

Rud Pedersen
Public Affairs

The State of the World

Geopolitical Risk Outlook 2025



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The State of the World

Geopolitical Risk Outlook 2025

Following “the year of elections” in which more voters ever in history went to the polls in over 60 countries, 2024 ended up as the “bonfire of the incumbents.” A full slate of complex geopolitical, environmental and economic factors flows from the global upheaval largely explained by economic discontent. With hindsight, it seems that many changes were long underway. But accelerants, such as the second Trump administration, will likely force more interaction between the risks and lead to higher volatility and less predictable outcomes in most regions. With the conflicts in Ukraine, Africa and the Middle East likely to continue this year, and US-China trade relations worsening, companies will have to cope with heightened geopolitical tensions, as well as the increasing impact of climate change.

The international rules-based order has been fragmenting for many years. Hand wringing at Davos aside, the business community in developed countries has generally chosen to hope that business-as-usual would return in due course, perhaps encouraged by

the observation that working and travel patterns are normalising for many. But overall, these hopes for business-as-usual have been continually dashed since the end of the Cold War and in the aftermath of the COVID-19 pandemic. There is no clear consensus or organising principle on how to replace the global institutions or rules that are being bulldozed by rising nationalist and populist sentiment

Within this fracturing geopolitical landscape, the most important variables at play are (i) the first months of a second Trump presidency in the US, with a deeply transactional and protectionist “America first” foreign policy, aggressive towards enemies and allies alike, which could deal a potentially irreparable blow to the already damaged rules-based multilateral trading system; (ii) the relative influence and leadership of the United States and China, and the bilateral relationship between these countries. The risks of escalation in the Taiwan Strait and South China Sea, and now the left-field possibility of US action in Panama, are the most likely to impact global markets

in the next few years, given their ties to asset prices and the key semiconductor industry in the case of the former, and supply chains in the latter; (iii) as the US questions its 'nuclear umbrella' protection for client states, expansionist countries may test the limits of established borders, and the threat of nuclear proliferation by anxious mid-sized states will grow. The risk of nuclear escalation by Russia and North Korea is undiminished.

On the **economic** side, the cost-of-living crisis endures, due to slow growth and high but falling inflation. This will continue to exert a powerful economic and political drag in 2025. The gradual reduction of central bank interest rates amid improving inflation indicators will weigh on bank profit margins leading to lower dividend payouts, but the Basel III endgame will likely be eased or delayed further. The EU has been vocal about its commitment to not delay the implementation more, but this position might be forced to change depending on the

Trump administration's approach to the framework. The overall de-dollarisation of global trade and financial transactions is increasingly polarising the world's economy. International firms will need to navigate a rapidly diverging policy landscape, with the US deregulating in key areas and clashing with the extraterritorial ambitions of EU legislation.

Ongoing conflicts, particularly in Ukraine and the Middle East, will continue to cast a shadow over **global energy policies**. Fossil-fuel markets will continue to face geopolitical risks as the US opts for "drill baby drill" and penalises renewables, but investment into renewables will remain strong, particularly in China. The wars in Gaza and Lebanon may de-escalate in 2025, leading to a softening in oil prices, while a ceasefire between Ukraine and Russia seems possible this year, which could lead to lower gas prices. However, some forecasters warn that a re-ignition of a wider conflict could drive oil prices much higher, while also leading to steep rises in shipping and insurance costs for global trade.

On the **environmental** side, climate patterns, El Nino, will bring extreme weather events that cause food insecurity, increase water stress, disrupt logistics, spread disease, and fuel migration and political instability. We can already observe a gridlock in climate policy, as developed economies fail to increase public investment or take action to achieve net-zero emission targets.

One of the key risks in the **technological** sector is the increase in misinformation and disinformation linked to the lack of governance frameworks around the use of artificial intelligence (AI). This, coupled with growing investments in technology—especially AI—will lead to more regulatory pressure in the EU for technology companies, as well as strengthened

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scrutiny over data usage and overall investor impatience for information and results. This could open a big strategic divide with the US which may seek to deregulate in these areas. We expect more countries to use satellite internet, limiting it to military and maritime purposes for now. On the regulatory side, we foresee the technology and automotive sectors splintering as regulation diverges too. Technology decoupling between the U.S. and China will significantly accelerate in scale and scope, which will lead to more uncertainty on global markets. Cyber-attacks which cause sustained disruption to critical physical and digital infrastructure, will likely

increase. Mounting geopolitical competition will likely encourage non-state and state-backed cyber-attacks to increase in scope, scale, and sophistication.

Additionally, the intensifying societal polarisation is contributing to the rise of extreme nationalists and the breakdown of political consensus. All these geopolitical, economic, environmental and technology risks will have profound impacts for companies' business models across multiple sectors.

Alan Houmann was from 2007–2023 Managing Director and Head of Government Affairs for Europe, Middle East and Africa at Citi, in London, with a focus on regulatory and legislative policy, tax, sanctions, and political analysis.

Previously he was an adviser in the International Strategy and Policy Department at the UK's Financial Services Authority, and at the Committee of European Banking Supervisors, in London. He started his career at HM Treasury, within the Government Economic Service.

He has also held roles in Brussels with the European Commission and with the Economic and Financial Committee, and as adviser at the European Banking Federation.

He is a Council (Board) member at Chatham House (Royal Institute of International Affairs), EDI lead, and member of various committees. He was awarded the Freedom of the City of London in 2022.



Alan Houmann
Senior Adviser



📍 Western Europe

Technological

- Growing risks of amplified **disinformation and election interference from ungoverned AI**.
- Continued risk of **network infrastructure insecurity** affecting both cyber and physical networks including deep sea cable sabotage
- **Cybersecurity** is an increasing risk in Europe that is linked to the wider business risk to the region and topping the list of the energy sector's concerns. A 31% surge in cyberattacks on critical infrastructure, including energy grids, underscores heightened vulnerabilities amid rising geopolitical tensions.
- **Supply Chain Vulnerabilities.** Europe's heavy reliance on foreign tech components like semiconductors and rare earth materials leaves it exposed to geopolitical disruptions and trade disputes.
- **Regulatory Fragmentation.** Differing tech regulations across EU nations hinder regional integration, increase compliance costs, and stifle innovation.
- **Data Sovereignty Conflicts.** Disputes over data localization and privacy laws with global powers complicate cross-border data flows and impact multinational tech operations.
- **Geopolitical Rivalries in Tech.** The US-China rivalry affects Europe's access to advanced technologies like AI and quantum computing, while export controls and sanctions tighten.
- **Intellectual Property Theft.** Rising cyber espionage targeting European firms, especially in green tech and biotech, undermines innovation and competitive advantage.
- **Economic Statecraft Challenges.** The EU's push for "technological sovereignty" via protectionist policies risks deterring foreign investments and slowing innovation.
- **Talent Shortage/Brain Drain.** Political uncertainties and restricted immigration policies exacerbate tech talent gaps, driving skilled workers to more competitive ecosystems like the U.S.

Economic

- **Slower economic growth and higher financing costs will make it more challenging to rebuild fiscal buffers needed to respond to future crises,** while also constraining resources available for critical investments in strategic priorities such as the green transition, defence, and diversification of critical supply chains. Even more so given the fiscal situation of some EU Member States which have to present strategies to cut spending and increase state revenues.
- **Inflation in Europe will likely remain above target for much of the year,** not least given the underlying wage pressures in a tight labour market and persistent drivers of inflation.
- The **sluggish recovery will continue to feed discontent and limit room for public investment.**
- The **serious political animosity between the US and the EU will have important economic repercussions, especially in the digital services' field.** This could go as far as services' interruption from big tech companies, who'll likely try to overturn EU fines (Meta and Apple particularly).
- **US tariffs on all steel and aluminium imports will greatly impact the EU-US trade relations,** even more so with the upcoming reciprocal tariffs on all imports announced by Donald Trump. The EU, while likely to take a cautionary approach first, could resort to retaliatory measures that would further endanger the current international trade system.

Environmental

- **Increase in extreme weather and natural disasters**, leading to terrible environmental consequences, losses of life and economic impacts.
- **Failure – in a tighter economic situation – to plan for dealing with the impacts of Climate Change** generates long-term risks to Critical National Infrastructure (e.g. transport and energy).
- **Pressures across society** (e.g. on housing) will entail tough choices for policymakers (e.g. houses versus habitats: regulatory simplification vs environmental standards).

Geopolitical

- Results of the US election increase **doubts about the reliability of Europe's most important ally and traditional security guarantor** while the most severe security crisis in post-war Europe persists—and potentially shifts in Russia's favour.
- **Centre-left UK alone among an increasingly right-wing EU and US.**
- **Right-wing and Euro-sceptic parties surge in polls for the European Parliament** amid growing pushback against green agenda fuelled by farmer protests, the rise in cost of living and concerns over immigration.
- **European fragmentation.** Subdued economic growth and persistent inflationary pressures amid fragile energy security lead to a populist resurgence.
- A more polarised, dysfunctional, and inward-looking **US will be a less reliable partner** undermining EU hopes of jointly advancing several bilateral and multilateral issues, from the war in Ukraine to trade, climate, AI governance, and China de-risking.
- Little strategic thinking has been devoted to the possibility of a second Trump term, with the notable exception of trade policy, where **new barriers between the world's top two economies** are expected. The EU is now struggling to develop a common strong position towards the US.
- **Trump's assault on the rules-based multilateral system**, that underpins the EU's economic prowess and global clout, as well as his demands for higher military spending as a condition to US support to NATO countries, would call into question the US commitment to NATO and signal the end of American support for Ukraine—leaving Europe unable to fully fill the gap.
- **In the case of a separated Ukraine, there could be heightened security risks** in Europe, particularly for the Baltics, Poland, and in the Black Sea.

Societal

- Ongoing **conflict in the Middle East could foster violent extremism in Europe.**
- **Forced rise in security spending crowds out social programmes.**
- Immigration, with increasingly closed external EU borders.
- Debt crisis. EU Member States are reviewing their spending rules despite fiscal pressures.



📍 **Russia and Eastern Europe**

Technological

- **Weaponization of technology** as war in Ukraine continues to foster regional and international instability while also serving as the world's top defence technology lab refining the use of cyberattacks, disinformation campaign and destabilization tactics in the region and beyond.
- **Cybersecurity Threats** derived advanced nature of Russian cyber capabilities, combined with the potential for software to be used as a tool for state interests, creates a complex and risky landscape.
- **Export controls on advanced technologies** are a key part of the EU and US sanctions on Russia and risk further dividing the world into two digital technology blocs.

Economic

- Risk of war becoming more inevitable due to **Russian shift towards a war economy**.
- **Russia-NATO conflict:** While there is a growing possibility of ceasefire this year between Ukraine and Russia--following Trump's announcements--there is a risk of conflict escalation in European countries bordering Russia.

Environmental

- **Under war circumstances, neglect and degradation of significant forest areas** (over 20% of global forests) lead to degradation, accelerating climate warming and loss of biodiversity.
- **Increase in extreme weather and natural disasters**, leading to terrible environmental consequences, losses of life and economic impacts.

Geopolitical

- Deeper alignment and **mutual support between Russia, Iran, and North Korea** will pose a growing threat to global stability.
- **Trump's second presidency adds uncertainty over Ukraine's situation**, given his repeated pledges to "finish the war in 24 hours" or "cut aid".
- Ukraine stands to lose significant international interest and support, including from the US, leading to **Ukraine ceding territory**.
- Rising **risk of conflict in Georgia and Moldova**.
- **Ongoing political issue between Serbia and Kosovo** over diverging nationalist ideas and amidst high risk of Russian interference (especially in Serbia, which has strong ties with Russia).
- If a ceasefire between Russia and Ukraine is agreed, this will immensely increase the influence of Russia in Eastern Europe, as Russia will seem like the winner of the war. Russia already has a lot of sympathisers in some Eastern European countries (Bulgaria, Slovakia, Hungary, Greece...), which would be emboldened to seek a return to business as usual (pre-2022) with the Federation.



PACIFIC OCEAN

Beaufort Sea

U.S.

Dawson

Anchorage

Repulse Bay

Hudson Bay

CANADA

Edmonton

Winnipeg

Vancouver

Seattle

Portland

Minneapolis

Detroit

Chicago

Denver

UNITED STATES

San Francisco

Los Angeles

Dallas

MEXICO

Mexico City

Gulf of Mexico

Havana

GUATEMALA

Guatemala

BELIZE

HONDURAS

NICARAGUA

Managua

San

📍 US and Canada

Technological



- ● ○ **Rising Cyberattacks:** Greater frequency and sophistication of ransomware, phishing, and state-sponsored attacks targeting technology firms.
- ● ○ **Critical Infrastructure Vulnerabilities:** Dependence on tech infrastructure, cloud services, IoT exposes key sectors to growing risks from cyber disruption
- ● ○ **Escalating tariffs and other trade-related protectionism** globally can drive decoupling between the United States and **China**, and their respective allies with chip production bottlenecks as the US and Canada given the region's **limited semiconductor manufacturing capacity**; U.S. CHIPS and Science Act aim to boost domestic semiconductor production but effects will take years to materialise.

Economic



- ● ○ **Continued de-risking of US economy vis-à-vis China leading to increased polarisation of world economy.** A second Trump administration suggests higher trade barriers not only with China but with several other US trading partners. International efforts to tackle climate change are also expected to be toppled.
- ● ○ The US might sever its ties with the International Monetary Fund (IMF) and the World Bank. During the first Trump presidency, relations between the IMF and the US government were tense, and it is likely to worsen. The current World Bank's Managing Director was appointed by Joe Biden and is also likely to face pressure from Trump.
- ● ○ The dollar hegemony and privilege could be endangered by pressure on the Federal Reserve from the Trump administration. Recent attacks from government members could erode the Fed's credibility, which would erode the US dollar's strength.

Environmental



- ○ ○ Increase in extreme weather and natural disasters, resulting in severe consequences on the environment, people, and the economy.
- ○ ○ Consequences of US growth policies – e.g. oil and gas focus – include potential environmental degradation.
- ● ○ Failure to plan for the impacts of Climate Change generates long-term risks to Critical National Infrastructure (e.g. transport and energy).

Geopolitical



- ○ ○ Donald Trump's re-election as US President already—and will continue to—impacts the whole world, likely through a renewal of his 'America First' foreign policy. A second Trump administration is also likely to provoke a surge in right-wing populism, with the threat of inflation used as a major political argument.

Societal



- ○ ○ **Companies caught in the crossfire of US culture wars** will see their decision-making autonomy limited and their cost of doing business rise.



 **China**

Technological



- ● ○ **Implementation of policy measures to support self-sufficiency in key technological products** like **semiconductors**, as a response to US targeted tariffs and levies.
- ● ○ **Cybersecurity.**
- ● ○ **Increasing tension caused by challenges to US tech dominance.**
- ● ○ **Elevated security concerns for developing countries participating in China's Digital Silk Road** initiative due to the potential for **surveillance** and data collection.
- ○ ○ Risk of further **social control** as China caters to state demand for tech-driven data collection and pervasive monitoring capabilities enabled by investments in 5G fibre optic cables, data centres, e-commerce and artificial intelligence.
- ○ ○ **Forced technology transfer** along with human and cyber-enabled state-supported theft of intellectual property.
- ● ○ **The West relies heavily on imports of semiconductors** from Taiwan, South Korea, and China; disruption, such as geopolitical tensions in the Taiwan Strait, can **severely impact supply chains for technology** with knock on effect for auto and renewable energy industries.
- ○ ○ **Taiwan's outsize power of producer of advanced semiconductors** Taiwan itself has captured 68% of global market share for chip production.

Economic



- ○ ○ One of the most pressing concerns for businesses in 2025 will be the **deteriorating relationship between China and the United States**. Trade tensions between these two economic superpowers are forcing companies to **rethink their strategies and adjust their supply chains** to navigate a world increasingly divided along geopolitical lines. In addition to rising tariff barriers, businesses face a growing patchwork of regulations on data, tax and intellectual property that further complicates operations across borders.
- ● ○ Any signs of recovery in the Chinese economy will likely raise false hopes, as **structural economic constraints and political dynamics hinder the prospects of sustained growth**.

Environmental



- ○ ○ **Increase in extreme weather and natural disasters**, leading to terrible environmental consequences, losses of life and economic impacts.

Geopolitical

- **Concentration of critical raw materials needed for green and digital transitions** leading to escalation of trade wars.
- **Deepening military Japan-US ties** leading to increased tension with China.
- Risk of **growing North Korea hostilities with South Korea**. North Korea pushes ahead with its nuclear buildup and takes provocative actions such as missile launches.

With Trump's victory in the US, tariffs are likely to be raised compared to their current rate. Trump also mentioned his intention to revoke the CHIPS Act—which aimed to boost competitiveness with Beijing in the semiconductors' sector.

The second Trump administration could also have negative impacts on Taiwan's security and integrity.

- **Ever-increasing tensions in the South China Sea and Taiwan Strait**. A conflict in the region could greatly impact trade flows—especially on key technology products such as semiconductors.

Are geopolitical concerns impacting your business strategy?

Let's discuss how we can help you mitigate risk.

Contact

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Managing Partner

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📍 Latin America, the Caribbean

Technological

- ● ○ **Broadening of unilateral sanctions for countries** in the region that use technological equipment from rival superpowers amid security concerns.
- ● ○ **Latin America is exposed to cybercrime** including ransomware attacks, phishing, and data breaches given weak cybersecurity frameworks.

Economic

- ○ ● **EU-Mercosur trade deal**, key for China de-risking and despite support at EU level, risks going into oblivion without strong support from EU countries, notably over environmental concerns.

Environmental

- ○ ○ **Increase in extreme weather and natural disasters**, leading to terrible environmental consequences, losses of life and economic impacts.
- ● ○ **Tightening economic conditions weaken focus on preservation of vital natural habitats** (e.g. Amazon) (and complicate completion of Mercosur deal). Due Diligence requirements become a flashpoint in the relationship with the EU.
- ● ○ **Failure to plan for the impacts of Climate Change** generates long-term risks to Critical National Infrastructure (e.g. transport and energy).

Geopolitical

- ○ ○ **A second Trump presidency is likely to mean a deterioration of the US-Mexico relationship**, and a potential increase in violence related to immigration and cartels.
- ○ ○ **Risk of Venezuela invading Guyana.** The area could become a grey zone given its oil and gas resources, which are mostly processed by western and Chinese companies (ExxonMobil, China National Offshore Oil Corporation).
- ● ○ **Spread of new wave of populism** e.g. Milei (Argentina) and Bukele (El Salvador). Increase in foreign interference and propaganda from Russia, China and Iran to limit US influence.



 **MENA**

Technological

- ○ ○ **Conflicts** in Yemen, Syria, and Libya as well as rivalries between Iran, Saudi Arabia, and Israel heighten geopolitical risks, potentially undermining regional technology collaborations, disrupting infrastructure, limit FDI in technology, and creating uncertainty for long-term projects.
- ○ ○ MENA experiences frequent **state-sponsored cyberattacks**, often linked to state actors including Iran, Israel, and GCC nations) are frequent and expected to continue with the fast advance of AI.
- ● ○ **Critical Infrastructure Risks** for energy, banking, and telecommunications sectors are frequent targets with direct impact for tech-enabled services.
- ● ○ **Inconsistent enforcement of intellectual property** rights and digital trade laws will perpetuate compliance challenges for global tech firms.

Economic

- ○ ○ **Middle East regional war.** Regional conflict escalates, threatening energy infrastructure and increasing volatility in capital markets.
- ○ ○ Ongoing **disruption to global supply chains** by Houthi attacks on shipping in the Red Sea.

Environmental

- ○ ○ **Increase in extreme weather and natural disasters**, leading to terrible environmental consequences, losses of life and economic impacts.

Geopolitical

- ● ○ **Afghanistan further destabilised** (Chinese, Uzbek and Pakistani insurgents are openly training under the Taliban, while Al-Qaeda now has a secure global HQ).
- ○ ○ **Israel-Hamas/Hezbollah conflicts deteriorate further leading to increasingly isolated Israel and an open war with Iran.** Increasing risk of nuclear weapons' use.
- ○ ● **Sahelian region continues to be a terrorism epicentre.**
- ● ○ **Ongoing civil war in Sudan further destabilises** the region, with foreign proxies trying to take advantage of the situation (UAE vs Saudi Arabia). Russia's support in exchange for military aid will allow it to install itself in the region and enhance its coordination with Iran. Emerging markets political crisis: Increased global fragmentation severely stresses EM political systems and institutions.
- ○ ○ **The second Trump administration is likely to increase its support to Israel**, which could add uncertainty in the region. During his first mandate, the US were on the brink of a war with Iran—which is currently locked in an almost war with Israel.
- ● ○ **Syria's authoritarian regime led by Bashar Al-Assad was toppled** by various military movements, including Islamist ones. While the coup came as a surprise, its consequences are still difficult to understand, but it adds to the uncertainty and insecurity in the area. Al-Assad escaped to Russia.



Sub-Saharan Africa

Technological



- ● ○ **Conflicts in countries like Ethiopia, Sudan, and the (DRC)** risk technology infrastructure and investment.
- ● ○ **Risk of power outages and high electricity costs** are a major challenge for the operation of data centres and telecom networks.
- ● ○ **African states are also adopting new technologies**, such as deployment of drones for counterinsurgency efforts while cyber vulnerabilities could be exploited by state and non-state actors, escalate violence

Economic



- ○ ● **Significant number of African states in medium to critical debt distress**, exacerbated by weak growth and high interest rates.

Environmental



- ○ ○ **Increase in extreme weather and natural disasters**, leading to terrible environmental consequences, losses of life and economic impacts.
- ● ○ Growing political insecurity fuelled by **climate change shocks, food insecurity and health issues. Increased protests spurred by anti-colonial sentiment** (first in Niger, Mali etc-and now in countries like Kenya, South Africa and Nigeria) These mostly youth-driven riots escalate the region's political unrest, with populist and anti-establishment parties growing amidst a resurgence of Russian presence in the continent.

Geopolitical



- ○ ● Africa has become the **unfortunate epicentre of the scramble for critical minerals**, a competition that will intensify as both importers and exporters increasingly resort to industrial policies and trade restrictions.
- ● ○ **Emerging markets political crisis:** Increased global fragmentation severely stresses emerging markets' political systems and institutions.

Societal



- ○ ● Violent **LGBTQ backlash** deepens in Africa.



📍 Southeast Asia

Technological

- ● ○ **Digital bipolarity** is already present in the region with military co-operation or intelligence sharing arrangements forcing a binary choice between China and the US for countries in the region such as Vietnam, Malaysia, and Thailand.
- ● ○ Taiwan dominates global advanced chip production and **heightened tensions in the Taiwan Strait** could severely disrupt chip supplies including to regional semiconductor assembly hubs in Malaysia and Vietnam.

Economic

- ● ○ **High debt weighs on environmental and social sustainability** as several Asian emerging markets show high to very high risk on Public Debt Indices, which will likely depress already weak sovereign ESG performance in 2024.

Environmental

- ○ ○ **Increase in extreme weather and natural disasters**, leading to terrible environmental consequences, losses of life and economic impacts.
- ○ ● As APAC's real estate and infrastructure sectors boom, extreme weather fuelled by **climate-change poses a significant risk.**
- ○ ● **Protracted finance and technology deficits slow the pace of decarbonisation** leading to their development and manufacturing continuing to be concentrated in markets such as the US, the EU, China, and Japan.

Geopolitical

- ● ○ **Ongoing internal conflicts (such as in Myanmar or Thailand) threaten the region's political stability and China's interests.**
- ● ○ **Emerging markets political crisis:** Increased global fragmentation severely stresses EM political systems and institutions.

Societal

- ● ○ Civil unrest likely around Asia's elections as **freedom of speech declines** in India, Indonesia.



CHINA

SOUTH KOREA

JAPAN
Tokyo

Shanghai

Taipei

Ryukyu islands (JAPAN)

Guangzhou

Macau

Hong Kong

Hanoi

LAOS

Vietnam

THAILAND

Bangkok

VIETNAM

CAMBODIA

Phnom Penh

Ho Chi Minh City

PHILIPPINES

Manila

Philippine Sea

Northern Mariana islands (U.S.)

Guam (U.S.)

FEDERATED STATES OF MICRONESIA

PALAU

BRUNEI

MALAYSIA

Singapore

SINGAPORE

Medan

INDONESIA

Jakarta

Makassar

Dili

TIMOR-LESTE

PAPUA NEW GUINEA

Port Moresby

Philippine (Luzon) islands (U.S.T.L.)

AUSTRALIA

Alice Springs

Perth

Sydney

Canberra

Melbourne

Tasmania

Great Australian Bight



APAC

Technological

- ○ ○ **Cybersecurity for the region comes in as the top tech-related risk** driven by rapid adoption “beta” third party services. Cloud-related threats top cyber concerns for APAC organisations along with risk of attacks on connected devices.
- ○ ○ **Artificial intelligence is a growing risk** linked to cybersecurity as auditing processes struggle to keep up with the pace of technological change while being exposed to pressure to be first-to-market using third party services.
- ● ○ **Export controls** on technology products.

Economic

- ● ○ Much of the Asia-Pacific region will continue to pursue hedging strategies as a second Trump presidency in the US brings uncertainty in the region.
- ● ○ **Japan's economic and security dependence on the US** makes it vulnerable to any US crisis. The US still has a wide goods trade deficit with Japan and that could draw Trump's ire in a second administration leading to potential tariffs.
- ● ○ **The risk of a “No China” recovery carries significant implications for Japan's heavily dependent economy.**
- ● ○ **Central Asia will become a critical battleground for Western efforts to counter Russian and Chinese influence.** With its abundant natural gas resources, the region presents a valuable opportunity for the EU to diversify its energy supply away from Russia.

Environmental

- ○ ○ **Increase in extreme weather and natural disasters,** leading to terrible environmental consequences, losses of life and economic impacts.
- ● ○ **The small states of Pacific Islands will face heightened climate and environmental risks,** which contribute to political destabilisation.

Contributors



Marc Vanheukelen

Before joining Rud Pedersen Brussels as a Senior Advisor, Marc Vanheukelen was EU Climate Ambassador at the European External Action Service, from which he retired on 1 March 2023. Prior to that, until September 2019, he was EU Ambassador to the World Trade Organization (WTO) in Geneva.

Earlier on, Mr. Vanheukelen was Director in DG TRADE (European Commission) responsible for sustainable development, economic partnership agreements, and, agrifood and fisheries, preceded by his role as Head of Cabinet for (former) EU Trade Commissioner Karel de Gucht. Mr. Vanheukelen has had a long-standing career, spanning 37 years in total, in various departments of the European Commission (external relations, budgetary matters, environment, and, economic and financial affairs), and has also served as Deputy Head of Cabinet to the former Belgian Minister for Foreign Affairs and as Cabinet member for the EU Commissioner in charge of Regional Policy.

He has taught and lectured widely on issues relating to international trade, climate, economics and EU affairs.



Atanas Pekanov

Atanas Pekanov is an economist at the Austrian Institute of Economic Research (WIFO) in Vienna with a focus on monetary and fiscal policy and EMU architecture. In 2021 and again throughout 2022-2023 he served as the Deputy Prime Minister of the Republic of Bulgaria. He was in charge of the management of EU Funding (MFF), the Bulgarian National Recovery and Resilience Plan (RRP), Cohesion and Regional Funding and the co-ordination of the euro adoption process. His focus was on negotiating and then implementing the Bulgarian RRP and its investments and reforms related to the energy, transport and other sectors.

He is currently also a Lecturer in Economic Policy at the Vienna University of Economics and Business (Wirtschaftsuniversität Vienna), where he obtained his PhD. His research interests revolve around monetary and fiscal policy, the EU Budget (MFF), the EMU architecture, the Capital Markets Union.

Previously he has been awarded a Fulbright Scholarship and visited the Harvard Economics Department, was a scholar to the Bulgarian National Bank twice and has worked at the European Central Bank.

Contributors



Katrina Williams

Katrina has been a Senior Advisor at Rud Pedersen Public Affairs since 2023. She supports the team with her EU institutional and policy knowledge, in particular regarding environmental and climate issues.

Katrina was Director General (DG) for International and Borders at the Department for Environment, Food and Rural Affairs from June 2021 to December 2022.

She joined Defra from the Scottish government, where she was DG for External Affairs. Before this, she was Defra's Deputy Ambassador to the EU from 2017.

Katrina has held DG roles before at the Department for Business, Energy & Industrial Strategy (BEIS), Department for Energy and Climate Change (DECC), and Department for Environment, Food and Rural Affairs (Defra)

She has also worked for the Department of Trade and Industry, Foreign and Commonwealth Office and Cabinet Office.

Katrina has served twice in the UK's Permanent Representation to the EU in Brussels.



Gregg Svingen

Gregg joined Rud Pedersen Public Affairs as a Senior Advisor in 2024, and bring precious wisdom on political communication and international politics challenges.

Gregg has spent his 25-year career helping startups, multinationals, NGOs, and governments navigate international political and communication challenges. He has agency experience from roles at APCO, Weber Shandwick, and The Centre/Edelman, and spent five years as Director of Communications for a technology trade association during significant M&A activity. At UPS, Gregg served as Vice President for Corporate Affairs where he built and led a corporate affairs team covering 219 markets, integrating internal and external communications.

Gregg studied undergraduate at the University of Washington and SciencesPo Paris, holds a Master's from the London School of Economics & Political Science and completed executive education at the Yale School of Management. Currently, he consults internationally and has supported U.S. Democratic presidential campaigns through Democrats Abroad since 2004. His most important title remains the double-hatted role of husband and father to three Dutch American children.



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