



Geopolitical Complexity in the Supply Chain

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- **Abroad 13 years**, US, CZ, HU and FR
- Various positions in **Sales, Procurement, Logistics and Plant Management**



Introduction

Cause of Uncertainty

Global Risks and Autocracies

Macroeconomics and Trade Barriers

People make the Difference

Conclusion



Strategic Hamster Cage



Supply Chain Risks in the VUCA World



Geopolitics matter in your business (Gartner, 2024):

- 97% of supply chains have suffered during 2022- 2024
- 50% report high impact, affecting revenue, reputation and overall operations

KPMG: Top Geopolitical Risks (published March 31, 2025)

1. **Tectonic shifts** in power, economic centers and trade

2. A complex, fragmented regulatory and **tax environment**

3. A fast-moving and politicized **technology landscape**

4. **Multiple threats** to supply chains, assets and infrastructure

5. Demographic, technological and cultural **pressures on workforces**

Risks in Geopolitics 2022 -2025



Crises around the globe are usual, yet the vast amount tend to increase.

Uncertainty leads to lack of investments and growth

Global Risks World Economic Forum, Jan 2025

FIGURE C

Global risks ranked by severity over the short and long term

"Please estimate the likely impact (severity) of the following risks over a 2-year and 10-year period."



Source

World Economic Forum Global Risks
Perception Survey 2024-2025.

Source: https://reports.weforum.org/docs/WEF_Global_Risks_Report_2025.pdf

Global Risks World Economic Forum (published Jan 2025)

2 years

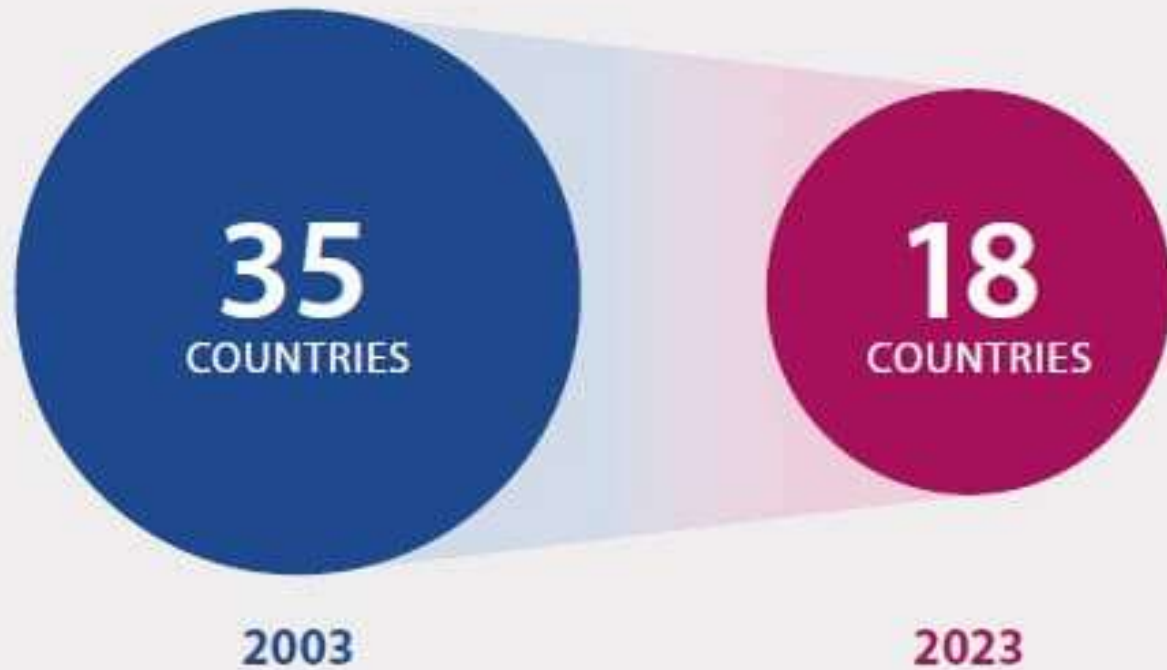


10 years

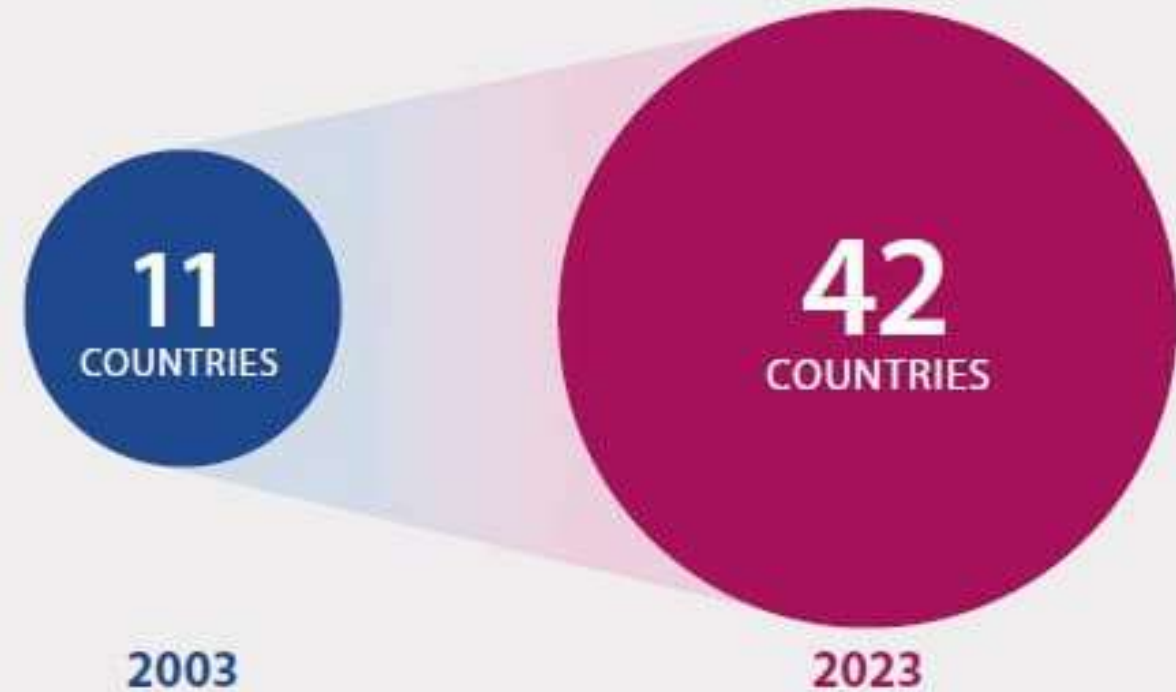


Democracies decline

NUMBER OF COUNTRIES DEMOCRATIZING



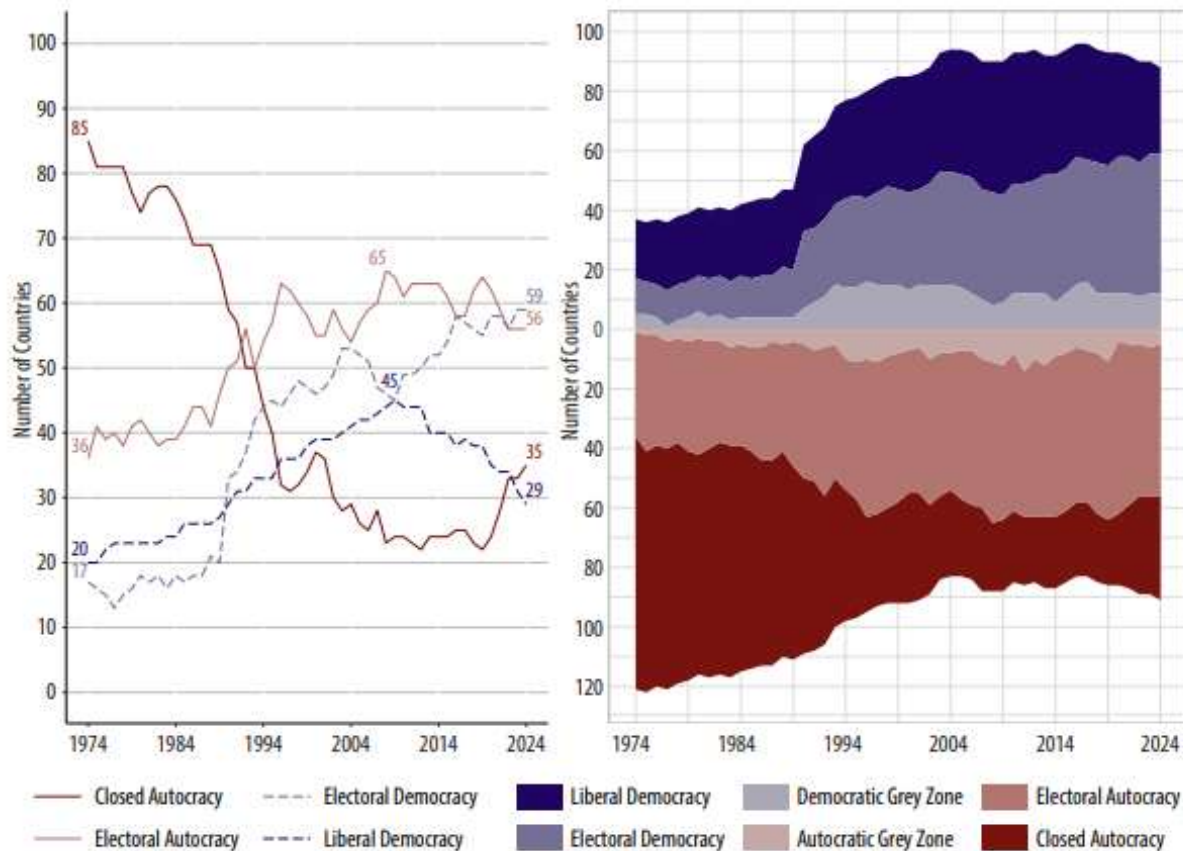
NUMBER OF COUNTRIES AUTOCRATIZING



Source: V-DEM: Varieties of Democracy, Copenhagen, Denmark

... Autocracies establish grounds

FIGURE 4. REGIME TYPES BY NUMBER OF COUNTRIES, 1974–2024



Autocracies and Democracies

88 democracies / 91 autocracies

Liberal democracies have become the least common regime type, a total of 29 in 2024

Liberal democracies: 12% of the world

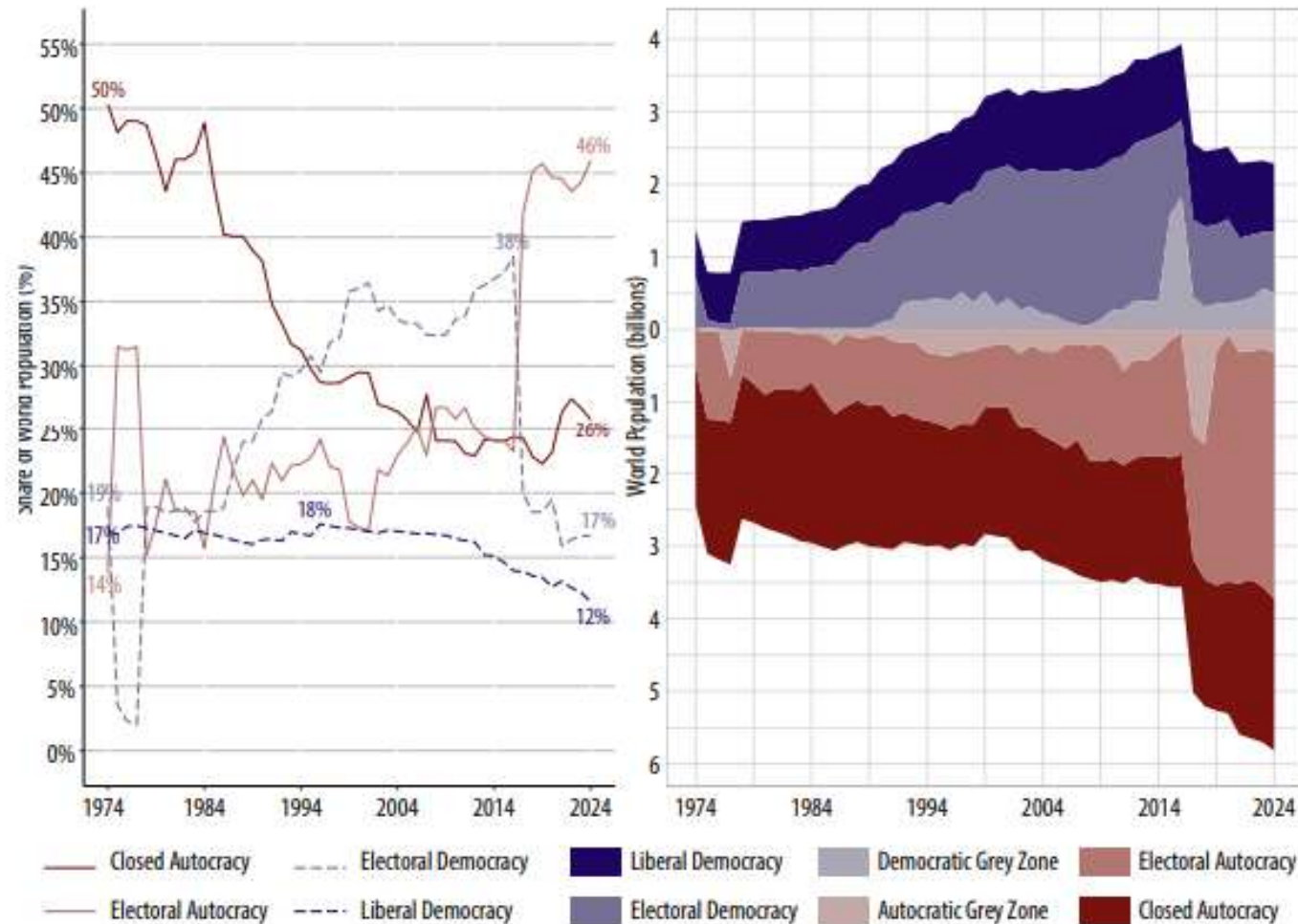
Autocracies: 72%

Belarus descends to closed autocracy, becoming the first closed autocracy in Europe in 25 years.

Source: V-DEM: Varieties of Democracy, Copenhagen, Denmark

Autocracies host 72% of all people (+57 % vs. 2013)

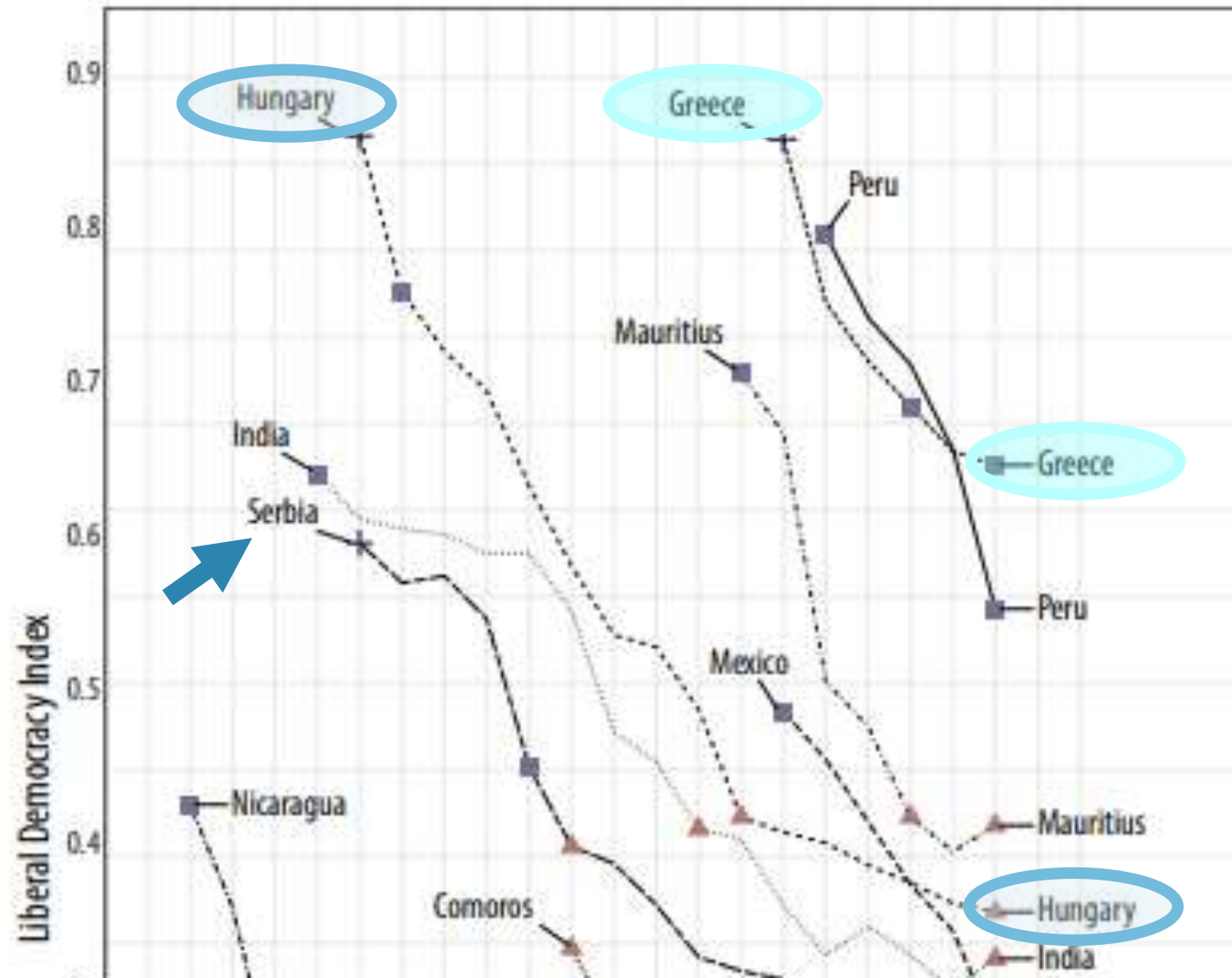
FIGURE 5. REGIME TYPES BY SHARE OF WORLD POPULATION, 1974–2024¹



Source: V-DEM: Varieties of Democracy, Copenhagen, Denmark

Top autocraziers include EU countries

FIGURE 14. TOP 10 STAND-ALONE AUTOCRATIZERS, 2024



Migration

results, various scenarios were calculated up to 2030. The conclusion: even in the event of a positive economic development scenario in Africa and the Middle East, around 2.9 million people from these regions will arrive in Europe within the next ten years. If immigration policies are relaxed, this figure could rise to 4.7 million. *"However, to conclude from this that we should continue to build Fortress Europe is a mistake",* says Landesmann, referring to the study.

Africa to EU

...bility and intensified climate change in the countries of origin, we expect almost 4 million migrants - regardless of how restrictive we make immigration in the EU", states wiiw economist Isilda Mara.

The Vienna Institute for International Economic Studies

Are billions of EU funds sent to help refugees really making a difference?

Turkey to EU

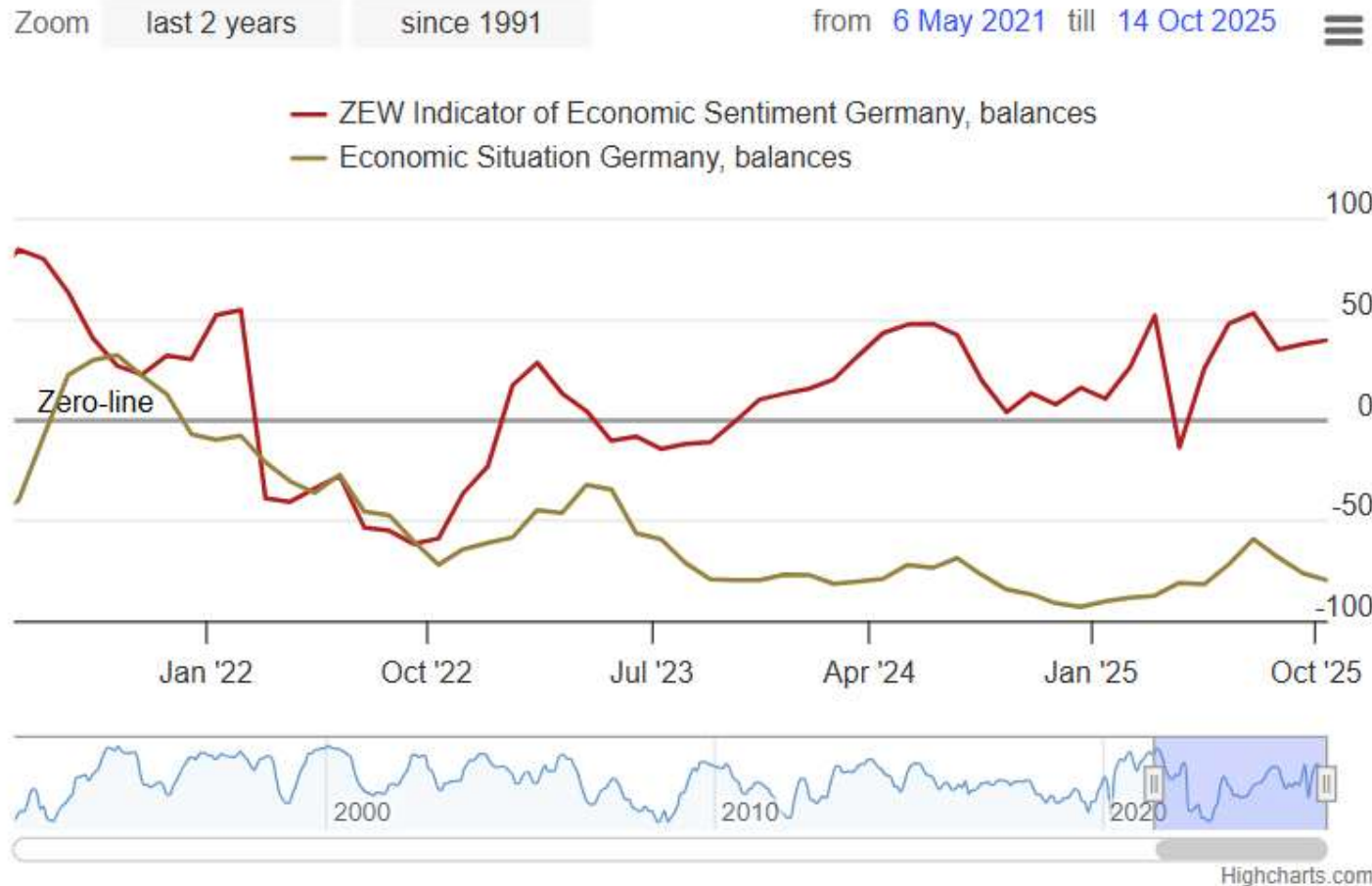


MX to US

Mexico's ongoing efforts to block migration, which have so far in 2024, continue to contribute to lower migrant encounters at the U.S.-Mexico border.

ZEW Index German Outlook

ZEW-Index



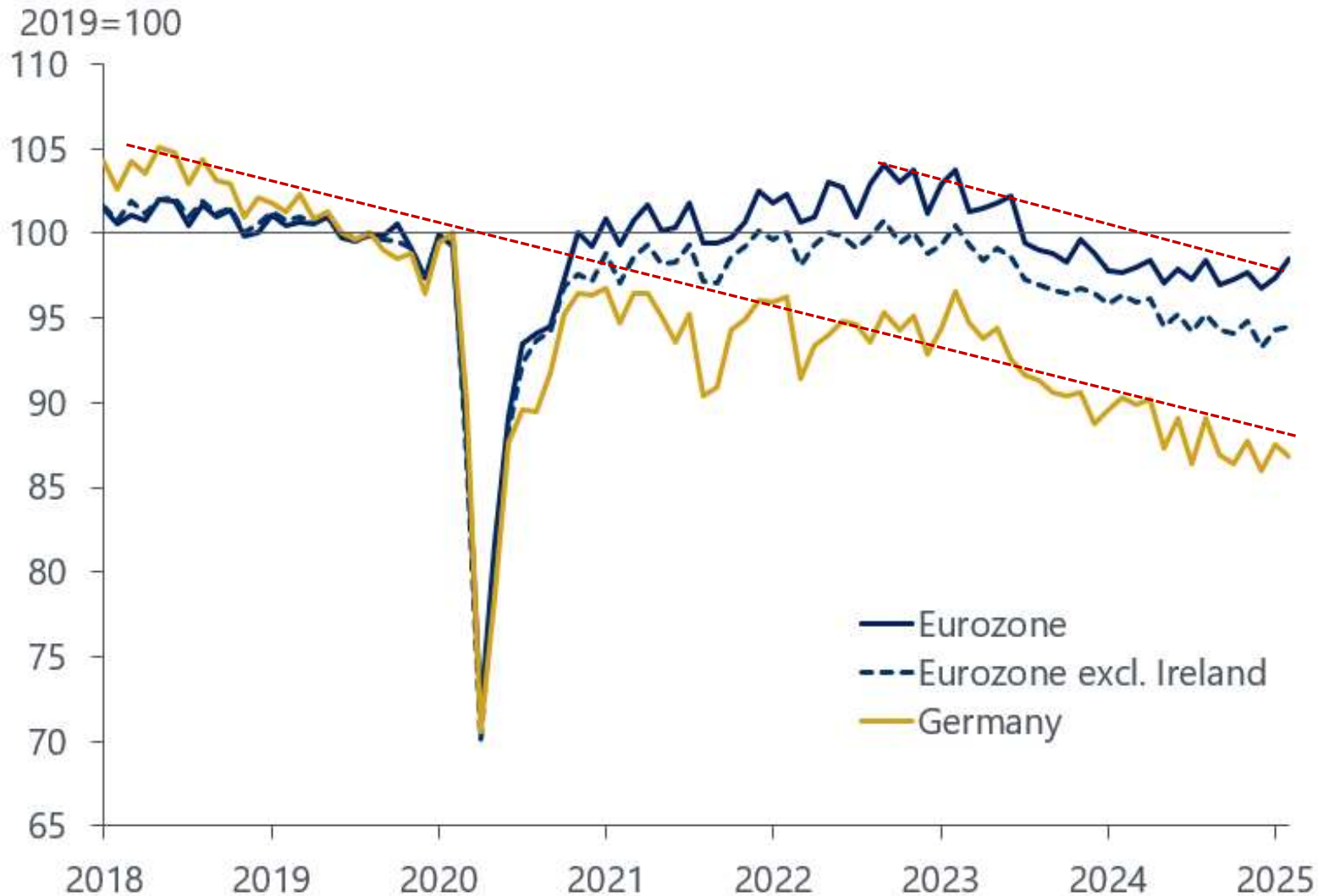
Sentiment below 50

“Financial market experts are cautiously optimistic yet economic situation has worsened...” ZEW President Professor Achim Wambach.

Source: [Press Release: ZEW Indicator Stabilises While Economic Situation Continues to Deteriorate | ZEW](#)

Germany is no longer the engine

Eurozone: Industrial production (excl. construction)



Source: Oxford Economics/Haver Analytics

Germany accounts for 26% of EU industry

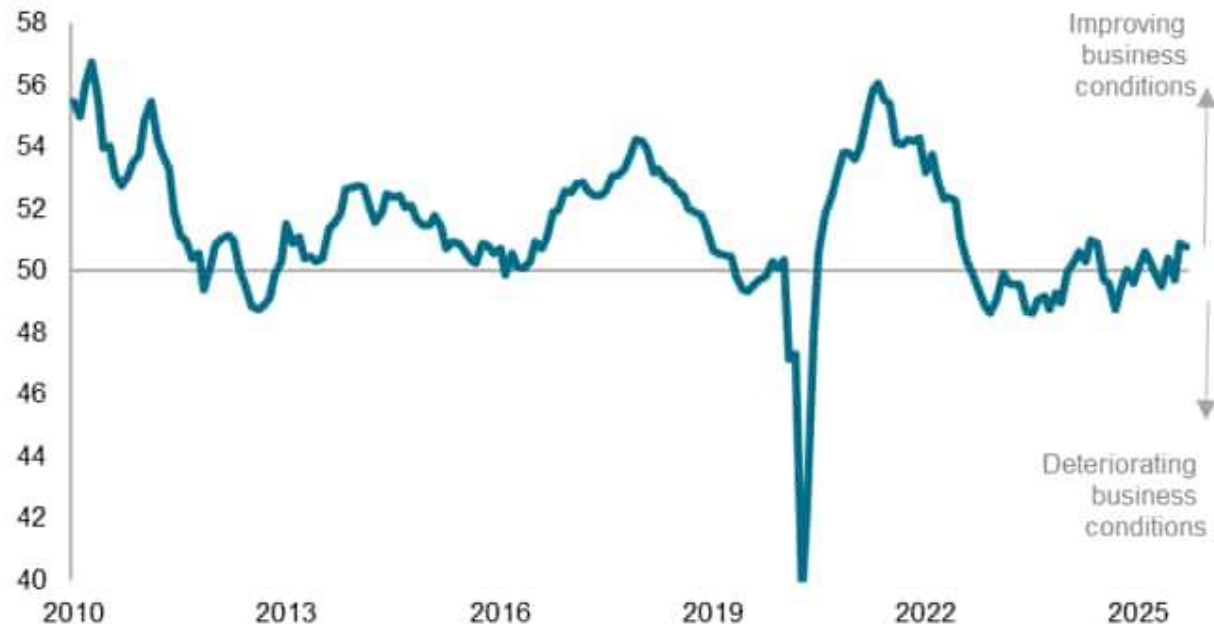
Industry in Germany has been collapsing since mid-2018

Deindustrialization of Germany

Source: Oxford Economics / Haver Analytics

Macro Data: PMI Oct. 2025

Global manufacturing PMI



Data compiled October 2025.
PMI (Purchasing Managers' Index) 50 = no change on prior month
Source: S&P Global PMI with J.P. Morgan, S&P Global Market Intelligence.
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Global manufacturing PMI costs and prices



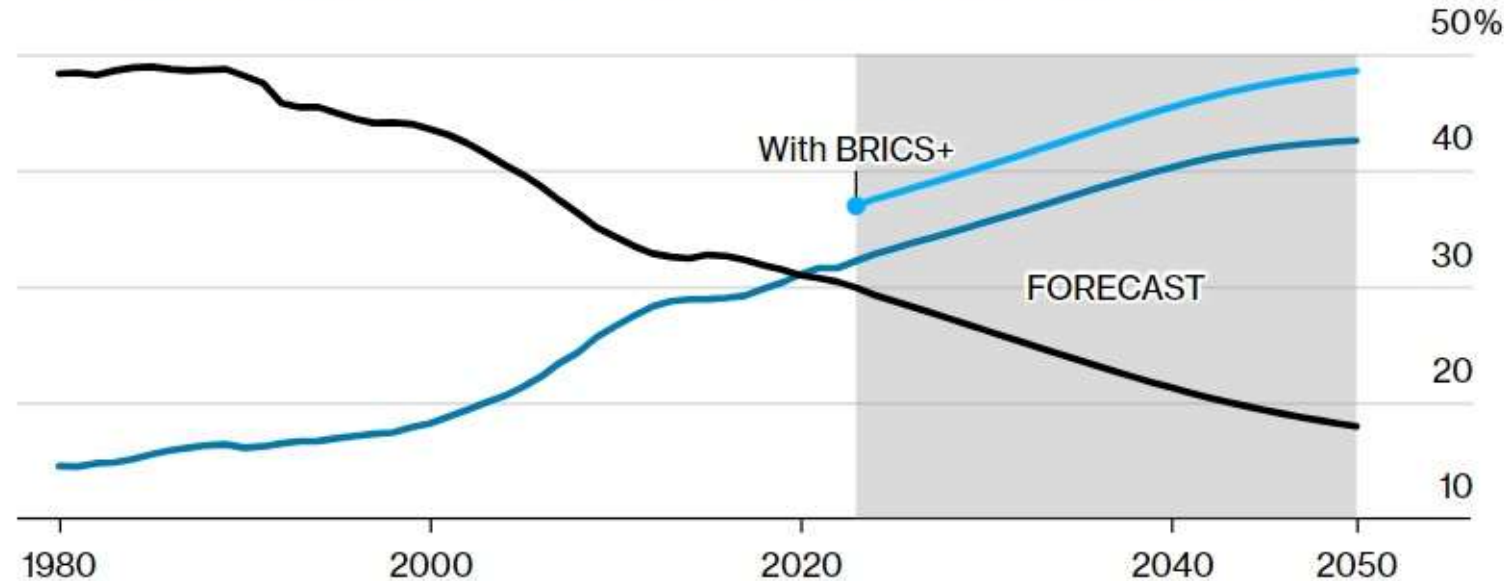
Data compiled October 2025 using PMI data updated to September 2025.
PMI (Purchasing Managers' Index) value of 50 = no change on prior month.
Source: S&P Global PMI with J.P. Morgan.
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World shifting to strong BRICS

BRICS+ Is Forecast to Dominate the World's GDP

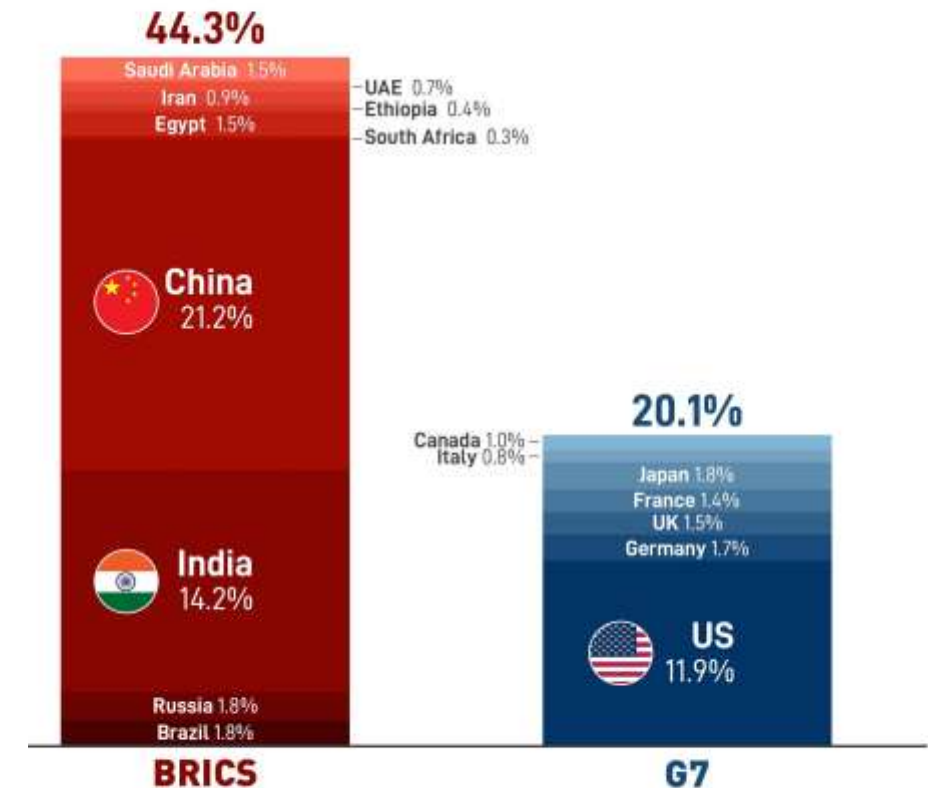
Share for each block, historical and forecast

— G7 — BRICS — BRICS+ Saudi Arabia, Argentina, Iran, Egypt, Ethiopia and UAE



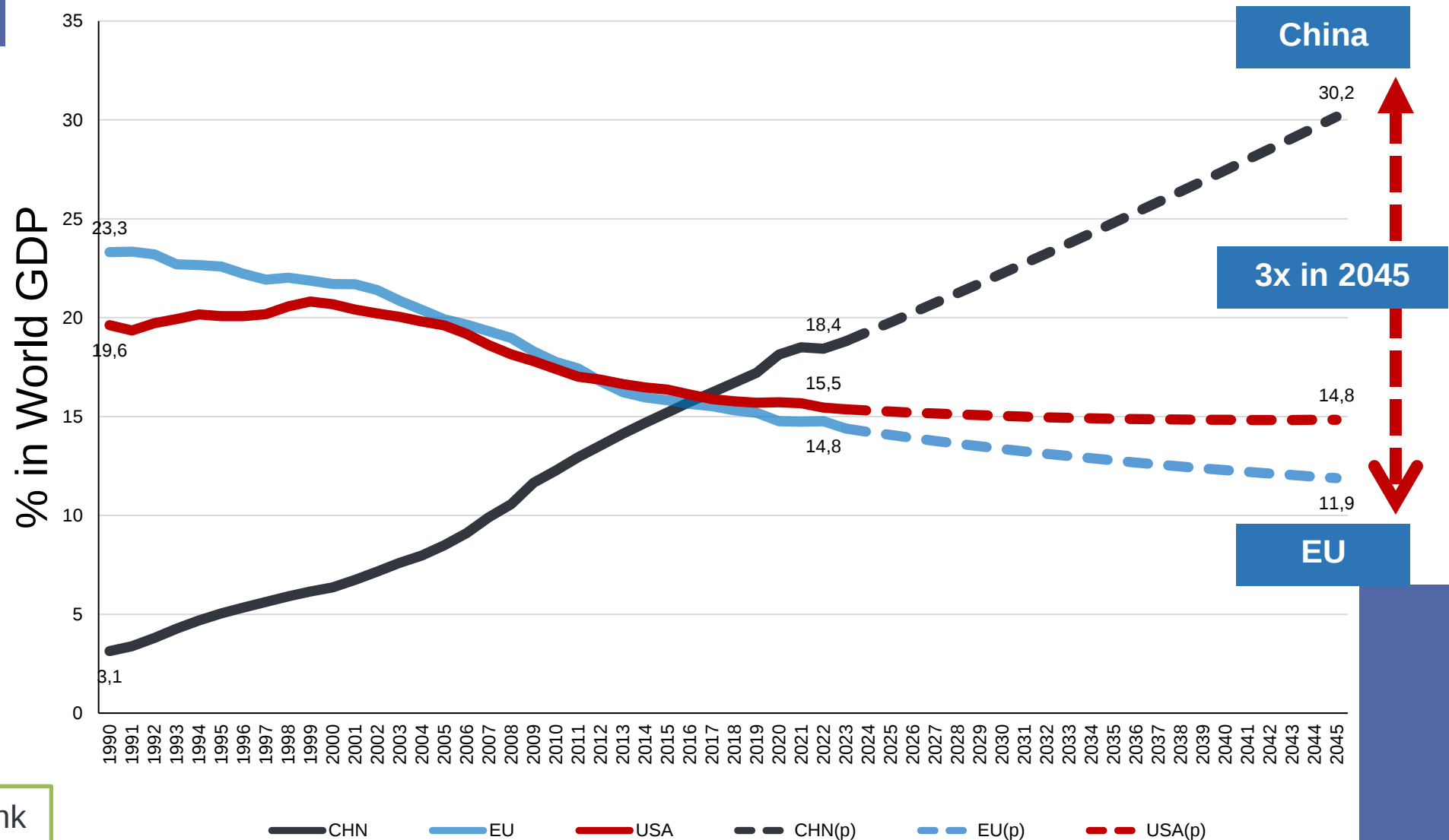
Source: Bloomberg Economics analysis using International Monetary Fund data

BRICS VS G7: CONTRIBUTION TO WORLD ECONOMIC GROWTH (2024-2029)



Source: World Economic Outlook (April 2024), IMF

Without massiv reforms, EU will become irrelevant



EU Competitive Compass will be a challenge

COMPETITIVENESS COMPASS



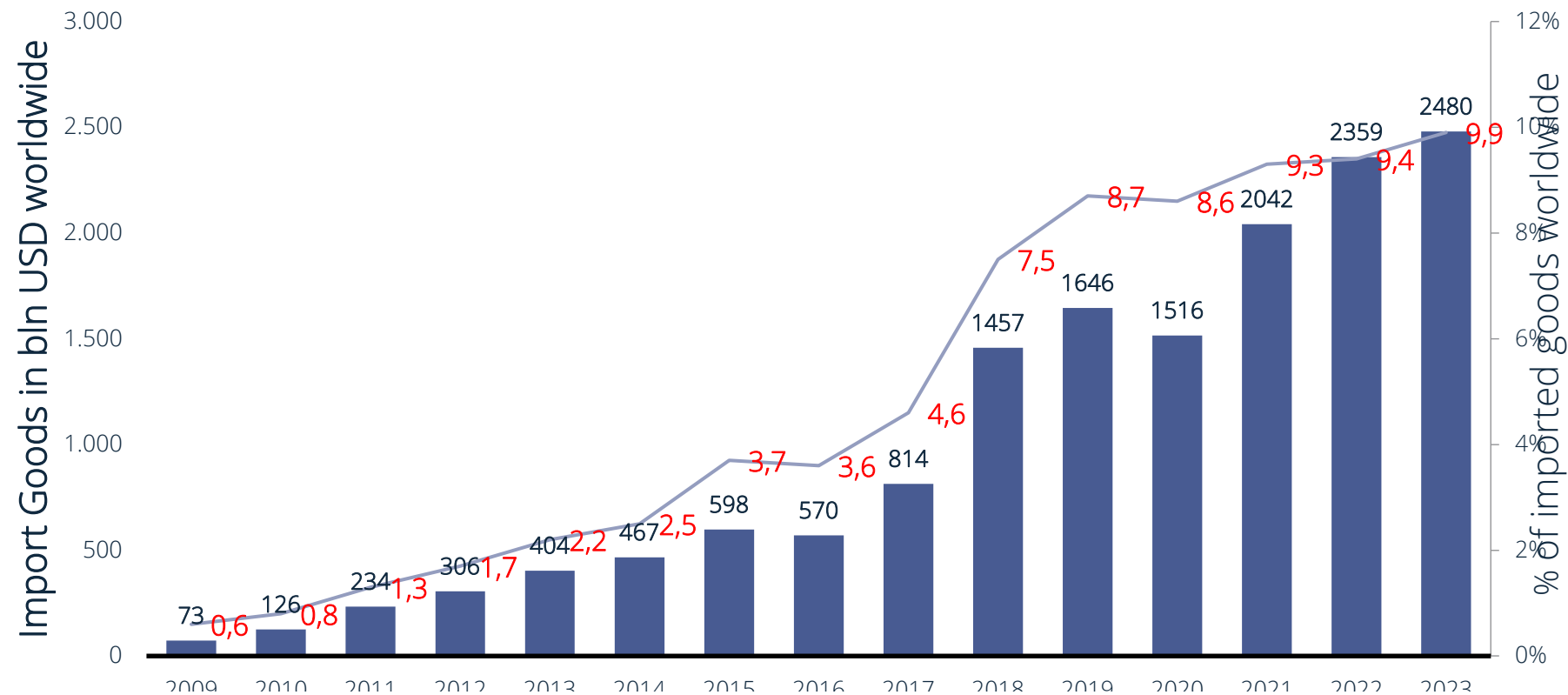
Compass agreed to strengthen EU position

We will succeed

Worldwide Trade Barriers



Worldwide Trade Barriers 2009-2023



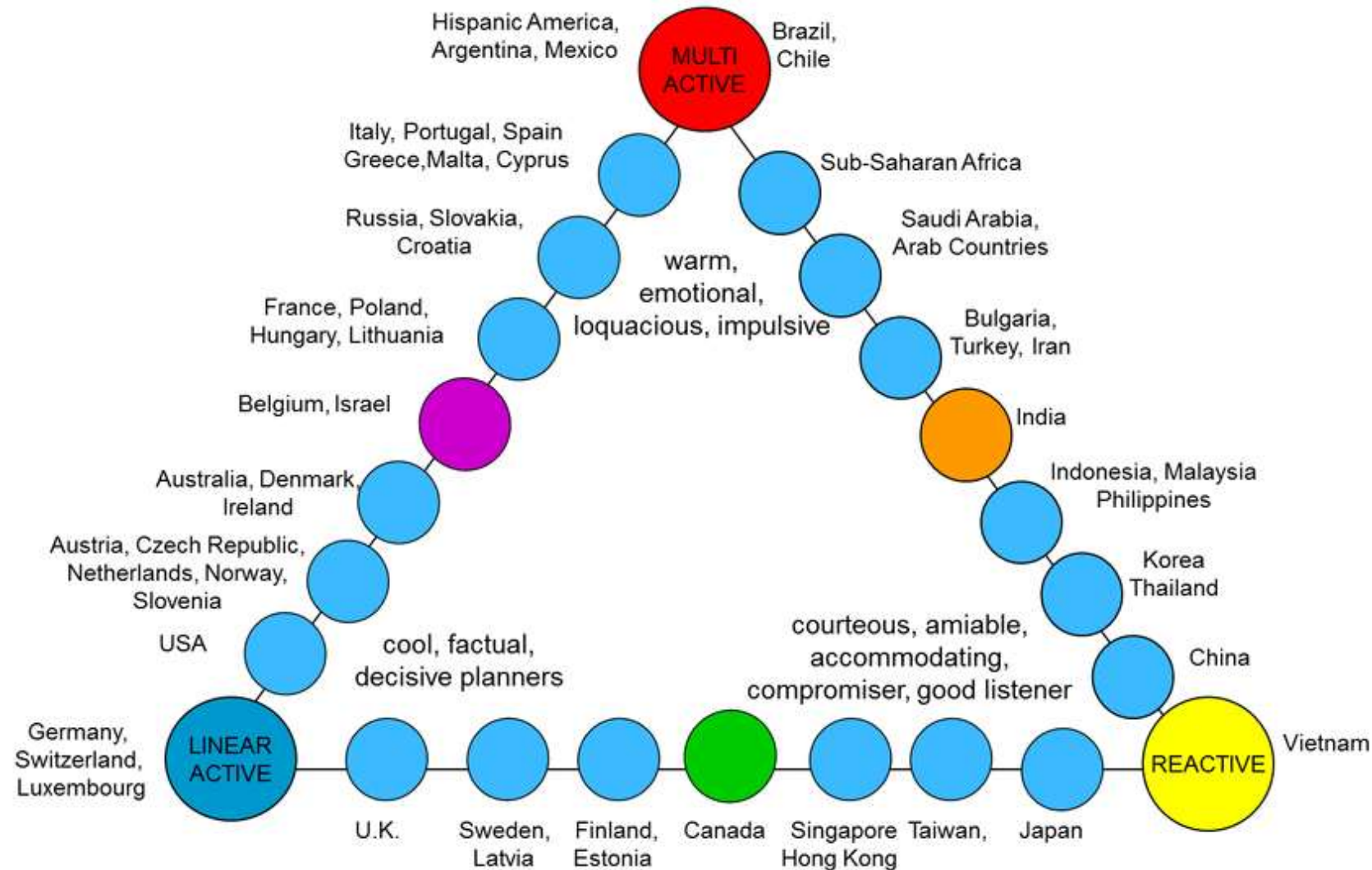
Within 15 years worldwide trade restrictions or barriers rose

→ **Free Trade Agreement (FTA)** become more relevant than ever before

Source: WTO Study Nov 2023



Lewis Model: People make the difference, so stay aware



Prof. Richard D. Lewis

Born in UK 1930,
communication
consultant, writer,
polyglot and social
theorist.

Founder Berlitz
Schools in various
countries.

Conclusion

Stay aware
and flexible.
Understand to
mitigate risk.

Ensure secure
alignment of
company
strategy and
SM

Deviate from
traditional
schemes,
where needed

Keep
suppliers,
employees
and mgmt on
your side



Q&A

