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News Release

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For Immediate Release

New Online Service Ranks the World's Most Unstable Entities

The Gaza Strip and West Bank is the Most Unstable; Iraq Not Among Top 10

London (March 25, 2008) -- Iraq does not rank among the 10 most unstable entities in the world, according to a new online service produced by Jane's, an IHS company (NYSE: IHS). The *Jane's Country Risk Ratings* measures the stability of all 235 country, territory and political entities in the world.

The ratings provide a holistic assessment of the various factors that affect stability. The service measures 24 factors across five fundamental categories—political, social, economic, external and military and security.

Despite extremely high levels of violence, Iraq does not rank among the most unstable entities owing to higher levels of instability in other areas, explained Christian Le Mière, Managing Editor of *Jane's Country Risk*, which compiles the ratings.

Top 10 Most Unstable Countries, Territories and Political Entities*

1. Gaza and West Bank
2. Somalia
3. Afghanistan
4. Sudan
5. Cote d'Ivoire
6. Haiti
7. Zimbabwe
8. Chad
9. Democratic Republic of Congo
10. Central African Republic

22. Iraq

* As of March 1, 2008

"When you take into account the multiple factors that contribute to stability, Iraq rates better than some might expect," Le Mière said. "Despite obvious problems, its government is relatively secure and maintains control over large areas of its territory, its economy is more or less resilient and the population remains relatively healthy."

The Gaza Strip and West Bank—which have been divided between two de facto governments since Hamas seized control of Gaza last June—ranks as the most unstable entity in the world. A lack of control over its borders, ongoing hostilities between Hamas and Israel, low levels of law and order, poor domestic security and worsening public health all combine to place it in the top spot.

Afghanistan, with a weak central government, ranks as the third most unstable entity. Although it suffers from far less daily violence than Iraq, the country remains less stable owing to the government's inability to effectively control its territory. Afghanistan's rampant drug production, with one half of Afghanistan's economy based on opium, lack of governmental monopoly of violence and prevalent availability of small arms all exacerbate the country's instability.

Le Mière adds that the Jane's ranking differs from government assessments of country risk as the Jane's ranking is based entirely on objective analysis, with no politicization of the intelligence. Moreover, while other risk ratings systems analyze specific threats, Jane's takes a holistic approach to gauge overall stability in a purely objective manner, allowing clients to more effectively see trends and predict possible risks in the future.

Key Findings

African nations comprise seven of the top 10 rankings for a variety of contributing risk factors that are common across much of the continent, including artificial borders; lack of governance; ethnic, linguistic and racial diversity; poor economies; historical and ongoing conflicts; and widespread proliferation small arms and light weapons.

The least-stable states will often lack a strong, capable central government, which can lead to factionalism, power politics, warlordism and low levels of law and order.

Current trends present ongoing challenges for the African continent. While the economies of most African countries are improving, said Le Mière, growth could lead to instability in the fight for resources unless properly handled.

Countries in Africa to watch now include Chad, with its proxy war with Sudan; Zimbabwe, with elections on 29 March; Kenya, with growing internal instability; Comoros, with the

possibility of civil war in coming months; and Democratic Republic of Congo, with ongoing instability in the eastern areas of the country.

On the other end of the rankings are Vatican City, Sweden and Luxembourg, listed as the most stable political entities on the planet. “These countries will always do well, due to their wealth, and political and social stability,” said Le Mière. The states that are viewed as most stable are those with a strong central government or parliament, which favors richer, smaller or authoritarian states.

Europe and the United States rank among the most stable, as do the Gulf States. “That may surprise some people, but the Gulf States have quite stable governments and strong economies due to their oil wealth,” said Le Mière.

The United States ranks as the 22nd most stable country on the list out of 235, which is not surprising, said Le Mière, with factors including the porosity of American borders, small arms proliferation and the country’s international reputation, despite its economic wealth and stable political and social situations.

Top Ten Most Stable Countries, Territories and Political Entities*	
1.	Vatican City
2.	Sweden
3.	Luxembourg
4.	Monaco
5.	Gibraltar
6.	San Marino
7.	Lichtenstein
8.	U.K.
9.	The Netherlands
10.	Ireland

* As of March 1, 2008

Trends

While *Jane’s Country Risk Ratings* analyzes current situations, historic trends can be seen. Over the past two to three decades, the major changes have been the fall of the Soviet Union, which led to short-term instability in parts of the world, primarily in Central Asia, which has not entirely disappeared. Also among major shifts, the multilateralism, trade and economic growth of Asia have benefited countries such as China, Cambodia, Laos and Vietnam, but Cold War-era legacies between North and South Korea, and Taiwan and China, still exist.

As for the future, dynamic economic growth in India and China are key elements to watch. The economic growth could lead to domestic political and social destabilization in a scenario where demands for more political rights and a share of the growing wealth, along with mass rural-urban migration and increasing inflation lead to social unrest. Internationally,

increased investment could stabilize some regions of the world, but destabilize those where the investment is inequitably distributed.

Jane's Country Risk Rating Methodology

The findings draw upon Jane's regional analysts and its global network of several hundred contributors, including former military and political officials, journalists and academics.

"We're able to gain information first-hand in many countries, but not all," said Le Mière. "In North Korea, for example, it's very difficult to get 'inside' information, but in most regions of the world we have analysts who experience the situation first-hand or through primary research."

The risk ratings assess the stability environment by rating 24 factors, and sub-factors that precisely evaluate the factor ratings. The 24 factors are classified in five category groupings: political; social; economic; external; and military and security. The numerical ratings of each factor grouping produces an overall stability rating, which is further refined for accuracy with the factors being weighted according to the importance to a particular country's stability.

The *Jane's* Country Risk Ratings will be reviewed and updated each month to provide an ongoing assessment of each entity. In addition, major news events, with either global or specifically domestic implications, will prompt extra ratings changes.

The service is available online through Jane's Military and Security Assessments Intelligence Centre at <http://jmsa.janes.com>.

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About Jane's Information Group

Jane's, an IHS company (NYSE: IHS), is the leading open source information provider and conference organiser on defence, international risk and national security to governments, militaries, industries and academia around the globe. Jane's is headquartered in London, and also has offices in Alexandria, Virginia; Singapore; Tokyo; Dubai; and Sydney, Australia. For more information, please visit our award-winning website, www.janes.com.

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