

GEOPOLITICAL OPPORTUNITIES AND RISKS

**The Atlantik-Brücke Survey 2016 –
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THE GEOPOLITICAL HOTSPOTS OF 2016

We first questioned members and Young Leaders of the Atlantik-Brücke on their view of developments in foreign and security policy in the summer of 2013. Their input enabled us to draw up an overall concept for geopolitical opportunities and risks. Our aim in doing so was to put the geopolitical knowledge, experience and networks of our members and Young Leaders to good use, and to condense the findings into scenarios that would intensify debate about foreign and security policy. This initial study alone generated considerable interest, especially as the crisis with Russia and the associated geopolitical paradigm shift figured on our agenda before many others picked up on the same issue.

In the summer of 2015, we repeated the survey. We wanted to analyze any shifts in the geopolitical landscape and explore what has changed compared to 2013, what we need to adapt to and – a core concern for Atlantik-Brücke – where a transatlantic approach is required. The resultant maps painted a picture of an increasingly uncertain world which, in geopolitical and transatlantic terms, was shaped primarily by six risks: These included Russian ambitions to expand the country's sphere of influence, the conflicts in the Middle East, the refugee crisis, increased competitive struggles for supremacy in Asia, the political (and economic) crisis in Europe and the trend toward worldwide militarization.

Today's world is even more uncertain than it was in 2013 and 2015. The terrorism of the so-called Islamic State (IS) that is spreading throughout Europe (including Germany), the British vote to leave the EU, a renewed banking crisis in Italy, the attempted coup in Turkey, the presidential candidacy of Donald Trump (which was barely believed to be possible): There seems to be no end to the list of unexpected events. There are good reasons why the German government's new white paper

describes a security policy environment that has become “more complex, more volatile, more dynamic and therefore ever harder to predict”. Against this background, we have once again asked the members and Young Leaders of Atlantik-Brücke about their views on geopolitical opportunities and risks. This time, the key focus was on whether and how the phenomenon of uncertainty can be countered – and how our “hotspots” have changed compared to 2015.

The trend toward geopolitical volatility is continuing unabated in 2016 – and is leading to a series of manifest risks that are hard to pin down.

The picture of an increasingly uncertain world with multifaceted challenges, ever new (and unexpected) actors and all kinds of risk hotspots has been confirmed. The trend toward geopolitical volatility is continuing unabated in 2016 – and is leading to a series of manifest risks that are hard to pin down and will therefore keep us guessing over the short and medium term (see figure 1 on page 10). The most important of these risks include the growing threat from IS, the global terror situation, the conflict in Syria, the flood of refugees (whose numbers are being boosted by further civil wars in Africa), the conflicts between Saudi Arabia and Iran, and Russia's foreign and military policy. Political developments in Turkey constitute a further risk that, first and foremost, presents a challenge to European foreign policy. (The attempted coup and the subsequent political reactions took place after our survey.)

Figure 1: The TOP 15 geopolitical risks
(short and medium term, answers in percent)



Source: Atlantik-Brücke Risk Survey 2016

Taken in isolation, virtually any of these developments have the potential to redraw the geopolitical map. Taken together, they paint a picture of a world that is becoming more threatening. Either way, it is clear that growing uncertainty and ambiguity will make it ever harder to take decisions as politicians seek answers to questions of security policy and geostrategy, while economists strive to develop viable strategies for global growth. Many proven patterns for decision-making have long been toppled; and we can no longer rely on what used to be regarded as tried-and-tested forecasting procedures. New constellations that cast doubt on past decisions can emerge at any time. To put it bluntly: Geopolitical issues and the need for an active approach to all this uncertainty pose a massive challenge to politics and business alike! This realization is reflected in the keen interest shown in our survey: No fewer than 188 members and Young Leaders took part this time around, including many decision-makers from the worlds of business (50 percent), politics (15 percent) and media/culture (35 percent).

DEALING WITH UNCERTAINTY

Our 2015 survey already identified the fact that our world is becoming more uncertain, more unfathomable and more ambiguous. Trends are no longer stable and are therefore almost impossible to extrapolate. Correlations are no longer clear-cut. Probabilities are unknown. Aggressors are not always immediately recognizable.

In the current survey, 92 percent of our panel participants confirmed this picture of an uncertain world and expect this development to continue. This finding has significant consequences: If we are unable to reliably predict either the direction or the speed of geopolitical events, our classic

toolbox for the management of risks and crises is no longer fit for purpose. What's needed is not only a new understanding of the challenge posed by uncertainty, but also new, more complex solutions:

- > 75 percent of our respondents see closer links between foreign, security and economic policy as the answer to greater global uncertainty.
- > 62 percent see an urgent need to strengthen Europe's foreign and security policy.
- > 58 percent believe Germany should invest more in foreign policy – in personnel and training, a stronger regional presence and more communication and dialogue, for example.
- > 58 percent also see a need for greater investment in military intelligence (intelligence services, etc.).
- > 52 percent are convinced that more multilateral approaches and new negotiation formats – such as the Minsk Agreement and the negotiations over the Iran sanctions – are necessary.
- > 37 percent believe that geopolitical contexts should play an increasing role in schools and, above all, universities (especially in business schools).

These proposals overlap to some extent and are not definitive. Nor can they be: The challenges we are having to deal with today are new, so the possible solutions have not yet been explored. What is becoming clear, though, is that foreign and security policy must be conceived in a way that is interlinked. That we need to think in scenarios. That we must dare to bridge the gaps between geopolitical, economic and sociopolitical thinking. In other words: Foreign and security policy must now be birthed using a “hybrid” method that brings proven methods together with new approaches and perspectives.

German foreign policy has already responded to these challenges by adding a billion euros to the budget for the Federal Foreign Office, bringing the 2016 total to 4.8 billion euros. A sizable chunk of the additional spending is earmarked for humanitarian aid and crisis prevention. Foreign Minister Frank-Walter Steinmeier addressed this matter in his speech to the Bundestag as part of the budget debate: “All this is far from a secondary aspect of foreign policy! (...) After all, this budget forecast strengthens the toolbox foreign policy has at its disposal, from acute emergency aid and civil crisis prevention to cultural and educational policy abroad.” Further possible approaches to “good”, hybrid foreign policy in response to uncertainty are discussed in an interview with Thomas Bagger, Director of Policy Planning at the German Federal Foreign Office (see page 45).

Incidentally, the hybrid nature of measures to deal with uncertainty is also revealed in two more proposals by our panel. One of the issues involved is understanding economic growth and the associated social inclusion as a component of geopolitical stability. Reflecting this – and this is something we discuss further below – “flagging global economic growth” is one of the biggest medium-term geopolitical risks identified by our panel.

At the same time, a clearer stance must be adopted in respect of despots and autocrats. To put that more broadly: In times of uncertainty, we need to express clear opinions, be bold enough to take up clear positions and provide clear orientation by staking out a firm framework of values. Right now, our dealings with Turkey are showing just how hard that is to do in day-to-day politics. In his opinion piece on page 34, DIE ZEIT's Matthias Naß discusses whether it is at all possible for politics to fulfill this demand (or whether it has little choice but to settle for compromise).

SHORT-TERM AND MEDIUM-TERM RISKS

To identify and evaluate conceivable scenarios and lines of development based on the geopolitical hotspots, we asked our panel participants which of the potential geopolitical developments pose a risk, a severe risk, or less of a risk in the short term – i.e. this year or next – and how they view the medium-term perspective for the same issues. The results form our 2016 Crisis Portfolio (see figure 2 on page 17).

Unlike in 2013 and 2015, there is a growing number of crisis hotspots that almost all participants rate as risks or severe risks. From a present perspective, we see considerably more risks than opportunities. In other words, our geopolitical environment is becoming ever more threatening. What also becomes clear, however, is the fact that individual risks differ from one another considerably in terms of whether they will have a short-term or medium-term effect. Our “risk maps” are changing their shape:

- > More than two thirds of our panel participants see the greatest short-term threats in the so-called Islamic State, whose terrorist activities are spreading to more and more countries in Europe, in the Syria conflict, a bloody fight for regional hegemony, and in the flood of refugees continuing to push toward Europe from Syria and the entire region.
- > At the same time, they rate these risks as less severe in the medium term, suggesting there is reason to hope that it will be possible to resolve these crises over the next few years – one of the few glimpses of hope in the current survey.
- > They also believe that, in the medium term, severe risks will emanate primarily from the expected struggle for regional supremacy between

Iran and Saudi Arabia, from further civil wars in Africa (prompting more waves of refugees to head toward Europe), and from the simmering conflict between Afghanistan, Pakistan and India. More than two thirds do not expect these risks to pose problems in the short term, however.

- > The same proportion of participants still categorize ongoing militarization, the further proliferation of weapons of mass destruction and – a new aspect – China’s presence in Asia (which increasingly poses a challenge to America) as significant threats in the future. Here too, however, only low risks are expected in the short term.
- > The possibility that the Russia/Ukraine conflict could flare up again still hangs over us like the Sword of Damocles and is seen to pose a risk in the short and medium term.
- > More than two thirds assume that, in the long term, huge risks could arise from flagging global economic growth (cited for the first time as a driver of crises) as well as from rapidly increasing unemployment (primarily in Western industrialized nations) due to the advance of digitization. Both are important signals that foreign and security policy must now be thought through from an integrated perspective: Crisis prevention must also consider people’s future prospects.

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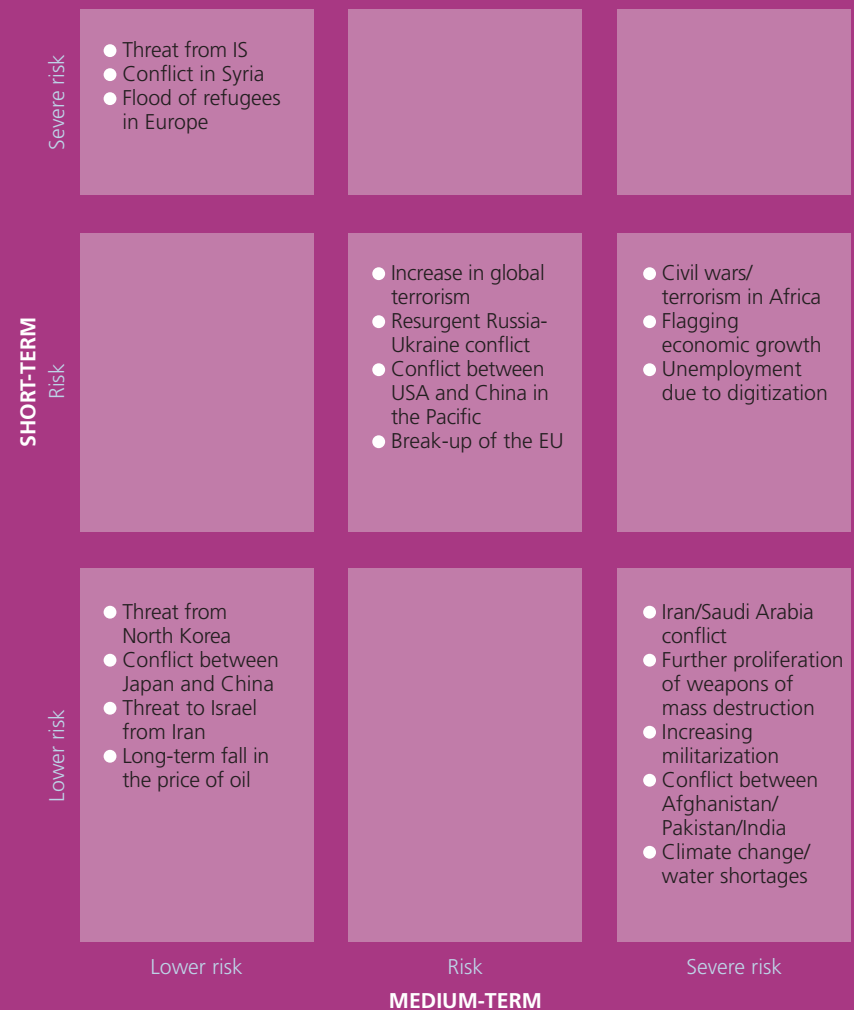
Lastly, and sadly, this list also includes the fact that a large majority of our panel see the medium-term risk that the EU could fall apart. While 45 percent of our participants still believed in 2015 that the problems in Europe could be resolved, their assessment of the continent's prospects has reversed within the space of a year. Nevertheless, a very sharp distinction between the threats developing in the short and medium term also gives us reason to hope that Europe at least still has a little time to ward off the break-up of the EU with new governance and a suitable economic, social and European policy.

One of the more encouraging shifts we were able to identify on our map was that not all risks are believed to have increased. Our survey shows that former hotspots can indeed calm down again. Contributions to stability and security can be made in particular by ...

- > the threat to Israel from Iran, which is now considered to have eased substantially,
- > the conflict between China and Japan, which is clearly waning in intensity and was therefore perceived as a threat in the short or medium term only by a minority,
- > and the fact that, contrary to widely held opinion, the collapse in the price of oil has not (or at least not yet) led to broad destabilization of the producer countries.

To further consolidate the findings of our survey, we worked with a series of geopolitical experts in an attempt both to analyze the effects and side-effects of our hotspots and to identify correlations. With an eye to the transatlantic alliance, we thus redrew the lines of our map around six main crisis regions and/or themes: Russia, the USA, Asia, the Middle East, Europe and ongoing militarization.

Figure 2: The 2016 Crisis Portfolio



Source: Atlantik-Brücke Risk Survey 2016

RUSSIA: A NEW EAST-WEST CONFRONTATION?

When we first asked the members of Atlantik-Brücke for their assessment of geopolitical risks back in the summer of 2013, we could not have predicted the protests on the Maidan that would begin just a few months later, nor that Russia would subsequently annex the Crimea and war would rage in eastern Ukraine. Notwithstanding, many members of Atlantik-Brücke did already see Russia as a key geopolitical risk factor.

Since then, we have learned that this assessment was accurate. In the meantime Moscow's policies have driven Russia right to the top of the list of geopolitical hotspots:

- > 90 percent of the panel participants expect Russia to continue to pursue its offensive geopolitical line – and feel actively threatened by this policy.
- > 62 percent suspect that the Minsk Agreement is not being implemented, with the result that the conflict could keep us guessing for some time to come.
- > 78 percent believe – partly for this very reason – that sanctions should be maintained or even tightened. Only 22 percent advocated the rapid discontinuation of the sanction regime.

Last year two thirds of our participants still feared that Russia and China would build an economic alliance in response to Western sanctions. This risk is seen to have lessened significantly since then: Only 8 percent now expect to see greater cooperation. This estimate may, however, be overly optimistic, as becomes clear from a more detailed look at Chinese

commitments in Russia, where data from Germany Trade & Invest points to singularly dynamic activity:

- > Energy supply projects come top of the list. Russia's "Sila Sibiri" gas pipeline, for example, is scheduled to start carrying around 38 billion cubic meters of gas from Russia to China in 2018 at an overall cost of 55 billion US dollars.
- > Chinese banks are investing nearly half of the total of 27 billion US dollars it will cost to build Russia's "Jamal" liquid gas factory. This facility too is due for completion in 2018 and is dimensioned to handle 16.5 million tons of liquid gas per year.
- > Loans from Chinese businesses are planned to cover a good 80 percent of the total cost of building the Belkomur railway, whose investment volume is slated at 250 billion rubles (roughly 3.9 billion US dollars).
- > Expansion of the industrial base likewise plays an important role. For example, Chinese automotive companies are investing a good 800 million US dollars to construct factories in Russia.

The list of projects could go on and on. The findings are unequivocal: Below the level of intergovernmental treaties, the economic relationships between the two countries are deepening in strategically important areas such as power generation, the automotive industry and infrastructure. The scenario of close collaboration between China and Russia has therefore lost none of its currency – and also plays an important role in the issue of the ongoing sanctions policy.

USA: LEANING TOWARD ASIA OR ISOLATIONISM?

The “Pacific Age” – the USA’s orientation toward the Pacific region – is one of the most stable geopolitical assessments in our survey. A substantial majority of 68 percent of the panel participants assume that, in the long term, Asia will be more important than Europe for the USA – in economic, political and military terms.

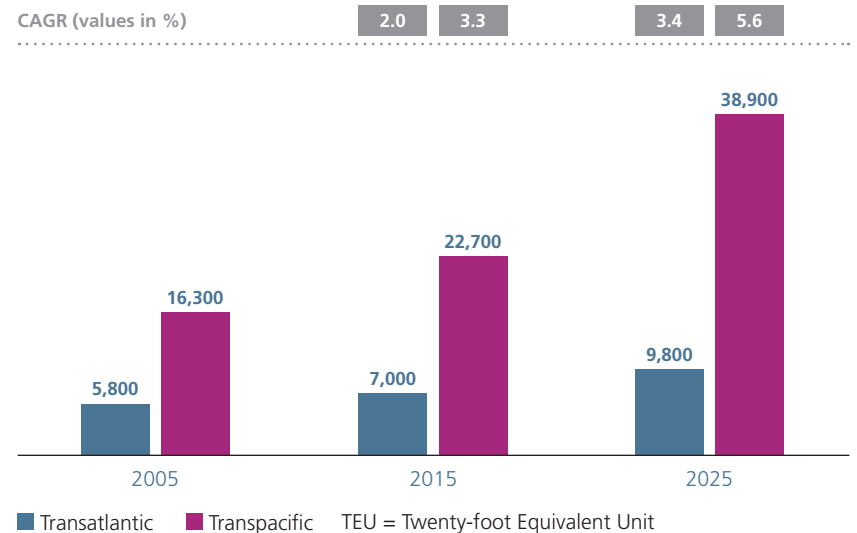
The economic facts support this view: The development of container trade, for example – an important indicator of the intensity of economic relationships – clearly reflects the notion of the Pacific Age. The USA’s trade volume with Asia already amounts to three times the transatlantic exchange of goods, for example, and further growth of 5.5 percent is predicted by 2025. The intensity of US trade with Asia would thus clearly exceed growth in worldwide trade (see figure 3 on page 21).

Our panel’s view of the planned transpacific trade agreement (TTP) reflects this development: 77 percent of our survey participants believe that this agreement will further strengthen the Pacific as an economic region – at the cost of transatlantic relationships.

To many of our respondents, it therefore seems all the more important to strengthen transatlantic business relationships. Three quarters still expect a positive conclusion to the TTIP negotiations, although only a few believe agreement will be reached quickly. Not even 10 percent think the treaty will be ratified in 2016, while almost 40 percent are betting on a deal being signed and sealed in 2018 or even later.

Figure 3: America’s orientation toward the Pacific: Atlantic and Pacific trade flows

Development of container trade (in thousands of TEU)



Source: IHS Economics; own calculations

These assessments are overshadowed by growing uncertainty about the future international role of the USA. Even in the primary race, demands for a reduction in trade and political agreements played a prominent role. Republican presidential candidate Donald Trump in particular has called for the USA to leave the World Trade Organization and has toyed with the idea of withdrawing from NATO, adding to general uncertainty about America’s future from 2017 onward. Whether these risks will indeed manifest themselves – and whether an American president even has the power to take such steps – are matters we will address later.

Another thing also already seems to be clear: We must assume that, despite stepping up its engagement in the Pacific, the USA will scale back its international role in the future. 46 percent of our panel participants already assume that the United States will withdraw into itself much more in the years ahead. If Donald Trump succeeds in his bid for the presidency, as many as 67 percent of those surveyed expect to see the USA roll back its international engagements.

ASIA: COMPETITION FOR GEOPOLITICAL INFLUENCE

Regional conflicts and developments in Asia have featured as important hotspots on our map of geopolitical opportunities and risks since 2015. Nevertheless, there are indications that the tension has been easing here since China began reaching the limits of its economic growth:

- > 66 percent of our panel participants assume that it will take China a few years to resolve its economic problems.
- > 60 percent thus expect China to scale back its geopolitical ambitions, meaning that we can expect to see tensions starting to ease.
- > Given this situation, 57 percent assume that the risk of a conflict between China and its neighbors, particularly Japan, will decline. As recently as 2015, more than 70 percent still believed that the conflict surrounding the Senkaku Islands in the East China Sea would escalate.

Positive economic and political developments in India are likewise seen as a stabilizing factor for Asia. 90 percent of the panel participants expect to see greater competition between India and China, and the majority believe this will have a positive impact on the balance of power in Asia.

Key economic data supports this expectation. In the 2014/2015 financial year, India's economic growth stood at 7.4 percent. Despite structural problems, India is therefore once again one of the fastest growing economies in the world. In addition, recent tax reforms – including the introduction of a new standard value-added tax rate for the whole of the country – give reason to believe that the Indian domestic market is likely to gain further momentum. That too will have a stabilizing effect on Asia's development overall.

MIDDLE EAST: THE STRUGGLE FOR REGIONAL SUPREMACY

The Middle East has figured as a hotspot in our geopolitical risk analysis since 2013. The conflict in Syria, IS-backed terrorism and the waves of refugees fleeing the region continue to dominate our crisis portfolio in 2016.

Even so, our panel participants sketch a more nuanced picture of the situation and – as we have already touched on – expect to see an easing of tensions in crucial Middle Eastern hotspots:

- > 90 percent see the terrorist activities of IS as an extreme threat in the short term, but assume that the international community will be able to counter this threat successfully in the medium term.
- > 66 percent believe that even with regard to Syria – the most prominent and probably the most confusing hotspot in the entire region – the USA, Russia, Turkey and the Kurds could find themselves in a position to act together and resolve the conflict despite the serious nature of their differences.

Our participants see the greatest potential for medium-term conflict in the struggle between Iran and Saudi Arabia for regional supremacy in the Middle East. More than two thirds expect this conflict, which has already sparked off a variety of proxy wars, to come to a head. The situation could be made worse by the fact that the USA, in its capacity as a force for order, is perceived to be beating a retreat from the region – as the consequence of a new foreign policy, but also influenced by the country's substantially declining dependence on oil from this region.

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Israel is seen as a possible beneficiary of this regional confrontation. Our panel participants expect that the struggle between Iran and Saudi Arabia for supremacy in the region will shift the focus and mitigate

the military threat to neighboring countries. Only 34 percent see Iran's ongoing militarization as a risk to Israel. In the wake of this development, the huge gas reserves off the Israeli coast and the booming start-up culture hold out considerable potential for a durable economic upswing in Israel that will also strengthen the country in geopolitical terms.

A WAKE-UP CALL TO EUROPE? BREXIT AND THE REFUGEE CRISIS

Europe's crises have been a regular feature of our geopolitical maps ever since we produced the first one in 2013. The current survey does not have much to offer by way of optimism, either – which is hardly surprising against a backdrop of Brexit and the refugee crisis.

It is primarily the refugee crisis that preoccupies our participants. More than 90 percent indeed see it as one of the biggest single geopolitical risks. The consequences for Europe, the refugees' home regions and other countries too are seen as grave and threatening. According to UN statistics, more than 60 million people are fleeing their homes in 2016 – a scenario tantamount to mass migration, with all the serious repercussions that this entails.

The refugee crisis remains a major concern for Germany as well, especially as our panel participants expect refugee figures to remain at a consistently high level, despite recent claims that the flow is now ebbing. A clear majority anticipate as many as 500,000 refugees and migrants every year. 30 percent expect significantly higher numbers. Yet despite the grav-

ity of this problem, our respondents believe a shared European solution is still a long way off. Almost two thirds assume that Europe will be unable to agree to a coordinated refugee policy. 55 percent even believe that the unresolved crisis will lead to a further break-up of the EU.

Aside from the refugee policy, our panel takes a critical view of the prospects for the European Union:

- > 83 percent believe that the UK's exit from the EU weakens the community.
- > 57 percent expect Europe's geopolitical influence to decline further.
- > 44 percent assume that the EU will not succeed in driving forward the process of integrating economic, financial, social and foreign policy.

Regrettably, our participants do not hold out much hope that Brexit could help to shake up the EU and its members, or that states and institutions might rediscover the fundamental values of the Union and, from this perspective, push for a reform of the EU. A mere 14 percent expect that Brexit will cause the continental European community to forge stronger ties in the medium term.

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The political consequences are clear. If the UK's exit is to serve as a wake-up call for the EU, resolute leadership based on clear values is needed, together with a vigorous effort to counter the EU pessimism that – as attested by our survey – is ever more widespread. There is certainly also a need for concerted action by the social, academic, economic and political elite if fresh life is to be injected into the European project and its hugely positive consequences for peace, prosperity and free personal development.

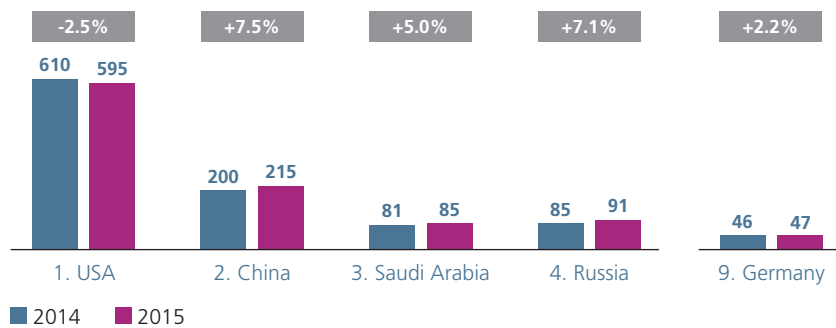
MILITARIZATION: THE GLOBAL CHALLENGE

The fact that geopolitics will increasingly be shaped by military factors in the future has already been demonstrated by our hotspots. Other findings of our survey lend further credence to this view: As in previous years, the overwhelming majority of our panel participants (78 percent) assume that the wave of global militarization will accelerate further.

The available statistics confirm this impression. In 2015, global military spending amounted to around 1.7 trillion US dollars – an effective year-on-year increase of one percent (see figure 4 on page 28). Military spending in Europe admittedly fell again by 0.2 percent in 2015. Here too, however, the trend will be reversed. The German Bundeswehr, for example, is to receive five billion more euros for its budget this year, while the Baltic states, Poland, Romania and Slovakia have already ramped up their total military spending by 13 percent.

Conclusions: The time of peace dividends appears to be over. After many years of saving and cost-cutting, military spending is now back on the up. A rise is very probable for the simple reason that we must realistically assume that the European states will have to contribute more to the funding of NATO than they have in the past. This, at least, is what 81 percent of our panel participants believe.

Figure 4: Global military spending (in USD billions)



Source: SIPRI (Stockholm International Peace Research Institute), All figures based on the 2015 dollar exchange rate

The question of whether or not the climb in spending will lead to more pooling and sharing – i.e. to greater integration of Europe’s armed forces – meets with a mixed response. 40 percent of our respondents see this as a possibility, an equal number do not, and the remaining 20 percent are undecided. Such skepticism is understandable after a number of unfulfilled announcements and failed attempts. The new white paper published by the German government in July also gives implicit support to these critical voices, noting that the additional funds are to flow pri-

marily into “training” for the Bundeswehr. At the same time, greater importance is also attached to the formation of joint units with other NATO partners. Experience gained from the joint German-Dutch brigade and from cooperation with France is in the future to be channeled into more in-depth cooperation with Poland, for example. The military dimension too will thus play a part in deciding whether we in Europe move toward greater unity in facing up to geopolitical threats – or whether we don’t.

In spite of rising budgets, the future role of NATO is viewed in widely differing ways. Just 44 percent of our panel participants believe that the geopolitical significance of this alliance is growing. An almost equally strong 42 percent beg to differ. If one of the most important strategies in a volatile and uncertain world is the deeper integration of economic, foreign and security policy – as our panel participants believe – then the topic of a stronger NATO will also figure very high on the transatlantic agenda.

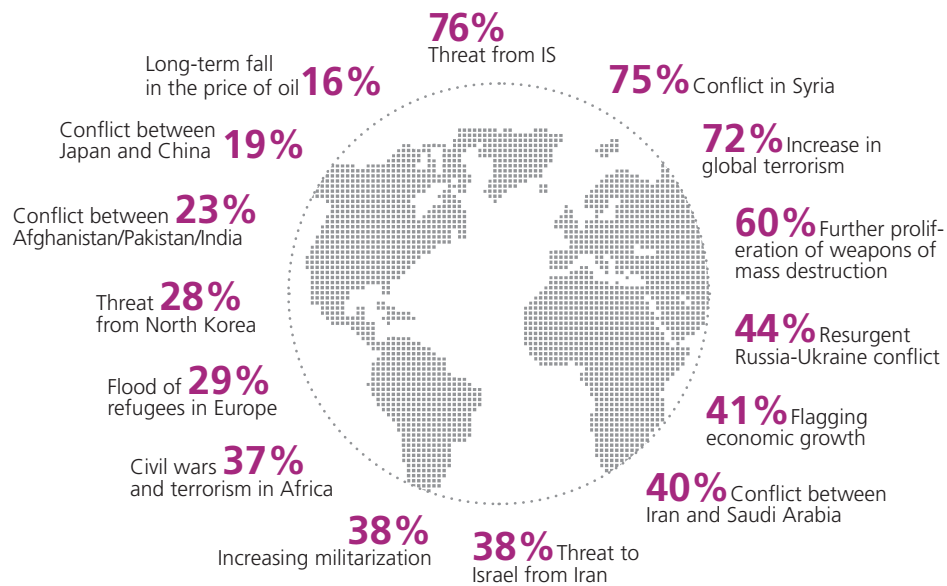
CONSEQUENCES FOR THE TRANSATLANTIC AGENDA

Our survey paints a picture of a geopolitical world confronted with many and varied threats, ambiguous developments and new challenges. This creates a need for orientation and stable anchor points; and that poses a special challenge to the transatlantic relationship between America and both Germany and Europe. We see three key issues here:

First: We must shoulder geopolitical responsibility together

The findings of our survey clearly show that the need for security and orientation is attached first and foremost to the USA, to Europe in general and to Germany in particular. A very clear picture emerges of where a shared transatlantic approach is required in order to defuse geopolitical risks (see figure 5):

Figure 5: Themes for transatlantic cooperation



Note: arranged by mentions; weighted by percentages
Source: Atlantik-Brücke Risk Survey 2016, expert interviews

- > 76 percent of our panel participants see the fight against so-called Islamic State as the main priority.
- > 75 percent call for transatlantic cooperation to deliver a (quick) solution to the Syria conflict.
- > 72 percent want to see close collaboration in the war on global terrorism.
- > 60 percent expect transatlantic initiatives to be stepped up in order to prevent the global spread of weapons of mass destruction.

In other words: Our participants see (stepped-up) transatlantic cooperation as instrumental in managing the challenges ahead. The top priorities for a joint approach to foreign and security policy match the greatest areas of risk potential that we see primarily in the short term. Looking ahead, however, the list of priorities should also include a coordinated position with regard to Russia (most importantly in relation to sanctions), a common economic policy with a global, growth-oriented focus (above all also in relation to TTIP), and a joint policy on regional conflicts in the Middle East – even if America, as the majority of our panelists fear, is keen to gradually withdraw from these regions. On these issues, both the USA and Europe must act.

Second: We should develop a transatlantic geopolitical agenda

Our survey clearly stakes out what should be the key tenets of this shared agenda. We believe that four geopolitical topics in particular should ideally be tackled jointly and with high priority:

- > Middle East: Make a joint commitment to the region, develop scenarios for conceivable power shifts, actively combat IS and resolve the Syria conflict.
- > Russia/Ukraine: Avoid further escalation, stand together in maintaining the policy of sanctions, and take clear and consistent action in the context of transatlantic collaboration.

- > Economic growth: Above all, bring the TTIP negotiations to a swift conclusion and implement the treaty promptly, despite all the resistance.
- > Militarization: Strengthen NATO, press ahead with the sharing and pooling of European and transatlantic resources, and formulate common responses to hybrid warfare scenarios.

Third: We must beat the drum for Europe and Germany in the USA

The idea of "blowing our own trumpet" does not sit well with many German and European decision-makers. However, if America's business elite is increasingly looking east and the Pacific Age is becoming an important element of American foreign policy, we can no longer simply assume that our shared historic values are enough to justify robust transatlantic unity in the long term.

The fact that the American business elite is turning its gaze toward Asia is nothing new. Even as far back as 2010/2011, we were able to reveal in a survey conducted in conjunction with the Financial Times that 80 percent of Europe's top 500 business leaders see a good transatlantic understanding as crucial, whereas the corresponding figure in America was only 30 percent. The remaining 70 percent already saw brighter US prospects in Asia. The advance of digitization will further reinforce this trend: America's big digital players are already increasingly setting their sights on Asia. In light of this development, the situation for Europe and Germany is rather worrying. Clearly, a sound transatlantic understanding can no longer be taken for granted.

We therefore need to actively champion the cause of Germany and Europe in the USA – arguing the case for our political understanding, for our culture of consensus, for Europe's political and economic potential. And also for the fact that there is no other region in the world with which

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America shares more values, experience, goods and regulations. Whether this seed falls on fertile soil depends largely, of course, on the outcome of the American presidential elections. True, 88 percent of our panel participants believe Hillary Clinton will ultimately win the election. However, were Donald Trump to secure a surprise win, 86 percent assume – probably rightly – that transatlantic relations would suffer. The widely held but erroneous opinion in Germany and Europe – that the president would be “captive” to the administration and would, on balance, have less decision-making power than usual – is forcefully exposed by renowned political scientist and US expert Michael Werz (see page 40). We must therefore increase our political and economic presence in America in order to defend our position.