



Observatoire Mondial Géostratégique S.A.

Geostrategic World Observatory Inc.

Examples

WHAT ESSENTIAL FACTORS MAY BE IDENTIFIED AND USED TO PROVIDE A BETTER APPROACH TO STRATEGIC AND TECHNOLOGICAL BREAKPOINTS WITH A VIEW TO ECONOMIC FORECASTING AND PREDICTION OF SYSTEMS OF FORCE IN THE> MEDIUM AND LONG TERM ?

(1)

By Marc LAMBINET (23 November 2000)

The Asian financial crisis of 1997 (2), which shook Asia and South-East Asia in particular clearly shows the explanatory nature of the principles of multi-dimensional analysis and the three factors that emerge from it:

- a massive transfer of capital out of Asia and South-East Asia into Europe preceded the crisis
- the "explosive" statements of the Prime Minister of Malaysia, Mohammad MAHATIR, against the IMF and the West (Cf. *Financial Times* of 24-09-1997. p.4, over the byelines of John RIDDING in Hong-Kong and James KYNGE in Kuala Lumpur).
- the channels of connectivity (tree-diagram) used relating details of the conditions under which child labour is employed, this latter practice certainly having affected the economic recovery of Asia in general, and of China in particular. (3)

The financial crisis that is currently hitting Japan (4), shows particularly that the question of suicide preoccupies Japanese society as the number of deaths from this cause have risen by one-third between 1997 and 1999.

Closer to home, a world financial crisis was warded off in the course of the year 2000 up to date, for "**New technologies are much more important**" than even the best informed think. Thus, the United States lowered interest rates in time and avoided a world panic during the crises in Asia and Russia. Moreover, a number of experts underestimated the scope of these new technologies. This last observation is confirmed by an analysis of the data and graphs appended to this note. (5)

The observation of these last (Observations 109 to 132, inclusive), (6), containing the main American groups (6), by means of a study of the three explanatory factors (61.03% vertical, 18.54% horizontal, and 06.04% for the third factor, respectively) confirms the clearly negative situation facing the industrial and military aeronautic groups such as Boeing, Lockheed Martin, Adobe Systems, Merck & Co., Northrop Grumman Corp., etc., while the high-tech new technology groups such as Intel, Nortel, AT&T, are hitting peaks of development and stock market quotations never before seen.

This implies that eventually there will be either a striking drop in the activities of these North American military-industrial groups to the benefit of firms involved in new technologies who appear to have a "financial clean bill of health" or an unexpected reversal in tendency to the benefit of the former with the simultaneous appearance of world-level conflicts as in the Middle East, Africa, etc.

In fact, it is possible to observe in graphs "157" and "158", which cover US share prices from 22-06-2000 to 16-11-2000, two major "breaks" at the level of the cycle, confirming the weakness of the stock market. These graphs, complemented by graphs "159" and "160", clearly show, besides a reversal of trend in an unclear stock market situation, due mainly to existing tensions in the Middle East as well as the pre-election climate in the U.S.A., that it is new technology industries which are doing well (June-July 2000 for this first set) to the detriment of American military-industrial groups (October-November 2000 for this second set), leading to the belief that in the very near future there will be a larger-scale conflict on the world level.

These latter enterprises can "survive" only if one or several conflicts, even if localized, break out, or if they are absorbed or merged with the former, which is unlikely.

They are highly likely to be keeping a close eye on each other's operations and health within a tight framework of **technological and strategic choices in addition** to economic and financial interests.

In consequence, as graphs "158", "159" (especially the latter) and "160" confirm, a break in the transformation of technological systems, both in the domains of communications, information processing, new technologies and in that of innovations, took place during the summer of 2000 (July-August) (7), when firms manufacturing armaments, military and aeronautic material, were hitting a low point. The normal "system of coordinates" considered as representative of the situation within which political Decision-makers and economic Operators are situated ceased to be valid.

In the "**Chedail**" concept, the tree-diagram used takes into account fluctuations (in the broadest sense) of the financial markets and goes beyond the wealth and frequency of information collected through the data-bases. It uses as a second strand the **inverse** process of division in the automatic classification of data analyses and thus allows attainment of the desired result (E). (8)

The future evolution of the strategic and technological situation as it crosses the threshold of the breaks that have just taken place in the third and fourth quarters of 2000 on a twenty- to thirty-year timescale requires the rapid use of *Geno-Mimetic Translation* (G.M.T.) (9), channels for a better representation of the "real world", above all in the light of the economic and political, as well as the strategic and technological events (10) that occurred in Asia, South-East Asia, U.S.A., Europe, and the Middle East, and were briefly mentioned at the start of this note.

The tree-diagram, created and operational several years back at the heart of the existing data-bases, contains a list of thematic "codes" (from 0001 to over 4000), of geographic locations, and of dates, linked to each other through "access keys" (11) and electronic channels, allowing a snapshot at any moment of the current real world. From this, thanks to additional software, it is possible to extrapolate over a timespan of three, five, ten, twenty, or even thirty years (See the graphs of multidimensional analyses, mentioned above). (12)

In conclusion, on the basis of items recorded in this note and of non-exhaustive sources willingly listed, the very near future will bring events of various types (geo-political, financial, biological, etc.) due to a logical succession of current events over decades: key decisions have to be made immediately both in strategic domains and in high-tech, all interdependent one on another.

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1. This note is a follow-up to the note of 01-09-2000 entitled "Which tools for economic forecasting, with a view to optimizing strategic choices in the architecture of systems of forces over the medium and long term?"
 2. See Note N° OGM/06.00, AN 15-V, p. 51-54 & Note N° RFCI/01-02. 98/25, 36 pages, "The World Economy and Stock-markets in the wake of the Asian crisis".
 3. KEYNES made lengthy comments on the importance of the psychological factors at work in the Stock-exchange.
 4. *Liberation* of 11-11-2000, page 27, had an article by Richard WERLY, under the headline "Suicides, démissions, limogeages: la crise financière les foudroie!"
 5. Multidimensional analysis of the US market on 16-11-2000 ("The Correspondence Analysis Procedure") appendices N° 1 to N° 7.
 6. Boeing-BOG; Lockheed-Mar -LOC; Adobe Systems-ADB; Merck & Co-MRK; Morgan-MRG; Northrop-NRT; Exxon-EXX; Sun Microsystems-SUN; General Electric-GE; Meryll Lynch-MRL; Coca Cola-COC; Gillette-GLT; Colg Palm-CPL; Macdonald-MCD; General Motors-GMT; American On-line-AOL; IBM; Chase Manhattan Bank-CMB; AT&T-T-ATT; Nortel-NTW; Intel-INT, etc.
 7. This may also have happened in armaments systems, but it is not possible to be definite about a sector outside the range of greatest expertise.
 8. See the diagram of "The Division Procedure in Automatic Classification"
 9. See the Note of 01-09-2000, "Which tools for economic forecasting, with a view to optimizing strategic choices in the architecture of systems of forces over the medium and long term?"
 10. For example, in January 2000, the American Internet access provider AOL (America On-Line), a symbol of the new Internet economy, bought the media giant Time-Warner.
 11. Three examples: "Computers, Information and Telecommunications", see appendix N° 8.
 12. The graphs and diagrams mentioned earlier can be obtained on explicit request.

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