

MARSH

Political risk report 2026



Contents

Foreword

Over the past several years, a series of exceptional events has become the most visible sign of an unstable global order.

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Halfway through the decade, the collective result of these events and their underlying drivers is a business environment beset by uncertainty. In 2025, [more than 80% of S&P 500 firms](#) cited this uncertainty as a factor affecting financial performance. Few, however, acknowledged the possibilities beyond the challenges: while [89% of NYSE CEOs](#) identified geopolitics as a short-term risk, just over one in 10 said it also presents opportunities.

Throughout this period, Marsh — with roots in the 1870s and a steady, clear-eyed presence through times of change — has helped clients position themselves for success through our annual political risk reports. From the economic and political events of the early 2020s that shaped electoral outcomes in 2024, to the dramatic policy actions that followed in 2025, **our message this year is clear: an accelerating geopolitical transition is underway, ushering in an era of heightened and persistent complexity.**

While this transition will touch different parts of business and finance in varying ways and to different degrees, our overriding view is that the pre-existing, decades-old global system — and the generally favorable business environment it sustained — is fading into memory. What is emerging is an extended period of economic and political contestation that is redefining regulatory landscapes, investment climates, and financing conditions.

While such a period may seem daunting, it should not lead to decision paralysis. Instead, growth remains well within reach with the right risk management strategy.

This year's report examines the geopolitical transition and its anticipated impact on trade, conflict, finance, and digital infrastructure in 2026. It also identifies potential solutions to business challenges and is designed to provide value to risk managers, the C-suite, and boards of directors alike.

We hope you find it a useful tool.

01 |

The geopolitical transition accelerates

Fundamental changes in the global order happen once in several generations.

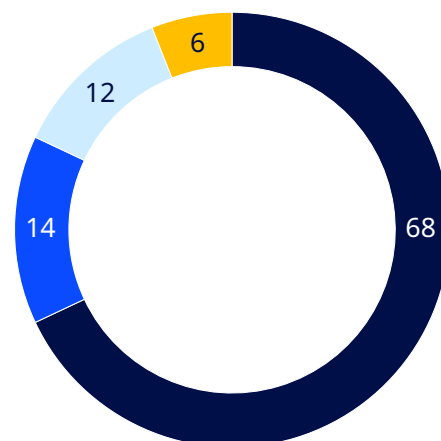
The dominant economic and political system of the past 80 years — architected by the United States beginning in the 1940s — has been around longer than the European Union, longer than every current trade agreement, and longer than dozens of countries. The predecessor system, the “Pax Britannica,” marked a century of British economic and military dominance from the end of the Napoleonic Wars in 1815 until the outbreak of World War 1 in 1914. The 30-year period between the two eras — a time characterized by economic dislocation, political polarization, and armed conflict — is often cited as emblematic of the risks inherent in a leaderless, in-transition world.

While such system-level transformations may be rare, leaders surveyed by the World Economic Forum (WEF) overwhelmingly expect the next one to happen by 2035 (Figure 1).



Figure 1. Characteristics of the political environment in 2035

- Multipolar or fragmented order in which middle and great powers contest, set and enforce regional rules and norms
- Bipolar or bifurcated order shaped by strategic competition between two superpowers
- Realignment towards a new international order led by an alternative superpower
- Reinvigoration of the US-led, rules-based international order



Source: [The Global Risks Report 2026](#), World Economic Forum

The planning paradox

However, while leaders anticipate global restructuring, they are not yet dedicating significant time to understanding the possible strategic implications for their businesses (Figure 2). Instead, many CEOs continue to focus their planning time primarily on short-term volatility, such as sudden policy changes or unexpected commercial events.

Figure 2. While CEOs see structural change, most are not focused on taking advantage of it

Planning time on <12-month horizons	NYSE CEOs	European CEOs
Executive focus	43%	45%
Planning time on 7- to 10-year horizons	7%	6%
View geopolitics as a short-term risk	89%	74%
See opportunities in geopolitics	11%	26%

Source: [The CEO Agenda 2025](#), Oliver Wyman

This contradiction — expecting major changes in geopolitics but not yet investing significantly to understand them — likely stems from multiple factors, including the difficulties of strategic foresight and the demands on leaders' time to resolve the challenges of the here and now.

However, organizations that treat this period as a manageable long-term process with trends that can work to their advantage rather than be a source of unmanageable short-term disruption, stand to benefit in five key ways:

1. **First mover advantage:** Organizations will develop greater confidence in future trends more rapidly than peers while also looking beyond short-term disruptions more effectively.
2. **Opportunity recognition:** A generationally rare shift in the global order will likely create significant opportunities that prepared firms can capture, in addition to downside risks to avoid.
3. **Strategic alignment:** Leaders will develop more robust long-term plans, avoiding costly strategies designed without an appreciation of how the world might change.
4. **Narrative testing:** Early recognition of whether the prevailing consensus is mistaken (such as a global reordering is not actually underway or proves quite limited) becomes easier.
5. **Improved stakeholder strategies:** In a geopolitical transition, the rulebook for trade, finance, and politics is especially prone to revision. Firms will better leverage emerging trends, protect key parts of the old order, and avoid expending resources aiming to resist a strong tide of change.

A stronger perspective on the outlook for global change

To pursue these five advantages, organizations must decide to develop a perspective on the size and direction of the geopolitical transition. This begins with a clear grasp of the pre-existing global system, since it is hard to predict

where the world might be headed without first understanding where it comes from.

We identify six broad characteristics that have defined the post-war system (Figure 3).

Figure 3. Attributes of the post-war global system

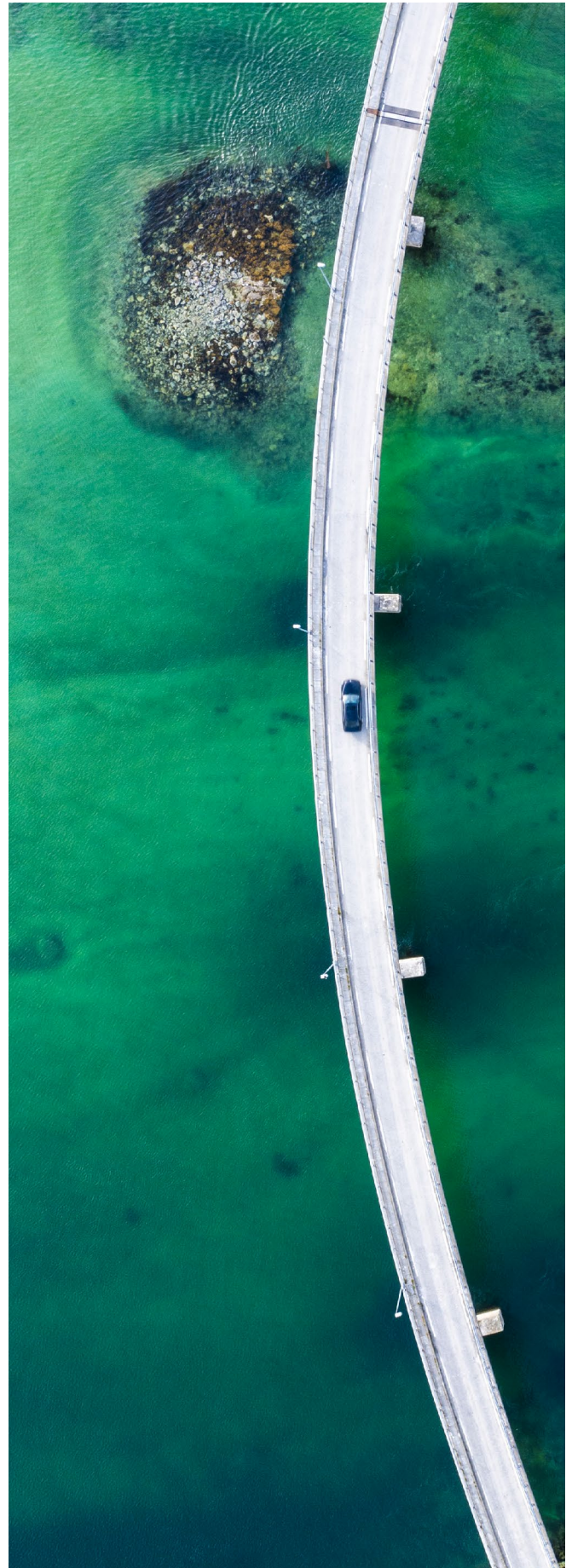
Characteristic	Features	Context
Perpetually more open global trade	Multilateral efforts to reduce trade barriers and promote open, competitive international commerce.	Between 1950 and 2020, the average global tariff rate fell from above 20% to 5%. International trade as a share of global GDP rose from 25% to 60%.
Economic and financial liberalization and discipline	Rationalized economic restrictions and fiscal and monetary discipline, domestically and internationally.	In 1945, only half of the world's countries had any form of central bank. By 2020, nearly all countries had established one, of which 85% were assessed as independent of political influence.
Rulemaking multilateral institutions	International institutions create and enforce rules, norms, and standards for cooperation and conflict resolution.	The IMF, the WTO, and dozens of UN agencies were established to coordinate global policy across health, telecommunications, and financial regulation.
Promotion of democracy and state sovereignty	Advocating democratic governance, democratic reform processes, and state sovereignty.	In 1945, more than 75% of governments were autocratic. By 2020, only 13% were. The number of democracies grew from 12 to 93 in the same period but fell to 88 by 2024.
Dollar hegemony	Dominance of the US dollar as the world's primary currency.	The US dollar's share of global reserve currency holdings grew from 27% in 1940 to 71% in 2000. It dropped to 58% by 2024.
Stable alliances and geopolitical alignments	Maintaining long-term partnerships and military alliances to provide a hard power backstop for the global order.	NATO's 75th anniversary took place in 2024. Many significant US defense agreements, including with Australia, Japan, the Philippines, Saudi Arabia, and South Korea, trace their roots to the 1950s.

Source: Marsh Risk

Taking these six characteristics as a starting point, businesses can assess how they foresee the evolution of the international system, specific to their sector and geographies, and align that assessment with the organization's plans over the medium-to-long term.

This process can demystify what may seem like an unmanageable strategic risk, protect businesses from short-sighted decisions, and help turn the geopolitical transition into a powerful vector for opportunity, differentiation, and expansion.

Part three of this report outlines a straightforward method to integrate such an assessment into the annual planning cycle.



02 |

Political risks to trade, conflict, finance, and digital infrastructure in 2026

A firm's exposure to the effects of the geopolitical transition this year will likely depend on its geographic presence, sector, and risk preparedness.

However, many may face pressures on their physical and digital supply chains, disruptions from physical and digital conflicts, and political influence in finance and digital infrastructure.

Trade: Adapting to higher friction

In 2025, [US tariff rates](#) increased to the [highest level since the 1930s](#), while China's trade surplus set a new record above US\$1 trillion. Viewed through the trade architecture framework in the *Political Risk Report 2025*, these two data points suggest that businesses are contending with more than just short-term volatility. Rather, **the trend is toward a structurally higher friction global trading system** as economic, political, and national security interventions by governments persist.



A trade architecture framework can help businesses evaluate whether expected policy changes will cause short-term disruption or, more significantly, contribute to long-term realignment in global trade. Key evaluation points might include:

1.

Assess China's commitment to export-supported growth.

2.

Understand US trade policy priorities — quick wins or long-term change.

3.

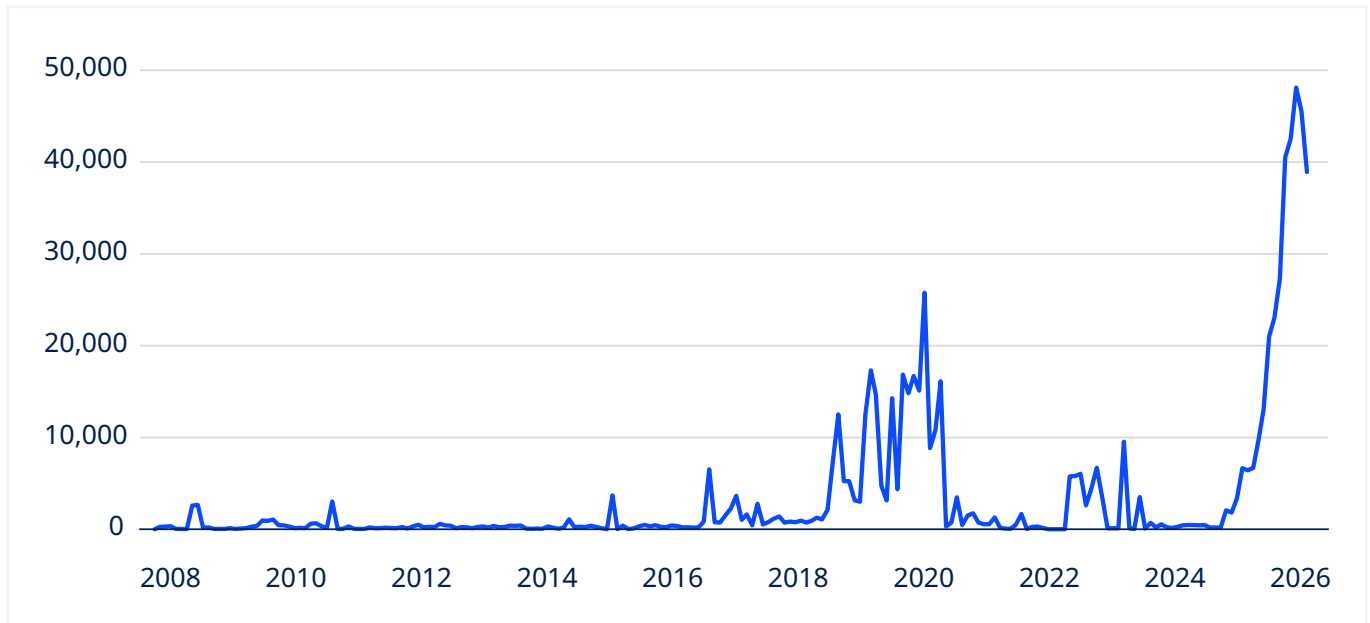
Consider whether the "connector model" can survive a squeeze from both sides.

The relative unpredictability of these interventions is likely to fuel elevated [trade uncertainty](#) in 2026 and beyond (Figure 4) as organizations face the probability of a steady stream of rule changes, cost fluctuations, and supply chain challenges.

More frequent government intervention in trade also imposes costs that companies must

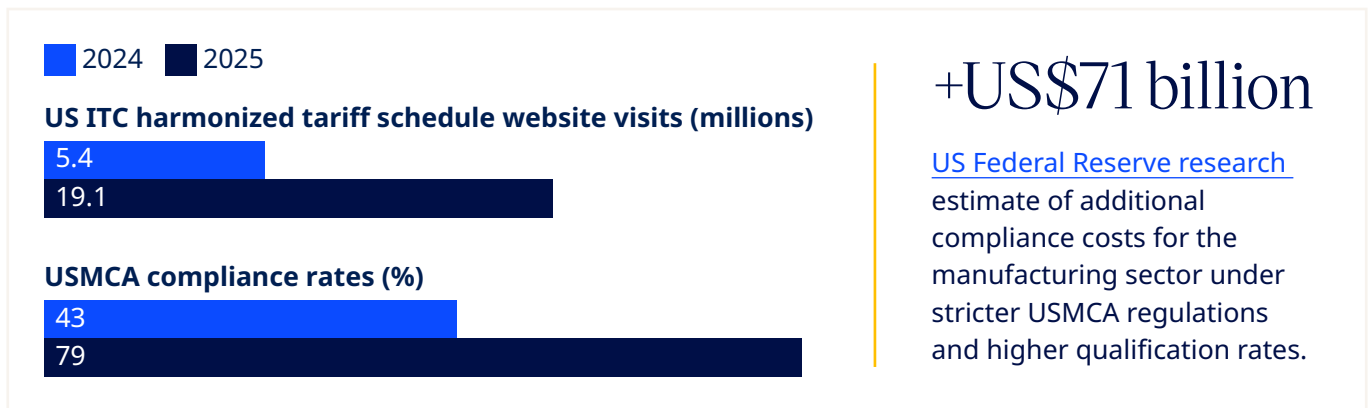
account for beyond the price of tariffs. As Figure 5 shows, many importers adapted to US trade policy changes in 2025 by investing in increasing the share of goods qualifying for tariff-free access by a collective 84%, especially as penalties for non-qualification significantly increased. In the process, the US Harmonized Tariff Schedule (HTS) website saw 13 million more visits in 2025 than in 2024.

Figure 4. World Trade Uncertainty Index (January 2010-November 2025)



Source: [The World Trade Uncertainty Index](#)

Figure 5. Separate from the cost of tariffs, a higher-friction trading system can encourage companies to spend more on compliance and tracing



Source: [U.S. Federal Government Website and App Analytics, Harmonized Tariff Schedule Huge, Tariff Increases Could Hit Mexico, Canada, Despite USMCA Exemption](#), *Forbes*, 2025



Companies looking to reduce the burden of tracing while increasing supply chain visibility can consider AI-powered supply chain tools like Marsh's [Sentrisk](#). Such capabilities may prove especially valuable as the origin of certain goods or inputs could come under further scrutiny from the US, the EU, and elsewhere in 2026.

Opportunities and risks in the new trade architecture

In contrast to the broad trend of more regular government intervention and the business challenges associated with it, trade is also becoming more open in some cases as countries reinvigorate efforts to finalize long-stalled agreements or reach new ones — a clear reminder that disruption of the pre-existing architecture presents more than just downside risk. For instance:

- In 2025, trade agreements were reached between the UK and India, Canada and Indonesia, and Mexico and the EU, among other countries.
- In January 2026, the EU and Mercosur concluded negotiations for the world's largest free trade area after 25 years of talks.
- Amid some areas of deepening ties, three symptoms of the new trade architecture may also pose challenges for businesses in 2026 and beyond. They are:

1. **Tariffs are unlikely to return to pre-2025 levels.** Tariffs accounted for more than [5% of US revenue](#) in 2025 — revenue that future administrations may be reluctant to forgo. Additionally, cash-strapped countries elsewhere may increasingly view tariffs as a politically acceptable revenue-raising tool or source of leverage as protectionism becomes normalized. After the US Supreme Court [invalidated](#) the US administration's use of the International Energy Economic Powers Act (IEEPA) in February 2026, the administration demonstrated its continuing commitment to permanently higher tariffs with its immediate pivot to alternative tariff authorities.
2. **Countries face a strategic choice between open trade and protectionism.** With the world's largest importer maintaining tariffs at levels unseen in decades and the world's largest exporter continuing to export record volumes, almost every other country faces a choice with business and financial implications: maintaining existing openness and risk exposing domestic industries to a surge of re-directed goods, raising protective national barriers around key sectors, or strengthening larger blocs with bloc-level protections.
3. **Services may be next.** While largely untouched in 2025, regulatory or legislative focus could turn to services trade, including potential ways to discourage the [offshoring of jobs](#) or as an extension of the protectionist trend that has been goods-focused thus far.

Conflict and investment: Focusing on what matters

The number and persistence of conflicts, which are more widespread now than at any point in the past 50 years, are clear side effects of the ongoing geopolitical transition. As the risk of conflict has increased, corporate and financial-sector attention has grown (Figure 6). However, in annual reports and on earnings calls, most businesses have focused on the three most high-profile conflict risks: Russia-Ukraine, Middle East conflicts, and Taiwan.

While significant, for many organizations these “big three” may not actually be the most relevant conflict risks. Leaders should ensure that risk teams are not overlooking lower-profile or seemingly less plausible conflicts that could have a more direct impact on operations.

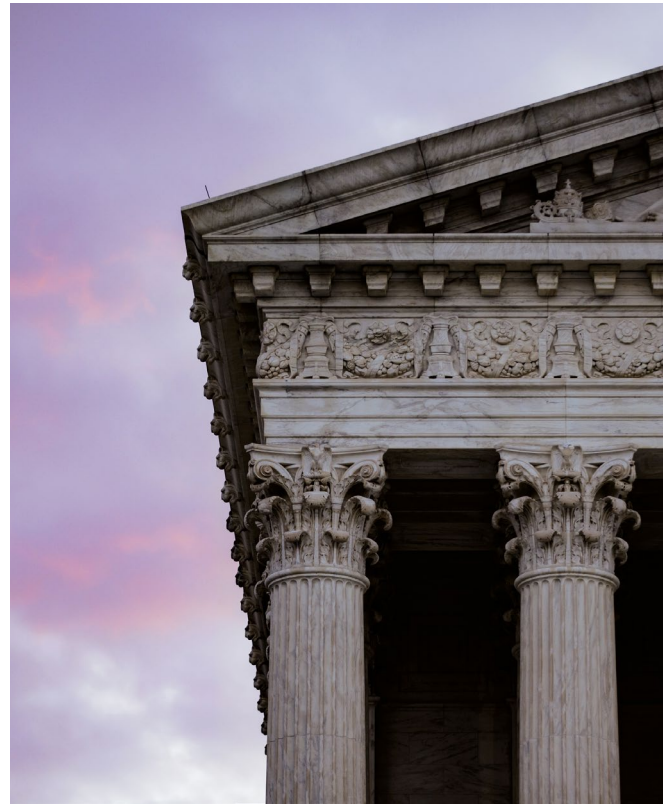
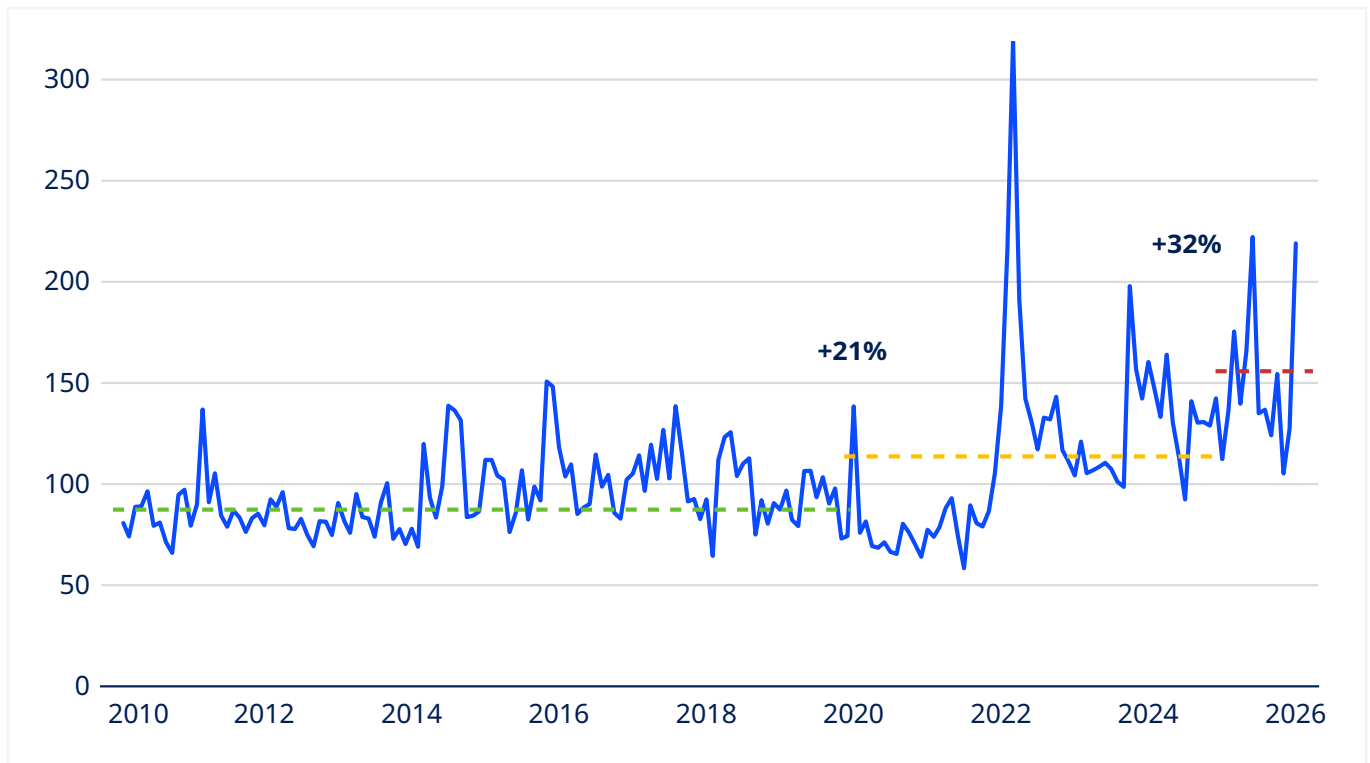


Figure 6. The most commonly used measure of global focus on geopolitical risk — the “Geopolitical Risk Index”— has increased 60% from its 2010s average.



Source: “[Measuring Geopolitical Risk](#),” American Economic Review, April 2022, 112(4), pp.1194-1225. Data downloaded from <https://www.matteoiacoviello.com/gpr.htm> on 01/14/2026.

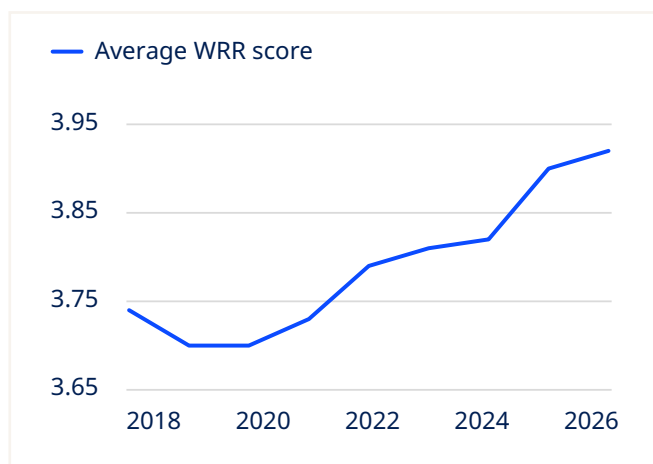
Case example: Thailand-Cambodia border dispute

The flare-up in this [century-old border dispute](#) initially received little global attention but has had significant negative effects for some of the Japanese, Chinese, and Malaysian companies operating on both sides of the border: months of [supply chain disruptions](#) resulted as alternative logistics routes [came at a 40% premium](#), nearly 800,000 migrant workers departed, and, in several cases, there were operational shutdowns.

A warning sign flashed in May 2025 when a border skirmish killed a soldier. At that time, firms exposed to the region who were aware of past tensions could have readied contingency plans before the dispute escalated several weeks later. However, because the initial event coincided with the 2025 climax of the Israel-Iran [conflict](#), risk teams may have been focused elsewhere.

While the global average security environment risk has increased steadily since 2020 (Figure 7), indicating a deteriorated situation overall, the relatively minor increase at the global level also demonstrates the importance of tracking national and sub-national security risks to business operations, where changes are often much faster and more significant.

Figure 7. Increase in conflict risk



Source: Marsh Risk World Risk Review (WRR)

Conflict risk

Global security events have dominated headlines in recent years — as reflected by the Geopolitical Risk Index (Figure 6) — however, understanding the details of where specifically the risks lie is vital for companies conducting scenario planning and risk management to appropriately direct limited resources.

29 countries

recorded **increases** in security environment risk exceeding 20% between 2018-25.

11 countries

countries experienced comparable **decreases**. The broader picture, meanwhile, reveals a level of stability in most of the world.

>100 countries

maintained relatively stable security environments throughout this period.

Advanced analytical models, like Marsh Risk's World Risk Review, can help firms narrow the field of potential conflict risks and enable more strategic resource allocation.

Source: [Marsh Risk's World Risk Review](#)

There is a clear business benefit to identifying specific conflict risks with direct operational implications, rather than devoting too great a share of resources to addressing structural threats. [Recent World Bank research](#) indicates that the most significant business disruptions typically occur early in conflicts, when uncertainty is at its greatest. Firms that invest in understanding the probable implications of lower-profile, higher-impact flare-ups along their investment and supply chains may be better equipped to mitigate consequences and gain a competitive advantage.

Geopolitical transition: Implications for borrowers

In prior world order transitions, the financial sector was typically among the last to experience significant disruption. In that context, the continued dominance of the US dollar in [global foreign exchange reserves](#) and cross-border settlement suggests that the transition is unlikely to be a major source of shocks to the sector this year.

However, the transition's undercurrents remain influential. Weakening international cooperation is contributing to subtle but consequential regulatory [fragmentation](#), which, in turn, affects the availability and sources of credit across regions in ways that are important for corporate borrowers to understand.

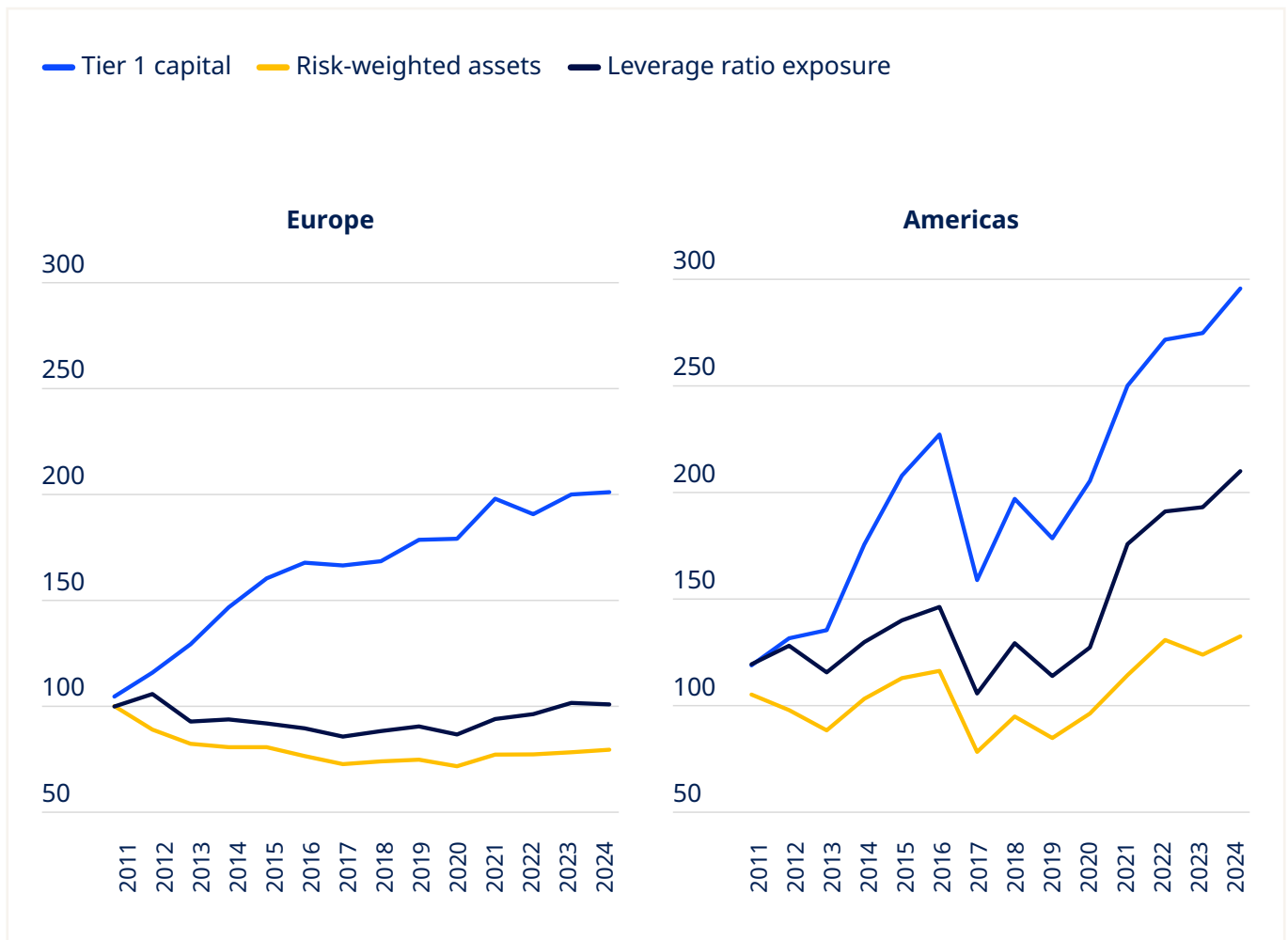


Basel standards: A multilateral system amid the geopolitical transition

The global financial crisis (GFC) in 2008 prompted a wide-ranging international effort to address potential causes of future crises, resulting in global financial regulations: Basel III. However, the final phase of Basel III, known variously as Basel IV, Basel 3.1, or Basel III Endgame, arrived into a less multilateral environment that [contributed to uneven implementation outcomes](#).

Regulators in Asia largely implemented the standards, while anticipation of forthcoming US revisions in 2026 has prompted regulators in the UK, Canada, and Europe to delay or modify aspects of their own versions, citing concerns about competitiveness (Figure 8).

Figure 8. Clear divergence in risk-weighted assets and leverage ratio exposure between banks in the Americas and Europe, especially since 2020



Source: Bank of International Settlements, [“High-level results and cumulative impact dashboard”](#). 2011 = 100, data for “Group 1” banks, which includes G-SIBs.

Note: While regulatory differences will not explain all of the divergence seen in Figure 7, different regulatory environments have had a material impact on the two regions’ banks, according to [Oliver Wyman](#) research.

At the same time, already implemented Basel regulations have created a separate challenge. By constraining traditional banks, the rules have prompted some lending to shift toward non-bank financial institutions (NBFIs). In 2025, this shift caused the [International Monetary Fund](#) (IMF) and the [Bank for International Settlements](#) (BIS) to raise the question: is systemic risk simply being relocated rather than reduced?

The meaning for businesses

The combination of somewhat disjointed global financial regulations and explosive growth in largely unregulated NBFI lending may contribute to divergent international regulatory responses to the next financial sector downturn. Positively, [the New York Federal Reserve](#) places the odds of a recession in 2026 at just 25%.

Should a recession nevertheless arise, or if private credit lending experiences significant defaults without broader economic stress, several implications for corporates could unfold:

- **Near-term regulatory tightening:** Calls from the IMF, BIS, and others for stricter oversight of NBFI lending may lead to actual policy momentum, amplifying market-induced credit constraints and making alternative financing harder to access.
- **Longer-term outcome:** In a less cooperative international political environment, regulators in different countries may prioritize national or bloc-level priorities over more difficult-to-achieve but stronger multilateral safeguards, potentially accelerating fragmentation.

In this context, corporations relying on NBFI borrowing could face a challenging environment in which credit availability contracts, even as competition for traditional bank lending intensifies. To mitigate the risk of potential borrowing difficulties, organizations should maintain relationships with a range of potential lenders and track regulatory developments.



Central banks, inflation, and government debt

In the US, one of the most frequently [cited economic risks for 2026](#) is reinflation. In recent decades, inflationary events have typically been addressed by the central bank raising interest rates to cool the economy and prevent overheating. Today, however, organizations should prepare for the possibility that a reinflation event may not be addressed in the same way.

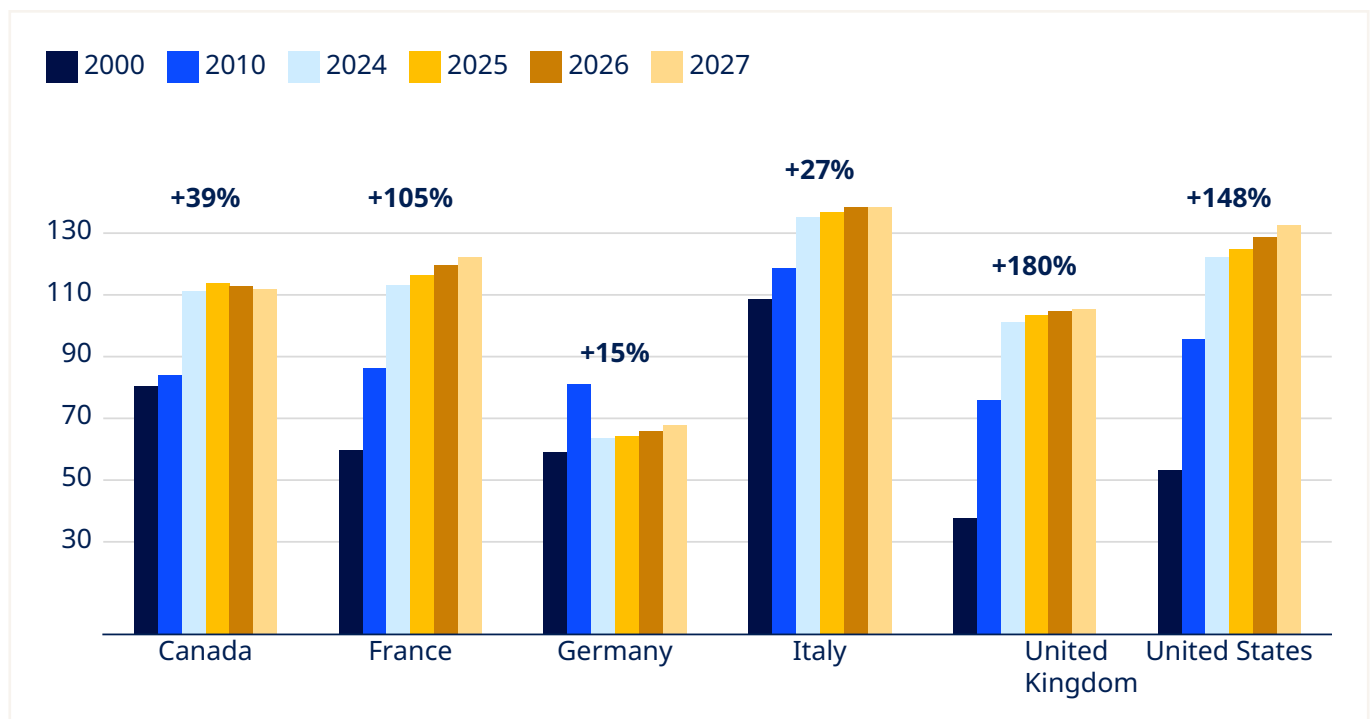
Since 2000, debt-to-GDP ratios have risen across all G7 countries (Figure 9), in some cases dramatically. When combined with tighter monetary policy since 2022, the US, UK, and others are now obliged to spend more on debt interest each year than on defense and some other services. Debt at these levels also means that monetary policy now has outsized impacts

on the cost of that debt and, therefore, on fiscal flexibility. Such conditions mean considerable political interest in the decisions of central banks.

These circumstances collectively raise the possibility of “fiscal dominance” in the near future, in the US and elsewhere. In such situations, due to overt political pressure or an economic crisis, a central bank’s priorities can shift away from inflation targeting toward ensuring the sustainability of government debt.

For businesses, implications could range from higher borrowing costs to increased uncertainty around future economic conditions. This possibility makes the potential return of inflation another area where **understanding the aims of political actors, and the structural constraints they do or do not face, can be a valuable corporate asset going forward.**

Figure 9. G7 (minus Japan) debt/GDP ratios have climbed since 2000



Source: IMF [World Economic Outlook](#), January 2026

Note: Japan’s debt/GDP ratio is the highest of any major economy at 230% as of 2025, having increased 70% since 2000. Though the raw number is quite high, and while Japan does face many of the same debt risks as other G7 economies, Japan’s debt situation also has several unique stabilizing characteristics that warrant more context than is possible to include here. For this reason, Japan’s debt/GDP data was not included in the chart.

Digital infrastructure at center stage

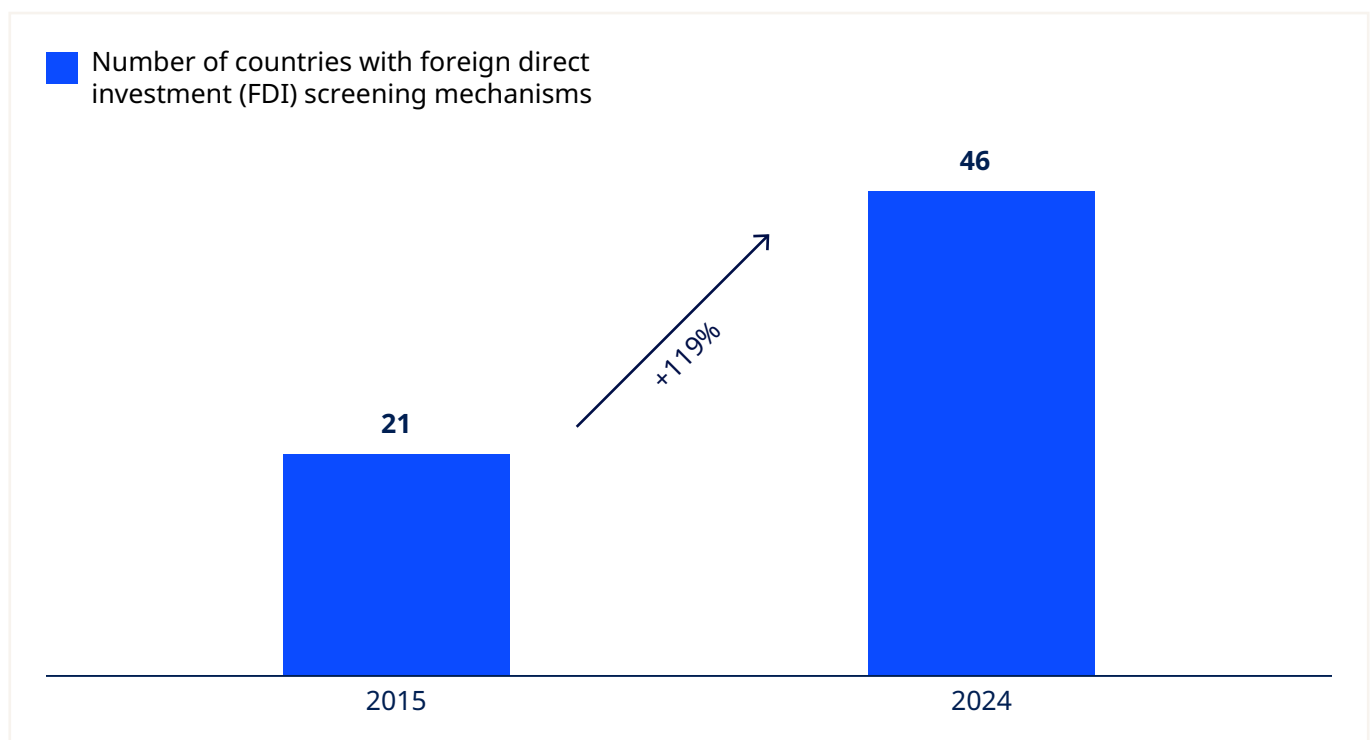
As the geopolitical transition accelerates, digital infrastructure — spanning data center power, construction, data centers themselves, cloud services, and satellite communications — is increasingly viewed by governments through a zero-sum lens. Political concerns over data sovereignty and competition in artificial intelligence, and the desire for end-to-end control over essential digital systems such as payments and logistics, are contributing to a range of politically driven complexities that the sector faces.

The sector's critically important functions also mean it is especially affected by technological decoupling, expanded export controls, and

intensified investment screening, the frequency of which has more than doubled since 2015 (Figure 10). Some countries have [begun to screen](#) outbound investment, as governments seek to prevent domestic capital from supporting the development of adversarial technologies.

[Local political factors](#) pose further risks, especially for data centers, as concerns related to resource consumption and effects on energy costs spread. Organizations operating in the digital infrastructure space must therefore have awareness of both immediate political risks and broader geopolitical trends that could influence the financial viability of their projects today and in the future, whether planned, under construction, or already operational.

Figure 10. FDI screening mechanisms have surged in the past decade



Source: "[International investment in the digital economy](#)", UNCTAD World Investment Report, 2025

03 |

What organizations can do

With a pervasive narrative of systemic geopolitical change and confronted with challenges in trade, conflict, and economics, executives and risk teams must equip their organizations with the best frameworks, tools, and risk mitigation strategies.

Turning global change into organizational advantage

The question of whether system-level geopolitical change is underway — and to what extent current rules and norms will evolve — should be a consideration for any organization planning to be in business in 10 years' time.

Ignoring this question may leave an organization dependent on customers, supply chains, or financial structures that do not remain viable.

Conversely, a shared leadership perspective on the prospects for geopolitical change, when integrated into the planning process and across operational domains, can provide greater clarity and confidence to continue taking risks, pursuing investments, and growing trade in a difficult climate.

A framework to assess global change may include:

1. Considering whether the US is undermining, ambivalent, mixed, or committed for each characteristic of the post-war global system (Figure 3, page 7).

2. Considering whether any other country is:

- Promoting a complementary or contradictory regional or global alternative
- Aspiring to and capable of taking or sharing global ownership
- Actively undermining a given characteristic without intending to replace it

By placing both considerations in a matrix, businesses can improve their awareness of potential systemic and regional implications and map them to business impacts. **Producing this analysis during the annual planning cycle can make it an integral part of more robust five- and 10-year strategies, investment planning, policy advocacy, and risk monitoring.**

For example, European companies experiencing what has been termed the "[second China shock](#)" might have benefited from a closer study of the implications of the Chinese government's Made in China 2025 policy and the resulting significant expansion of that country's manufacturing capacity. This foresight may have led to earlier and more assertive advocacy for a political response at the EU level.

Maintaining flexible trade capabilities

The continuing evolution of the global trade architecture will likely disrupt existing relationships and create opportunities for businesses to profit from new ones. However, especially when new trade deals are implemented, the chance to gain new customers or higher-margin suppliers must be balanced against the risks of non-payment, default, or contractual failure.

With geoeconomics now center stage — governments using regulation and policy to shape business behavior and political decisions — supply chain disruption is likely to remain an ever-present challenge.

Insurance solutions may include:

- [Trade credit insurance](#): Protects against non-payment of receivables, improves financing access, and can unlock working capital.
- [Business interruption insurance](#): Responds to financial losses that stem from physical damage, including increased expenses for alternative suppliers or expedited shipping.
- [Structured credit insurance](#): For complex arrangements, it can ease aggregate credit risk management and enable smoother capital flow.

Non-insurance solutions may include:

- [Supply chain](#) visibility solutions: Tools like Marsh's AI-powered [Sentrisk](#), combined with risk consulting, help promote supply chain visibility, identifying concentration risks and key exposures.
- [Advocacy](#): Active and coordinated efforts can help shape policy, encourage the preservation of valuable supply chains, and limit additional compliance complexity as new opportunities are pursued.

New supplier or customer relationships can also pose significant [cybersecurity risks](#). While [88% of organizations](#) report concerns about supply chain cybersecurity, only 26% include cyber incident response in their supply chain programs. In these cases, cyber insurance can help protect balance sheets by providing financial coverage for losses resulting from cyber incidents, enabling organizations to remain more confident and agile amid changing trade structures.



Protecting investments from conflict and political risks

Businesses aiming to look beyond the “big three” conflicts and safeguard themselves against other low-probability, high-impact risks should first identify key concentration points in their supply chains, irreplaceable suppliers, and locations where disruption could severely impact operations. These exposures can be uncovered through cross-functional coordination rather than relying on local entities alone to identify and escalate risks.

Next, consider the circumstances under which conflict or unrest could develop in those locations, even if seemingly quite improbable. Low probability events may be unlikely, but they can still happen such as rolling double sixes with a pair of dice: a 3% probability.

Once those risks are identified, solutions may include:

- [Political violence insurance](#): Responds to physical damage, operational shutdown losses, and resumption expenses, allowing operations to continue with acknowledged risk alongside resilience and crisis response plans.
- [Political risk insurance \(PRI\)](#): On top of protecting investments from security, investment, currency, or regulatory risks, [S&P Marsh Risk Research](#) shows PRI can address internal rate of return (IRR) shortfalls and facilitate more favorable financing terms.
- [Scenario planning and wargaming](#): By simulating plausible geopolitical or conflict shocks, organizations can reveal vulnerabilities and seek to reduce recovery time and financial risk.

Digital infrastructure in an era of competition

The high economic and geopolitical salience of digital infrastructure requires project developers, operators, and owners to collectively manage the many associated risks, especially as strategic competition in the sector remains a central focus for many governments.

Management of these risks may see digital infrastructure-specific property, construction, and business interruption insurance solutions complemented by other risk mitigants, including:

- [Cyber and technology coverage](#): Insurance and contractual protections for cyber incidents, software failures, and third-party tech risks that help reduce financial exposure, fund incident response, and support operational recovery.
- [Performance guarantees](#): Contractual assurances guaranteeing uptime, capacity, delivery, or power supply that provide certainty, expedite remedies, and protect revenue during underperformance or construction delays.
- [Credit insurance](#): Trade credit and structured credit insurance can help to stabilize cashflow and protect against counterparty default to support project bankability.

While the digital infrastructure sector is benefiting from breakneck growth, it must not overlook the political and strategic challenges that can affect projects at any stage of development or operation. For these reasons, managing political risk alongside operational, cyber, and financial risks is essential to protect against shocks that may disrupt supply chains, affect power supply, alter regulatory environments, or restrict data flows.

Below is an outline of **our tailored solutions** to help manage evolving geopolitical and economic risks.

Risk	Overview	Most impacted sectors	Key offerings
The geopolitical transition	Systemic changes to the world order require businesses to assess risks across finance, regulatory, and politics to prepare effectively.	Any business operating internationally, especially in strategic or politically sensitive sectors.	<ul style="list-style-type: none"> • Political risk insurance • Enterprise Risk Management Advisory • Risk management
Shifting global trade flows	The global trade architecture is evolving, and businesses must understand these changes to maintain growth and resilience.	Organizations with long-term investments or key supplier dependencies, including energy, manufacturing, and infrastructure.	<ul style="list-style-type: none"> • Contract frustration insurance • Risk Consulting • Trade credit insurance
Higher friction in the global trading system	Increased government intervention and retaliation risks raise complexity and costs, encouraging investment in compliance and tracing tools.	Multinational organizations in potentially politically sensitive sectors, such as manufacturing, textiles, high-tech, automotive, critical minerals, and defense.	<ul style="list-style-type: none"> • Sentrisk • Political risk insurance • Contract frustration insurance
Wide-ranging conflict risk	Major conflicts dominate attention, but many lower-profile conflicts also pose significant risks, especially to extended supply chains.	Organizations in sectors that are most at risk or exposed to conflict, such as energy, mining, marine, aviation, and businesses with tier 2 and 3 suppliers near conflict zones.	<ul style="list-style-type: none"> • Political risk insurance • Business interruption insurance • Scenario planning and wargaming • World Risk Review
Unsteady private credit and public debt outlook	Rising public debt and tighter private credit scrutiny create a fragile credit environment vulnerable to shocks.	Organizations with strained balance sheets or exposure to high-debt countries, and private market borrowers.	<ul style="list-style-type: none"> • Structured credit insurance • Trade credit insurance • Surety • World Risk Review
Digital infrastructure intervention	Digital infrastructure is a focal point of geoeconomic competition, requiring robust risk mitigation and advocacy strategies.	Owners, operators, or developers of data centers, cloud services, satellite communications, and related supply chains.	<ul style="list-style-type: none"> • Political risk insurance • Contract frustration insurance • Risk Consulting • Digital Infrastructure Contract Advisory Group
Optionality	Optionality remains a key strategy for managing geopolitical and commodity risks but can exacerbate political exposure.	Sectors exposed to geopolitical shocks and commodity market dynamics, such as energy, mining, and finance.	<ul style="list-style-type: none"> • Business interruption insurance • Contract frustration insurance • Political risk insurance • World Risk Review



Risk and insurance mitigation solutions

Our teams help organizations measure, manage, and minimize risks while anticipating future challenges and seizing opportunities. We provide specialist advice and solutions to companies and lenders, better enabling them to protect assets, seek to enhance investment returns, and unlock growth opportunities across industries and geographies.

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Contact us

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