

MARSH June 2026

International business in the accelerating geopolitical transition
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Navigating the next global shift



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Agenda

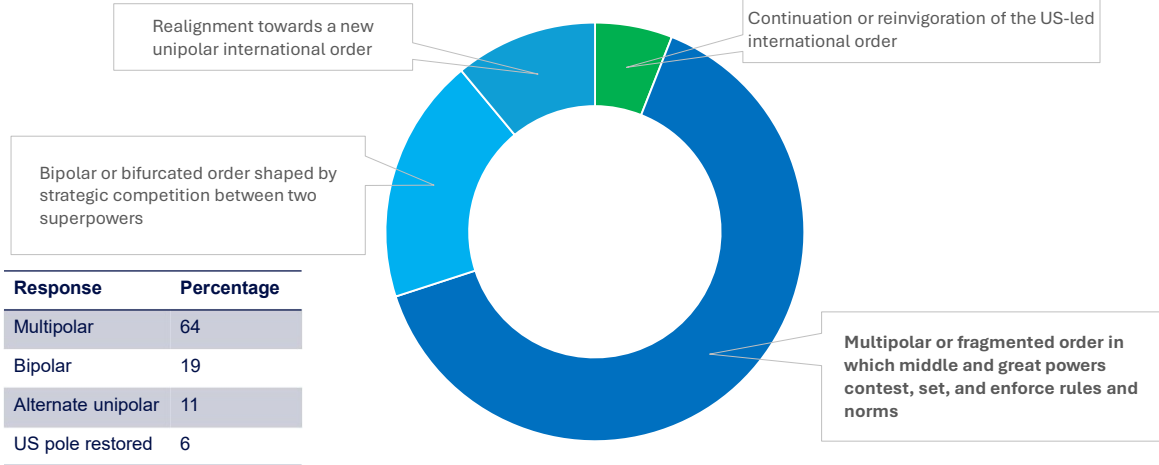
1. The recognition vs. action contradiction
2. A brief history of geopolitical transitions
3. Key characteristics of the US-led order
4. How those characteristics have evolved
5. Assessing what might change
6. Incorporating the assessment into planning cycles
7. Options for action

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Long-term: leaders now expect the world to change

Question: Which best characterizes the political environment in 10 years?



Source: WEF Global Risk Perception Survey, 2025-26

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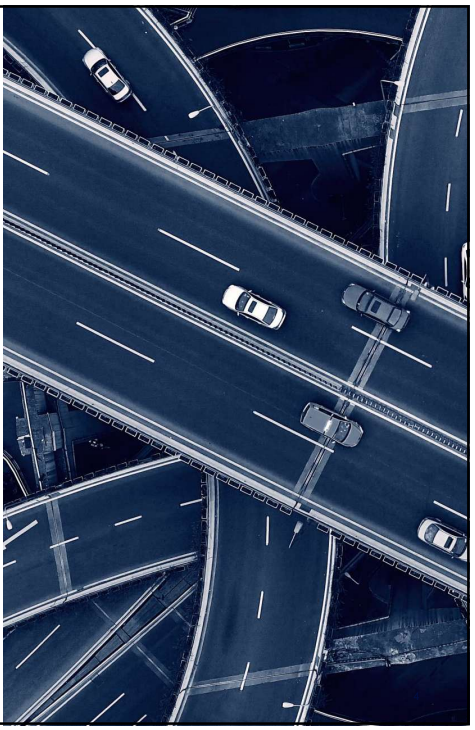
Recognition has not translated to investment

CEOs continue to focus a large plurality of planning time on short time horizons.

	NYSE CEOs (%)	European CEOs (%)
Share of planning time spent on horizons of <12 months	43	45
Share of planning time spent on horizons of 7-10 years	7	6
Share that view geopolitics as a short-term risk	89	74
Share that see opportunity in geopolitics	11	26



Source: Oliver Wyman CEO Agenda 2025



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Prior transitions & the evolution of the post-war order

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Before the US-led system, only a handful of other orders have existed over recent centuries

None of us have lived through a system change like the kind the WEF survey suggests will or is taking place

Dutch

Late 16th – 17th century

- Trading hegemony
- Invented the core of modern capitalism
- Foundations of international law
- Rising powers in France and England contested Dutch dominance

French

Late 17th – early 18th century

- Adopted protectionism to defend industries from Dutch commerce
- Central decision-making
- Extensive territorial ambition started a crushing debt spiral

British

Early 18th century to early 20th century

- Industrial revolution, financial innovation
- Control of geographic chokepoints
- Rising challenger powers, the cost of empire, and WW1 proved unrecoverable

American

1945 to today

- Coordination of multilateral institutions, security alliances, and economic liberalism
- Pillars supported democracy
- Growing political debate on value of this system and rise of challengers

Emergence of hegemon



Hegemony weakens



Contest for new hegemon

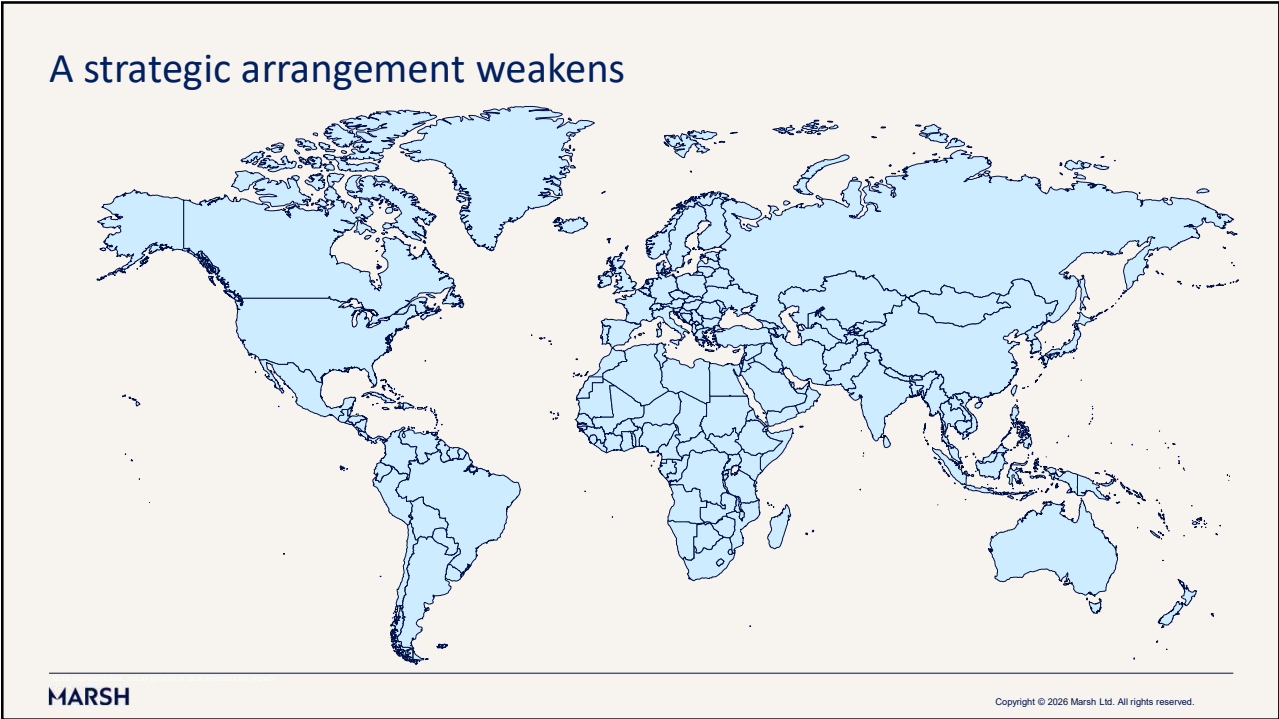
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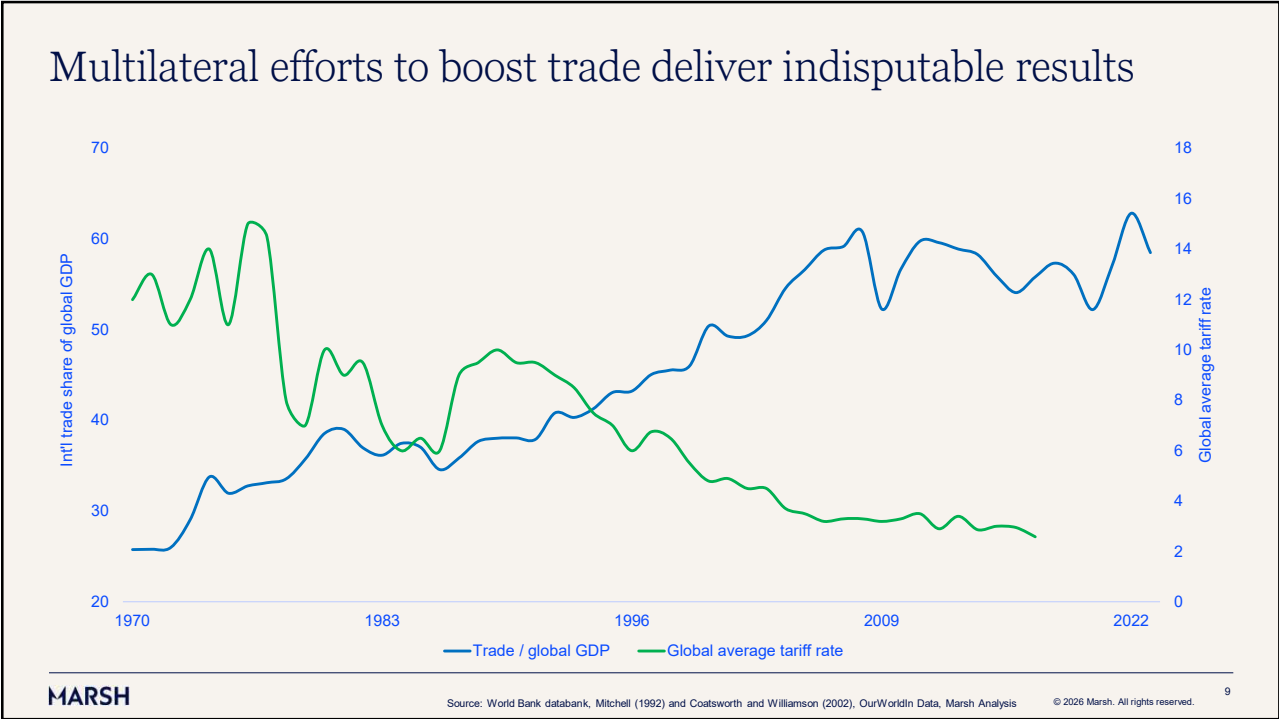
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Attributes of the post-war global system

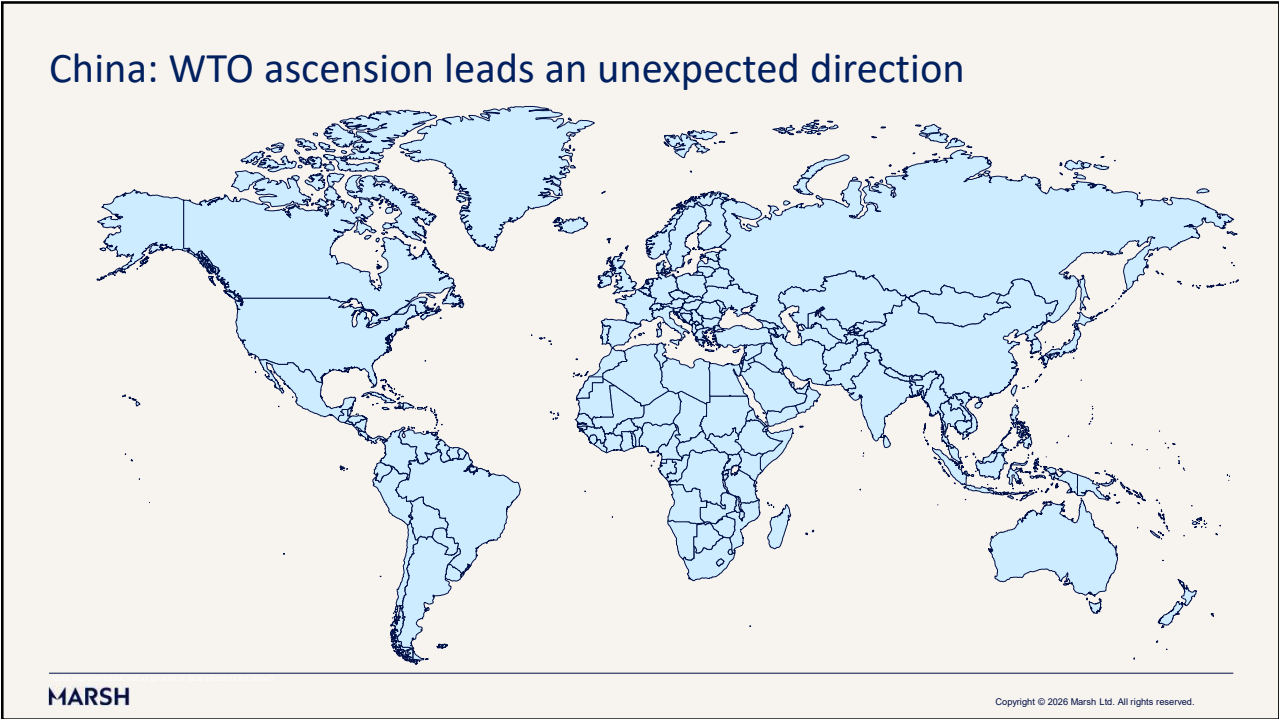
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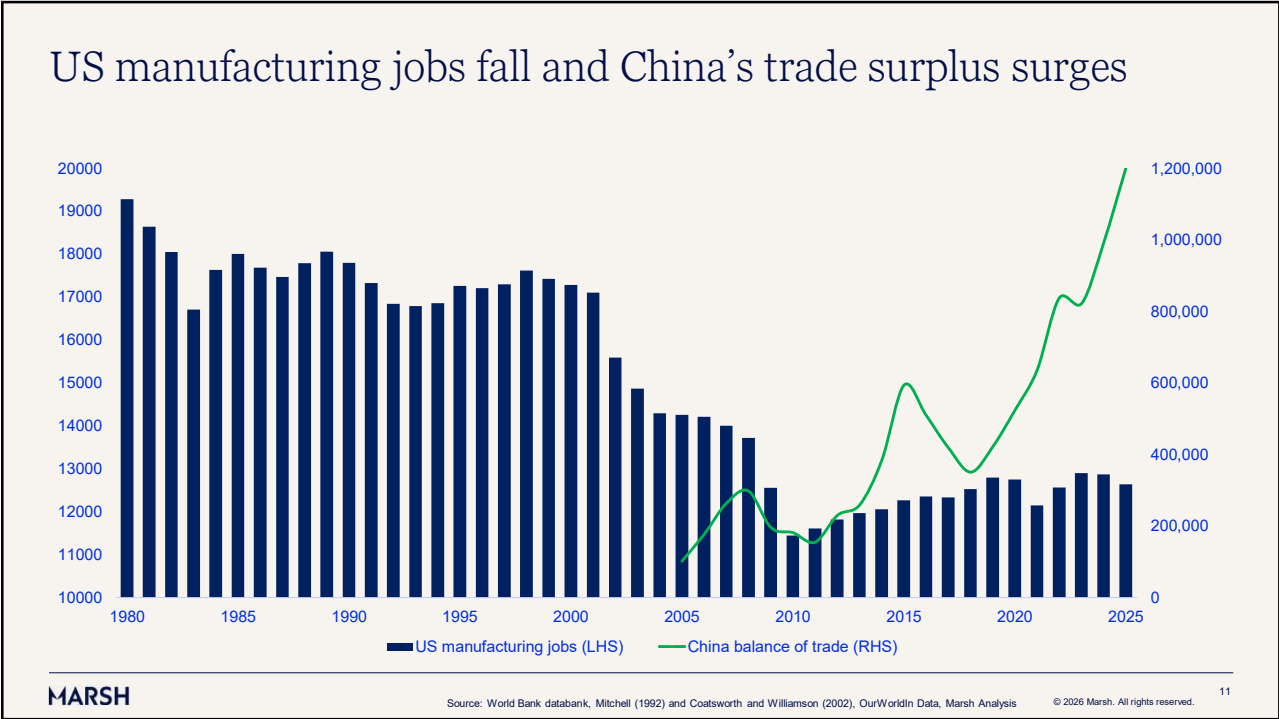
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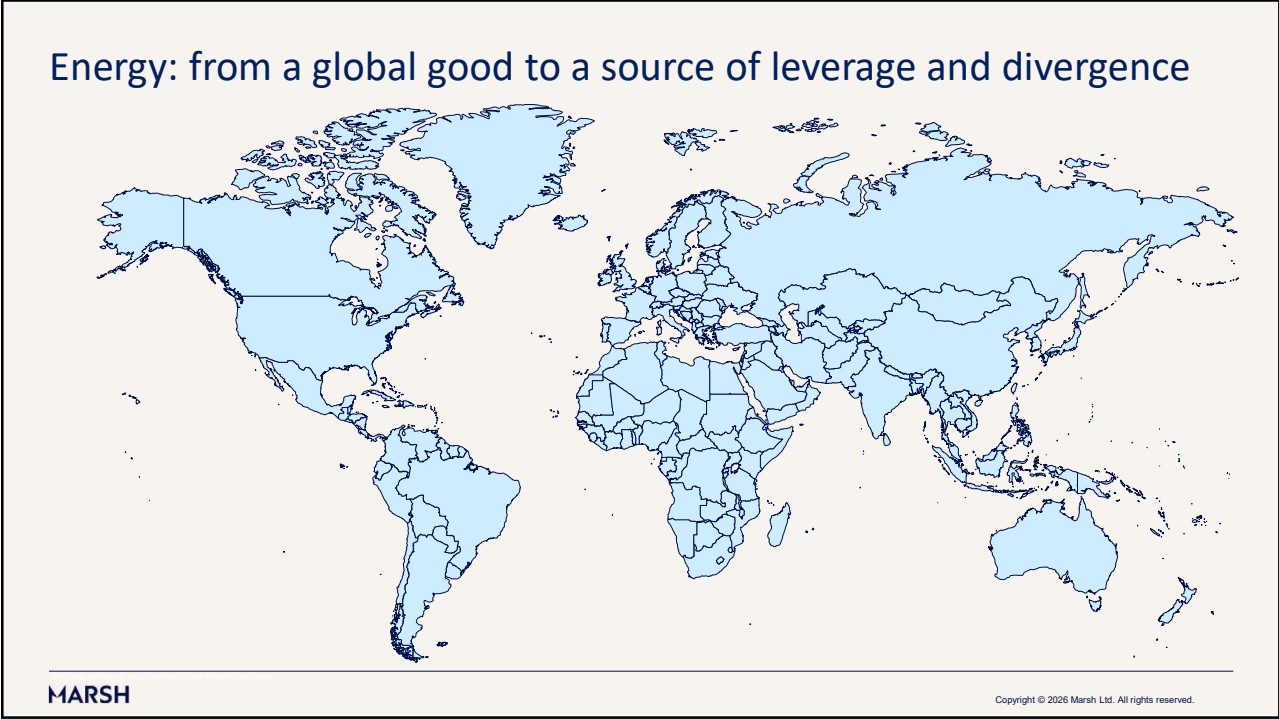
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The mechanics of how geopolitics affects companies are the same for small clients as they are for big ones, and just as real



An input (a door panel or fertilizer) stops being available



Production disrupted, cashflow stressed, reputation affected



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The accelerating geopolitical transition

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A way to think about the next geopolitical transition

For each characteristic, what is the US's position?

1 Committed
US remains wholly supportive of a characteristic.

2 Ambivalent
The US is not investing in maintaining a characteristic, but it isn't doing anything to undermine it either.

3 Mixed
Some sub-parts continue to receive strong support and other areas face pressure.

4 Undermining
US is using its influence to undermine a characteristic it originally constructed.

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A way to think about the next geopolitical transition

For each characteristic, what is the position of other relevant countries?

1 Competitive regional alternative
A country can't take global leadership but is promoting a challenger alternative at the regional level.

2 Complimentary regional alternative
A country or bloc can't take on responsibility for world-wide promotion but is trying to keep the spirit alive regionally.

3 Aspire to global leadership
One or more countries, or a bloc, has both the aspiration and capacity to replace the US as leader of an existing characteristic.

4 Undermining
Other countries are trying to undermine a characteristic of the US-built system.

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Assessment matrix for each characteristic: trade

After forming a view of the relevant actors' positions, locate the appropriate spot in the matrix.

US Approach \ Other Countries' Approach	Competitive Regional Alternative	Complementary Regional Alternative	Aspire & Has Capacity for Global Ownership	Actively Undermining
Committed	Tension: US commitment contrasts with regional rivals pushing protectionism; companies face supply chain fragmentation and must diversify regionally.	Collaboration: US and regional partners align to expand trade access; businesses can leverage joint ventures and harmonized standards.	Mixed: Potential for global trade leadership but risk of flashpoints; firms should invest in agility and stakeholder engagement.	High Tension: US commitment challenged by undermining actors; firms must prepare for trade disruptions and enhance crisis planning.
Mixed	Tension: US inconsistent trade policies clash with regional protectionism; companies face complexity and higher transaction costs.	Partial Collaboration: Selective cooperation sustains trade flows; businesses should monitor evolving rules and maintain flexibility.	Uncertain: US ambivalence limits influence; firms hedge investments and keep strategic options open.	Elevated Tension: Trade disruptions likely; companies must diversify revenue streams and strengthen risk management.
Ambivalent	Tension: US ambivalence allows regional competitors to capture market share via localization; firms need to accelerate local adaptation.	Limited Collaboration: Some regional cooperation possible; businesses tailor offerings to regional needs amid uncertainty.	Leadership Gap: Weak US engagement creates uncertainty; firms invest in market intelligence and flexible contracts.	High Tension: Operational disruptions expected; companies prioritize continuity planning and alternative sourcing.
Undermining	High Tension: US undermining combined with regional alternatives fragments trade; firms face rising costs and must reassess footprints.	Minimal Collaboration: Partial regional cooperation insufficient; businesses focus on core stable markets.	Risk: Aspiring global players impose new rules; firms develop flexible compliance and advocacy strategies.	Severe Tension: Systemic trade disruptions; companies build financial resilience and test crisis scenarios.

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Compliance difficulty and costs grew and will remain above pre-2025 levels

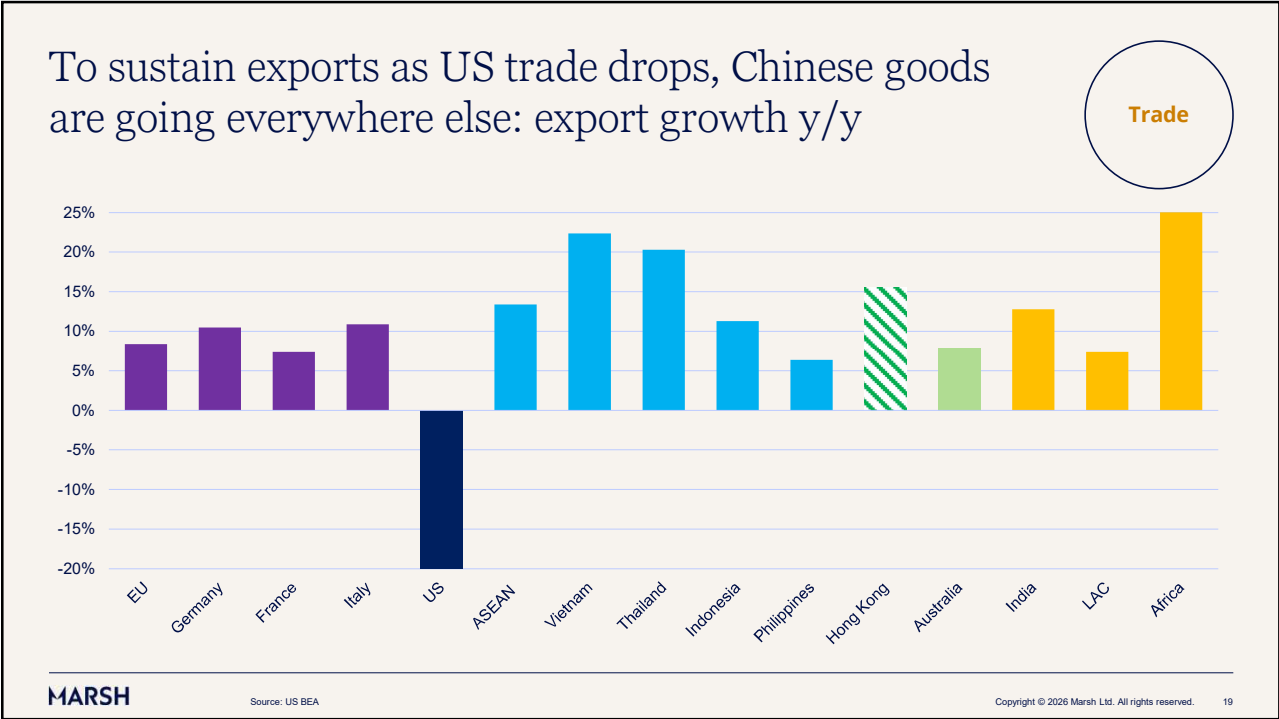


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Source: US BEA

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Assessment matrix for each characteristic: dollar hegemony

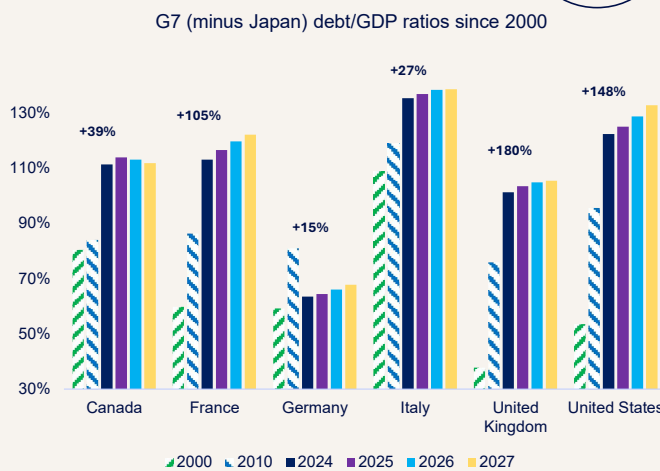
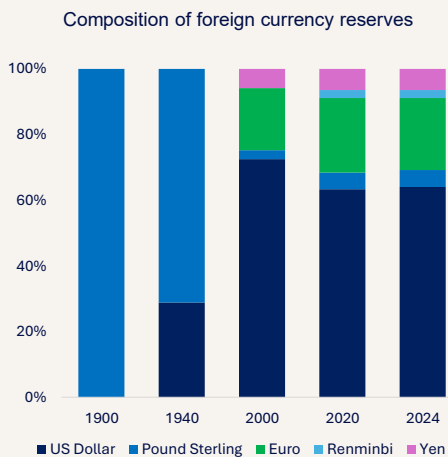
After forming a view of the relevant actors' positions, locate the appropriate spot in the matrix.

US Approach \ Other Countries' Approach	Competitive Regional Alternative	Complementary Regional Alternative	Aspire & Has Capacity for Global Ownership	Actively Undermining
Committed	Tension: US dollar dominance challenged by regional currencies; firms diversify currency exposure and payment systems.	Collaboration: US and regional partners integrate complementary financial systems; firms benefit from multi-currency options.	Mixed: US leads dollar usage but faces challenges; firms invest in dollar infrastructure and new markets.	High Tension: US dollar challenged by undermining actors; firms prepare for currency volatility and sanctions risks.
Mixed	Tension: US partial support clashes with regional currency alternatives; firms optimize hedging and treasury operations.	Partial Collaboration: Regional financial systems complement dollar; firms maintain flexible strategies.	Uncertain: US mixed role limits influence; firms monitor currency trends and hedge risks.	Elevated Tension: Payment disruptions likely; firms develop contingency plans for currency risks.
Ambivalent	Tension: US ambivalence enables alternative currencies to grow; firms localize treasury and payment operations.	Limited Collaboration: Some regional currency cooperation; firms tailor financial products.	Leadership Gap: Weak US role increases uncertainty; firms adapt risk management frameworks.	High Tension: Operational disruptions from currency shifts; firms prioritize liquidity and alternative financing.
Undermining	High Tension: US undermining plus regional fragmentation reduces dollar share; firms reassess currency risk.	Minimal Collaboration: Partial dollar usage persists; firms strengthen non-dollar channels.	Risk: Aspiring currency leaders impose new rules; firms develop flexible compliance.	Severe Tension: Systemic currency shocks; firms build financial resilience and test exposure.

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The dollar's position and role is evolving



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Source: IMF

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Making it relevant to planning timelines

Example for one characteristic

Time Horizon	US Attitude	Other Countries	Considerations for the Business
Dollar hegemony	Now	Mixed	Complementary Regional Alternative The US maintains partial support for dollar dominance, while other countries develop regional currency alternatives and complementary financial systems. Businesses should monitor currency exposure carefully, diversify payment methods, and maintain flexibility in treasury operations to manage emerging currency risks.
	5 Years	Committed	Promotion of Competitive Alternatives The US actively defends dollar hegemony, but challenger countries promote regional currencies and alternative payment systems. Companies need to sustain dollar-based financial infrastructure while expanding capabilities to transact in multiple currencies. Hedging strategies and contingency plans for currency volatility become increasingly important.
	10 Years	Undermining	Aspiring to Global Ownership US retreat from dollar dominance coincides with challenger countries advancing global alternatives, including digital currencies and new financial standards. Businesses face increased currency fragmentation and complexity, requiring robust multi-currency treasury management, enhanced risk mitigation, and readiness to operate in diverse financial regimes. Strategic planning must account for potential disruptions in dollar liquidity and payment systems.

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Characteristic components

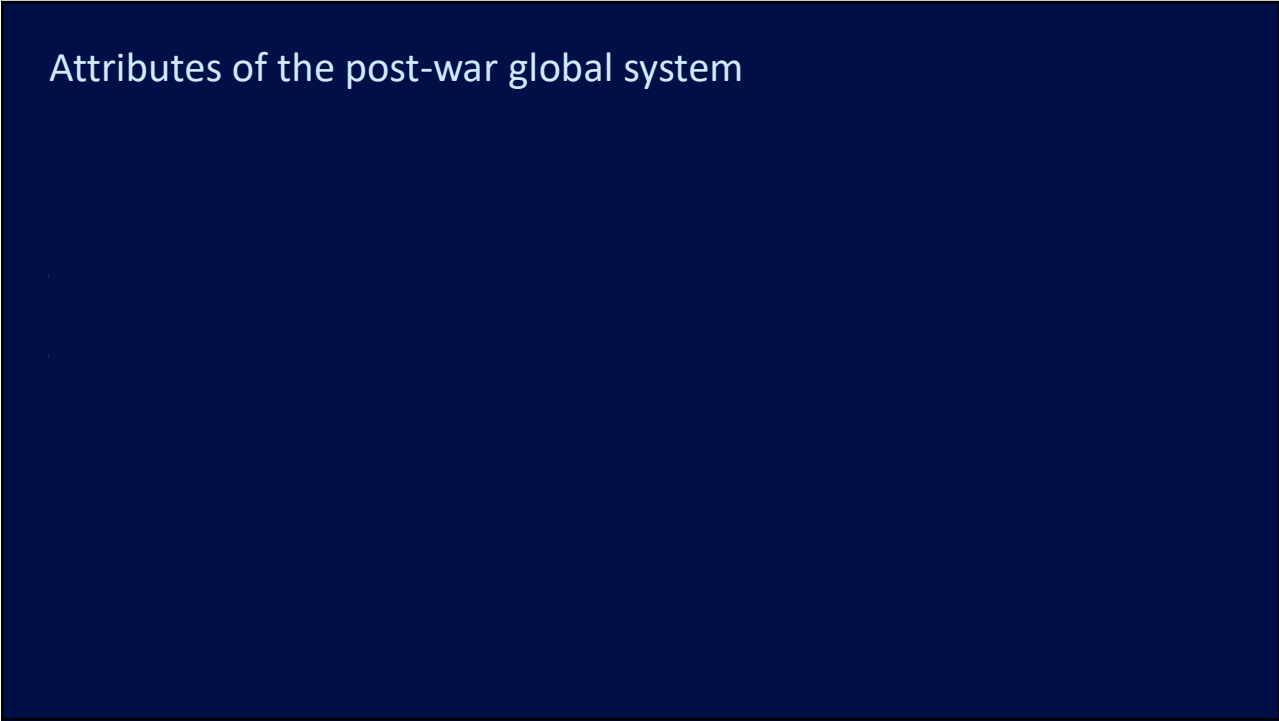
Reserve currency status

Dominance in international trade

Deep liquidity and tradeable instruments

Widespread use in cross-border lending & borrowing

US-based payment clearing infrastructure



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And taking an overall view...

Form a perspective on the overall trend, to incorporate into strategy development and test the predominate consensus.

Stage of Systemic Change	Description	Combined Assessment Criteria	Implications for Businesses
Stability	The US-led order remains largely intact and dominant across most characteristics.	Majority of characteristics show US commitment or mixed support; limited or no active undermining by others.	Continue investing with confidence in global markets; leverage stable rules and predictable trade and finance systems.
Early Shift	Signs of weakening US commitment and emerging regional alternatives or challengers.	Several characteristics show US ambivalence or mixed attitudes; some regional alternatives and/or significant challengers active.	Begin carefully assessing where geopolitical tensions overlap with business markets and supply chains; monitor regional regulatory changes; engage in advocacy to shape evolving norms.
Transition Underway	Clear erosion of US leadership and growing multipolar competition or fragmentation.	Multiple characteristics show US ambivalence or undermining; significant regional/global challengers present.	Prepare for increased complexity and uncertainty; enhance geopolitical risk management; explore partnerships across emerging blocs.
Advanced	Fundamental transformation or replacement of the US-led order underway.	Majority of characteristics show US undermining or abandonment; challengers actively reshaping the system.	Reassess global strategies; innovate business models; invest in resilience and adaptability to navigate new international dynamics.

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Why bother?

In periods of uncertainty, dominant narratives become more influential in shaping business, investment, and risk management decisions, no matter how right or wrong those narratives are.



Better manage volatility and identify trends

Distinguish transient shocks from enduring shifts, enabling more stable and informed decision-making amid turbulence.



Focus advocacy and stakeholder engagement

Equip leadership with nuanced insights to engage effectively with investors, partners, and regulators, building trust and credibility.



Possess a lens to digest developments

It is not about being right 100% of the time but having an existing viewpoint that can be persistently updated: a bank of simple forecasts to reflect on and inform strategic planning.



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What to do: risk transfer, resilience frameworks

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Risk mitigation in a shifting world

PRI can have significant value in a world of exceptional uncertainty, especially over mid to long-term outlooks.

Political Risk Insurance (PRI)	Credit Insurance	
<p>PRI provides protection following a breach of contract resulting from a foreign country discriminative action.</p> <p>Named political perils include;</p> <ul style="list-style-type: none"> • Confiscation, Expropriation, Nationalisation, • Political Violence and War • Currency Inconvertibility, Exchange Transfer & Expropriation of Funds • Force Divesture, • Licence Cancellation • Arbitration Award Default <p> Benefits of PRI are quantifiable and demonstrable impact on project IRR through S&P Global modelling</p>	<p>Non-payment Insurance (NPI)</p> <p>NPI policies cover failure or refusal of a counterparty (private or sovereign) to pay an amount owing under a contract, for any reason.</p> <ul style="list-style-type: none"> • Tenors from spot trade to 15 years • Applicable to counterparty risk in both developed and select emerging markets 	<p>Trade Credit Insurance (TCI)</p> <p>TCI covers non-payment due to protracted default or insolvency across a portfolio of counterparties</p> <ul style="list-style-type: none"> • Tenors short term, 12-24 months supporting revolving trade • Cancellable and non-cancellable structures, subject to the policy excess.

Marsh's proprietary analytics tool, MiCredit, can help benchmark against peer group and industry, and help identify growth opportunities

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Core components of a geopolitical risk management framework

1. Governance and Oversight

- Appropriate Board, Committee and Executive ownership
- Risk appetite, roles and responsibilities
- Integration into wider business processes (e.g. ERM)

2. Risk Identification

- Periodic review of business footprint
- Definition of key geopolitical risk types (i.e. geopolitical risk taxonomy)
- Map geographic and sector-level exposures and dependencies

3. Data and Scenario Analysis

- 'Living' library of 'severe but plausible' scenarios
- War-gaming / simulations and qual / quant impact modelling
- Use of appropriate intelligence from 3rd party providers

4. Impact Assessment

- Assessment of financial, operational, regulatory, reputational exposure
- Prioritisation of high-impact exposures



5. Response Planning

- Playbooks for key scenarios
- Operational controls: diversification, inventory, dual sourcing, location and strategy
- Crisis management, business continuity and communications alignment

6. Ongoing Monitoring

- Early-warning indicators and trigger levels for action
- Regular reporting to management / committee with defined escalation routes and decision fora

7. Risk Transfer

- Assessment of retainable vs. transferrable risks
- Use of political risk, trade credit, supply chain and other specialty covers
- Calibration of limits, wordings and triggers based on scenario analysis

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