

Terrorist threat to commercial sector



How real do you think the terrorist threat is to the commercial sector?

Explain and justify your opinion In my opinion the terrorist threat to the commercial sector is a very real one which should not be overlooked.

The commercial sector within the UK consists of a multitude of different industries that as a whole make up the UK economy, each industry conducts its business and trade by relying on the other to fulfill its supply and demand which in turn provides consumer confidence, that in itself is what the economy is based on which makes it susceptible and vulnerable whenever there is disruption to a sector So what is the definition of terrorism, they are many varied descriptions and ideas of what people have labelled as terrorism, for instance the English dictionary states that it's a "systematic use of violence and intimidation to achieve some goal" (Collins, 2013). But what is evident is that the use of the word does not meet all the criteria demanded by western societies, and it has also failed to establish a definition for this meaning, there are almost as many definitions as there have been debates upon the subject.

The present meaning of the word terrorism used in the UK legal system is to be found and read in its entirety in section 1 part 1 (1)-(3) of the terrorism Act 2000. In this Act "terrorism" means the use or threat of action where....."(b) the use or threat is designed to influence the government or an international governmental organisation or to intimidate the public or a section of the public, and...(c) the use or threat is made for the purpose of advancing a political, religious, racial or ideological cause..."(Terrorism Act 2000) As you can see from both statements it's the use of extreme violence

towards an organisation or government to disrupt or try and influence for the gain of the group or individual.

That being said the UK alone has long faced terrorism from various groups, the most poignant that been throughout the 70's and 80's involving the Provisional Irish Republican Army (PIRA) their terror operations against targets on the UK mainland during this period were carried out by a variety of different cells and groups and were not limited to particular targets as a whole, however what was of interest to note was they change of tactics and the targeting of high value commercial and government buildings, these included the London Stock Exchange (1990), Baltic exchange (1992), the docklands bomb (1996), both occurred in the city of London, but these attacks were not always limited to just the capital as clearly demonstrated in Warrington (1993) when a bomb exploded at a gas storage facility, it caused extensive damage but with no fatalities, this was followed by a Manchester city center Bombings (1996), this again caused widespread damage, there was two hundred and twelve people injured with no fatalities as detailed in a report from (London Chamber of Commerce and Industry Aug 2005).

Whilst all of the Attacks above were shocking they were not intended to take life, they were more to disrupt everyday life and disrupt the business community and cause maximum commercial damage but with also the added publicity all these and more terrorist incidents received. The Mass media coverage that follows such an incident only glamorizes terrorist activity thus providing encouragement and much needed media coverage, this negligence and irresponsibility from the media plays into the hands of

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the terrorist group, what is needed to combat this is... “ expert press liaisons and news management as an intrinsic part of the police response team to any terrorist campaign, and the contingency planning and crisis management process” as quoted from (Gill, M 2006).

If however there was a positive to take away from this reign of terror that the UK had endured during this spell of PIRA operational activity was the fact that the UK had a well-rehearsed crisis management plan in place in the event of such an atrocity. What followed and subsequently set the tone for future terrorist groups was the ability to cause mass complex carnage using a variety of devices and means to achieve ones goal, Let’s look at the terrorist attack on US soil of September 11 2000, this was by far the most horrific tragedy to date with a collateral damage estimated in excess of \$26billion, the attack inflicted casualties and material damage of such a large scale than that of what any other terrorist aggression has achieved in recent history.

The Economic consequences of terrorism (Lenain, P (2002) stated that Private businesses suffered profound destruction of assets that was calculated in national accounts to amass to \$14billion, state and federal government enterprises suffered a loss in the region of \$2billion, what was also astounding to read was that the rescue and clean-up costs totaled to an amount of at least \$11billion. The OECD report also explains how as a result of the attacks on both the US and UK, both counties have become more vigilant by increasing their border controls. This has slowed down the rate of supply at which goods are able to flow between countries and increased costs. Increased security checks at air, rail and seaports have seen delays for

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passengers and may impact the tourist industry as it impinges on travel plans. Many companies now choose to use video conferencing instead. The OECD goes on to explain that government spending policies have also shifted with more money now being spent on defense and security.

The Al Qaeda attacks on the World Trade center and Pentagon were far greater than anything that had been conducted on UK soil by the IRA in terms of both casualties and economic disruption that they had. Almost 3000 people were killed in four separate attacks and many more injured. The LCCI quote from the Century Foundation report: Economic Impact of Terrorist Attack 2002 (LCCI, 2005) which estimated that the economic impact of the attacks could reach as much as US\$ 83 Billion over the longer term. Over 14500 businesses were forced to close or destroyed following the attacks. The city finance department expected to lose US\$200 million in tax revenues alone, Hotel bookings were also down by 19%.

The Century Foundation further stated that up to US\$13 Billion would be lost by the Tourist Industry and 25000 jobs would be lost. This also had a huge 'knock on' effect in the UK also, not only was significant trade and commerce lost through international trade, confidence throughout was also lost and cities across the UK began to draw up measures to protect themselves against an attack. In what has been called the 'Terrorist Tax', cities in the UK felt the need to draw up precautionary measures for dealing with the impact of a terrorist attack (LCCI 2005). The attacks that occurred in London on 07 July 2005 had a huge short term impact on the commercial sector of the UK. Disruption to the transport system was a major factor.

Interviews were conducted with various companies by the LCCI and that provided evidence that consumer confidence was low and that many had chosen to avoid travelling to the cities tourist attractions instead preferring visit attractions outside of the London. Many firms reported some employees no longer wished to travel using public transport and so taxis and other forms of transport had to be taken into account; other costs included the use of couriers for delivery of documents around the city and the disruption to the supply chain. These additional costs and those incurred by placing security plans in place put a great economic burden onto firms which only increased the economic burden. Although in the short term, it

would appear that both the US and UK recovered quicker than expected, the medium to long term impact is still to be determined. Issues such as Post Traumatic Stress Disorder for employees affected directly or indirectly by the attacks may yet add to the problems caused for the commercial sector, what has been made evident is that businesses and governments have implemented sound business continuity plans (BCP) and contingency planning, the planning to reduce the significant effect of a disaster can only go so far and cover so many eventualities as the threat cannot be predicted with regards to locations of targets, motives for attack, types of weaponry to be used in the event of such an incident.

That is why it is essential for board member and security professionals from all sectors to have an input regarding disaster planning, evacuation and crisis management as a whole as expertise from across the board and quality communication on the ground can restore confidence and safeguard the infrastructure to an extent post incident recovery and during

investigation. To summaries on the threat of terrorism to the commercial sector is a very real threat and should not be taken lightly. Data and facts detailed by both the LCCI and OECD suggest that many sectors are vulnerable in the short term after an attack. These vulnerabilities are apparent whether the sector is directly or indirectly involved as disruption to the supply chain, damage to consumer confidence are extremely damaging.

In the medium term, delays to the supply chain, increased costs in the distribution of goods, psychological problems incurred by staff and the addition of improved security measures and systems will all place greater demand on the commercial sectors ability to conduct business. However, as has been demonstrated by the reports, some industries that make up the sector such as defense, security, taxi and courier firms and even bicycle shops have seen increased profits. The commercial sector is under greater pressure now than ever before as it seeks to find ways in which to counter the terrorist threat, promote consumer confidence and protect the interest of those companies that which contribute to it.