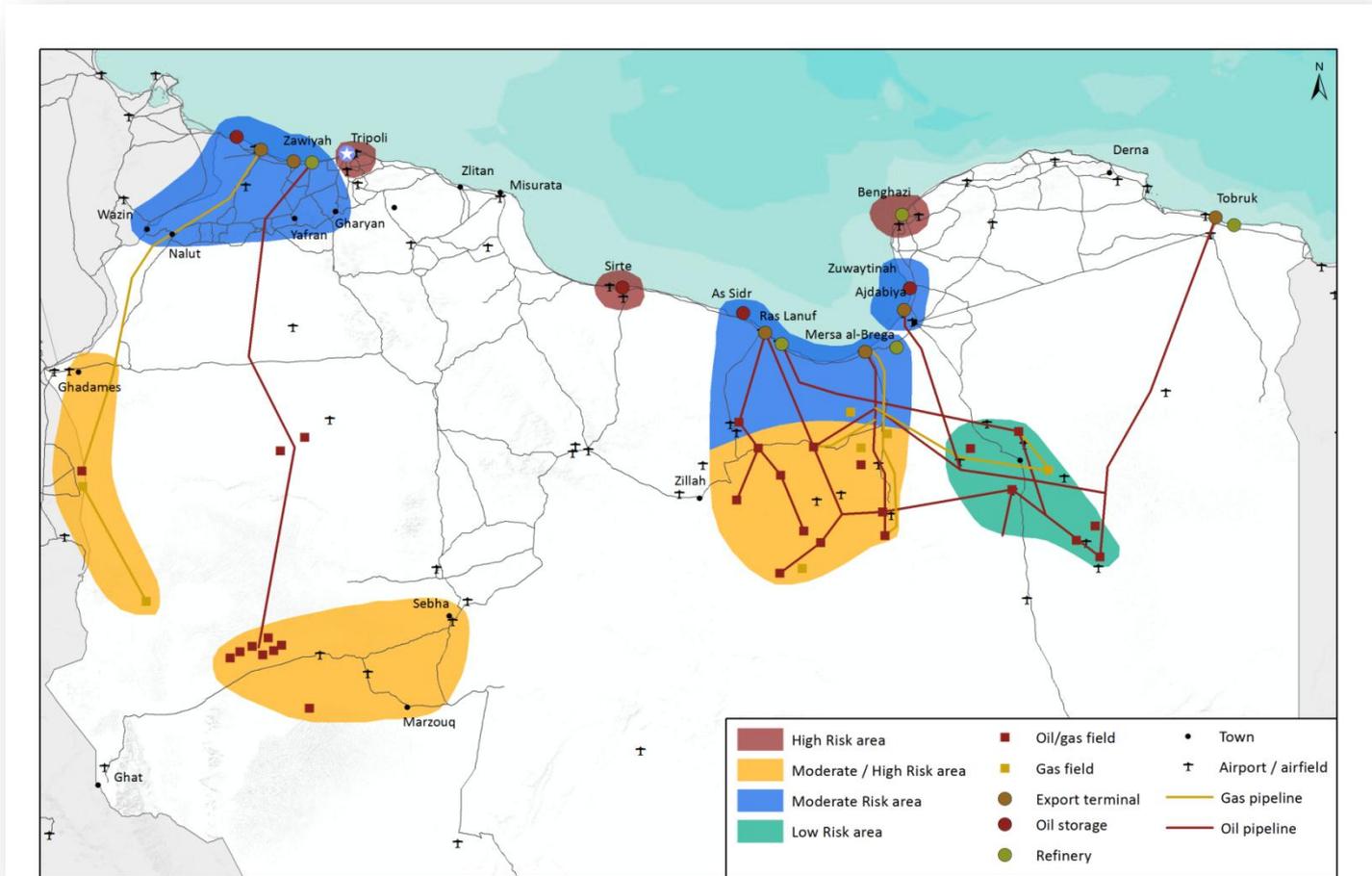
Property

Major property damage to energy assets would occur in the unlikely event that the west attempts to block the east's bid for autonomy and takes the towns of Zillah and Sirte. Gunfights using personal arms and rocket-propelled grenades are very likely, resulting in some property damage.

Business Risk

A weak de facto federal state is likely to emerge after the July 2012 elections. If the former rebels are unable to reach agreement over the power of the provinces relative to the central government, the risk of the east seceding would increase.

Libya – Cargo Risk Outlook





Q&A

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