



K&R Bulletin

Issue 2 – Focus on India

Since the Indian economy opened up globally in the 1980's the country has seen a steady acceleration in growth rates, now averaging around 8% over the past four years, placing them just behind China's booming economy.

This economical growth has attracted increasing foreign investment and a large number of multinationals have sought to set up operations in India or invest in well-established Indian companies.

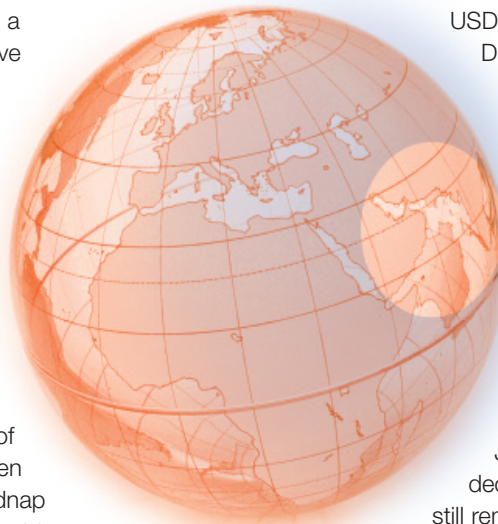
Despite this massive economic growth it has largely not filtered down through society and India still has serious poverty and unemployment problems.

It is this disparity between rich and poor, together with an influx of foreign multinationals that can often lead to an increase in cases of kidnap for ransom. India is different, subject to a high number of kidnappings of Indian nationals, rather than foreigners, which has pushed India into sixth position globally in terms of the number of kidnappings in 2006.

The purpose of these kidnappings can be both political and criminal, though it is usually with the aim of making money. Whilst there have been a large number of low-profile victims for small demands, a number have been directed at businessmen and their dependents.

India's tea industry has been the victim of many such incidents, with government officials estimating 40 tea industry workers being kidnapped between 1999 and 2005, though the real figures are thought to be much higher.

Although many ransoms are small, larger ransoms are demanded and Control Risks (an independent response consultant) estimate the average ransom demand to be



USD 160,000, with ransoms in excess of USD 1 million frequently demanded in Delhi and Bihar.

Kidnap for ransom is not widespread throughout the country but is instead focused on a handful of states. The highest rates of kidnappings occur in the states of Uttar Pradesh, Bihar, West Bengal and Delhi, while also to a lesser extent in Maharashtra, Punjab, Karnataka, Gujarat and Andhra Pradesh. Cases in Jammu and Kashmir have decreased recently, though the risk still remains in these politically unstable areas.

The state of Bihar has traditionally seen the highest incidences of kidnap with 32,085 kidnap incidents recorded by the police between 1992 and 2004. However since 2005 Uttar Pradesh has overtaken Bihar as the kidnapping 'hotspot' of India.

Although statistics are available for India on a state-by-state basis it is suspected that these only tell part of the story. It is thought that a large number of kidnaps are never reported to the police often due to mistrust. →



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Instead people prefer to negotiate directly with the kidnapers, though without the skills of trained operatives this often leads to unfortunate results.

While there are currently very few kidnapping incidents in India involving foreigners, this is a situation which may well change. As a larger number of multinationals enter the Indian economy their executives and employees may become increasingly attractive targets to India's progressively sophisticated kidnapping gangs. The recent kidnapping of the three year old son of the managing director of the Indian branch of Adobe

Systems, the US computer software firm, may signal a new direction for this type of crime.

Firms must consider the perils associated with operating in any country, but India is almost unique in the richness of its society. This variety and the associated tensions can manifest themselves in crime and in particular kidnap. The statistics speak for themselves. Organisations trading in India or considering doing so, employing locals or expatriates are faced with the problem of extortion and kidnap every day and it is unlikely to go away in the near future.

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Kidnaps Worldwide 2006 Top Ten Countries In Absolute Terms

1	Mexico
2	Colombia
3	Haiti
4	Brazil
5	Venezuela
6	India
7	Iraq
8	Peru
9	Pakistan
10	Philippines

Figures courtesy of Control Risks

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