



Geopolitical Risk Forecast January 2021

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Introduction

The PGI Quarterly Report assesses countries that have experienced a changing threat environment in the past three months and provides a forecast for those exposed to changing security or business risks in the next quarter.

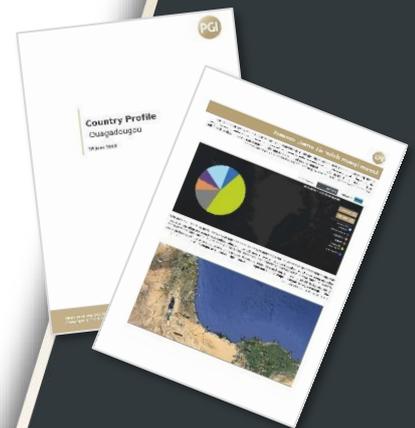
The report is structured by region, and analyses trends. Content is produced by regional specialists from the PGI Intelligence department. The report covers:

Threat Changes: An assessment of a change in the quantitative risk score given to a country in the past quarter.

Watch List: Current or forecast trends or upcoming events that could change the threat environment within a country during the next quarter.

PGI Risk Portal

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PGI Risk Portal

Incident feed | former policeman in Palawan province | Yemen: Saudi-backed forces captures Hodeidah airport | Indonesia: Update: Number of missing persons from ferry accident rises to 100 | Ye

Time Filter

Map Toggle

Incident Threat

Map Filter

THE PGI RISK PORTAL
YOUR GLOBAL DASHBOARD



Our coverage spans
130+ markets and over
70,000 incidents covering:

- Regulatory Environment
- Medical
- Maritime
- Fraud and Corruption
- Environment
- International Relations
- Civil Unrest
- Crime
- Kidnap
- Political Violence
- Infrastructure

Africa: COVID-19

- **COVID-19 outbreaks in sub-Saharan Africa continue to remain limited compared with other regions.** South Africa remains the worst-affected country, with more than 1.1 mn confirmed cases and over 30,000 associated deaths. The next worst-affected countries have considerably fewer confirmed infections. Ethiopia has over 125,000, Kenya has 97,000, while Nigeria has more than 90,000.
- Many countries have reported just tens or hundreds of deaths, a rate which compares highly favourably to countries in Europe and the Americas. Health experts have suggested that Africa's young population – a median age of 19.7 compared with Europe's 42.5 – prior experience of epidemic control, and low rates of travel have all prevented high hospitalisation and death rates. Onerous COVID-19-related restrictions, including lockdowns and restrictions on air travel, have eased in most countries, as governments look to prioritise economic recovery.

Outlook

- **Infection rates remain relatively low in most countries in central, southern and western Africa.** Although actual case numbers are likely to be significantly higher than official tallies due to poor testing capacity, health care systems in most countries are unlikely to come under significant strain in the coming quarter. South Africa has seen a surge in cases in recent weeks, with the country accounting for more than 60 percent of daily new infections in sub-Saharan Africa, as of mid-December. A new highly transmissible strain of COVID-19 is believed to be driving South Africa's second wave. The government has tightened restrictions across the country to limit the spread of the new strain. Another lockdown came into effect on 29 December as hospitals remain under acute pressure.
- **East Africa is also experiencing a resurgence in infections, which could place hospitals in the region under pressure in the coming months.** Ethiopia, Kenya, Sudan and Uganda account for the majority of new cases. Efforts to tackle COVID-19 in Ethiopia have been undermined by high numbers of people living in refugee camps and temporary housing – estimates place the number at around 950,000. A conflict in the northern Tigray region will also continue to disrupt medical logistics. An upcoming presidential election in Uganda on 14 January has seen poor compliance with COVID-19-related measures, which will likely see infection rates accelerate further in the coming weeks.
- Although night-time curfews and restrictions on business operating hours and public gatherings remain in place in many countries, full lockdowns are unlikely to be re-imposed due to the severe economic repercussions involved and public opposition to such measures. Widespread vaccinations are unlikely to take place in most countries before early 2022. Therefore, countries with growing outbreaks may be forced to alternate between tightening and loosening restrictions to combat the spread of the virus and safeguard healthcare institutions for the foreseeable future.



Ethiopia

Political Violence, **6** to **7**

PGI has raised Ethiopia’s political violence threat rating following the outbreak of conflict in northern Tigray region. The federal government [launched](#) military operations against Tigrayan authorities in early November after local forces reportedly attacked federal troops. Since then, heavy fighting, including artillery fire and air strikes, has left thousands of people dead and displaced hundreds of thousands of others.

Tigrayan forces have also launched rockets at [Gondar and Bahir Dar](#) airports in Amhara region, as well as [Asmara](#) airport in Eritrea, highlighting the increased risk of violence in neighbouring regions. The latter attack came after credible reports that Eritrean troops were fighting on the side of the Ethiopian government.

Additionally, there has been a notable uptick in ethnic violence in Benishangul-Gumuz and Oromia regions. Attacks have risen particularly sharply in Benishangul-Gumuz’s Metekel zone, where militias have killed hundreds of largely Amhara civilians in recent months. In Oromia, Oromo Liberation Army militants have stepped up [attacks](#) on ethnic Amhara areas and [clashed](#) with security forces.

Political violence is unlikely to subside in the coming quarter. Despite the federal government’s [seizure](#) of the Tigray regional capital, Mekelle, on 28 November, Tigrayan forces have refused to surrender. The conflict is therefore likely to develop into a low-level insurgency in the Tigrayan interior, where the TPLF’s well-equipped, well-trained and loyal fighters can use the mountainous terrain to their advantage against numerically superior pro-government forces.

A protracted conflict in Tigray is likely to stretch security forces and heighten ethnic tensions, increasing the risk of further ethnic violence. For the most part, the Tigray conflict is unlikely to spread into neighbouring regions. However, three small-scale IED attacks have taken place in Addis Ababa since early November. It remains unclear if the blasts are linked to the Tigray conflict but further IED attacks are possible in the capital in the coming weeks.



A timeline leading up to the outbreak of conflict in Tigray region. Source: PGI.

Europe and Central Asia Snapshot

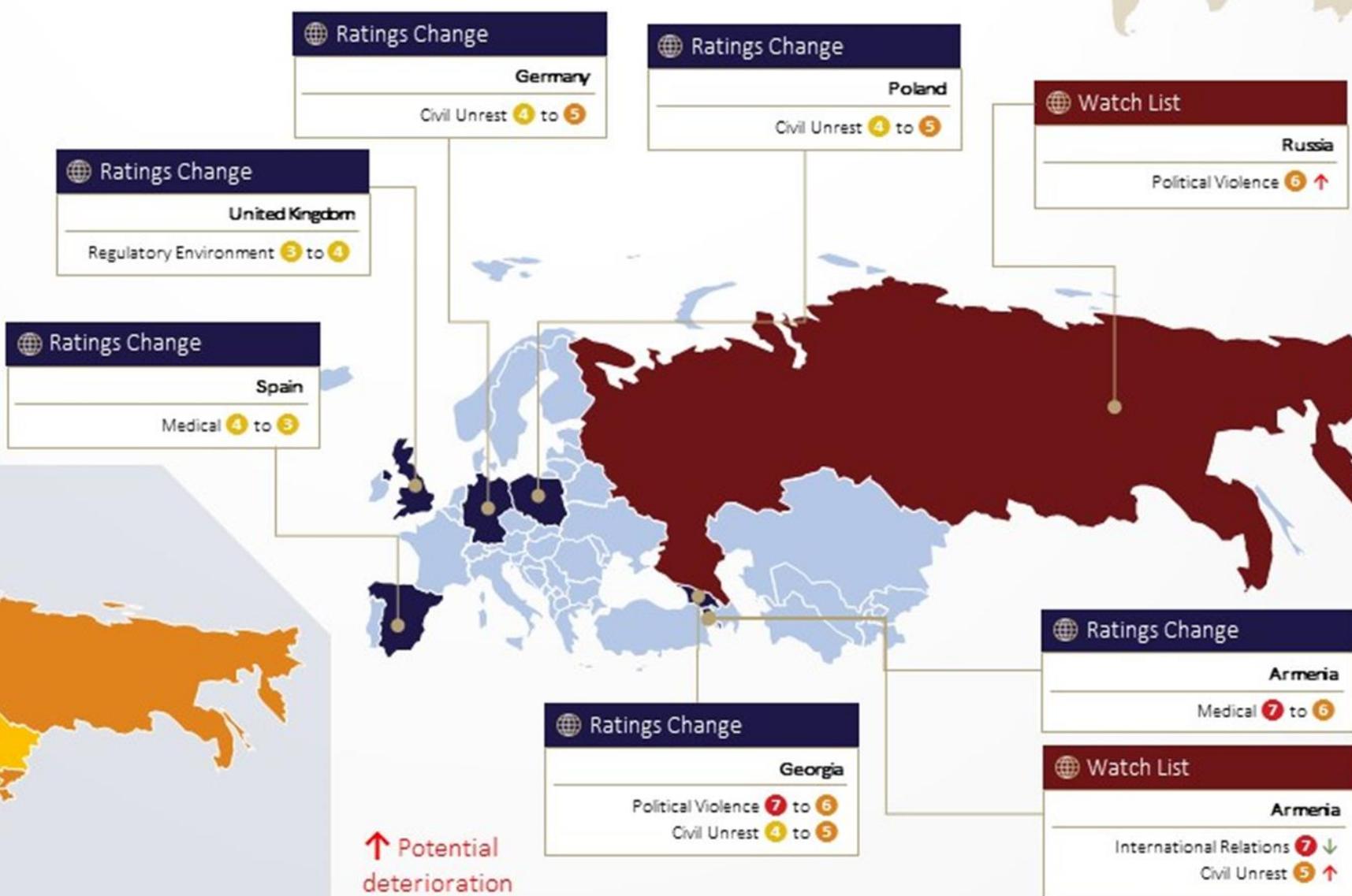


Ratings Changes

An assessment of a change in the quantitative risk score given to a particular threat category of a country in the past quarter.

Watch List

Current or forecast trends or upcoming events that could change the threat environment within a country during the next quarter.



Overall risk ratings



- 1 - 2 Negligible
- 3 - 4 Low
- 5 - 6 Medium
- 7 - 8 High
- 9 - 10 Critical

- ↑ Potential deterioration
- ↓ Potential improvement
- ↕ Potential for either

Poland

Civil Unrest, 4 to 5

Poland has seen elevated levels of civil unrest since late October over alleged government infringements on civil rights. The frequent, high-turnout opposition demonstrations are likely to continue in the coming months.

A controversial court ruling in October that drastically restricted abortion rights triggered repeated protests in Warsaw, Krakow, and other major cities. Demonstrators later expanded their focus to address long-standing grievances, including the ruling Law and Justice (PiS) party's alleged erosion of the rule of law and the Catholic Church's perceived interference in public matters. Hundreds of thousands of people have attended protests, making them the largest protest movement in the country since the revolutions of 1989.

Unrest is likely to continue in the coming months and could undermine support for the government. High turnout rates, as well as endorsement from media and celebrities, indicate long-term support for civil groups leading demonstrations. They are demanding the establishment of a council for engagement with the government and the redirection of money from the Catholic Church and PiS to healthcare. However, PiS is unlikely to meet opposition demands due to their coalition's strong parliamentary majority, which is likely to sustain demonstrations.

Further clashes at protests are likely, as well as continued police targeting of journalists. Police have used tear gas and pepper spray to disperse protesters and detained several journalists at recent demonstrations. Far-right groups have also increasingly attacked anti-government protesters and LGBT rights activists. The increased frequency of clashes between police and protesters compared to previous years may intensify support for the anti-government protests.



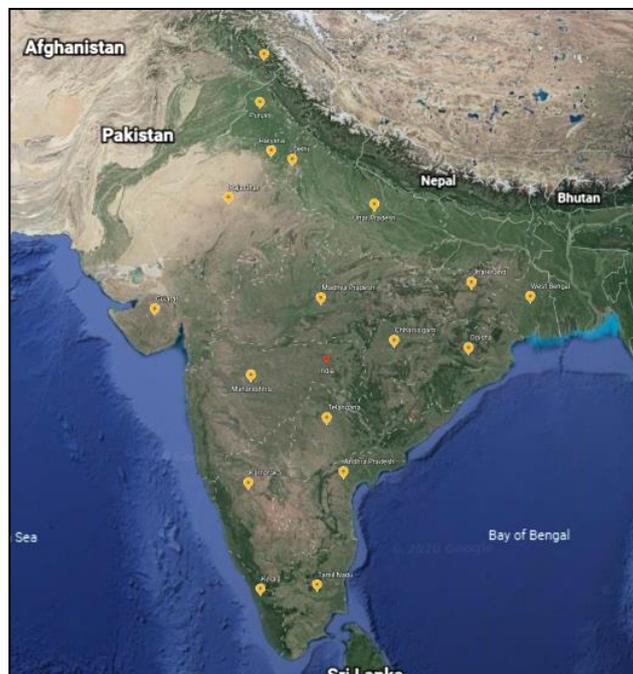
India

Civil Unrest, 7 to 8

PGI has increased the Civil Unrest threat rating for India, amid widespread farmers' protests over agricultural reforms that have seen up to 250 mn workers join nationwide strikes. Hundreds of thousands of farmers, particularly from the states of Punjab and Haryana, backed by opposition parties have held large daily rallies and blocked motorways leading to Delhi since November. The farmers claim the reforms will allow private companies greater influence in the sector and affect grain pricing rules.

The government has held several rounds of negotiations to reach a compromise with farmers' union leaders, who have repeatedly said that they will intensify their protests until the reforms are withdrawn, which is unlikely. Given that the government will seek to avoid setting a precedent of withdrawing its reforms, the impasse is likely to persist in the coming weeks. Protesting farmers may expand the transport blockades to other state motorways across the country to put more pressure on the government amid the stalemate.

Moreover, because of the febrile atmosphere created by the farmers' protests, there is a risk of increased labour unrest in the coming months. The risk was highlighted in mid-December when thousands of employees rioted over allegations of unpaid wages at a Taiwanese-run iPhone factory near Bengaluru, the capital of southern Karnataka state. Such incidents at foreign-owned companies are unusual in India, suggesting that **further protests by workers at other Indian manufacturing sites are likely with an elevated risk of violence, particularly in the electronics manufacturing sector.**



Map illustrating locations of farmers protests across Indian states since November 2020. Source: PGI.



Peru

Regulatory Environment, 6 | Uncertain

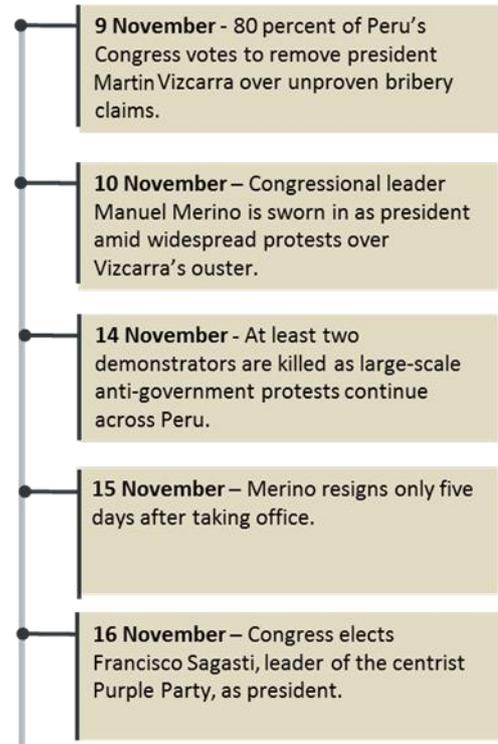
Peru saw its worst political crisis in decades in November and the risk of political instability remains high ahead of presidential elections scheduled for April. The ouster of President Martin Vizcarra and subsequent mass protests are indicative of deep institutional challenges in Peru that will persist even after the election.

Peru’s fragmented political system remains a major source of instability and ineffective governance. Politicians [frequently switch parties](#) and often do so with little regard to ideology, making it difficult to legislate effectively. The large number of parties in Congress also makes governing difficult. Many of the nine parties that make up the current 130 seat single chamber congress are divided internally, and none has more than 20 percent of the total seats in the legislature.

Deep divisions between the presidency and powerful Congress have become a feature of Peruvian politics, complicating governance. Peruvian presidents often come from parties without a strong base of support in Congress, which can make it difficult for presidents to enact legislation and leave them vulnerable to congressional opposition.

Since 2016, political instability has risen in Peru, as evidenced by the more frequent use of powers to [dismiss elected officials](#) and a series of political crises under Vizcarra, who clashed with Congress over anti-corruption reforms. Vizcarra made use of rarely used powers to dismiss congress in September 2019 and oversaw a referendum that barred lawmakers from [seeking re-election](#).

Assuming Peruvian voters fail to give the incoming president a strong congressional mandate in April, the country is likely to see continued deadlock and instability. Blocking lawmakers from re-election was popular given half the current legislature is under investigation for corruption, but it also means future lawmakers are likely to be inexperienced with an incentive to focus on short-term political gains at the expense of governing. Despite recent mass protests, self-interested lawmakers could again seek to remove a future president from office using [ambiguous constitutional provisions](#) unless the country’s courts intervene or Peru’s constitution is changed.



Key developments in Peru’s recent political crisis. Source: PGI

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