

**BUSINESS  
FINLAND**

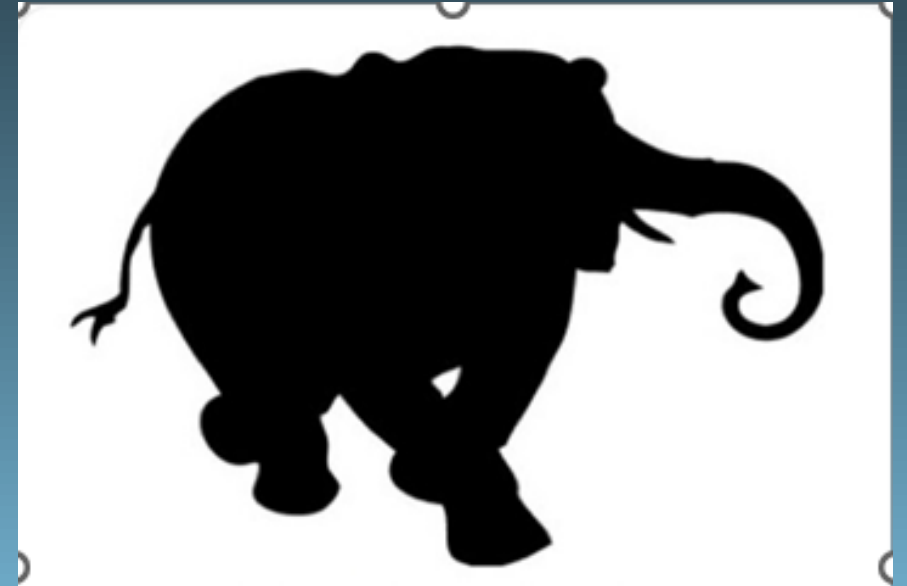
# **Key Geopolitical Disruptions Shaping Our Futures**

**Geopoliittiset tuulet ja innovaatiotoiminta**



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# Foresight supporting innovation planning

**European Commission Foresight Report: Future challenges will not divert the European Union from its long term objectives – TWIN TRANSITION. The report identifies 10 areas where action is needed**

**European Commission DG RTD – Foresight to support the Strategic Plan of Horizon Europe 2025-2027 / Mutual Learning exercise**

**Business Finland – Foresight Europe as part of the global strategic foresight team and strategy unit – how the operational future landscapes are changing and what do the changes mean for Finland and Business Finland, including innovation planning**



*On the path towards 2050, twinning will depend on the ability to deploy existing and new technologies at scale, as well as various geopolitical, social, economic, and regulatory factors (PESTEL)*



# Foresight supporting innovation planning

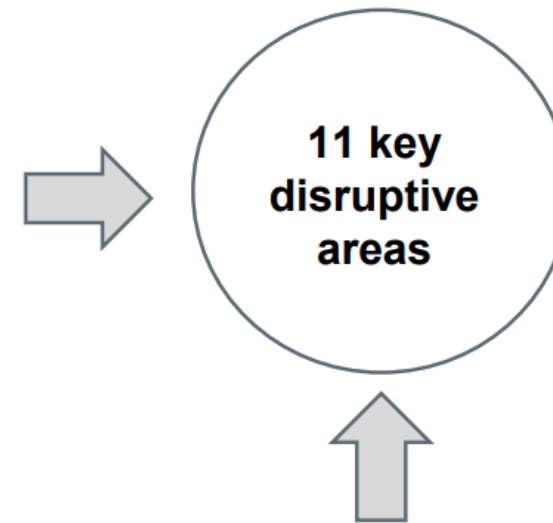
## EXPLORING POTENTIAL FUTURES IN KEY „DISRUPTIVE“ AREAS

### Deep dives into **disruptive trends** and contexts

- EU in a Volatile New Geopolitical World
- Global Commons
- Transhumanist Revolutions
- Climate Change
- Hydrogen Economy

### Explorations of other **potential disruptions**

- General AI and Autonomous Machines
- Future of Health
- Rising Social Confrontations
- Criminal and Lawful Economic Activities



### **Key areas of STI for future ecosystems**

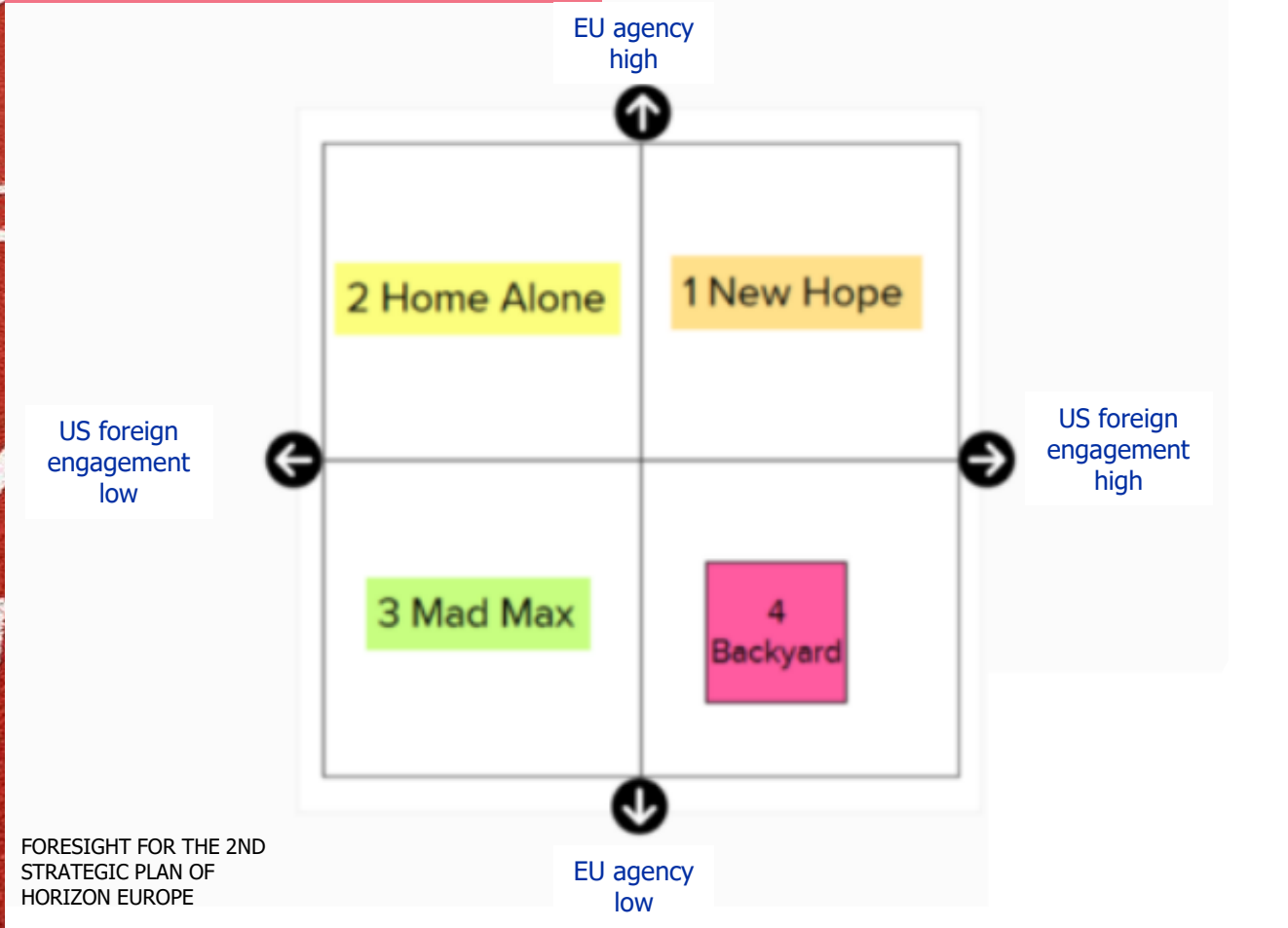
- Resource disruptions: from managed exploitation to caring and immersing for nature
- Converging technology disruptions in the<sub>5</sub> micro-, nano- and virtual world

FORESIGHT FOR THE 2ND STRATEGIC PLAN OF HORIZON EUROPE - The best access to the recent foresight work at DG R&I-G1 can be found on the platform [www.futures4europe.eu](http://www.futures4europe.eu)  
Matthias Weber, AIT Austrian Institute of Technology



# TECTONIC GEOPOLITICAL SHIFTS

## EU in a Volatile New Geopolitical World





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## THROUGH FRAGMENTATION TOWARDS A NEW WORLD ORDER

- **Protracted systemic instability**
- **Fragmented world – Multipolar, Bipolar?**
- **World is bifurcating between two great powers, also ideologically: the US and China, like-minded democracies and like-minded autocrats, new alliances**
- **Trade war, Tech war, Ideological war, Cold war II, increasing military buildups**
- **Decoupling or Derisking?**
- **De-Westernisation, illiberalism, autocratisation, securitization of everything**
- **Roles of states, governments strengthening, international organisations weakening**
- **De-globalization – from China yes, but otherwise not necessarily**
- **Ukraine War – system transforming war, European security architecture, Chain of wars, Taiwan – Western allies losing focus**
- **Shared Future for Mankind – China's proposal for the new global governance – successful implementation**





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## SECURITIZATION OF EVERYTHING: EUROPEAN ECONOMIC SECURITY

- The EU's **economic security strategy plan** aims to reduce dependences on e.g. China for critical resources and preventing EU technology from ending up in the wrong hands
- **The EU will launch a new investigation into China's alleged dumping of cheap electric vehicles** – one of the crucial areas in the EU's green transition: "Global markets are flooded with cheap Chinese Evs and their prices are kept artificially low by huge state subsidies, this is distorting the EU market" VDL 13.9.
- Same situation earlier with solar industry, which China has dominated for over a decade – and now also with wind industry
- **China has restricted critical minerals gallium, germanium and recently graphite** (crucial in green transition) – further evidence in Europe of the importance of de-risking
- Solution will likely be more tariffs, which could provoke a response from Beijing – **risking a potential trade war with China**



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Technology Area	Technologies*
ADVANCED SEMICONDUCTOR TECHNOLOGIES	<ul style="list-style-type: none"> <li>• Microelectronics, including processors</li> <li>• Photonics (including high energy laser technologies)</li> <li>• High frequency chips</li> <li>• Semiconductor manufacturing equipment at very advanced node sizes</li> </ul>
ARTIFICIAL INTELLIGENCE TECHNOLOGIES	<ul style="list-style-type: none"> <li>• High Performance Computing</li> <li>• Cloud and edge computing</li> <li>• Data analytics technologies</li> <li>• Computer vision, language processing, object recognition</li> </ul>
QUANTUM TECHNOLOGIES	<ul style="list-style-type: none"> <li>• Quantum computing</li> <li>• Quantum cryptography</li> <li>• Quantum communications</li> <li>• Quantum sensing and radar</li> </ul>
BIOTECHNOLOGIES	<ul style="list-style-type: none"> <li>• Techniques of genetic modification</li> <li>• New genomic techniques</li> <li>• Gene-drive</li> <li>• Synthetic biology</li> </ul>
ADVANCED CONNECTIVITY, NAVIGATION AND DIGITAL TECHNOLOGIES	<ul style="list-style-type: none"> <li>• Secure digital communications and connectivity, such as 5G and Open RAN (Radio Access Network) and 6G</li> <li>• Cyber security technologies incl. cyber-surveillance, security and intrusion systems, digital forensics</li> <li>• Internet of Things and Virtual Reality</li> <li>• Distributed ledger and digital identity technologies</li> <li>• Guidance, navigation and control technologies, including avionics and marine positioning</li> </ul>
ADVANCED SENSING TECHNOLOGIES	<ul style="list-style-type: none"> <li>• Electro-optical, radar, chemical, biological, radiation and distributed sensing</li> <li>• Magnetometers, magnetic gradiometers</li> <li>• Underwater electric field sensors</li> <li>• Gravity meters and gradiometers</li> </ul>

Commission Recommendation on critical technology areas (10) for the EU's economic security for further risk assessment. The 4 agreed technology areas by the member states

7. SPACE & PROPULSION TECHNOLOGIES	<ul style="list-style-type: none"> <li>• Dedicated space-focused technologies, ranging from component to system level</li> <li>• Space surveillance and Earth observation technologies</li> <li>• Space positioning, navigation and timing (PNT)</li> <li>• Secure communications including Low Earth Orbit (LEO) connectivity</li> <li>• Propulsion technologies, including hypersonics and components for military use</li> </ul>
8. ENERGY TECHNOLOGIES	<ul style="list-style-type: none"> <li>• Nuclear fusion technologies, reactors and power generation, radiological conversion/enrichment/recycling technologies</li> <li>• Hydrogen and new fuels</li> <li>• Net-zero technologies, including photovoltaics</li> <li>• Smart grids and energy storage, batteries</li> </ul>
9. ROBOTICS AND AUTONOMOUS SYSTEMS	<ul style="list-style-type: none"> <li>• Drones and vehicles (air, land, surface and underwater)</li> <li>• Robots and robot-controlled precision systems</li> <li>• Exoskeletons</li> <li>• AI-enabled systems</li> </ul>
10. ADVANCED MATERIALS, MANUFACTURING AND RECYCLING TECHNOLOGIES	<ul style="list-style-type: none"> <li>• Technologies for nanomaterials, smart materials, advanced ceramic materials, stealth materials, safe and sustainable by design materials</li> <li>• Additive manufacturing, including in the field</li> <li>• Digital controlled micro-precision manufacturing and small-scale laser machining/welding</li> <li>• Technologies for extraction, processing and recycling of critical raw materials (including hydrometallurgical extraction, bioleaching, nanotechnology-based filtration, electrochemical processing and black mass)</li> </ul>

The remaining six will likely come up again at a later stage.

Sources: Politico, SCMP, Financial Times, discussions with diplomats in Brussels

## WHAT DOES EUROPE WANT – WHAT DOES IT GET?

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- Europe visions: Strategically autonomous third major power in a multipolar world
- Contradictions: no great power attributes, cannot decide whether it wishes to be an ally, a bridge or an individual power
- Strategic autonomy risks turning inwards, swing states, common foreign policy voice missing
- Brussels effect waning – if the EU loses its regulatory power, what is the alternative?
- France and Germany are at odds in many questions, Eastern Flank countries and Nordics trust the US more than Western European nations as their security guarantor
- European democracies, values, way of life challenged
- Europe is not as dependent on e.g. China as much as we imagine – and yet acts in fear of retaliation
- Republican tribes – elections in 2024 => Europe's Security Infrastructure <= Taiwan / Indo-Pacific
- Russia's war against Ukraine – system transforming war – who will bear, and for how long the burden?



Shift in demographics

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Challenges to prevalent societal systems and the world order



Shift in values, erosion of shared experience and trust



Global knowledge scarcity and race for talent



# FORTRESS EUROPE: RESILIENCE, SELF-RELIANCE AND DE-RISKING

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- Anti-Coercion Instrument
- The Carbon Border Adjustment Mechanism
- The EU International Procurement Instrument
- Mandatory Supply Chain Due Diligence
- European Chips Act
- Critical Raw Materials Act
- Digital Services Act DSA
- Action Plan on Critical Raw Materials
- Economic Security Plan
- IPCEIs (Important Projects of Common European Interests)
- Action Plan on Synergies between Civil, Defence and Space Industries
- Industrial Alliance for Processors and Semiconductor technologies
- Framework for Screening Foreign Direct Investments
- Anti-subsidy investigation on Chinese EVs



