

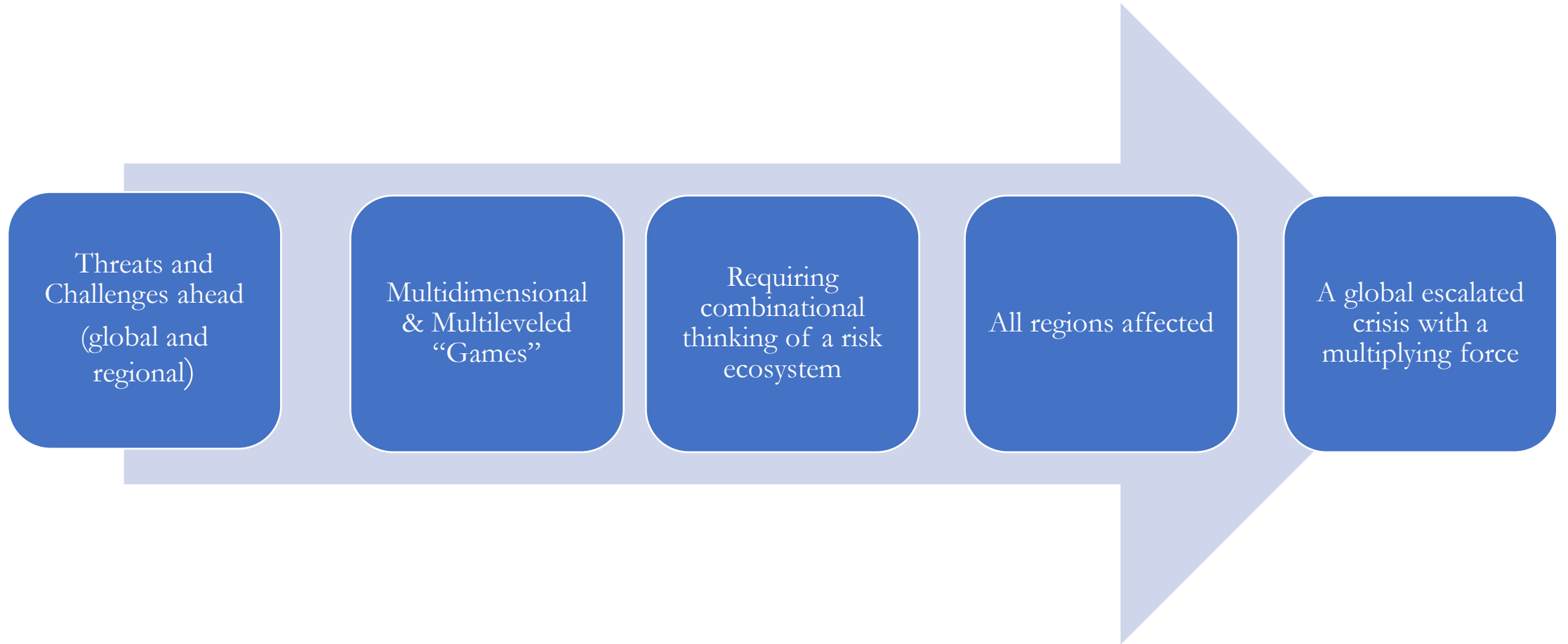
GEOPOLITICS, MARITIME SECURITY & STRATEGIC FORECASTING

37th Cyprus Shipping Chamber AGM 2026

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Cyprus as a maritime-services, port, logistics and security hub in an era of geopolitical tensions, threats and strategic volatility.





Threats and
Challenges ahead
(global and
regional)

Multidimensional
& Multileveled
"Games"

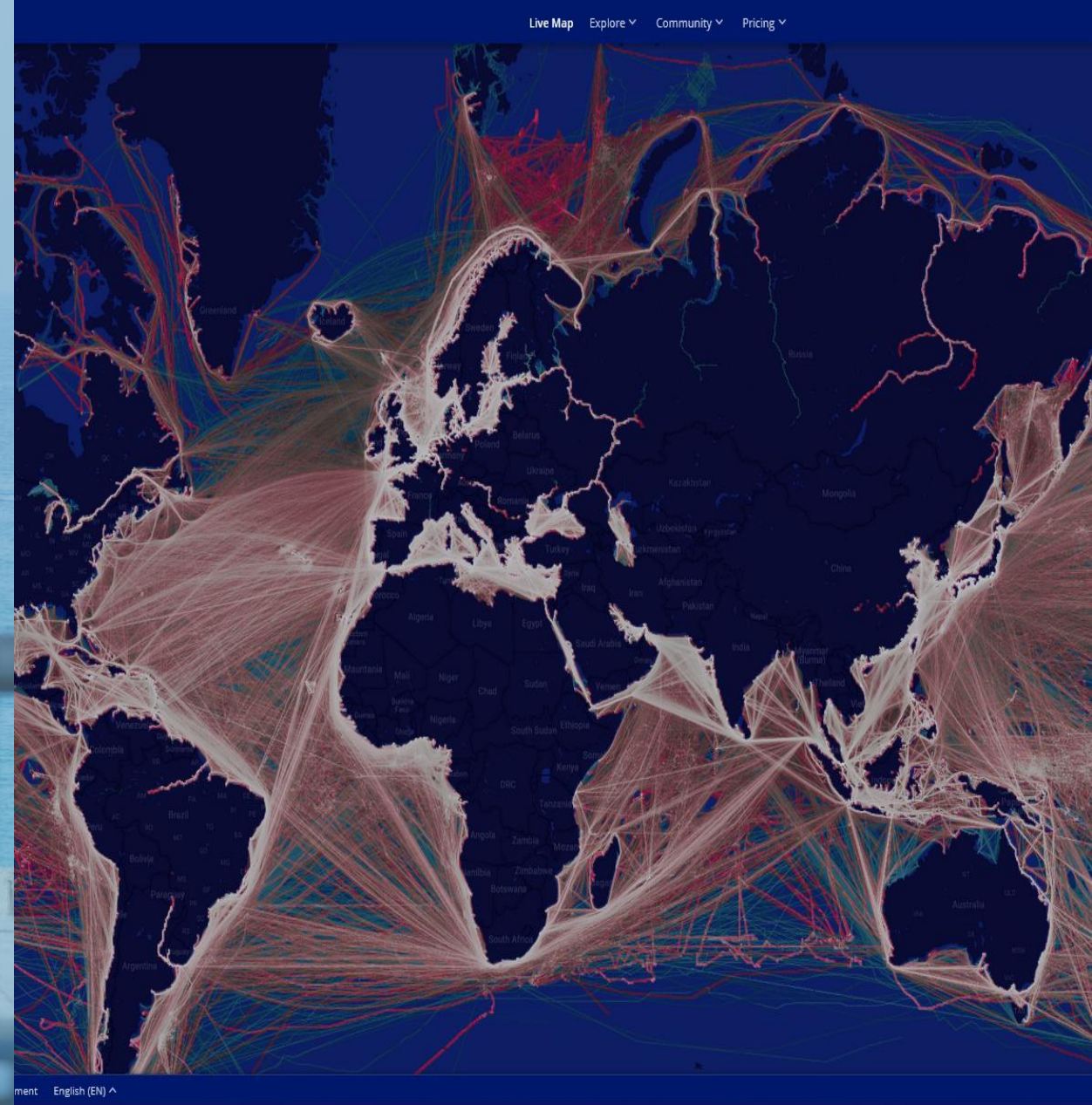
Requiring
combinational
thinking of a risk
ecosystem

All regions affected

A global escalated
crisis with a
multiplying force

- Deep need for understanding of the global and regional situation beyond our tradition sphere of work. All are interconnected.
- Bring back our Ship-owners and Maritime Services, Grow, Invest. Simply put make it easy for them
- Latest use of technology tools for use and limit cost, boost efficiency
- National "Position on the Geostrategic map"

- "There is multileveled evidence of shifts in the power balance" regionally and globally,
- "The Family Alliances": Leading and peripheral states are rotating powers.

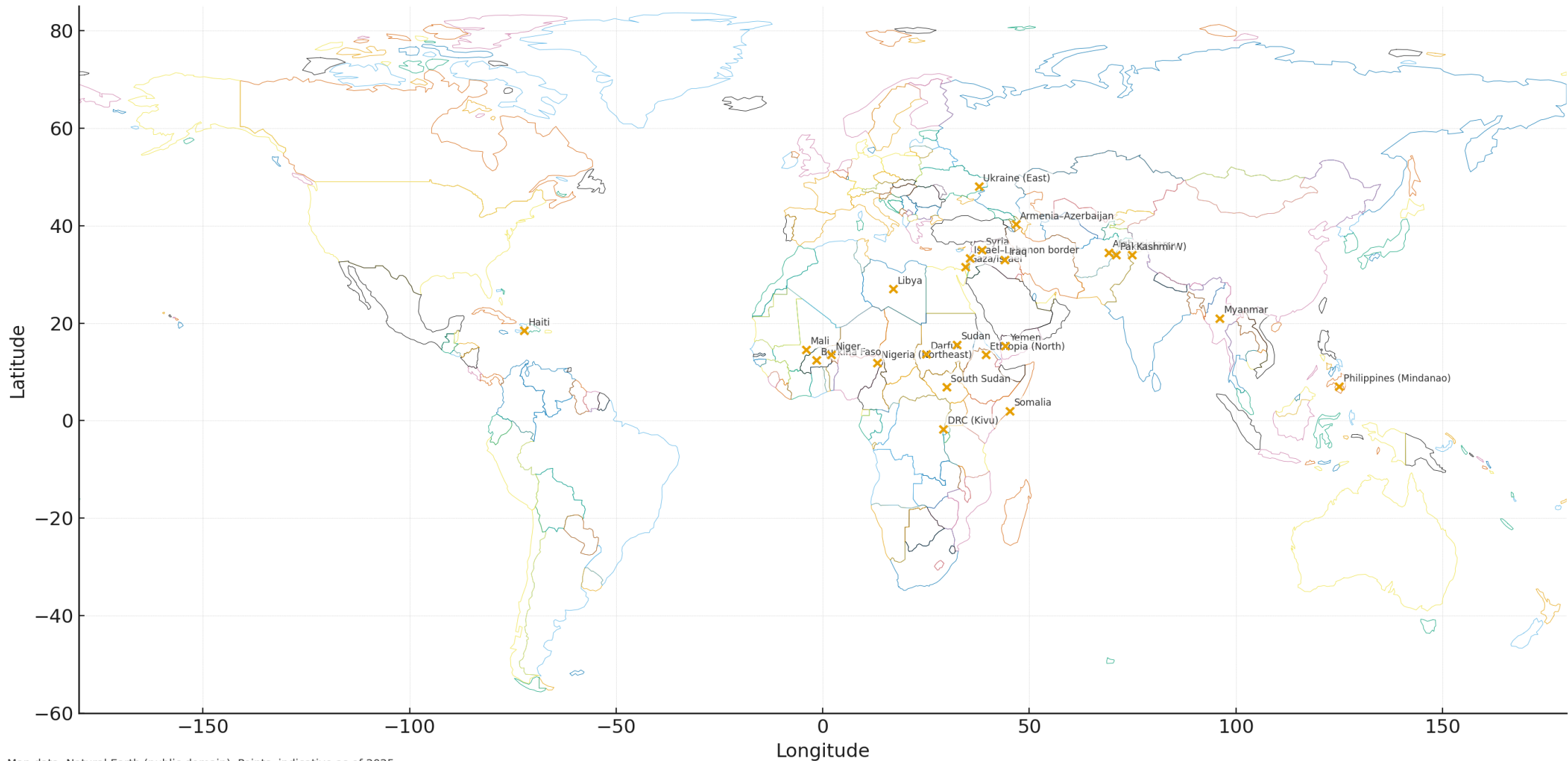


Can you see the traffic maritime map?

Geopolitics re-examined: Maps

Global Conflict Zones — 2025 and beyond continue

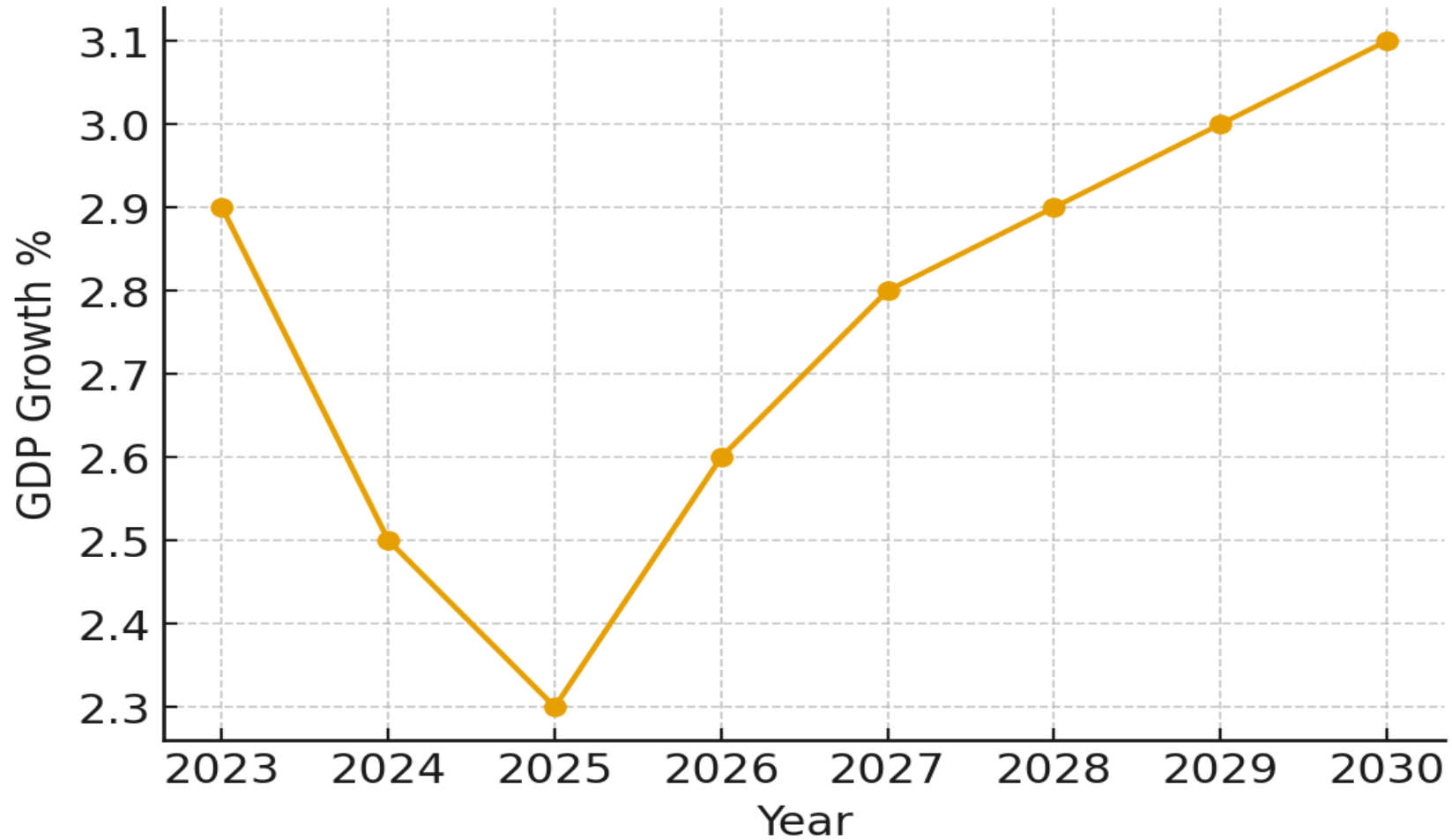
Global Conflict Zones — 2025



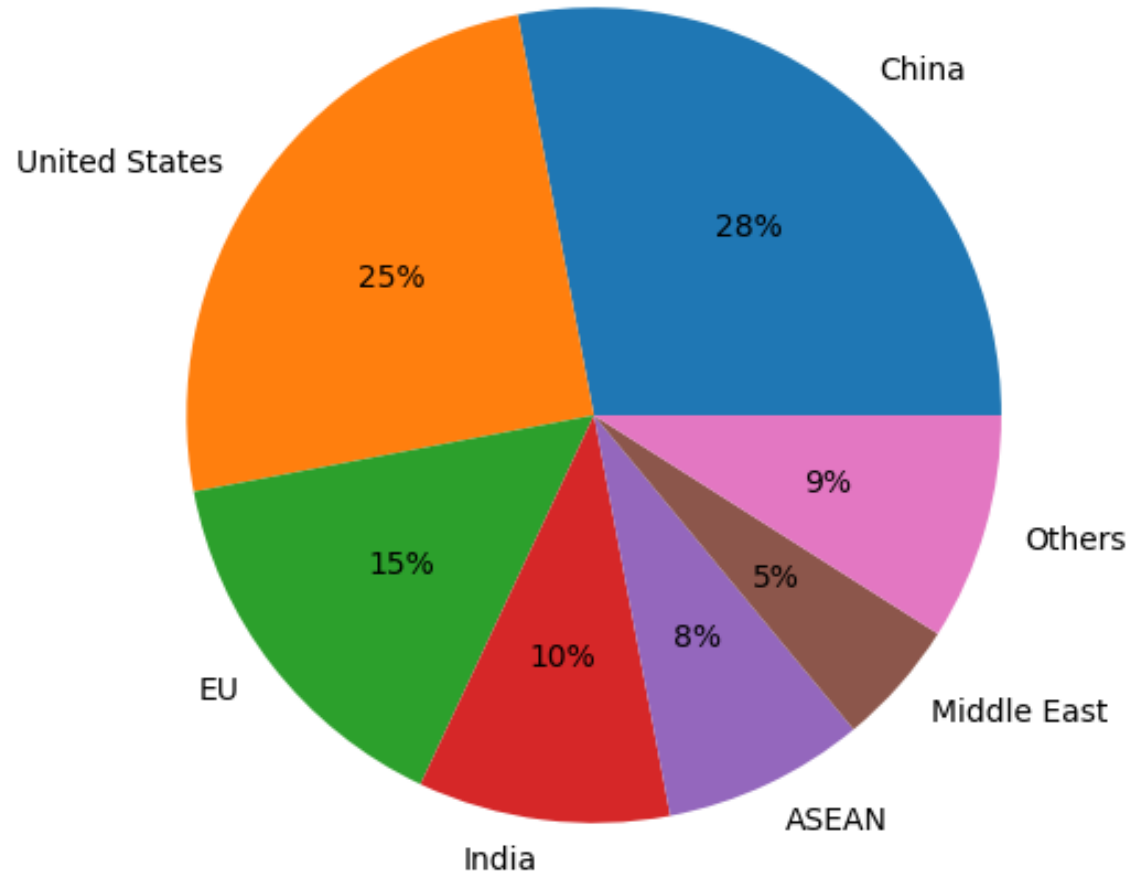
Map data: Natural Earth (public domain). Points: indicative as of 2025.

Unlike the war situations...

Global GDP Growth Projections (%)



Contribution to Global GDP Expansion



China and the United States remain the leading contributors to global growth, while India and ASEAN continue to rise strategically in manufacturing, technology, and logistics.

Global chokepoints are pressure points, not just geography.

Moving for new treaties in straights

CRITICAL CORRIDORS

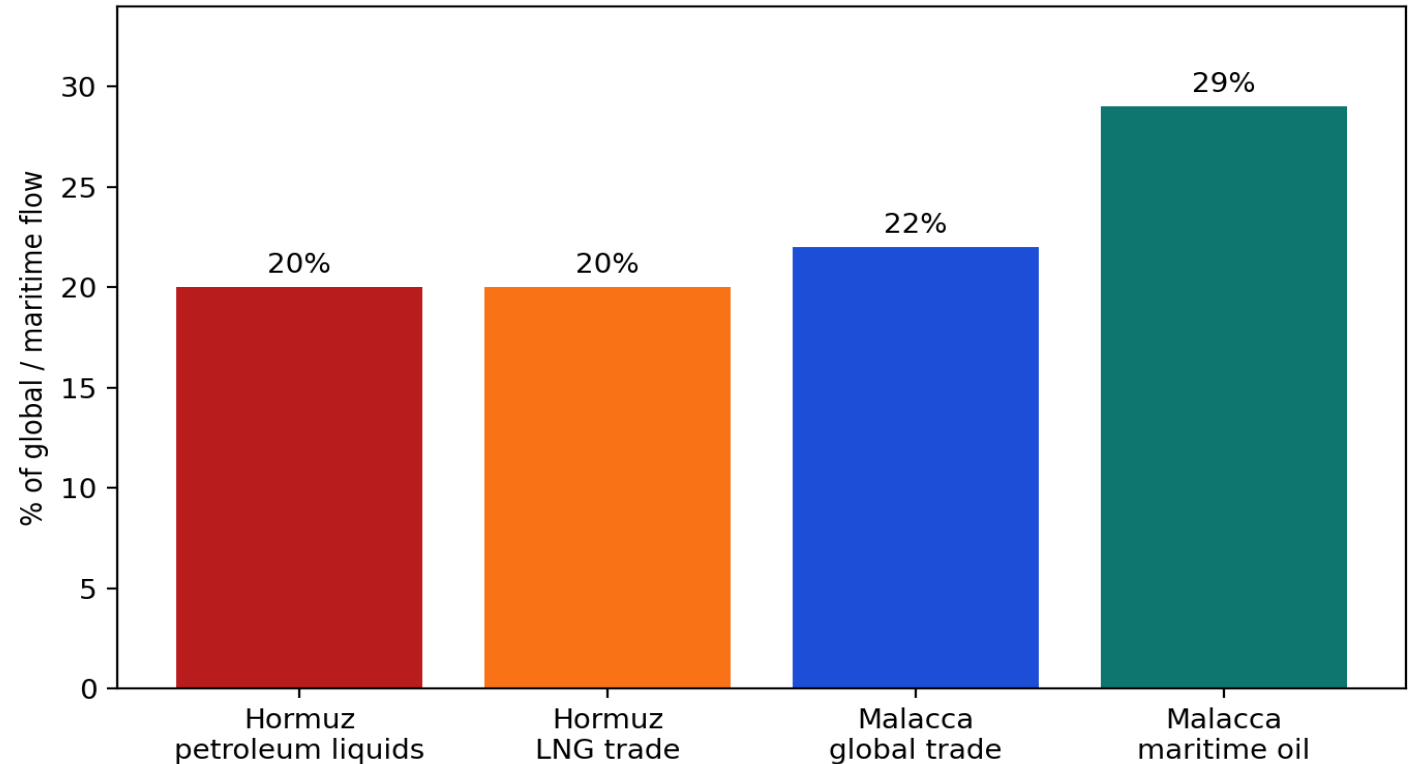
Hormuz

- Over 800 vessels affected during escalation periods
- VLCC tanker rates surged significantly
- Maritime insurance premiums increased sharply
- Crew security concerns intensified

Delays in crude and LNG shipments

- Freight costs increased globally
- Supply chain disruptions in Europe and Asia
- Inflationary impact on fuel and logistics

Selected chokepoint exposure indicators



- Hormuz: ~20 mb/d oil flow, around 20% of global petroleum liquids consumption in 2024.

- Hormuz: ~20% of global LNG trade transited the strait in 2024.

- Critical route for Gulf exporters

- - Key chokepoint linking Gulf to global markets

Sources: EIA, IEA, Reuters, UNCTAD. Map credits: Wikimedia Commons / OpenStreetMap; ESA Copernicus.

Wars of Attrition With a purpose

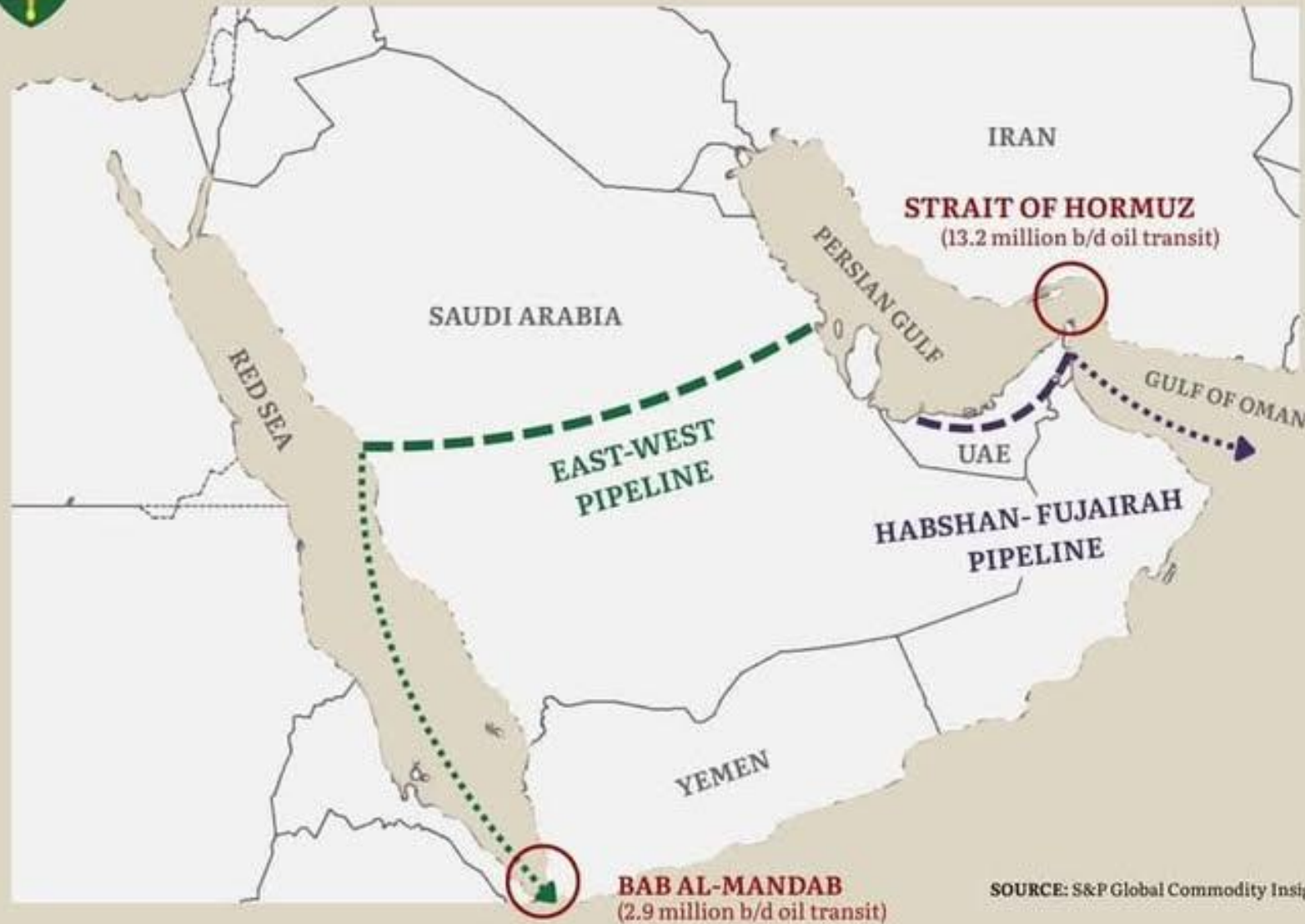


COORDINATED IRANIAN OFFENSIVE AGAINST MILITARY AND CIVILIAN TARGETS EAST (28 FEBRUARY– 8 MARCH 2026)





GULF OIL: STRAIT OF HORMUZ ALTERNATIVES



SOURCE: S&P Global Commodity Insights

Hormuz as live geopolitical risk case

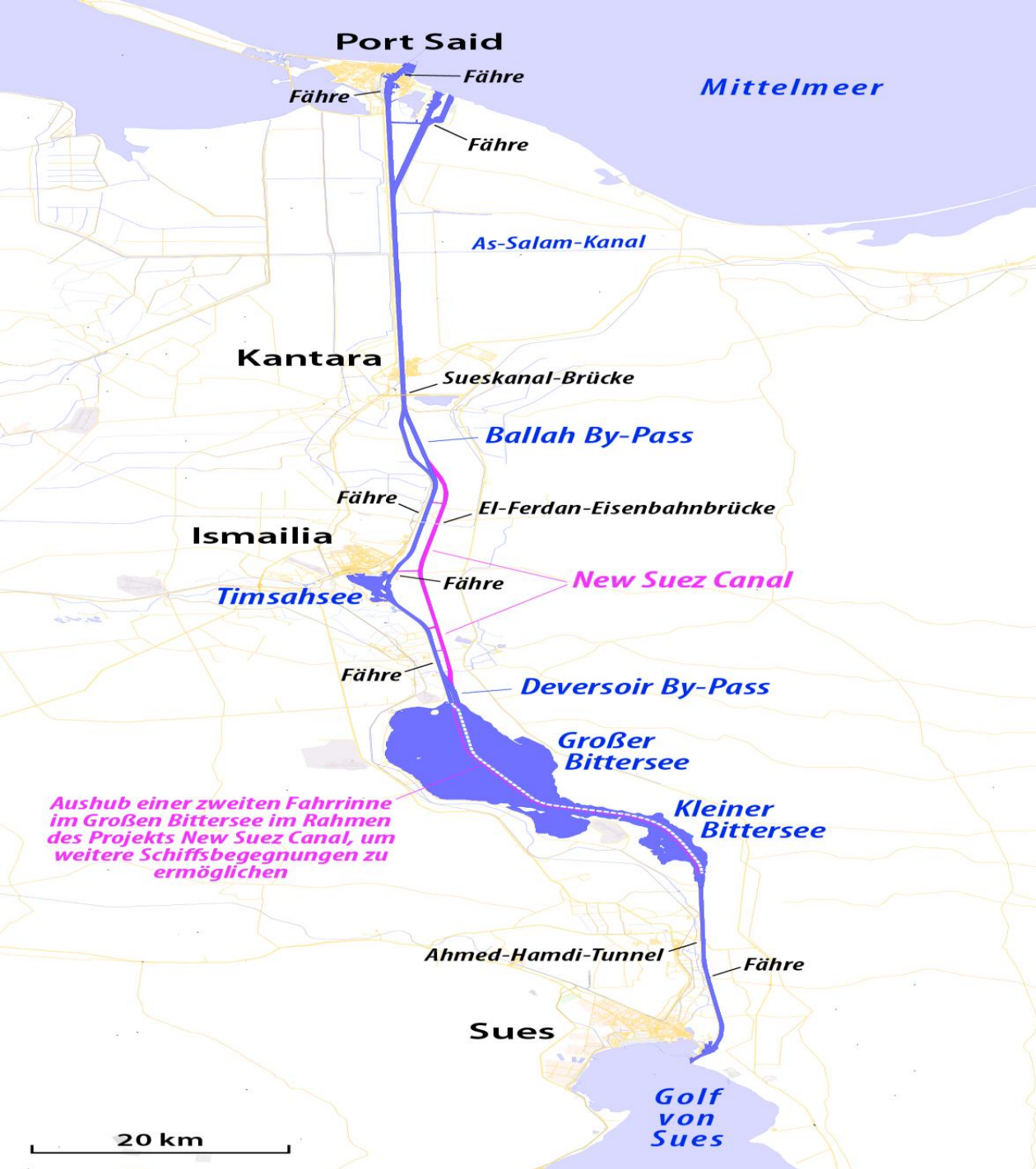
AS OF 9 MAY 2026



- Current example: Reuters reported on 8 May 2026 that Mitsui O.S.K. vessels did not pay proposed Iranian transit fees through Hormuz.
- U.S. Treasury warning: shippers complying with such demands could face sanctions risk.
- Energy exposure remains systemic: about one-fifth of global petroleum liquids and LNG trade depend on Hormuz flows.
- Management implication: geopolitical risk becomes legal, insurance, chartering and compliance risk within days.

Sources: Reuters, 8 May 2026; EIA, 2025; IEA Hormuz brief. Image: ESA Copernicus / Wikimedia Commons.

Suez Canal



Global chokepoints are pressure points,
not just geography.

Are we really Moving for new treaties in the Straits?

CRITICAL CORRIDORS 2

Straight of Malacca

Malacca: current crisis has refocused attention on a route carrying ~22% of global trade and ~29% of maritime oil.

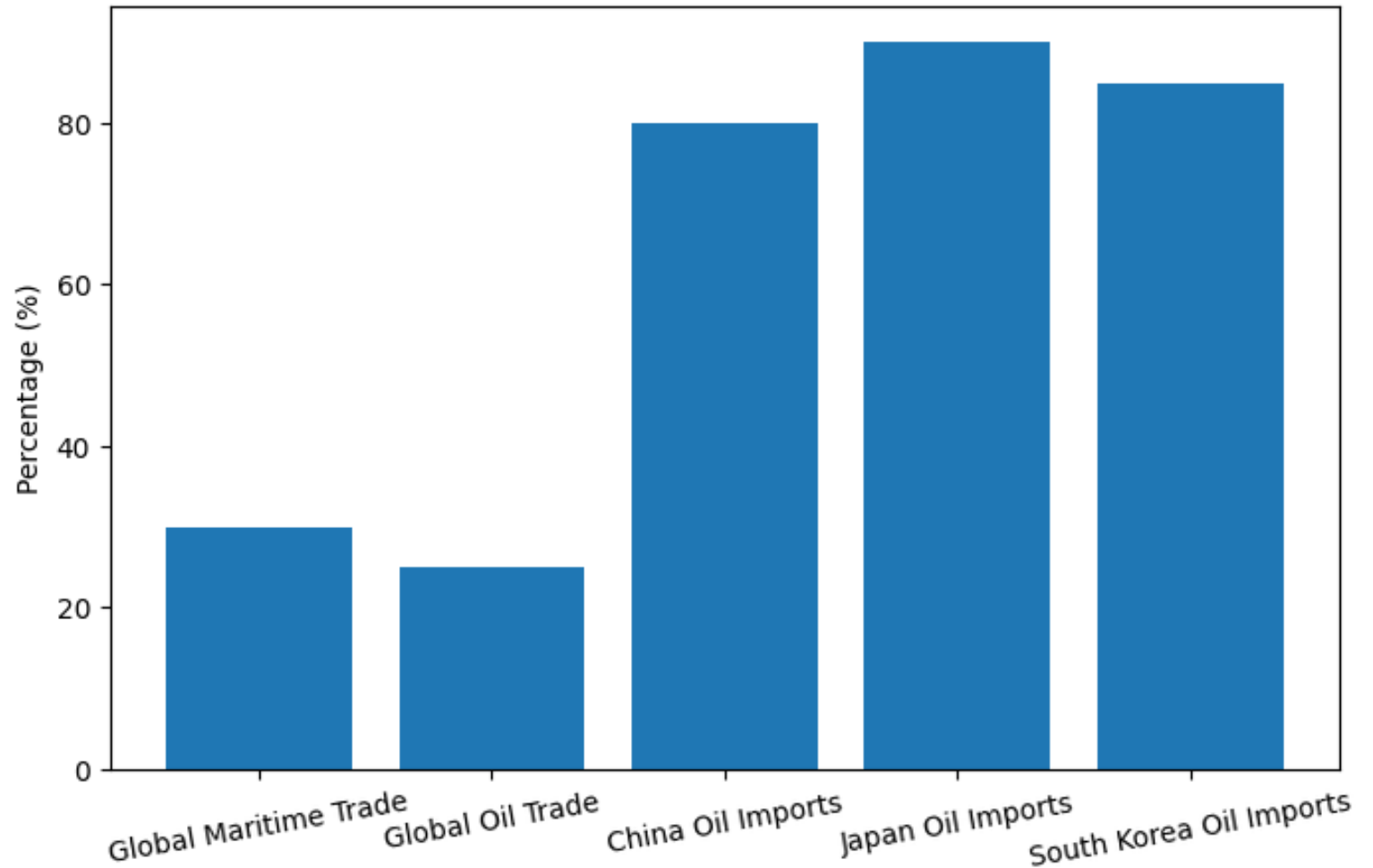
- Critical maritime trade corridor
 - Essential: global energy & container trade
 - Major geopolitical flashpoint
 - Central to Indo-Pacific security architecture
-
- Heavy dependence by global container fleets
 - LNG and crude oil transit significance
 - Rising military and naval presence
 - Increased insurance and freight risks
-
- Supply chain disruption risks
 - Potential inflationary pressure globally
 - Semiconductor and manufacturing vulnerabilities
 - Shipping rerouting implications



Picture taken from Center of Maritime Security

Strategic Dependence on the Strait of Malacca

- ~30% of global maritime trade passes through the Strait of Malacca
- ~25% of global seaborne oil trade transits the corridor
- China imports ~80% of its oil through Malacca
- Japan imports ~90% of its oil through Malacca
- South Korea imports ~85% of its oil through Malacca
- One of the busiest maritime chokepoints globally
- Connects the Indian Ocean with the South China Sea and Pacific



The Taiwan Strait

- Critical maritime trade corridor
- Essential for global energy and container trade
- Major geopolitical flashpoint
- Central to Indo-Pacific security architecture

- Heavy dependence by global container fleets
- LNG and crude oil transit significance
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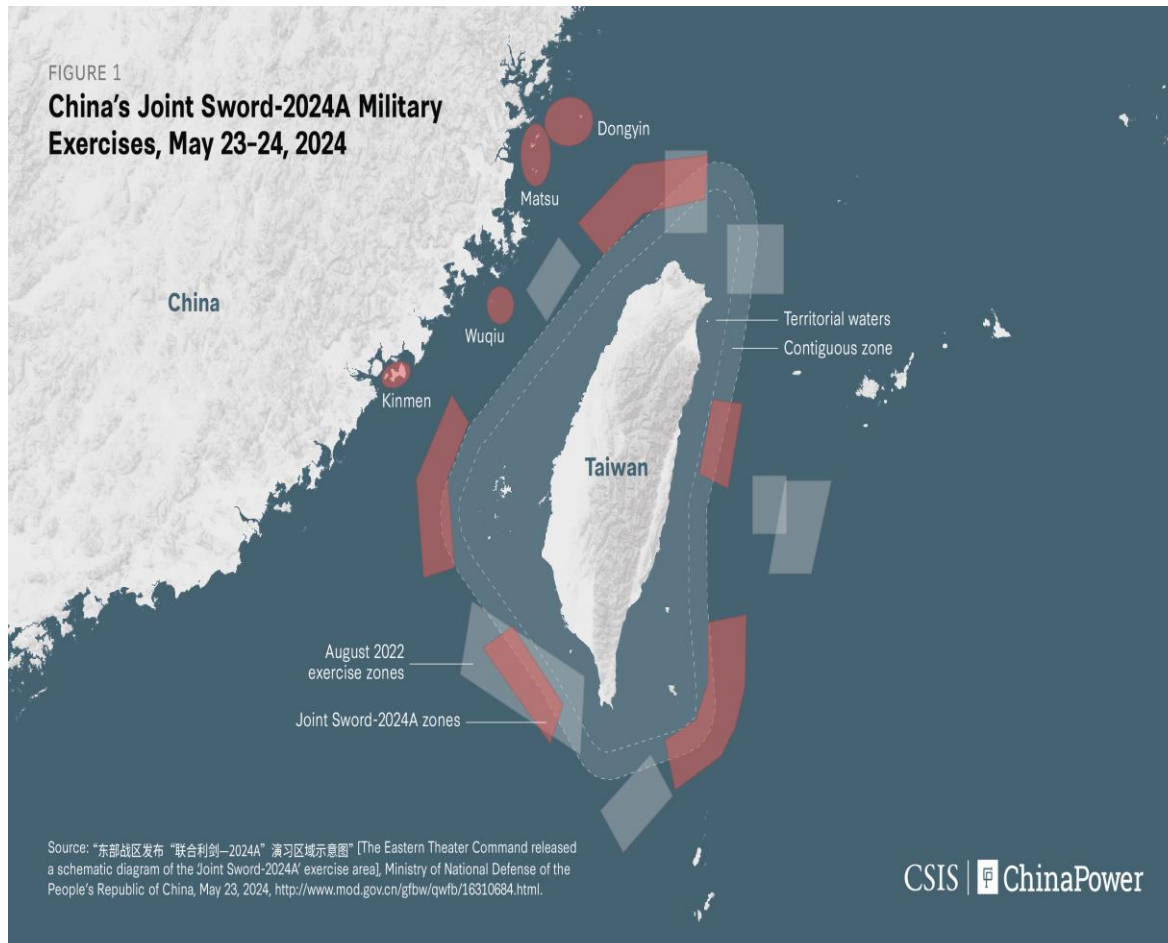
Increased role of regional naval alliances

- Expansion of Indo-Pacific security cooperation
- Diversification of shipping corridors
- Acceleration of strategic port investments



Supply chain disruption risks

- Potential inflationary pressure globally
- Semiconductor and manufacturing vulnerabilities
- Shipping rerouting implications



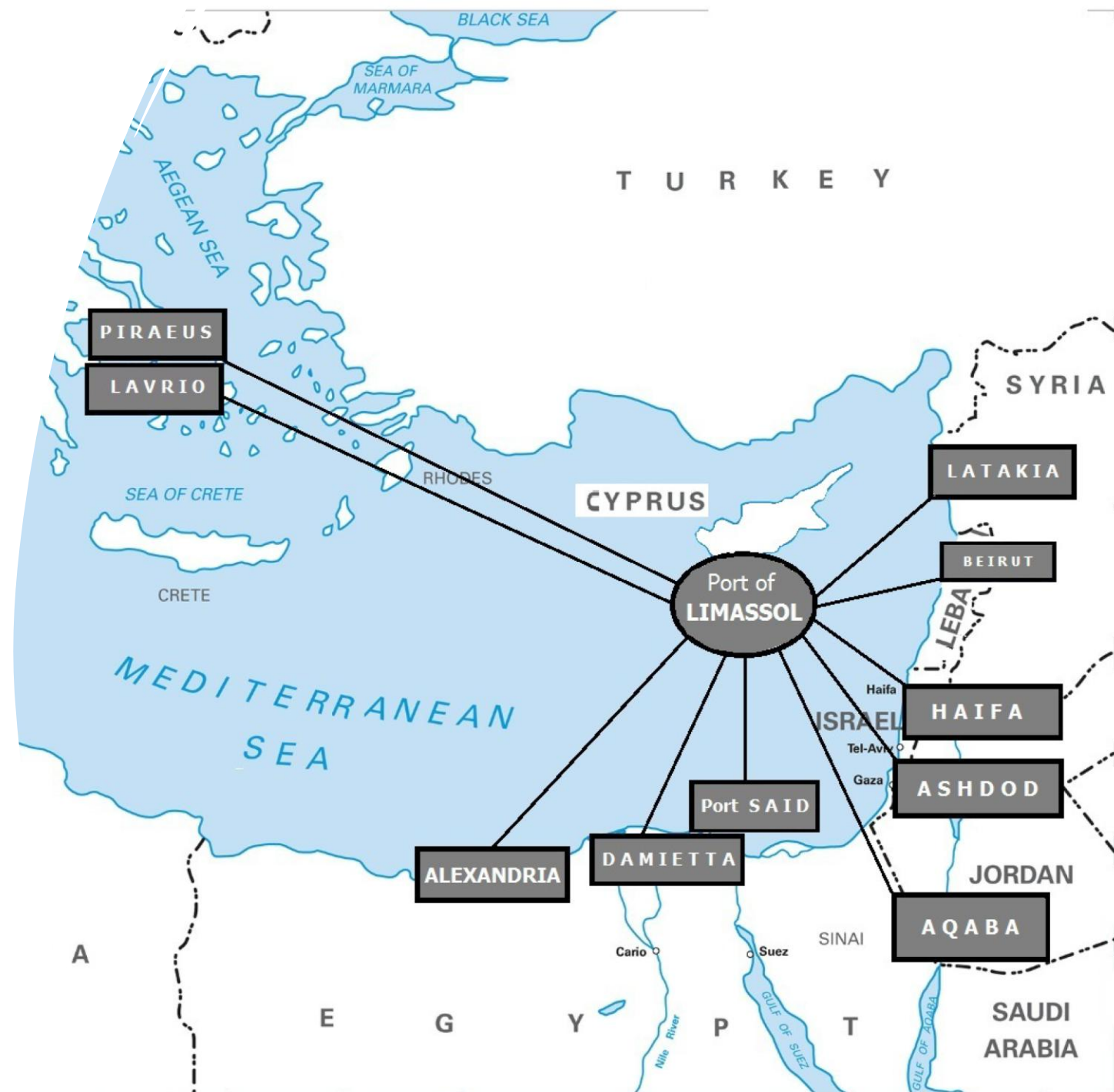
As of May 2026, the Taiwan Strait remains a critical, high-tension maritime artery, with 29% of China's maritime exports and 58% of imports potentially impacted by disruption. The area is increasingly weaponized by military exercises.

A full-blown crisis threatens severe global supply chain disruption, leading to rerouting, higher freight costs, and higher insurance premiums.

Geopolitics & Maritime Industry Ecosystem

From Cyprus to the World.

-
- **Location:** Situated in the Eastern Mediterranean basin, acting as a crossroads for international sea and air traffic.
 - **Proximity:** The island is roughly 65 km south of Turkey, 100 km west of Syria, 105 km west of Lebanon, and around 480 km southeast of mainland Greece.
 - **Geopolitical Alignment:** Although geographically closer to Asia/Middle East, Cyprus is a member of the European Union (since 2004) and politically aligned with Europe.
 - **Maritime Influence:** It lies close to Egypt and Israel, acting as a key player in the eastern Mediterranean's energy and maritime security.
 - **Infrastructure:** The island is a key component of the emerging India-Middle East-Europe Corridor (IMEC)



Eastern Mediterranean competition: Cyprus in a contested maritime region

REGIONAL GEOPOLITICS

- Turkey's maritime doctrine and regional naval posture continue to shape Eastern Mediterranean risk perception.
- IMEC and Gulf–Europe connectivity create new corridor competition, even if implementation remains uncertain
- East Med energy, LNG, offshore services and port logistics connect Cyprus to Europe's energy-security agenda.
- India-Gulf-Israel–Europe (Cyprus and Greece) route politics can increase Cyprus' role as a neutral EU services and logistics platform.
- **Cyprus must market not only its flag and services, but also its strategic reliability.**





**“THE MARITIME INDUSTRY ENTERED A
GEOPOLITICAL ERA.**



**WHILE MANY INSTITUTIONS, ORGANIZATIONS
AND YET GOVERNMENTS, STILL OPERATE WITH
ECONOMIC-ERA ASSUMPTIONS SOLELY.”**

Executive framing: geopolitics now sits inside also shipping decisions

CORE MESSAGES

- Shipping is no longer only a commercial transport system; it is all about strategic infrastructure. Shipping, services, ports and logistics are merely few that we care about. **But govts are not listening and do not take bold steps**
- Route security, carbon regulation, insurance, cyber risk and sanctions shape daily maritime costs.
- For Cyprus, the same geography that creates opportunity also creates exposure to Suez, Red Sea, Levant and Gulf volatility.
- What went wrong, what threatens us, and what to do next. What should we do.** Governments and Private Sector wants to know when will war end. Which Route should I take, A decision with limited political cost.

80%+

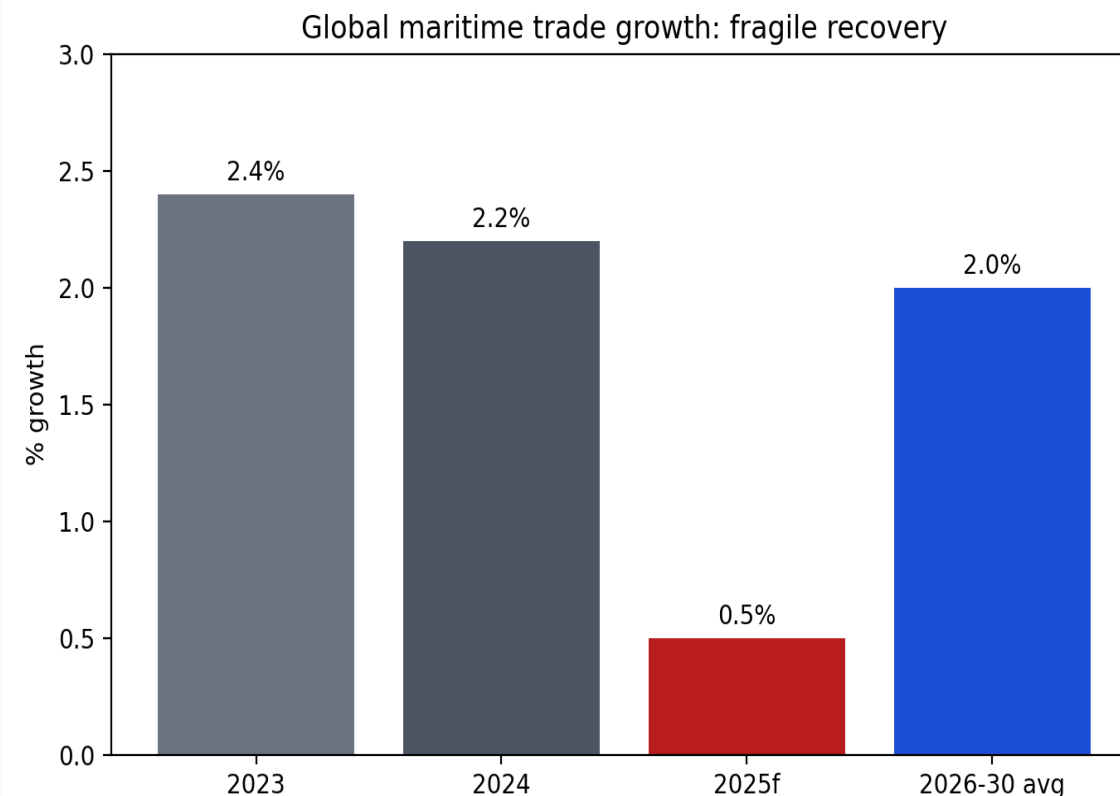
world merchandise trade by volume moves by sea

0.5%

UNCTAD 2025 maritime trade growth forecast

2.0%

UNCTAD average annual growth 2026–2030



Sources: UNCTAD Review of Maritime Transport 2025; International Chamber of Shipping.

Recommendations: government and national maritime strategy

POLICY ACTION Recommendations

- Create a Cyprus Maritime Geopolitical Risk and Resilience mechanism linking government, ports, Chamber and services firms. Overlooking at the Geostrategic threats is a must process, as we hold shifting and swifiting changes ahead of us.
- Treat Limassol, Larnaca and Vasilikos as critical infrastructure with cyber, drone and crisis-continuity protocols.
- Build a national maritime data and forecasting dashboard: routes, carbon costs, insurance, port capacity and threat alerts.
- Position Cyprus as an EU platform for maritime compliance, sanctions screening. health services and carbon-transition services.
- Continue post EU Presidency period and regional diplomacy to promote Cyprus as a stable Eastern Mediterranean maritime hub.
- Build processes | clarify action planning ahead | Steps, time, process, Solidification, results (financial, infrastructure and political).

**BRING BACK MARITIME INDUSTRY OVERALL TO OUR NATIVE GROUNDS
PROTECT ASSETS AND MARITIME INTERESTS ABROAD**

Recommendations: companies, managers and services firms

INDUSTRY ACTIONS

Action	Why now	Expected outcome
Geopolitical risk unit	Chokepoints and sanctions affect voyage costs	Faster client and board decisions
Carbon contract review	EU ETS reaches 100% in 2026	Clear liability and cost-sharing
Cyber maturity baseline	Ports/managers are digital targets	Reduced downtime and insurance risk
Scenario clauses	Rerouting and security events are recurring	Better charter-party resilience
AI-enabled analytics	Data volume is growing fast	Predictive compliance and operations

Key phrase: “Resilience is becoming more valuable than efficiency.”

Scenario forecasting 2026–2030

STRATEGIC SCENARIOS

Scenario	Trigger	Effect on Cyprus shipping	Planning response
Stabilization	Red Sea/Suez normalizes; no Hormuz escalation	Gradual cost normalization; competitive services growth	Market Cyprus as reliable EU hub but we need to utilize the opportunity be proactive.
Controlled instability	Low-intensity Red Sea/Gulf friction persists	Insurance, routing and compliance costs become structural	Build swift in time risk cell and client advisory products
Regional escalation	Hormuz/Bab el-Mandeb incident; sanctions widening	Energy shock, route disruption, legal exposure	Crisis desk, insurance/legal protocols, port resilience
Regulatory fragmentation	IMO uncertainty; EU rules advance alone	Higher admin burden and contract complexity	Carbon-contract templates and data infrastructure

Forecasting model: base case and stress cases built from UNCTAD, EC, EIA/IEA, Reuters/AP and Cyprus maritime data.

Final Conclusions

- Eastern Mediterranean gains strategic importance
- Cyprus and Greece become logistics and energy hubs
- Increased naval and maritime security relevance
- Growth in LNG and alternative corridor planning

Geopolitical Forecast 2026-2030

- Continued strategic competition
- Higher naval deployments
- Hybrid disruptions and cyber risks
- Greater maritime securitization

- Maritime chokepoints define global trade security
- Shipping and geopolitics are increasingly interconnected
- Energy and trade resilience are strategic priorities
- Indo-Pacific remains the center of maritime competition

Closing message: Cyprus from registry to strategic maritime ecosystem

“Shipping industry and Commerce is today is about geopolitical influence, strategic infrastructure, economic resilience and national security.”

- Cyprus has the flag, the services cluster, the ports and the EU credibility.
- The next step is to add strategic forecasting, cyber resilience and crisis-ready infrastructure.
- The future belongs not only to those who own ships, but to those who manage maritime ecosystems. In combination

“Cyprus can become the source of all strategic maritime-services hub of the Eastern Mediterranean.”

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