

# Beyond Ukraine: How the war has created new challenges for the maritime industry

Dr Dominick Donald  
Senior Advisor, Herminius

# Beyond Ukraine: Overview



## Five geopolitical factors

- Higher geopolitical tension – not just in the warzone
- Sanctions
- Which side are you on?
- Political footballs
- Technology

## One major effect

- A much greater threat of a total loss

# Geopolitical factors 1: Higher geopolitical tension



- The war means NATO states see things through a different prism
  - Trade is now not just politics; it's security
  - And there are no geographic limits
- Russia's 'victory' depends on weakening NATO support for Kyiv – with economic damage key to that effort
  - Will keep trying to manipulate energy prices
  - Western oil, gas & communications – will the gloves come off?
  - Western-linked assets are targets for expropriation

# Geopolitical factors 1: Higher geopolitical tension 2

Above all:

- The security prism means states are going to make good faith calls, and get it wrong
  - And the potential consequences for the maritime industry of governments getting it wrong are much, much greater

# Geopolitical factors 2: Sanctions

War-related sanctions are here for at least 5 years, and probably more

- There is no possible outcome for the war that will see Western states lift sanctions quickly.
- Russia 'wins' – sanctions remain as revenge
- Stalemate – sanctions remain to prevent Russian re-armament
- Ukraine wins – sanctions are linked to Russian compliance with a ceasefire or peace deal – and Russia won't comply

# Geopolitical factors 2: Sanctions 2

- And sanctions won't be static
- Why?
  - They're a function of politics – and the political balance is always shifting
  - Russia will always try to get around sanctions by finding loopholes or creating get-arounds – so sanctions regimes will have to adapt

# Geopolitical factors 3: Which side are you on?

The world has changed since February 2022

- Many of the changes are political
  - EU more united – and severing Russian links for the long term
  - Europe upping defence spending
  - NATO much stronger, united on the Russia threat, and focused on countering it

# Geopolitical factors 3: Which side are you on? 2

But the biggest change is moral/ethical

- For Western states, Russia is wrong
- It isn't just a physical threat; it is an expression of a value system that has to lose
- And that means other states and commercial entities will be judged on where they stood



# Geopolitical factors 3: Which side are you on? 3



What does this mean for the maritime industry?

Hard to tell right now – but ‘neutrality’ may not be seen as a defence by states engaged in what they see as a zero-sum fight between good and evil

# Geopolitical factors 4: Political footballs

- For Western governments, this war is emotive – which makes for messy and volatile politics
- And the maritime industry is key to success or failure
- But Western governments don't understand the maritime industry very well
- And they are going to misunderstand – or even manipulate – events



The MT PRIMUS – nearly a political football...

# Geopolitical factors 5: Technology

The war has seen a step change in the technological threat faced by the maritime world

- Brand new tech has been perfected (USVs)
- Existing commercial tech has been weaponised and production and availability have massively increased (UAVs)
- Political restraints on deployment of well-identified threats have been removed (cyber, spoofing)



# Geopolitical factors 5: Technology 2



This threat is not limited to the area of operations

And the new capabilities will not be limited to the belligerents – or even states

# The major effect

The risk of a total loss has soared

- Crossfire involving heavy ordnance
- Physical targeting for blockade-running
- Targeting as ‘deniable’ coercion of a state or commercial interest
- Expropriation or prolonged detention
- Sanctions enforcement
- Political targeting of a commercial operation or sector



# Questions?