Top geopolitical risks 2025

Opportunities for businesses to navigate uncertainty with confidence

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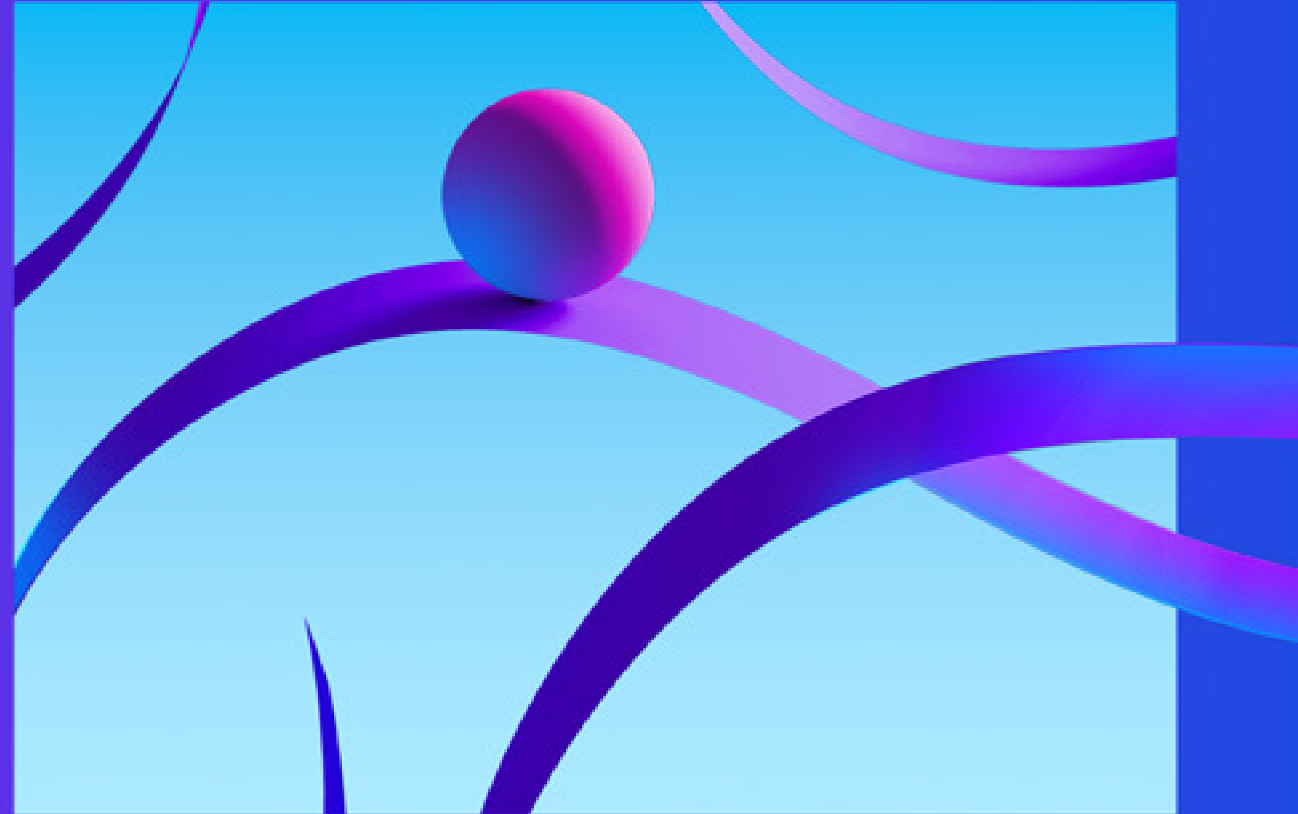

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Foreword

In an interconnected yet increasingly unpredictable world, geopolitical risks are a huge concern for business leaders I speak with, who need to manage volatility while delivering consistent shareholder returns. To help make sense of such complexity, I'm excited to share KPMG's Top geopolitical risks 2025 report, which explores the intricate landscape of geopolitics and the potential pathways for strategic and sustainable growth.

Decisions made by governments can send ripples across the world that have a big impact on companies. At the World Economic Forum 2025 Annual Meeting in Davos-Klosters, Switzerland, leaders echoed this sentiment, emphasizing the need to keep abreast of geopolitical change, understand the implications and proactively address the challenges — and the opportunities.

While the current outlook may appear daunting, I think it is important to recognize the value of resilience and adaptability. Companies that embrace fresh approaches to supply chain management, technology integration and workforce development can not only mitigate negative impacts but also seize competitive advantages.

As we look ahead, the insights presented in this report should help equip leaders with the knowledge and strategies necessary to navigate the complexities of geopolitics with confidence. By fostering a culture of agility and responsiveness, organizations can thrive amid uncertainty, turning challenges into opportunities for success.

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Global Head of Clients & Markets
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Executive summary

Understanding the intricacies of a world that is interconnected yet increasingly divided highlights the critical importance of recognizing and managing geopolitical risks for global businesses. This report aims to provide a comprehensive analysis of some of the most pressing geopolitical challenges that organizations will likely face in the near term. This report is intended for independent boards of directors and senior business executives, particularly Chief Executive Officers, Chief Risk Officers and other key decision-makers responsible for strategic planning and risk management within their organizations.

Top geopolitical risks for 2025

Risk	Impact	Opportunities
1. Tectonic shifts in power, economic centers and trade New trade alliances and investment hubs are redefining global power dynamics. The US is imposing tariffs, eliciting retaliatory responses, while new economic 'nodes' are emerging outside of traditional investment centers.	Investment decisions, supply chains and global footprint under pressure.	• Pivot to new regions, 'friendshoring'* and localizing. • Expand in both existing and new geographies, exploring new investment sources and adapting to new regional alliances. • Reshape end-to-end supply and value chains.
2. A complex, fragmented regulatory and tax environment Regulations and tax are evolving at different speeds in different geographies. Minimum global tax is becoming adopted by many countries, while others are withdrawing from multilateral tax policy.	Global sourcing and supply chain economics are in flux, and regulatory and tax compliance has become more complex and costly. Investment in the green transition is under question.	• Understand performance levers to embed capacity to adapt and respond. • Treat tax and regulatory compliance as a source of competitive advantage, to increase resilience and attract consumers and investors. • Continue to harness the potential of the green transition, despite occasional setbacks. • Monitor regulatory and tax developments.

*'Friendshoring' is a growing trade practice where supply chain networks are focused on countries regarded as political and economic allies.

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Risk	Impact	Opportunities
3. A fast-moving and politicized technology landscape Shifting alliances (based upon national security concerns) and fragmented regulations add to complexity, while the emergence of new Generative AI (Gen AI) players challenges US dominance. Regulators are struggling to keep pace with new Gen AI solutions, and a rolling back of regulations could leave AI models out of control. Geopolitical competition in AI and other technologies (i.e. quantum computing) is creating technological blocs around the US and China, thus jeopardizing international cooperation and access.	National security concerns are influencing decisions over technology partners and suppliers, and challenging the notion of a global IT infrastructure. Intellectual property and data security are under threat from malicious national actors. Unregulated digital and Gen AI solutions could harm ethical reputations. Lack of global leadership makes it hard to achieve globally harmonized regulatory standards. Companies will have to self-regulate to address the risks that may arise as they rush to adopt AI solutions to boost productivity and protect margins.	• Create modular, adaptable IT infrastructure. • Consider geopolitical risks when making decisions relating to a company's IT infrastructure footprint. This might force companies to cluster platforms, data centers and other tech to avoid regulatory and security issues. • Harness Gen AI by building trust through respecting local sensitivities. • Boost cybersecurity and invest in energy-efficient, green energy-powered AI, and strengthen critical infrastructure and enterprise systems.
4. Multiple threats to supply chains, assets and infrastructure Geopolitical rivalries, trade protectionism, conflict, competition for resources, cyberattacks and climate events place severe strains on globally exposed businesses. Wars and tensions pose rising threats to key shipping choke points. Countries are adopting protectionist measures to safeguard and diversify their supply chains, including energy, food and critical minerals.	Supply chains are under pressure, and companies face shortages of key resources, including battery components. It's increasingly tough to secure access to food supplies.	• Rethink supply chains and manufacturing by developing alternative sourcing strategies. • Create circular supply chains to reduce dependency on raw materials. • Embrace efficient, green energy to reduce vulnerability to volatility in price and availability. • Protect assets and infrastructure against climate change.
5. Demographic, technological and cultural pressures on workforces Aging populations, mass retirement, falling birth rates (in developed markets), changing worker preferences, culture wars, AI integration and reskilling bring major workforce challenges.	Companies face an escalating talent shortage in mature economies, and must also adapt to changing work preferences of younger generations. At the same time, we see immigration policies evolving around the world that could create challenges for talent sourcing and global mobility. There are challenges in adopting AI, exacerbated by a dearth of technology skills. In an increasingly polarized environment, companies are faced with a need to be explicit about "social" issues.	• Shape a dynamic and adaptable workforce through upskilling, virtual learning and organizational redesign. • Create a balanced, hybrid work environment, with a rebooted employee value proposition. • Keep mobile employees safe to attract and retain talent in areas affected by geopolitical events. • Integrate AI and humans to bridge the talent gap.

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Sectoral heat map analysis of top geopolitical risks for 2025

The sectoral heat map provides a comprehensive overview of how the top five geopolitical risks might affect key sectors.

	Tectonic shifts in power, economic centers and trade	A complex, fragmented regulatory and tax environment	A fast-moving and politicized technology landscape	Multiple threats to supply chains, assets and infrastructure	Demographic, technological and cultural pressures on workforces
Consumer & Retail	High alert	High alert	Moderate impact	High alert	Moderate impact
Energy, Natural Resources & Chemicals	High alert	Moderate impact	Moderate impact	High alert	Moderate impact
Financial Services	High alert	High alert	Moderate impact	Moderate impact	Moderate impact
Industrial Manufacturing & Automotive	High alert	High alert	Moderate impact	High alert	Moderate impact
Infrastructure & Transport	High alert	Moderate impact	Moderate impact	High alert	Moderate impact
Life Sciences	High alert	High alert	Moderate impact	High alert	High alert
Technology, Media & Telecom	High alert	Moderate impact	High alert	Moderate impact	Limited impact

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Introduction

Why does geopolitical risk matter? Because it affects many key strategic decisions that business leaders must make on operational locations, supply chains, financing, technology investment, talent management, partnerships and alliances, and energy sources, to name but a few.

Our 2024 KPMG CEO Outlook notes that geopolitics and political uncertainty have resurfaced as critical business risks, reflecting rising geoeconomic confrontation and a decline in the effectiveness of international rulemaking.[1] Eurasia Group claims we are in a "G-Zero" world, where the absence of clear global leadership creates a vacuum that threatens the established international order.[2]

In this report, we attempt to make sense of the volatile state of global geopolitics, by highlighting five key geopolitical risks and trends facing companies in 2025:

1. Tectonic shifts in power, economic centers and trade that are redefining global power dynamics.
2. A complex, fragmented regulatory and tax environment where policies can change quickly.
3. A fast-moving and politized technology landscape characterized by changing alliances and the rapid growth of AI.
4. Multiple threats to supply chains, assets and infrastructure from geopolitics, conflict, climate events and cyberattacks.
5. Demographic, technological and cultural pressures on workforces.

Each of these areas presents unique challenges, yet they can also offer opportunities for organizations willing to adapt and innovate.

We believe that by treating risk as an asset, leaders can align **enterprise risk management** with strategic objectives, positioning their organizations to thrive.

About the report

Top geopolitical risks 2025 aims to provide a comprehensive analysis of what KPMG believes are the most pressing geopolitical issues businesses will likely face in 2025. The report presents insights derived from extensive research, data analysis and case studies, including interviews and workshops with more than 100 KPMG professionals working across many global sectors and with clients of all sizes. Our secondary research includes KPMG reports, literature, academic papers, industry reports, and intergovernmental organization publications. The content was reviewed and validated by authors and contributors. This report should make essential reading for independent boards of directors and senior business executives, particularly Chief Executive Officers, Chief Risk Officers, and other key decision-makers responsible for strategic planning and risk management within their organizations.

[1] KPMG 2024 CEO Outlook, KPMG International, 2024.
[2] Top Risks 2025, Eurasia Group, January 6, 2025.

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Tectonic shifts in power, economic centers and trade

A geopolitical recession drives shifts in trade and investment, and redefines global power dynamics

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The world is undergoing a geopolitical realignment. The previous geopolitical era — which started at the end of the Cold War and ended with the global financial crisis — was characterized by high levels of global cooperation under US leadership, which allowed countries to economically integrate and boosted globalization. This period in history saw increases in international cooperation and the flourishing of multilateral institutions such as the World Trade Organization (WTO).

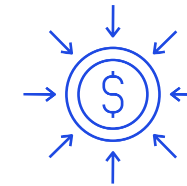
We are now at a watershed moment as the geopolitical order moves toward a multipolar world. While the US remains the most powerful country, both militarily and economically, the geopolitical landscape is more contested with rising superpowers, and middle powers who want to have a bigger say in international relations. So, after roughly 20 years of mostly free and unfettered globalization, there is still interdependence and economic integration between countries but potential changes to existing trade policies among a multitude of nations might alter this dynamic for 2025 and beyond. As countries increasingly compete rather than collaborate, the ripple effects of crises are more intense, particularly for globally integrated businesses.

With geopolitics regressing to a more mercantilist-style model, powerful nations are expected to leverage their weight, becoming more transactional and focusing on their economies and national interests. Weaker nations may either need to strike political alliances and deals — or risk being left behind.

According to the World Economic Forum (WEF), "geopolitical tensions remain a top risk to trade in 2025, along with trade wars and potential shifts in US trade policies."[3] Eurasia Group's Top Risks 2025 include a decline of clear leadership in a G-Zero world, weakening US-China relations and potential upsets to the global economy.[4] Over the past three years, "geopolitics and political uncertainty" have remained one of the top concerns for CEOs surveyed in our KPMG 2024 CEO Outlook.[5]

New governments, new directions, more uncertainty

As the table on the following page shows, the flurry of elections in 2024 led to a significant number of incumbent parties either losing power entirely or winning with decreased majorities. These swings create uncertainty over future government policies. The rise in country-first policies continues to shift global trade and investment patterns, as many governments appear to favor domestic suppliers in attempts to onshore, nearshore or friendshore procurement in critical industries, such as technology (semiconductors, AI, and 5G infrastructure), energy, pharmaceuticals, defense and automotive — with an emphasis upon electric vehicles (EVs).



After roughly 20 years of mostly free and unfettered globalization, there is still interdependence and economic integration between countries but potential changes to existing trade policies among a multitude of nations might **alter this dynamic for 2025 and beyond.**

[3] 5 top global trade stories of 2024, World Economic Forum, December 18, 2024, updated January 1, 2025.
[4] Top Risks 2025, Eurasia Group, January 6, 2025.
[5] KPMG 2024 CEO Outlook, KPMG International, 2024.

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2024 elections reflect shifting political directions

	Countries and jurisdictions	Election result
Losses for incumbents	**Bangladesh**	Following contentious January elections and subsequent student-led protests for quota reform, Sheikh Hasina resigned in August, prompting Nobel laureate Muhammad Yunus to be appointed as Chief Adviser to lead an interim government until new elections in late 2025 or early 2026.
	Botswana	For the first time in nearly 60 years, the Botswana Democratic Party lost power.
	Indonesia	Former military general and incumbent defense minister Prabowo Subianto defeated the presidential candidates from the incumbent ruling party in Indonesia.
	South Korea	Following the defeat in the 2024 general election and subsequent difficulties in governance, President Yoon Suk Yeol declared martial law and the National Assembly voted to impeach him. The current presidential administration is undergoing changes.
	United Kingdom	The left-wing Labour Party secured a significant parliamentary majority, ending the Conservative Party's 14-year rule.
	United States	The Democratic Party lost the presidency, with Republican former president Donald Trump defeating Vice President Kamala Harris.
	Uruguay	Yamandú Orsi, the left-wing politician, defeated incumbent President, Luis Lacalle Pou.
Incumbent retained power with decreased majority	**France**	President Emmanuel Macron's decision to call for snap elections in the summer resulted in reduced support for his centrist Ensemble alliance, as both the left-wing New Popular Front and the right-wing National Rally gained ground.
	India	Prime Minister Narendra Modi won a third consecutive victory for the Bharatiya Janata Party, but was forced into a coalition government.
	Japan	The Liberal Democratic Party, which has governed for much of the post-World War II period, along with its coalition partner Komeito, lost its parliamentary majority but retained power.
	South Africa	The African National Congress lost its majority in the National Assembly for the first time since the end of apartheid, amid concerns that widening inequality and increasing levels of unemployment and poverty may lead to social unrest.

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	Countries and jurisdictions	Election result
Incumbent party retained power	Mexico	The incumbent party achieved electoral success by securing outright majorities in both chambers of Congress. Claudia Sheinbaum became Mexico's first female president.
	Russia	Facing little to no opposition, Vladimir Putin won the Russian election in a landslide, securing 87.3 percent of the vote, and is currently serving his fifth term as president after amending the constitution to potentially stay in power until 2036.
	Taiwan	In the 2024 election, voters from Taiwan had chosen Vice President Lai Ching-te as their new president with just over 40% of the total votes, and he officially assumed office on 20 May 2024.
	Venezuela	In January 2025, Nicolás Maduro was inaugurated for his third term as president of Venezuela, despite continued rejection of his leadership from both domestic opposition groups and much of the international community, including the United States, the European Union and several Latin American countries.

In the recent European parliamentary elections, there was an increase in support for right-wing populist parties running on strong anti-immigration platforms.

Several key notable elections are scheduled for 2025 as well. Germany's center-right under Friedrich Mertz won the elections that took place in February 2025 and at the time of writing Mertz is negotiating a possible coalition agreement with the center-left. The incumbent parties in Australia and Canada are seeking to secure mandates, with pundits expecting a change in government or a hung parliament result. Romania is again holding elections after the annulment of the 2024 vote amid foreign interference.

Importantly, two sub-trends are likely to affect the future of the geopolitical order during this transition and, consequently, the global business environment in 2025 and beyond:

1 US-China strategic competition

The US perspective is entering an era of increasing bipartisan support for more competition with China, particularly on technology controls. The new US government is expected to distance itself from the previous administrations "small yard, high fence" strategy. Economic instruments such as tariffs, sanctions and trade restrictions, as well as diplomatic measures to reduce the trade deficit with China and address circumvention of trade restrictions on China via third countries are anticipated. For its part, China could respond to tariffs and other restrictions by adopting its own toolbox of countermeasures, including the Unreliable Entity List (UEL), Export Control Law (ECL) and Anti-Foreign Sanctions Law (AFSL). The US-China competition should predominantly play out in sectors that both deem strategically important for national security, including semiconductors, AI and quantum computing technology, space technology, communication and data security. However, companies with supply chain or other market exposure in both countries may have to monitor the direct and indirect effects of regulation coming out of both the US and China that could disrupt or hinder their market access. Scenario planning and business clustering options should continue to feature in board and executive meetings of globally exposed businesses.

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2 The rise of middle powers creating new economic centers

Middle powers such as Mexico, India, Indonesia, Brazil, Saudi Arabia, Türkiye, South Africa and the United Arab Emirates (UAE) are expected to grow their geopolitical influence over the next decade. This could be determined by several factors, including geostrategic position, natural resources, demographic trends and US-China competition. Middle powers tend to focus on pragmatic diplomatic approaches, refraining from ideological struggles and preferring transactional stances based on fostering their economic and social development. Given the growing wealth of rising middle powers, combined with their non-ideological geopolitical stance, these markets present alternative investment and business destinations amid a fragmenting global order. It remains to be seen how long they can remain non-aligned and walk a diplomatic tightrope in a polarizing geopolitical environment. But in 2025 these countries should continue to play more crucial roles in conflict mediation, sovereign debt restructuring, de-dollarization efforts and energy transition. The US and China are likely to compete for influence over middle powers through preferential trade and investment agreements, as well as political and security alliances.

Trade barriers coming up

Importantly for global businesses, a fragmenting geopolitical order means a sizeable increase in trade protectionism. According to the Global Trade Alert, there were 3,418 "harmful" trade interventions implemented in 2024 — a significant increase from just 500 a decade earlier.[6] At the time of publishing this report, the US government has imposed significantly higher tariffs on Canada, China, the EU and Mexico, which have led to retaliatory responses in moves that could significantly impact global trade and push up costs for globally exposed businesses. The ongoing trade disputes are having notable effects on business leaders. In our recent webcast focused on navigating cross-functional tariff complexities, a modest 15 percent of attendees indicated strong confidence in their company's ability to effectively manage these challenges.[7] It's a similar story in the EU, which in October 2024 announced 5 years of duties on EVs from China.[8] However, the situation remains fluid and is likely to continue to develop throughout 2025 and beyond.

Following the threat of US tariffs on Canada, a February 2025 survey by KPMG in Canada indicated that 67 percent of Canadian business leaders feel confident in their ability to withstand a tariff war that could last over a year. Nevertheless, 62 percent of these leaders said they would consider shifting some production activities to the US as a mitigation tactic to address the challenges posed by such tariffs.[9]

Businesses may have chosen their manufacturing base for its low labor costs, or to take advantage of lower-tax and R&D incentives. The threat of tariffs, along with new global minimum tax rules, could undermine such benefits (something discussed in greater detail in the next section *A complex, fragmented regulatory and tax environment*). In KPMG in the US's briefing paper, The tariff landscape under the new Trump administration, we discuss how businesses can navigate potential "Trump 2.0" tariffs, which are likely to have a significant impact around the world.[10] To prepare for such disruption, the authors recommend monitoring global regulations, gathering and understanding trade data, renegotiating contracts and localizing supply chains. Companies also need to fully understand how their business is organized in terms of global footprint and areas of greatest potential exposure.

According to many economic forecasters, an escalation of tariffs around the world is likely to maintain upward pressure on inflation, increasing prices for consumers, particularly for goods that cannot be easily substituted. This should add pressure to already strained global supply chains, forcing companies to revisit their manufacturing footprint to reduce additional costs. Depending on the extent and scope of the tariffs, the same forecasts expect a potential global trade war to complicate GDP growth prospects for most countries involved, commensurate to their dependency on trade.

[6] Harmful Trade Policy Measures, Global Trade Alert, accessed February 26, 2025.
[7] Navigating cross-functional tariff complexities, KPMG International, February 12, 2025.
[8] "EU imposes duties on unfairly subsidised electric vehicles from China while discussions on price undertakings continue", European Commission press release, October 29, 2024.
[9] "Two-thirds can weather a trade war that lasts more than a year", KPMG in Canada press release, accessed March 12, 2025.
[10] The Tariff Landscape Under The New Trump Administration, KPMG in the US, 2024.

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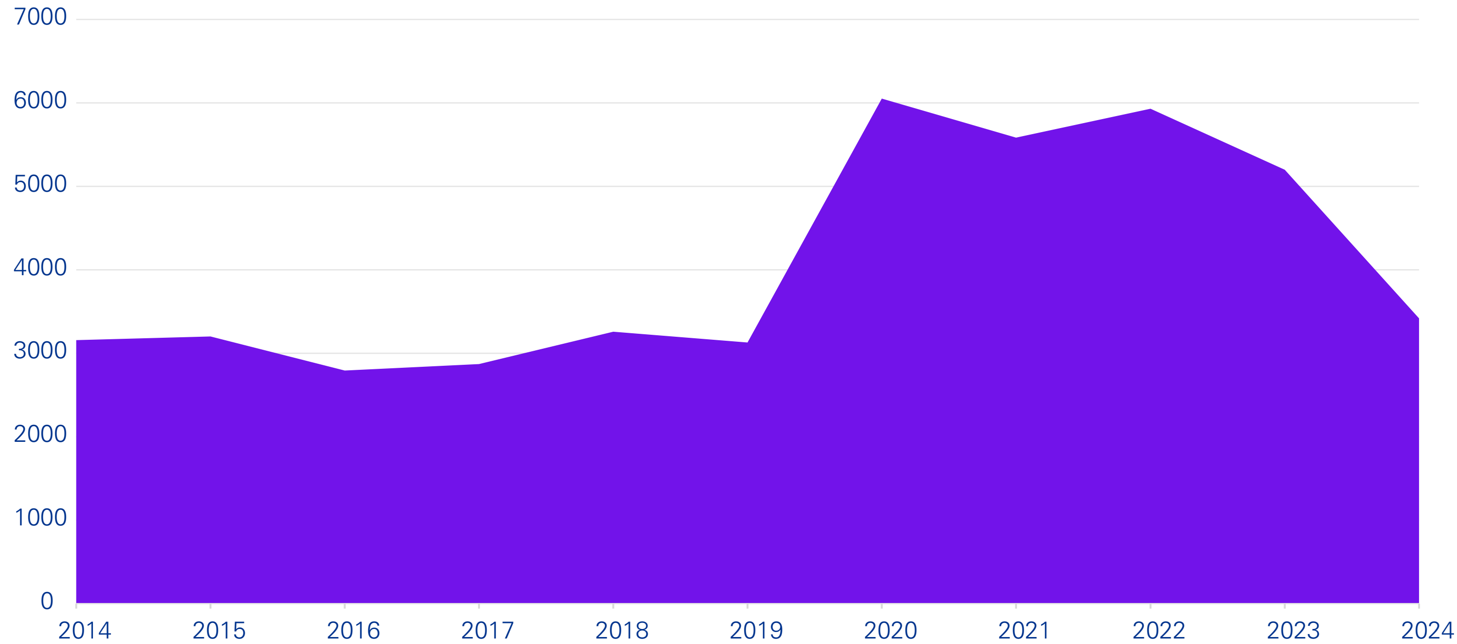
Evolution of harmful trade policy interventions (2014–2024)



Source: Global Trade Alert. Harmful Trade Policy Measures. (Measures, January, 2025.)

Tariff uncertainty is the new normal right now. Corporations and investors are struggling to prepare for long-term goals and operations because the short-term trade policy landscape remains unclear. So we're at a point where it's the calm before the storm. Those organizations with robust data capabilities, diversified supply chains, accurate valuation assessments, and tariff optimization programs should be better positioned to navigate these difficult times."

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Potential tariff hot spots: Goods exports to the US from major trading partners* (trend during 2015–24) and exports as a % of GDP (2024)

In 2024, 20.6% of European Union goods exports went to the US

2015 2018 2020 2022 2024

17.1% Canada
2015 2018 2020 2022 2024

25.2% Mexico
2015 2018 2020 2022 2024

1.8% Brazil
2015 2018 2020 2022 2024

1.7% UK
2015 2018 2020 2022 2024

17.7% Ireland
2015 2018 2020 2022 2024

1.7% France
2015 2018 2020 2022 2024

25.7% Germany
2015 2018 2020 2022 2024

2.2% China
2015 2018 2020 2022 2024

2.1% India
2015 2018 2020 2022 2024

26.6% Vietnam
2015 2018 2020 2022 2024

6.4% South Korea
2015 2018 2020 2022 2024

3.3% Japan
2015 2018 2020 2022 2024

13.7% Taiwan
2015 2018 2020 2022 2024

Tariff risk and impact on global trading partners

High | Medium | Low

Goods exported to the US as a % of GDP

Source: US Census Bureau; International Monetary Fund; European Commission

* Countries and jurisdictions

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To protect itself, China is trying to reduce its dependence on Western financial systems, by developing its own digital currency and payment systems. Although the US is less reliant than most countries on external trade for its GDP, a combination of higher tariffs and tighter immigration controls could keep inflation higher, and could lead to rate cuts — all of which could push up the cost of capital. KPMG UK Economic Outlook, KPMG in the UK, January 2025; The potential impact of higher tariffs, models the potential impact of a set of different scenarios on a range of economies in 2025. These include a more rapid tariff implementation as well as varying degrees of retaliation between trading partners. In a worst case, GDP is projected to fall by as much as 1.5 percent in the US, 1.2 percent in China, 0.7 percent in Germany and 0.4 percent in France.

GDP impact of tariff scenarios on selected economies

Belgium Canada China Denmark Finland France Germany India Mexico Sweden US UK Vietnam

0.00
-0.20
-0.40
-0.60
-0.80
-1.00
-1.20
-1.40
-1.60
-1.80

% difference in 2026 GDP levels compared to no tariff baseline

● Universal tariffs (10% rate), limited retaliation ● Universal tariffs (20% rate), limited retaliation ● Universal escalation (10% universal tariff rate and full retaliation)

Source: KPMG analysis using Oxford Economics global model.

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Potential new economic 'nodes'

While the US remains a dominant economic financial power, we are witnessing the emergence of new economic 'nodes' in regions like the Middle East, along with attempts to diversify capital markets away from dollar-dominated ones through BRICS (Brazil, Russia, India, China and South Africa). Companies are also investing in alternative manufacturing or trading hubs in Southeast Asia such as Indonesia, Malaysia, Singapore, Thailand and Vietnam — as a potential alternative to China.[11]

In 2023, Dubai attracted the most greenfield FDI (foreign direct investment) projects (1,077) anywhere in the world, with Singapore in second place (442), just ahead of London.[12] There have also been discussions between the BRICS nations about establishing a new reserve currency, including at the 2024 BRICS summit,[13] but it remains to be seen whether the global dominance of the US dollar will be threatened.

National policies may impose barriers to historic trading routes, but they also create opportunities for businesses to reconfigure their supply chains, adopting innovative technology and additive manufacturing advancements."

Jonathon Gill

Global Head of Industrial Manufacturing & Defence
KPMG International

Opportunities for global businesses

Pivot to new regions

National policies may impose barriers to historic trading routes, but they also create opportunities for businesses agile enough to reconfigure their supply chains around new locations in Asia, Africa and Latin America, and/or localize their supply chains. Some companies may even choose to relocate to the US to get closer to the huge domestic market, avoid punishing import taxes and take advantage of possible lower domestic taxes, which could strengthen the US's manufacturing base and benefit the country's upstream suppliers.

The slowing down or reordering of globalization along geopolitical interest — rather than economic efficiency considerations — can still drive closer regional economic ties. Regional trade agreements and economic partnerships, such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), Regional Comprehensive Economic Partnership (RCEP) and the African Continental Free Trade Area (AfCFTA), all have the potential to boost economic growth and foster regional cooperation.

There are signs that China is strengthening trade relations and economic ties with multiple Latin American countries, with a major shipping company opening a massive port in Peru that can accommodate the world's largest container ships.[14] The chart below shows China's growing influence on infrastructure projects in Latin America, as it attempts to strengthen trade links in the region.

[11] "Asean overtakes China for manufacturing FDI", FDi Intelligence, April 24, 2024.
[12] "Dubai beats Singapore, London as top city for 'greenfield' FDI projects", AL-MONITOR, May 15, 2024.
[13] "How would a new BRICS Currency Affect the US Dollar?", MSN, 2025.
[14] "COSCO SHIPPING Chancay Peru Terminal begins operations", Port Technology International, November 18, 2024.

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China's growing influence on infrastructure projects in Latin America

- **Countries in blue are part of China's Belt and Road Initiative**

Natural gas exploration and LNG terminal in Puerto Libertad Mexico
Investment: US$15bn
Status: Under study
Delivery in 2027

Amigo LNG terminal at Guaymas, Sonora Mexico
Investment: US$3.4bn
Status: Under construction
Delivery in 2026

La Dorada-Chiriguaná railway Colombia
Investment: US$800m
Status: Accepting bids
Award in early 2025

Port of Marcona Peru
Investment: US$405m
Status: Under study
Delivery in 2029

Electric vehicle production plants Brazil
Investment: US$500m
Status: Under construction
Delivery in early 2025

Valparaiso-Santiago railway Chile
Investment: US$3.8bn
Status: Under study
Tender in late 2025

22 post terminals across Brazil
Investment: US$1.5bn
Status: Under study
Auction by end of 2025

Source: Economist Intelligence Unit.

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Broaden investment sources

The broadening sources of capital in new centers offer fresh opportunities for investors to expand in both existing and new geographies. The likes of Dubai and Saudi Arabia — which are growing centers of wealth and investment — are also becoming desirable destinations for business,[15] leisure[16] and luxury retail,[17] competing with traditional locations, and creating new markets for travel, hospitality and shopping. The World Travel and Tourism Council reported that Saudi Arabia welcomed a record 100 million tourists in 2023, helping the travel and tourism sector grow by almost one-third year-on-year.[18] While the oil and gas industry has faced consistent oversupply pressures, financial performance in construction, as well as in service-driven sectors (such as banking and retail) has been positive during the past year, reflecting a wider diversification away from traditional energy markets. From a global perspective, private capital, which is highly mobile and growing fast, provides new sources of financing. Private market assets under management are forecasted to rise to US$15 trillion by 2025 and US$18 trillion by 2027, according to S&P Global.[19]

Don't write off globalization

Despite these various geopolitical changes, globalization is shifting but not ending, given the high levels of interconnectivity in supply chains (which is not going to disappear overnight), and the global nature of social media connecting consumers to desirable global brands. World leaders may use tariffs and incentives as a negotiating tool, but alternative sourcing is a longer-term challenge. Even if geopolitics causes a decline in global trade, companies still have options to form new alliances and partnerships, new sourcing options, and innovative business and operating models.

For example, new trade agreements and strategic partnerships emerged in response to the US's withdrawal from The Trans-Pacific Partnership in 2017, with Japan, Australia and New Zealand collaborating to maintain and increase trade links.

The emergence of new centers of wealth has opened up significant opportunities for banking, insurance, asset management and wealth management in Asia and the Middle East."

Karim Haji
Global Head of Financial Services
KPMG International

15 KPMG UAE CEO Outlook 2024, KPMG UAE, 2024.
16 "Dubai's tourism boom: 9.31 million visitors in H1 2024", Gulf Business, July 29, 2024.
17 The future of luxury in the Gulf, Vogue Business, April 15, 2024.
18 "Saudi Arabia's Travel & Tourism Breaks All Records", World Travel & Tourism Council, June 10, 2024.
19 Private Markets — A Growing, Alternative Asset Class, S&P Global, 2024.

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02

A complex, fragmented regulatory and tax environment

Intensifying tax and other regulations can impact global footprints and supply chains while adding complexity and cost to compliance efforts.

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Global businesses face a host of regulatory regimes around the world, covering sectors including financial services, telecommunications, healthcare, energy, food, automotive industry manufacturing and construction. On top of this there are sanctions, as well as trade, tax and investment regulations. More recently there has been a rising number of voluntary and mandatory ESG reporting standards and frameworks. Despite efforts at convergence, ESG regulations remain highly fragmented, obliging organizations to devote considerable resources to monitoring a constant stream of new requirements, gathering data and compiling reports. Monitoring and reporting on sustainability performance represents significant and rising costs for companies. According to preliminary data from a KPMG International global survey in March 2025, 54 percent of executives expect to increase the size of their global reporting teams over the next year, in response to the EU's Corporate Sustainability Reporting Directive (CSRD) requirements.

However, recent proposals from the European Commission, known as the Omnibus package, are set to introduce significant changes to CSRD, the EU Taxonomy, the Corporate Sustainability Due Diligence Directive, and other EU Green Deal regulations. If the European Parliament approves these changes, executives may need to reevaluate their reporting strategies, as the new measures will likely reduce reporting obligations. This possible reduction in reporting requirements may encourage a greater emphasis on organizations implementing strategies for decarbonization and adaptation.[20]

Regulation as a policy tool has played a role in creating a more level business playing field at a national and regional level. However, regulations are evolving at different speeds in different geographies. And, with many incumbent governments being voted out of office in 2024, it is unclear how new governments will address regulations and other elements of industry policy. Such uncertainty leaves companies facing a potentially diverse variety of outcomes. Respondents to our recent survey Energy transition investment outlook: 2025 and beyond cite regulatory or policy risks as the top barrier to investing in energy transition assets.[21] A separate survey of business leaders in China, the KPMG 2024 China CEO Outlook, ranked regulatory policies as one of the top three factors impacting their company in the coming year.[22] However, Eurasia Group's Top Risks 2025 argues that even if the move to renewables stalls, "... the global energy transition — which includes both renewables and nuclear — will power forward.[23]" This is arguably more about energy security than compliance, as countries and companies seek to reduce dependence on foreign energy and meet future demands, not least to meet demands of data centers to power AI.

Geopolitical forces and increased fragmentation, as discussed in the previous section, *Tectonic shifts in power, economic centers and trade*, can undermine the progress of international negotiations like Climate COP, Biodiversity COP and the Global Plastics Treaty. Without international alignment, multinationals may have to cope with a widening range of regulations in individual countries, potentially forcing them to diversify their product portfolios to suit specific national legislation — which could push up costs.

Sanctions are a further challenge, which, along with decarbonization and sustainability, can influence where businesses operate, the products they market, the energy they use, the suppliers they source from and the individual consumers they sell to. In the luxury goods sector, for instance, sanctioned individuals may succeed in buying goods anywhere in the world. Regulators, investors, consumers and employees are likely to favor those businesses that can show they are sustainable and embody appropriate social, cultural and even political values. An association with contentious geopolitical conflicts can taint the corporate reputation in the eyes of certain communities.

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[20] Commission simplifies rules on sustainability and EU investments, European Commission, February 25, 2025.
[21] Energy transition investment outlook: 2025 and beyond, KPMG International, 2025.
[22] 2024 China CEO Outlook, KPMG in China, 2024.
[23] Top Risks 2025, Eurasia Group, January 6, 2025.

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Companies based in highly regulated regions — especially Europe — may have competitive advantages within the Eurozone thanks to their strong compliance capabilities. However, these same characteristics could place them at a disadvantage in other parts of the world where their peers may be less hamstrung and can develop new products faster, and with fewer constraints, and operate with lower costs. The US government has a stated aim to "unleash prosperity through deregulation"[24] — it remains to be seen whether other developed nations will follow suit. The cost of compliance could even force companies to reconsider their global footprint, due to innovation and margins being squeezed in highly regulated locations. Senior executives surveyed for the KPMG paper Future of risk say regulatory and compliance risk is the second most common type of risk they expect to oversee in the next 3 to 5 years.[25]

Tax uncertainty causes a reassessment of global footprints

Around the world, countries and territories are trying to promote responsible tax behaviors among companies. This includes Base Erosion and Profit Shifting (BEPS) 2.0, which introduces a global minimum tax rate of 15 percent for businesses with annual revenues of over US$775 million. However, such a move could undermine profitability of companies that have established operations in locations to take advantage of local tax incentives. Other countries and regions are also offering credits and incentives for sustainable business practices that promote climate change. In regions with stricter regulations — like the EU — companies should be seeking to assess their carbon footprint of imported products, and consider the cost-effectiveness of manufacturing within the Eurozone. The situation has been further complicated by the US government's memorandum announcing that "the Global Tax Deal has no force or effect in the United States".[26]

The huge growth in the technology sector has placed digital services taxes under the spotlight. When asked which factor has had the greatest impact on their organization within the last year, 60 percent of respondents to the KPMG Global Tax Benchmarking Survey cite "tax reform" with a specific reference to digital taxes.[27] The failure to reach agreement on tax measures involving the digital economy may result in the proliferation of digital services taxes, with retaliatory action from the US in the form of increased tariffs, on the grounds that they unfairly discriminate against the US technology industry. Digital services taxes don't just affect technology companies; they also potentially impact any form of e-commerce from traditional business and consumer manufacturers and retailers.

[24] President Donald J. Trump Launches Massive 10-TO-1 Deregulation Initiative, Fact Sheet, The White House, January 31, 2025.
[25] Future of Risk, KPMG International, 2024.
[26] The Organization For Economic Co-Operation And Development (OECD) Global Tax Deal, Presidential Actions, January 20, 2025.
[27] Inside global tax functions, 2023, KPMG Global Tax Function Benchmarking Survey, KPMG International, 2023.

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Opportunities for global businesses

Treat tax and regulatory compliance as a competitive advantage

Trust is a key factor behind business success, especially where companies face heightened financial, reputational, regulatory and operational risks. The road to regulatory and tax compliance is not just about satisfying regulators; a sustainable, resilient and tax-transparent business is less susceptible to resource shortages, energy price volatility and extreme weather shocks, and more attractive to consumers, employees and capital markets. Highly regulated regions like Europe are likely to prove challenging for companies that can't meet required standards for products and services; by contrast those businesses that master compliance (and reporting) and have high levels of transparency, have an opportunity to thrive. When it comes to tax, a clear communications strategy can help ensure that the company's tax position is properly understood. Businesses also have the power to advocate for some 'global rules' to create a more common, collaborative global approach to solving problems, bringing together the public, private and non-governmental institution (NGO) sectors.

Manage the potential of the green transition

Global cooperation on climate change, including the Paris Agreement and Climate Promise 2025, can drive investment in renewable energy and promote sustainable development. Initiatives like the US Inflation Reduction Act (IRA) have provided tax incentives and benefits to support the US in tackling climate change, to encourage decarbonization through carbon capture and promoting the use of EVs, which are a central part of the sustainable transition. Regulation remains a powerful government policy tool to drive ESG innovation, helping accelerate fresh solutions to age-old challenges and scaling up niche, voluntary investment programs into powerhouses that disrupt the status quo. As 'green' markets continue to grow, companies can gain a competitive edge. Chinese manufacturers dominate sales of EVs, accounting for more than half of global production.[28] When it comes to EV batteries, China again leads global production, followed by South Korea.[29]

The regulatory-mandated transition to EVs has shaken the industry to its core, resulting in Chinese companies leading in EVs and traditional OEMs still struggling to find their position. Regardless, I believe that advanced, sustainable drive technology will prevail, bringing significant opportunities for all players in the industry, such as new business models, technological breakthroughs and/or cooperation ."

Dr. Andreas Ries
Global Head of Automotive
KPMG International

[28] Global EV Outlook 2024, International Energy Agency, 2024.
[29] Global Battery Market, S&P Global, October 10, 2024.

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Opportunities exist in next-generation technologies, including AI and Gen AI and cyber-enabled solutions, and energy transition or supporting infrastructure. AI/Gen AI can help radically improve and scale up renewable energy systems, identifying optimum locations for wind and solar facilities, monitoring performance, providing predictive maintenance and enhancing grid efficiency — something covered in greater depth in the KPMG Assurance and Consulting Services paper ACED through AI.[30] There is also considerable growth potential for a range of green industries, including decarbonization, biodiversity preservation, energy-efficiency, resource-efficiency, pollution prevention and recycling.

But financing these innovations is proving a huge challenge. The KPMG paper Sustainable finance revolution discusses how financial institutions can help bridge the huge sustainable investment gap. Sources of sustainable finance include green equities and funds, and green debt instruments such as bonds and loans. More specifically, the paper outlines four key areas of financing: agricultural finance supporting farmers and agribusinesses; adaptation finance to help communities cope with extreme weather; infrastructure finance for building and maintaining infrastructure; and green retail housing finance, to make residential buildings more sustainable.[31]

Monitor regulatory and tax developments

By coordinating tax, government affairs, ESG, corporate affairs, compliance and legal, companies can stay on top of changing regulations and prepare appropriate resources to adapt and remain compliant, to preserve their reputation and avoid penalties. Scenario testing can help businesses be prepared for ongoing volatility in tax rates, tariffs and regulations. Responses may include shifting centers of production and supply chains.

The evolving landscape of ESG regulations presents both challenges and opportunities for businesses. Companies can enhance their competitive edge by managing these risks and attract investment and foster trust among stakeholders. As we navigate this intricate regulatory environment, it is crucial for organizations to adapt in order to thrive, turning potential obstacles into pathways for growth."

Larry Bradley
Global Head of Audit
KPMG International

[30] ACED through AI, KPMG in India, 2024.
[31] Sustainable Finance Revolution, KPMG International, 2024.

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03

A fast-moving and politicized technology landscape

Shifting alliances, national security concerns, fragmented regulations and accelerating innovation force companies to reassess investment choices and supply chains. The emergence of new Gen AI players in other regions challenges US dominance.

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Rapid digital transformation, especially AI/Gen AI and automation, is driving many organizations to adopt technology at pace and make appropriate organizational changes to integrate that technology — or risk being left behind. In a recent KPMG survey of senior technology leaders, the KPMG Global tech report 2024, 78 percent of global tech leaders express concern about their organization's ability to keep up with the pace of change, and 80 percent fear that their leadership's aversion to risk could leave them trailing more agile competitors.[32]

However, the highly politicized nature of the global technology landscape adds considerable complexity to investment decisions. Amid concerns about national security, companies are under pressure to buy technology — especially advanced AI chips — from suppliers in countries that are geopolitically aligned with their host nation. Geopolitical competition over access to technology (such as semiconductors, quantum computing, and AI data centers) is encouraging the development of local or regional technology standards and supply chains. Governments are especially protective about core industries like defense and national infrastructure, including telecommunications, energy and transport.

Governments around the world are also seeking to exercise more control over the production, sharing, storage and use of corporate and personal data on national security grounds. As the US, the UK, the EU and China compete to shape global AI standards and regulations, businesses face additional regulatory fragmentation (as described in section 2, *A complex, fragmented, regulatory and tax environment*). Companies — and their IT leaders in particular — need to manage the various technology regulations and set up their infrastructure accordingly, for example, to meet data privacy laws on where information is stored. Standards for 5G and other technologies can vary between countries, which may impact companies' technology investments (and push up operating costs) in different countries, and hinder attempts at a connected global IT infrastructure.

Such concerns can influence the composition of the entire corporate technology "stack", as businesses may have to cut off suppliers at short notice if they fail to meet security requirements. The nationality of vendors can also increase the potential cyber threat level from new digital and AI solutions, as companies fear data privacy leaks, malicious cyberattacks, phishing, AI-enabled deepfakes, and intelligence gathering through chatbots.

An evolving AI arms race

New AI companies from Asia and other regions could challenge US firms' AI dominance, disrupting the technology market and "democratizing" AI with low-cost, open-source models. Innovations could also affect the semiconductor industry that drives the processing requirements of AI, and open the door for new players. Advances of this nature could also signal the start of a fresh 'AI arms race' between China and the US. If emerging AI consumes less energy than current power-hungry models, then the competitive threat becomes even more pronounced.

However, as regulators struggle to keep pace with AI roll-outs, and with a lack of control over the information that is feeding AI models, companies' reputations may be damaged by unethical use of data or flawed insights. To make things more complicated, organizations can be both data processors and data originators. Six out of ten (61 percent) of corporate leaders responding to the KPMG 2024 CEO Outlook identify ethical challenges as some of the most difficult issues to address when implementing AI within their businesses — an increase from 57 percent in 2023. And half are concerned about a lack of regulation.[33]

78%

of global tech leaders express concern about their organization's ability to keep up with the pace of change, and

80%

fear that their leadership's aversion to risk could leave them trailing more agile competitors.

Source: KPMG global tech report 2024, KPMG International, 2024.

[32] KPMG global tech report 2024, KPMG International, 2024.

[33] KPMG 2024 CEO Outlook, KPMG International, 2024.

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In response, governments are striving to achieve regulations that maintain data privacy and security, but also enable organizations to harness the exciting potential of AI to transform innovation, efficiency and productivity. Regulation, therefore, can influence national competitiveness, as companies from highly regulated regions may find themselves at a disadvantage versus those with fewer national restrictions. The EU AI Act, the pioneering legal framework on AI, addresses the risks of AI, presenting harmonized rules on the use of AI, with the aim of offering rules for the trustworthy use of large AI models.[34] However, as Eurasia Group notes in its top ten risks, announcements from the US government suggest that regulatory safeguards may be rolled back. In the chapter, "AI unbound", the authors express fears that a lack of checks and balances could lead to a "catastrophic accident" or an "uncontrollable AI breakout".[35]

Technology infrastructure and talent gaps can hinder progress

Technology is not just a tool, but a fundamental driver of economic growth. Getting the most out of technology requires considerable investment in broadband and 4G/5G networks and data centers (which also need huge amounts of energy to power and cool) and increasingly scarce semiconductors, plus individual devices to access online content and solutions. Because an estimated one-third of the world's population lacks reliable internet access,[36] failure to provide a suitable technology infrastructure could see some developing nations fall even further behind, widening the wealth inequality gap.

The widening technology talent gap may also leave companies short of people with the skills to use and integrate technology, something we discuss in greater detail in section 5 — Demographic, technological and cultural pressures on workforces. Almost half (48 percent) of the senior executives surveyed for the KPMG 2024 CEO Outlook are worried that their companies don't have the technical skills and capabilities to make the most of AI's potential.[37]

The concept of responsible AI is not limited to its practical applications. AI's ability to replace people could disproportionately impact lower-value jobs and/or shared service centers largely located in developing economies. Companies who are openly committed to social equity and communities may have to strike a difficult balance between AI's commercial benefits and the need to be responsible employers. For consumer and retail companies, the stakes are particularly high, as they employ large workforces and are in direct interaction with a consumer base that expects them to do the right thing and act consistently with their brand promises."

Isabelle Allen
Global Head of Consumer, Retail and Leisure
KPMG International

[34] AI Act, European Commission, accessed February 26, 2024.
[35] Top Risks 2025, Eurasia Group, January 6, 2025.
[36] Facts and Figures 2023, International Telecommunication Union, 2023.
[37] KPMG 2024 CEO Outlook, KPMG International, 2024.

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Opportunities for global businesses

Build resilient technology value chains

The growing geopolitical tensions mean that regulations may harmonize in some regions and fragment in others, and continue to shift according to changing political regimes. In the Global Semiconductor Industry Outlook for 2025, published by KPMG in the US, territorialism (including tariffs and trade restrictions) tied with talent risk as the biggest issue facing the industry over the next three years. Armed conflicts and tariffs were considered the two most pressing geopolitical challenges over the next two years, along with government subsidies and nationalization of semiconductor technology.[38] To build resilient and flexible technology infrastructures, companies should closely monitor the regulatory environment, build alliances with critical suppliers to ensure availability of key hardware, and diversify into cloud services distributed across multiple geographies. Our KPMG Global tech report 2024 finds that 86 percent of organizations plan to invest in cloud 'as-a-service' (XaaS) over the next year.[39] They may even consider to what extent they should localize operations for technology and data.

Forge trust in AI

Our forthcoming report, Blueprint for Intelligent Economies, reveals that attitudes to AI differ between countries, with respondents from emerging economies more likely to want to develop AI quickly with fewer guardrails. In addition to meeting regulatory requirements, global companies should be aware of local sensitivities when investing and doing business in different regions and nations. Robust ethical and regulatory frameworks for AI are essential to prevent misuse, bias and ethical breaches, strengthening trust in AI and promoting responsible development and use. At a global and transnational level, AI 'arms control' can help regulate the use of this technology, while inclusive global frameworks can help provide equitable access to AI, especially for developing nations. KPMG recently collaborated with the World Economic Forum's (WEF) AI Governance Alliance on a white paper, Blueprint for Intelligent Economies — AI Competitiveness through Regional Collaboration. The paper recommends collaboration between international and regional bodies, along with industry and civil society engagement, with enhanced data and technology regulations, and risk-based regulatory approaches that balance innovation with AI safety and security.[40] It cites the EU Artificial Intelligence Act as an example of regulations for high-risk AI applications.[41]

Boost cybersecurity and energy-efficient, green energy-powered AI

Amid rising cybersecurity threats from malicious nation-state actors, public and private sector investment in cybersecurity can strengthen critical infrastructure and enterprise systems. And, to counter the power-thirst demands of increasingly large data centers, companies can invest in green energy and energy efficiency, which can also enhance energy security. The use of AI can significantly enhance energy grid monitoring and dynamic line management, for example, predicting bad weather further in advance, to be better prepared and reduce the chance of power lines going down.

Companies can implement clear guardrails that drive responsible, ethical use of AI, making sure that models are based on reliable information and weeding out biases or incorrect conclusions and insights."

David Rowlands
Global Head of Artificial Intelligence
KPMG International

[38] Global Semiconductor Industry Outlook for 2025, KPMG in the US, 2025.
[39] KPMG global tech report 2024, KPMG International, 2024.
[40] Blueprint for Intelligent Economies — AI Competitiveness through Regional Collaboration, World Economic Forum in collaboration with KPMG, January, 2025.
[41] The EU Artificial Intelligence Act, Future of Life Institute, accessed February 26, 2025.

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04

Multiple threats to supply chains, assets and infrastructure

Geopolitical rivalries, conflict, competition for resources, cyberattacks and climate change are disrupting supply chains and likely to accelerate localization and resilience efforts.

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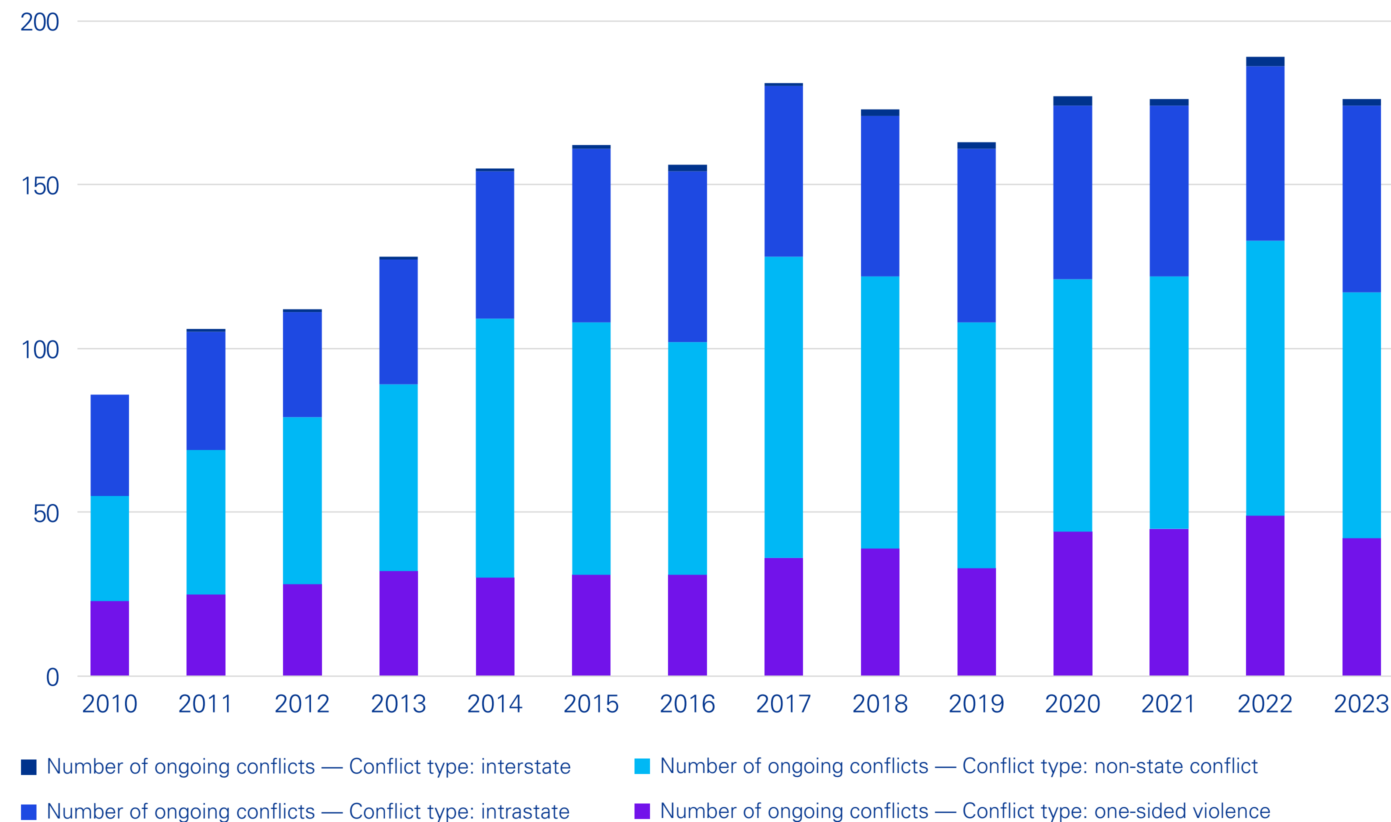
Armed conflicts have risen significantly in the last decade and a half, as the chart shows. Regional conflicts may continue to pose local and global risks to business and the global economy by disrupting global supply chains, imposing new compliance and regulatory requirements, and threatening the security of local employees and assets.

In a highly connected world, the increase of conflicts and defense spending, and the failure of international peace and security mechanisms is likely to send shockwaves through the global economy, posing significant challenges for companies. This is reflected in the KPMG 2024 CEO Outlook, where supply chain ranks as the joint top threat for CEOs.[42] However, this could also bring opportunities for some countries to fill the funding gaps and expand their influence. Recent geopolitical phenomena such as the war in Ukraine and between Hamas and Israel, trade tariffs and sanctions, severe weather events — as well as the COVID-19 pandemic — place severe strains on globally exposed businesses.

Eurasia Group's Top Risks 2025[43] raises the possibility that tit-for-tat tariffs, export controls and sanctions could cause a disruptive global trade war, which might break critical supply chains, distort trade flows, and raise costs for both businesses and consumers around the world.

In the Middle East, conflicts persist between Israel and several militant groups (Hamas, Palestinian Islamic Jihad, Hezbollah in Lebanon, Shia militia in Iraq, Houthis in Yemen, etc.) and between Iran and Israel. The fall of Assad leaves Syria facing an uncertain future, while Yemen remains unstable. These tensions pose a risk of regional escalation in 2025, with disruption to regional supply chains and potential, periodic terrorist attacks in the Middle East, Europe and North America.

Number of armed conflicts



Source: Uppsala Conflict Data Program and Peace Research Institute Oslo (2024) — processed by Our World in Data.

[42] KPMG 2024 CEO Outlook, KPMG International, 2024.
[43] Top Risks 2025, Eurasia Group, January 6, 2025.

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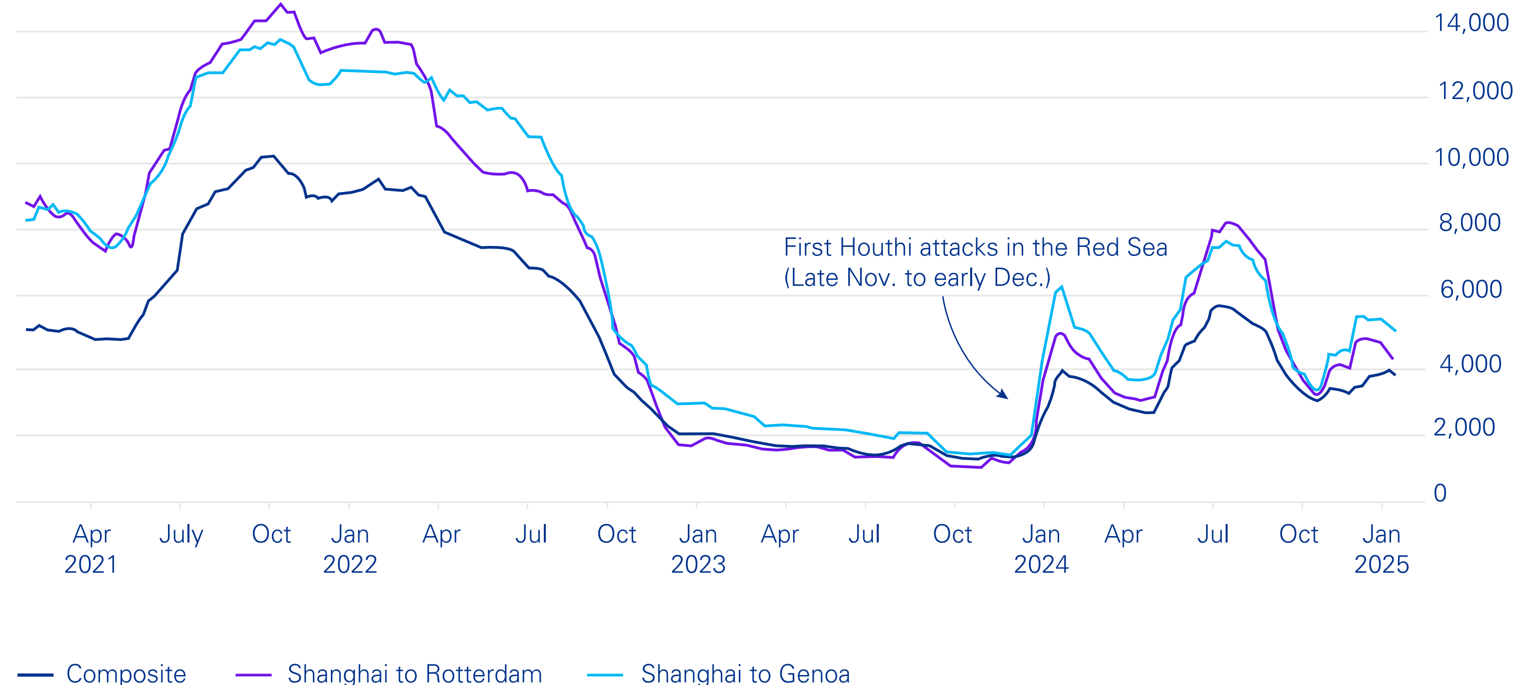
A combination of domestic and geopolitical stress mean that the Sahel, Sudan, Haiti, Myanmar and the South China Sea may remain potential flashpoints. Geopolitical competition continues to jeopardize international solutions to war and territorial disputes, with the effectiveness of multilateral institutions under pressure, including the UN Security Council. This may embolden actors to take military actions, increasing the risk of further conflicts.

As can be seen in the chart, sea freight rates experienced extreme volatility during pandemic and are again volatile due to Red Sea attacks, droughts in the Panama canal and labor contract negotiations that slowed operations at several critical ports.

Given the uncertainty over how new governments may approach ongoing conflicts, companies should be prepared to adapt to various future scenarios. For example, as German businesses reduce their dependency on Russian energy, prices have increased significantly, impacting profitability. Germany's statistical office Destatis reports that, as of September 2024, German households were still paying 74 percent more for gas than before the Ukraine war.[44]

Global sea freight rates spiked in early 2024 as a result of Red Sea disruptions

US$/40-ft container



Source: Drewry Container Index; Haver Analytics; Economist Intelligence Unit

[44] "German households still pay 74 percent more for gas than before Ukraine war", Clean Energy Wire, September 30, 2024.

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Coping with continued volatility

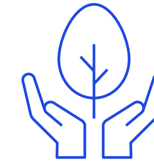
Geopolitical rivalries present active risks that require constant monitoring. These tensions pose rising threats to key shipping choke points, including the Red Sea (see the chart on previous page), Suez Canal, the Strait of Hormuz, the Bab el-Mandeb Strait, the Panama Canal, the Taiwan Strait, the South China Sea and the Malacca Strait. The interconnected nature of maritime trade means that any disruption can propagate globally. Operators should be vigilant and assess the risks associated with the limited alternative routes. With relationships between traditional trading partners in flux, global businesses should carefully monitor the geopolitical environment, to understand the impact on their supply chains. This may mean aligning more closely with friendly countries and regions to avoid tariffs and attract investors.

Natural disasters and cyberattacks can prove to be highly disruptive to both supply chains, assets and infrastructure, including physical attacks on sea cables that bring down telecommunications networks. Cybersecurity is a huge challenge for all sectors, with companies in many sectors — especially financial services — highly vulnerable. Operations across critical national infrastructure like telecommunications can be brought to a standstill, which affects companies and wider society.

Rapid advances in technology are enabling cyber criminals and malicious national actors to penetrate legacy systems.

Extreme weather can hit close to home even in historically temperate climates like Europe, reducing availability of critical manufacturing components and materials. Not surprisingly, extreme weather events are considered one of the top risks in the World Economic Forum's (WEF) Global Risks Report 2025. Looking 10 years ahead, the WEF's top three risks are all environmental: extreme weather events; biodiversity loss and ecosystem collapse; and critical change to earth systems.[45] Mass migration from conflict and climate change is putting pressures on governments, with political tensions and protests potentially escalating into civil unrest, leading to potential disruptions in operations and supply chains.

As multiple countries attempt a transition to green energy, and grow their technology sectors, there is increased competition for critical resources such as battery components. We have witnessed a 'scramble' for minerals in Africa, with a similar story in Latin America, which holds 68 percent and 36 percent respectively of the world's lithium and copper reserves.[46]



Looking 10 years ahead, the WEF's top three risks are all environmental: extreme weather events; biodiversity loss and ecosystem collapse; and critical change to earth systems.

[45] Global Risks Report 2025, World Economic Forum, 2025.
[46] "Imports of critical raw materials from Latin America to support the European Union's independence from China", Polish Economic Institute, July 17, 2024.

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Other challenges to rapid renewable infrastructure growth include access to capital, and planning and permitting — especially in highly developed markets like Europe. China is also dominant in solar power technologies, despite US efforts to raise tariffs — a strategy that has pushed up prices of solar panels for US buyers. According to our research in the KPMG International report, Turning the tide in scaling renewables, current market conditions are having a significant impact on the sector. A notable 84 percent of respondents report that these challenges are causing substantial delays in, or even the abandonment of, renewable energy projects. Additionally, 61 percent of renewable energy industry stakeholders cite supply chain risks as a significant obstacle to scaling renewable energy projects.[47]

With recent geopolitical tensions on the rise, countries and territories are adopting protectionist measures to safeguard and diversify their minerals supply chains. This impacts many countries who are dependent on a small number of suppliers for critical minerals to drive their energy, technology (especially AI) and defense industries. Southeast Asian countries, especially Vietnam, Indonesia and Malaysia, have benefited the most from the search for new sources, buoyed by their sizeable raw materials sector and related industries. As they scale up their domestic production, these newer regions are expected to become prominent global suppliers of critical raw materials.

Consistent economic growth is likely to continue to put pressure on energy, food and water resources, as well as infrastructure, housing and technology, as part of a broader demand for products and resources. The World Bank estimates that demand for food will rise by 50 percent by 2030, because of a growing world population, rising affluence and a shift to Western dietary preferences in emerging nations.[48] Lack of access to stable supplies of water is reaching critical proportions, particularly for agricultural purposes, exacerbated by rapid urbanization. Additionally, climate change, pollution, and nature degradation could reduce the suitable available land, pollinators and biodiversity, which could limit food production and lead to geopolitical instability. Such shortages can threaten supply chains for agribusinesses, reduce water supplies for manufacturers, and create greater economic and political instability in the affected countries.

Carbon is not the only environmental issue that is giving rise to geopolitical stress. Access to water and the quality of water has also emerged as an issue causing geopolitical stress due to its impact on issues such as migration, food and health. Prioritization of water resources has now become a domestic and global security essential."

Mike Hayes
Climate Change and Decarbonization Leader
Global Head of Renewable Energy
KPMG International

[47] Turning the tide in scaling renewables, KPMG International, 2023.
[48] Transforming Lives Through Climate-Resilient Irrigation, The World Bank, accessed February 26, 2025.

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Opportunities for global businesses

Rethinking supply chains and manufacturing

With supply chains under threat from geopolitical tensions, climate change and competition for resources, companies can develop alternative sourcing strategies that give them greater reliability — something also discussed in section 1, *Tectonic shifts in power, economic centers and trade*. Geographically shorter, simpler supply chains, along with friendshoring, could introduce greater certainty to supply chains. And, to scale and diversify manufacturing, companies could consider mobilizing low-cost financing to aid manufacturing in specific developing regions. African companies with sizeable mineral reserves could take more advantage of such resources, by investing further downstream in the value chain. Circular supply chains, return logistics, reuse, repair and recycling can play a crucial role in keeping products and materials "in the loop" and reduce dependency on extraction of raw materials. Circularity can inspire novel business models that allow for a shift in ownership, where companies stay in control of the product and resources, and consumers pay for usage as-a-service, driving a more effective utilization of products, materials and resources.

This can also protect against rising and often volatile resource prices, by decoupling revenue generation from "linear" material use. KPMG International's recent circular economy paper From talk to action[49] recommends that companies develop a comprehensive circular strategy that aligns with core business priorities and involves all business units and functions, breaking down goals like decarbonization and recycling into actionable and measurable targets.

Embrace efficient, green energy

Governments and businesses also have an opportunity to accelerate the transition to sustainable energy and energy efficiency, to improve their energy security, by making them less susceptible to energy shortages and price volatility. New grids and wind farms are on the agenda, along with nuclear power. KPMG's recent paper, Energy transition investment outlook: 2025 and beyond, is based on an extensive survey of 1,400 senior executives from 36 countries and 11 sectors, who are working in companies actively investing in the energy transition. More than two-thirds (72 percent) say that, despite high interest rates and geopolitical volatility, investment in energy transition assets is increasing rapidly. However, 75 percent continue to invest in fossil fuel energy — indicating that a mix of traditional and renewable energy may persist for some time.[50] Indeed, the US government has recently pledged to expand fossil fuel projects.[51]

Tighten cybersecurity

Investing in cybersecurity technology, including Gen AI, and fostering greater awareness of cyber threats among workers, can make a big difference to organizational performance. A company that can identify potential cyberattacks, and restore operations quickly when breached, reduces the financial and reputational impact and builds trust among customers, employees and suppliers.

Fires, flooding and hurricanes have a devastating impact on energy infrastructure, which needs to be physically strengthened and made more resilient. AI has significant potential to enhance resilience of energy assets, through dynamic monitoring to predict weather events and enable protective and restorative action."

Anish De
Global Head of Energy,
Natural Resources and Chemicals
KPMG International

[49] From talk to action: Paving the way for a circular economy in the consumer goods and retail industry, KPMG International, 2024.
[50] Energy transition investment outlook: 2025 and beyond, KPMG International, 2025.
[51] Unleashing American Energy, Presidential Action, The White House, January 20, 2025.

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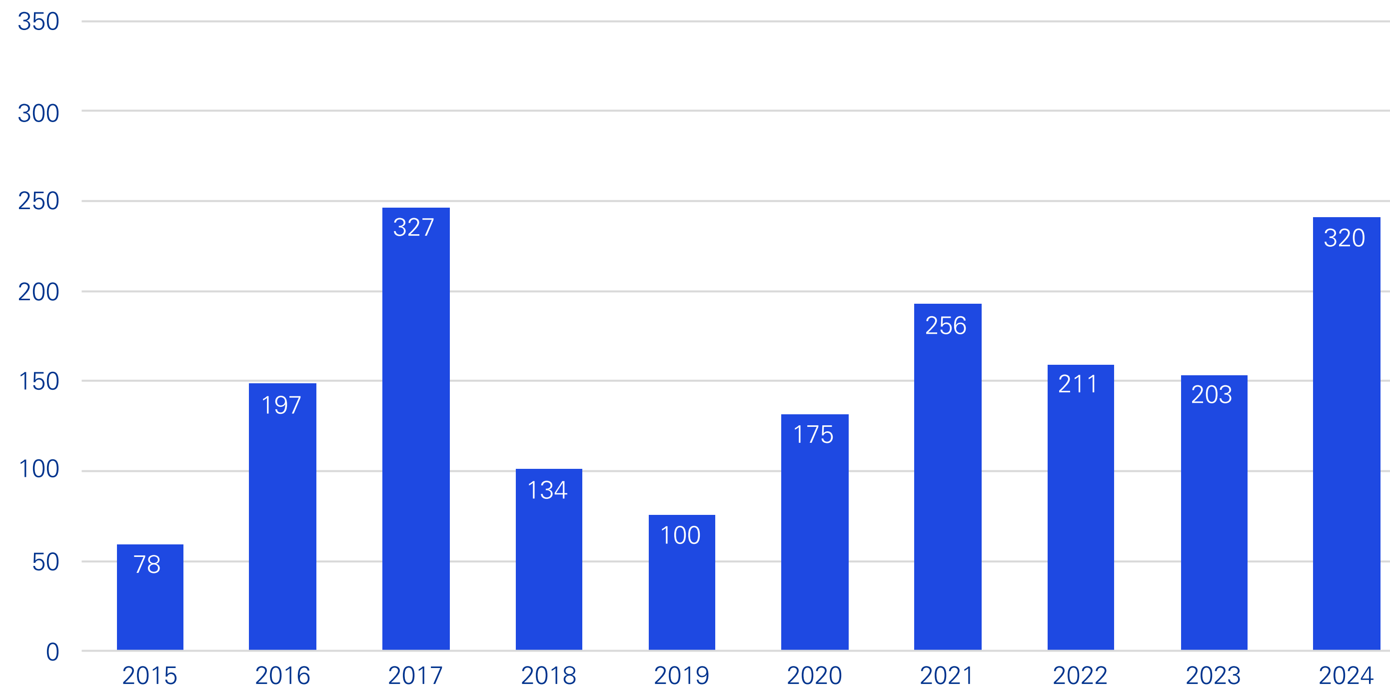
Protect assets against climate change

Climate change resilience is likely to be a growing focus for business leaders, as they seek to make their assets more resilient to wind, flooding, forest fires and drought. The US, for example, shows a broad upward trajectory in annual costs of climate events, as the chart demonstrates. This is likely to lead to large investments in strengthening existing infrastructure and new construction in safer locations. In response, companies can formalize their risk policies and monitoring, and use software to improve their climate modeling, assessing potential climate scenarios and quantifying their exposure to these risks.

Global economic cost from natural disasters, in US$ billion



Source: EM-DAT, CRED / UCLouvain (2024) – with major processing by Our World in Data; Clean Energy Wire.

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05

Demographic, technological and cultural pressures on workforces

Changing worker preferences, culture wars, AI integration and reskilling bring challenges and opportunities to transform workforces.

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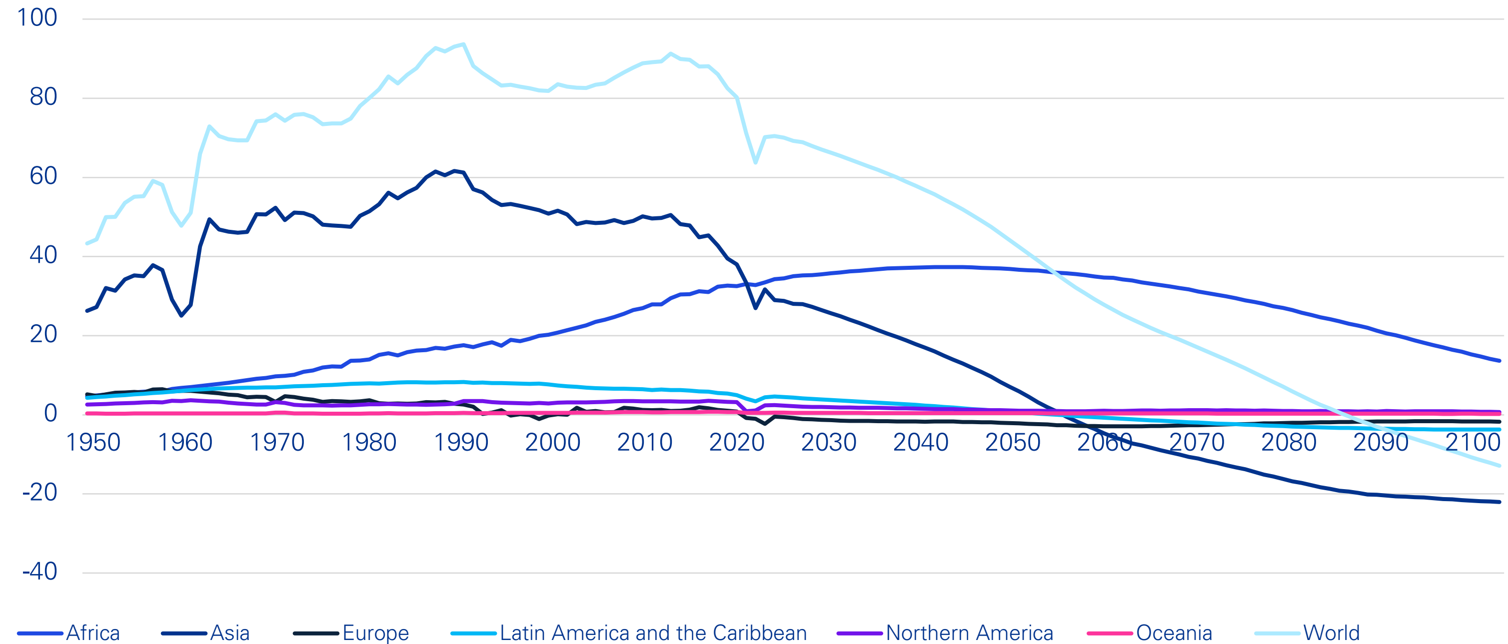
Mass retirement, a declining birth rate[52] and anti-migration sentiment could deplete the talent pool in developed nations. The demographic timebomb of the baby boomer generation is characterized by large numbers of skilled workers retiring, which, when combined with a declining birth rate, means a shortage of replacements. And, with immigration high on the political agenda, organizations may face a declining talent pool, which can push up costs and hold back growth. In the KPMG 2024 CEO Outlook, the number of employees retiring, along with a shortage of skilled workers to replace them, was identified by CEOs as the number one talent factor impacting their companies.[53] An aging population also puts pressure on health and social care systems.

Educational systems and corporate training functions are struggling to keep pace with rapid changes in technologies that require continuous reskilling. In the recent KPMG International paper, The future of work, 4,000 employees were surveyed across a number of countries and territories. Sixty-two percent of respondents say a company's investment in upskilling influences their decision to join, leave or stay with an organization whereas only 56 percent say their organization is proactively investing in reskilling and upskilling.[54]

Population change in millions



Source: UN Population 2024

[52] Fertility statistics, eurostat, February, 2025.
[53] KPMG 2024 CEO Outlook, KPMG International, 2024.
[54] Future of work, KPMG International, 2023.

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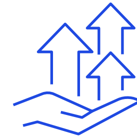
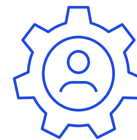
Not only should companies invest in skills; they should also present attractive cultures and opportunities for younger people who are not necessarily seeking traditional, linear career paths. It's not uncommon for school leavers and graduates to forgo skilled trades or professional positions for careers in the gig economy or the emerging 'creator' economy — which consists of individuals who create courses, blogs, vlogs, subscriptions, memberships and products, which are sold directly to consumers via platforms. At the same time, the high costs of university in some countries is causing students to question the value of higher education.

Technologies such as Gen AI and automation hold significant potential to bridge the skills gap, by taking over more and more administrative tasks. In some cases, especially in more bureaucratic, public-sector organizations, replacing people with machines is difficult, due to restrictive employment contracts. Getting the most out of technologies is another challenge, with certain geographies and sectors short of people with the skills to master AI. The KPMG 2024 China CEO Outlook revealed that companies are struggling to recruit suitable talent for business transformation, with a shortage of candidates that could combine independent knowledge and information technology expertise.[55] Australia alone needs to find more than 200,000 additional workers for its clean energy workforce by 2033 to deliver the energy transition — a 30 percent increase.[56]



In one study, highly resilient workers were 31% more productive than their counterparts during the pandemic. Such findings highlight the value of attending to employees' welfare as an investment in resilience, productivity and retention.



Australia alone needs to find more than **200,000** additional workers for its clean energy workforce by 2033 to deliver the energy transition — a 30 percent increase.

[55] 2024 China CEO Outlook, KPMG in China, 2024.
[56] Working Future, The Australian Government's White Paper on Jobs and Opportunities, Commonwealth of Australia, 2023.

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Pressures on global mobility

In a globalized world, a mobile workforce has traditionally been an asset for businesses expanding their markets. Yet geopolitical tensions are placing a significant strain on companies' global mobility operations. The ability to seamlessly move employees across borders — whether they are expatriates, business travelers, or permanently relocating — can be severely hindered by shifting political landscapes, restrictive visa policies (including for working spouses), extreme pandemic lockdown measures and sudden border closures. For respondents to the 2024 KPMG Global Mobility Benchmarking Survey, from KPMG International, two of the key challenges when relocating employees are compliance with employment law (63 percent) and compliance with immigration regulations (35 percent).[57] Companies may need to adjust their strategies to attract and retain talent in areas affected by geopolitical events, as employees may be concerned about job security and safety. As a KPMG in the US paper, Mobility Matters, discusses, organizations with globally mobile workforces need safety and exit strategies for employees potentially at risk, as well as a fast, flexible response to changes in tax, immigration and other regulations.[58]

[57] 2024 KPMG Global Mobility Benchmarking Survey, KPMG International, 2024.
[58] Mobility Matters, KPMG in the US, 2023.
[59] KPMG 2024 CEO Outlook, KPMG International, 2024.
[60] KPMG 2024 CEO Outlook, KPMG International, 2024.
[61] Return To In-Person Work, Presidential Action, The White House, January 20, 2025.

Opportunities for global businesses

Shape a dynamic and adaptable workforce

Corporate leaders are aware of the need to invest in upskilling, virtual learning and organizational redesign, to create an environment of continual learning. In response to the skills shortage, 80 percent of CEOs surveyed in the KPMG 2024 CEO Outlook feel their organizations should invest in skills development and lifelong learning within local communities to maintain access to future talent.[59] Technology can play a big part in this shift, making it easier to acquire new skills, both remotely and in physical classrooms. Workforce shaping means adapting to ever-changing demands, by matching internal and external talent to tasks and opportunities, rather than relying on traditional, fixed, full-time roles.

Foster a balanced, hybrid work environment

Creating a hybrid workplace has become a big focus, giving workers the flexibility to balance their personal and working lives in a way that suits them. This adaptability reassures employees and leaders alike about the resilience of their organizations in the face of changing work dynamics. However, companies also need to create strong, functioning teams, which can be difficult when people are not meeting in person. Interestingly, our KPMG 2024 CEO Outlook found that 83 percent of CEOs expect a full return to the office within the next 3 years — up from 64 percent in 2023.[60] A January 2025 US Presidential Action pledging to terminate remote working[61] shows that the hybrid workplace is by no means a given, and that companies tread a fine line in accommodating a range of employee and wider societal expectations.

Enable a globally mobile workforce

In volatile conditions, the role of global mobility professionals becomes crucial. They should attempt to ensure that employees can enter and exit countries with ease, equipped with the correct immigration documentation and in compliance with tax regulations. And, when crises occur, they should uphold organizations' duty of care, to prioritize the safety and well-being of their global employee base, including swift and safe evacuations. This requires agility and crisis management excellence, proactively anticipating geopolitical shifts and devising robust contingency plans. By doing so, they not only safeguard their employees but also uphold the operational resilience and global reach of their organizations, ensuring that talent remains attracted and retained in an ever-changing world.

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Reboot the employee value proposition

With employee expectations changing, organizations can adapt by rethinking their employee value proposition (EVP). According to the KPMG paper, The future of HR: From flux to flow, when asked about the most important aspects of an EVP, senior HR leaders prioritize culture, values and purpose over fair pay.[62] This mindset can lead to new types of career paths, where employees are less tied to specific categories or functions, and may take breaks or adopt part-time working.

More people are electing to work as independent contractors as part of the "gig" economy, which can give both organizations and workers greater flexibility, helping ensure the right skills are available for specific projects for finite time periods. By the end of 2023, the gig economy was sized at US$3.7 trillion.[63] Training should not be confined to technical or professional skills; a recent study found that soft skills (i.e. interpersonal skills like effective communications, assertiveness, teamwork and adaptability) training resulted in a 250 percent return on investment in just 8 months.[64]

Integrate AI and humans

The integration of AI with the human workforce presents some promising prospects to bridge the talent gap. As revealed in the recent KPMG International paper, The future of work, two-thirds (66 percent) of employees anticipate technology to enhance their productivity over the next 3 years, with nearly a quarter (24 percent) believing it could automate up to half of their job.[65] This should be seen by organizations as an opportunity to reshape their workforce with an AI mindset, redesign roles, and boost innovation and growth, rather than a means to cut costs.

Focus on resilience and well-being

Recent events such as the COVID-19 pandemic highlighted the importance of worker well-being. In one study, highly resilient workers were able to emerge from struggle without harm and/or recover from adversity — and 31 percent more productive than their counterparts during the pandemic.[66] Such findings highlight the value of attending to employees' welfare as an investment in resilience, productivity and retention.

Managing a global, mobile workforce is harder than ever. Companies should be able to nimbly adapt to a fast-changing regulatory and geopolitical environment, to maintain innovation and productivity while keeping employees safe."

Marc Burrows
Head of Global Mobility Services
KPMG International

[62] The future of HR: From flux to flow, KPMG International, 2022.
[63] "Global gig economy reaches $3.7 trillion", Staffing Industry Analysts, January 2, 2025.
[64] Quiet Firing: What It Is and How to Stop Doing It", Gallup, November 18, 2022.
[65] Future of work, KPMG International, 2023.
[66] "Resilient Companies Show Higher Revenue Growth, More Innovation and Less Employee Burnout, According to New Research From BetterUp", BetterUp press release, August 31, 2020.

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Strategic recommendations for managing geopolitical risk

Risk	Response	Options for independent boards of directors	Options for C-suite business leaders
1. Tectonic shifts in power, economic centers and trade	**Transform geopolitical risk management**	• Ensure that management is prepared to address risks and opportunities related to geopolitical and economic shifts and global disruptions. This includes understanding the potential impacts of new policy initiatives on the company's strategy in 2025 and beyond. • Ensure that the board regularly reviews and updates the organization's geopolitical risk assessments. This includes staying informed about global political developments and their potential impacts. • Implement scenario planning to prepare for various geopolitical outcomes. This helps the board understand potential risks and opportunities and make informed decisions.	• Develop a vision for managing geopolitical risks that aligns with strategic objectives. Communicate this vision across all levels to ensure a unified approach, to position geopolitical risk as an asset that can drive value. • Establish a dedicated team or function to monitor and analyze geopolitical developments. This team should provide regular updates and insights to the executive team to inform strategic decision-making. • Conduct regular scenario planning and stress testing exercises to assess the potential impact of various geopolitical events, to identify vulnerabilities and develop contingency plans. • Engage with key stakeholders, including industry associations and international organizations, to stay informed about geopolitical developments and advocate for the company's interests. • Develop and regularly update business continuity plans to ensure the organization can continue operating during and after geopolitical disruptions. These plans should include strategies for remote work, alternative supply sources and crisis communication.

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Risk	Response	Options for independent boards of directors	Options for C-suite business leaders
2. A complex, fragmented, regulatory and tax environment	**Adopt an agile posture balancing compliance, innovation and transparency**	• Determine whether to be an ESG leader, "smart follower", or merely comply with regulations. This decision is based upon consumer, employee and wider stakeholder expectations. • Embed regulations and tax in risk and strategy, ensuring they are aligned with long-term objectives. Monitor management's preparations for new or updated requirements. • Promote transparency in tax and regulatory reporting, to build stakeholder trust and enhance the company's reputation.	• Integrate tax and regulatory considerations into the organization's strategic planning and reporting processes. • Enhance organization-wide knowledge of ESG reporting requirements to enhance compliance. • Align financial, tax and regulatory reporting to provide a comprehensive view of the organization's performance. This can help build credibility and trust with investors and other stakeholders.
3. A fast-moving and politicized technology landscape	**Build a flexible and future-fit technology infrastructure**	• Communicate with key political and regulatory stakeholders to ensure alignment with national security policy. • Closely monitor the governance structure around the company's deployment and use of AI. This involves understanding the company's AI strategy and related risks and ensuring that data governance and cybersecurity frameworks are keeping pace with the growth and sophistication of data-related risks.	• Develop a technology strategy aligned with national security demands, and flexible enough to adapt to changes in government policy and supply chain disruption. • Establish clear guidelines and governance frameworks for ethical use of AI. Conduct regular risk assessments and monitoring to ensure compliance with ethical standards and regulatory requirements. • Prioritize data privacy and security by implementing stringent measures to protect against cyberattacks and data breaches. This helps mitigate risks associated with AI and builds trust with stakeholders.

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Risk	Response	Options for independent boards of directors	Options for C-suite business leaders
4. Multiple threats to supply chains, assets and infrastructure	**Develop a resilient sourcing and supply chain strategy**	• Encourage the organization to develop multiple sources of supply for critical raw materials or products. • Ask management to assess the feasibility of nearshoring to reduce geographic dependence and shorten supply chain cycle times — to enhance resilience to geopolitical risks. • Promote the establishment of partnerships with suppliers and other stakeholders to explore new sourcing opportunities and leverage local content.	• Develop multiple sources of supply for critical raw materials or products. • Assess nearshoring options to reduce geographic dependence and shorten cycle time. • Establish partnerships to explore new international sourcing opportunities or leverage local content. • Develop and implement a comprehensive supply chain geopolitical risk management framework. • Enhance transparency by mapping out the supply chain and identifying critical suppliers, potential points of failure, and detecting early warning signs of disruptions. • Establish strategic alliances with other organizations and industry partners to enhance resilience against geopolitical risks.
5. Demographic, technological and cultural pressures on workforces	**Shape your future workforce to proactively address geopolitical pressures**	• Push for the development of a comprehensive talent management strategy that includes upskilling and reskilling initiatives. This ensures that the company has the necessary skills to navigate future challenges. • Promote an inclusive culture that attracts and retains top talent. This involves creating a supportive work environment that values inclusion and fosters continuous learning. • Maintain a strong focus on management succession planning and talent development. Ensure that the company has a robust pipeline of future leaders and that talent management strategies are aligned with the company's long-term goals.	• Continually match internal and external capabilities to business needs. • Create a culture where all employees feel valued and have equal opportunities for professional development and career advancement. This includes offering mentorship programs, leadership training and clear career progression paths. • Align the organization's workforce capabilities with its strategic objectives. Invest in upskilling, reskilling and global mobility initiatives to address talent shortages and prepare for future challenges. • Adapt hiring strategies to changing immigration trends in countries in which you operate. Ensure you have the flexibility to pivot to new sources of talent.

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Conclusion

Geopolitical risk management as a way of life

The fierce headwinds of geopolitical change are unlikely to slow down in the coming years. So, if volatility is the new normal, companies should treat geopolitical risk as an asset as well as a threat, aligning risk management with strategic objectives. When addressing the five key risks in this paper, organizations should assess both the potential negative impacts and the opportunities:

01 | Tectonic shifts in power, economic centers and trade can enable a pivot to new regions, localizing supply chains and seeking new investment sources.

02 | Faced with a complex, fragmented regulatory and tax environment, companies should adapt by increasing capabilities to monitor and respond, and identifying upsides of the green transition.

03 | A fast-moving and politicized technology landscape calls for a rethink of the IT infrastructure footprint, trusted use of AI, and enhanced cybersecurity and energy efficiency.

04 | Multiple threats to supply chains, assets and infrastructure require alternative sourcing strategies, including circular supply chains and resilient infrastructure.

05 | In response to demographic, technological and cultural pressures on workforces, companies should rethink the employee value proposition, integrate AI and humans, and improve mobility management.

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Methodology

In developing Top Geopolitical Risks 2025, we set out to provide business leaders with actionable insights and practical guidance to navigate the complex landscape of geopolitical risks and capture both broad trends and nuanced experiences of industry leaders. To develop this report, we followed a three-phased approach:

1. Generating insights

- We solicited and reviewed extensive geopolitical risk data from various KPMG networks to provide real-life examples of the challenges and opportunities businesses face.
- We conducted interviews with over 100 KPMG professionals working across many global sectors. These interviews focused on the details of geopolitical risk management and the strategies businesses employ to navigate these risks.
- In January 2025, we reviewed Eurasia Group's top risks for that year, which outlines the key political risks anticipated in 2025. This analysis provides a macro perspective that complements KPMG's business-oriented outlook. The risks Eurasia Group identified include declining global governance, heightened competition between the US and China, increasing economic fragmentation, and cooperation among countries like Russia, Iran and North Korea to challenge the West-led international order.
- We conducted an additional data-collection process based on secondary research of KPMG reports, literature, academic papers, industry reports and intergovernmental organization publications. This process was used to contextualize our findings and identify gaps in knowledge.

2. Content development

- From October 2024 through February 2025, we conducted virtual workshops with KPMG contributors from across our sector portfolio and from over 20 countries to discuss insights from our research and interviews. This group comprised KPMG geopolitical subject matter experts, global sector heads and representatives from multiple industries. This group assessed the case studies across several criteria to select the examples featured in this report.
- The remaining report content and strategic recommendations were developed during workshops using a structured process.

3. Validation process

- The authors and contributors validated the case studies and information within them.
- The resulting content of this report was reviewed and validated by additional contributors.
- The authors and contributors of this report have extensive experience in geopolitical risk management, audit, tax, consulting and analysis, encompassing various specializations such as system transformation, integration, governance, operations, data and technology, workforce and regulatory compliance.

KPMG International and Eurasia Group

KPMG International has formed an alliance with Eurasia Group, one of the world's leading global political risk research and consulting firms, to develop strategies that help businesses deal with geopolitical challenges. Through the alliance, KPMG professionals can bring the political insights of Eurasia Group's analysts across 100+ countries and territories together with KPMG member firms' nuts and bolts understanding of your business, from the macro to the most granular of analysis.

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Italian-born, Swiss-French by education, and Australian by migration and military service, Stefano leads the global geopolitics function, providing insights on the business impact of geopolitics, to help member firm clients address political risk and find opportunities in a volatile world. Stefano has an academic background in international relations, diplomacy and international law. He started his global role in 2022 after spending 8 years in Australia, assisting corporates, industry associations and government clients with policy and government affairs strategy worldwide. Before joining KPMG, he worked in multilateral diplomacy at the delegation of the EU to the UN in Geneva and as an academic researcher in international trade law.

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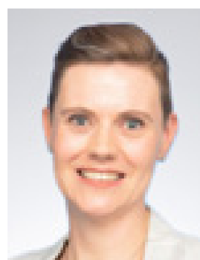
Isha is the research lead with the Global Geopolitics function at KPMG in India. In this capacity, she collaborates closely with the Global Geopolitics lead to prepare and deliver tailored one-to-one client briefings that focus on geopolitical trends and their business implications. She monitors geopolitical events and supports research and analysis of their impact on clients. Additionally, she offers direct support in rolling out sales opportunities and assisting member firms in delivering strategic engagements. Isha has spent nearly a decade with KPMG. Before transitioning into geopolitics, she supported sector and account teams by delivering sales enablement insights through in-depth secondary research and analyzing planning, performance and pipeline data.



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Christy Lorgen leads the Global Corporate Intelligence Unit, assisting clients in identifying and mitigating third-party and reputational risks arising in transactional and other contexts. In her global role, Christy also leads KPMG's efforts to provide geopolitical analysis to clients. Christy has focused much of her career on Africa, a continent she covered for many years with Kroll and K2 in London and in Oslo. Now her work with the Corporate Intelligence practice at KPMG is global in scope, covering many jurisdictions and industries. Christy and her colleagues on the Corporate Intelligence team at KPMG come from varied backgrounds, including police, law, social sciences and engineering and have extensive international experience.

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Acknowledgments

The report would not have been possible without the input of approximately 100 KPMG specialists from around the world, covering every major geography, industry and encompassing sustainability, tax, technology, audit, supply chain, risk, people and change, compliance, and corporate services. We also express our appreciation to Michael Sieburg from Eurasia Group for his invaluable support in facilitating the global alliance partnership and the participation of Eurasia Group subject matter experts. Their collaboration has significantly enhanced the quality and breadth of our research, enabling us to deliver broad-ranging and actionable findings to our stakeholders. A big thank you to Isabelle Allen, Henrik Anstorp, Jon Berry, Anish De, Lucy Eve, Francisco Uria Fernandez, Mark Gibson, Karim Haji, Mike Hayes, Christine Hilt, Kerry Jenkins, Suzanne Kuiper, Romain Liotard, Frank Pfaffenzeller, Nicole Porpiglia, Isadora Seixas, Graeme Thompson, Richard Threlfall, Brenda Walker and Anna van Poucke for their valuable contributions. We are also deeply thankful to the marketing team of Lyndie Dragomir, Aaron Smith, Lindsay Wagner and Lea Mestraud for their project management guidance and immensely helpful design and content support.

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How KPMG can help

In today's rapidly evolving business landscape, organizations face a multitude of risks and challenges that require expert guidance and innovative solutions. KPMG is committed to helping businesses navigate these complexities with a comprehensive suite of services designed to address critical areas such as cybersecurity, regulatory and risk advice, tax compliance, and more. Our team of experienced professionals leverages deep industry knowledge and advanced technologies to provide tailored solutions that enhance resilience, drive growth and ensure long-term success. Discover how KPMG can support your organization in mitigating risks and seizing opportunities.

Cybersecurity Services

Our professionals can help you develop advanced solutions, implement them, monitor ongoing risks and help you respond effectively to cyber incidents. Learn more.

Executive Geopolitical Risks Briefings for Board of Directors and C-Suite Executives

KPMG's executive briefings are designed to keep board members and C-suite executives informed about the latest trends, risks and opportunities in their industries.

KPMG Trusted AI

Our professionals can assist you in navigating the complexities of AI integration, from strategy and design to implementation and ongoing operations. Learn more.

Global Trade & Customs Services

KPMG professionals can help you close gaps and navigate the complexities of international trade and customs regulations, providing comprehensive support to ensure compliance, manage risks and optimize trade operations. Learn more.

Global Transfer Pricing Services

From planning, operational transfer pricing, dispute resolution and documentation — our professionals are dedicated to enabling compliance with global transfer pricing regulations while working together to optimize tax efficiency. Learn more.

Supply Chain Transformation

Our professionals can help organizations transform their supply chain and sourcing functions through the use of our unique supply chain and sourcing tools and methodologies to make design decisions simpler. Learn more.

Sustainability Reporting and Assurance Guidance

KPMG firms help organizations navigate the complexities of ESG assurance and be ready for the new regulatory requirements that are rapidly evolving. Learn more.

Workforce, People and HR

KPMG firms can collaborate with you to elevate your business performance through your most valuable asset — your people. Learn more.

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What the analysts say about KPMG's risk capabilities

Verdantix

KPMG has received top rankings across multiple categories by Verdantix in their Market Perception Trends: Risk Consulting Providers 2023. According to the brand perception survey, KPMG led as the top firm for risk consulting service providers in 'capabilities ranking' as well as the top firm for risk consulting providers in 'brand awareness'. Additionally, the report indicates that KPMG is a top choice for risk consulting service providers in 'brand preference'.

The report offers a deep dive into key factors that shape risk management strategies, brand preferences and spending from a client priority and requirements perspective. Insights in this report are drawn from the Verdantix 2023 global corporate risk management survey, which gathered responses from 200 senior risk executives across 14 industries around the world. To ensure a high-quality data set, we targeted executives from firms across different industries and regions, with minimum annual revenues of $250 million, holding role titles of director and above.

Source Global Research

KPMG ranked No. 1 across multiple risk categories in Source's report, Perceptions of Risk Firms in 2023.

This study is based on a US client and prospect perception survey about risk consulting firms, led by Source. It reveals what 300 senior users in the US think about the 16 leading risk advisory firms and examines how clients see firms differently as they move from awareness, to shortlisting a firm, to becoming a direct client. The report is intended to help in understanding each firm's positioning in the market and the overall competitive landscape in which they operate. For more information please visit: https://www.sourceglobalresearch.com/

*Advocacy score is based on the percentage of KPMG client respondents that say they would use the US firm again and would put their personal reputation on the line for the US firm.

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The Future of risk

Navigating the forces of change in tax

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