



## FutureScape Issue 12 – May 10th 2010 – Global Faultlines

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Welcome to the latest issue of FutureScape in which we focus on emerging fault lines in the global economy and widening the innovation aperture. I hope you enjoy it.

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### 1. **Convention 2020 – Update**

Hopefully you will now have had a chance to read and reflect on the findings of our initial project survey published on March 5th. You can download the report from [www.convention-2020.com](http://www.convention-2020.com). We'd welcome your feedback. We are currently preparing for the release of the main Phase 1 report for the Convention 2020 project – focussing on key drivers of change in the meetings & events industry over the next decade. The report draws on a range of research activities in order to explore the following:

- Critical strategic changes over the last decade
- Current issues facing the industry

- Key 'driving forces' and trends likely to affect the sector in the next decade
- A timeline of critical science and technology developments that could be of relevance
- Strategic challenges for the industry to address.

A summary of the report will be released at the IMEX 10 Exhibition in Frankfurt, where we will be running five presentations and workshop sessions to share and discuss the findings. The full report will be published in June. Full details of these sessions can be found here

[www.convention2020.meetingsreview.com/IMEX10Sessions](http://www.convention2020.meetingsreview.com/IMEX10Sessions)

We'd like to mention a key event – the Launch of the Convention 2020 Phase 1 Report. This will take place on Tuesday 25th May in Room 'Seminar', Level 9.2, Hall 9 from 16:00 - 17:00hrs and will be open to all IMEX participants.

The summary report will also be available for download from the project website from 10.00 am (CET) on Tuesday 25th May. Please go to [www.convention-2020.com/phase1report](http://www.convention-2020.com/phase1report) for details.

To receive updates from the project please sign up for the newsletter here - [www.convention2020.meetingsreview.com/Newsletter](http://www.convention2020.meetingsreview.com/Newsletter)

Between June and September 2010 we will be running a series of Convention 2020 workshops to explore the implications of the phase 1 findings for different sectors of the industry. If you'd like to host or take part in one of those sessions please contact [rohit@fastfuture.com](mailto:rohit@fastfuture.com)

Further information on IMEX 10 can be found at: [www.imex-frankfurt.com](http://www.imex-frankfurt.com)

## **2. The Need for New Economic Thinking**

The debt crisis in Greece and rising concerns about national debt in Portugal, Spain and the UK are increasing the risk of global debt contagion. They have also raised serious questions about the economic management models required to achieve a stable and sustainable global economic recovery. The idea that nations could simply borrow or print money to finance their ambitions or bail out their economies is running out of steam. The reality is that individuals, businesses and nations alike are struggling to pay the interest on their leveraged lifestyles let alone pay back the capital. How many more orchestrated bailouts can the IMF and European Union finance? At what point do we have to question the underlying economic model and start looking for new paradigms?

The issue is not a simple choice about free market versus centrally managed economies. There are more fundamental issues of how we can ensure long term economic development, sustainable job creation, and a viable business sector which doesn't require very risky levels of leveraged debt. Most of the moves being adopted either to deal with national debt crises or financial sector reform appear to be doing little to ensure long-term stability and largely accept the current underlying economic paradigm – even though it is creaking at the seams.

*So what might the solution look like? We are interested in hearing about new models and paradigms that are being proposed – whether by individuals, academics, economists, governments, NGOs, think tanks or businesses. Over the next few issues we'd like to air a range of alternative models for a stable economic and financial system. **Please share your views with us.***

### **3. Airlines – Any Way Up?**

A 'wildcard' is generally defined as any event that has low probability but high impact; the world experienced one such wildcard in the last month courtesy of Iceland's Eyjafjallajökull volcano. The event opened up a debate about how we prepare for and deal with such events and how much risk are we willing to live with. Indeed, the topic opened most of the interviews we've been conducting over the last couple of weeks with experts from the meetings & events industry as part of our ongoing Convention 2020 project.

Beyond immediate considerations of the success (or otherwise) of any disaster recovery or crisis management planning, it was clear that a number of people had – prompted by the event - begun to consider the wider ramifications. We did an interview for Al Jazeera TV to explore the potential long term implications if the ash cloud did last 2 years as some had been warning. A particular focus has been on the potential effects of any longer term disruption on the ability to fly people and goods around the world and what that might mean for the aviation sector and those dependent upon it.

In particular, the curtailment of air travel has put the focus onto the future of civil aviation. While it remains a crucial part of the transportation infrastructure around the world, the effects of a wildcard such as the ash cloud have brought the challenges it currently faces into starker contrast. The airline industry globally has debts of over US\$200Bn, has only made a profit once in the last ten years and the losses continue to mount. Recent announcements have highlighted first quarter losses for AMR Corp (the parent company of American Airlines) of US\$505m, US\$256m at Delta Airlines and US\$140m for Continental. Under such circumstances, the prospect of a two year stoppage of commercial aviation to Europe has led to some fascinating debate on the future of the aviation sector.

Increasingly, people are willing to ask the unthinkable question – does the airline industry have a viable future? While airline executives might balk at the idea of discussing the topic, the industry does face very tough challenges as it strives to define a long-term future. Alongside issues of financial viability, there are growing concerns about how the industry can return to profitability while addressing over-capacity, environmental impacts, rising fuel costs, the possibility of emissions-trading regimes & carbon taxes, security requirements and changes in social attitudes.

What level of price hike would be required to return airlines to sustainable profitability – and would customers be willing to bear such increases? What new thinking is emerging about sustainable aviation business models? Would airlines have to be taken into national ownership and subsidised by governments as a critical part of national infrastructure? What impact would a dramatic reduction in the number of airlines and flights have on our lives – can we imagine a life without flying? Which

industries would be most disrupted?

The airline industry is just one of the sectors being confronted by fundamental questions about its long term viability – many others will follow in the next few years.

#### **4. Innovation at the Margins**

One of the most interesting issues in the field of innovation is whether we can learn anything from the pace of product development and adaptation in sectors that sit outside the law or on the margins of it. Perhaps the most visible examples today are the fields of illegal drugs and 'legal highs'. We recently conducted a scenario development workshop which sought to investigate the range of factors that could shape the drugs (stimulants) landscape out to 2030. One of the key trends identified was the rapidly increasing availability and adoption of 'legal highs'. In fact, during our workshop the issue of whether the UK government would introduce a ban on the sale of one such substance - Mephedrone - was widely discussed (it did, in mid-April).

One of the features of the legal high market is the pace with which new or amended products are brought to market within weeks to replace substances that are banned. For example, The Guardian has since reported that a new synthetic drug called MDAI is already available and being advertised as a replacement for Mephedrone.

(1)

From a policy perspective, the concern would be that the current enforcement model means we are always behind the product developers. No sooner do we ban one compound than the manufacturers come to market with an almost identical formula with just a few modifications that render it legal. Hence the question arises, how can we become more innovative in defining drugs policy and change the power relationship between policy makers and drug manufacturers? For example should we be banning the effect rather than the compound? Would this also have the added benefit of dealing with new non-chemical stimulants (e.g. sound, electromagnetic stimulation) that could come to market in the years to come?

For those in other legitimate fields from pharmaceuticals to food processing – is there anything we can learn from how these legal high manufacturers operate? Clearly such organisations are not subjecting their products to the same trialling regime as a legal pharmaceutical and we are not suggesting abandoning the drugs testing regime. However, we do wonder if there is something that can be learned from the approaches to innovation, product development and market testing that are adopted by the legal high manufacturers.

(1) - <http://www.guardian.co.uk/society/2010/apr/18/drug-replace-ban-mephedrone>

#### **5. Rohit on the Road**

In the coming weeks, Rohit will be delivering keynote speeches on healthcare scenarios, Convention 2020, the future of research, foresight driven innovation, financing future infrastructure, new business models, the future of events, winning in a downturn, the future of the global economy, drivers of change, outlook 2020 and a

number of industry focused themes. He is currently scheduled to be in London, Frankfurt, Barcelona, Budapest, Niagara Falls, St. Louis, Hyderabad, Oslo, Stavanger and Alesund (Norway). If you would like to meet with him or organise a speech for your organisation while he is in your city, please contact [rohit@fastfuture.com](mailto:rohit@fastfuture.com)

## **6. About Fast Future**

Fast Future is a research and consulting firm which focuses on helping clients anticipate and develop innovative responses to the forces, patterns of change and ideas shaping the future. To discuss your needs for research, consulting, a speech or workshop, contact [rohit@fastfuture.com](mailto:rohit@fastfuture.com) or call +44 (0)20 8830 0766

## **7. Forthcoming Dates for your Diary**

May 25th - 27th – IMEX Frankfurt ([www.imex-frankfurt.com/](http://www.imex-frankfurt.com/))

June 6-9 - The Dynamics of Innovation - XXI ISPIM Conference Bilbao ([www.ispim.org](http://www.ispim.org))

June 7th – Convention 2020 Workshop Oslo ([www.mpinorway.org](http://www.mpinorway.org))

June 7th - 9th - Aquavision Aquaculture Conference 2010, Stavanger, Norway ([www.aquavision.org](http://www.aquavision.org))

June 9th -10th - InnoTown Innovation Conference 2010, Alesund, Norway (<http://www.innotown.com>)

June 23rd - Transfin 2010 – Global Transport and Infrastructure Financing, Barcelona ([www.icbi-events.com/transfin](http://www.icbi-events.com/transfin))

## **8. Republishing FutureScape Content**

A number of people have asked to re-publish our content in their magazines, blogs, websites and newsletters. We are happy for you to do this – if you want to republish any articles, please acknowledge the source, provide a link back to our website and let us know you've done it.

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