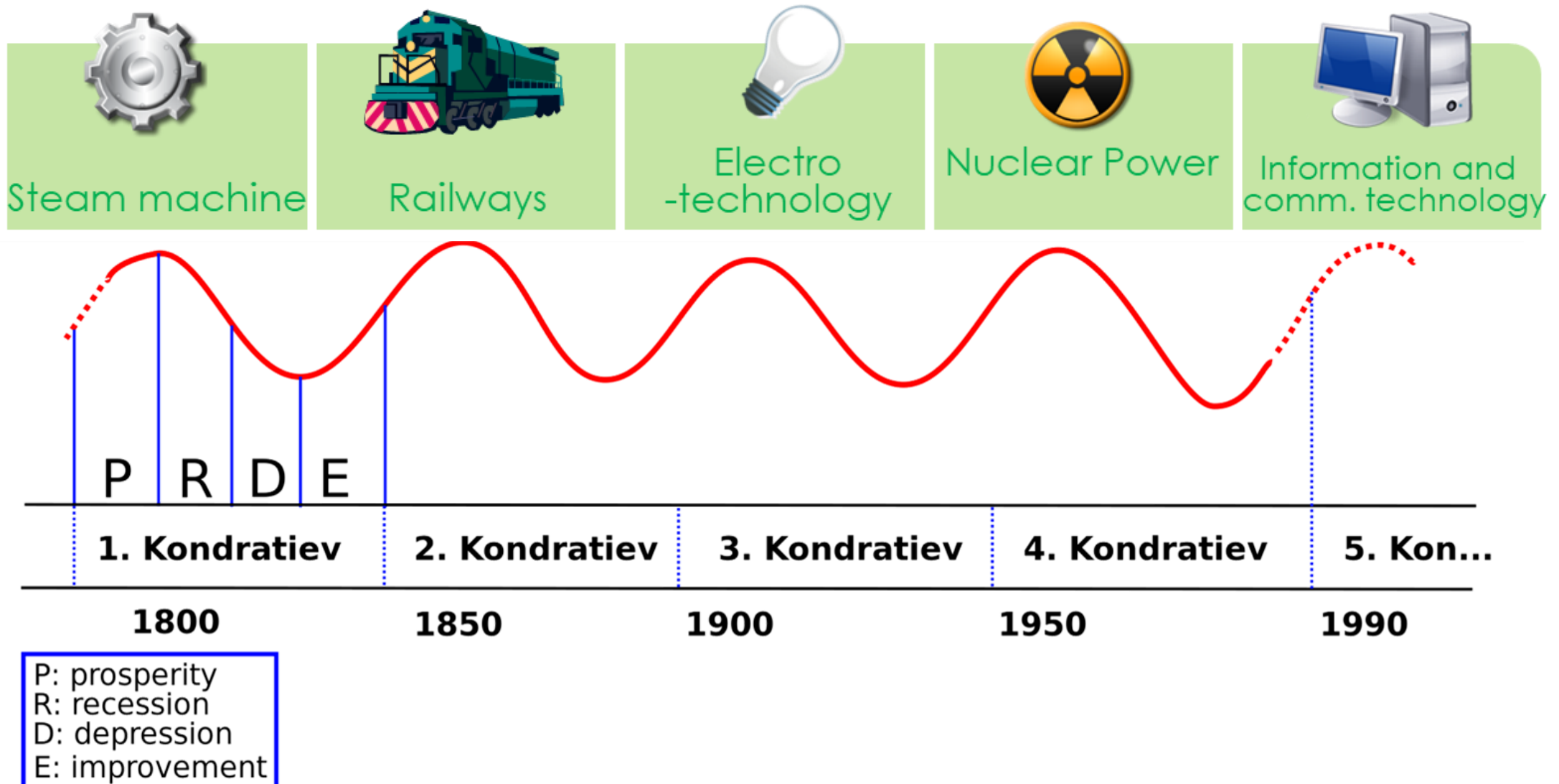


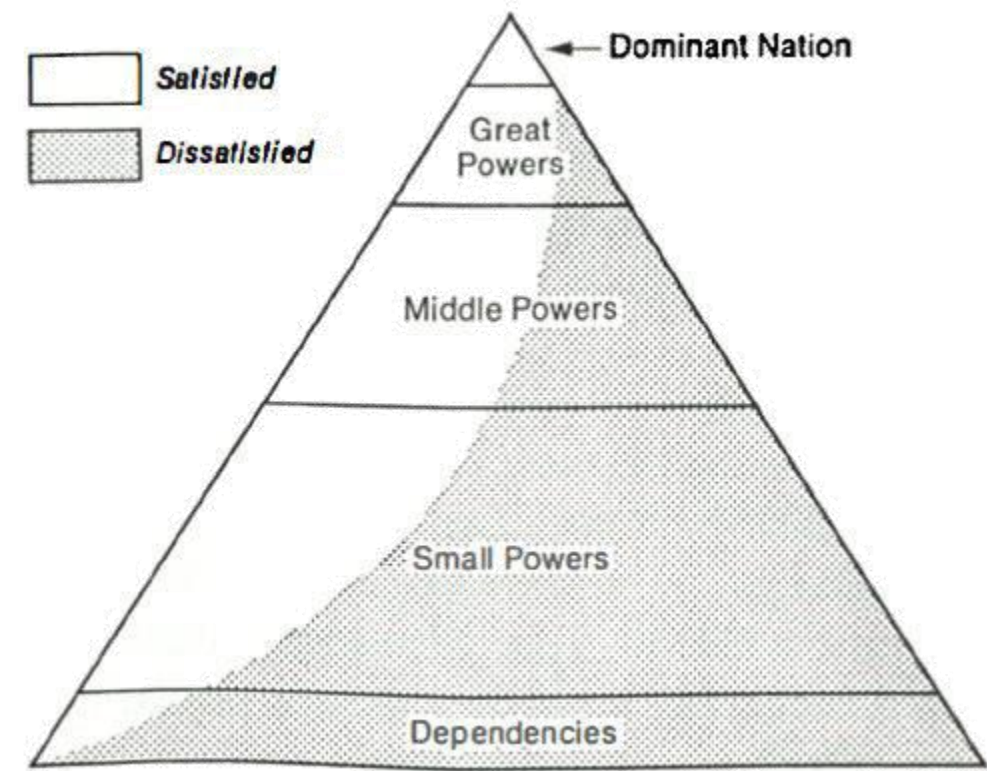
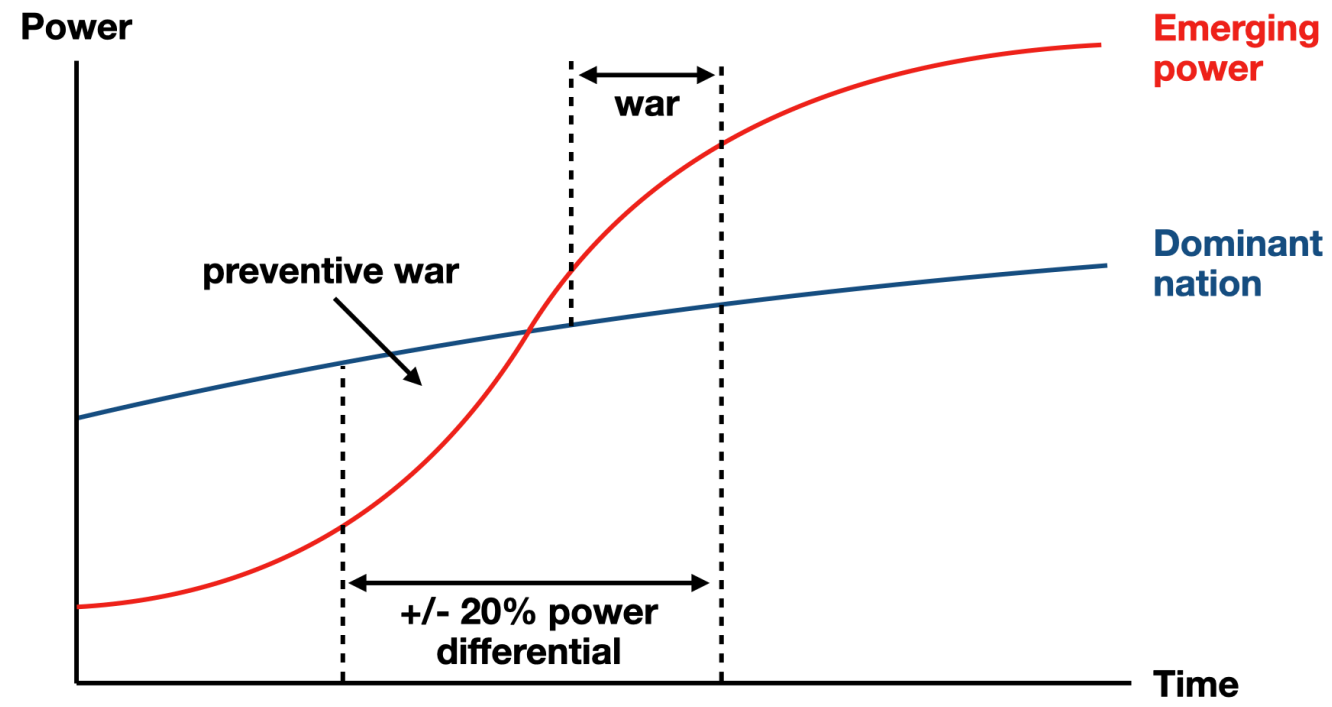
Global Disorder 2030+

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KONDRATIEV - GLOBAL ECONOMIC SUPERCYCLES/LONG WAVES

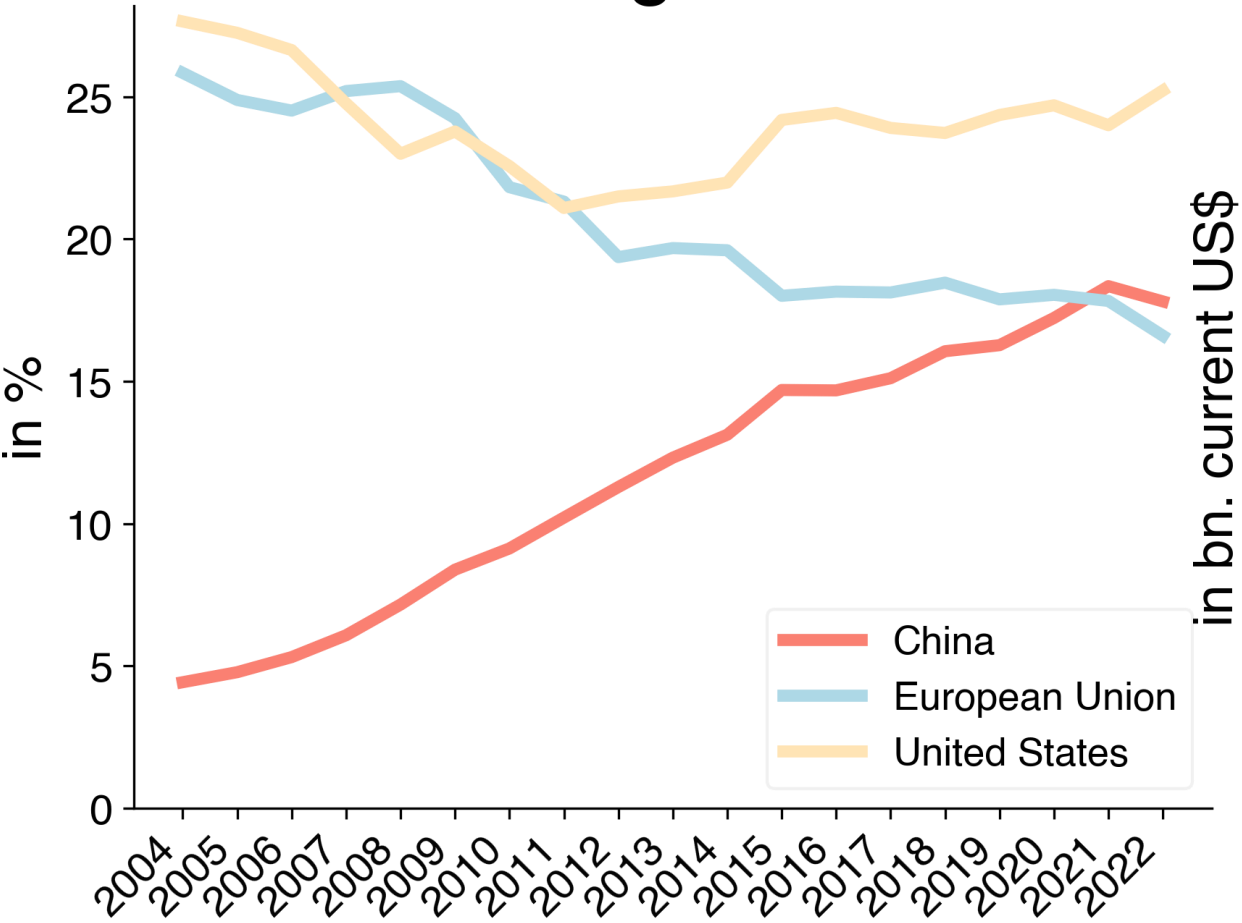


POWER TRANSITION THEORY

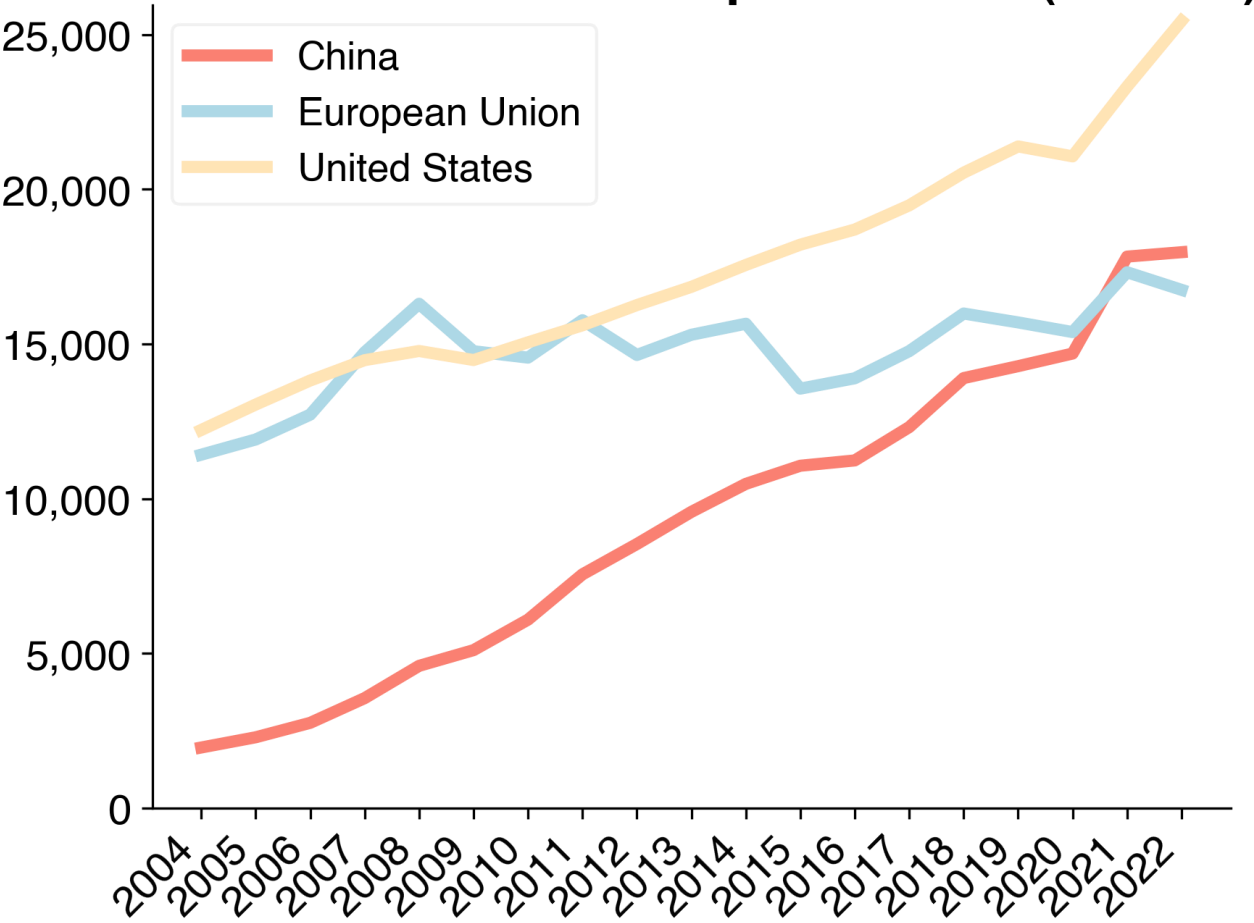


VISUALIZING SYSTEMIC RIVARLY

Share of global GDP



Gross domestic product (GDP)



GENERATIONS OF WARFARE

1st generation ***Formation***

2nd Generation ***Firepower***

3rd Generation ***Movement War***

Goal: Destroy physical ability of an opponent to wage war

4th generation

Fluid boundary between war and peace

Decentralization of violence

Focus on decision makers as audience

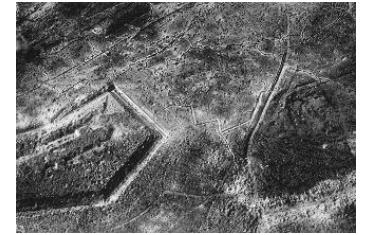
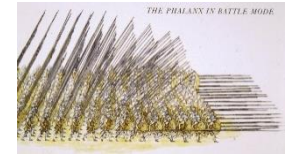
Goal: Destroy an opponent's psychological ability to wage war

5th generation ***Non-kinetic***

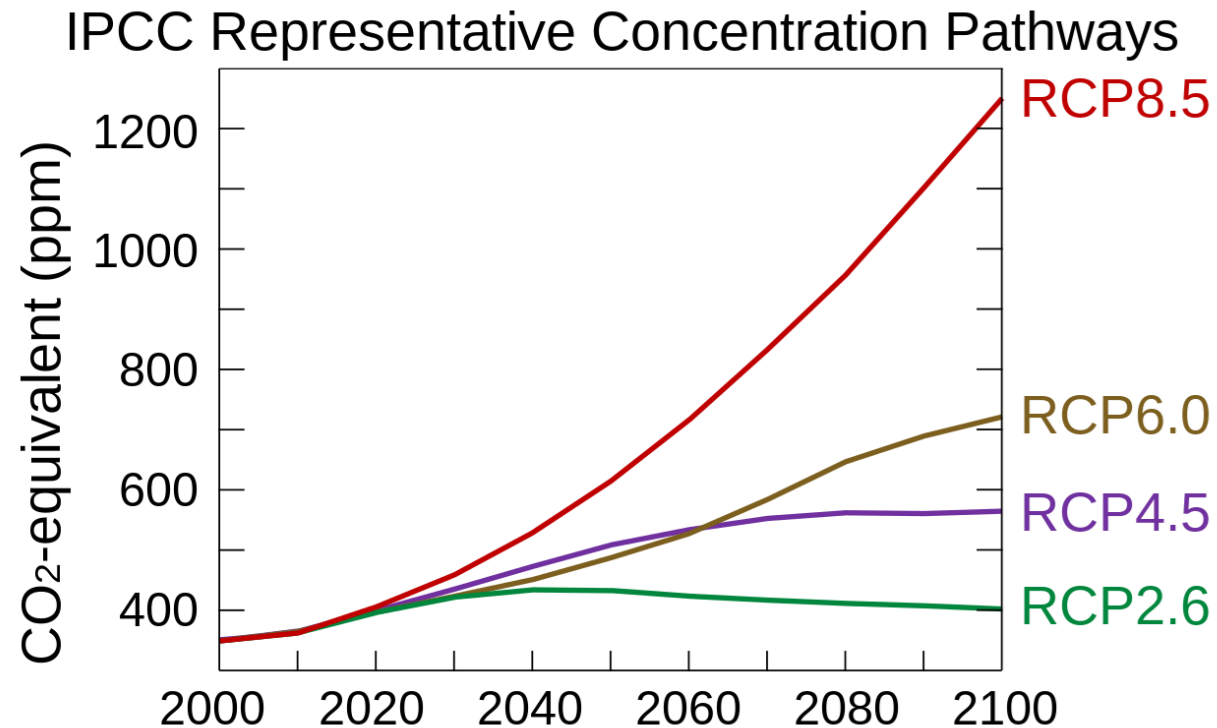
Goal: Exploit the attribution problem to achieve maximum results

6th generation ***Space-time continuum***

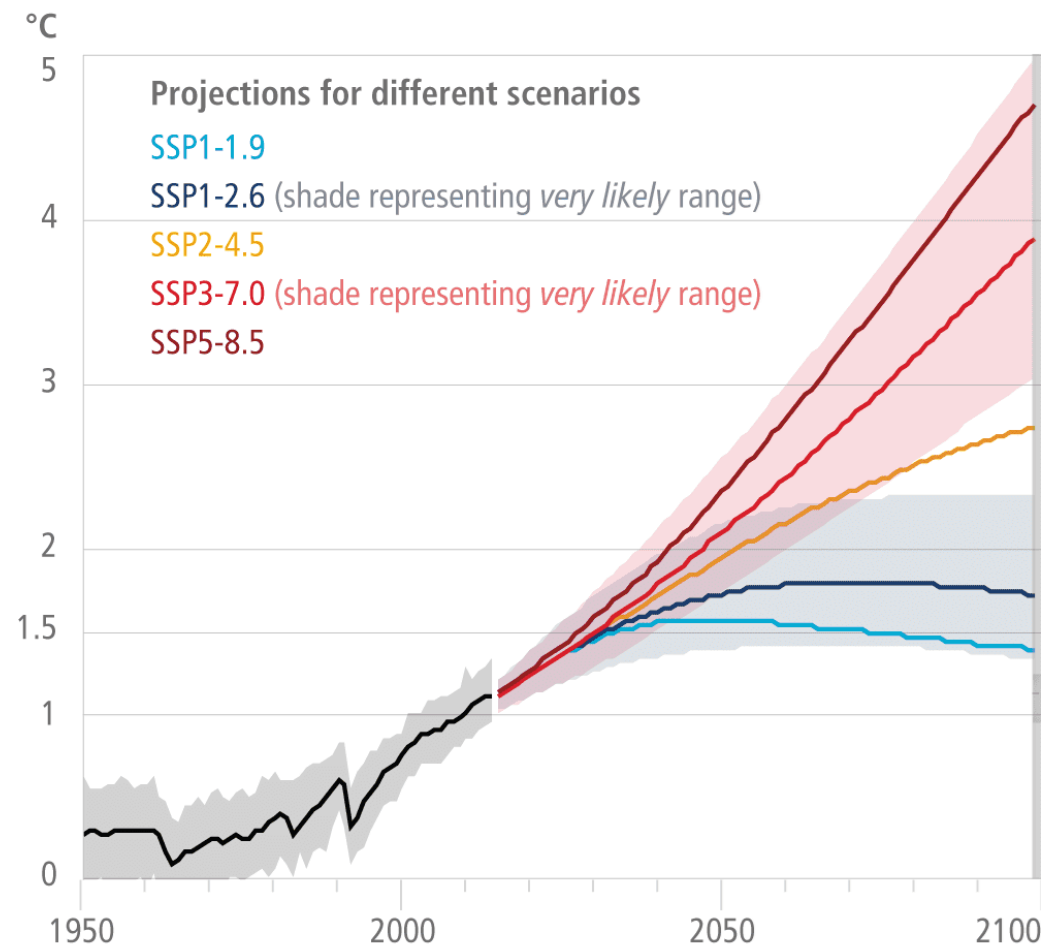
Goal: Total control of the reality of an opponent



CLIMATE CHANGE AS CATALYST OF CONFLICT



Scenarios for all forcing agents' atmospheric CO₂-equivalent concentrations



Socio-economic scenarios for global surface temperature changes relative to 1950-2000

SECURITY CHALLENGES

SYSTEMIC RIVALRY

- Relative **material balance of power gap** between East and West shrinks
 - **Likelihood of global conflict** increases
 - **More proxy wars**, more low-intensity and asymmetric conflicts
- Democracies are in a **downward spiral**, autocracies are gaining traction
 - **Liberal market order** under pressure
- **Global systemic and collective goods** (FONOPS, reserve currency, international organizations, GPS, etc.) that are difficult to maintain and are increasingly being challenged
- Autocracies **use military force** to pursue their strategic goals **and form an anti-Western security and economic alliances (Shanghai Cooperation, BRICS+)**
- The race for AI technology will determine technological supremacy (**AI War is already underway**)

ECONOMIC CHALLENGES

DEGLOBALIZATION

- **Decline in global trade**, increase in regional trade, (near-shoring, friend-shoring)
- **Economic bloc formation G7 vs. G20 vs. BRICS+** lead to decoupling/derisking and sanctions
- **Realignment of ports' trade model likely** (less consumer goods, more resources and energy)
- **Interconnectedness of global trade**, critical infrastructures and supply chains **increases vulnerabilities and risks**
- **Hybrid attacks** on economic assets and employees
- **Security measures** will likely rise to 2-5% of the budget for projects
- Political and economic **necessities will slow green energy transition**
- Companies will become **primary industrial target for hybrid attacks** by malevolent state or state-sponsored actors and **target of secondary sanctions**, indirectly by withholding raw materials or rare earths. Companies will likely be forced to choose one economic bloc
- **Cyber attacks** (state-sponsored and crime related) will increase significantly

POTENTIAL WORST-CASE SCENARIOS



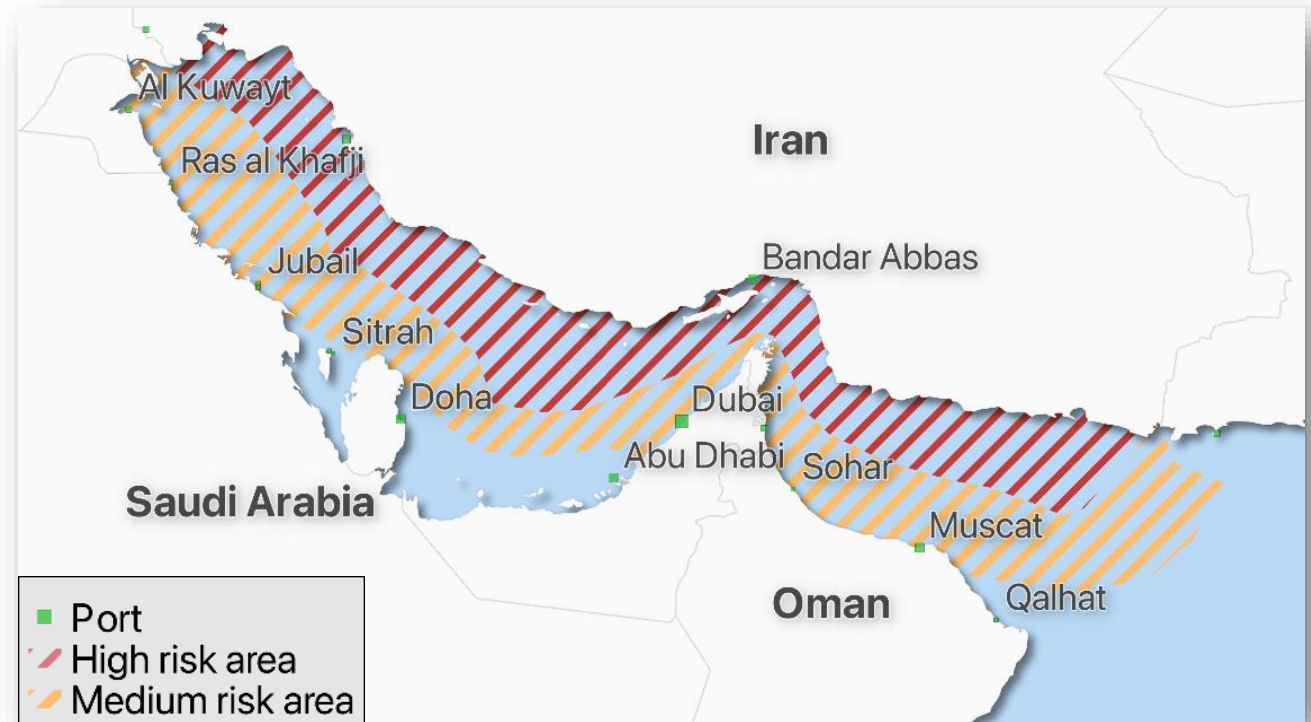
	Russian victory in Ukraine and sub-state conflicts in Europe	Sahel and North Africa in the spotlight of systemic rivalry	War of the West with Iran through Israeli offensive in Lebanon	Escalation in the conflict over Taiwan - Pyrrhic victory for the USA	US isolationism under Trump - weakening of NATO
WORST CASE SCENARIO	<ul style="list-style-type: none"> Russian success through occupation of Ukraine east of the Dnieper Demilitarization of Western Ukraine Blockade of Ukraine's accession to the EU and NATO Western Ukraine as a buffer zone Russia's strategic pause and preparation for confrontation with the West Disagreement of EU-NATO on how to deter Russia 	<ul style="list-style-type: none"> EU and NATO focus on deterring Russia and neglecting Africa Conflict over spheres of influence in Africa leads to success for Russia and China Western interests no longer enforceable Disintegration of African organizations and states Permanent instability, coups, counter-coups, warlords and mercenaries control the Sahel 	<ul style="list-style-type: none"> Israeli incursion into Lebanon to crush Hezbollah leads to Iran-Israel war Iranian proxies gain strength in the region Israel attempts to destroy Iran's nuclear program through direct attacks Conflict includes Gaza, Lebanon, Syria and Iraq US and EU are drawn into the direct military conflict on Israel's side 	<ul style="list-style-type: none"> China begins naval blockade and invasion of Taiwan USA and China in direct conflict USA wins, but achieves a Pyrrhic victory EU loses importance as US partner due to lack of power projection capability The world remains neutral, only the West participates in sanctions against China 	<ul style="list-style-type: none"> Reduction of US involvement in international organizations and NATO Reduction of global US military presence Americanization of US foreign policy and transactional economic policy Primary sanctions against China Secondary sanctions against EU companies that continue to operate in China
IMPLICATIONS FOR EU AND DEU	<ul style="list-style-type: none"> Military conflict between NATO/EU and Russia more likely Binding EU states in Europe leads to limited engagement in Africa, Middle East and Asia Russia's thawing of frozen conflicts in the Baltics, Balkans and Caucasus destabilize the EU Dissonance polarizes EU societies and makes decision-making more difficult More countries leave the EU 	<ul style="list-style-type: none"> Nearshoring to Africa to reduce Asian dependencies fails Permanent sub-state wars on the EU periphery Areas of fragile statehood lead to resurgence of Al-Qaeda and IS Increase in terrorist attacks in Europe Millions of mass migrants to Europe as a means of hybrid warfare destabilizes EU states 	<ul style="list-style-type: none"> Civil war in Lebanon Failure of the JCPOA End of the Israeli-Arab reconciliation process Disruption of the Suez-Hormuz-Red Sea bottleneck Increasing Russian and Chinese influence in the Middle East Conflict between secular and Islamic movements in Europe Permanent paralysis of EU foreign policy due to domestic crises 	<ul style="list-style-type: none"> Global economic recession primarily affects the EU USA is permanently weakened; BRICS+ dominate the global economy Economic isolation of the West, world continues to cooperate with China US-EU relationship damaged Cyberattacks on critical infrastructure and disruption of supply routes between the EU and Asia EU in third or fourth place 	<ul style="list-style-type: none"> Enormous security policy compensation tasks for the EU to compensate for the power vacuum Need to secure own security and supply chains EU split into pro-US and pro-China economic blocs Alternative international organizations such as BRICS+ and Shanghai Cooperation are establishing themselves as the antitheses to the EU and NATO

IMPLICATIONS FOR MARITIME INSURANCE



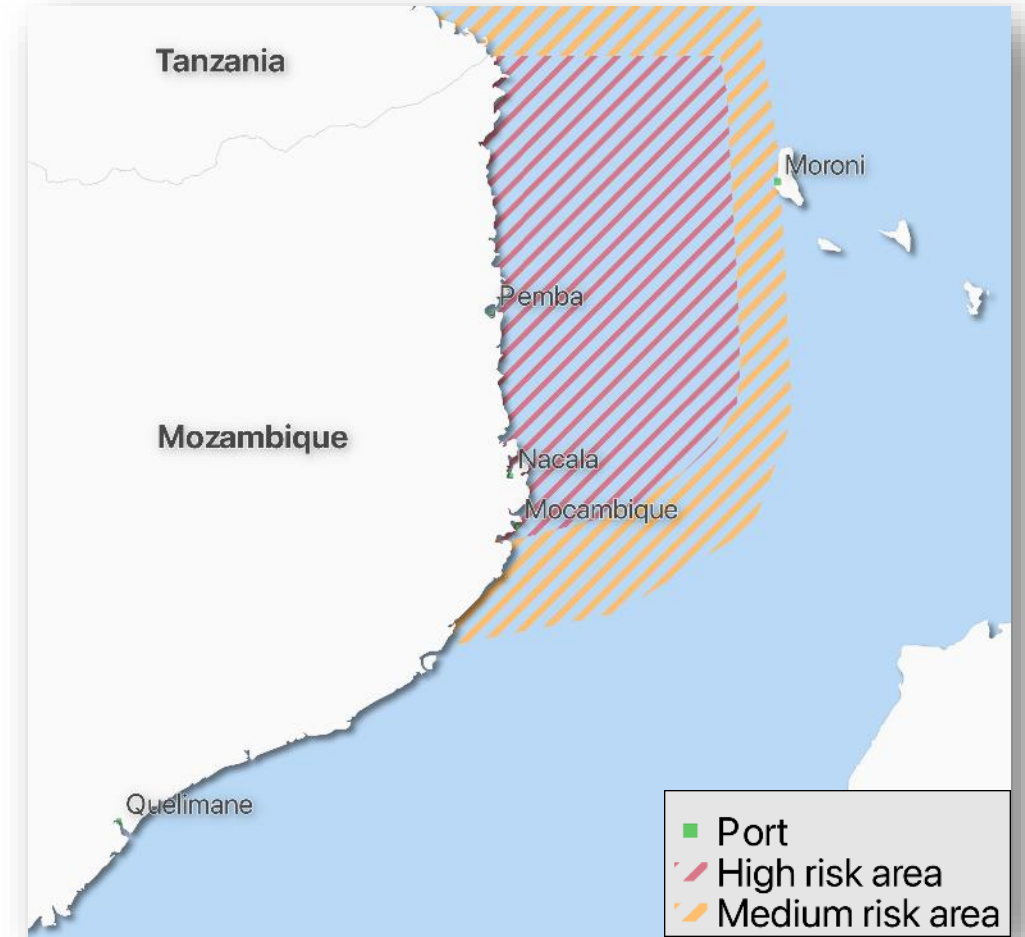
FUTURE MARITIME HOTSPOTS

- **Tightened sanctions** against Iran due to outbreak of Israel-Hezbollah conflict
- **Iran declares maritime exclusion zone** impairs maritime traffic to Kuwait, the UAE, Qatar, Bahrain, and Oman
- **Global supply chain is disrupted** for the duration of the conflict and substantial part of **global oil trade affected**
- Vessels transiting Hormuz would be subject to **inspection or impoundment**; Vessels ignoring Iranian requests could face boardings and/or attacks
- FONOPS would **broaden the conflict zone**; Vessels at regional ports would be stuck during the hot phase of the conflict



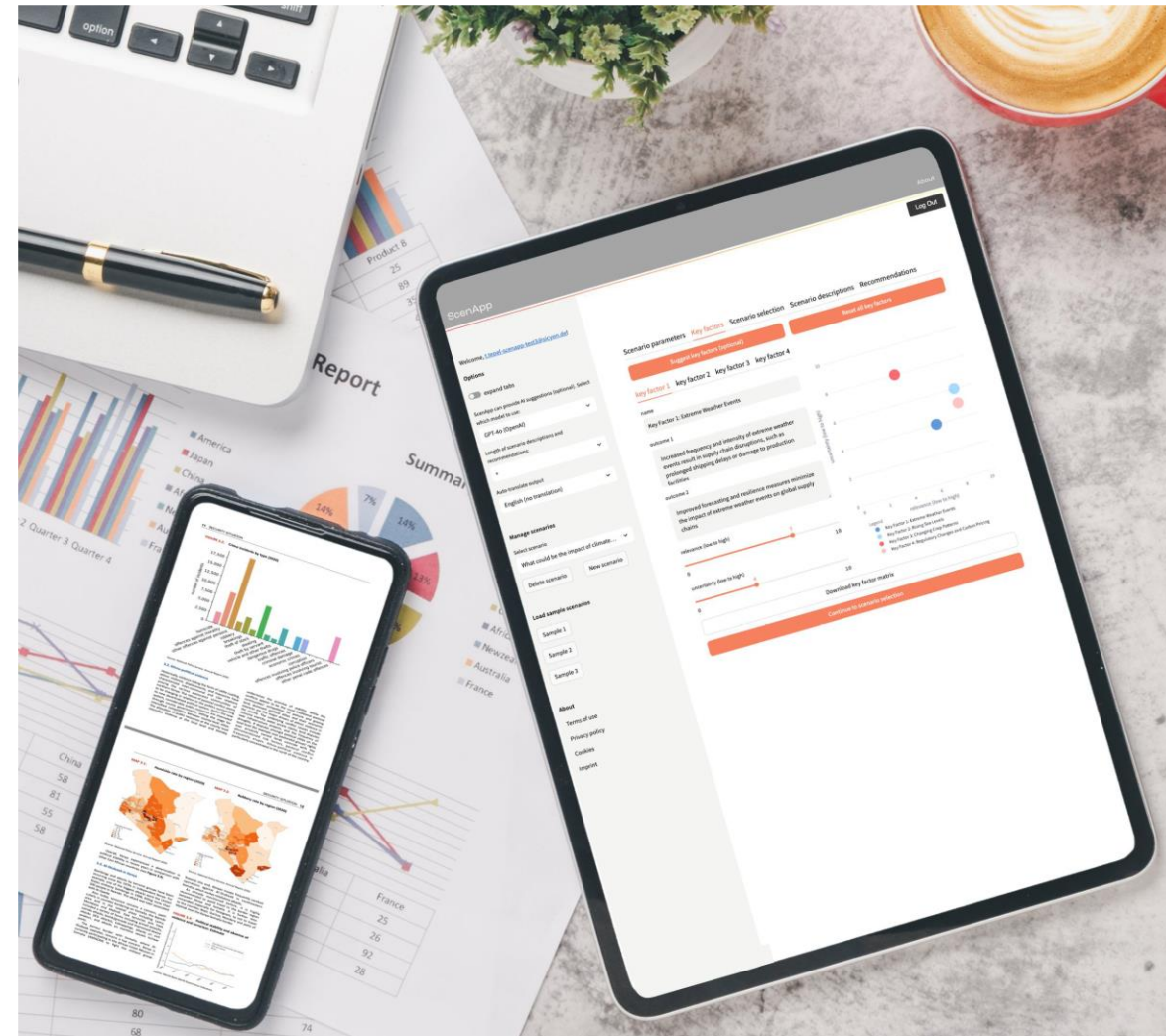
FUTURE MARITIME HOTSPOTS

- Activities of Islamist rebels in the northern province of Cabo Delgado increase and **spill over into the maritime domain**. This results in attacks on maritime traffic approaching the Mozambique channel.
- **Port infrastructures experience a sudden and catastrophic breakdown** due to insurgent actions. This includes damage to ship control systems, port exits, communication systems, navigational aids, and more, rendering the ports inoperable.
- Local authorities, with the support of international experts, initiate emergency repairs to the damaged port infrastructure. The goal is to restore essential systems, clear debris, and make the port operational as soon as possible. **Operations however remain impaired for several months.**



GET AHEAD OF THE WAVE WITH INTELLIGENCE AND FORESIGHT

- **Create or procure political risks analyses** on geopolitical developments, security implications, economic and technological trends that impact your area of business, your customers and your products
- Set up a **network with academic and specialized institutions**, despite such tasks/endeavors being considered a cost factor
- **Perform strategic foresight analysis by scenario analyses** to determine the political, strategic and military developments to adapt products and company outlook on plausible future requirements, market conditions and operational demands





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