



FutureScape Issue 16 - 11th April 2011 - Global Challenges

Welcome to the first edition of the FutureScape newsletter for 2011. In this issue we focus on global challenges that have been occupying our attention recently and some that we have identified as potential game changers on the world scene, specifically:

- Unrest in the MENA region
- Counting the cost of natural disasters
- Economic Power shifts
- Terminator? More like Communicator!

It's hard to believe how fast the first quarter of 2011 has gone. We've been busy working on a variety of client consulting projects and taking forward the 2011 programmes for the [Convention 2020](#) research study and the Future Convention Cities Initiative. We are also running a study on the future of human resources and another on global trends and drivers for a US client. We've also been responding to the tremendous interest generated by our [Hotels 2020](#) study.

So far this year, client workshops, project work and speaking commitments have taken me to Las Vegas, Cancun, Melbourne, Adelaide, Geneva, Lisbon, Belfast, Berlin, Vina del Mar - Chile, Seoul, Gothenburg, Budapest and Frankfurt.

We hope you enjoy this edition and as always we welcome your feedback. Copies of previous editions of the newsletter can be downloaded [here](#)

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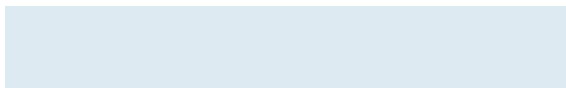
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Watch a short video of Rohit's keynote speech on global trends [here](#)



Please Take our Venues Survey

We have just launched our latest Convention 2020 Foresight survey. The survey focuses on innovation, future strategy, design, finance and future success factors for convention venues.

The report will be published at IMEX Frankfurt in May 2011 and all respondents will receive a free copy. We hope the results will prove invaluable in plotting future venue strategy. We will donate \$1 to the Save the Children Fund for each survey response. The survey can be accessed [here](#) Please share the link with colleagues who might be interested in the topic.

UNREST IN THE MENA REGION

What will be the outcome of the wave of popular uprisings in the MENA region and what is the end game for the western intervention in Libya?

The last two months have seen a surge in popular uprisings and revolutions within the Middle East and the Arabian Gulf. The fundamental drivers of unrest in many of these countries are social inequality and employment. The OECD reckons 100 million jobs need to be created in the region by 2020[1].

The success or otherwise of the revolutions of 2011 - and of those existing leaderships that continue in power - will largely depend on the ability of their economies to create the necessary jobs.

Five Scenarios for the Future

We are suggesting five possible scenarios for how the situation could play out over the next 12-24 months.

Student Case Study Competition IMEX and Fast Future have launched a Student Case Study Competition. The goal is to identify examples from around the world of how business events, meeting venues and meeting destinations are innovating to prepare for the future. It is open to students over the age of 18 studying at an academic institution anywhere in the world. The authors of the two best case studies will get free travel and accommodation to participate in IMEX 2011 in Frankfurt. Case studies must be a maximum of 1000 words, in English and received by April 22nd 2011. Full details of the competition can be found [here](#).



(Image 1)

Several economies suffer from continuing domestic tension and the exit of foreign capital. Fears rise over the prospects of a war involving Israel and Iran and / or other regional agents.

1. People power - Popular revolutions unseat more Middle Eastern governments and internal pressure leads to increasing governmental transparency. Broadly democratic and open governance models are adopted and despite inevitable teething troubles, the prospects are encouraging. Relative stability acts as a catalyst for economic growth and encourages foreign investment.

2. Revenge of the despot - Stalemate in Libya gives encouragement to other embattled strongmen, leading to a mixture of regional repression, guerrilla movements and in some cases civil war. In this scenario, economic opportunity declines overall and gives rise to more forms of extremism. Foreign businesses start to withdraw from all but the most stable of Middle East economies.

3. Ignition - Popular revolutions succeed in removing the current leadership in several states. In many cases we see the installation of Islamist governments either via ballot box or through force. Domestic tension and conflict continues in many of these states.

COUNTING THE COST OF NATURAL DISASTERS

Is the world braced for increased incidences of natural disasters?

What level of risk should we be willing to accept in disaster planning?

What lessons have we learned from the events of the last few years?

The globe has been rocked by natural disasters with unnerving regularity in recent years. Pakistan suffered a devastating flood in

4. Volatility as standard - The divergent outcomes from 2011 failed to stem the real issue afflicting most MENA economies - the lack of enough small to mid-sized companies to accommodate excess youth labour. This leads to a prolonged period of uncertainty where some weaker governments fail in the face of civil unrest and an uneasy and awkward geopolitical framework envelops the region.

5. As you were - A failure to sustain foreign intervention results in eventual victory for the Gaddafi regime over the rebel forces. The outcome gives courage to more oppressive leaderships across the region and unrest from Bahrain to Yemen dies out gradually.

A number of leaders across the region make serious efforts to create more jobs, encourage business start-ups and tackle underlying social issues. Social tensions remain with occasional flare-ups but the changes in Tunisia and Egypt are seen as exceptions rather than the norm. Foreign investment is largely targeted at the most stable and open economies and an uneasy relationship with the international community persists for a decade or more.

The subsequent nuclear crisis at the Fukushima plant on Japan's East coast has highlighted the critical planning, financial and communication challenges and trade-offs at the heart of disaster planning.



(Image 2)

2010[2], China a similarly destructive Earthquake in 2008 and the worldwide H1N1 Bird Flu Pandemic has so far claimed 10000 lives.[3] 2010 also saw perhaps the worst disaster in recent history, the catastrophic Earthquake in Haiti, which took at least 220 000 lives[4] with an estimated economic cost of at least \$14 billion.[5]

Recent events have demonstrated the fragility of even the most robust states in the face of natural disasters. The recent 9.0 magnitude earthquake near the Honshu region in Northern Japan has had a devastating effect.[6] Up to 25 000 people have lost their lives[7] and the World Bank has estimated the economic impact at up to \$310 billion.[8]

ECONOMIC POWER SHIFTS

Is the East's economic dominance in the 21st century now a 'given'? Will the West go gently into the night or will the fight for economic supremacy become a bitter struggle characterised by protectionism and currency conflicts?

What strategies are the leaders of the G20, the World Bank, the IMF and other global and pan-regional institutions adopting for the economic shifts shaping are world? Are they running on the assumption that Asia - led by China and India - will be the dominant economic power of the 21st century? Or is there a sense that we'll see a resurgent west standing toe to toe with its Asian counterparts on the economic landscape over the next 20-50 years?

The argument that the global financial crisis has expedited the transfer of economic power eastwards is one that has become increasingly popular. While the larger economies such as China and

Ø *What level and frequency of natural disaster should we be planning for?*

Ø *How much are we willing to spend on preventative measures against the most exceptional of circumstances?*

Ø *How well does the public understand what is considered an 'acceptable risk' when planners decide on the level of disaster protection they will put in place?*

The global crisis may have removed previous competitive advantages from western economies but in practice, the trends were already underway and had signalled growing Asian strength for some time before the crisis.

Pre-crisis estimates from E&Y suggested the BRIC nations would contribute 40% of global economic growth in the decade from 2008 to 2018[10]. Others suggest that even with a recovery in the developed world, emerging markets will account for 70% to 75% of global growth every year for the foreseeable future[11].

The rise of Asian GDP as a percentage of the world economy (at purchasing power parity (PPP)) is notable - increasing from 27% in 1995 to 34% in 2009 [12]. Indeed the Economist notes that by 2014, Asia's share of the world economy, at PPP, should exceed that of America and Europe combined[13]. They also estimate that by 2020 Asia could well produce 50% of all sales and profits for some Western multinationals, advancing from a typical range of 20-25% today.

India slowed down, they didn't actually go into recession. Many other emerging Asian economies endured a shorter and less severe recession than their western counterparts. The Economist [9] argues that this, coupled with generally healthier banking systems and debt structures, puts them in a strong position for growth.

AN INTERESTING VIEW ON CYBORGS

We'd like to finish with a fascinating take on Cyborgs from the recent TEDWomen event in December 2010. Here Amber Case takes a light hearted look at how we as humans are already Cyborgs and where the technology might take us. It's only a few minutes long and well worth watching. http://www.ted.com/talks/amber_case_we_are_all_cyborgs_now.html

INNOTOWN 2011

One of the events I've most wanted to speak at was Innotown, and I finally got the opportunity to deliver a keynote speech at the 2010 conference. The conference is held in the picturesque Art Nouveau town of Aalesund in Norway and is a real feast for the mind and soul alike. This year's line up of speakers is truly exceptional. Over two thirds of the tickets have already been sold with more than two months to go. It's well worth checking out the programme and giving yourself permission to attend if you possibly can. <http://www.innotown.com/>

The Institute for International Finance forecasts that for 2010 and 2011 combined net inflows of capital into emerging economies will total more than \$800bn over the two years[13].



(Image 3)



(Image 4)

ROHIT on the ROAD

In the next few months I will be delivering workshops and speeches in the following locations - Lucerne, Brussels, Singapore, Berlin, Slovenia, Frankfurt, Adelaide, Melbourne, Sydney and Copenhagen.

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Please contact me at rohit@fastfuture.com if you'd like to discuss the possibility of me delivering a speech for your organisation in one of these locations.

Finally, a number of people have asked to republish 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.

Many thanks and we hope you enjoyed this week's newsletter.

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Image 1-

[http://wpcontent.answcdn.com/wikipedia/commons/thumb/8/8e/Greater_Middle_East_\(orthographic_projection\).svg/300px-Greater_Middle_East_\(orthographic_projection\).svg.png](http://wpcontent.answcdn.com/wikipedia/commons/thumb/8/8e/Greater_Middle_East_(orthographic_projection).svg/300px-Greater_Middle_East_(orthographic_projection).svg.png)

Image 2-

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Image 3-

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Image 4-

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