

Lebanon war may boost energy industry attacks, Lloyd's warned

By James Brewer

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WAR in Lebanon has heightened the danger of terrorist attacks on the energy industry and its employees, a risk consultant advising clients in the Lloyd's market has warned.

Andrew Kain, a former operator in the British counter-terrorism and assault unit Special Air Service, told a meeting of underwriters and brokers: "The more fractured or failed societies that are created the more bedrock there is for terrorist activities."

Mr Kain, who founded his own firm AKE Group in 1991 to "provide specialist risk services based on SAS principles", said events in Lebanon had increased the likelihood of an attack on the US and other Western nations.

Events were removing the ability of moderate Muslims to speak out against radicalism.

He said that the energy industry was a priority for al-Qa'eda and others.

Intelligence was critical as hostile elements prepared what he was certain would be a "spectacular".

Mr Kain saw as inevitable a chemical, biological or radiological "dirty bomb" attack but said that, despite scare stories, the main attacks could be interspersed by years.

Mr Kain and his colleagues were skeptical of theories that there might be a strike on the Malacca Strait as the chance of creating a severe economic impact was slight.

They added that generally it was easier to hit staff than critical assets. It was difficult to carry out an effective assault on oil installations.

Mr Kain warned of the growing risk to foreigners living in the Middle East. Companies already had a high turnover of personnel and businesses faced rising costs in retraining and downtime.

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