

Philippines – Security Risk [Stand 01.06.2014]

Summery

The risk of external conflict involving the Philippines is moderately low; however, an unresolved maritime territorial dispute with China could spiral out of control due to accidents or miscalculations by either party. Internal conflict presents a greater immediate risk, as separatism, insurgency and terrorism are widespread in the country's south. Government peace talks with insurgent groups are fragile and prone to break down, and numerous Islamic separatist groups maintain the resolve and capability to pose a credible terrorist threat. Bombings, armed attacks and kidnapping are commonplace in the southern provinces. The Philippine economy is expected to continue growing strongly but poverty, unemployment and underemployment, particularly in rural areas, remain major problems. Growth is driven primarily by domestic consumption and benefits the retail, real estate, and low and medium end services sectors. Still, the Philippines will need to attract investment in new industries, particularly the agricultural and manufacturing sectors, to accomplish sustainable development.

Current Analysis

Terrorism

The risk of terrorist attacks remains high over both the short and long term. Terrorism is an issue throughout the Philippines and various groups have demonstrated their ability to attack cities including Metro Manila. However, the majority of attacks occur in the south. Although most of them claim to eschew terrorism, the ASG, the BIFF, the NPA and factions of the MNLF target civilians and domestic infrastructure. Terrorist acts in the Philippines are generally not directed toward foreigners. However, risk warnings are occasionally issued by Western governments for their citizens in the country. Furthermore, the tendency for terrorist groups to carry out attacks in public places such as bus stations, airports and shopping centres presents a high risk to foreign personnel.

The ASG was responsible for the February 2004 bombing of SuperFerry 14 in Manila Bay which killed 116 people, making it the deadliest terrorist act in Philippine history to date. It remains a threat and is believed to have previously had links with al-Qaeda and the Indonesian extremist group Jemaah Islamiyah (JI). However, concerted government efforts have eradicated most of its top-level leaders and severely curtailed its ability to operate beyond its strongholds in the Sulu Archipelago, leading it to in recent years degenerate into a mostly criminal organisation focusing on kidnapping for ransom.

Crime

Violent crime will remain a significant problem throughout the Philippines for the foreseeable future. It is most prevalent in major urban areas, on the island of Mindanao and along sea passages. Criminal gangs that rob and/or assault tourists are active in Metro Manila and in provincial resort towns. There are also frequent incidents of drugging that result in theft or assault. Gun ownership is widespread and poorly regulated, contributing to a higher incidence of violent crime, including armed hold-ups. Despite harshly enforced laws, methamphetamine addiction rates also remain the highest in the world, further worsening the crime situation.

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Organised criminal gangs engage in kidnapping for ransom. Foreigners are seldom targeted for kidnapping outside western Mindanao and most of the victims are wealthy locals, especially Filipino-Chinese. However, on the Zamboanga peninsula and throughout the Sulu Archipelago there is an extremely high risk of kidnapping for foreign nationals, with ASG and various criminal groups operating widely in the region.

The Philippines has one of the highest rates of maritime piracy in South-East Asia, and attacks on sea vessels are often violent. Targets include commercial vessels, ferries and privately owned yachts.

Civil Unrest

Civil unrest within the Philippines will stay at moderate levels for the short to medium term. Aquino's administration enjoys widespread public support, yet political unrest is likely to remain a feature of Philippine politics. Protests in the Philippines are typically non-violent and are usually directed at opponent political groups or the government.

Key issues likely to increase levels of civil unrest in the next five years if not resolved are high levels of inequality and wealth disparity, particularly in the form of unequal land distribution, which has been a major grievance of many insurgency groups. In addition, the public are often angered by frequent cases of government corruption and embezzlement.

Projections

- Separatist groups will continue to destabilise Muslim areas of the southern Philippines and pose a constant risk to individuals and businesses.
- Islamist separatist groups including the Abu Sayyaf group (ASG) and the Bangsamoro Islamic Freedom Fighters (BIFF) will retain the resolve and capability to pose a credible terrorist threat, which will be demonstrated through sporadic bombings, armed attacks and kidnappings. These will be focused on central and western Mindanao rather than elsewhere in the country.
- Crime will continue to pose a significant problem throughout the country, particularly robbery, drug-related violence and kidnap for ransom. Most kidnap cases will continue to occur in western and central Mindanao, although kidnap gangs will also remain active in Metro Manila.

Philippines Country Risk Rating AKE20

AKE's Risk Rating was developed by AKE Intelligence for the insurance market. See also our World Risk Map

http://www.globalintake.com/world_risk_map.php

