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**- Quo Vadis? -**

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[info@mareforum.com](mailto:info@mareforum.com)

**Xavier GUILHOU  
CEO XAG Conseil**

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**Geopolitical overview**

[www.xavierguilhou.com](http://www.xavierguilhou.com)

Ladies and Gentlemen, I have exactly ten minutes to give you an evaluation of the world situation. That is of course a very short time to talk about a world that is changing very fast with considerable, fundamental changes in all domains. Also I will concentrate my subject around a few questions, which seem to me to be major in the context of this forum.

First, I would like to clarify a few terms much used by experts in international relations so that we are using the same vocabulary.

## Some key words:

- **1°) Geostrategy:**  
Evaluation /constraints : Think-tank / High-risk countries
- **2°) Geoeconomy:**  
Evaluation of economic flow/ interests : Business / Strength
- **3°) Geopolitics:**  
The game / The stakes : Governments / Power

### **1+2+3 = Leadership style:**

challenges / ambition / role

For me, geostrategy is the language of specialists in think tanks and research institutes, those who evaluate the state of the world and work on the high risk countries starting from established and checked data.

Geoeconomy is the language of merchants, traders and financiers, those who are in transactions and work on the exchange of goods and services. Their evaluations are done starting from data flow and they handle power struggles in terms of strength.

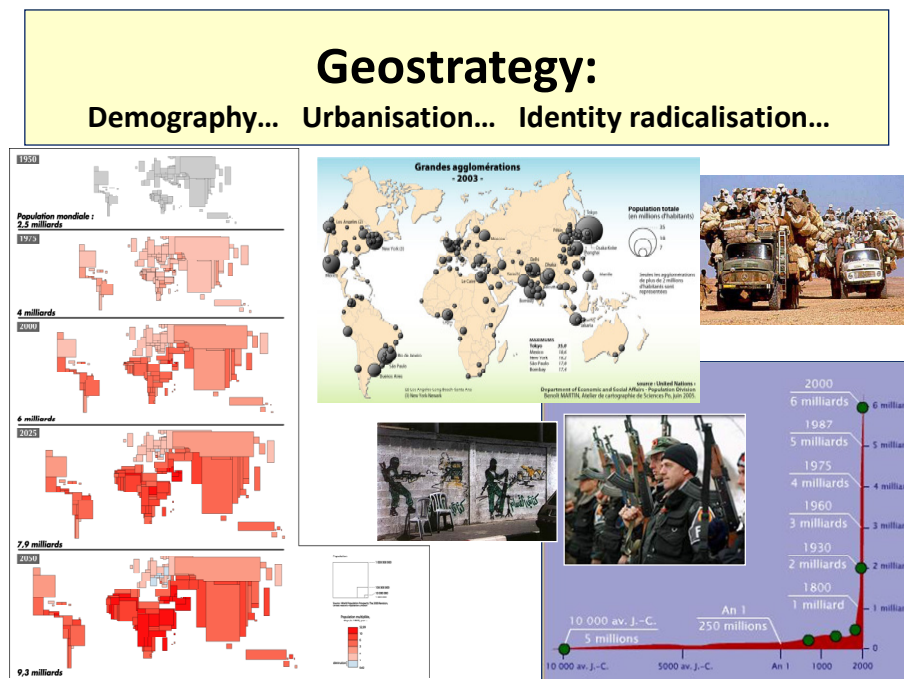
Geopolitics is the reserved field of the decision makers. It is that of the politicians and all those who contribute to the sets of the actors, (civil society, NGO, government, media..) that we can observe on the international scene. This field is not an exact science; it is the most unpredictable and subjective that I know. The evaluation is very difficult to make because it concerns power struggles in terms of means and resources. It is the business of diplomats, the secret service, soldiers and politicians.

None of these key words that I will use successively dominates, it is necessary to combine the three approaches to have an idea of reality and especially to establish an appreciation of the type of leadership that one or the others decides to take, to defend or, the opposite, to negotiate, to let go, because such is international life today.

Today, we are facing considerable movements and human dynamics which we have never known on this scale in human history. They raise the question of the constraints, the stakes and the new challenges which are starting to be expressed for everyone on this planet.

## 1°) Geostrategy:

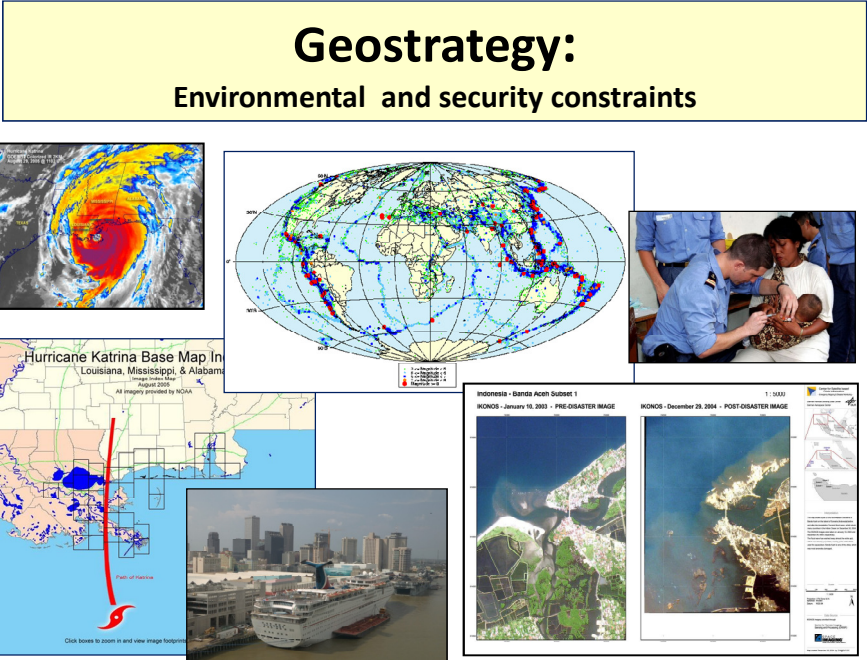
First of all let us consider the constraints. The strategist sees at least three of them that we can regard as illustrations impossible to circumvent for this forum: evolution of world demography, location of the populations and coexistence of the people. The data are simple. During the 20th century we knew a breathtaking increase in world population (from 3 to 6 billion). In the 21st century, whatever the working hypotheses of the demographers are for the horizon in 2100, the increase continues on the same slope and the same rhythm. This gives on our immediate horizons a progression from 3 to 4 billion individuals, namely a total of about 9 to 10 billion for 2030/2050. When we look at where they are located we note that this growth of world demography is primarily concentrated around the Indian Ocean (Africa India) and the Pacific Basin (China ASEAN and the American continent). On this strategic space the average age is 25 years when it is 47 years in Europe....



Let us push the analysis: when we study more closely the locations of the populations we note that 70% are less than 100 kilometers from the coastal regions with a very great concentration on the strategic points of trans-shipment which the large estuaries constitute. In addition to this phenomenon of concentration of the populations close to the seas, there is the increasing urbanization which we have known since the second half of the 20<sup>th</sup> century. Currently 40% of the world population lives in an urbanized environment. UNO foresees that this figure will be 60% in 2030. There too when we observe the locations of the large metropolises which are emerging, we note the

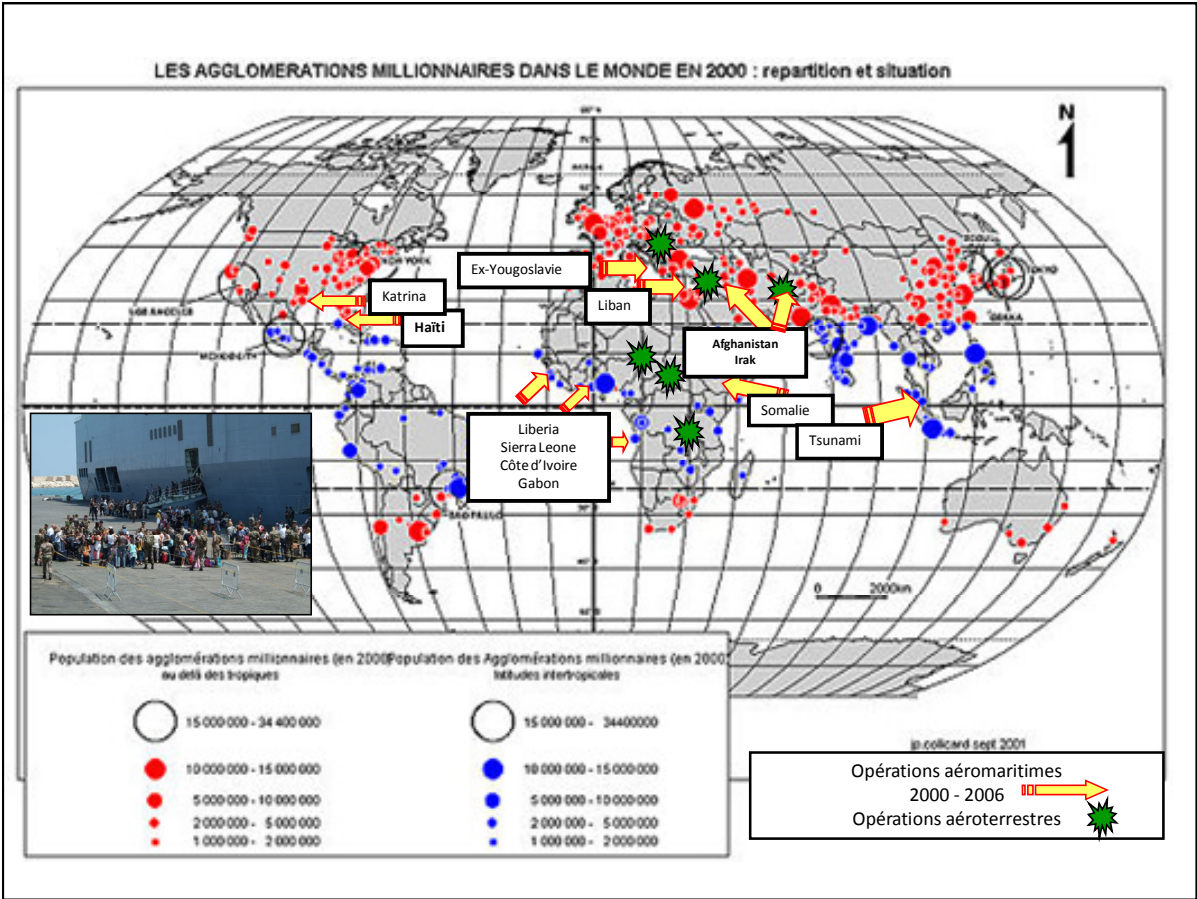
importance of the urbanization of Asian and Indian shores which appropriate the modernity which we allowed to emerge during the last 4 centuries.

Finally this evaluation cannot be closed without posing the question of the coexistence of these populations. We are coming to the end of a long cycle conditioned by the weight of ideologies related to mass-production and mass-consumption, all-out confrontations between nations with two world wars and the nuclear threat through the balance of terror. Today many experts refer to globalization as a new means of regulation. For my part I think that we are facing an ideological vacuum which is creating an absence of universality in political thought and which speeches on the democratic message no longer manage to reply to the demands of the people. This results in the latter falling back more and more on their religious, cultural, and philosophical roots with radicalizations which, at best, generate confrontations of the nationalist type (ex former Yugoslavia) and at worst generate actions of the sacrificial type. Such forms of confrontation go from systematic genocide (Ruanda, Sudan) to hard terrorism (salafism, djihadism). The majority of these confrontations are from now on within the urban space of the large metropolises (Beirut, Sarajevo, Mogadishu)



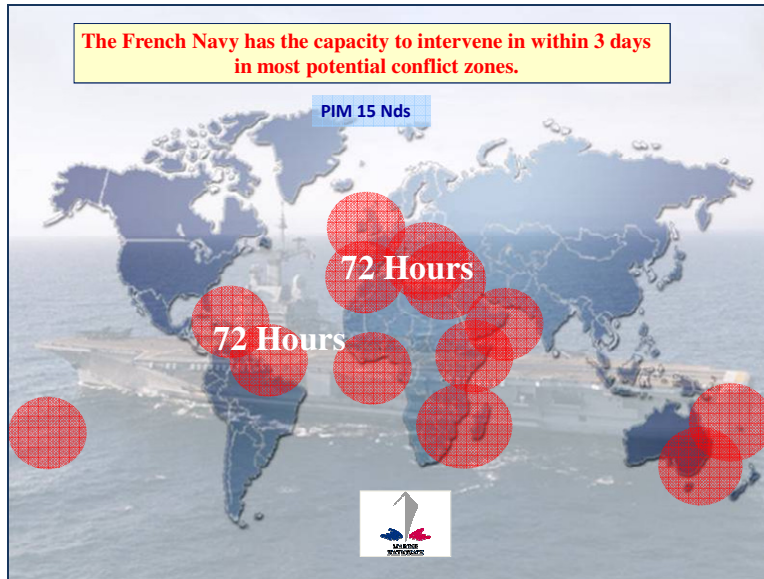
When I superimpose all these factors on the chart of the major risks on the environmental level, I draw up the report that 80% of the potential crises are located on the strategic coastal regions and sea routes. The topicality of this past weekend gives us another illustration with the storm which struck the shores of the North Sea and which put the Netherlands in danger. Also that of the Black Sea which caused the shipwreck of 5 cargo ships and an oil tanker, generating an additional ecological disaster in the Black Sea

in the strait of Kertch. Let us not forget the Katrina Hurricane disaster which neutralized the 5th world port in a few hours and the Tsunami in Southeast Asia which caused 400.000 deaths in a few minutes. When I make same the same projections on the security level, I note there too, that 80% of military interventions from now will played out on these strategic spaces which the large coastal metropolises constitute.



It was the case with Lebanon in 2006 but also with Katrina, the Tsunami in 2005, the gulf of Guinea since 2000, former Yugoslavia since 1991 etc All this manifests itself by an increasingly important French Navy engagement and within less than 72h our capacity of air and sea projection is illustrated well in this chart, in particular, in the Indian Ocean, to fight against the piracy,, terrorism, but also to manage local crises and to repatriate the European nationals.

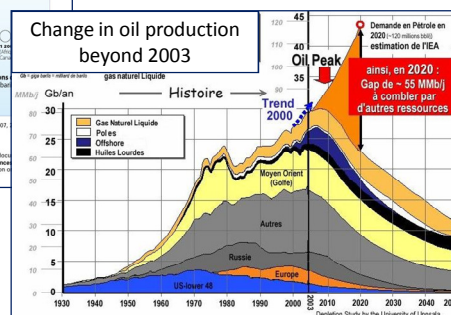
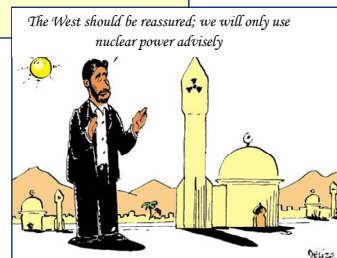
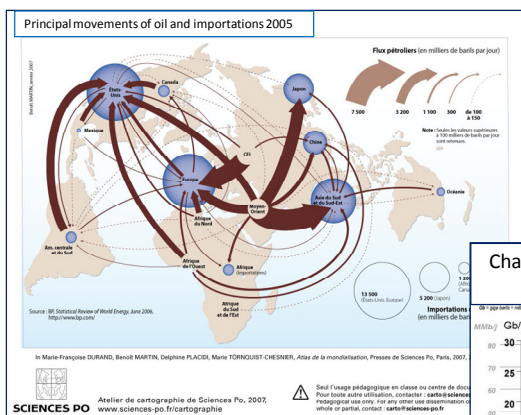




**2°) Geoeconomy:**

To these geostrategic reports should be added the geoeconomic dynamic. This dynamic is characterized by two great phenomena. The first is the end of oil as the keystone of our system of economic growth. You currently know the state of the curve of the crude petroleum with an imminent crossing of the threshold of the 100\$ per barrel on the markets.

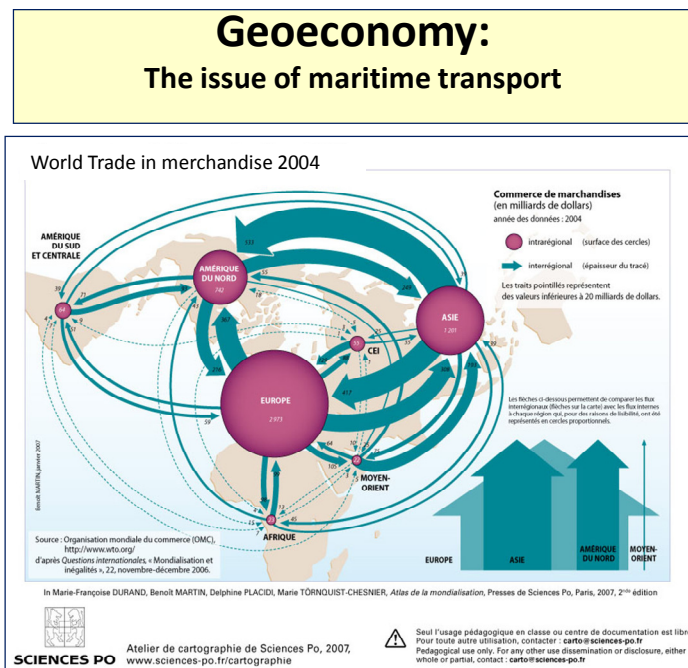
**Geoeconomy:  
The oil issue!**



This situation is durable and structural. It is related to the pressure of demand of China and India (+ 10 to 15% per annum) and to the absence of immediate and adequate response in terms of supply and capacities of refining of the producer countries and the oil

companies. It is the same for all the raw materials whose prices have been linked to the rise for 5 years including, from now on, on the agricultural level. There too, observation of the chart of the movement of oil supplies reveals the very great concentration and vulnerability of the sea routes around o Asia, the engine of world growth. One should not forget that countries like Japan and China which are the back-up of the American economy are completely dependent on the oil supplies coming from the Strait of Ormuz... However we have been on a war economy footing in this area for ten years, mainly because of these questions of energy security...

The center which was on the Arabic peninsula since the Second World War is now moving up the Middle East and Central Asia. The least security incident in this area can only generate considerable disruption to the world economy. Between Iran and Pakistan we have two files which are of another kind than Afghanistan and Iraq if only by the nuclear mortgage which is in the background. The second phenomenon is that of the universalization of reciprocal trade which is permitted by increasingly powerful means of transport and especially by almost instantaneous means of communication through the Internet and satellite cover.

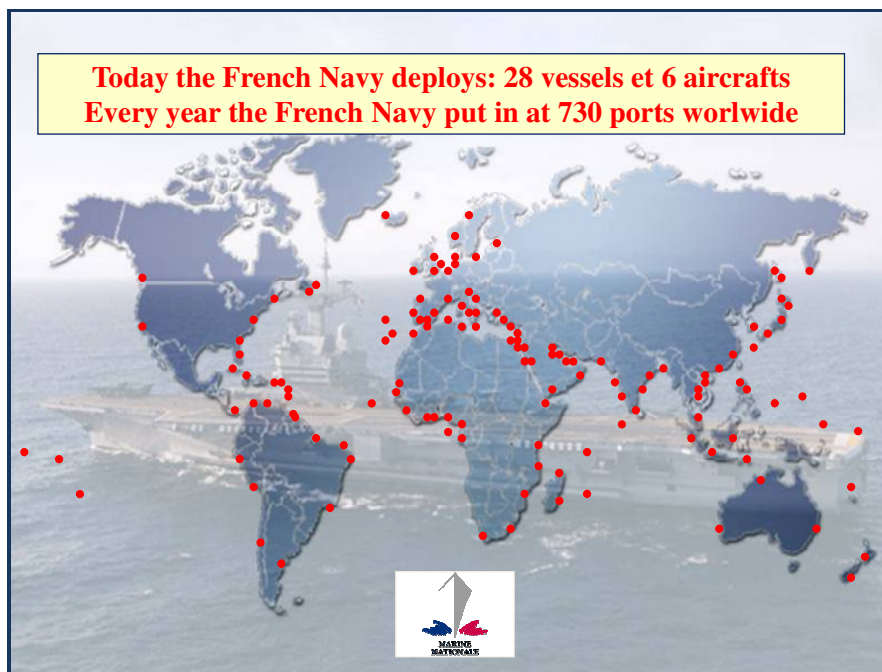


When one observes the evolution of flows of goods one can there too make only the report exceptional dynamics of development on the shores of the Indian Ocean and the Pacific with important volumes of exchanges. These shores become news the Mediterranean of 21st, that which was at the origin of the rebirth from which we come, us them European and consequently our nephews: American. century There too we can only note the extreme overlap of the economies and the interconnection of the vital networks

in particular the harbour hubs which concentrate 90% of the world trade. This fact these strategic platforms and these roads become stakes for those which dispute our development and ways of life.

The terrorist threat on the maritime field and spaces becomes in fact a stake of safety that nobody any more can underestimate. There are already sufficient explicit signals with the increase in the traffics of drug, counterfeits, ARM, migrants, acts of hackings to underestimate the threats which are played from now on with respect to the littorals and on the seas.

Again I will like to make a wink with our French navy which ensures by its presence on all the oceans a vigilance of every moment the sides of the other navy allied and regional and which facilitates the security of these roads and transactions strategic for our economies.



### 3°) Geopolitics

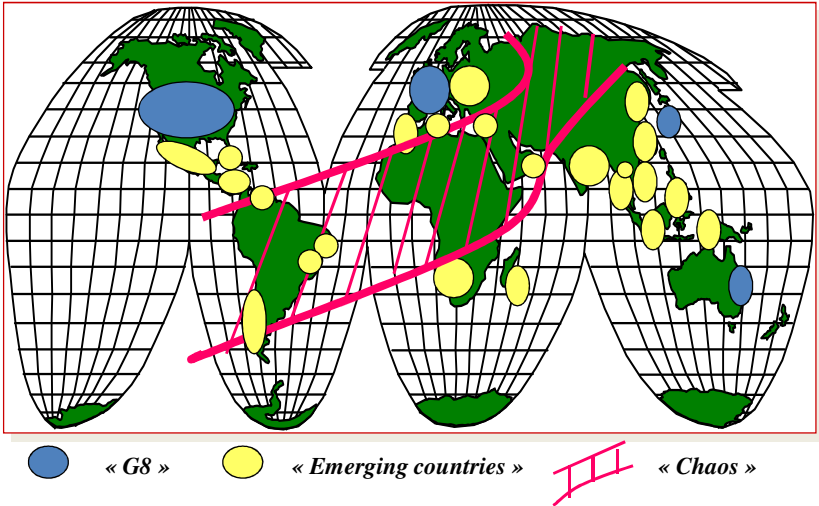
But it is necessary to go beyond these reports and to reflect now with a geopolitical approach. Our companies function with systems of interests which are not rational and virtuous. Today the world functions at three speeds.

There are the old powers, those of the G8, which with less than 10% of the world's population still manage to concentrate 75% of the creation of world wealth. There are especially all these emergent areas of the world which are illustrated in yellow on the chart and which currently concentrate the strongest growth rates, behind new leaders



with the BRIC (Brazil - the agro supplier of the world; Russia the new large supplier of energy, in particular of Europe, India - the host centre of the Western companies and China - the assembly workshop of the world). These areas are expected to concentrate in the 30 next years the equivalent of 40% of the riches for 60% of the world's population. Right now a country like China has in term of reserves of currency 1.400 billion \$ (that is to say the equivalent of the French national debt) and can buy out any Western strategic group at any time... The remainders on the other hand are buried in chaotic regional problems. In this field the most affected area is and will remain for a long time, Africa with serious humanitarian, security and immunity problems...

**Geopolitics:**  
Three-speed globalisation

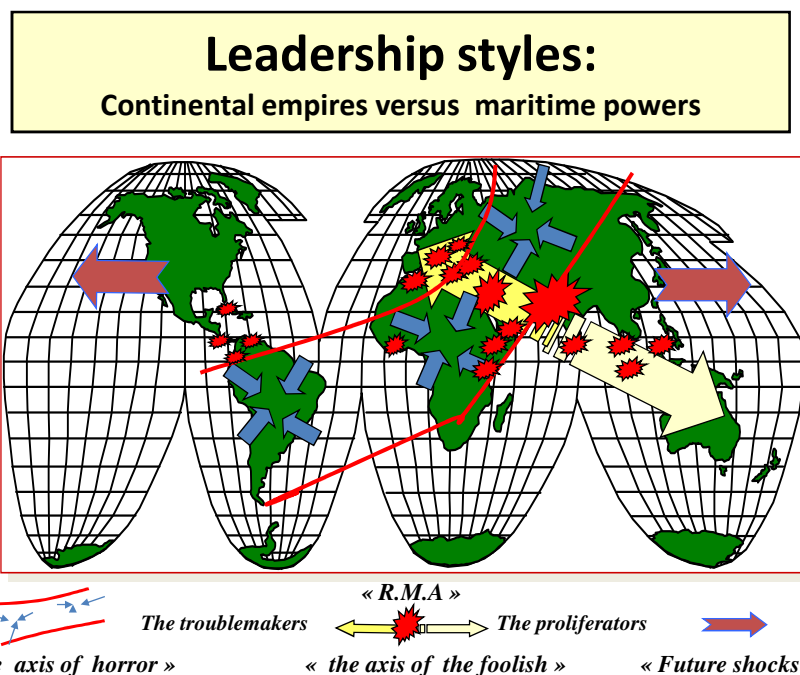


**Geopolitics:**  
Realpolitik and identity radicalisation



#### 4°) Leadership styles:

If the world is not equal in terms of development, it is also subjected to very serious imbalances. The West is confronted today with many conflicts which seek to call into question its preeminence in the functioning and the regulation of the world. These conflicts are no longer on the European continent or between Westerners like yesterday with the cold war in the North Atlantic region. They are located far from their bases in the Balkans, in Central Asia, in the Middle East, in Southeast Asia....To hold all these front lines we are obliged to engage veritable revolutions in the management of military business which has become very complex with the weight of the media and the civil companies in particular NGO in the treatment and payment of the conflicts, while facing people who do not play symmetrical war. .. The terrorist networks use our vital networks thus as weapons of massive destruction. How can we fight against this asymmetry especially when they oppose us with suicide whereas we are afraid to die? We have on the one side, continents which are imploding and sinking into disorder and misery, and on the other side are the areas which are exploding in terms of violence. On our side we have Europe which has an ageing population, has much money but not the will of leadership. On the other side of the Atlantic we have the United States ultra powerful by default of alter ego, the Japanese not having ever wanted to play a major part in the Pacific and the Chinese dodging for the moment any power struggle with Uncle Sam.



However on the geopolitical level everyone expects an important appointment at the time of the Olympic Games of Beijing in 2008 with the emergence of powerful China vis-a-vis of the United States weakened by the current financial crisis, the war in Iraq and

Afghanistan. This is without counting the Iranian appointments and Pakistani which are like two swords of Damocles posed on the top of the Bush administration and all the accident by collateral effect. 2008 it is also on the geopolitical level two go electoral major with the election of the American president and the elections legislative for the rise to power of the new tsar who is Putin. On a side we see emerge again forms of central empires with reminiscences of Saint Worsens Germanic in Europe, of Ottoman behind the impulses of Turkey, but also Persian, Chinese who think too as empire...

All require opposite the more marked strategies of maritime powers represented fully today by the United States with their capacity air and sea of projection on all the continent. Little knows that France has also this capacity with its navy and its door plane. Strategy which was chosen by English as by Japanese to face the return of these continental impulses that the geostrateges know well during the history. Vis-a-vis these go we do not have an order of the world. The game is over! The realpolitik against the identity radicalization is the base of the ruptures in progress on the plan of the positioning of the leaderships on a world level.

To finish I would like to summarize for you what are my four convictions today:

1°) My first conviction is that there is no longer a world order as believed by some. Rules of the game are redefining themselves around new logical leadership.

2°) My second conviction is that the geostrategic centers of the world, because of this evolution of demography, urbanization, globalization are moving from the North Atlantic to this great maritime space which consists of the two larger oceans of our planet on the shores of China and India.

3°) My third conviction is that we will go more and more towards operations which will take place from the sea towards the land and that we will abandon the operating modes which are essentially air to earth and which we knew in the last century.

4°) My last conviction is that we are not confronted by a dialectic with a unipolar world against a multipolar world. I do not believe in this point of view heard in the Parisian living rooms. I believe that we are confronted today with the realpolitik side of Western determination vis-a-vis the reality of the rise to power relating to the leaderships of India and China, but also facing this more disastrous reality of the identity radicalization as we have on many continents, in particular within Islam with the jihadist's networks... And they both want power! With different ways but they want it!

This leads me to ask you to reflect on 4 major questions for the next decades. Confronting these crossings of these thresholds and new leaderships which will become clearer:

**1°) Will the models of governance that we have imposed (international law) and distributed (the standards, patents...) in the whole world still be viable in 30/50 years?**

**2°) Have we truly weighed all the problems inherent in the end of oil, knowing that we currently need 30 to 40 years to find a solution of replacement and that the least tension can degenerate into durable conflict and in this field are we ready for a return to war in a global sense as we have avoided until now?**

**3°) Vis-a-vis the growth of demography how will we arbitrate between the virtuous questions of control of the environments within the meaning of the ecosystem and the questions of the survival of billions of individuals who do not have more than one dollar per day to live?**

**4°) How we will treat the questions of security knowing that the West is becoming really small vis-a-vis the new geostrategic center which is emerging on the side of the Pacific and the Indian Ocean (3 billion) and with these chaotic and sometimes destructive regions which Africa (1 billion) and most of the Islamic world (1 billion) have become?**

### **Some convictions**

- The “game” is again over!
- The geostrategic centers of the world are moving now on the Pacific and the Indian Ocean!
- The crises will treat more and more “sea towards the land”!
- New entering economic actors(Brazil, Russia, China, India) and the new troublemakers (Networks jihadist, Mafias...) want to take our place everywhere and dispute the legitimacy of our leadership!

### **Some questions**

- The future of capitalism and democracy as a model of governance ?
- The future of the post oil economy as a model of growth?
- The future of environmental questions in the face of questions of survival?
- The future of security options and the war against terrorism?

**I do not have the answers, I just have the questions. Not to ask them under the pretext that they are pessimistic would be a serious error. It is necessary to do this work of clarity in order to be able to cultivate the optimism of the action tomorrow and especially to give direction to new processes of leadership that our countries need in order to emerge vis-a-vis a world which is changing at a very high speed without waiting for us and without requiring our permission.**

**Thank you for your attention.**





**Xavier Guilhou**, Advisor for the French Foreign Trade Association (CNCCEF), Auditor of the Institute for Higher National Defence Studies (IHEDN) and member of the defence advisory board for the Confederation of French Business (Medef) is CEO of a company specialising in strategy, competitive intelligence and risk management (XAG Conseil).

After graduating from a French university as Doctor of Literature and Human Science and also as a graduate of the Paris Institute for Political Science, he has followed a three-stranded career path :

- 1.) Inside international companies for 15 years (Spie-Batignoles, Schneider Electric) where he has held operational and executive responsibilities on international business development and on security and risk management.
- 2.) In diplomatic, defence and humanitarian issues where he has taken part in large international crisis management operations and in the reconstruction of countries at war. He has ten years' experience in these areas as a former intelligence officer inside secret service and ten years' practice in the field, in particular in former Yugoslavia, as a reserve officer for the French special operations command under Nato and UN mandates. He is currently a reserve Captain in the French Navy and works on emergent crises for the Navy Staff. For the last ten years he has facilitated new concepts in France to manage post-war conflicts and has set up a CIMIC organisation. He was also founder president for 5 years of a French NGO specialising in emergency and development operations.
- 3.) Inside University and top graduate school, where he teaches and drives a research program on international affairs, crisis and risk management.

He has written several books about crisis management with Patrick Lagadec including: *"The end of the zero risk"* (Eyrolles-2002) and *"Trip inside an implosion-lessons from the Argentina crash"* (Eyrolles-2003). He has also written *"When PDG and NGO dare!"* (Eyrolles- CNCCEF-2004) and this year on the French crisis: *"When France wakes up..."* (Eyrolles-2007).



XAG Conseil 15/22/2007

Web site: [www.xavierguilhou.com](http://www.xavierguilhou.com)

**XAG Conseil**

8, rue jean Goujon

Paris 75008 France

Office : + 331 45 25 02 95