

From Conflict to Commerce: Geopolitical Risks and Business Strategies for an Uncertain World

February 2026

Presented by
Eugene Chausovsky

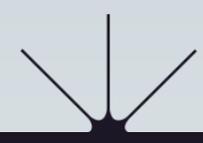
Providing a degree of certainty in an uncertain world.

Key Concepts

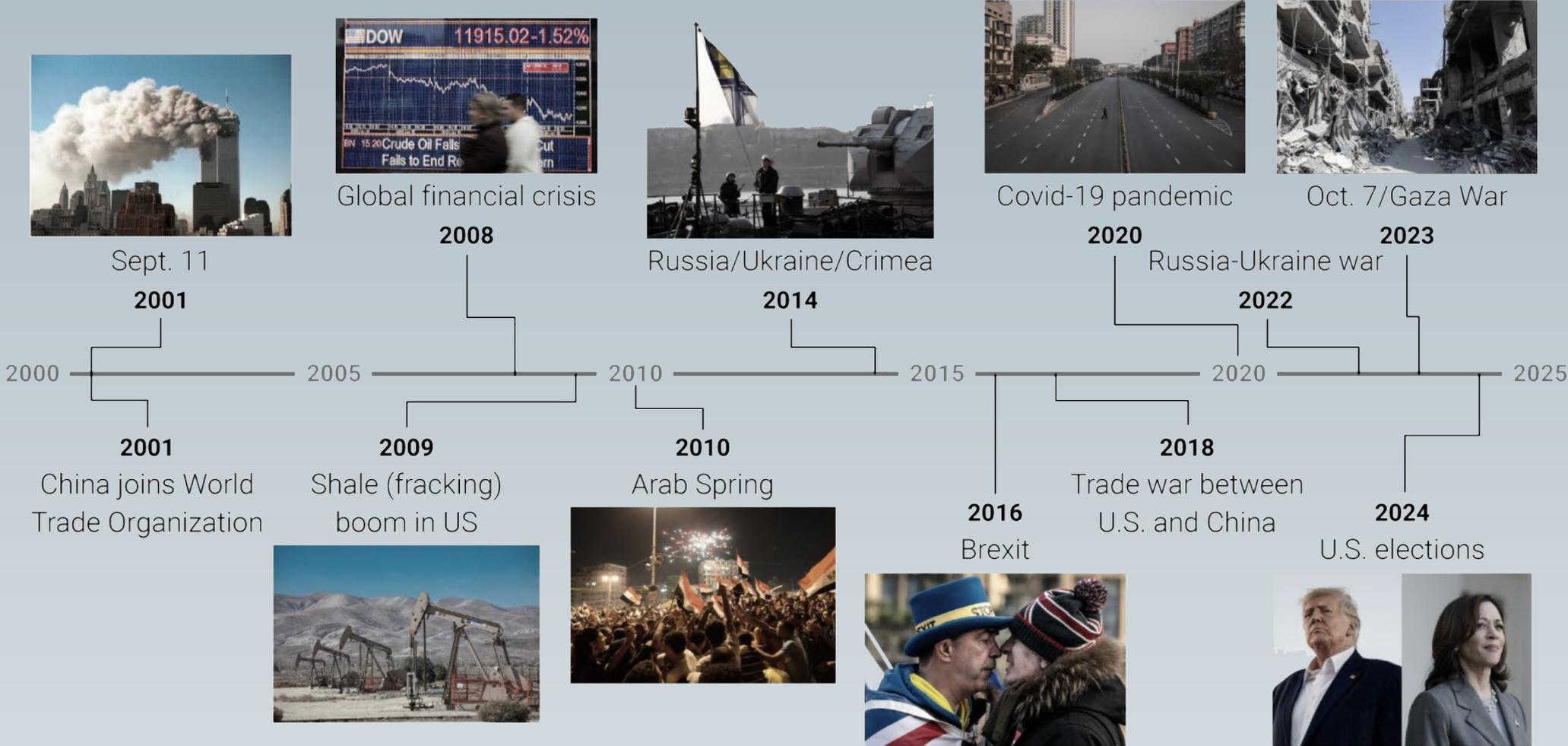
- Geopolitics will increasingly impact your business
- You can anticipate geopolitical trends
- Scenario planning is key to mitigating geopolitical and business risks and identifying opportunities

Outline

- What is geopolitics?
- Global themes and geopolitical hotspots
- Economic/trade impact
- Risk management strategies
- Q&A



Geopolitical Events Impacting Business



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Geopolitical Events Impacting Business

Corporate attention to geopolitics has waned somewhat since peaking in early 2022, even though **global political risk** remains elevated



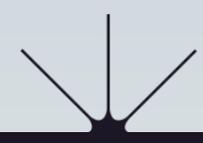
Note: "Geopolitical political risk" is the GDP-weighted global average of political risk from GeoQuant. "Corporate attention to geopolitics" is the number of corporate event transcripts mentioning terms related to geopolitical risk. The data is presented as a rolling three-month average.

Sources: GeoQuant, from BMI, a Fitch Solutions Company; AlphaSense; EY Knowledge analysis

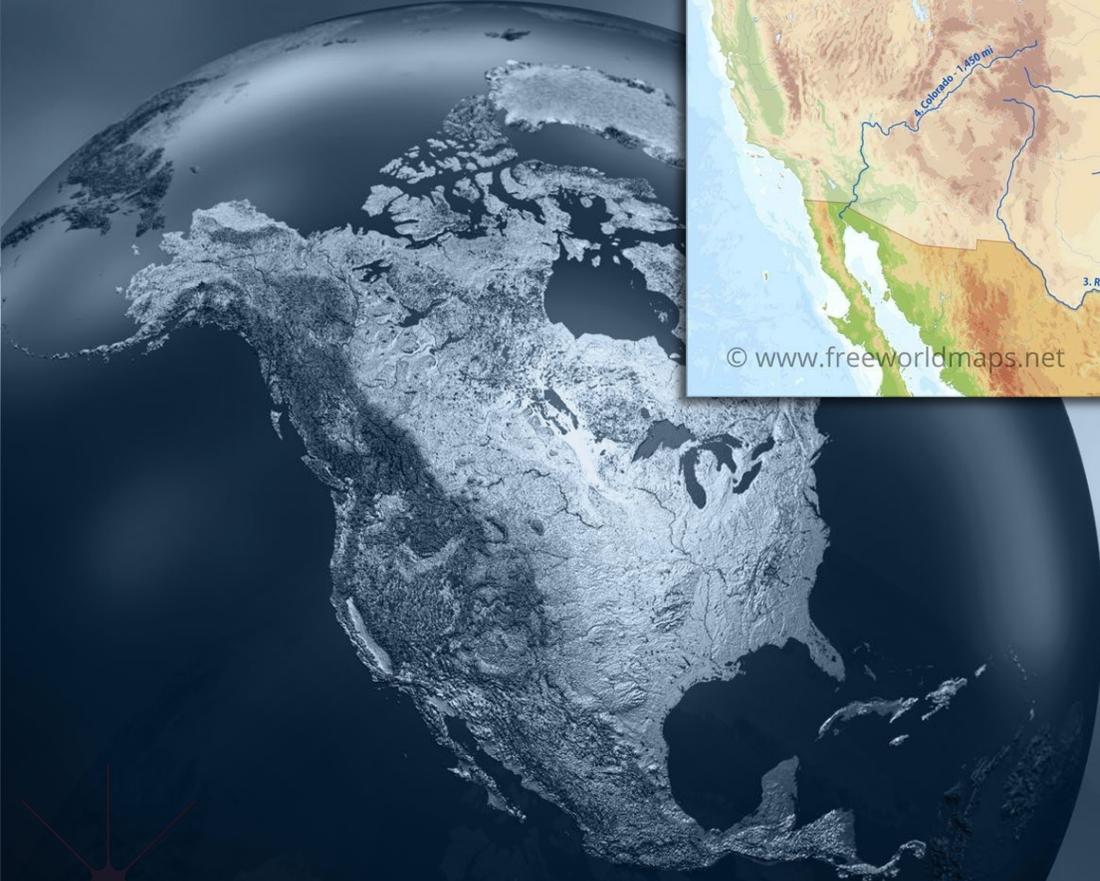


What Is Geopolitics?

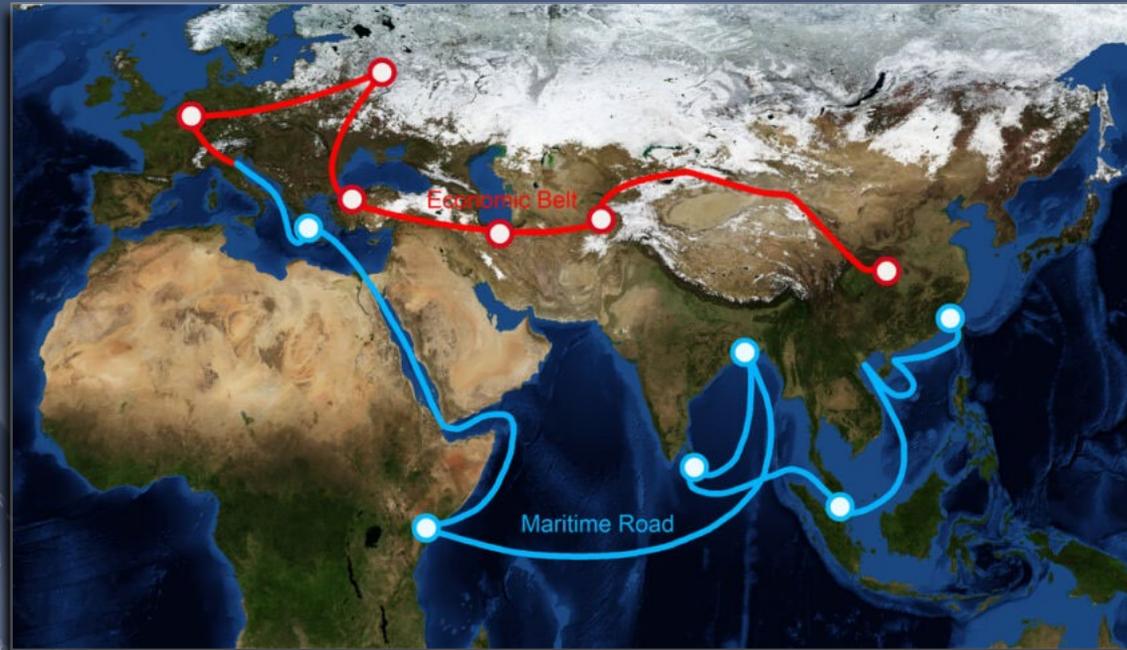
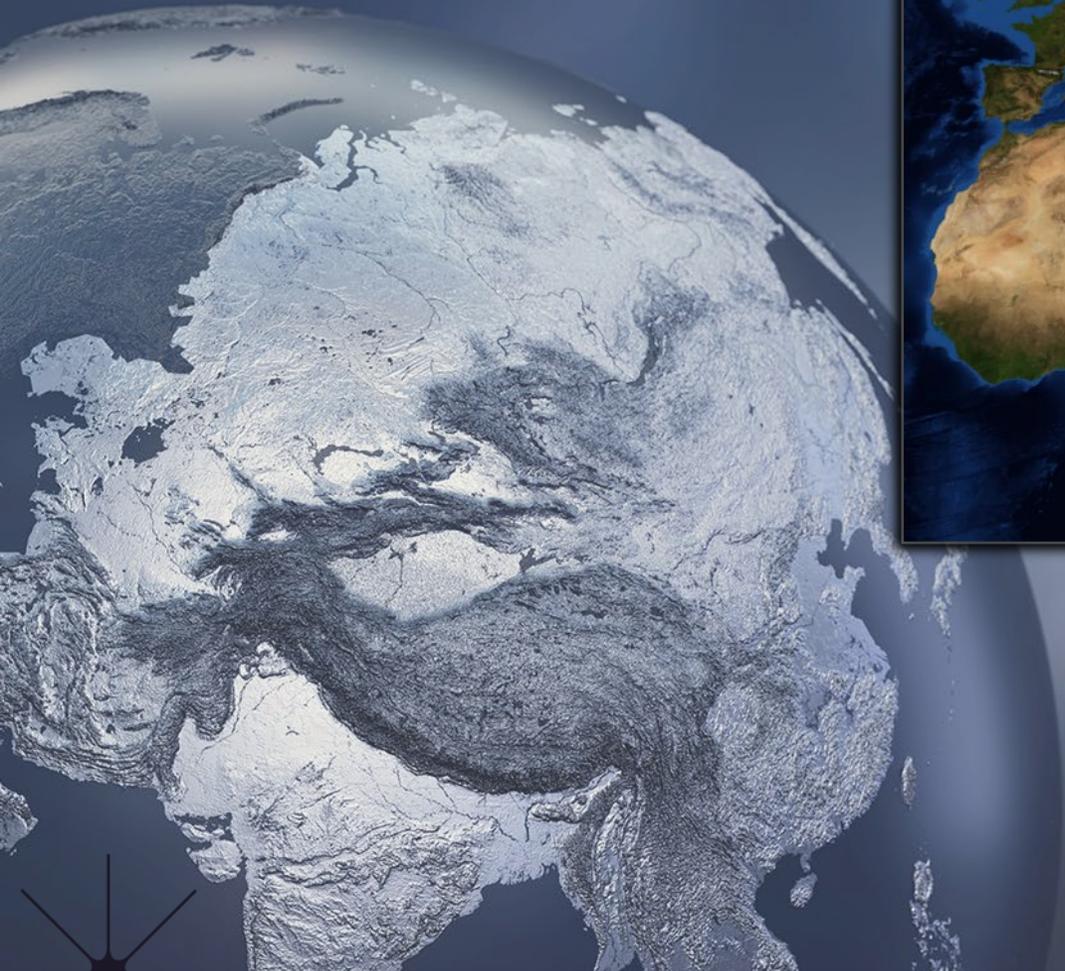
- “**Geo**” = Geography,
“**Politics**” = People
- **The interaction** of impersonal and personal forces
- **Impersonal forces:** geography, demographics, resources, culture, technology
- **Personal forces:** background and worldview, incentives/pressures, network of decision-making
- **Human agency** is shaped by geopolitics but not determined by it



The Geopolitics of the U.S.



The Geopolitics of China



The Geopolitics of Russia

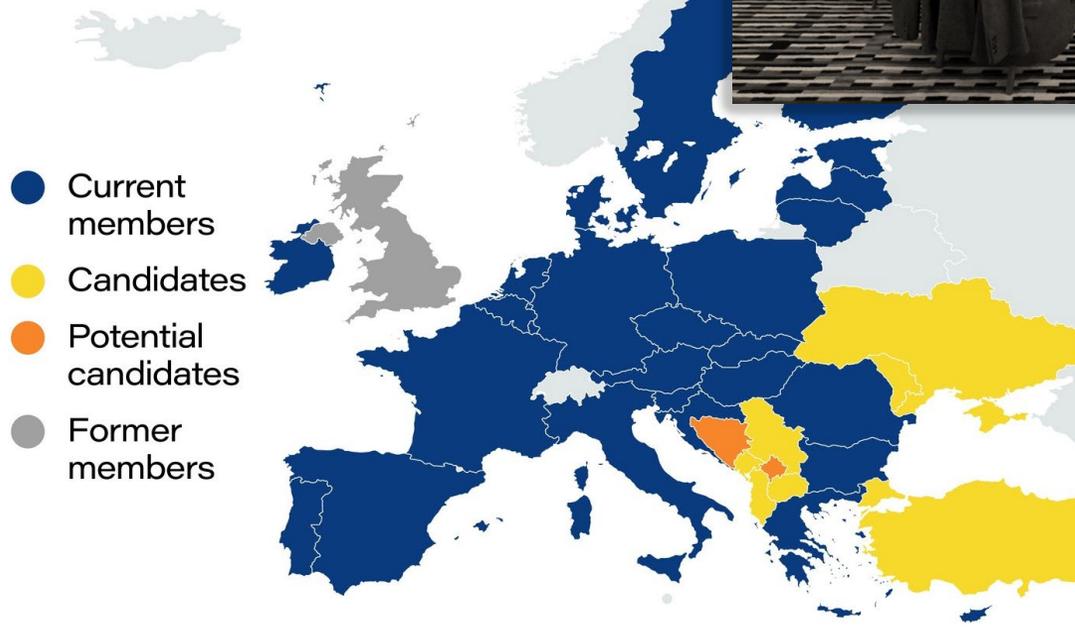


The Geopolitics of Europe



EU Membership

Membership of European countries in the European Union



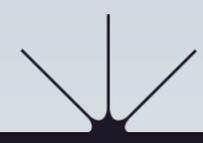
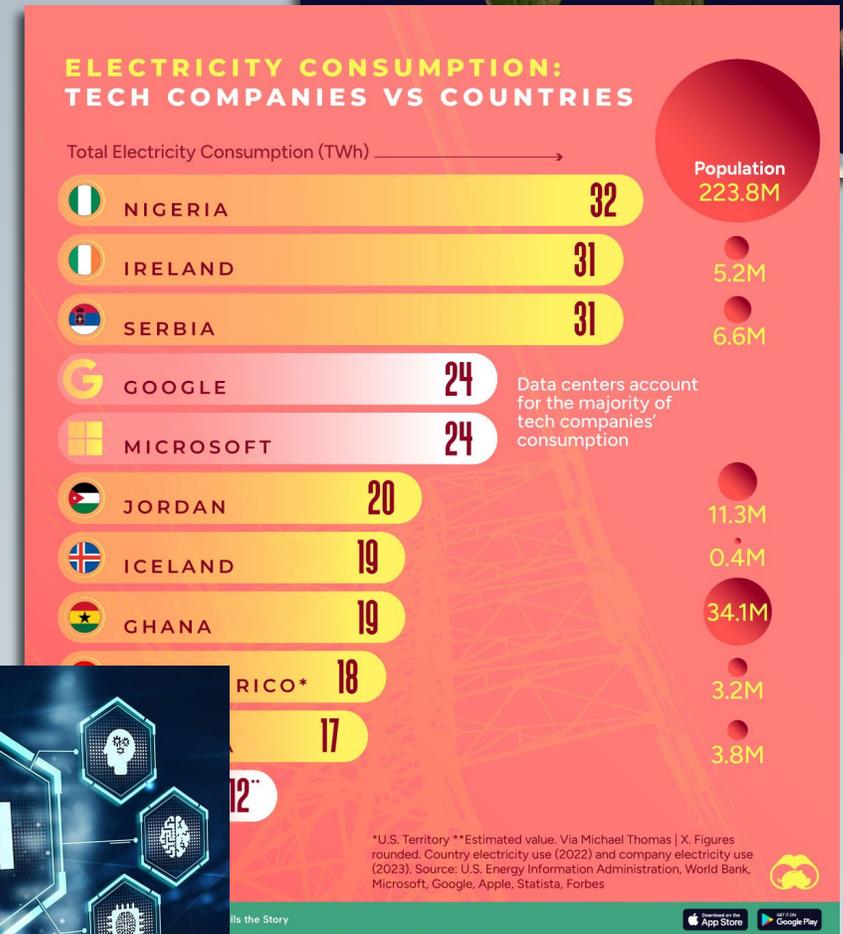
Global Themes/Trends

Multipolarity

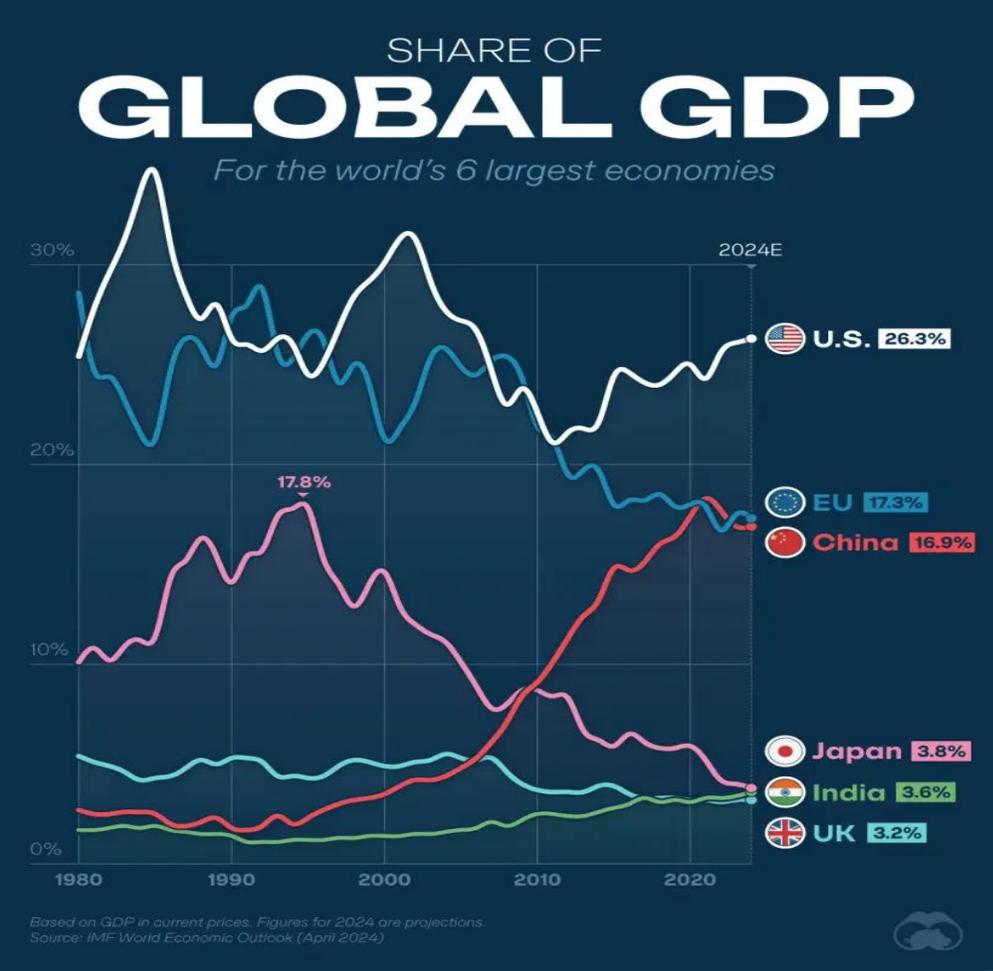
- Global powers (U.S., China)
- Global players (EU, Russia)
- Regional players (India, Japan, Turkey, Iran, Saudi, Mexico, Brazil, etc.)
- Non-aligned and non-state actors

Connectivity

- Trade (de-globalization, disruption, supply chain evolution)
- Technology
- Internal polarization



The Global Economic Perspective



Tariffs Use for Geopolitical Negotiation



Current Tariff Landscape

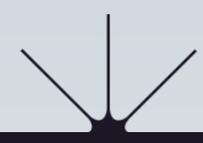
Supreme Court decision on IEEPA

Tariff	Countries	Current Products	Rate
IEEPA	China (opioid)	All	20%
	China (reciprocal)	Exemptions	10%
	Mexico, Canada	Non-USMCA	25%
	Canada	Energy, Minerals	10%
	All (reciprocal)	Exemptions	10%-50%
232 Nat'l Security	All	Stel, Aluminum	50%
	Non-USMCA	Automobiles	25%
	Non-USMCA	Auto parts	25%
301	China	Lists 1-3	25%
	China	List 4a	7.5%

Current Section 232 Tariff Investigations

Tariffs aren't going anywhere, and there will be more coming!

- **Semiconductors and semiconductor manufacturing equipment** (initiated April 1, 2025)
- **Pharmaceuticals and pharmaceutical ingredients** (initiated April 1, 2025)
- **Trucks** (initiated April 22, 2025)
- **Processed critical minerals and derivative products** (initiated April 22, 2025)
- **Commercial aircraft and jet engines** (initiated May 1, 2025)
- **Polysilicon and its derivatives** (initiated July 1, 2025)
- **Unmanned aircraft systems (UAS) and their parts and components** (initiated July 1, 2025)
- **Wind turbines** (initiated Aug. 13, 2025)
- **Robotics and industrial machinery** (initiated Sept. 2, 2025)
- **Personal protective equipment, medical consumables, and equipment** (initiated Sept. 2, 2025)

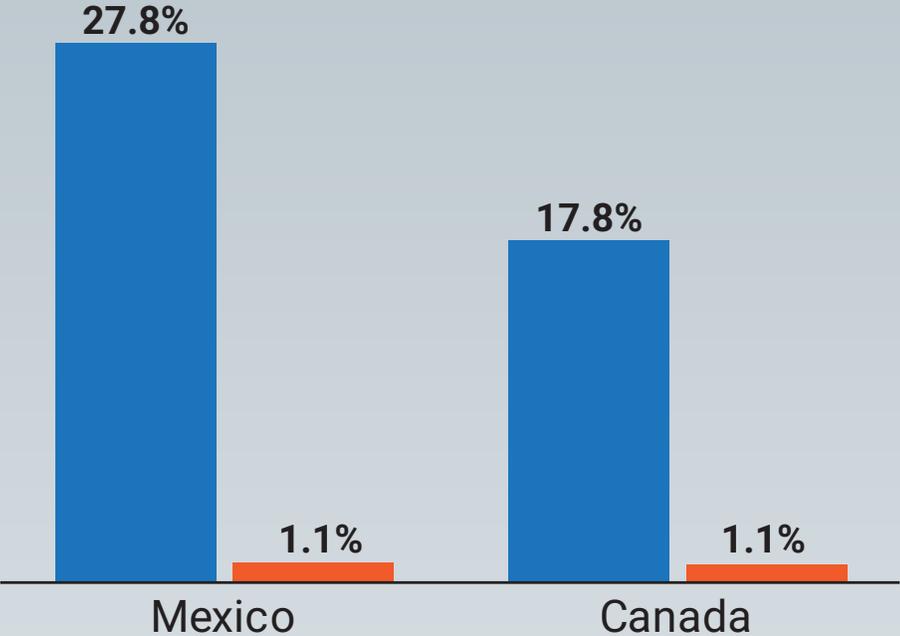


Trade Policy Impact

North America's Asymmetric Dependence

Exports, 12-month rolling sum, % of GDP

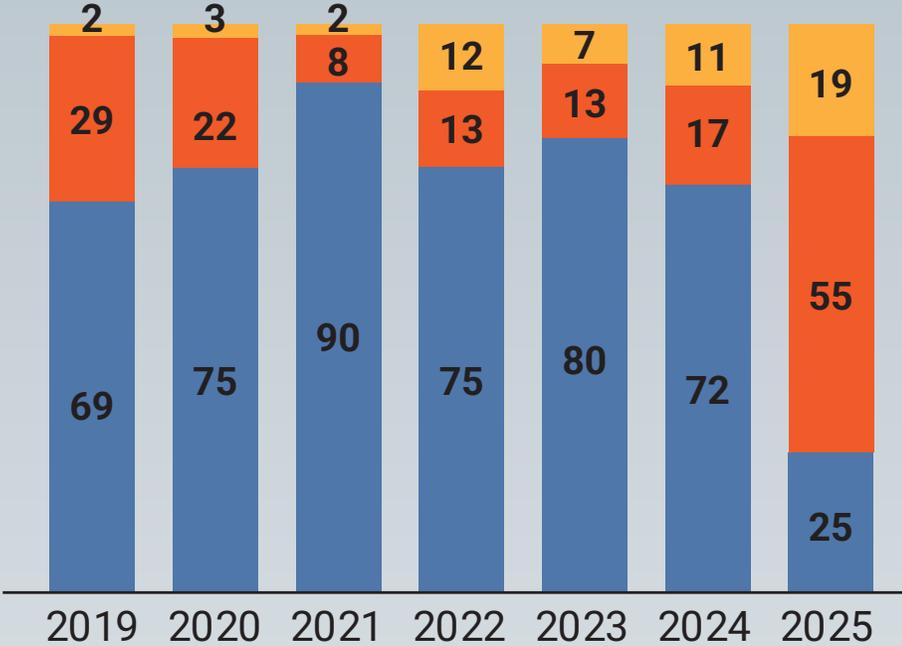
■ Their exports to U.S. (% their GDP) ■ U.S. exports to them (% U.S. GDP)



From Carrot to Stick

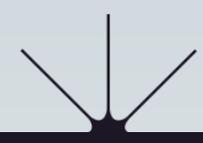
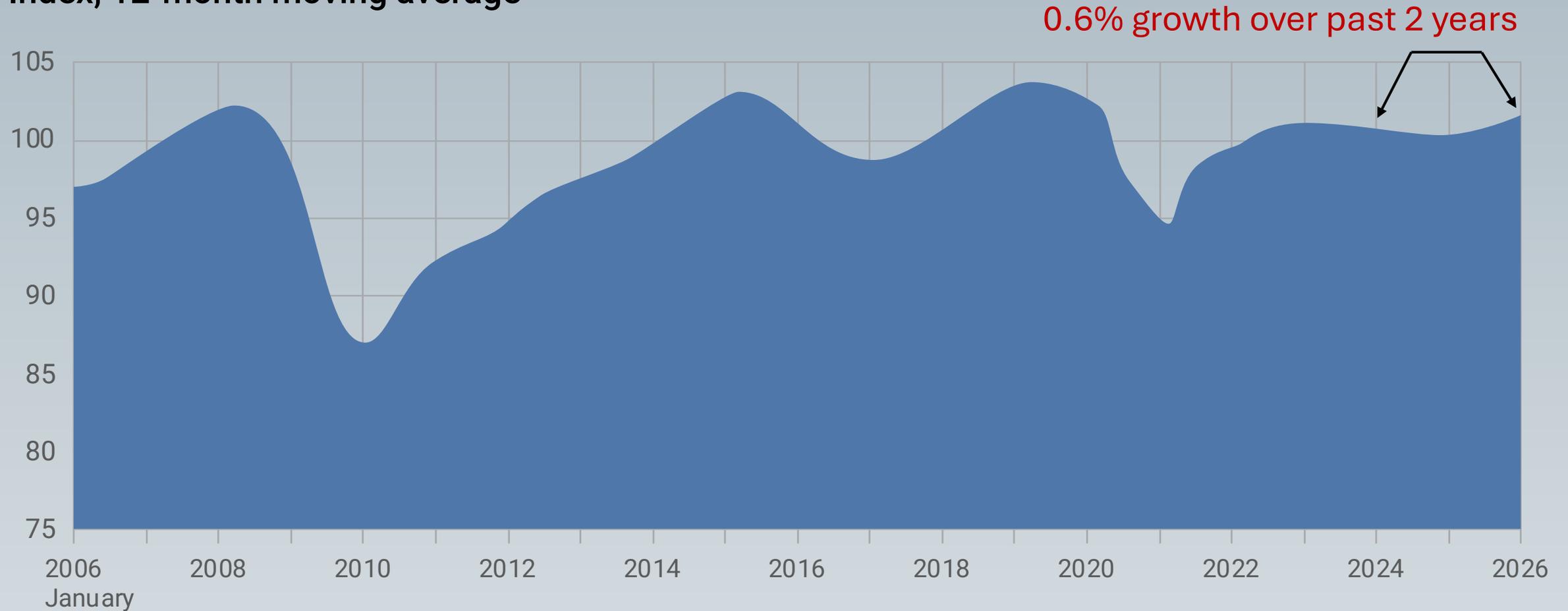
% of distortive industrial policy measures by type

■ Domestic support ■ Trade restrictions ■ Other restrictions



U.S. Industrial Production (B2B Economy)

Index; 12-month moving average



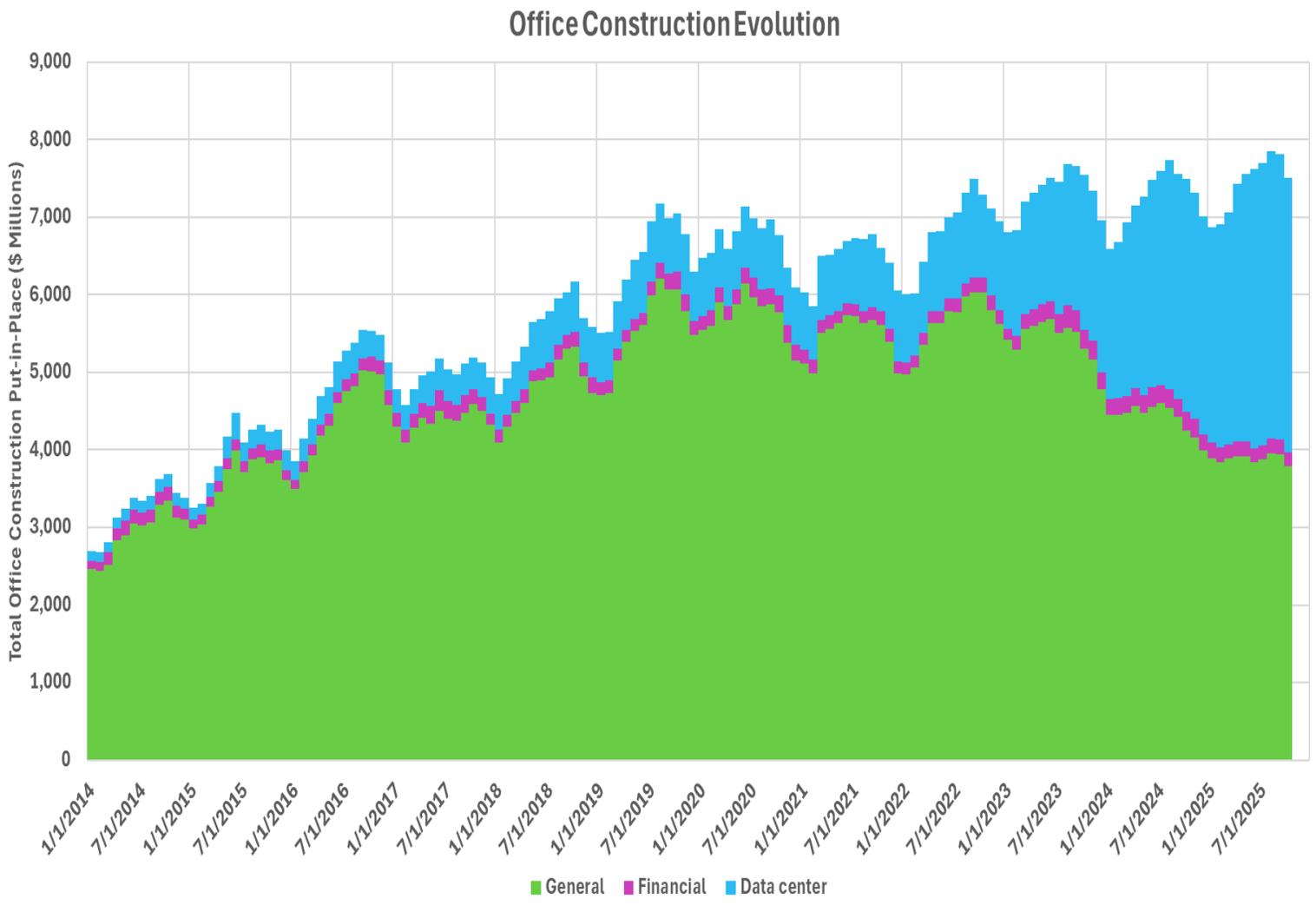
Visible Momentum in B2B Economy

U.S. Industrial Production, Percentage Growth; data through 2025



Winners and Losers

Industry Group	
Aerospace and miscellaneous transportation equ	17.2%
Natural gas	8.7%
Computer and electronic products	7.4%
Machinery	4.8%
Primary metals	3.5%
Fabricated metal products	2.6%
Petroleum and coal products	2.1%
Manufacturing	2.0%
Food, beverage, and tobacco products	1.9%
Mining	1.7%
Chemicals	1.6%
Electric	1.3%
Electrical equip., appliances, and component	1.3%
Plastics and rubber products	-0.2%
Apparel and leather	-0.5%
Textile and product mills	-0.8%
Nonmetallic mineral products	-1.0%
Furniture and related products	-2.2%
Motor vehicles and parts	-2.8%
Paper	-3.1%
Printing and support	-3.4%
Miscellaneous	-3.7%
Wood products	-5.5%



Geopolitical Hotspots Outlook: U.S./Americas

Forecast Scenarios

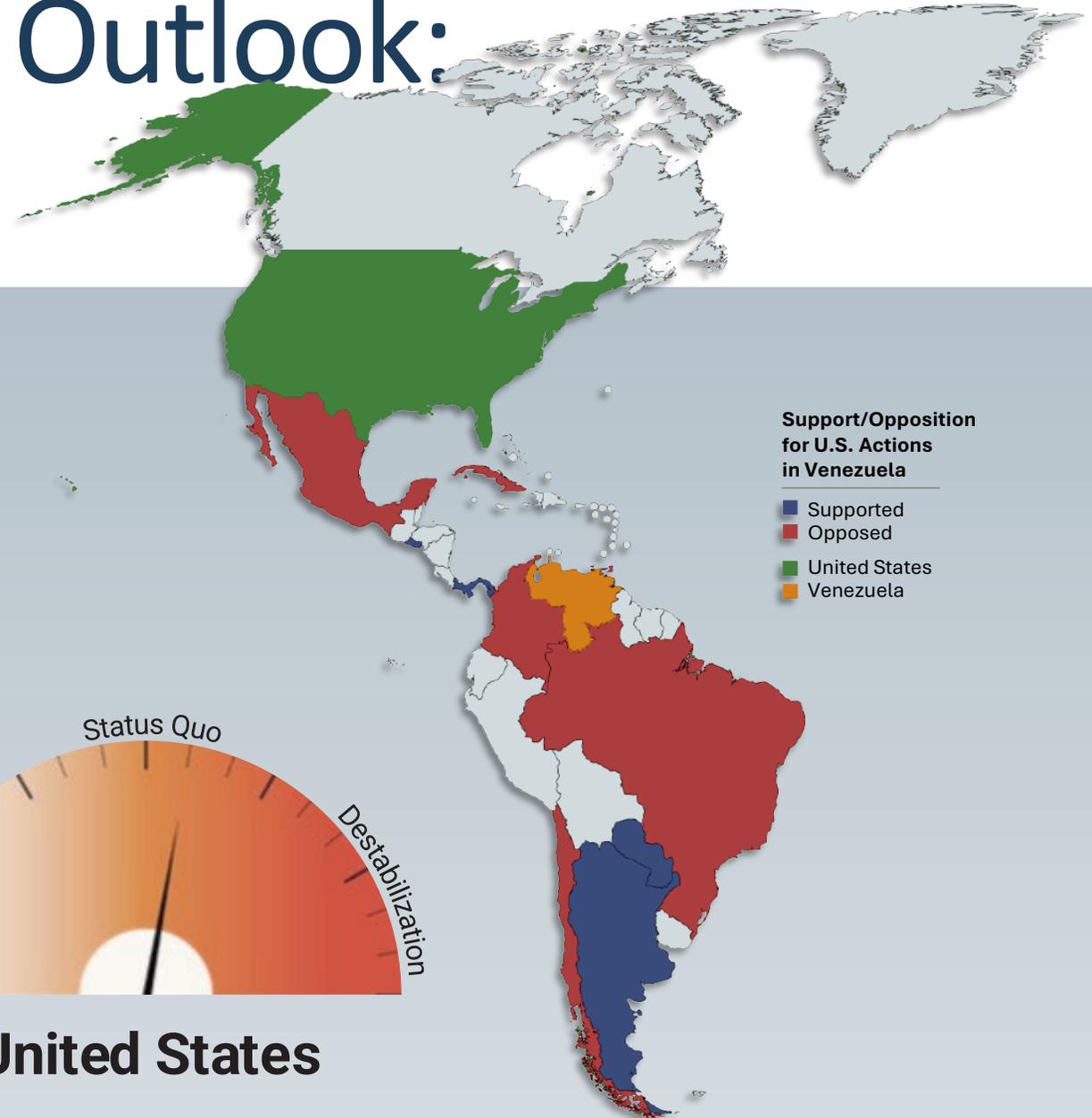
- Military escalation
- Hybrid escalation
- Domestic de-stabilization

Business Implications

- Supply chain disruption
- Market access
- Trade barrier analysis



United States



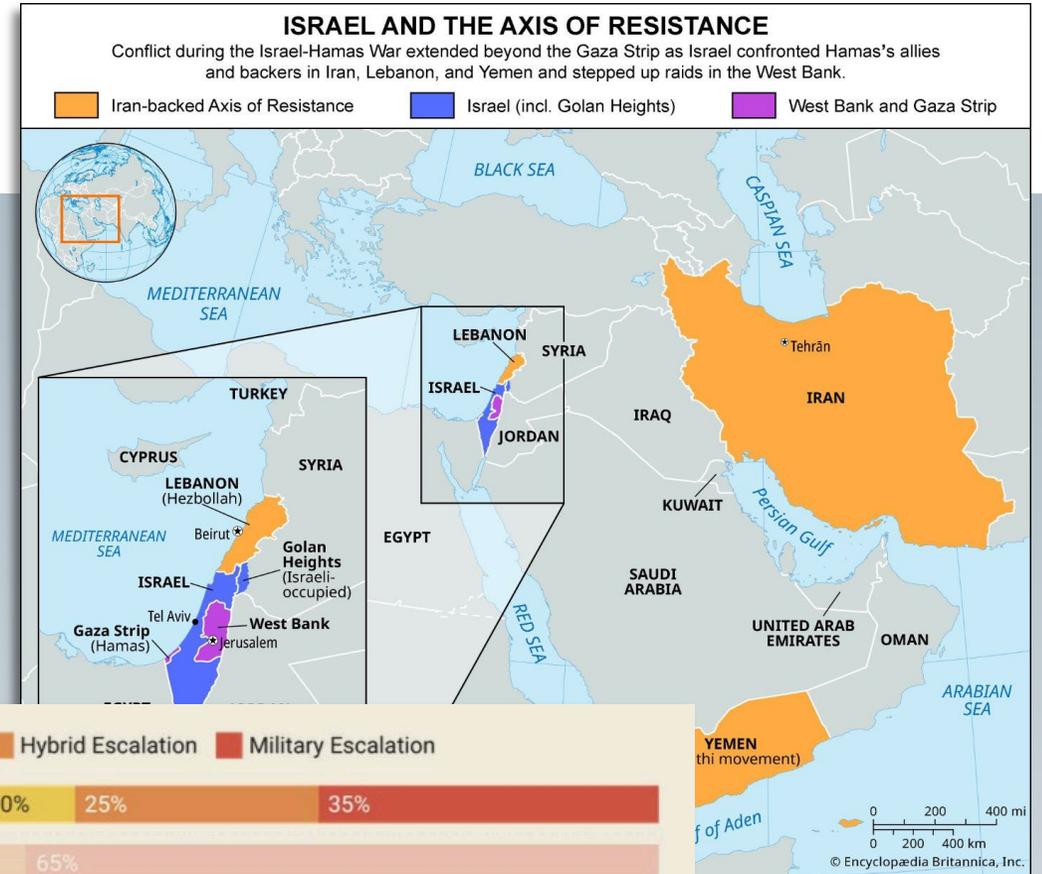
Geopolitical Hotspots Outlook: Middle East

Forecast Scenarios

- Military escalation
- Diplomatic de-escalation
- Hybrid escalation

Business Implications

- Supply chain disruption
- Market access
- Trade barrier analysis



Geopolitical Hotspots Outlook: Russia/Ukraine Conflict

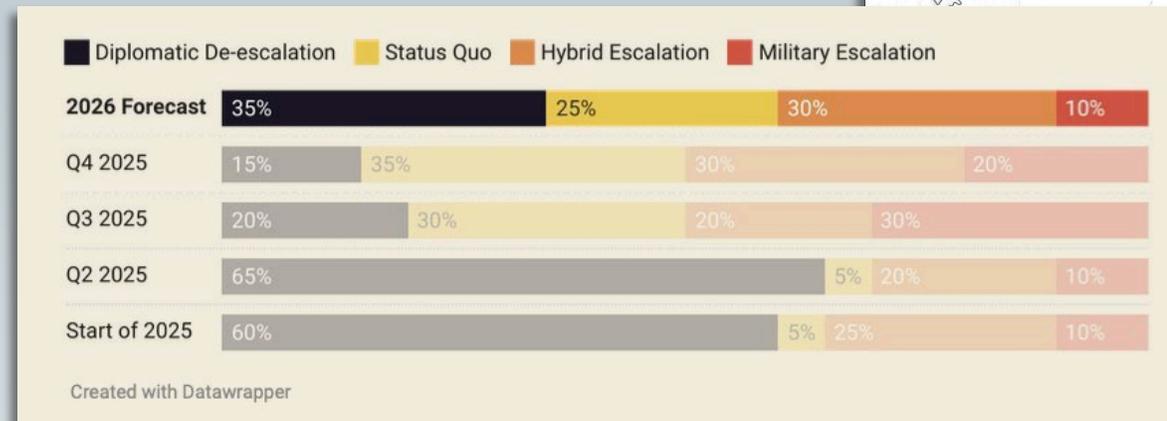
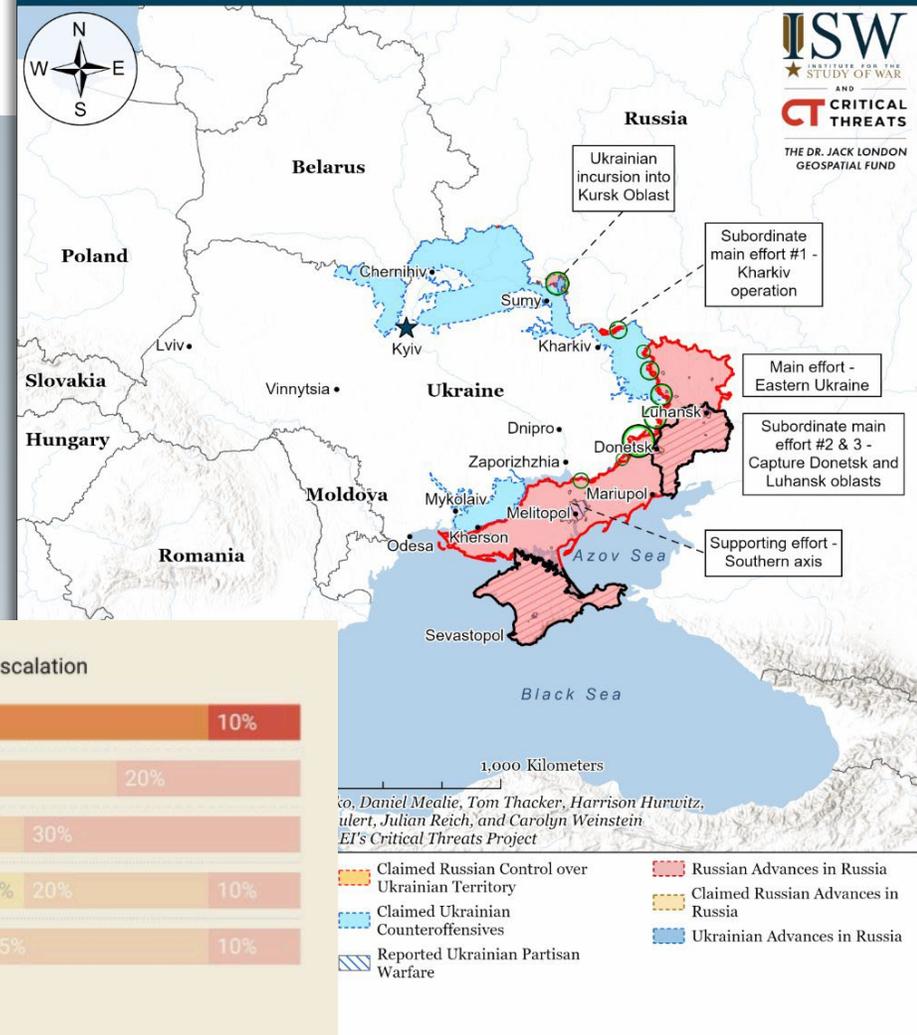
Forecast Scenarios

- Diplomatic de-escalation
- Hybrid escalation
- Military escalation

Business Implications

- Supply chain disruption
- Market access
- Trade barrier analysis

Assessed Control of Terrain in the Russo-Ukrainian War
February 22, 2025 at 1:30 PM EST



Geopolitical Hotspots Outlook: U.S./China/Indo-Pacific

Forecast Scenarios

- Diplomatic de-escalation
- Hybrid escalation
- Status quo

Business Implications

- Supply chain disruption
- Market access
- Trade barrier analysis



Risk Management Strategies

- Global situational awareness
- Scenario planning
- Make informed decisions

Feed (24) By Date

US signs new trading block with global powers
 United States Diplomatic agreements
 Secretary of State Marco Rubio and Vice President JD Vance hosted officials from European, African, and Asian countries in...
 Feb 5, 2026, 00:00 | 4 days ago [View Details >](#)

America ends its blockade on Venezuela oil after fall of Maduro
 Venezuela Energy
 Following the capture of Venezuelan President Nicolas Maduro by U.S. forces, the U.S. ended its blockade against oil shipmen...
 Feb 2, 2026, 00:00 | 7 days ago [View Details >](#)

Partial gov shutdown ends after 4 day standoff
 United States Diplomatic agreements
 The federal government reopened Tuesday after a four-day partial shutdown. Democratic lawmakers had refused to fund...
 Feb 1, 2026, 00:00 | over a week ago [View Details >](#)

Trump admin imposes tariffs on any country exporting to Cuba
 United States Antagonistic rhetoric
 Trump signed an executive order designating Cuba as an "unusual and extraordinary threat" to the U.S. and declared a ...
 Feb 7, 2026, 00:00 | 4 days ago [View Details >](#)

US signs new trading block with global powers
 Diplomatic agreements
 Low / Medium
 Web [Web](#)
 Feb 5, 2026, 00:00
 United States
 38.794595, -106.534838

Secretary of State Marco Rubio and Vice President JD Vance hosted officials from European, African, and Asian countries in



Electro-Mechanical Systems, Inc.							
Round 1				Round 2			
Date	Category	Severity	Title	Description	Selected	Context for Decision	
08/04/2025	Supply Chain	Low / Medium	Develop domestic sources	Develop domestic sources	<input type="checkbox"/>		
08/04/2025	Supply Chain	High	Implement multiple sourcing location	Implement multiple sourcing location	<input type="checkbox"/>		
08/04/2025	Supply Chain	Low	Maintain sourcing	Maintain sourcing	<input type="checkbox"/>		

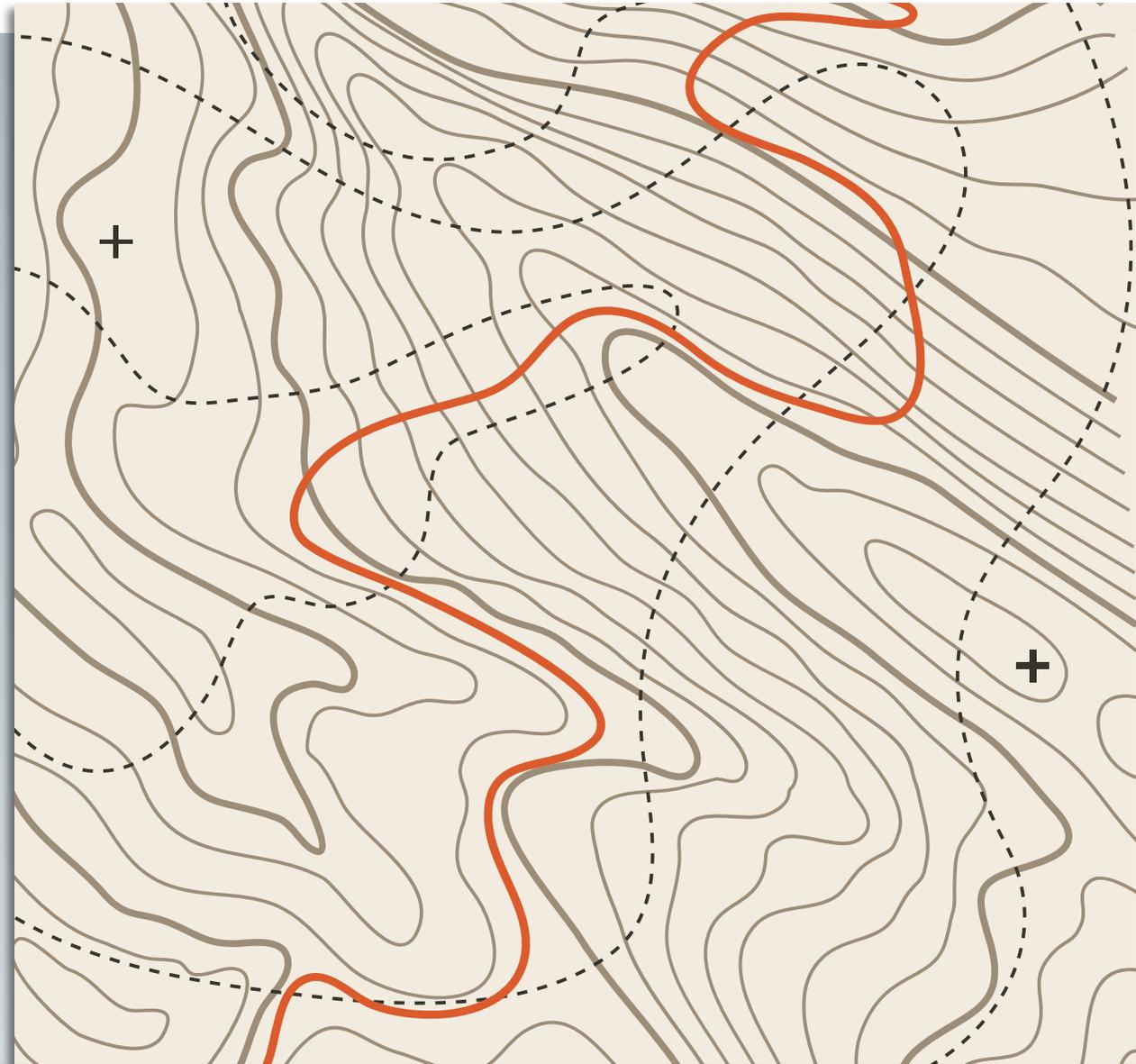
Navigating the Current Macro Landscape

Strategic considerations

- **Make decisions** based on data, not sentiment; know which is reliable
- **Market share** gains and new customer acquisition are key to 2026 growth
- **Simulate and prepare** action plans for a variety of scenarios

Actions to implement

- **Increase communication** efforts up and down the chain
- **Protect margins** from rising costs
- **Pivot to outperforming** sectors
- **Productivity gains** via technology investment and implementation



Q&A

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