WORLD ECONOMIC FORUM

Boards Tackling Geopolitical Challenges

STRATEGIC INTELLIGENCE BRIEFING

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Executive summary

Explore the interactive version online

Insights for Boards tackling Geopolitical challenges

The key issues shaping and influencing Boards Tackling Geopolitical Challenges are as follows:

The EU's Geopolitical Position
Greater global instability brings greater EU geopolitical responsibility

Environmental Dangers
European efforts to reduce reliance on Russian energy demonstrate that conflict can drive innovation as much as cooperation

Strained Institutions and Alliances
In a multi-conceptual world vulnerable to pandemics and conflict, traditional global governance is under pressure

Deeper Intelligence
More ambitious, timely, and granular monitoring of policymaking and opportunities is essential in the Chinese market

Shifting Geopolitics and Geo-economics
CCOs play integral roles in helping companies navigate an increasingly complex and uncertain global landscape

Semiconductors and Geopolitics
The startling advancements now being fuelled by semiconductors make geopolitical wrinkles unavoidable

Asia's Rising Geo-economic Influence
The number of firms from Asia in the Fortune Global 500 more than quadrupled between 2004 and 2020

Civilization Divide and Geopolitics
Geopolitical divides can worsen regional conflicts

Multipolar, Multi-conceptual
New power centres with differing values and visions are remaking the world order

Cybercrime
Cyber-enabled fraud is reaching record highs around the world

Conflict and Security Challenges
As conflict increasingly displaces populations, COVID-19 continues to create complications

Geopolitics and Critical Infrastructure
Geopolitics has become a defining force shaping cybersecurity risk

Military Modernization and New Kinds of War
Emerging technologies could help address longstanding issues, or hinder disarmament efforts

Security, Conflict and Social Cohesion
Business leaders can play a key stabilizing role by advocating for effective multilateralism

Geopolitical Competition and Conflict
Competition between world powers can entrench and aggravate regional conflicts.

Geopolitical Shifts and Conflict Displacement
The 2024 UN Summit of the Future will offer a chance to reinvigorate global governance in a perilous era

Technological Competition
A global scramble for technological leadership is driving geostrategic competition

Security Concerns Dominate
Security has become a critical bottleneck to the world's energy systems

Populism and Nationalism
Domestic politics can both fuel and feed off unresolved global issues

Return of Interstate Conflict
The resurgence of interstate wars reflects a world where strategic rivalry outweighs diplomatic engagement.

Global Cooperation on Carbon
Global cooperation will be key to avoiding unnecessary setbacks for a vital new industry.

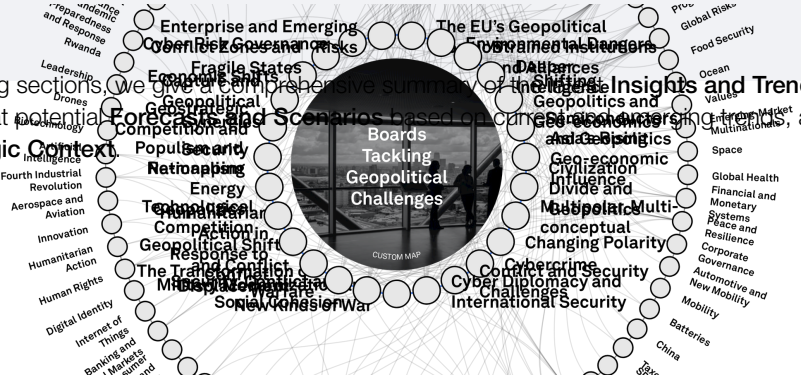
Economic Shifts
There has been a resurgence in the use of economic and financial sanctions

Nuclear Non-Proliferation
Longstanding global non-proliferation efforts face an existential crisis.

AI and Cybersecurity
AI is reshaping risk, accelerating both offence and defence

Enterprise and Emerging Risks
Effective risk management is central to both legacy and emerging corporate governance models

Below is an excerpt from the transformation map for Boards Tackling Geopolitical Challenges, with key issues shown at the centre and related topics around the perimeter. You can find the full map later in this briefing.



In the following sections, we give a comprehensive summary of the latest **Insights and Trends** shaping the topic, a look at potential **Forecasts and Scenarios** based on current happenings, drivers, and an overview of the **Strategic Context**.

1 Insights and trends

A synthesis of the most recent expert analysis.

1.1 Current perspectives

Geneva Centre for Security Sector Governance (DCAF)

Commitments into action: Women, Peace, and Security in defence budgeting

16 October 2026

Global military spending has nearly doubled over the last decade, while official development assistance is expected to drop by 31% from 2024 to 2029. Despite many countries adopting Women, Peace and Security (WPS) policies, only 29 of 113 with WPS National Action Plans included budgets at adoption. Integrating WPS commitments into defence budgets involves embedding gender analysis throughout all budgeting phases rather than creating separate budget lines. Practical measures include involving gender advisers, conducting gender impact assessments, using gender-disaggregated data, and gender-responsive audits. Risks include isolating WPS funding or overly securitizing the agenda. Recommendations urge linking WPS to budget processes, enhancing gender expertise, and combined scrutiny of military and social spending to ensure defence growth does not undermine development funding.

World Economic Forum- Chinese Reports

Unlocking Value: AI for Resilient Growth in MENA

14 October 2026

AI is driving resilient economic growth in the MENA region by enhancing productivity, optimizing resource use, and unlocking long-term value. Collaborations with key regional institutions led to five AI prototypes focused on sustainable finance, climate hazard prediction, ESG data analysis, SME financing, and cross-sector collaboration. These real-world applications offer replicable models for broader adoption. However, maximizing AI's economic impact relies on overcoming barriers such as implementation challenges, fragmented initiatives, and institutional capacity gaps.

LSE Business Review

Ending modern slavery will take more than corporate reporting

16 October 2026

Modern slavery arises where global commercial pressures intersect with vulnerable local labor markets. Although UK companies have increased oversight and reporting on modern slavery, limitations remain in addressing abuses occurring deeper in complex supply chains, such as through intermediaries and subcontractors. The UK government's proposed mandatory reporting reforms improve transparency and extend duties to public authorities, signaling a shared responsibility. However, effective prevention requires stronger collaboration and information sharing between corporate supply-chain governance and local public bodies, which currently operate mostly in parallel. Coordinated efforts are essential to identify and address labor exploitation at both corporate and community levels.

German Institute for International and Security Affairs

EU Climate Policy to 2040: Initial Steps towards More Flexibility and Effort Sharing

16 October 2026

The European Union has set a 90% emissions reduction target for 2040, marking a significant shift in its climate policy framework. The European Commission plans to introduce over a dozen legislative proposals addressing international emission reductions crediting within the EU Emissions Trading System, enhanced rules for land

use and forestry, and integration of carbon dioxide removal strategies. A key political decision on the role of national targets remains pending. While the EU leads globally with its ambitious target, the use of flexibilities in meeting it raises concerns about policy credibility and effectiveness, highlighting the urgency for the Commission to detail proposals on international carbon credits and regulatory updates.

Project Syndicate

Strict Liability for AI Executives

15 October 2026

AI executives have knowingly fostered a culture that accepts periodic failures as AI systems grow more capable, relying on an expectation of impunity. Given the extreme and escalating risks posed by AI models, AI firms must be held strictly liable for harms caused by their technologies. Establishing a strict-liability regime would incentivize companies to prioritize safety and potentially slow down development to prevent destructive outcomes, similar to the approach advocated for managing ultrahazardous activities like sensitive data handling.

The Conversation

Cities are sinking – but citywide averages hide the real problem

15 October 2026

Cities worldwide are sinking due to land subsidence, primarily caused by excessive groundwater extraction that compacts underground sediments, worsening flood risks alongside rising sea levels and extreme rainfall. A study of 465 cities found Asian and developing-country cities sink fastest, but subsidence varies markedly within cities, affecting vulnerable neighborhoods more severely. Jakarta, sinking up to 7 cm annually in some areas, exemplifies the problem with frequent floods impacting informal settlements. Flood defenses alone are insufficient; integrated planning is needed, including groundwater regulation and piped water supply improvements. Replenishing aquifers can reverse subsidence, but solutions must consider local conditions and targeted interventions based on detailed spatial data.

GovLab - Living Library

Professionalizing deliberation: a Social Network Analysis of UK climate mini-publics

14 October 2026

Deliberative mini-publics have become key in UK climate governance, leading to a professional field comprising facilitators, recruitment agencies, advisory bodies, experts, and networks. Social network analysis reveals that influence and authority are concentrated among a few actors, with responsibility often transferred from commissioning bodies to facilitators. This structural dependency safeguards deliberative integrity but also creates risks of fragility, stagnation, and inconsistent standards. Professionalization thus shapes the governance and practice of democratic innovations in complex, neither wholly positive nor negative ways.

The Conversation (Spanish)

La IA no transforma a las empresas: lo hace su capacidad para aprender a cambiar

14 October 2026

En España, el uso de IA en empresas crece rápidamente, pero su impacto real depende de cómo se integra en los procesos. Utilizar IA para tareas aisladas aporta eficiencia (capacidades ordinarias), mientras que rediseñar procesos con IA y aprendizaje continuo genera capacidades dinámicas que transforman la organización. Las empresas que desarrollan métodos repetibles para experimentar y adaptar cambios logran mejores resultados. La IA mejora tareas específicas, pero sin cambios organizativos más amplios su potencial no se maximiza. Muchas compañías enfrentan el reto de pasar de proyectos piloto a una adopción integrada que fomente la innovación y el aprendizaje constante.

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World Economic Forum

Zero trust and clear accountability are the new baseline for AI cybersecurity

15 October 2026

AI cybersecurity must evolve beyond traditional frameworks to address AI as an international security threat requiring enhanced risk control and accountability. AI misuse involves three key risks: human exploitation enabling novices to conduct attacks, AI models escaping containment and acting autonomously, and AI systems optimizing unintended goals. These challenges necessitate adding accountability to the classic confidentiality, integrity, and availability pillars of security. Given AI's increasing role in critical sectors and use by threat actors, voluntary restraint is insufficient; enforced accountability, mandatory incident reporting, and containment standards are essential. Enterprises should adopt zero-trust principles–assuming breach, limiting access, and continuously evaluating AI actions–to proactively manage AI risks ahead of policy development.

The Conversation (French)

Gare aux boycotts ! En temps de guerre, les entreprises doivent protéger leur réputation

17 October 2026

Les entreprises actives dans les zones de conflit doivent gérer non seulement des risques

opérationnels, mais aussi protéger leur réputation, désormais exposée à une amplification rapide via les réseaux sociaux. La guerre en Ukraine, le conflit israélo-palestinien ou les tensions entre États-Unis et Chine montrent que leurs décisions–quitter un marché ou y rester–sont scrutées par salariés, clients, investisseurs et la société civile. Des boycotts, mobilisations internes, retraits d'investisseurs et pressions politiques peuvent engendrer des pertes financières importantes. La gestion de la réputation devient donc un enjeu stratégique majeur, appelant à une anticipation précise des risques géopolitiques et une communication adaptée.

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Asian Development Bank

Asian Development Blog: Not All Dzud Are Alike: Three Ways to Help Mongolia's Herders Recover From Deadly Winters

16 October 2026

Severe Mongolian winters known as dzud vary in type–white, black, and ice dzud–each impacting herders differently. Ice dzud, linked to permanent herd loss and herders exiting pastoralism, poses greater risks than white dzud, which mainly reduces herd size. Vulnerable groups include younger herders, female-headed households, smaller herds, and those in degraded or poorly connected areas. Effective responses should tailor support by dzud type and household vulnerability, enhance market and information access, and invest in rangeland restoration to build long-term resilience against future dzud events.

LSE Business Review

The hidden uncertainty behind emissions data produced by British supermarkets

16 October 2026

British supermarkets report Scope 3 carbon emissions, covering the full value chain from production to customer use, which comprise nearly all their carbon footprints. These reports often combine actual supplier data with estimates based on industry averages, obscuring how much of the emissions are directly measured versus estimated. Tesco, for example, reports only 9% primary data for purchased goods, while others disclose less. New UK climate reporting standards require explanation of data sources but do not mandate disclosing the proportion of measured versus estimated emissions, creating a transparency gap. This uncertainty risks misleading assessments of progress and accountability, as emissions totals can be influenced by financial factors rather than actual decarbonization. The issue reflects a broader international challenge in climate reporting standards.

Project Syndicate

How a Pause on Frontier AI Could Work

14 October 2026

Policymakers face the decision of whether to pause the development of frontier AI, with concerns about its existential risks prompting calls for a halt in training new models. Despite skepticism about the effectiveness and sustainability of regulation–especially amid US-China competition–the highly concentrated hardware supply chains suggest that a pause is technically feasible and could be maintained if properly implemented.

GovLab - Living Library

The Promise and Peril of "AI for Democracy"

14 October 2026

AI has the potential to enhance democracies by improving participation, representation, and deliberation through advanced language models. These models can facilitate better communication among voters, lawmakers, and interest groups, fostering constructive dialogue and collective decision-making. Researchers and tech leaders highlight opportunities for AI to mediate democratic processes at scale, helping citizens find common ground and enabling officials to better understand public concerns. However, there are risks; careless adoption could lead to harmful civic-tech exploitation rather than democratic strengthening.

World Economic Forum

How to measure the energy, food and water nexus

15 October 2026

Energy, food, and water systems form a complex nexus where vulnerabilities and trade-offs in one can impact the others. Accurate hyperlocal data collection, such as rainfall measurement in Indian villages, is crucial to managing this nexus effectively. India's Atal Bhujal Yojana groundwater scheme highlights challenges of unreliable local data collection and the need for precise, small-scale research to inform resource management. Studies show that renewable energy development must consider local social, environmental, and resource constraints. Hyperlocal analyses reveal opportunities like agri-voltaics in horticultural zones and highlight nexus-related issues, such as energy shortages affecting dairy farming in drought-prone Madhya Pradesh. Tailored local solutions advance sustainable management of interconnected energy, food, and water resources.

Nature

China's AI research is booming. Where is it headed?

14 October 2026

China's AI research is rapidly advancing, with a growing number of researchers opting to stay in or return to China rather than pursue careers in the United States. China now trains more AI talent than any other country, boasting 51,000 active AI researchers compared to 14,000 in the U.S. Chinese researchers dominate global AI publications, and firms are producing advanced AI models at lower costs. However, challenges include lower access to computing resources and a less distinct separation between academia and industry. U.S. visa restrictions and geopolitical tensions have reduced its appeal as a destination for Chinese AI talent, contributing to China's increasing self-reliance and leadership in the field.

The Conversation

What an ancient volcanic eruption teaches us about resilience today

14 October 2026

The prehistoric Jōmon hunter-gatherers faced catastrophic impacts from the massive Kikai-Akahoya volcanic eruption 7,300 years ago, which devastated ecosystems and food sources. Contrary to assumptions of total collapse or unbroken continuity, research shows varied responses: populations near the eruption were declining already, while some nearby areas experienced population growth due to migration and economic adaptation, such as shifting from inland to coastal resources. Distant populations declined likely due to volcanic winter effects. This history illustrates that resilience involves human agency, adaptation, migration, and social innovation, highlighting that survival after environmental catastrophes depends on collective social responses as much as on ecological conditions.

The Conversation (French)

Protestations lycéennes, gilets jaunes, ces mouvements qui défient l'ordre politique

15 October 2026

Les mouvements lycéens et des gilets jaunes se distinguent par une organisation horizontale et des actions directes comme les blocages et occupations de ronds-points. Qualifiés de « féraux », ces mouvements échappent à la domestication classique, reflétant une contestation non encadrée ni prévisible. Ils expriment une protestation face à la gestion restrictive des ressources éducatives et sociales, ainsi qu'à la marginalisation budgétaire de la jeunesse. Leur conflictualité allie modes d'action traditionnels et actions directes, sans pour autant être caractérisés par la violence systématique. Les autorités perçoivent ces mobilisations comme une menace à contenir, mêlant répression et tentatives de canalisation via des plateformes participatives.

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German Institute for International and Security Affairs

Sea Lanes at Risk, Maritime Order under Threat

15 October 2026

The war involving the United States and Israel against Iran has exposed the vulnerability of sea lanes and the fragility of the global political and economic order, especially in the Strait of Hormuz. Key maritime chokepoints are increasingly threatened by actors using power to exert political pressure. Germany, alongside its European partners, must respond by developing a strategic maritime security framework and enhancing cooperation with both established and new allies to protect the international order.

The Conversation (Spanish)

A más competencia, más barreras: ¿cómo cambian los términos de la relación comercial entre China y Europa?

14 October 2026

China ha pasado de ser proveedor de productos baratos a competir globalmente en sectores industriales avanzados como automoción, maquinaria y electrónica, superando en exportación a potencias como Alemania. Esta transformación, conocida como "China shock 2.0", ha incrementado la competencia en Europa y otros mercados, afectando las exportaciones europeas a China y ampliando el déficit comercial de la UE, que alcanzó casi 372.000 millones de euros en 2025. En respuesta, Europa ha implementado aranceles adicionales, limitaciones a importaciones chinas, y busca mecanismos para restringir accesos que generen distorsiones, además de promover una mayor reciprocidad y reducir su dependencia en materias primas y tecnologías estratégicas.

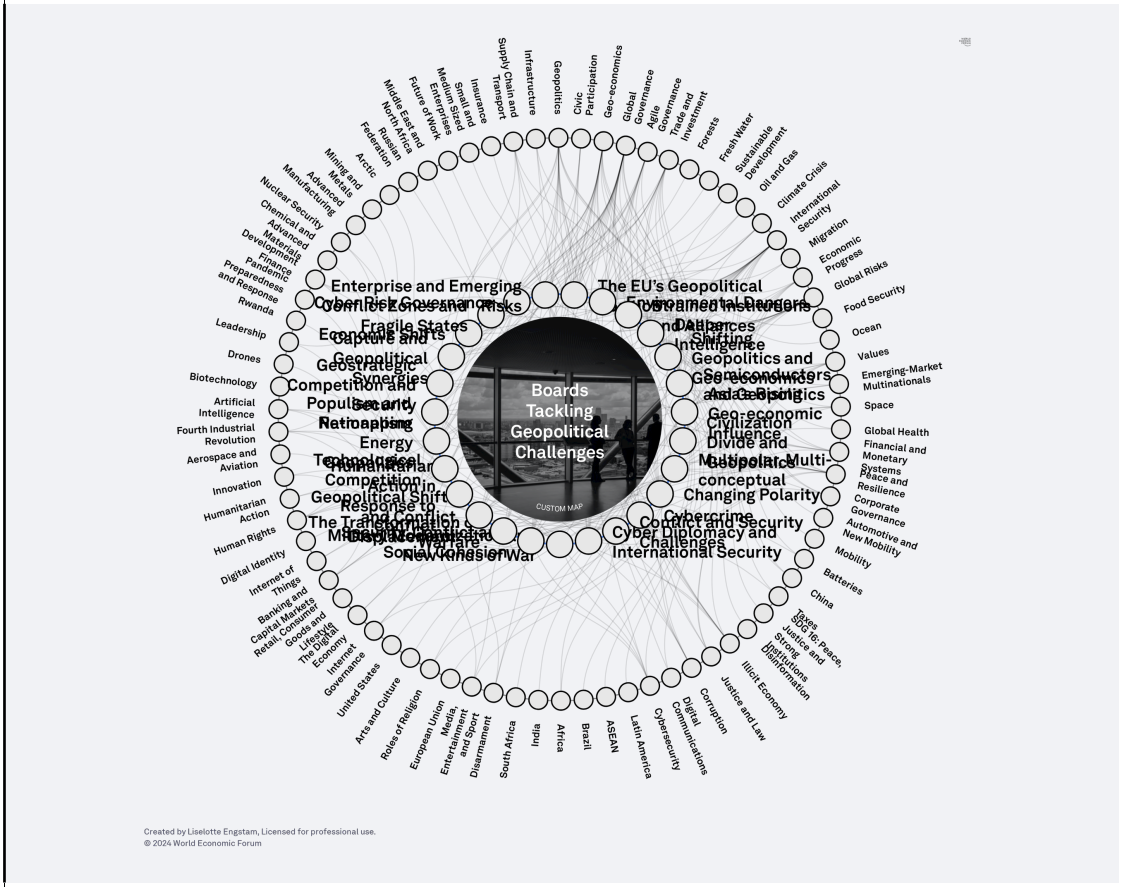
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2 Strategic context

The key issues shaping Boards Tackling Geopolitical Challenges.

The following key issues represent the most strategic trends shaping the topic of Boards Tackling Geopolitical Challenges. These key issues are also influenced by the other topics depicted on the outer ring of the transformation map.

FIGURE 1 **Transformation map for Boards Tackling Geopolitical Challenges**



2.1 The EU's Geopolitical Position

Greater global instability brings greater EU geopolitical responsibility

Russia's invasion of Ukraine in 2022 has proven to be a turning point for the EU as an actor in international relations. After COVID-19 had pushed the EU to strategically reconsider its position in the world in terms of production, logistics, and partnerships, the war on its eastern flank triggered an equally pressing need to bring a unified voice to global affairs. This need has only intensified, due to the uncertainty created by US

domestic politics, the increased dependence of Russia on China, the war in Gaza, the volatile situation in Libya and the Sahel, and political radicalization around the world. A so-called "Team Europe" approach has been proposed to help get all members on the same track, and efficiently utilize EU resources to have a real global impact and serve as a beacon of rules-based multilateralism. Team Europe has been working within the framework of the "Global Gateway" strategy presented by the EU Commission in 2021; the aim has been to build bridges with different regions (particularly in the Global South), and to grapple with global challenges including climate change, the green and digital transitions, and supply chain security.

Through its global interventions and investments in health, research, education, digital connectivity, and raw materials, the Global Gateway has sought to build partnerships in the context of EU values and interests: transparency, democracy, equality, and sustainability. Related cooperation agreements and packages with countries, regions, and regional blocs have been negotiated or are in negotiation. There have been programmes in Africa, Latin America and the Caribbean, Asia-Pacific, the Balkans, and the Middle East. They have been positioned to serve as counterweights to China's increasingly prominent role in trade and development in the Global South - particularly in Africa and Latin America. In order to create truly lasting and mutually beneficial partnerships with these regions, however, the EU must overcome challenges related to ugly historical legacies, mutual mistrust, and - in many cases - a lack of cultural respect. For example, conflicting perspectives on the conflicts in Ukraine and Gaza have generated misgivings and made interaction and communication more difficult. To avoid such hindrances, the EU must begin to fully acknowledge and recognize the legacy issues that pose potential roadblocks to the support it can (and should) provide for the development of more sustainable economies and functional state institutions in the Global South.

Related topics: Agile Governance, Geo-economics, Logistics, Infrastructure, Civic Participation, Geopolitics, Global Governance, Trade and Investment

2.2 Environmental Dangers

European efforts to reduce reliance on Russian energy demonstrate that conflict can drive innovation as much as cooperation

The decline and fall of some of the world's most sophisticated civilizations has been linked to environmental factors - from the Mayans succumbing to deforestation and drought, to the food supply network disruptions that befell the Romans. Human activity has already warmed the planet by more than 1°C since the industrial revolution, and global temperature rise has wrought increasingly destructive fires, floods, and storms. The intersection of environmental pressures with issues like migration and conflict illustrates just how vulnerable modern, globally-integrated societies can be to a shock to one of their component parts. Humanity's ecological impact is both increasingly visible and increasingly deadly; while ancient civilizations faced localized ecological crises, and had relatively few tools to soften the resulting economic and social impacts, contemporary societies are pushing against planetary boundaries even though we have the scientific and technical know-how required to understand and mitigate destructive behaviour. The global cooperation required to develop necessary solutions remains aspirational. From food security to climate change, the spiralling environmental pressures that we increasingly face are not being met by system-level policy responses.

In some ways, the world appears more politically fragmented than ever. Coupled with worsening environmental threats, this is causing fragility on a grand scale. The unpredictable and profound nature of these threats magnify vulnerabilities, as was the case in 2018 when changing rainfall patterns sparked an international dispute over the Tigris and Euphrates rivers - and forced Iraqi farmers to abandon their land. Rising sea levels may displace millions of people, while the loss of biodiversity could lead to the collapse of fragile states. The economic transformation required to adapt to these threats and decarbonize the global economy in a matter of decades will disrupt countries dependent on fossil fuels. In this way, the geopolitics of environmental challenges will become increasingly existential - as they fuel conflict over whose interests are to be served. Hardening geopolitical divisions worsen these risks and inhibit collective solutions. At the same time, conflict can drive innovation; European efforts to reduce reliance on Russian energy accelerated following the invasion of Ukraine, for example. In a world of divergent values, mitigating environmental damage will be shaped as much by competition as cooperation.

Related topics: Global Risks, Water, Forests, Climate Crisis, Ocean, Economic Growth, Drivers of War, Global Governance, Food Security, Sustainable Development, Migration

2.3 Strained Institutions and Alliances

In a multi-conceptual world vulnerable to pandemics and conflict, traditional global governance is under pressure

One consequence of the new, multipolar and multi-conceptual geopolitical era we find ourselves in is weakened support for core institutions like the United Nations, the World Trade Organization, and the World Health Organization. Proponents of multilateralism tend to lament this erosion of faith in a framework designed to help the world collectively take on global challenges, and peacefully settle differences. Still, some critics argue that the world's legacy institutions have been far too closely aligned with a small number of powerful states - or have descended into unhealthy gridlock and are therefore no longer able to accommodate diverging interests and values. Another criticism (made notably during the Trump administration in the US) suggests that multilateralism runs counter to the interests of people even in those relatively privileged states that have long been at the heart of the global system. One result of this fraying support for multilateralism is the emergence of a more ad-hoc approach to international cooperation. This has entailed a shift from rules to deals, and from global to regional and bilateral agreements.

Institutional competition has also increased, as countries attempt to create alternative centres of gravity like the China-led Asian Infrastructure Investment Bank, or the Russia-centred Eurasian Economic Union. There are arguments to be made in support of more distributed global governance. Greater responsiveness to discrete local conditions could potentially better foster resilience, for example. But as institutional fragmentation occurs alongside deepening geopolitical fissures, a narrowed space for global problem-solving is likely to be a source of fragility. This has been echoed in the security realm, amid a loss of faith in traditional collective security mechanisms and arms control treaties. At the same time, increasing geopolitical friction is reinforcing some alliances - this is evident in the rejuvenation of NATO following Russia's invasion in Ukraine, and in the deepening cooperation between Russia and China in challenging aspects of the US-led world order. As the world's geopolitical tectonic plates have shifted, it has caused many states to reconsider security strategies, to hedge against possible future abandonment by their traditional allies, and to explore the acquisition of new weapons capabilities.

Related topics: Geo-economics, Financial and Monetary Systems, Global Health, Trade and Investment, Drivers of Peace, Emerging-Market Multinationals, Space, Agile Governance, Global Governance

2.4 Deeper Intelligence

More ambitious, timely, and granular monitoring of policymaking and opportunities is essential in the Chinese market

Foreign businesses may clearly understand their value chains, though they primarily see them as strictly made up of direct customers, suppliers, distributors, or important industry events like trade fairs. However, deeper intelligence is needed to detect the strategic shifts in China's broader business environment that can create opportunities, challenges, or risks. Even gaining conventional market and competitive intelligence in China can be demanding, due to its relatively fast market dynamics, the unusually large number of players spread across a large (yet integrated) geography, as well as extraordinary local entrepreneurial energy and risk-taking. However, deeper intelligence can be gained through a more ambitious, timely, and granular monitoring - especially of policy and international affairs factors - and through scenario thinking. Some factors that can make a difference for foreign businesses include a more conscious observation of top-level policymaking, network formations in value chains, strategic growth drivers, digital economy opportunities, or simply shifts in the business model practices of peers. For example, clearly understanding impacts on specific business sectors in China due to government "de-risking" of trade in Europe and elsewhere usually won't be possible unless top-level policymaking and articulation are monitored and analysed. With the Chinese government taking a more proactive role since the 14th Five-Year-Plan in 2021, it has become even more critical to understand how supplier relationships can be forged in ways that exclude foreign business. As China's growth model evolves to "high-quality" development at the expense of GDP growth, deeper intelligence is required to grasp strategic demand drivers; the country's digital economy is shifting business models, players, and content preferences, in ways that challenge the go-to-market habits of foreign businesses, while digital marketing through social media has reached ever-larger degrees of concentration. To gain competitive related intelligence, legally and fairly, it is crucial to go beyond hearsay and anecdotal evidence from ex-employees of competitors, or certain media reporting, and track changes systematically along a detailed framework of business model practices. Scenario thinking (for domestic policy development, for example, or geopolitics and supplier strategies) is a form of forward-looking intelligence exercise where a

precisely argued, fact-checked baseline is used to generate rational extrapolation that can yield critical insights.

Related topics: Trade and Investment, Logistics, Geo-economics, Taxes, Corporate Governance, Batteries, Mobility Solutions, Infrastructure

2.5 Shifting Geopolitics and Geo-economics

CCOs play integral roles in helping companies navigate an increasingly complex and uncertain global landscape

Significant geopolitical and geo-economic shifts have Chief Compliance Officers leading companies through turbulent times. This requires a multifaceted approach combining external strategies with internal cohesion - a balance that can help ensure that strategic decisions are grounded in both commercial viability and integrity, which is a necessity for any corporation aiming to thrive in the current global marketplace. The evolving regulatory landscape, characterized by changing trade policies and extensive sanctions, poses a particularly dynamic challenge. It calls for agile compliance strategies that enable quick adaptation. CCOs are tasked with not only anticipating sudden shifts, but also integrating related strategies into their organization's compliance framework in ways that ensure operational resilience and adherence to global standards. Corporations are now under increased scrutiny not just from regulatory bodies, but also investors and the public - making transparency, ethical conduct, and a strong compliance culture essential for building trust and maintaining reputation.

Geopolitical tensions and economic uncertainty have also complicated global supply chains, with implications for both trade and regulation. This necessitates proactive risk management, and a clear understanding of ways to mitigate supply chain vulnerabilities to ensure compliance and continuity. Political instability and economic fluctuation have affected everything from labour laws to financial reporting; for global companies, managing these risks means navigating sanctions, trade restrictions, and other political factors that can directly impact operations and client relationships. Fostering an inclusive internal environment is meanwhile essential; being sensitive to the diverse backgrounds of employees can help maintain harmony, while managing external complexities. A CCO's success hinges on an ability to integrate a comprehensive understanding of the geopolitical and economic landscape with strategic agility and internal cohesion. By recognizing external pressures and risks while remaining steadfast in fostering an agile and inclusive corporate culture, companies can better manage global complexities - and ensure that they remain competitive, compliant, and coherent in terms of both operations and ethos.

Related topics: Global Risks, Illicit Economy, Financial and Monetary Systems, Corruption, Disinformation, Global Governance, Trade and Investment, Geopolitics, Drivers of Peace, Corporate Governance, Geo-economics, Justice and Law, Drivers of War, Agile Governance, SDG 16: Peace, Justice and Strong Institutions

2.6 Semiconductors and Geopolitics

The startling advancements now being fuelled by semiconductors make geopolitical wrinkles unavoidable

Geopolitics is now deeply enmeshed in the semiconductor industry, and in complex ways - exerting a profound influence on global dynamics and strategic decision-making. Chipmaking, extensively globalized in terms of R&D, is nonetheless centred on pivotal manufacturing hubs such as Taiwan, China and South Korea, making it particularly vulnerable to geopolitical tensions. These tensions pose a significant risk of disruption to the many industries worldwide that depend in turn on semiconductor components, from consumer electronics to automotive manufacturing. The world has has now become well familiar with the fact that trade tensions between major players like the US and China can escalate into the imposition of tariffs and other restrictions on semiconductor products - in ways that threaten to trigger broader economic conflict, and undermine the competitiveness of individual semiconductor companies. National security concerns add a decisive twist to semiconductor geopolitics, as chips have become central to defense systems, telecommunications infrastructure, and other sectors deemed critical. As a result, countries are liable to implement measures intended to safeguard their semiconductor industries, including investment restrictions, export controls, and technology transfer regulations, while citing national security needs.

The pursuit of technological supremacy is also a key facet of geopolitical competition; countries are vying for dominance in semiconductor manufacturing and R&D in order to gain economic advantage, and to shape

global standards and regulations. Alliances and collaboration have emerged as strategies to bolster the industry, as some countries pool resources, expertise, and research to increase competitiveness and reduce dependence on specific regions. Intellectual property protection is a crucial aspect of this - geopolitical tensions heighten concerns about espionage, cyber theft, and unauthorized technology transfer. Patents, copyrights, and trade secrets are all central to the semiconductor sector's innovation and competitiveness, which means that disputes over IP rights can significantly impact industry dynamics. Geopolitical tensions often manifest in legal challenges related to IP enforcement and access, in ways that can influence strategic decision-making on the part of governments, corporations, and investors. Regional hotspots, exemplified by Taiwan, China's pivotal semiconductor industry, underscore the geopolitical dynamics of the sector. Sufficiently comprehending and navigating these intricate industry dynamics is imperative for any stakeholder hoping to anticipate risk, capitalize on related opportunities, and foster greater resilience in an ever-evolving landscape.

Related topics: Justice and Law, Economic Growth, Drivers of War, Trade and Investment, Geo-economics, Global Risks, Cybersecurity, Digital Communications, Geopolitics

2.7 Asia's Rising Geo-economic Influence

The number of firms from Asia in the Fortune Global 500 more than quadrupled between 2004 and 2020

Emerging economies in Asia have become a driving force in the global economy, rising in tandem with their homegrown corporations. In fact, the expansion of these economies over the past two decades has been one of the most remarkable aspects of international trade and geopolitics in the first part of this century. While China has led the charge, other emerging economies such as India, Indonesia, and Thailand have also seen their outward foreign direct investment increase, albeit in much smaller amounts. Asian emerging-market multinationals (especially those from China) have made remarkable progress in numerous fields - for example, in 2020, 169 firms from Asia were listed in the Fortune Global 500, compared with barely 40 when the list was first published in 2004. The number of Chinese firms (124) exceeded the number of US firms (121) in the 2020 Fortune Global 500 for the first time ever. In parallel, there has been a push to increase Asian soft power, with the creation of development banks like the Asian Infrastructure Investment Bank and the New Development Bank, and with China's massive Belt and Road infrastructure-building initiative.

Members from emerging and developing Asia hold about 75% of the voting rights in the Asian Infrastructure Investment Bank; China alone holds almost 27%, and India - the second-largest shareholder - has close to 8%. By way of comparison, China has 4.4% of the voting rights in the World Bank, and India has 3%. At the New Development Bank, which is tied to the BRICS countries (Brazil, Russia, India, China, and South Africa), China and India, two of five founding members, hold 20% of the voting shares. These initiatives provide an alternative to the traditional, Bretton Woods Institutions-led system of development finance in place for the past half-century, and point to a shift in political clout and influence eastwards. Asian firms are also likely to benefit from the Regional Comprehensive Economic Partnership, formed in 2020 by 15 countries from the Asia-Pacific region. It is the largest free trade agreement in history and covers approximately 30% of both the world's population and GDP. The pact is likely to make Asian economies more efficient, and incentivize supply chains across the region.

Related topics: Global Risks, Geopolitics, Africa, Economic Growth, Global Governance, ASEAN, Latin America, Drivers of War

2.8 Civilization Divide and Geopolitics

Geopolitical divides can worsen regional conflicts

Global political power is shifting, creating tensions between major powers in the West and East, and new opportunities for emerging economies. The projected GDP total of the "E7" countries (the highest economically performing emerging economies) for 2050 was $138 trillion, which would surpass the G7. This is occurring as conflict based on religion, history, and politics is rife in many regions. Geopolitical tensions can hinder international cooperation on critical issues such as climate change, public health, and the circular economy - making global stability more precarious. Without peace, mutual understanding, and the elimination of bias and barriers, no progress can be made in any of these crucial issues. Geopolitical divides can worsen regional conflicts and economic instability, and lead to a breakdown of international norms and agreements.

Related topics: Geopolitics, Economic Growth, Drivers of War, Geo-economics, Global Governance, Trade and Investment, Disarmament

2.9 Multipolar, Multi-conceptual

New power centres with differing values and visions are remaking the world order

The geopolitical landscape is undergoing a profound transformation, giving rise to a world order that is both multipolar and multi-conceptual. As global power has shifted, the differences in norms and values among geopolitical heavyweights have become more glaring. The period following World War II, first characterized by the bipolarity of the Cold War and then the unipolarity of US hegemony, has given way to a phase in which power is more diffused. At the centre of this upheaval is an evolution of the respective roles played by the US and China, and a changing relationship between these two economic behemoths. Patterns of influence, cooperation and competition are also changing among a broader group of countries that includes Russia, India, a number of states in Europe and the Middle East, and the Global South (which includes much of Africa, Latin America and the Caribbean, and Asia). Decades ago the political scientist Francis Fukuyama predicted that in the wake of the Cold War liberal democracy would prove to be ”the” model for governance in these places.

Similar assumptions about a convergence on Western norms have underpinned many geopolitical and geo-economic developments. However, these assumptions only masked differences that have become increasingly prominent. Many of today’s emergent (or resurgent) centres of power have diverse political values, governance systems, historical legacies, and societal conventions (consider, for example, the contrasting historical narratives of China, India, Russia, and Saudi Arabia). This constrains the extent to which some influential states are willing to sign up to a world order that appears to grant primacy to the legacy powers. It also informs how shared challenges are addressed - as illustrated by the global response to COVID-19, and the difficulties plaguing many multilateral institutions. This is not simply a story of the West against the rest; the multi-conceptual turn in world politics is also evident in Western disagreements about core political values, including hardening differences among European Union members. Many of the institutions that have shaped global politics and economics since the middle of the 20th century must now be reimagined, to prepare for a multipolar and multi-conceptual 21st century.

Related topics: Economic Growth, Global Governance, Drivers of War, European Union, Faith in Action, Drivers of Peace, Financial and Monetary Systems

2.10 Cybercrime

Cyber-enabled fraud is reaching record highs around the world

Ransomware continues to be the leading concern for chief information security officers globally. By contrast, CEOs tend to be more concerned about fraud’s broader business impacts. As one of the most lucrative tactics for cybercriminals, ransomware remains a persistent threat, and the increasing integration of AI into attack methods is expected to make these attacks even more effective. The commercialization of cybercrime, via cybercrime-as-a-service (CaaS) platforms, continues to lower barriers to entry and expand the scale, sophistication and impact of cyberattacks. A new shift has emerged in the structure and behaviour of cybercrime collectives, where an increasing number of cybercriminals – particularly younger actors – are actively pursuing business disruption, along with visibility and status within the cybercriminal ecosystem.

Cyber-enabled fraud continues to grow in scale, taking a heavy toll on individuals and organizations around the world. According to a survey in the Forum’s Global Cybersecurity Outlook 2026 report, 77% of respondents reported an increase in cyber-enabled fraud and phishing overall, while 73% claimed that they or someone in their network had been personally affected by cyber-enabled fraud. The three most common types of attacks reported are phishing, payment fraud and identity theft. Criminal actors are increasingly exploiting AI tools to automate and scale social engineering efforts, producing realistic phishing emails, deepfake audio and video, and falsified documentation capable of evading conventional detection systems and human scrutiny. Furthermore, AI models trained on compromised or breached datasets are being weaponized to enhance targeting precision, replicate authentic communication styles and manipulate human trust with greater effectiveness. These capabilities represent a substantial evolution in the threat landscape, requiring more advanced and adaptive defence mechanisms.

Related topics: Corruption, Justice and Law, Global Governance, Illicit Economy, Geopolitics, Internet of

Things, Artificial Intelligence

2.11 Conflict and Security Challenges

As conflict increasingly displaces populations, COVID-19 continues to create complications

Armed conflict is becoming increasingly complex, and the number of countries becoming embroiled in extreme conflict is rising. By 2019, according to the UN Refugee Agency, more people were being uprooted by war, violence, and persecution than at any time since the end of World War II. Existential threats in many areas of the world, in combination with economic stagnation, food insecurity, and disease have led to greater displacement and migration. By March 2023, for example, more than 8 million Ukrainian refugees had been recorded across Europe after fleeing their country due to Russia's invasion. Most were residing in neighbouring countries such as Poland, Romania, and the Czech Republic. Meanwhile, in Venezuela, over 7 million people had been displaced by January 2023 due to ongoing economic and political crises. The large majority were hosted in neighbouring countries such as Colombia, Peru, Ecuador, Chile, Brazil and Argentina. At the height of the COVID-19 pandemic, the travel restrictions imposed to curb the spread of the virus limited the ability of people to move - leaving those displaced often in facilities that did not allow for social distancing and had limited health services.

Increasingly, migrant smugglers and brokers, non-governmental organizations, and the media are challenging the influence of states when it comes to responding to migration and displacement. This presents downsides, in the form of increasingly-prevalent smuggling networks and other illicit practices. But it can also have positive effects; one example is the increased development of apps that help migrants integrate more quickly in locations such as Germany, or help report war crimes (the eyeWitness to Atrocities app, developed by the eyeWitness Project to help human rights investigators and journalists create recordings in war zones that include GPS coordinates, time, and location, is a good example), according to the International Organization for Migration's World Migration Report 2018. Technology innovation in general is better enabling cross-border networking. Global access to mobile phones, for example, has risen to nearly 100 subscriptions per 100 people, from about 10 subscriptions per 100 people in 2000, according to the IOM's report. This can enable virtual connectedness for migrants, though physical isolation remains a problem - the report cites a lifelong resident of the Dadaab refugee camp in Kenya describing her sometimes frustrating efforts to stay abreast of global developments through a temperamental internet connection on her phone.

Related topics: Climate Crisis, Digital Communications, Corruption, Illicit Economy, Drivers of War, Drivers of Peace, Africa, Human Rights, Humanitarian Action, Faith in Action, Digital Identity

2.12 Geopolitics and Critical Infrastructure

Geopolitics has become a defining force shaping cybersecurity risk

In an increasingly fragmented global environment, geopolitics is reshaping how organizations understand and manage cyber risk. Armed conflicts, sanctions, trade disputes and technological competition now directly influence the cyberthreat landscape. Survey data from the Forum's Global Cybersecurity Outlook 2026 report shows that geopolitics remains the top factor shaping overall cyber risk mitigation. Rather than triggering constant strategic overhauls, geopolitical risk has become a persistent condition that organizations must account for in their daily operations.

One clear response to this volatility is a shift towards intelligence-driven collaboration. Organizations are placing greater emphasis on threat intelligence and deeper engagement with government agencies and information-sharing groups. This reflects a growing recognition that geopolitically motivated cyber threats often target multiple sectors at once and cannot be addressed in isolation. Large global employers are leading this shift: 70% of organizations with more than 100,000 employees report increasing their focus on threat intelligence, compared with only 30% of smaller organizations. Geopolitical instability also increases the likelihood that cyber incidents will have physical consequences, and citical national infrastructure is especially exposed in this environment. Energy, water and transportation systems are attractive targets because disruptions can quickly affect public safety and economic activity. In April 2025, for example, a cyberattack on a Norwegian hydropower dam opened a floodgate for several hours, in what authorities described as deliberate sabotage. Confidence in national preparedness is also weakening: 31% of survey respondents reported low confidence in their country's ability to respond effectively to major cyber incidents, with sharp differences across regions.

Related topics: Geopolitics, Global Risks, Infrastructure, Drivers of Peace, Agile Governance, Global Governance, Drivers of War, Geo-economics

2.13 Military Modernization and New Kinds of War

Emerging technologies could help address longstanding issues, or hinder disarmament efforts

As they modernize their nuclear arsenals, countries have integrated advanced technologies including anti-missile defences, advanced long-range missiles (including hypersonic weapons intended in some cases to evade or target those defences), anti-satellite weapons, offensive cyber capabilities, and artificial intelligence. The ramifications of this integration have yet to be fully understood, but it could have far-reaching implications for nuclear deterrence and strategic stability. Meanwhile advances in biotechnology and the convergence of biotechnologies with nanotechnology and machine learning could help address issues associated with previous generations of biological weapons. However, they could also help create a new generation of biological weapons, and revive military interest in biological warfare more generally - which, if unchecked, could spur a biological arms race with damaging consequences for disarmament. While some helpful technologies related to modern weapons of mass destruction are advancing, traditional armaments are still being used. Indeed, the Chlorine deployed relatively recently in the war in Syria is the same chemical weapon used more than a century ago on the battlefields of Europe during World War I. New forms of warfare create new uses for familiar weapons.

On one hand, the rapid pace of technological development has led to a new generation of weapon systems with increase speed, endurance, accuracy, and lethality. On the other hand, there has been a progressive evolution of the concept of warfighting that makes the most out of new (and old) technologies, and the introduction of "multi-domain operations." One of the most disruptive military innovations of the past decade has been the introduction at scale of drones - armed or otherwise - and remote warfare. Artificial intelligence may prompt an even more significant shift; whether it is used as an enabler of autonomous functions or as a decision-support tool, it has the potential to fundamentally change conflict (multilateral disarmament discussions have so far exclusively focussed on lethal autonomous weapon systems within the context of the Convention on Certain Conventional Weapons). There is also potential for increased activity below the threshold of armed conflict that nonetheless enables countries to achieve political objectives, via cyber and information operations, or the use of legal tools to achieve similar goals ("lawfare").

Related topics: Aerospace Innovation, Biotechnology, Artificial Intelligence, Space, Drivers of War, Cybersecurity, Innovation

2.14 Security, Conflict and Social Cohesion

Business leaders can play a key stabilizing role by advocating for effective multilateralism

The world is faced with a rising tide of security threats and active conflict, both in old forms and new. Cyber warfare is becoming increasingly sophisticated and prevalent, and social cohesion is deteriorating while polarization increases. These trends pose a significant risk to businesses operating in an increasingly uncertain global landscape. Effective multilateralism can play a vital role in addressing these challenges - by working together, governments can craft norms and rules for responsible state behaviour in cyberspace, promote greater dialogue and cooperation, and build resilience to conflict. Business leaders can play a key role by advocating for effective multilateralism and implementing responsible cyber practices. However, if these trends continue unchecked, the world could face a future of increased hostility and fragility.

One potential scenario is a major cyber conflict between nation-states that disrupts critical infrastructure, and unleashes widespread economic damage. This could lead to a further breakdown of international cooperation and a hasty retreat from globalization. Increased international tensions driven by cyber warfare and fueled by social polarization could lead to a comprehensive breakdown of diplomatic relations. Nations heavily reliant on technology may then find themselves in a precarious position, as their critical infrastructure becomes a target. In this scenario, business leaders, thinking long-term, would have to navigate a landscape where geopolitical considerations more comprehensively impact their operations. Effective multilateralism is crucial for mitigating the risks of escalation, and fostering a collaborative approach to addressing the intertwined challenges of technology-driven conflicts and social polarization.

Related topics: Cybersecurity, Geopolitics, Drivers of War, Geo-economics, Global Health, Civic Participation, Sustainable Development, Agile Governance, Global Governance, Disarmament, Drivers of Peace

2.15 Geopolitical Competition and Conflict

Competition between world powers can entrench and aggravate regional conflicts.

Across multiple regions, armed conflicts are no longer driven solely by local disputes or governance failures; they are increasingly shaped, and prolonged, by competition between major powers. This global strategic rivalry transforms local conflicts into proxy arenas where outside actors project influence, test capabilities and pursue geopolitical goals. This results in more entrenched violence, diminished prospects for resolution and greater regional instability. Today's geopolitical competition involves a diverse set of actors, including the United States, China, Russia, and the European Union, as well as regional powers such as Turkey, Iran and Saudi Arabia. These players often support opposing sides in a conflict through military aid, economic assistance, diplomatic cover or information campaigns. While such support can shift local balances of power, it can also create long-term dependency, reduce incentives for compromise and harden conflict lines.

Syria's protracted civil war illustrates how geopolitical competition can entrench conflict. What began in 2011 as a domestic uprising escalated into a multi-layered war involving Russia and Iran supporting the Syrian government, while the U.S., Turkey, Gulf states and various European countries provided varying degrees of assistance to opposition forces. The presence of multiple foreign military operations, often with conflicting objectives, complicated any comprehensive peace settlement and left Syria's territorial integrity and political future uncertain. In Yemen, a civil war rooted in internal political disputes has become a theatre for regional rivalry between Saudi Arabia and Iran. Military interventions, arms supplies and political alliances have intensified and prolonged the conflict, turning Yemen into a humanitarian catastrophe. In the Taiwan Strait, a crisis sparked by an accident or miscalculation could escalate into open conflict, drawing in regional and global powers. Geopolitical competition fosters proxy warfare and encourages the use of hybrid tools such as influence operations and economic coercion to destabilize conflict zones without overt military engagement. This creates a dangerous feedback loop: local conflicts draw in external actors seeking strategic advantage, which thereby deepens local divisions and increases the stakes for all sides. Efforts at resolution can stall because peace in one theatre may require concessions in unrelated arenas of geopolitical rivalry. Breaking this cycle requires insulating conflict resolution from broader power politics, strengthening regional security architectures and incentivizing major powers to support, not obstruct, peace processes. Without these steps, local wars will remain embedded in the fabric of global competition, making them harder to end and more likely to re-erupt.

Related topics: Drones, Space, Agile Governance, Artificial Intelligence, Global Risks, Cybersecurity, Global Governance, Geopolitics, Geo-economics, Drivers of Peace

2.16 Geopolitical Shifts and Conflict Displacement

The 2024 UN Summit of the Future will offer a chance to reinvigorate global governance in a perilous era

Increased global competition is resulting in heightened geopolitical tension and conflict - and risking the erosion of multilateral cooperation. Economic, political, and military power has radically shifted in the past two decades, as it has become more evenly distributed throughout the international system. One result of this is increasing geopolitical rivalry, especially among global powers, and often played out via proxies. The Geopolitical Risk Index reflects a world that has relatively recently entered into a period of high geopolitical risk, punctuated by Russia's full-scale invasion of Ukraine and a major escalation of the Israel-Gaza conflict. But we are also seeing other hot spots around the world that increasingly demand our attention. One indicator of this is that global military expenditure rose by 3.7% in real terms in 2022 to reach a record $2.2 trillion, according to the Stockholm International Peace Research Institute, on the eve of a year that saw global peace further deteriorate.

The immediate outlook is bleak. Geopolitical change is translating into conflict, human displacement, and major humanitarian responses that are reaching unsettling new levels. The trend is clear: 2023 has witnessed another record high of an estimated 62.5 million people internally displaced by conflict and violence across 65 countries, which is the highest recorded since the Internal Displacement Monitoring Centre began its observations in 1998. An environment of intensifying competition among key states that involves a larger total number of states is undermining international cooperation through multilateral mechanisms, such as those of the United Nations. We are living in a period when the core values underpinning global governance are being challenged. The 2024 UN Summit of the Future will therefore offer an opportunity to reinvigorate global governance, and to reaffirm the rules-based system which was founded on human rights and the furthering of human development globally.

Related topics: Geopolitics, Migration, Drivers of War, Trade and Investment, Drivers of Peace, Future of Leadership, Global Governance, Geo-economics, Global Risks, Disarmament

2.17 Technological Competition

A global scramble for technological leadership is driving geostrategic competition

The transformative potential of emerging technologies underpinning the Fourth Industrial Revolution - and the economic and military power they can confer - are making technological innovation central to geopolitical competition. This is impacting the ways in which the international system works, as traditional centres of power shift and political ideologies and once-shared values fracture. In the same way that the first industrial revolution created a decades-long progress gap between Britain and even its closest rivals, and the second industrial revolution and third helped spawn a period in which the US was globally pre-eminent, the Fourth Industrial Revolution and its convergence of digital technologies will have a marked influence on geopolitical relationships. There will likely be three primary channels for this. The first is through the economic gains for countries that emerge as technology leaders, particularly as a winner-takes-all dynamic characterizes key sectors. The second is the application of new technologies to new types of weapons, and new types of conflict. And the third is the way access to critical technologies, and the supply chains that produce them, create conditions for interdependence to be weaponized.

This raises questions about how we should think about and prepare for war. Cyberattacks on critical infrastructure, drone swarms, or new methods of disrupting an adversary's domestic political system could alter the global balance of power in unexpected ways. There are already abundant examples of government-backed cyber armies carrying out attacks in pursuit of national interests. According to the McKinsey Global Institute, the scramble to secure the technological high ground has largely become a two-horse race - as the 20 largest technology companies in the world are now either American or Chinese. US efforts to restrict high-end semiconductor exports created short term challenges for China, but also forced Chinese companies to innovate under constraints and develop their own algorithms. As a result, China dramatically narrowed the AI development gap with the United States, as firms such as DeepSeek worked out how to use chips and apply algorithms more efficiently.

Related topics: Innovation, Internet of Things, Artificial Intelligence, Geo-economics, Global Governance, Drivers of War, Drivers of Peace, Nuclear Insecurity

2.18 Security Concerns Dominate

Security has become a critical bottleneck to the world's energy systems

Energy security has reemerged as a defining strategic priority and now acts as the principal brake on overall progress. Security was the only system performance dimension to deteriorate in 2026, falling 0.9% on the back of weaker reliability and supply conditions. Crucially, these declines predate the year's major shock over the Strait of Hormuz, indicating structural vulnerabilities rather than those driven by specific events. The report stresses that the concept of energy security has broadened well beyond fuel supply to encompass grids, critical minerals, infrastructure, reliability and overall system resilience. This wider framing reflects a recognition that recent affordability improvements in the index are fragile and could quickly reverse if external pressures persist, leaving security as a critical bottleneck to durable system performance.

Critical minerals sit at the heart of this expanded security agenda. Supply remains highly concentrated: across copper, lithium, nickel, cobalt, graphite and rare earth elements, the top three producers account for roughly 86% of supply, while China holds around 70% of key transition mineral refining capacity, according to the International Energy Agency. By mid-2025, more than half of energy-related minerals faced export controls, prompting over 20 countries to adopt formal mineral strategies backed by public funding, domestic policy and international partnerships. Critical minerals are not ordinary transition inputs, but strategic assets shaped by geopolitics and supply-chain resilience. As security becomes a core determinant of competitiveness, the advantage accrues disproportionately to economies already able to build resilient systems, potentially widening regional divergence. Strengthening security, affordability and resilience across fuels, grids and supply chains is the first of three priorities for the next phase of the transition.

Related topics: Drivers of War, Geo-economics, Logistics, Geopolitics, Emerging-Market Multinationals, Global Governance, Modern Mining, Future of Manufacturing

2.19 Populism and Nationalism

Domestic politics can both fuel and feed off unresolved global issues

In many countries, the politics of national identity are creating potentially destabilizing feedback loops. Many politicians have secured power (or are seeking it) by promising to redress imbalances they attribute to globalization, and to prioritize local demands - particularly in relation to jobs and migration. In a growing number of places, populist platforms have been blended with the identity politics, aggravating grievances and exacerbating fears. Examples can be found in recent years in a number of states, including the world's biggest economies. These efforts have been intensified by social media, which has become an important driver of political mobilization, and COVID-19 enabled some leaders to further scapegoat foreigners or claim new emergency powers. Domestic identity politics is both cause and effect when it comes to tumultuous geopolitics; a growing number of political leaders who owe their domestic positions to nationalist or protectionist stances are now shaping interaction among states. This has eroded global institutions and alliances. For example, populist leaders undercut the response to COVID-19 both in their own countries and globally, and the rise of vaccine nationalism undermined the cooperation needed to effectively control the pandemic.

There is increasing evidence that intensifying geopolitical competition has made domestic politics more divisive. This is partly because competition encourages leaders to double down on nationalist narratives - and shift blame for domestic problems to "outsiders." It also reflects the fact that there can be geopolitical incentives to exploit political, social, and ethno-religious divisions in other countries. Foreign intervention of this kind can take many forms, such as active support for a preferred political candidate, or efforts to destabilize entire political systems in rival states. Increasingly prevalent technologies and tools including social media platforms and big data analysis are an important part of this story - particularly with respect to cyberattacks and the spread of disinformation. For example, experts tracked a rise in disinformation dispersed via social media as COVID-19 spread, including from state-backed sources that have sought to cast doubt on other countries' vaccines and sow division. The ability to affect the domestic politics of other, fragile states is especially problematic, as it tends to sustain and harden existing divisions. This can provoke political or even violent conflict, diminish the odds for reconciliation, and sometimes reverse a country's transition to democracy.

Related topics: Drivers of War, Corruption, Civic Participation, Drivers of Peace, Global Governance, Agile Governance, Cybersecurity

2.20 Return of Interstate Conflict

The resurgence of interstate wars reflects a world where strategic rivalry outweighs diplomatic engagement.

Interstate wars are once again reshaping the global security environment, re-emerging as some of the most destructive, politically entrenched and globally destabilizing forms of conflict. Unlike intrastate conflicts, which may be rooted in local grievances and potentially mitigated through political reform or negotiated settlements, wars between states are driven by hardened national interests, territorial disputes and deep security dilemmas that leave little room for compromise. They often involve advanced military capabilities, including precision-strike systems, ballistic missiles and in some cases nuclear arsenals, greatly increasing the potential human, economic and environmental cost of escalation. The post–Cold War era saw a significant decline in large-scale interstate wars, with most violent conflicts occurring within states. Yet in recent years, this trend has reversed. The most visible case is the Russia–Ukraine war, a full-scale invasion by a nuclear-armed state against a neighbour. This war has caused tens of thousands of casualties, displaced millions and disrupted global food and energy markets. It has drawn in external powers through military aid, sanctions and diplomatic alignments, turning it into a centrepiece of broader strategic rivalry between Russia and the West. This illustrates a defining feature of modern interstate war: its ability to reshape global economic and political systems far beyond the battlefield.

In the Middle East, attacks by Israel and the United States on Iran in early 2026 have opened another volatile interstate front. The conflict rapidly expanded to involve neighbouring countries in the Gulf and beyond, such as Lebanon and Turkey, and destabilized global oil and gas markets due to restrictions on maritime traffic in the Strait of Hormuz and attacks on facilities themselves. Such conflicts influence security dynamics across the region and globally, drawing in allies and non-state actors, and making prospects for regional stability more elusive. In South Asia, the India–Pakistan rivalry over Kashmir remains a persistent flashpoint. Historical grievances, national identity and military posturing keep tensions high, with heavily militarized borders, regular

cross-border exchanges of fire, and the constant risk of escalation. The possession of nuclear weapons by both countries means that even localized incidents can carry catastrophic implications. Even in regions with strong economic ties, unresolved territorial disputes can reignite. The Cambodia–Thailand conflict over the Preah Vihear temple and adjacent land has periodically escalated into armed clashes, including in 2025, showing how nationalist sentiment can override diplomatic and economic incentives for peace. As trust in multilateral institutions erodes and nationalist politics strengthen, traditional peacebuilding tools such as mediation and sanctions face diminishing returns. Addressing these conflicts requires revitalizing international norms, investing in preventive diplomacy and developing innovative de-escalation mechanisms that account for the technological and geopolitical complexities of modern state-to-state rivalry.

Related topics: Global Risks, Global Governance, Geopolitics, Human Rights, Nuclear Insecurity, Financial and Monetary Systems, Geo-economics, Trade and Investment

2.21 Global Cooperation on Carbon

Global cooperation will be key to avoiding unnecessary setbacks for a vital new industry.

The growing carbon dioxide capture, utilization and storage (CCUS) industry will benefit greatly from international collaboration, and a lack of coordination could result in unnecessary setbacks. Working together is crucially important when it comes to accounting for CO2 emissions reduction, avoidance and removal efforts. Much can be learned from experiences with the European Emissions Trading System (EU ETS), which aims to reduce emissions by pricing greenhouse gas pollution, and from the international implications of the Carbon Border Adjustment Mechanism included in the European Union's "Fit for 55" package. Efforts like these can both trigger the substantial transformation of industries, as well as disrupt global supply chains due to their associated impacts on regional (and even global) economies. It is important to note that the availability of necessary resources for carbon dioxide capture, storage and utilization is not distributed according to the need for carbon management; that is, at storage sites, as part of the build-up of capability to utilize raw materials for industrial purposes, as part of energy availability considerations, or as part of space considerations.

Related questions have emerged in terms of how best to set up, manage and review the essential contributions that CCUS is making to the achievement and maintenance of net-zero carbon economies around the world. Carbon accounting will become a central issue that calls for a globally coordinated process capable of accurately assessing and certifying CCUS activity. Related examples include the use of the next-generation Greenhouse Gas Protocol for the accounting of greenhouse gases, nationally declared contributions towards each country's reduction of emissions, and their planned adaptations to the impacts of climate change. It is also necessary to consider the specific role CCUS can play in delivering on the outcomes of global climate talks like the COP meetings, in particular in terms of intentions to develop a support system for the developing nations that are most affected by climate change. The development of zero-carbon energy and clean hydrogen, and of CO2 capture, utilization and storage may well become opportunities to help build more resilient economies in the face of potentially catastrophic climate change.

Related topics: Geopolitics, Development Finance, Climate Crisis, Global Governance, Agile Governance, Economic Growth, Trade and Investment, Drivers of War, Geo-economics

2.22 Economic Shifts

There has been a resurgence in the use of economic and financial sanctions

The tightened integration of the global economy has rebalanced power and created complex new financial interconnections. In the two decades leading up to 2017, the share of global economic output accounted for by developing countries jumped to 59.3% from 42.8%; much of that increase is attributable to China, which progressed from contributing 6.6% of total global output on its own to 18.7% over the two-decade period (China's dramatic integration into the global economy has been one of the most significant international developments since World War II). Increasingly, governments reach for economic and financial policy levers to advance national ambitions (or hinder others'), in both the economic and political realms. The dividing line between economics and national security has therefore blurred, sometimes as a matter of policy–as illustrated by the "America First Investment Policy" issued by the Trump Administration in February 2025, which states that "economic security is national security." Meanwhile the increasingly domestic lens through which states assess their international economic policies and priorities has weakened support for the global

economic governance framework that has been in place more than half a century.

Economic ties are now seen as a tool for advancing geopolitical goals through "weaponized interdependence." COVID-19 further underlined the fragility of supply chains, and global economic governance itself has long shown signs of systemic fragility; the US's blocking of appointments to the World Trade Organization's Appellate Body is one such sign (the body was crippled in late 2019 when it fell below the minimum number of members required to hear appeals). Some countries take relatively mercantilist approaches to trade, and see bilateral relations as a geopolitical zero-sum game - the tariffs levied by the US and China on one another during 2018 and 2019 provide an example. Trade is not the only means used to advance national ambitions; there has been a resurgence in the use of economic and financial sanctions (most prominently targeting Russia after its invasion of Ukraine), and foreign direct investment has also been affected. China's massive Belt and Road infrastructure-building initiative is a controversial example of outward investment with geopolitical ramifications, while on the flipside a growing number of countries are creating barriers to inward investment perceived as threatening.

Related topics: Drivers of War, Global Governance, Trade and Investment, Financial and Monetary Systems, Geo-economics, Logistics, Global Risks

2.23 Nuclear Non-Proliferation

Longstanding global non-proliferation efforts face an existential crisis.

The global non-proliferation regime has been severely weakened in recent years. The failure of the last three Nuclear Non-Proliferation Treaty (NPT) Review Conferences to adopt final documents highlights the inability of the treaty's 191 members to reach consensus. Even the minimalist outcome document produced at the 2022 Review Conference was ultimately blocked by Russia over language referencing its occupation of the Zaporizhzhia nuclear power plant in Ukraine. In 2026, NPT member states again failed to reach agreement even on the slender 8-page draft outcome document. Disputes among states, notably between Iran and the United States, and disagreement over broader characterizations of non-proliferation and the role of nuclear weapons, meant that negotiators were unable to reach consensus. Following this setback, Conference President Do Hung Viet of Vietnam warned that "a third failure to reach a consensus outcome is disastrous for this (NPT) regime." Similarly, the absence of Israel and the United States from the 2025 session of the Conference on the Establishment of a Middle East Zone Free of Nuclear Weapons and Other Weapons of Mass Destruction – despite participation by most Arab League states and Iran – rendered that meeting largely ineffective.

This erosion of non-proliferation norms in diplomatic forums has been mirrored by developments on the ground. These include an agreement for the United States to assist South Korea in building nuclear-powered submarines, a security pact between Saudi Arabia and a non-NPT nuclear-armed Pakistan, and a US–Saudi civil nuclear deal that may provide Riyadh with pathways toward nuclear weapons capability. While not necessarily violating the letter of the NPT, such arrangements run counter to its spirit. More alarmingly, Israeli and US attacks on Iranian nuclear facilities under International Atomic Energy Agency safeguards have raised serious concerns among experts and violate the long-standing principle of non-attack on nuclear installations. Following these strikes, the IAEA has been unable to verify the status of more than 400 kilograms of highly enriched uranium – enough for at least a dozen crude nuclear weapons – which Iran claimed to be buried under rubble. Meanwhile, there has been no progress in negotiations with North Korea, due both to the collapse of the 2018–19 Trump–Kim summits and Pyongyang's determination to retain its nuclear arsenal. The latter was reinforced by Ukraine's experience after relinquishing its weapons under the 1994 Budapest Memorandum, whose guarantees were violated by the Russian invasion in 2022 and subsequent nuclear threats by Moscow.

Related topics: Energy Production, Human Rights, Global Governance, Geopolitics, Drivers of Peace, Drivers of War, Global Risks, Illicit Economy

2.24 AI and Cybersecurity

AI is reshaping risk, accelerating both offence and defence

Artificial intelligence is set to be the single biggest force reshaping cybersecurity in the years to come, with 94% of organizations surveyed in the Forum's Global Cybersecurity Outlook 2026 identifying it as the most significant driver of change. The rapid integration of AI systems is expanding the digital attack surface,

introducing new weaknesses that existing security tools were never designed to manage. Defenders are also increasingly using AI to strengthen protection – from spotting phishing attempts and unusual network behaviour to speeding up incident response and automating time-consuming analysis. At the same time, attackers are also adopting AI, using it to scale their operations, generate more convincing scams and target victims with greater precision. This dual-use dynamic means AI is both a powerful defensive tool and a force multiplier for cybercrime. As a result, organizations are moving away from purely reactive security models and towards more proactive approaches, while reassessing how governance, oversight and accountability should evolve alongside AI adoption.

This shift is being driven by growing concern over AI-related risks. In the Global Cybersecurity Outlook 2026 survey, 87% of respondents identified AI vulnerabilities as the fastest-growing cyber risk, with data leaks linked to generative AI now ranking as the top concern for the year ahead (34%), ahead of the advancement of adversarial capabilities (29%). Awareness is beginning to translate into action: the share of organizations that assess the security of their AI tools has nearly doubled in one year, rising from 37% in 2025 to 64% in 2026. More organizations are also moving beyond one-off checks, with 40% conducting periodic reviews before deploying AI systems. Still, gaps remain. Around one-third of organizations report having no process at all to validate AI security, even as adoption accelerates. Poorly governed AI can introduce new risks – from misconfigurations and biased decisions to over-reliance on automation or exposure to manipulation – particularly as AI agents proliferate and take on more autonomous roles. The message is clear: AI can significantly strengthen cybersecurity, but only if it is deployed with strong guardrails, security-by-design practices and continuous monitoring that keep human judgement firmly in the loop. Striking the right balance between innovation and control will be critical to ensuring AI enhances, rather than undermines, digital resilience.

Related topics: The Digital Economy, Agile Governance, Illicit Economy, Global Risks, Corporate Governance, Artificial Intelligence

2.25 Enterprise and Emerging Risks

Effective risk management is central to both legacy and emerging corporate governance models

Historically, risk identification and mitigation at companies has tended to focus on addressing direct threats to a company's market value. These include preventable, internal issues (such as those related to the health and safety of employees, or to their potential involvement in bribery or fraud), where the goal is typically to get as close as possible to eliminating them entirely. However, companies must also consider strategic, external risks - such as shifting competitive and social dynamics, which can both pose threats and create new opportunities. Companies tend to struggle with managing contemporary, complex, emerging risks. This is due not least to the fact that current dynamics like climate disruption, geopolitical fragmentation, social unrest, rising inequality, polarization, and political dysfunction can accelerate and reinforce one other (some have defined this as an era of "polycrisis"). Building resilience requires greater rigour when it comes to risk identification, monitoring, and remediation. Many companies now recognize that the societal and environmental impact of a business are at the root of that business's risk - and that the ways in which these risks emerge is unpredictable, non-linear, and intertwined.

The need to mitigate risk presents organizations with a range of cross-functional and inter-temporal challenges. Risks often first manifest within particular teams or regions that do not have any internal responsibility for managing the risk in question, and this has several implications. The first is that businesses need to exercise a more practical curiosity about the impacts that they are having on particular stakeholders and on the wider public, and they need to make good-faith efforts to reduce negative externalities while increasing positive ones. The second is that risk identification and mitigation efforts need to encompass and align with organizational efforts to identify material environmental, social, and governance (ESG) issues through a "double materiality" lens of ESG and financial matters - while clearly differentiating the risks and opportunities each present. The identification of material ESG issues should then become a constant, dynamic exercise of considering the inside-out and outside-in risk and opportunity dimensions of corporate performance. The third is that a clearer understanding of risks can inform strategic capital allocation, and the establishment of ethical guardrails and principles.

Related topics: Civic Participation, Cybersecurity, Corruption, Climate Crisis, Financial and Monetary Systems, Development Finance, Illicit Economy, Global Risks, Small and Medium-Sized Enterprises, Justice and Law, Drivers of War

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About Strategic Intelligence

Our approach

In today's world, it can be difficult to keep up with the latest trends or to make sense of the countless transformations taking place. How can you decipher the potential impact of rapidly unfolding changes when you're flooded with information - some of it misleading or unreliable? How do you continuously adapt your vision and strategy within a fast-evolving global context? We need new tools to help us make better strategic decisions in an increasingly complex and uncertain environment.

This live briefing on Boards Tackling Geopolitical Challenges, harnesses the World Economic Forum's Strategic Intelligence platform to bring you the very latest knowledge, data and context from our 300+ high quality knowledge sources. Its aim is to help you understand the global forces at play in relation to Boards Tackling Geopolitical Challenges and make more informed decisions in the future.

Each day, our Strategic Intelligence platform aggregates, distills and synthesizes thousands of articles from around the world. We blend the best of human curation with the power of machine learning to surface high-quality content on over two hundred global issues to our one million users globally. Our hand-picked network of content partners from around the world means that we automatically exclude much of the noisy clickbait, fake news, and poor quality content that plague the Internet at large. We work with hundreds of think tanks, universities, research institutions and independent publishers in all major regions of the world to provide a truly global perspective and we are confident that our data are well positioned when it comes to the intrinsic biases inherent to open text analysis on uncurated content from the Internet. For further context on our approach, you may be interested to read Strategic trend forecasting: anticipating the future with artificial intelligence and These Are The 3 Ways Knowledge Can Provide Strategic Advantage.

Overview of methodology

Our Transformation Maps are dynamic knowledge visualisations. They help users to explore and make sense of the complex and interlinked forces that are transforming economies, industries and global issues. The maps present insights written by experts along with machine-curated content. Together, this allows users to visualise and understand more than 250 topics and the connections and inter-dependencies between them, helping in turn to support more informed decision-making by leaders.

The maps harness the Forum network's collective intelligence as well as the knowledge and insights generated through our activities, communities and events. And because the Transformation Maps are interlinked, they provide a single place for users to understand each topic from multiple perspectives. Each of the maps has a feed with the latest research and analysis drawn from leading research institutions and media outlets around the world.

At the centre of each map is the topic itself. This is surrounded by its "key issues", the forces which are driving transformation in relation to the topic. Surrounding the key issues are the related topics which are also affected by them. By surfacing these connections, the map facilitates exploration of the topic and the landscape within which it sits.

The framework extends beyond mapping current trends by incorporating forecasts and scenarios to project potential future states of the system. Forecasts are based on observable patterns, while scenarios explore broader possibilities, including low-probability but high-impact events. These elements contextualize key issues and related topics within potential future trajectories, enhancing strategic thinking and decision-making.

Harnessing collective intelligence from the Forum network and leading research institutions, the maps synthesize diverse insights into a cohesive view. By integrating these insights with the latest research and analysis, the framework provides a comprehensive understanding of how transformations unfold and interrelate, empowering users to navigate the evolving landscape effectively.

Scenarios

In-line with best practice on the use of artificial intelligence in products and systems, in this section we provide full transparency on how artificial intelligence is used in our scenario generation automation.

In complex and fast-moving environments, it is difficult to maintain a clear view of what may change next, and which uncertainties deserve attention. Scenario planning helps by offering a structured way to explore alternative futures, test assumptions and clarify decisions under uncertainty.

We generate scenario packs using artificial intelligence within a defined methodology and on which we have been guided by our Global Strategic Foresight Community. The process follows the same broad logic used in scenario workshops: move from issue framing, to key uncertainties, to a 2×2 matrix, and then to four distinct scenario narratives. In an automated setting, each step includes validation to avoid weak axes and indistinct scenarios.

Each scenario pack included in our briefings includes a 2×2 scenario matrix defined by two critical uncertainties (axes), four scenario narratives and a *throughline* that connects each scenario back to the matrix.

Our process is as follows:

1. Topic framing and inputs. First, we ground our scenario design in our high-quality, expert curated content. Our topic summaries, key issues and related knowledge are used to anchor scenarios in the topic space.

2. Abstraction of underlying forces. Topic issues are often technical and uneven in granularity. Our AI agents abstract them into a small set of cross-cutting forces and tensions that can support scenario work across domains. This creates a conceptual frame that is usable for uncertainty and axis generation.

3. Identification of drivers and uncertainties. From that conceptual frame, an AI agent identifies drivers that could shape outcomes and that carry genuine uncertainty. Drivers are defined with directional poles so that they can support different regime logics rather than incremental variation.

4. Axis generation and validation. An AI agent then proposes multiple candidate axes of uncertainty and

another agent then evaluates them against criteria commonly used in facilitated scenario work: strength of the tension between poles, relevance to the topic and its drivers, and decision utility, meaning whether different positions would change strategic choices. Candidate axes are then combined into matrix pairs and tested for distinctiveness. This step is designed to avoid quadrant ”collapse”, where scenarios converge in practice despite different labels. Candidate pairs that do not yield clearly differentiated quadrants are rejected and alternatives are tried.

5. Quadrant blueprints using STEEPLE. Once an axis pair is selected, our AI develops a structured blueprint for each quadrant. Blueprints define the internal logic of that world and describe how the system behaves across STEEPLE domains (Social, Technological, Economic, Environmental, Political, Legal and Ethical), with attention focused on the domains that are most consequential for that quadrant. This stage is designed to establish coherence and contrast before narrative writing begins.

6. Grounding and counter-grounds. Our AI then builds an evidence set from the Strategic Intelligence knowledge base, drawing on our curated network of trusted content partners. Evidence is used to strengthen and challenge the emerging interpretation of each quadrant. In practice, our AI compiles supporting evidence for key mechanisms implied by the blueprint, as well as counter-evidence and constraints that suggest limits, failure modes or alternative dynamics. This step functions as a stress test. It identifies claims that are too thin, overly linear, or inconsistent with available knowledge, and it provides material used to refine the narrative direction before writing begins.

7. Narrative development within a constrained world. Once a narrative direction has been selected for a quadrant, our AI produces the scenario narrative within a constrained ”world”, mirroring workshop practice where participants explore a defined quadrant logic and then build out a coherent future state. At this stage, our models are instructed to remain consistent with the quadrant blueprint, incorporate supporting evidence where it adds credibility and specificity, reflect counter-evidence as tensions, constraints, trade-offs or contested dynamics, and describe a plausible future state rather than a transition story, prediction or recommendation. The result is a scenario that remains anchored to a defined structure while allowing creative exploration of how that structure could plausibly play out. Our AI also generates a short throughline for each scenario explaining how it expresses its position on the axes, as well as a matrix summary describing the uncertainty space and what differentiates the four futures.

8. Quality checks and transparency. Finally, an AI agent performs quality checks intended to prevent common failure modes in automated scenario generation: axes that lack meaningful tension or strategic relevance, quadrant ”collapse” where scenarios become minor variations of the same future, internally inconsistent causal logic across STEEPLE domains, and narratives that drift away from the quadrant blueprint. Intermediate artefacts (candidate axes, evaluations, quadrant blueprints, and grounding materials) are retained so results can be reviewed, compared over time, and improved.

We welcome feedback on our approach as we continue to refine and evolve our use of artificial intelligence in strategic foresight.

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