

Turbulent Times

**THE VIEWS OF BUSINESS LEADERS ON THE CONTINUING GEOPOLITICAL &
TECHNOLOGICAL UPHEAVALS**

SANDPIPER GOVERNMENT & PUBLIC AFFAIRS

20 JANUARY 2026



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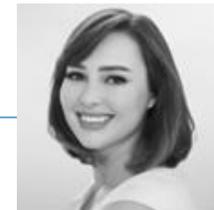
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Corporate leaders are confronting a world in flux

Geopolitical disruptions are reshaping the global business landscape. In October 2025, we asked senior corporate leaders, many of whom are based in Europe, how these shocks are affecting their firms, how they're managing risks, adapting strategies, and preparing for what lies ahead in 2026.

- Political and geopolitical pressures, including tariffs and trade conflicts, wars in Europe and the Middle East, and upheavals in long-standing diplomatic relationships
- Market instability, with soaring prices and disruptions to supply chains
- Technological transformation with the rapid impact of AI, as well as multiplying disorientations from online misinformation





WHAT ARE BUSINESS LEADERS THINKING?



Our extensive research of business leaders...

To base our advice on data and deep understanding of client needs, Sandpiper's in-house team of researchers designed a survey that was in the field during October 2025.



Interviews with **3,089 business leaders, owners, board members, C-suite** and **director-level** with departmental responsibilities

537 of these are based in EU countries (France: 147, Germany: 123, Italy: 99, Spain: 99 & Netherlands: 69)



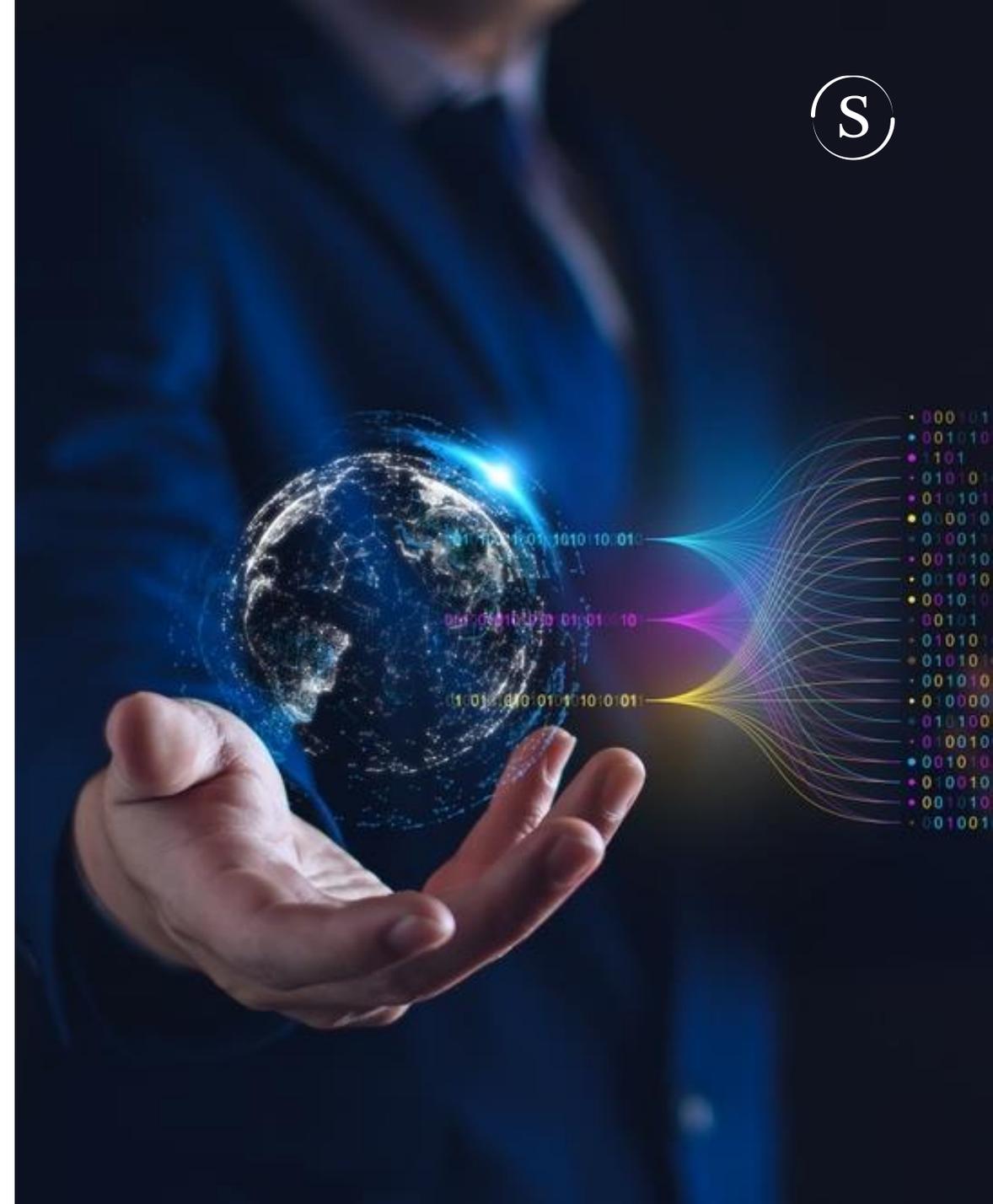
Roughly 1/3 each from:

- Small businesses (100 to 999 staff)
- Medium-sized enterprises (1,000 to 1,499 staff)
- Large firms (more than 1,500 staff)



Sectors include:

Business & professional services, education, natural resources, financial services, F&B, healthcare & wellness, tech, public sector, retail, travel & hospitality.





...in key markets across the world

- USA
- FRANCE
- SPAIN
- INDIA
- INDONESIA
- SINGAPORE
- CHINA
- JAPAN
- CANADA
- GERMANY
- SWITZERLAND
- SAUDI ARABIA
- MALAYSIA
- THAILAND
- HONG KONG
- SOUTH KOREA
- BRAZIL
- ITALY
- UK
- UAE
- PHILIPPINES
- VIETNAM
- TAIWAN
- NETHERLANDS
- QATAR
- AUSTRALIA
- SOUTH AFRICA
- NEW ZEALAND





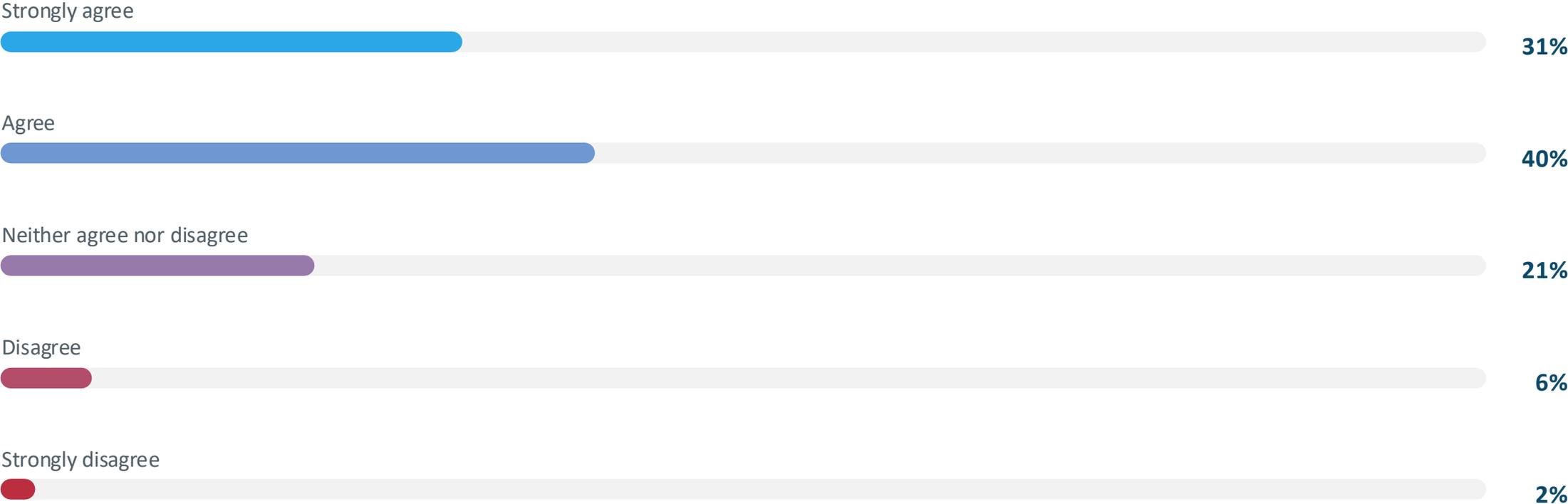
We can drill down into this extensive data by seniority of respondent, size of firm, function, sector, and country

Here follows a topline summary of highlights



In May 2025, almost three-quarters of global business leaders said tariffs and trade conflicts posed a major threat to their business prospects

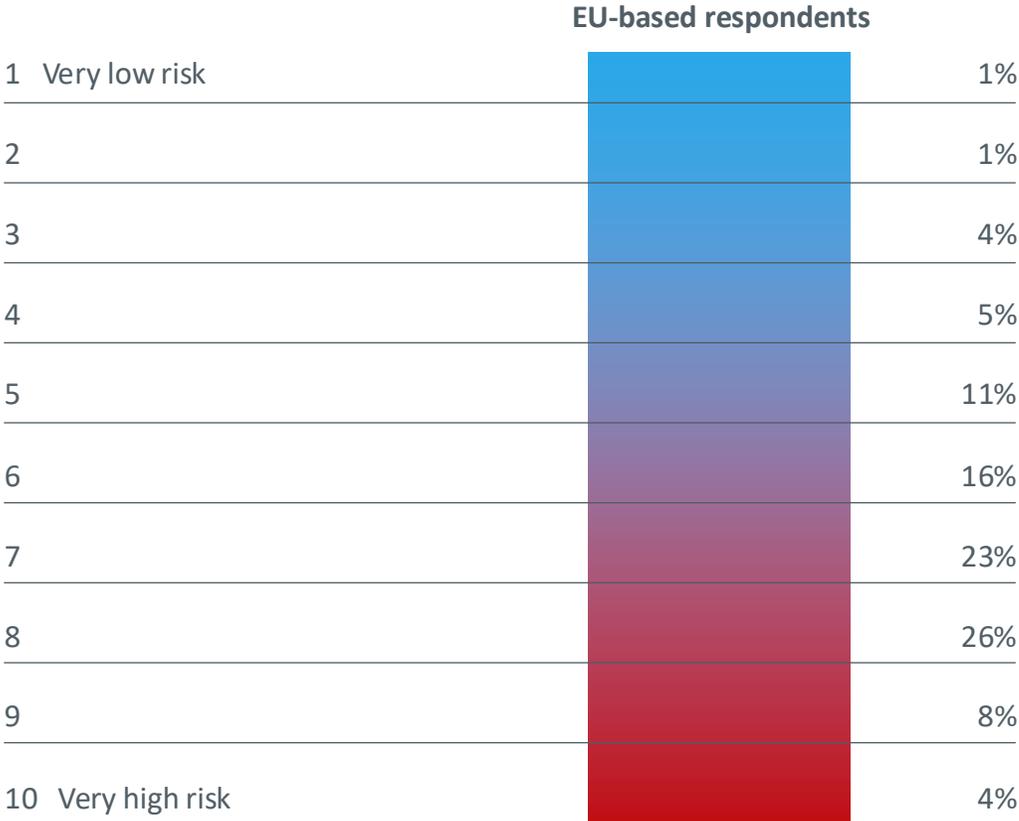
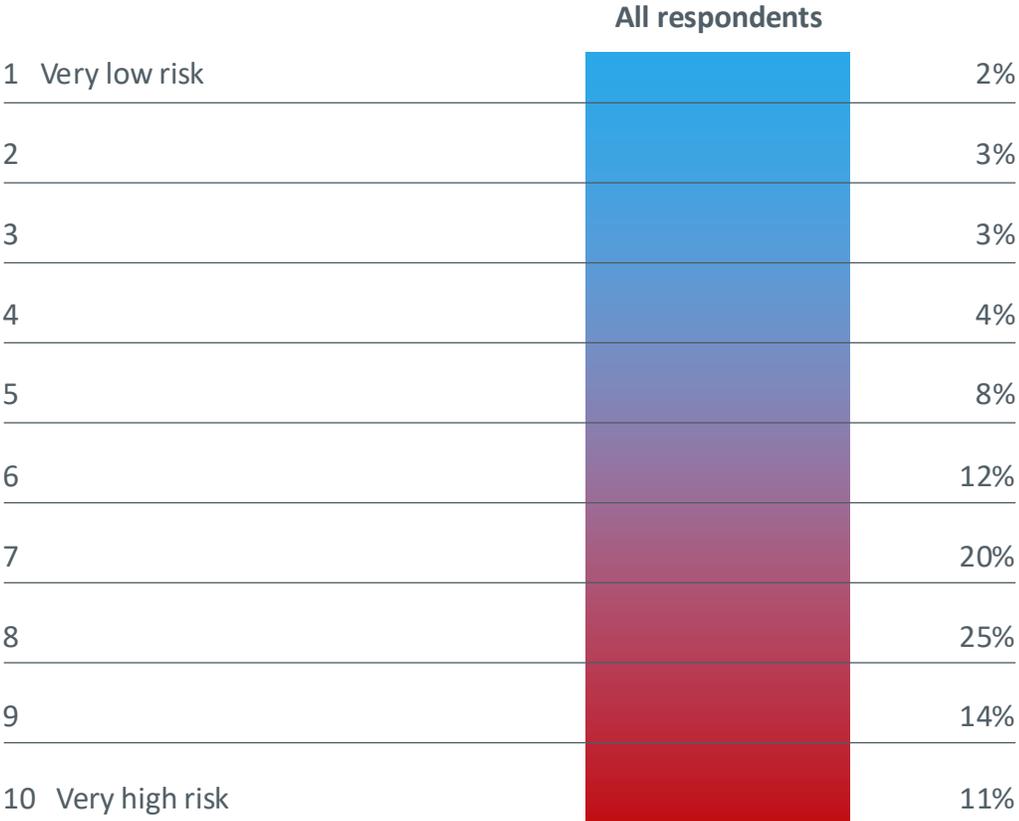
How much do you agree or disagree that the tariff and trade conflict poses a major threat to your business' future prospects.



By October 2025, most believed the level of risk was high to very high, though there was less extremity in the EU



On a scale of 1 to 10, please rate the level of business risk associated with the current geopolitical climate.





About two-thirds of all business executives – but far fewer in China and many more in the US – believed multiple factors posed even higher risks to them in October than in May

Do you agree that each of the following pose a greater threat to your business now compared to 6 months ago?

	All	China	EU	US		All	China	EU	US
Trade and economic policies of the US	72%	57%	62%	80%	Political pressure from other governments	66%	43%	61%	68%
Supply chain disruption resulting from a tariff or trade war	68%	55%	63%	75%	Political pressure from China	65%	58%	63%	66%
Political pressure from the US	68%	57%	63%	70%	Diplomatic controversies or disagreements between states	65%	50%	60%	66%
Trade and economic policies of China	68%	58%	57%	70%	Consumer actions or consumer activism	64%	45%	59%	73%
The risk of high inflation	67%	46%	63%	73%	Challenges in managing social media	62%	46%	59%	69%
A widespread economic contraction	66%	50%	60%	71%					



Almost two-thirds, though fewer in the EU, believed these risks would increase over the short, medium and long terms

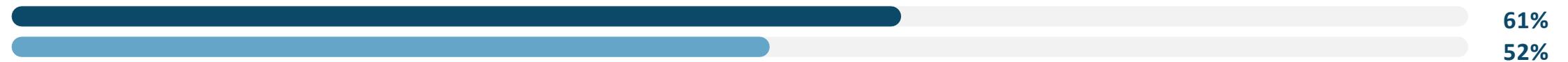
Do you see the level of business risk increasing (or decreasing) over the following timeframes?

● All ● EU

Next month



Next 3 months



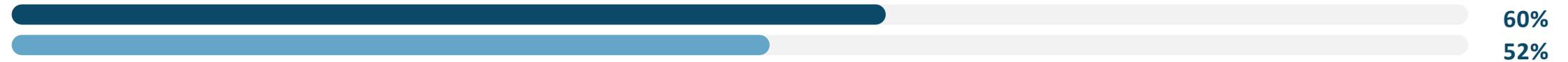
Next 6 months



Next year



Next 2 years



Next 3+ years





US, Chinese and EU-based businesses had the highest rates of industry leaders saying they will be affected a great deal, and US respondents are much more pessimistic than most

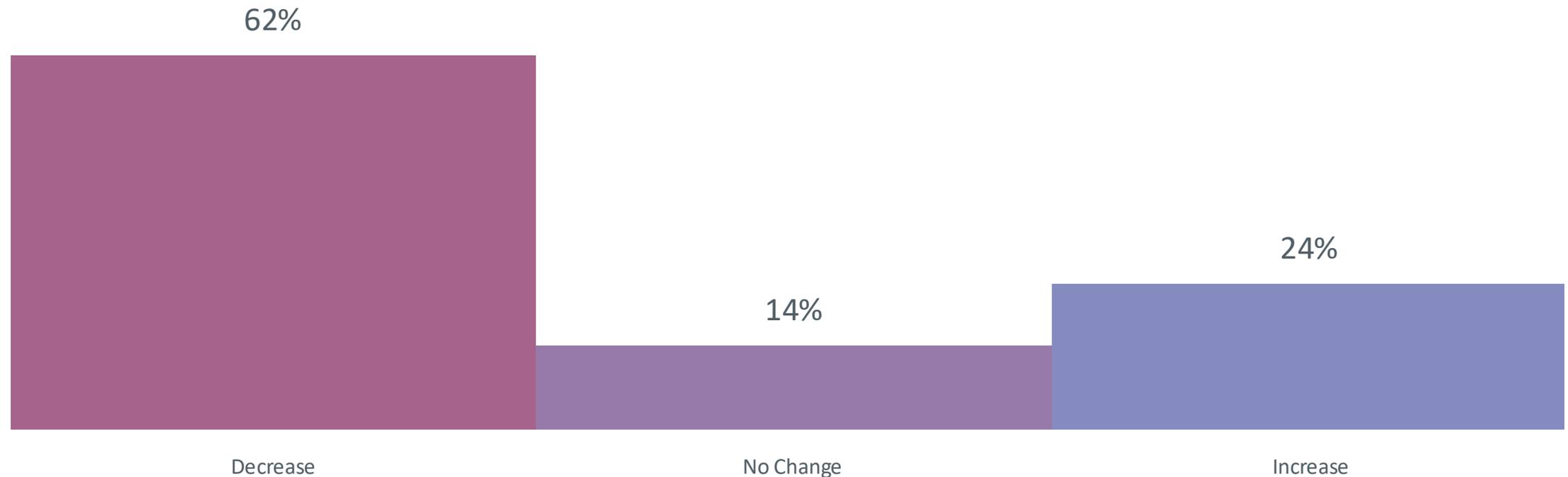
How much do you believe businesses and business operations in the following geographies will be impacted in the current geopolitical climate?

	All	China	EU	US		All	China	EU	US
United States	47%	31%	41%	62%	Wider Middle East	34%	24%	27%	32%
China	40%	46%	32%	39%	Canada	34%	28%	28%	40%
EU	39%	30%	27%	39%	ANZ	33%	32%	28%	32%
United Kingdom	36%	31%	31%	41%	South-Central America	33%	32%	27%	35%
South Asia	36%	33%	29%	35%	Mexico	30%	24%	27%	39%
East Asia (excluding China)	35%	28%	28%	35%	Gulf States	29%	27%	24%	42%
Southeast Asia	35%	27%	31%	34%	Sub-Saharan Africa	29%	29%	21%	26%



Almost two-thirds of businesses expected a decrease in overall revenue over the following 12 months as a direct result of geopolitical turbulence

Based on your current outlook, how do you expect geopolitical turbulence to affect your company's overall revenue over the next 12 months?



Many business had already paused major investments and decreased their exposure in the US and China as a result of tariff disputes



Which of the following actions has your business taken as a result of tariff and trade disputes?

	All	EU		All	EU
Decrease investment exposure in US	37%	33%	Decrease investment exposure elsewhere	21%	17%
Decrease investment exposure in China	35%	33%	Hiring freeze	19%	11%
Halt on major investment decisions	30%	17%	Reduced presence in certain markets	17%	21%
Decrease investment exposure in EU	26%	26%	Supply chain adjustments	15%	8%
Hold off on major marketing initiatives	26%	19%	Other	2%	4%



Almost all businesses were ready to pass on additional tariff costs to consumers

Which of the following best describes how your company will handle any further costs from tariffs applied to its goods and services?

● All ● EU

We will pass on all tariff costs to consumers



We will pass on most tariff costs to consumers



We will pass on a minority of tariff costs to consumers



We won't pass on any tariff costs to consumers – we will absorb them



Our goods and services will not be subject to any additional tariff costs

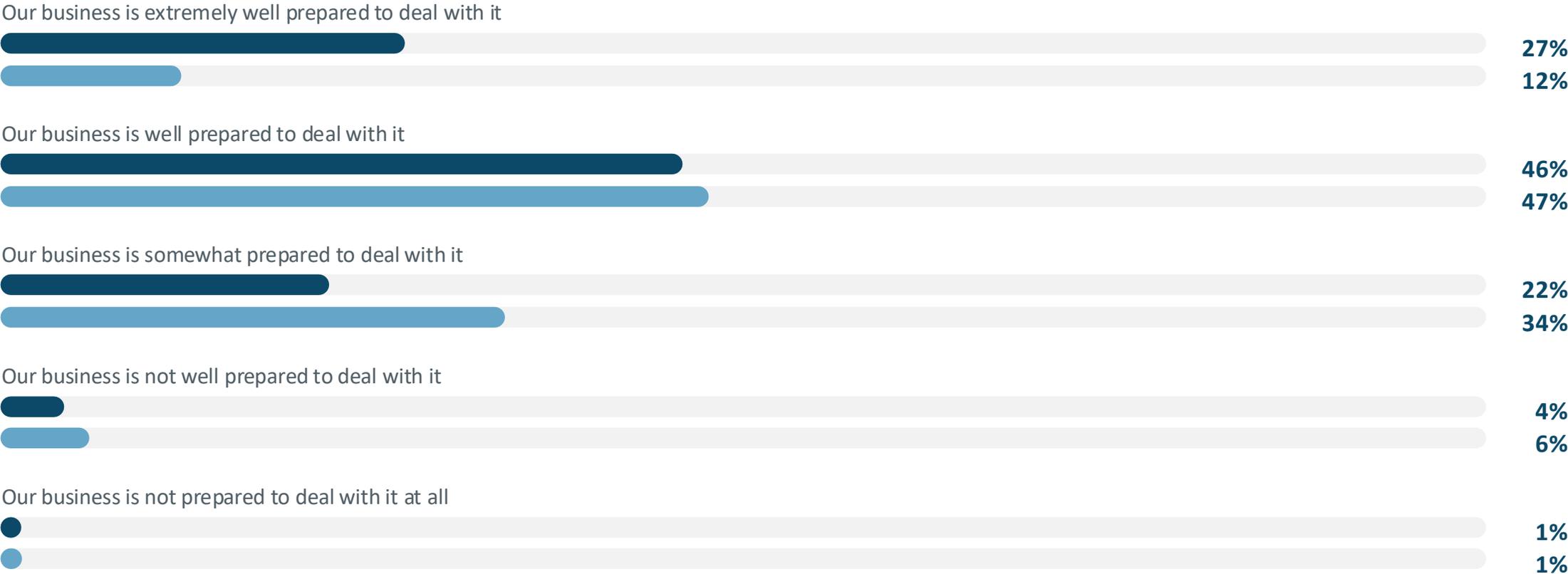




Despite all these negatives, many felt their businesses were ready to navigate the turbulence expected over the following 6 months

Which of the following statements best describes how well prepared your business is to navigate the coming geopolitical turbulence over the next 6 months?

● All ● EU

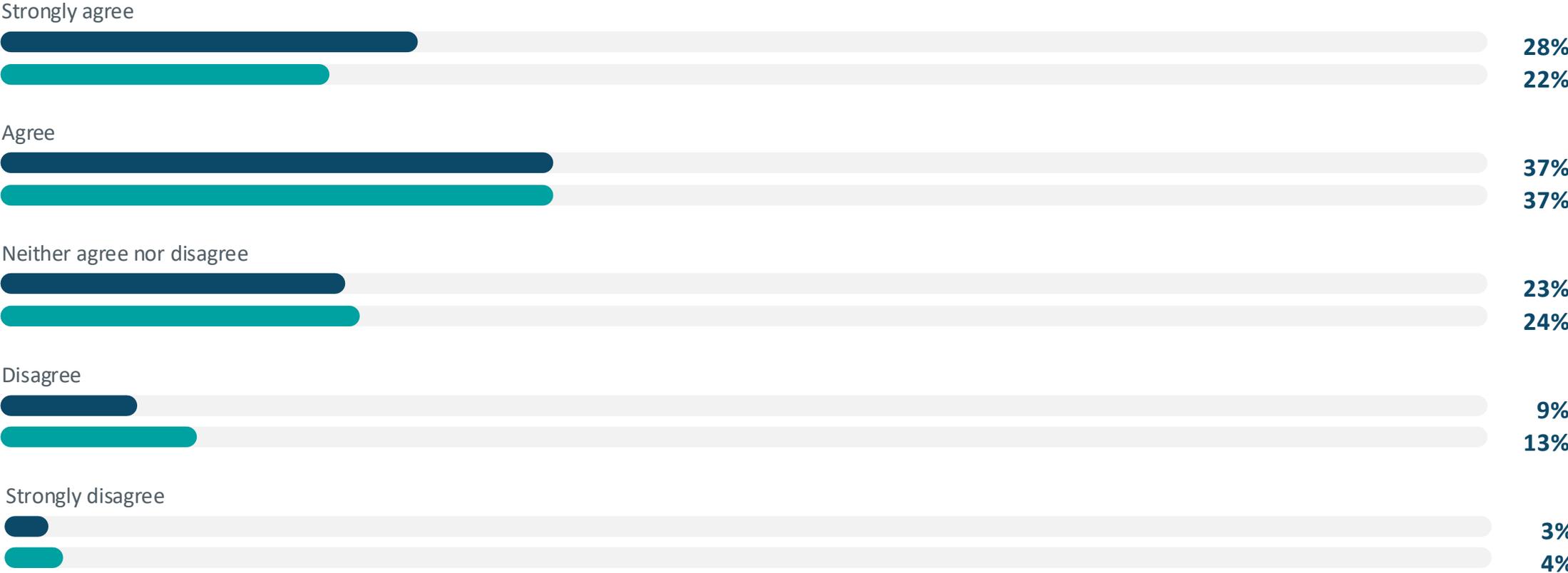




By October, almost two-thirds of business leaders were concerned about the impact of AI on their firms, up from 6 months before

Does AI pose a greater threat to your business now than it did 6 months ago:

● Oct ● May





Almost all were concerned about the impact of AI on communications, but overwhelmingly believed their organisation is prepared for it

Please indicate your predominant feeling on the impact of Artificial Intelligence on communications as it applies to your business.

● All ● EU

I am concerned about the impact of AI on communications and believe my organisation is highly prepared



I am concerned about the impact of AI on communications and believe my organisation is moderately prepared



I am concerned about the impact of AI on communications and believe my organisation has limited preparedness



I am concerned about the impact of AI on communications but my organisation is not prepared



I am not concerned about the impact of AI on communications





Executives believed that nowhere is well placed to capture business confidence over the next 12 months

Please rank the top 5 countries whose governments are best positioned to capture business/investor confidence in the next 12 months.

	<u>% of respondents</u>		<u>% of respondents</u>		<u>% of respondents</u>
<u>US</u>	16%	<u>UAE</u>	3%	<u>New Zealand</u>	2%
<u>China</u>	15%	<u>India</u>	3%	<u>Taiwan</u>	2%
<u>UK</u>	6%	<u>Australia</u>	3%	<u>South Africa</u>	2%
<u>Japan</u>	5%	<u>Spain</u>	3%	<u>Netherlands</u>	2%
<u>Canada</u>	4%	<u>Saudi Arabia</u>	3%	<u>Malaysia</u>	2%
<u>Germany</u>	4%	<u>Brazil</u>	3%	<u>Thailand</u>	1%
<u>Singapore</u>	4%	<u>Hong Kong</u>	2%	<u>Indonesia</u>	1%
<u>Italy</u>	3%	<u>Vietnam</u>	2%	<u>Philippines</u>	1%
<u>Switzerland</u>	3%	<u>Qatar</u>	2%		
<u>France</u>	3%	<u>South Korea</u>	2%		



Most believed it will take at least six months for the US and China to reach a deal to end the tariff and trade conflict

(Asked in the week before and the week of the Trump-Xi summit in South Korea)

Which of the following statements best describes when you believe the current tariff and trade conflict will be resolved?

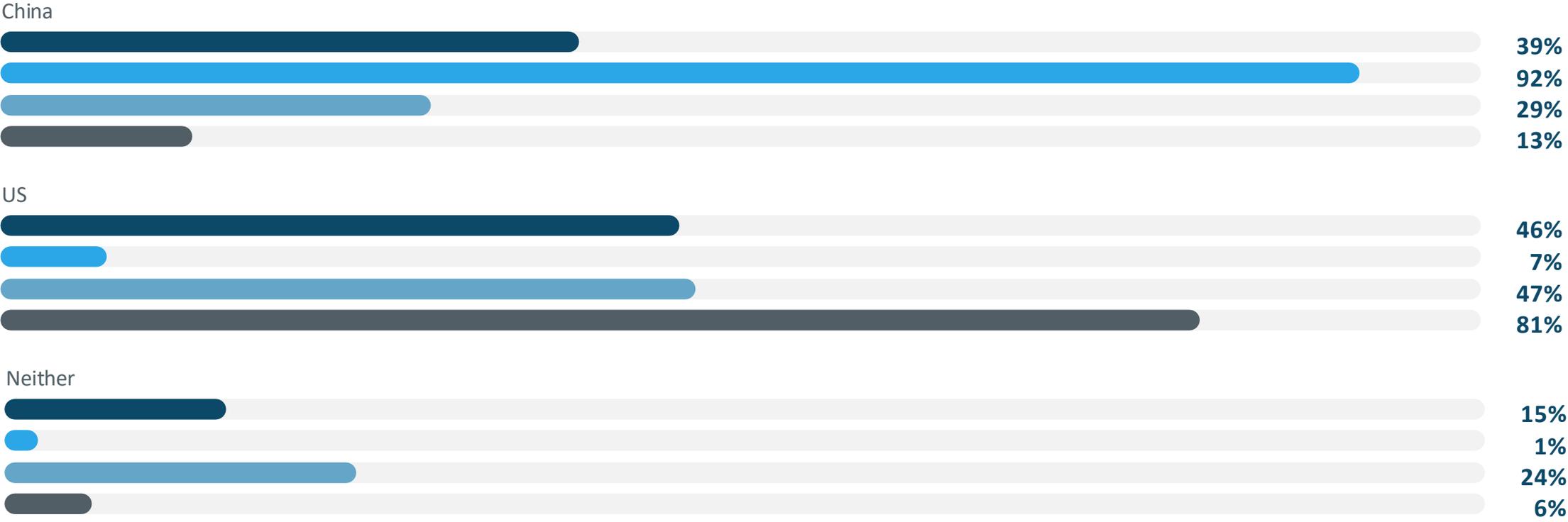




In general, the cards are perceived to be evenly split between China and the US, though those based in China overwhelmingly favour China, while those in the US overwhelmingly favour the US

In relation to the long-term outcome of the geopolitical struggle between the US and China, who has the better cards?

● All ● China ● EU ● US





WHAT CAN BE DONE TO NAVIGATE THROUGH SAFELY?



How should business leaders best protect the interests of their corporations during the age of turbulence in which we now live?

Quite simply, this is the most urgent agenda item at boardroom – and cabinet – tables today.



Three guiding principles for steering through turbulent times

Based on our consultations and knowledge of client responses, we recommend that leadership teams should anchor their approach in three guiding principles.



CONTROL WHAT YOU CAN

Focus on what's within your influence, stay disciplined, cut through the noise, and avoid short-term reactions that create long-term risk.



ACCELERATE THE APPLICATION OF AI

Use technology and AI to sharpen foresight, strengthen decision-making, and turn data into real-time strategic advantage.



COMMUNICATE CLEARLY AND CONSTANTLY

Maintain transparent, consistent communication to align teams, reassure stakeholders, and build trust in uncertainty.



A 10-point toolkit for navigating turbulent times in a proactive and foresighted way

This is a moment for Ministers, Boards, CEOs and Corporate Affairs Directors to show leadership and help their nations and organizations navigate safely through increasingly treacherous waters.

Using our guiding principles of controlling what you can, accelerating the application of tech/AI, and communicating constantly and clearly with internal teams and external stakeholders, while trying to filter out some of the noise and not make short term decisions that will have long term implications, these are the ten tools we strongly recommend every leader uses to face these challenges.

- 1 Establish a geopolitical risk assessment framework
- 2 Develop scenario plans
- 3 Strengthen relationships between policymakers and executives
- 4 Engage in consultations about government and corporate policy
- 5 Seek out and strengthen alliances where it makes sense
- 6 Align corporate messaging with economic priorities
- 7 Enhance direct communication channels
- 8 Develop your own key sources of data
- 9 Pool intelligence from across the organisation
- 10 Leverage technology and data to deepen insights



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