



TOP 10 GEOPOLITICAL RISKS FOR 2025

Corporations are no longer solely economic entities. They are now prominent geopolitical actors influencing and are being influenced by global political dynamics. This shift necessitates a fundamental change in how corporations perceive themselves and engage with the world.

Great Power Politics

1

The resurgence of great power competition, particularly between the US and China, dominates the geopolitical landscape. This rivalry manifests in trade wars, proxy conflicts, and shifting alliances, directly impacting MNC operations.

U.S. - China Decoupling

Efforts to reduce US-China economic interdependence, especially in technology, trade, and investment, are accelerating. This decoupling forces MNCs to navigate fragmented markets, regulations, and supply chains.

2

Balkanization of Technology

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The fragmentation of global technological systems and the internet into incompatible regions or standards due to geopolitical tensions, data privacy regulations, and national security concerns poses significant challenges.

Instability in the Global South

Rising authoritarianism, coups, and conflicts in the Global South, exacerbated by democratic backsliding and economic challenges, pose significant risks to MNC operations

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Anti-Liberal Backlash in Africa and the Middle East

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The growing resistance to secular liberal values, particularly surrounding LGBTQ+ rights, in Africa and the Middle East, creates a complex operating environment for MNCs.

The return of great power politics, such as U.S.-China decoupling, is creating trade barriers, technology balkanization, and currency risks, forcing corporations to reassess supply chains and navigate fragmented markets. Political and social instability ranging from coups in the global south to the rise in nationalism and polarization in domestic markets, threatens operational continuity, increases security concerns, and creates reputational risks for corporations who must manage the clash between their values and those of increasingly polarized consumer bases and governments.

Changing Monetary Policy

Divergent economic conditions globally lead to fluctuating monetary policies and currency markets, creating uncertainty for corporations.

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Rise of Nationalism

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The global resurgence of nationalism, fueled by economic anxieties and cultural anxieties, poses challenges for MNCs operating in increasingly protectionist environments.

The Polarization of Domestic Markets

Increasing political polarization within countries, particularly in the US, creates a challenging environment for MNCs, forcing them to navigate consumer expectations and political sensitivities.

8

Assassinations

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Politically motivated assassinations, driven by geopolitical tensions and advanced technologies, directly threaten corporate leaders, especially in volatile regions or politically sensitive sectors.

AI-Enabled Cyberattacks

The increasing sophistication and automation of cyberattacks using AI and machine learning, coupled with an expanding attack surface, present significant risks to MNCs.

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To thrive in today's complex environment, corporations must become adept geopolitical actors, capable of anticipating and mitigating a wide array of interconnected risks. This requires a proactive and strategic approach to geopolitical risk management, which includes closely monitoring global events, understanding the interconnectedness of risks, and embedding these considerations into strategic planning.