HOME-GROWN TERRORISM
WHAT DOES IT MEAN FOR BUSINESS?
‘THE CURRENT STRAIN OF ‘HOME GROWN’ TERRORIST PLOTS PRESENTS A PARTICULARLY MENACING AND CONSTANT THREAT’
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Home-grown terrorism: What does it mean for business?
For over 300 years, the Lloyd’s insurance market has been helping business to prepare for and respond to uncertainty, but the 21st century has brought its own set of challenges.

Our work this year in both the US and Europe has highlighted the emergence of a new brand of home-grown terrorism, probably the greatest security threat we now face.

No-one should be in any doubt that home-grown terrorism has the potential to disrupt business significantly. However, although most business leaders are increasingly worried about it, they have also told us that they currently understand very little about what home-grown terrorism risk means for their business.

The business community urgently needs to close the gap between growing awareness of the risk, and a lack of understanding of what it means in practice. We have shared our work to date with the International Institute of Strategic Studies*, and they agreed to help us contribute towards this important process.

Their report which follows highlights that there is a wide range of resource and an appetite for dialogue available to help business manage this emerging risk, but we need to get better at harnessing it.

It also identifies a number of practical steps which individual companies must undertake to mitigate and manage the home-grown terrorism risk.

Ultimately, we must recognise that home-grown terrorism represents a struggle to engage with a lost generation. Society will therefore only conquer the threat if we start thinking and investing ‘long-term’, both at home and abroad.

For the business community, that means we must start to think and behave as if we are part of the solution. There has therefore never been a greater need to share lessons and expertise with each other and within society more widely.

Lord Levene
Chairman of Lloyd’s
December 2007

* www.iiss.org
EXECUTIVE SUMMARY

“Our country - and all countries - have to confront a generation-long challenge to defeat Al-Qaeda inspired terrorist violence.” UK Prime Minister Gordon Brown, 25 July 2007.

1 THE UK IS NO STRANGER TO TERRORISM BUT THE CURRENT RISE IN HOME-GROWN ISLAMIST EXTREMISM PRESENTS AN UNPRECEDENTED THREAT TO BUSINESS AND SOCIETY AT LARGE
With a focus on mass casualties and major economic damage combined with the use of suicide bombers, home-grown terrorism has the potential to have a significant impact on the business community. Any organisation can find itself caught up in a terrorist episode and not just as a result of physical proximity, something which is often underplayed.

2 ANALYSIS OF INCIDENTS TO DATE IDENTIFIES A NUMBER OF COMMON THEMES WHICH CAN HELP COMPANIES TO MANAGE THE RISK
Some businesses and organisations are more vulnerable than others to terrorism, and a focus on certain targets using specific techniques means that the risk is likely to have a relatively predictable impact on the private sector. This analysis can be helpful in managing the risk at organisation level.

3 BUSINESS NEEDS TO GET BETTER AT GATHERING INFORMATION FROM THE RIGHT SOURCES AND USING IT TO GUIDE STRATEGY AND OPERATIONS
Government departments and agencies and other independent sources all offer a wide range of expertise and have an appetite for dialogue with business. They can provide high-quality advice and guidance for companies and are often underused.
CORPORATE RESPONSE TO HOME-GROWN TERRORISM RISK ESSENTIALLY INVOLVES THE STRENGTHENING OF EXISTING RESILIENCE MECHANISMS BUT NEEDS A POSITIVE MINDSET TOWARDS SECURITY
A corporate culture which sees security as a business enabler, a well thought-out HR policy, and effective business continuity planning all play an important role in protecting against terrorism.

IN THE LONG-TERM, ERADICATION OF THE HOME-GROWN TERRORISM THREAT IS A GENERATIONAL CHALLENGE WHICH REQUIRES AN ACTIVE PARTNERSHIP ACROSS SOCIETY
The Al-Qaeda ideology has taken a hold among young Islamic populations, including that of the UK, and eradicating it will take time and sustained effort from government, the private sector and wider society.

THE PRIVATE SECTOR CAN PROVIDE AN IMPORTANT CONTRIBUTION TO BOTH THE NATIONAL AND INTERNATIONAL EFFORT AGAINST TERRORISM
The private sector can do a lot to help with the engagement of Islamic communities whose young people are the most vulnerable to the Al-Qaeda ideology. Investment and HR decisions designed to help marginalised and economically disadvantaged communities, active engagement in counter-radicalisation activity and involvement in public debate on issues relating to terrorism will not by themselves solve the problem, nor provide immunity from attack. But they all have an important part to play in creating a climate which is less receptive to the Al-Qaeda message.
PART 1
MEASURING THE HOME-GROWN TERRORIST THREAT

The UK has long faced terrorism; however, the current strain of “home-grown” terrorist plots presents a particularly menacing and constant threat. Broadly unpredictable and eager to cause mass casualties, extremist Islamist terrorism in the UK has the potential to inflict significant damage on the business community. This report assesses the current information on home-grown terrorism in an objective way to provide business leaders with some key points on how to mitigate the direct threat to their operations and to offer ideas on how they can help mitigate the threat to society as a whole.

A number of consistent themes and factors can be seen amongst “home-grown” plots in the UK in particular. The list below draws on information from recent attempted or successful plots to draw out a few key themes to bear in mind when considering the level of threat that your particular business might face:

1. MULTIPLE CO-ORDINATED ATTACKS AGAINST HIGH-PROFILE ICONIC TARGETS
   Including financial institutions, nightclubs, shopping centres and other symbols of ‘decadent’ western consumerism; and critical national infrastructure nodes.

2. A CONSISTENT FOCUS ON MASS TRANSPORT SYSTEMS
   Both domestic and international.
3 AN EMPHASIS ON MASS CASUALTIES
A readiness to resort to suicide-bombing techniques.

4 A DESIRE FOR HIGH MEDIA IMPACT
Either through choice of iconic target, or especially brutal tactics.

5 A TENDENCY FOR ATTACKS TO OCCUR IN LATE SUMMER
Possibly explained by the fact that terrorist groups may have spent the spring preparing attacks in camps in Northwest Pakistan.

While by no means comprehensive, this list gives business leaders some key pointers when trying to step back and analyse exactly what the threat might mean for any given individual business.
At various times during the 20th century the United Kingdom faced terrorist threats: Russian anarchists, Irish republicans, Middle Eastern groups and the supporters of various causes, such as animal rights, have all perpetrated acts of terrorism on the UK mainland. With the successful implementation of the Good Friday Agreement in Northern Ireland, the threat from Irish republicanism is now much diminished.

Animal rights groups have undertaken acts of sabotage against individuals and companies thought to be involved with or to benefit from experiments on live animals. To date attacks have been carefully targeted and such groups show no inclination to engage in indiscriminate violence. Moreover, recent evidence suggests these groups are losing what popular appeal they once enjoyed. Anti-globalisation groups both in the UK and elsewhere have shown a readiness to engage in direct action which has the propensity to become violent. But none of these groups have yet undertaken activity that can be characterised as terrorism.

At the start of the 21st century the main terrorist threat in the UK comes from Islamist jihadi groups seeking to promote the agenda of Osama bin Laden’s Al-Qaeda organisation. All of these groups are self-forming and predominantly “home-grown”, many act autonomously, but some have links to senior figures in Al-Qaeda safe havens who provide them with training and direction. Unlike many previous terrorist organisations whose objectives have been described as “a lot of people-watching but not many dead”, Islamist jihadi groups aspire to cause mass casualties and major economic damage. Their readiness to resort to suicide bombing techniques makes them harder to stop than previous generations of terrorists, and they pose a serious and long-term threat to the security of the United Kingdom.

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4 Islamism should not be confused with Islam. Most serious Islamic scholars reject any suggestion that their religion can be used to justify acts of terrorism. Islamism is a distorted ideology which seeks to use Islam to legitimise violence.

**MEASURING THE THREAT TODAY**

The Security Service (MI5) and the Joint Terrorism Analysis Centre (JTAC), who are responsible for setting the threat level in the United Kingdom, have currently set it at “severe” - meaning “an attack is highly likely”. According to the Home Office, the quantifiable threat to the United Kingdom can be described thus:

**UK TERRORISM THREAT QUANTIFIED**

**Capabilities**

- Significant, innovative and potentially unlimited
- Co-ordinated explosions, chemical, biological, radiological or nuclear (CBRN) aspirations

**Known Scale**

- 200 groups
- 2000 identified individuals
- 30 or more plots to kill people and cause damage

**Unknowns**

Increasingly innovative, ambitious and resilient
PARRY; ALEXANDER CHADWICK; JONAS BORG

...lances with lights blazing took the injured to the University...
"THE TRANSITION FROM SUPPORT ACTIVITIES TO ACTIVE TERRORISM CAN BE SUDDEN, HARD TO SEE AND IMPOSSIBLE TO PREDICT."

The locations of the Islamist groups listed broadly tracks with the geographical distribution of the UK’s Islamic population, the highest concentrations being in the Midlands and the North of England.

Not all the groups and individuals referred to in the Security Service assessment are engaged directly in terrorist attack planning at any given time. Many are involved in such activities as fundraising, often involving criminality, proselytising and assisting volunteers to travel to locations such as Iraq and Afghanistan. But the transition from support activities to active terrorism can be sudden, hard to see and impossible to predict. And a small group can generate disproportionate damage at little cost. The 7 July 2005 bomb attacks on the London transport system were undertaken by four individuals using bombs made from commonly available ingredients at a cost of a few hundred pounds.

The diagram opposite shows the number of arrests in the UK for terrorist and related offences since 11 September 2001. At first glance, the ratio of convictions to arrests may seem low, but it is not dissimilar to the same ratio for other forms of serious crime. Furthermore, the following factors also influence the statistics:

- Some terrorist plots have to be disrupted at a relatively early stage because of resource constraints or other considerations. This generally results in lesser charges being brought against terrorist suspects or in their being released without charge because of insufficient evidence.

- Where prosecutions do result, the large volumes of evidence which have to be worked through, and the shortage of high-security courts and detention facilities, create bottlenecks in the system. These are only now being addressed and have led to long delays between arrests and convictions.

### Number of UK arrests for terrorist and related offences since 11 September 2001

<table>
<thead>
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<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Awaiting trial</td>
<td>114</td>
</tr>
<tr>
<td>Convictions for other offences</td>
<td>183</td>
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<tr>
<td>Terrorism net convictions</td>
<td>41</td>
</tr>
<tr>
<td>Released without charge</td>
<td>469</td>
</tr>
<tr>
<td>Charged with other offences</td>
<td>195</td>
</tr>
<tr>
<td>Charged with terrorist and other criminal offences</td>
<td>109</td>
</tr>
<tr>
<td>Charged with terrorist offences</td>
<td>132</td>
</tr>
</tbody>
</table>

Source: These statistics are compiled from police records by the offices or the National Coordinator for Terrorist Investigations. They are subject to change as cases go through the system, and can be found at www.homeoffice.gov.uk/security/terrorism-and-the-law?version=3.
AL-QAEDA’S EVOLUTION
The origins of Islamist terrorism in its current incarnation date back to the 1970s when a series of revivalist Islamist movements emerged in response to the failed Arab socialist state that had emerged in the wake of colonization and the defeat of the massed armies of their surrounding Arab states. These groups pursued local agendas aimed at overthrowing corrupt secular administrations. But it was the Soviet invasion of Afghanistan in 1978 to prop up an unpopular communist government that created the circumstances in which these locally focused organisations were able to become part of a global jihadist movement aimed at restoring the former glories of a world-wide Islamic Caliphate. At its most expansive (in the 7th century), the Caliphate reached from the Iberian peninsula in Europe, through North Africa, Turkey and the Gulf, and all the way over to Tajikistan and the edge of India (the later Ottoman Caliphate reached the fringes of Vienna in the 1500s). The process of reforming the Caliphate involved driving “unbelievers” from the Muslim lands and overthrowing “apostate regimes” in the Islamic world which relied on the support of Western nations. Osama bin Laden, a Saudi national who had participated in the anti-Soviet jihad, took these concepts as the underpinning of a globalised movement which became known as Al-Qaeda. Bin Laden initially based himself in Sudan before moving to post-Soviet Afghanistan, where he began to create a network of terrorist training camps which over time came close to becoming a state within a state.

Al-Qaeda emerged as a fully fledged terrorist movement in 1998 with the bombings of the US embassies in Tanzania and Kenya. These were followed in 2000 by the bombing of the USS Cole in Yemen and then, on 11 September 2001 (9/11), by the attacks on the Twin Towers in New York and the Pentagon. 9/11 resulted in the US-led invasion of Afghanistan and the expulsion of Al-Qaeda, many of whose leaders took refuge in neighbouring Pakistan and Iran, but it also sowed the seeds of what has now become a truly global movement with many hundreds of groups and individuals allying themselves with Al-Qaeda’s ideology.

The invasion of Afghanistan and the subsequent US-led invasion of Iraq fuelled the Al-Qaeda “single narrative” - the Jihadi Salafi (please see Appendix 1 for a glossary of terms) proposition that the Islamic world was under attack from the West and that it was the duty of all Muslims to take up arms to defend their co-religionists. This message had particular resonance with young second-generation Muslims living in the West who sometimes report a crisis of identity.

AL-QAEDA CONSISTS OF THREE COMPONENTS:
Core Al-Qaeda, based in the area along the Pakistan/ Afghanistan border.
Affiliates such as Al-Qaeda in Iraq and Al-Qaeda in the Maghreb, organisations with a local focus but which have sworn formal allegiance to Al-Qaeda and work to their agenda.
Autonomous groups with varying degrees of connectivity with Al-Qaeda but committed to its agenda. These groups constitute the principal threat in the UK and elsewhere in the West as their members’ status as citizens or legal residents gives an organisation like Al-Qaeda a degree of penetration it would otherwise struggle to achieve. While they may often prove to have connections to “core” Al-Qaeda, they tend to first assemble and radicalise in their Western homes, and then seek out contacts with the “core”.

No-one can state with any certainty how many people are in Al-Qaeda and associated groups, but intelligence and security services across the world believe that the Al-Qaeda ideology exercises a growing appeal and that radicalisation within the Islamic world is on the increase.

“RADICALISATION WITHIN THE ISLAMIC WORLD IS ON THE INCREASE.”
NEITHER ECONOMIC NOR SOCIAL EXCLUSION ARE NECESSARILY FACTORS WHICH LEAD INDIVIDUALS TO ENGAGE IN TERRORIST ACTIVITIES
Many young Britons of Pakistani origin travel to Pakistan and some, once there, attend extremist religious schools or terrorist training camps. But most become radicalised in the UK, either though the Internet or the influence of peer groups. A study by the New York Police Department of various home-grown plots around the world (including in the US, Australia, Spain, Canada, the Netherlands and the UK) concluded that there is a clear path towards radicalisation which all home-grown terrorist recruits follow, which they charted thus:

**Pre-radicalisation**: the period before the individual becomes involved in extremism.

**Self-identification**: when the individual starts to identify with the general "struggle", and starts to seek out extremist ideology.

**Indoctrination**: when the individual encounters an active extremist, who grooms them further down the path. Outward displays of piety and other abnormal behaviour may be visible at this point.

**Jihadisation**: when the individual is now actively involved in extremism, and seeking targets and plots to be involved with.

### The path to radicalisation

![Diagram]

Source: The New York Police Department “Radicalisation in the West: The Home-grown Threat”.

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**The UK’s Islamic Communities and the Process of Radicalisation**

The Islamic population of the UK is estimated at 1.6 million, representing 2.7% of the total population. While this population is itself ethnically and religiously diverse, practising many different versions of the Islamic faith, it is dominated by two communities, Pakistani - 46% and Bangladeshi - 18%, who came to the UK in the 1960s to take manual jobs in the now greatly declined textile industry. Both communities came predominantly from impoverished and remote agrarian communities - in the case of Pakistan, Mirpur in the disputed territory of Kashmir and in the case of Bangladesh, Sylhet - and both are characterised by high levels of social conservatism, particularly in regard to the status of women. The result has been communities with a strong degree of social cohesion but relatively little engagement in the mainstream of UK society, and suffering significant economic deprivation.

40% of Pakistani and Bangladeshi school leavers have no qualifications, only 48% of the working-age population are in work and only 25% of women are economically active. Few members of either community are university graduates or have white-collar jobs, and they have few obvious role models within their own communities in British society. Some aspects of this situation are starting to change, especially in the field of education. Levels of university attendance by young British Muslims are now above the national average, nonetheless, British Muslim graduates are three times less likely to secure employment than their non-Muslim counterparts.

Neither economic nor social exclusion are necessarily factors which lead individuals to engage in terrorist activities. The overwhelming majority of British Muslims are both law-abiding and, as recent opinion polls have shown, largely positive about their British identity. The majority practise a moderate version of Islam far removed from the extremist doctrines of Al-Qaeda. But young and often well-educated second and third-generation members of these communities have suffered problems of identity which, combined with the frustration of rising expectations, have made them vulnerable to Al-Qaeda propaganda, and people of Pakistani and Bangladeshi origin together comprise over 70% of the membership of home-grown terrorist groups identified to date.
A DESIRE FOR HIGH MEDIA IMPACT THROUGH CHOICE OF ICONIC TARGET
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HOME-GROWN PLOTS IN THE UK
Since 2000, the UK security authorities have investigated sixteen Islamist terrorist plots. Among the more recent are:

7 July 2005 (7/7), four British Muslims (one a recent convert), blew themselves up on the London transport system killing 52 people and injuring hundreds.

21 July 2005 (21/7), a predominantly East African group attempted to repeat the success of 7/7 by targeting three London Underground trains and a bus using similar explosives to the earlier group. Their bombs failed to detonate.

July 2006, British security services disrupted a major plot the alleged purpose of which was to destroy up to a dozen airliners in the mid-Atlantic.

November 2006, Dhiren Barot, a British Hindu convert to Islam, was convicted of attempting to commit a series of terrorist acts in the United Kingdom that included blowing up limousines filled with gas canisters in an underground car park, flooding the London Underground, and targeting financial institutions in the UK and US.

January 2007, another group of plotters were arrested whose apparent intention was to kidnap and decapitate on camera a British Muslim serviceman.

March 2007, three individuals apparently connected with the 7/7 plotters were arrested as they prepared to go to Pakistan.

April 2007, the Crevice trial concluded with the conviction of five British-born individuals who were accused of trying to blow up a variety of major targets including the Bluewater Shopping Centre and the Ministry of Sound nightclub.

29 June 2007, two massive car bombs left outside a packed London nightclub failed to explode and were disarmed by police. The two bombs were placed so that the explosion of the first would drive survivors in the direction of the second.

30 June 2007, two individuals attempted to drive a car laden with gas canisters and fuel into Glasgow International Airport. The bomb failed to explode and the two individuals were arrested, one later dying from his injuries.

“SINCE 2000, THE UK SECURITY AUTHORITIES HAVE INVESTIGATED SIXTEEN ISLAMIST TERRORIST PLOTS.”
A DESIRE TO TARGET MASS TRANSPORT DURING THE MORNING RUSH HOUR
Bombs exploded in under an hour, devastating London's underground system. At least 37 died.
The threat from “home-grown” terrorism is real, constant and pervasive. But the fact that Al-Qaeda-affiliated terrorism tends to focus consistently on certain targets using specific techniques means it is likely to have a predictable impact on the private sector. For example, tourism and affiliated sectors tend to be the first areas that feel the financial pinch in the wake of a terrorist attack. These realities will naturally be reflected in the manner in which governments and the private sector react to and prepare for the threat.

This chapter starts to map some of the similarities between plots by examining a series of case studies, quantifying their impact, trying to measure their effects and seeing what lessons can be learned. Key lessons are:

1. **DESIRE TO INFLECT MASS AND RANDOM CASUALTIES**
   Unlike previous separatist or political terror groups, these plots all aimed to inflict large amounts of random civilian casualties.

2. **DESIRE TO STRIKE ICONIC BUILDINGS**
   Al-Qaeda’s focus on New York’s twin towers epitomises this preoccupation, but almost all the failed plots listed in this section highlight the obsession with attacks on high-profile buildings symbolising Western capitalism.

3. **DESIRE TO TARGET MASS TRANSPORT**
   As seen in both the London and Madrid bombings; this is clearly the case with strikes aimed directly at public mass transit during the morning rush hour. However, in most of the other plots, a desire to strike mass public transit on air or land also features.

4. **MULTIPLE ATTACKS**
   The evidence from the foiled plots listed in this section is not entirely conclusive. But the long list of potential targets uncovered in each investigation at least suggest ambitions in this direction.

5. **MULTIPLE DEVICES, STRATEGICALLY PLACED**
   Most visibly seen in the attempt on a London nightclub in June 2007, when devices were placed so that the second would inflict further casualties upon people fleeing the first, highlighting a desire to cause mass harm.
**6. DESIRE TO SECURE AND USE A CBRN DEVICE**

One group listed was confident of its ability to secure Al-Qaeda funding to buy a radiological device had one been available, others experimented with alternative possible sources to build “dirty bombs”.

**7. DESIRE TO STRIKE AT THE ECONOMY**

One of the individuals implicated in a recently uncovered British plot (by the Crevice group) was quoted as having expressed a desire to strike in such a way as to inflict both human and economic damage. Similarly, the Bali group and others sought to damage the tourism industry specifically.

**8. AN ABILITY TO ADAPT**

Videos of American financial institutions seized during one trial (of Dhiren Barot and the Rhyne group) were taken in early 2001, the Twin Towers appear prominently. However, after 9/11, the plotters decided to shelve plans to target the US and concentrate on the UK.

**9. DESIRE TO UTILISE UNDERGROUND PARKING SPACES AS A STAGING POINT**

This is likely to be the product of the realisation by plotters that underground car parks are often relatively unguarded (in the first bombing attempt on the Twin Towers in New York in 1993, a truck bomb was left in an underground car park).

**10. THE THREAT FROM WITHIN**

The plan by one group (the Crevice plotters) to attack the infrastructure of gas company Transco was borne of the time a group member spent working for the firm, during which he stole network plans. The most notable and disturbing thing about the recent German arrests (of the Alberich group) is the fact that two of them were Christian German converts to Islam. Converts have featured in other Al-Qaeda-related terrorist plots - one of the 7 July 2005 bombers was a convert, as were Dhiren Barot and the shoe-bomber Richard Reid. No-one knows whether Al-Qaeda has a strategy for using converts, but the latter’s ability to blend more easily into their host society has obvious operational attractions.
Bali Bombings
12 October 2002 and 1 October 2005

On 12 October 2002, 3 bombs were detonated in the Indonesian resort of Kuta, Bali, causing the deaths of 202 people, of whom the majority were foreign tourists (88 were Australian). Three years later, on 1 October 2005, bombers struck again in Kuta, and also in nearby Jimbaran. Most of the 20 people who were killed in this second wave of attack were Indonesian, but Australians and Japanese (the two biggest single tourist groups to visit Bali) also died.

The casualties of the second wave could have been much higher, with local police reporting that they later found three further devices that had failed to explode in Jimbaran after police shut down mobile telephone networks following the initial blasts.

Impact on business:
Aside from the human cost, Indonesian tourism suffered dramatically in the wake of both attacks, with numbers dropping noticeably in the immediate period following each attack. Already, 9/11 had caused a pronounced drop in international flights and a consequent drop in tourism. However, the impact of the 2002 and 2005 attacks upon the Indonesian tourist economy was particularly pronounced.

For Bali, in particular, the impact was ever more pronounced, with Japanese tourist numbers, one of their largest tourist groups who were particularly affected by the bombs, falling further than most. While the figures for 2006 and 2007 show improvements, the local economy has yet to completely recover, with some reports from Bali indicating that there have been 22 restaurant and hotel closures in a hilltop resort since the 2002 attack.

This was exactly the effect the bombers were seeking. Following the attack, Imam Samudra, one of the organisers of the plot, was quoted as saying that he had been disgusted by “the dirty adulterous behaviour of the whites there”. As well as citing American actions in Iraq and Afghanistan (with Australian support) as their motivation they also saw the nightclubs and bars of Bali as part of a cultural assault on the Islamic world. The enemy, according to one of the other plotters, Ali Ghufron, also known as Mukhlas, is “capitalist terrorists” whose “programmes of destruction and lust” undermine Islam.
On 11 March 2004, a coordinated series of 10 bombs placed in rucksacks exploded on busy commuter trains in Madrid; seven at the main Atocha train station, and the other three outside two other stations. Three further devices were later discovered unexploded. A total of 191 people were killed in the attack, not including the bomb-makers. On 31 October 2007, 21 individuals were convicted and heavy prison sentences were handed down to them for their part in the attacks. Seven further defendants were acquitted.

Just under four weeks after the attack, police cornered seven of those wanted for the attack in a Madrid flat. The suspects chose to blow themselves up rather than surrender (killing one policeman and injuring 11 more in the process). The indicators were that the attack on the public transport system was to be part of a more sustained campaign, with police finding another similar device on a train line in Madrid in the weeks after the attack, and a further 200 detonators and 10kg of explosive of the kind used in the attack in the rubble of the Madrid flat.

Impact on business:
The direct impact on business is hard to measure. The immediate effect of the bombing, however, was a shutting down of the train system throughout the city and a closing off of most roads to permit emergency vehicles to get around quicker. This inevitably gave rise to short-term economic disruption.

Across Europe, equity markets took an instant hit, with the FTSE 100 losing well over 100 points, and reverberations felt across European markets, with the biggest hits felt by airline, travel and holiday companies. By the end of the week the full impact internationally could be seen in a 3.4% drop in the Dow, 30.1% in the Nasdaq, 3.1% in the S&P 500, and 1.8% in the FTSE 100.

Overall, however, the economic impact on Madrid was moderate. A university report, published a year after the attack looking at the economic cost, placed the actual cost at 211 million, a figure that represented some 0.16% of the Madrid region’s GDP for 2004, and a meagre 0.03% of the Spanish GDP for the year. Spanish tourism saw a small decline in the wake of the attacks, but the speed with which the plotters were tracked down and the lack of subsequent strikes seemed to reassure visitors to Madrid.

Aside from the human cost, the biggest impact of the attack was felt in Spanish politics. The bombings were directly responsible for the toppling of the pro-American conservative government of José María Aznar. In the immediate wake of the attacks, President Aznar had refused to place the blame on Al-Qaeda or affiliated groups, instead blaming local Basque separatist group ETA (Euskadi Ta Askatasuna). As the police closed in on the plotters, who turned out to be predominantly North African Muslims, the public turned against the government and voted the socialist PSOE party led by José Luis Rodríguez Zapatero into power. One of Zapatero’s first actions in government was to withdraw Spain’s military contingent from Iraq.

Following the election, a great deal of attention was paid to a report, published on an Islamist website, prior to the election called “Jihadi Iraq - Hopes and Risks”, in which an anonymous Islamist strategist instructed aspiring jihadis to “make the utmost use of the upcoming Spanish elections in March next year”. Many read into this that Al-Qaeda had planned the attack with the intention of undermining and punishing the Partido Popular government of Prime Minister Aznar that had supported the American-led war in Iraq. While the actual plotters were never quoted stating that this was their direct intention, it is hard to imagine that it did not play into their thinking. It is almost impossible to measure the financial impact of the PSOE election victory on business in Madrid or beyond, but overall, the Spanish economy continued its growth for the year and Madrid’s growth in any area was not really held back.
LONDON TRANSPORT ATTACKS
JULY 2005

On 7 July 2005, three suicide bombers detonated bombs they were carrying almost simultaneously on three different London Underground trains, and another bomber detonated a device an hour later on a bus. 52 passengers and all four attackers were killed. Exactly two weeks later, on 21 July 2005, another group attempted to carry out a similar attack on London public transport, though this time the devices failed to explode. Subsequent to this second attack, police discovered a device similar to those used in the attempt abandoned in a London park.

In the tense days immediately after the second attempt, on 22 July 2005, armed police shot an innocent civilian who they thought was an armed terrorist, an event that briefly increased the general sense of tension and fear around the city.

Eventually all four plotters, and other individuals who had lent support to the plot were arrested - the trials have only recently concluded. One detail to emerge from the trials was that elements from both the 7/7 and the 21/7 plots had trained together at terrorist training camps in the Malakand region of Pakistan.

“ELEMENTS FROM BOTH THE 7/7 AND THE 21/7 PLOTS HAD TRAINED TOGETHER AT TERRORIST TRAINING CAMPS.”
Impact on business:
As with Madrid, the immediate impact of each of the attacks was the immediate shutdown of the public transport system. People were advised to stay at home, and disruptions continued well into the next day - in fact, the portions of the Underground affected by the 7/7 bombings were closed for a month after the event, causing unknown amounts of disruption to travel around the City. The knock-on effect for business is hard to calculate. The primary objective was again a mass-casualty and mass-disruption event, with public transportation systems as the rupture point.

The equity markets bounced back very quickly in the wake of the attack, demonstrating traders’ increasing sense that relatively contained explosions like those experienced in London and Madrid have little lasting impact upon economies. While many rushed to compare both the Madrid and London bombings to 9/11, the sheer scope of the latter event defies comparison - as a result of 9/11, 14,500 businesses in New York were either completely destroyed or severely disrupted. While severe disruptions may have occurred as knock-on effects of 7/7, 21/7 and Madrid, no businesses ceased operations as a result.

Tourism too suffered few ill-effects immediately after the attacks, and travel agents reported few cancellations. According to the Greater London Authority, while the numbers of visitors to London increased, the rate of increase was less than the year before, though this impact had disappeared by the time 2006 figures were released. The most noticeable impact was upon retail sales in London, as indicated opposite.

The London Underground also suffered a rather sudden 30% weekend and 5%-15% week day drop in passenger volumes - a further knock-on effect that many businesses noted as a preference by staff to take other modes of transport to work, incurring unknown taxi and time-delay costs.

Overall, however, it is very hard to estimate the actual cost to London of the attacks, beyond the obvious lost revenues, consequent community friction, and other problems. Early predictions were that tourism would suffer dramatically, with one early report placing losses at £300m, while other alarmist reports placed the total cost to London as between £2 and £3bn. However, retail figures and other data would seem to indicate that London’s economy bounced back relatively rapidly.

In his posthumously released martyrdom video, 7/7 ringleader Mohammed Siddique Khan stated that he had carried out his terrible act because "your democratically elected governments continuously perpetuate atrocities against my people all over the world". Unlike those in Spain, the attacks on London did not result in a major political shift, though for British businesses it is hard to gauge the cost of such a statement or sentiment.

Estimated costs to terrorist group of conducting each attack:

<table>
<thead>
<tr>
<th>Attack Type</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>9/11</td>
<td>$500,000</td>
</tr>
<tr>
<td>2002 Bali bombing</td>
<td>$35,000</td>
</tr>
<tr>
<td>Madrid bombing</td>
<td>$10,000</td>
</tr>
<tr>
<td>London 7/7 bombing</td>
<td>$1,000</td>
</tr>
</tbody>
</table>
ion in Tavistock Square. At least two people died in the blast.

The one thing I want to say about the attacks is: This was not a
prist attack against the

world can escape terrorism
these days. Even London, which

es to less than
in hotel opera...
A DESIRE TO INFlict
MASS AND RANDOM
CASUALTIES
FOILED ATTACKS
The attacks listed here have been chosen both for their timeliness, but also because they illustrate the nature and aims of the home-grown terrorist threat. Since they have been foiled, it is impossible to guess at exactly what could have been achieved - but the prison terms passed out demonstrate the extent of police concerns. In the last two cases (the “Doctors’ Plot” and Operation Alberich), since they have yet to come to trial, and reporting regulations remain in place, the information is necessarily incomplete. It is worth noting that all of the individuals involved in these plots (aside from some of the “Doctors plotters”) were passport-carrying nationals of the nations in which they were arrested.

OPERATION CREVICE
On 30 March 2004, in the culmination of a terrorist investigation code named Crevice, police in the UK arrested six individuals following raids across Southern England, with a further plotter allegedly connected with the group arrested by police in Ottawa, Canada. In April of the same year an eighth individual surrendered to authorities in Pakistan (he was returned to the UK 10 months later). Aside from Anthony Garcia (né Rahman Benouis), who was originally of Algerian extraction, the UK group were all second-generation Pakistani Britons. The trial went on for one year, was the largest of its kind at the time and culminated in five convictions with custodial sentences varying between 20 and 40 years.

What businesses were targeted?
When the group was arrested, they possessed some 600kg of ammonium nitrate fertiliser, a massive quantity that they had planned to use to target a number of large public places. Amongst the many plots that it was reported they had planned were:

- Bombing the Ministry of Sound nightclub
- Bombing the Bluewater Shopping Centre
- Utilising a “nuclear device” that they had attempted to secure from the Russian mafia
- Disseminating poisoned food and drink at football matches
- Attacking the Transco gas supply system
- Attacking British Telecom’s infrastructure
- Crashing an air plane

OPERATION RHYME
In early 2004, Muslim convert Dhiren Barot presented a series of plans to Al-Qaeda to conduct a terrorist campaign in the United Kingdom. On 4 August 2004, a raid by Pakistani police produced a laptop connected to Barot, causing police in the UK to arrest Barot and charge seven other individuals in the UK. An Indian-born Hindu who had converted to Islam and had moved to the United Kingdom when he was a year old, Barot was later described as Al-Qaeda’s general in Europe. The plotters he assembled were all second generation Pakistani Britons and were drawn from different areas of technical expertise, including architects, IT experts, and systems engineers. In June 2007, the group of eight were all convicted to custodial sentences varying between 15 and 40 years.

What businesses were targeted?
This group of plotters was rolled up before any of its plans had reached the stage of acquiring explosives. However, the group’s connections to Al-Qaeda in Northwest Pakistan had been widely reported, and, following leaks to the US press, British police decided to arrest the individuals, fearing that the arrest and seizures in Pakistan might prompt them to go underground. A number of detailed plans were discovered in the possession of Barot and others at the time of their arrest. The most advanced of these were:

- “Gas Limos Project” - Barot planned to fill three limousines with gas cylinders and nails and then park them in the underground car park of a building.
- “Radiation (Dirty Bomb) Project” - Barot planned to acquire some 10,000 fire alarms and extract the minute quantities of radioactive material within them to create a “dirty bomb”.
- Public transport systems in London were reconnoitred as possible targets, including the Heathrow Express, and a plan was made to cause a London Underground tunnel to rupture under the Thames, flooding the underground system.
- Video reconnaissances of financial Institutions in the United States - New York Stock Exchange, the Prudential Building in New Jersey and the World Bank and International Monetary Fund in Washington DC - were all found in Barot’s possession at time of arrest.
- Other potential targets listed included London hotels such as the Marriott, Churchill Intercontinental and the Berkeley.
“ALL THE INDIVIDUALS INVOLVED IN THESE PLOTS WERE PASSPORT-CARRYING NATIONALS OF THE NATIONS IN WHICH THEY WERE ARRESTED”

“DOCTORS’ PLOT”

Early on 29 June 2007, an ambulance team answering a 999 call to Tiger Tiger nightclub in Haymarket, Central London, noticed fumes coming out of a car parked near the club. They alerted the police, who arrived and discovered a Mercedes laden with gas canisters, fuel and nails. The next day another Mercedes was discovered in a car park nearby where it had been towed for being parked illegally. It had originally been positioned so as to explode in the path of individuals who would have been fleeing the first explosion. The next day, two individuals, Bilal Abdullah and Kafeel Ahmed, later connected to the London bomb attempt, tried to drive a jeep packed with gas canisters, fuel and nails into Glasgow International Airport’s departure lounge. The vehicle failed to explode, though Kafeel Ahmed was seriously burned in the attempt, later dying from his injuries. In the days immediately after the attacks, a further three men were arrested and charged.

The cases are still under investigation, and consequently little information is in the public domain. However, those allegedly involved were highly educated foreign nationals who had recently moved to the United Kingdom.

What businesses were targeted?
• Tiger Tiger, a popular London nightclub in the heart of the West End.
• Glasgow International Airport, the busiest airport in Scotland.

OPERATION ALBERICH

On 5 September 2007, a German police operation code named Operation Alberich culminated in the arrest of two German citizens and a young Turkish German. The operation had been initiated in December 2006, when a number of the arrested individuals (along with others) were stopped outside an American army base in Germany. Subsequently, it was also revealed that the American National Security Agency had picked up some suspicious email traffic between Germany and Pakistan (where all three individuals had gone to train at terrorist camps run by the Al-Qaeda-affiliated group the Islamic Jihad Union). When they were arrested, the three believed themselves to be in possession of some 700kg of potential explosive (in reality, police had swapped the material for an innocuous substance weeks before) and military grade detonators they had obtained from Syria. At time of writing, police were still searching for seven individuals in relation to the plot (one of whom, it was reported, may have come to the United Kingdom), and it was unclear whether there was any connection to a group of extremists that had been arrested in Denmark the day before.

The cases are still under investigation and therefore many of the details have yet to come to light, however, the identities of the three are known:

Fritz Gelowicz, a German Christian convert to Islam, born in Munich.
Daniel Martin Schneider, a German Christian convert to Islam, born in Saarbrücken.
Adem Yilmaz, Turkish-born, but his parents moved to Germany in 1993.

What businesses were targeted?
• Ramstein Air Base and other American military bases, Germany
• Frankfurt International Airport, one of Europe’s busiest airports
• Nightclubs and pubs in Mannheim and Dortmund frequented by American service people.

In order to help understand the potential involved in each attack, here is a comparative list of the volumes of explosive used in other terrorist attacks:

One of the London 7/7 bombs
Oklahoma City bomb

10 kg
2,200 kg

(The Oklahoma City bombing was carried out in 1995 by right-wing American fanatic Timothy McVeigh and resulted in the destruction of a federal building and the deaths of 168 people).
Building resilience against home-grown terrorism is fundamentally an extension of resilience to other traditional threats, and most businesses should already have plans in place to protect against contingencies such as fire, theft and fraud. Strengthening these defences is therefore the best foundation for an effective preparation to counter home-grown terrorist threats. This final section presents ideas which, both over the short- and long-term, can help business mitigate the risk it faces, and more broadly contribute to society’s “generational” struggle against home-grown terrorism:

1. **There is a relatively low probability of a direct terrorist strike against business interests or facilities, but businesses should not overlook the risk of indirect attack**

Some organisations are more at risk of attack than others, for instance those businesses that have a very high profile or are an obvious part of critical national infrastructure. However, the risk for all businesses of becoming caught up in an indirect attack is significantly higher, yet often overlooked.

2. **Better information gathering**

Home-grown terrorism is not a new threat, and government and industry have already expended a lot of time and energy thinking of ways to help business mitigate the risks. Internationally, the UK is widely seen as the leader in this field, and a good understanding of where all the available information can be sought is a crucial start for businesses seeking to understand and manage the threat.

3. **Positive mindset**

Organisations must adopt security as part of the corporate culture and regard good security practice as a business enabler, not a hindrance. Consider terrorism early on in planning stages of organisational moves or in the design of a new building. Companies should make sure they have taken obvious precautions to mitigate the direct threats to the organisation, and ensure that business continuity plans are tested and updated regularly.
4 MONITOR AND PREPARE FOR EMERGING RISKS ASSOCIATED WITH THE HOME-GROWN TERRORISM THREAT

As seen in Chapter 2, terrorists are eager to wreak mass havoc in new and creative ways - chemical, biological, radiological, nuclear and cyber-terrorism are all avenues that have been considered to varying degrees by terrorist groups. While they remain unrealised ambitions right now, they cannot be completely discounted. For the most part, protecting business from them is a case of reinforcing extant security practices, but ensuring the organisation has considered and protected the supply chain is also crucial.

5 MONITOR AND PREPARE FOR EMERGING RISKS ASSOCIATED WITH THE HOME-GROWN TERRORISM THREAT

Ultimately, no amount of proactive or protective measures will completely defend against home-grown terrorism. However, greater engagement specifically on this issue with all the stakeholders, at home and abroad, will help society eradicate this problem. Smart and sensitive human resources policies, and decisions to invest in disadvantaged Islamic communities at home and developing a strategy to engage locally overseas as part of a comprehensive CSR policy are all long-term steps that business can take to help fight this generational struggle.
WHERE CAN YOU GO FOR HELP?
There are various government agencies working to help business and the British public face the threat of terrorism. The following list sets out who provides what advice and how to contact them:

First points of contact:
In the event of a terrorist or any other incident, your first point of contact should be 999, or in the event that you want to report suspicious activity you should contact the:
Anti-Terrorist Hotline 0800 789 321

Counter-Terrorism Security Advisers (CTSA)
www.nactso.gov.uk/ctsa.php
Each police force is tasked with appointing at least two CTSA to act as the main point of contact for businesses trying to assess and protect themselves against the terrorist threat. This online map will help you locate your local police force, through which you will be able to contact your CTSA:
www.police.uk/forces.htm

Centre for the Protection of National Infrastructure (CPNI)
www.cpni.gov.uk
The CPNI is the agency within the Home Office tasked with ensuring that the UK’s critical national infrastructure is secure. If your business is deemed to be part of the critical national infrastructure, the CPNI will have already been in contact with your organisation. The CPNI website provides a step-by-step guide to the steps needed to protect your organisation from terrorist attack:
www.cpni.gov.uk/securityplanning.aspx
The CPNI can be contacted directly at:
www.cpni.gov.uk/contact.aspx

Preparing for Emergencies
www.preparingforemergencies.gov.uk
Established by the Cabinet Office as the main information point about what to do when emergencies of any kind occur, this website also provides information for business on how to counter the terrorist threat, including advice on establishing an effective business continuity plan:
www.preparingforemergencies.gov.uk/business/index.shtm

Security Information Service for Business Overseas (SISBO)
www.sisbo.org.uk
A unit based in the Foreign and Commonwealth Office but funded by the private sector, SISBO is the first point of contact for business people trying to assess the current threat to their business operations outside the United Kingdom. The website aims to act as a one stop shop for British business to receive background briefings on specific nations where there is both a significant trade opportunity and a common misunderstanding of the business risks. SISBO’s future plans also include the creation of a subscriber service that will aim to share more detailed reports, drawn primarily from declassified government sources.

Overseas Security Advisory Council (OSAC)
www.osac.gov
OSAC is an organisation run by the Diplomatic Security Service of the US State Department that has the aim of supporting American business around the globe. As well as writing regular reports and briefings on their public website, they also run ‘Country Councils’ in 122 different countries, to act as information-sharing groups about security matters. SISBO has recently secured a partnership arrangement with OSAC, whereby British companies are able to participate in OSAC Country Councils along the same lines as American ones. OSAC and SISBO also run occasional joint conferences on security matters around the world. For more information on how to be involved in OSAC, please contact the Regional Security Officer in your local U.S. Embassy, or visit the OSAC website.

Countering home-grown terrorism is an immense cross-departmental challenge for the British Government and there are a number of government ministries and agencies involved in helping protect the British public and business. In Appendix 2 is a list of other government bodies that are either working on combating home-grown terrorism or are able to help you protect your business in other ways.
There is a considerable amount of information already available to help business think through some of the contingencies associated with home-grown terrorism.

1. The first thing for any business to note is the relatively low probability of a direct terrorist strike against its interests or facilities.

   More likely is that a business will find itself physically located near, under, or on top of an intended target. Alternatively, a business may find that its staff is unable to get to work in the wake of an event, or that a link in its supply chain has been either directly or indirectly hit. Beyond this, certain industries, such as retail or tourism, may find themselves affected by a terrorist strike with a sudden drop-off in sales in the immediate wake of an attack (however, as illustrated in chapter 2, the pick-up period afterwards is normally relatively short). However, the potential for a radiological device to shut down a city centre for the long period that would be needed to remove the contamination presents further problems that are worthy of consideration. Although not a high probability event, the detonation of a radiological device represents one of the most realistic terrorist uses of weapons of mass destruction and it cannot be discounted. This particular issue is dealt with in more detail below.

2. Better information-gathering

   Make full use of the sources available to get the right information and advice and work in partnership with these sources to identify the gaps for your business. There is a considerable amount of information already available to help business think through some of the contingencies associated with home-grown terrorism, much of which is laid out on the left hand page.

3. Positive mindset: Adopt security as part of the corporate culture and regard good security practice as a business enabler, not a hindrance.

   Enshrine security within corporate structure and planning. As with all other aspects of business, the board of Directors should take the lead in ensuring that security is factored into all aspects of the business. There are, however, a number of basic things that security officers and other senior executives should bear in mind when considering the physical location of a business. As MI5 Director General Jonathan Evans highlighted on 5 November 2007, “protective security also means, for example, securing your IT systems or ensuring you know your staff and can trust them,” the threat is multifaceted and requires thinking beyond the traditional physical threats. In looking around your buildings and considering building and staff expansion plans you should consider the following:

   **Who are your neighbours?** While your actual business might not be directly threatened, you may be right next door (or on top) to a station or building that is a target, and the impact of collateral damage must be borne in mind.

   **Design in security:** In a speech to Parliament on 14 November 2007, Prime Minister Gordon Brown emphasised the importance government has placed on this aspect, stating that the government “will now work with architects and planners to encourage them to ‘design in’ protective security measures into new buildings.” The threat from terrorism should be a consideration in the design and construction of any new building or facility. It is a great deal easier, cheaper and more effective to incorporate security into a design at the outset than it is to “retro-fit” security to a facility whose design has not taken account of this issue.

   **How secure is your building?** Are the main entry and exit points securely guarded? A regular review of the ease with which people can enter and exit your building either unimpeded or unseen is essential. As highlighted in the previous section, underground car parks are an often overlooked potential security threat. This does not require a “lock-down” mentality all the time, but regular reviews will enshrine the importance of such details among staff.

   **Who is working for you?** While strengthening vetting procedures is unlikely to stop the most determined individual, some effort to verify that individuals are who they say they are (through production of birth certificate, passport or other official documentation) will strengthen business defences at a basic level.
A quick check with the Criminal Records Bureau will further weed out individuals who may have criminal pasts.

**Test your evacuation plans:** In much the same way that fire drills should be run regularly, a regular evacuation test to the “safe room” is a good idea.

**Have a “Safe Room”:** “Home-grown” terrorists draw inspiration from Al-Qaeda tactics and their preference is for multiple and simultaneous attacks. This often means that evacuating a building in the most obvious direction is not necessarily the safest option. Calculate where the safest room in your building is, ensuring that it has as few glass windows as possible, and use it as the rallying point for staff in the event of a terrorist alert.

**Business continuity plan:** Most businesses and organisations now have some kind of business continuity plan, but not all organisations exercise the plan periodically or amend it in the light of experience or changing circumstances. There is much advice available from both government and private sector about how to plan business continuity and disaster recovery, but although the expertise to build a plan can be acquired externally, the plan itself needs to be owned by the organisation. Particularly ensure you have an alternate site that is sufficiently far from your main location and think through how your staff currently gets to work.

The key element to remember in all of this planning is that the government has mechanisms to help think these issues through, including, as the Prime Minister laid out before Parliament, “up to 160 counter-terrorism advisers (who) will train civilian staff to identify suspect activity and to ensure premises have secure emergency exits, CCTV footage used to best effect, and regular searches and evacuation drills.”

4. **Monitor and prepare for emerging risks associated with the home-grown terrorist threat.**

Terrorists are eager to wreak mass havoc in new and creative ways - chemical, biological, radiological, nuclear and cyber-terrorism are all avenues that have been considered to varying degrees by terrorist groups. While they remain unrealised ambitions right now, they cannot be completely discounted. For the most part, protecting business from them is a case of reinforcing extant security practices, but ensuring you have considered these risks will become increasingly important.

**Understand and protect your supply chains.**

- **What does your supply chain look like?** Where exactly do all your products come from and where do they all go? What does the actual map look like? Having a visual understanding of this is crucial when considering how safe it is.

- **Are there any “chokepoints”?** The UK was almost brought to a standstill in August 2000, when angry drivers blockaded six oil refineries around the country. Up to that point, the UK government had simply not realised how dependent the nation’s fuel supply system had become on these few key chokepoints. This lesson can be easily translated when thinking about terrorism - are there a few points along your supply chain that if shut down would bring you to a stand-still? Can alternative routes be established, either for permanent use, or in the event of a terrorist attack upon one point?

- **Are you reliant on others for elements along your supply chain?** Have you discussed contingency plans with them? Have you identified alternates in the event that they become targeted?

- **Do you have back-up electronic networks?** Control of many supply chains is automated, have you considered a back-up system in the event of cyber-penetration or an attack to crash your mainframe?

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**“HOME-GROWN TERRORISTS DRAW INSPIRATION FROM AL-QAEDA TACTICS AND THEIR PREFERENCE IS FOR MULTIPLE AND SIMULTANEOUS ATTACKS”**
“THE THREAT FROM CYBER-TERRORISM IS RELATIVELY LOW BUT CANNOT ENTIRELY BE DISCOUNTED”

Prepare for the threat of cyber-terrorism, hijacking of business websites by terrorists, the possibilities and implications of cyber-attacks to business.

The threat from cyber-terrorism is relatively low but cannot entirely be discounted. As the average age of home-grown jihadis falls, and a generation brought up on computers rises through terror cell ranks, the importance of computers grows. While the possibility of innovative ways to damage business through cyber-terrorism must always be borne in mind, for the most part a strengthening of existing cyber-security measures offers effective protection. Below are some key points to consider:

What critical systems are computer controlled? Is your building's furnace computer controlled? What other basic critical systems in your building are computer controlled, and who oversees them and their security?

Who are you hiring? Most often, cyber-attacks or cyber-crime emanates at least in part from within - returning to an earlier point, how good are your vetting systems and are procedures being followed?

Who is using your site and mainframe? For a long period of time, many thought that cyber-terrorist Ihabī-007 was operating from the United States thanks to his ability to penetrate and broadcast from within an American University mainframe. It was later discovered that he lived in the United Kingdom. Who is using your site? How regularly do your IT team check for hidden intruders?

Consider the threat from CBRN attack.

The CBRN threat is not easy to quantify, and ill-founded scare stories abound. Al-Qaeda have expressed ambitions to acquire these capabilities both for their destructive potential and, more importantly, because of the fear factor a successful CBRN attack would induce. However, there is so far no evidence that Al-Qaeda or any group affiliated to it has succeeded in developing or acquiring any CBRN capabilities, and these capabilities are not easy to acquire or to deploy - though as illustrated in the last chapter a number of home-grown groups have tried. Of the available options, the one most likely to succeed is a radiological or “dirty” bomb, using conventional explosive to scatter radioactive material. The use of anthrax is another strong possibility. The consensus view in the UK security and intelligence community is that sooner or later a CBRN attack will take place in one form or another. From the business perspective, the most encouraging news is that effective general security measures of the type outlined in the first section of this chapter offer the best defence against this form of attack. Some additional points to consider are laid out below:

Is your mail scanned? Electronic devices that perform such tasks can be prohibitively expensive for smaller businesses. However, some basic training for mailroom staff can enable them to stop to verify the provenance of suspicious or unexpected packages and help isolate potentially dangerous mail away from the bulk of staff. Such basic training can also help protect from the potential threat of more prosaic letter bombs.

Does someone know how to turn off your ventilation? Such a basic piece of training is critical to ensure that an airborne pathogen or chemical is not allowed to spread through your building. Making sure that relevant staff know how to turn off the ventilation is an easy way to minimise the risk to staff and also shortens the clean-up time afterwards.

Do you have emergency breathing apparatus for all staff? For smaller businesses, this can prove to be a prohibitively high expense; however, some basic training can show staff how they might protect themselves using more mundane items from around the office.
TERRORISTS ARE EAGER TO WREAK MASS HAVOC IN NEW AND CREATIVE WAYS
The four-wheel drive vehicle on fire after it crashed into doors at Glasgow airport's terminal building yesterday. Two men were arrested and the airport evacuated.

"The police tried to pounce on him but he fought back and was restraining him, but he got away and ran from the building and threw a "belt-like" object into a car park field.

Late last night the Jeep Cherokee, housing one of the two arrested men, was found abandoned with its door smashed in and the red, white and blue lining exposed.
5. Engage with the wider business community, government and society on the home-grown terrorism issue.

Jonathan Evans, MI5 Director General has highlighted the excellent interaction between the “private sector, government and law enforcement” for those engaged in the Critical National Infrastructure (CNI), but business beyond the CNI must engage proactively with government at local, regional and national level. Governments have done and are doing a great deal to mitigate home-grown terrorist risk; but they don’t have all the answers, cannot do it all themselves and actively welcome the help of the business community, whether in terms of achieving a better understanding of specific local circumstances or developing innovative and effective technical solutions to mitigate particular threats.

Take a long-term strategic view and consider whether your investment decisions and employment policies can be used to help mitigate the threat. This could involve:

• Helping to foster economic activity in the deprived areas of the country where there are high concentrations of British Muslims.

• Promoting diversity within the workplace (remember that Muslim graduates find it much harder to get jobs than similarly-qualified non-Muslim counterparts), taking steps to ensure that Muslim employees’ legitimate needs are catered for and that they are made to feel welcome and valued - such “smart HR” policies will not only help in the long-term, but in the short-term, it will also likely help mitigate the threat from within.

• Taking great care to make sure that language in any formal documents or statements is used sensitively, for example by avoiding references to “war on terror” or similar phrases which may resonate badly with Islamic communities.

• Engaging in local community projects aimed at combating the Al-Qaeda message. The Department of Communities and Local Government (DCLG) has begun to implement a national counter-radicalisation strategy which recognises the diversity of the UK’s Islamic population and seeks to encourage local initiatives which take account of local differences. They are able and willing to provide the business community with advice on how to engage in such initiatives and with whom. And they will provide training courses to help business understand the complexities of the Islamic community.

Small sums of money, or pro-bono work, can make a big difference. A recent refugee from an extremist Islamic group wanted to publicise his experiences as a warning to other young Muslims of the dangers of radicalisation. Initially he struggled to raise the money for some basic office services, the cost of which could easily have been absorbed by all but the smallest businesses.

None of this will buy immunity from attack. But such activity can play an important role in shaping the environment and reducing the appeal of radical Islamist propaganda among Muslim communities.

Participate in key national debates on these issues. It is up for discussion whether, for example, strident calls for the UK’s Muslim population to integrate with the mainstream of UK society serve any practical purpose, similarly whether more draconian terrorist legislation will necessarily enhance national security. An effective balance between security and civil liberties is not easy to strike at a time of high threat, but the UK experience in Northern Ireland and in other counter-terrorist campaigns suggests that resorting to illiberal measures can be counter-productive and can play to the terrorists’ agenda. At the same time, there is arguably a need for an open debate about how Islam co-exists within secular Western societies - and there are indications that many within the UK’s Muslim community would welcome such a debate.

Be aware of the global dimension of Islamist extremism. This is particularly relevant to companies with overseas operations including within the Islamic world. One way of looking at Islamist extremism is as a reaction to a process of globalisation widely perceived as having benefited the West to the detriment of Islamic societies. Companies operating overseas can help to lessen this impression by:

• Recognising that globalisation produces losers as well as winners, while bringing enormous benefits, it can have a dislocating effect on communities. Where possible companies should attempt to help mitigate some of this impact on the ground.

• Displaying appropriate sensitivity to local cultures and demonstrating a readiness to adapt.

• Showing communities that companies can be responsible stakeholders whose presence provides visible benefits for local communities.
ONE WAY OF LOOKING AT ISLAMIST EXTREMISM IS AS A REACTION TO A PROCESS OF GLOBALIZATION WIDELY PERCEIVED AS HAVING BENEFITED THE WEST TO THE DETRIMENT OF ISLAMIC SOCIETIES
A forensic search: the Mercedes is covered by a tarpaulin and the area is sealed off at

Clubbers' terror
Fighting home-grown terrorism is a process that will benefit immensely from better and closer co-operation between all facets of society. This is indeed a “generational struggle” and we are still in the nascent stages of seeing a truly coordinated and effective strategy. The nature of the issue means that it will be hard to see the fruits of success potentially for a considerable period of time.

There is both an eagerness from industry to do more, and a raft of government initiatives to help them. What is needed is recognition of the unique role which business can play both at a practical and a conceptual level, and it is very much in the interests of the business community to engage in the national debate on issues such as changes to terrorist legislation.

There are no quick or easy solutions. Understanding and accepting that is the key to coming to terms with and managing the problem the UK faces. By engaging positively - and where necessary critically - with government in its efforts to overcome the threat of home-grown terrorism, the UK private sector has a vital and multifarious role to play.

No amount of planning will ultimately ever completely eliminate the threat from home-grown terrorism, however, some careful forward planning will help business manage the threat more effectively and will ensure that your business is able to continue operations in the wake of a strike. Such resilience will furthermore strengthen the message that society as a whole rejects the terrorist effort to disrupt and alter our way of life.
GLOSSARY OF COMMONLY USED TERMS ASSOCIATED WITH ISLAM

Barelvi: the most widespread school of Islam in Pakistan, characterised by tolerance and mysticism. The majority of mosques serving the UK’s Pakistani community follow the Barelvi school.

Caliph: the political and spiritual leader of the global Islamic community. The last Caliph was the last Ottoman emperor, and the term Caliphate denotes the period of time in which Caliphs ruled using Islamic law.

Deobandism: a school of Islam which emerged in India after the Indian Mutiny, characterised by strict adherence to the original tenets of Islam and conceptually similar to Wahhabism. There are a significant number of Deobandi mosques in the UK.

Fatwa: the binding legal opinion of an expert in Islamic jurisprudence. In practice any scholar of Islam can produce such an opinion.

Hajj: the obligation on all Muslims to make a pilgrimage to Mecca once during their lifetime. Hajj is one of the five pillars of Islam, the others being the profession of faith, daily prayer, fasting and the payment of religious taxes.

Imam: the prayer leader in a mosque. Contrary to what is often thought, imams are not leaders of the communities they serve.

Jihad: literally means ‘struggle’. Within Islam there is the concept of the greater jihad, which is a spiritual struggle by the individual for enlightenment and self-improvement, and lesser jihad, which is seen as a physical struggle against the enemies of Islam.

Madrassa: an Islamic religious school.

Salafism: a term which refers to the first generation of the Islamic community. Salafism is an ideology which focuses on the practice of Islam in its original “pure” form. It is a term which has become synonymous with extremism. The term “jihadi Salafi” is a phrase that captures the ideology behind Islamist terrorism.

Shia: those Muslims who believe the Prophet Mohammed designated his son-in-law Ali as his rightful successor.

Shiism: seen by the Sunni majority as a heresy - is practised predominantly in Iran and some areas of the Persian Gulf. There are small Shia communities in the UK.

Sunni: the majority of Muslims who accept the Prophet’s companion Abu Bakr as the first Caliph. There are four schools of Sunni Islam.

Umma: the global Islamic community.

Wahhabism: a puritanical form of Islam which developed in Saudi Arabia in the eighteenth century. Wahhabism is actively propagated by the Saudi state.

Islamism should not be confused with Islam. Most serious Islamic scholars reject any suggestion that their religion can be used to justify acts of terrorism. Islamism is a distorting ideology which seeks to use Islam to legitimise violence.
Six killed as terrorist
attacks on Egyptian holiday island

treat more than 100 injured by three simultaneous ‘attacks’
APPENDIX 2

ADDITIONAL INFORMATION RESOURCES FOR BUSINESS

National Counter Terrorism Security Office (NaCTSO)
www.nactso.gov.uk
Tel: 020 7931 7142
NaCTSO is a cooperative organisation between the Association of Chief Police Officers (ACPO) and the Centre for the Protection of National Infrastructure (CPNI). CTSAs are trained and coordinated through NaCTSO, which offers comprehensive advice on their website about how to mitigate the threat from CBRN and vehicle-borne attacks.

"Project Argus" - NaCTSO also runs a series of workshops to help companies think through how to prevent, handle and recover from a terrorist attack. More information, including a list of future free events, can be found at: www.nactso.gov.uk/argus.php

Office for Security and Counter Terrorism (OSCT), Home Office
www.security.homeoffice.gov.uk
Tel: 020 7035 4848
The OSCT is the product of the recent government shake-up to streamline who does what in the British counter-terrorism structure. It takes the lead in the government’s “CONTEST” counter-terrorism strategy and oversees much of the work that NaCTSO, CPNI, MI5, JTAC, and others do to help business mitigate the home-grown terrorist threat. You will also be able to find on their website the "proscribed terror list" which will provide a complete listing of all the organisations considered “terrorist” by the UK government.

Department for Communities and Local Government (DCLG)
www.communities.gov.uk/communities/preventingextremism
Tel: 020 7944 4400
DCLG, through its “Preventing Extremism” work is the government ministry that takes the lead for the proactive side of countering radicalisation in the United Kingdom. They work closely with local communities to develop both national and local strategies to stop young men and women falling prey to radicalising influences. They are particularly keen for interested businesses to work with them to try to establish successful local schemes and strategies, and are willing to provide seminars to interested groups on better understanding the British Muslim community.

Association of Chief Police Officers (ACPO)
www.acpo.police.uk
Tel: 020 7227 3434
ACPO is responsible for overseeing the work of NaCTSO, and performs most of its counter-terrorism responsibilities through them. It is keen to engage with business in creative ways to counter the terrorist menace and to advise where needed on how to protect businesses from the home-grown terrorist threat.

Foreign and Commonwealth Office (FCO)
www.fco.gov.uk
Tel (General): 020 7008 1500
Tel (Travel Advice): 0845 850 2829
As mentioned above, the primary point of contact if you are considering the potential threat to your business abroad is SISBO and the local embassy post. However, a pre-emptory glance at the FCO’s travel advisory pages on their website will give you an official perspective on how dangerous to British business and individuals the Foreign Office considers any given part of the world.

The Security Service (MI5)
www.mi5.gov.uk
MI5 is the UK’s domestic intelligence service. It has operational independence but is under Ministerial oversight from the Home Secretary. Most of MI5’s work aimed at helping business think through resilience issues is done through the CPNI, and in most cases, you should make contact with the Security Service through CPNI.

Joint Terrorism Analysis Centre (JTAC)
www.mi5.gov.uk/output/Page63.html
JTAC is made up of staff from the intelligence community, police and a wide range of government departments including customer departments. It sets the “Threat levels” from international terrorism for both the UK and overseas and analyses thematic areas and trends. It also contributes to confidential threat assessments for business sectors involved in the critical national infrastructure.
Research, Information and Communications Unit (RICU)
RICU is a new government agency that is intended to coordinate the UK government’s counter-radicalisation strategy. Staffed by a team from the Home Office, DCLG, and the FCO, it is structurally answerable to DCLG.

Criminal Records Bureau (CRB)
www.crb.gov.uk
Tel: 0870 90 90 811
The CRB is an entity within the Home Office that can help companies vet staff by confirming whether or not they have a criminal record. There is a charge for the information, and according to the website it is primarily intended to protect young adults and children. It however accepts enquiries relating to other groups.

USEFUL PUBLICATIONS
NaCTSO recently produced a series of reports designed to help those who own “crowded spaces” to think through some basic security steps to increase their resilience to a terrorist attack. These publications are all freely available at the below links, or through contacting NaCTSO directly:

Counter Terrorism Protective Advice for Stadia and Arenas:

Counter Terrorism Protective Advice for Bars, Pubs, and Nightclubs:
www.nactso.gov.uk/documents/Pubs%20and%20Clubs%2054pp.pdf

Counter Terrorism Protective Advice for Shopping Centres:
www.nactso.gov.uk/documents/ShoppingCentreDoc.pdf

CPNI and MI5 have also published a number of useful reports that provide some more specific assistance in thinking through what you can do to mitigate the terrorist threat to your business.

Protecting Against Terrorism:
Primarily aimed at the Critical National Infrastructure, this provides some basic help in thinking through how to protect yourself from terrorism.

Personnel Security: Managing the Risk:
This is aimed at helping companies think through some basic personnel security issues.

A Good Practice Guide on Pre-Employment Screening:
www.cpni.gov.uk/Docs/Pre-employmentscreening.pdf
Similarly, this is an updated version of the last report, aimed at providing some good tips to ensure better personnel security.

Secure in the Knowledge: Building a Safe Business:
This is aimed at helping businesses think through some basic protective measures to counter the terrorist threat.

Expecting the Unexpected: Business Continuity in an Uncertain World:
www.cpni.gov.uk/Docs/Expecting_the_unexpected.pdf
This is a helpful handbook about business continuity plans.
Home-grown terrorism What does it mean for business?
‘FIGHTING HOME GROWN TERRORISM IS A PROCESS THAT WILL BENEFIT IMMENSELY FROM BETTER AND CLOSER CO-OPERATION BETWEEN ALL FACETS OF SOCIETY’
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