Introduction

*The Hague Centre for Strategic Studies*

- Governments, non-governmental organizations and the private sector
- Understand the fast-changing environment and anticipate future challenges
- Gives practical policy solutions and advice
- Expertise on natural resources

Input for the Dutch national strategy on natural resources

Reports can be downloaded for free at www.hcss.nl/reports
### Geopolitics: definition

Influence of geography on:
- international peace and security
- international relations
  - Geology, including resources (oil, gas, minerals, land)
  - Trade relationships
  - Exposure to instability and conflict
  - Political & social geography (demography, history, identity, governance)

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### Global Trends 2025: A Transformed World (NIC 2008)
**Global Governance 2025: At A Critical Juncture (NIC 2010)
Global Trends 2030: Alternative Worlds (NIC 2012)**

<table>
<thead>
<tr>
<th>Certain</th>
<th>Uncertain</th>
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<tbody>
<tr>
<td>• Shift power to networks &amp; coalitions</td>
<td>• Collaboration world community</td>
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<td>• Emerging informal Groupings (G-20)</td>
<td>• Development regional hegemons and regional stability</td>
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<td>• Powershift towards non-state actors</td>
<td>• Speed of transition toward sustainable energy, economic productivity</td>
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<td>• Arc of instability will narrow</td>
<td>• Government adaptability uncertain</td>
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<td>• Population growth 8 billion 2030</td>
<td>• Speed &amp; impact climate change difficult to judge</td>
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<td>• <em>Youth bulges</em> become dangerous</td>
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<td>• Demand for resources increases</td>
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<td>• Half world population lives in water-stressed areas</td>
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Drivers for Geopolitical Change

- Population by 2050 – 9 billion
- GDP from US$35 to 72 trillion by 2030
- Water demand to increase 30% by 2030
- Energy demand doubled by 2030
- Cereal demand: + 67% by 2050
- Land deficit by 2050 – 200 million ha
- GHG emissions decrease 50-80% by 2050

THE RISE of an URBAN WORLD

The world’s largest cities

Global urban population growth is propelled by the growth of cities of all sizes
Geopolitical context

The international playing field is changing

- Global megatrends affecting supply and demand
- Transition to a multipolar world
- Increasing role of the state
- Resurgence of resource nationalism and protectionist policies
- Securitization of raw materials and food
Sustainability

Meeting the needs of the present without compromising the needs of the future

Production, trade, and use of resources can lead to:

• **Economic problems**: availability, accessibility, price
• **Social problems**: human rights issues, exploitation, poverty
• **Political problems**: governance, strategic use of resources for political goals
• **Security problems**: instability caused by and causing scarcity
• **Environmental problems**: pollution, loss of biodiversity
Complexity

Interdependencies can create immediate and more structural security of supply issues and price volatility

- Complex systems can be highly volatile
- Unstable and unpredictable behavior, challenging economic, social and environmental sustainability

Complicates policy making

- Policies in one area carry consequences for another
- Interventions may have unforeseen consequences
Sovereign Wealth Funds

Scarcity: source of conflicts

– Angola (1975-2002): oil, diamond
– DRC (1996-?): copper, coltan, diamond, cobalt, wood, tin
– Congo (1997-?): oil
– Liberia (1989-2003): wood, diamond, iron, palm oil, cacao, coffee, rubber, gold
– Senegal: wood, cashew nuts
– Sierra Leone (1991-2000), diamond, cacao, coffee

Examples: Africa according to UNEP
Examples: Chinese investments in Africa

- Sudan: 40% of its oil goes to China
- Guinea: negotiations over 7 billion investments in infrastructure-for-minerals (oil, bauxite, iron ore)
- Liberia: treaty of 2.6 billion iron ore exploitation
- Nigeria: negotiations for 15% of oil reserves exploitation ($30-50 billion)
- Niger: loan of $95 million for uranium mine
- DRC: $9 billion deal for infrastructure-for-minerals
- Angola: 40% van oil goes to China
- Rwanda: loan of $250 million for infrastructure-for-minerals
- Zimbabwe: loans ($950 million), weapon deals and MOU for nickel, copper and cobalt
Chinese take-overs & Other initiatives

Energy en mining sector:
- Nexen Inc. (2012)
- London Metal Exchange (2012)
- Isua Mining Project (2015)

Agri-food sector: 22% of the world’s people, yet has only 6.5%
- Smithfield Foods Inc. (2013)
- Nidera (2014)
- Noble (2014)
- Syngenta (2016)

Maritime and Road Silk Route & Economic Belt
- Asian Infrastructure Investment Bank
Soy Risks for Business

- Used in a wide range of products and sectors
  Cumulatively contributing 35 billion euros, almost 7% of total GDP.
- Options for alternative sourcing are limited.
  Heavily concentrated in North and South America.
  European soy production is a mere 1.7 million tonnes, the total European demand of 34.2 million tonnes.

Genetically Modified Organisms (GMO)

Plant Protection Products

Regional Crops / Sourcing

Critical Raw Materials for the EU

Source: EU REPORT ON CRITICAL RAW MATERIALS FOR THE EU "Brussels, 2014."
THE HAGUE CENTRE FOR STRATEGIC STUDIES

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