



2026 Geopolitical and Economic Update for Board Members

Economic trends and strategic opportunities for leaders navigating the evolving landscape of 2026.



Global Economic Issues for 2025 & 2026: Navigating Uncertainty and Risk

The world economy faces a critical juncture as we enter 2026:

- slower growth
- persistent inflation
- escalating trade tensions
- geopolitical conflicts
- climate change





**Commander/Doctor
Mary Kelly
CPAE, CSP, US Navy (ret)**



411 on Mary Kelly

- Ran marathons until marathons got longer
- Currently the 56th Most Influential Economist in the world
- Listed as Top 50 Motivational Speakers in the World
- Author of 20 books
- Professor at US Naval Academy and US Air Force Academy
- Met USMC husband while doing CT
- 21 years on active duty in the Navy

Slide question

What Geopolitical or Economics issue most worries you, in your role, going in to 2026?

Crises are all around us



Geopolitical

- Hamas invades Israel
- Russia invades Ukraine
- China threatens Taiwan
- Iran claims nukes
- North Korea
- Terrorists
- Food insecurity
- Refugees
- Tariffs/Trade

Economics

- Taxes
- Inflation
- Housing/rental costs
- Jobs
- GDP
- National debt
- Labor force participation
- Labor costs
- Medical costs

Workplace

- Attract and retain
- Quiet quitting
- Great resignation
- Talent acquisition
- Employee engagement
- Morale
- Collegiality/Teamwork
- Regulations
- Citizens
- AI

Domestic

- Crime
- Justice
- Education
- Supply chains
- Immigration
- Elections
- Social capital
- Healthcare
- Climate issues

Big Picture: Global GDP Growth Forecasts

Major institutions paint different pictures of global economic momentum, reflecting varying assumptions about geopolitical stability, policy responses, and technological disruption.

IMF Projection

3.1% growth in 2026, slightly up from 3.0% in 2025

Optimistic outlook driven by resilient consumer spending and stabilizing trade

PIIE Estimate

2.9% growth in 2026, down from 3.1% in 2025

Modest slowdown reflecting cautious consumer sentiment and tighter monetary conditions

EIU Forecast

2.4% growth expected in 2026

Most conservative view, citing the slowest expansion since the pandemic era

Geopolitical Conflicts and Escalating Risks

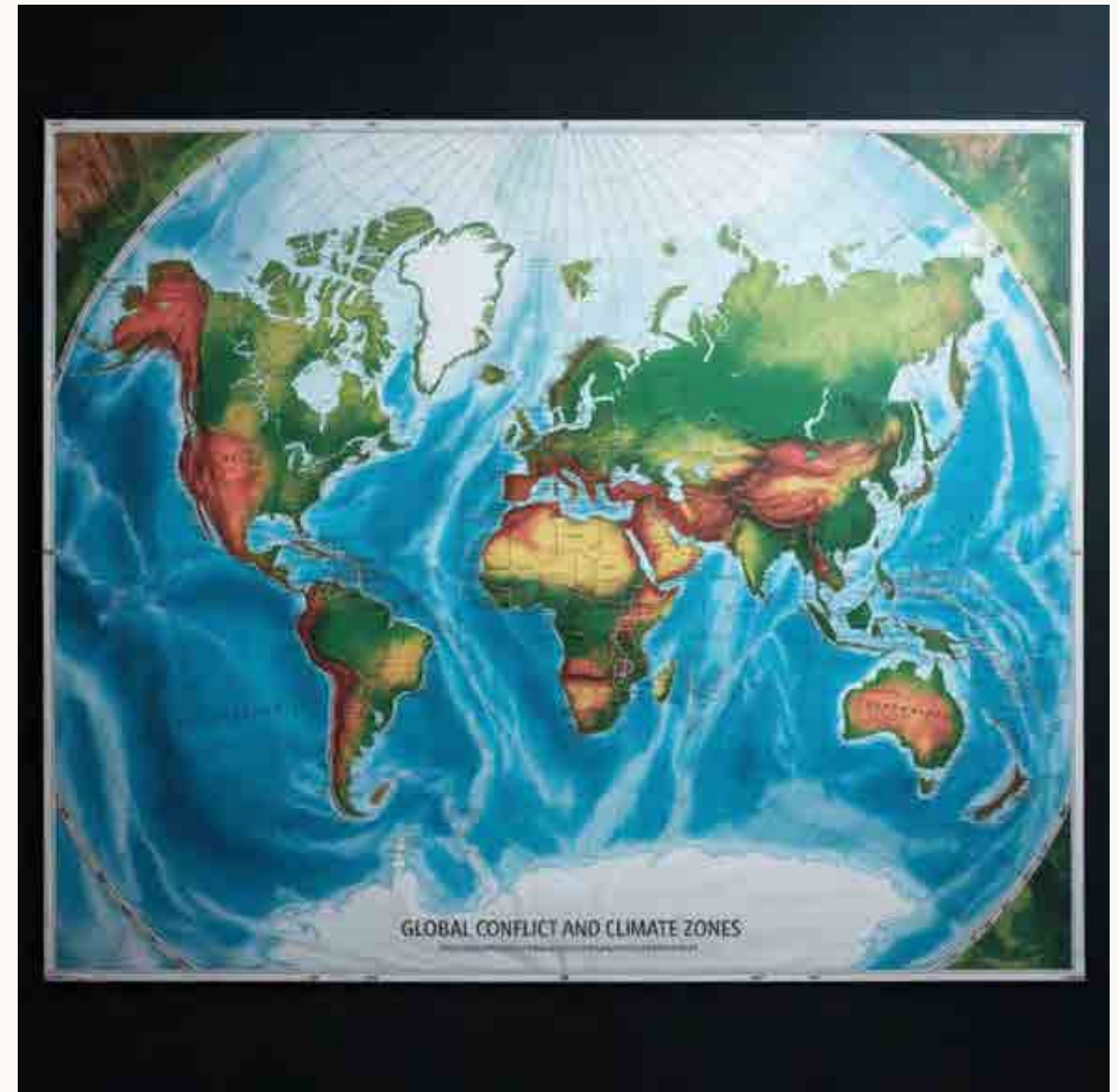
Regional Tensions Intensify

Rising geopolitical conflicts, in the Middle East, Ukraine, and Africa create cascading effects throughout the global economy. These tensions disrupt critical supply chains, spike energy prices, and generate investor anxiety that suppresses capital flows.

Climate Shocks Multiply

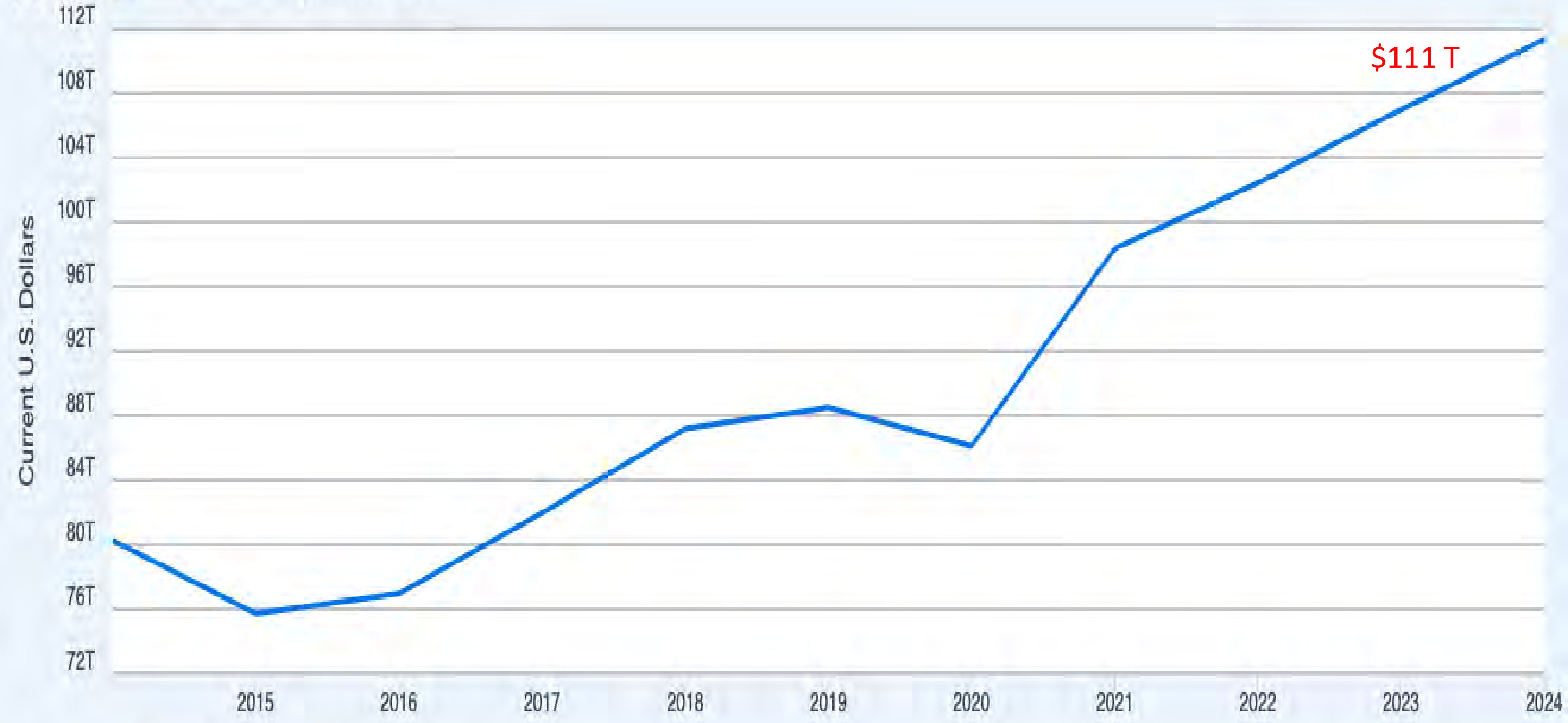
Extreme weather events—from devastating floods to prolonged droughts—add another layer of economic volatility.

Climate-related disruptions exacerbate inflationary pressures and undermine agricultural production in vulnerable regions.



Focus on Major Economies



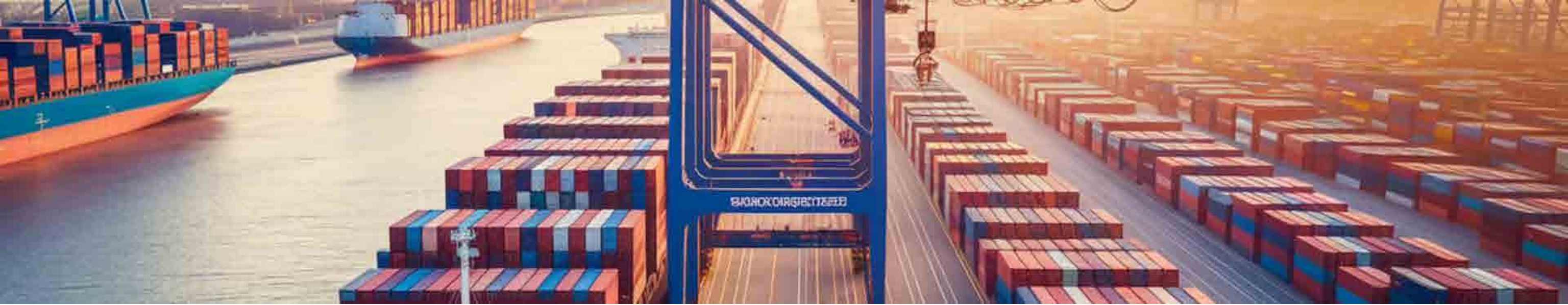


SI No	Country Name	GDP (USD)*	GDP Per Capita (Current Prices) (USD)*
1	United States (US)	\$30.50 trillion	\$89,105
2	China	\$19.23 trillion	\$13,657
3	Germany	\$4.74 trillion	\$55,911
4	India	\$4.19 trillion	\$2,934
5	Japan	\$4.19 trillion	\$33,955
6	United Kingdom (U.K.)	\$3.84 trillion	\$54,949
7	France	\$3.21 trillion	\$46,792
8	Italy	\$2.42 trillion	\$41,091
9	Canada	\$2.23 trillion	\$53,558
10	Brazil	\$2.13 trillion	\$10,234

**This list is updated as per the latest IMF World Economic Outlook data released in April 2025.*

Trade





Overview of U.S. International Trade

\$7T+

Annual Trade

The total value of goods and services exchanged in 2022.

2nd

Global Rank

America's position in world trade, just behind China.

200+

Trading Partners

Countries and territories with U.S. trade relations.



IMPORT

TAXES

EXPORT

K

April 2, 2025



BEGUN THE TARIFF WARS HAVE

How
countries
responded...



How
manufacturers
responded...

Temu just dropped their
new Tariff Jeans



How the markets responded...



Morning Brew



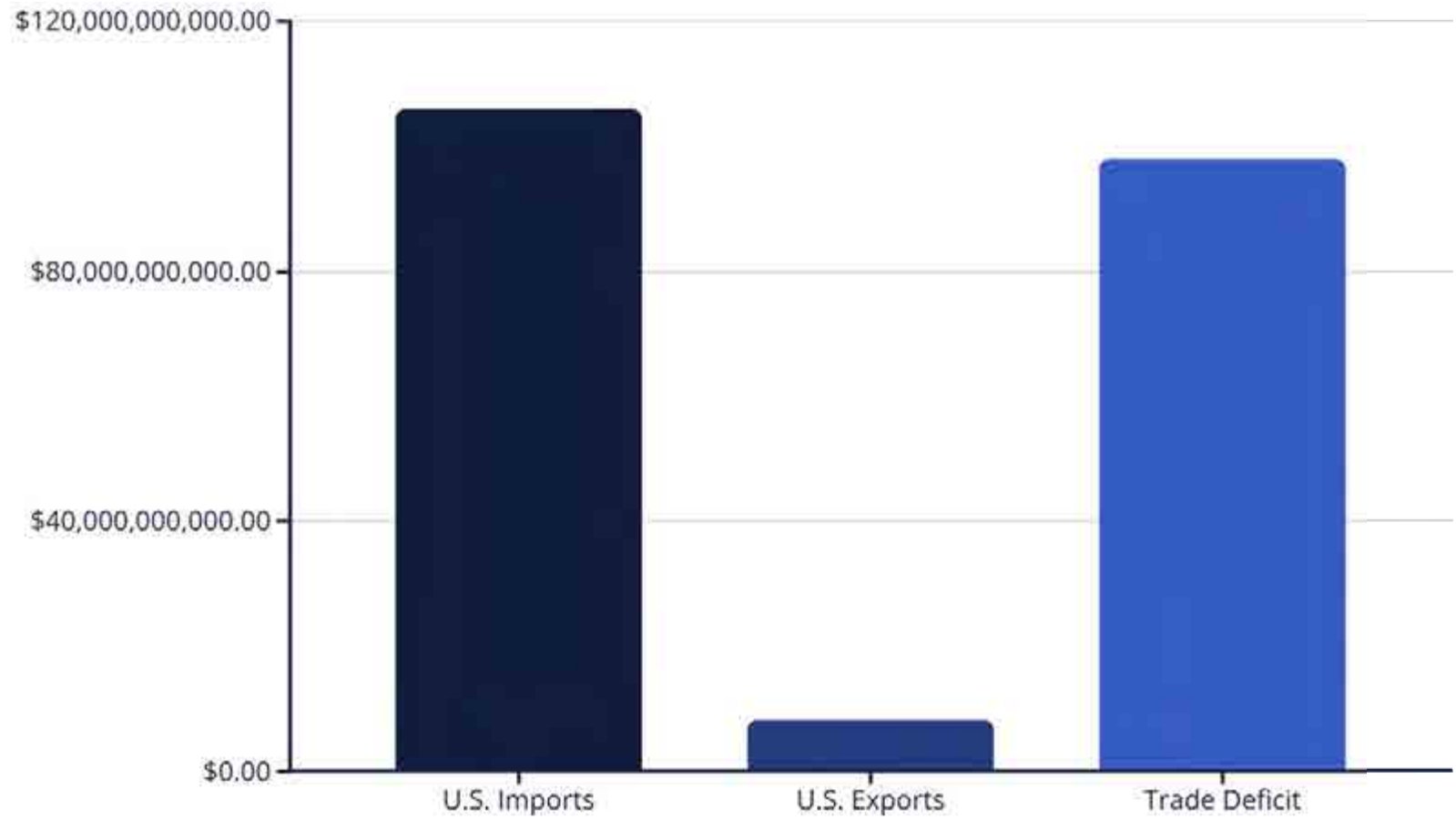
@MorningBrew

Due to tariffs my 401k is now a 301k



U.S.-Vietnam Trade in 2025: A Dynamic Economic Partnership

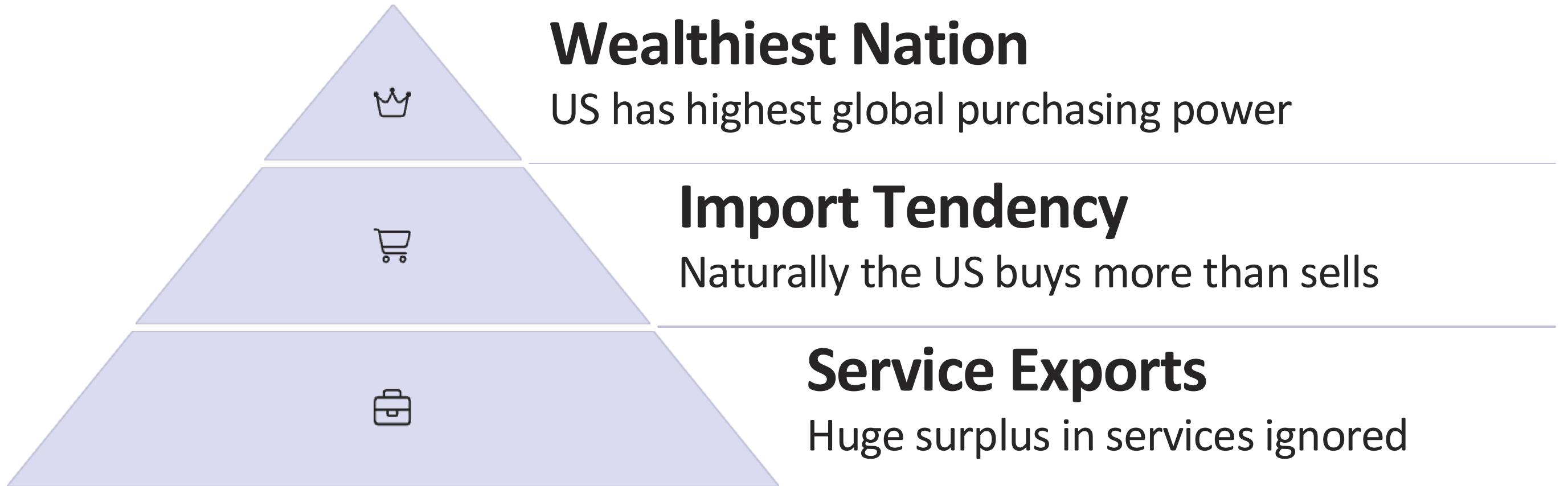
The Trade Imbalance: A \$98 Billion Deficit

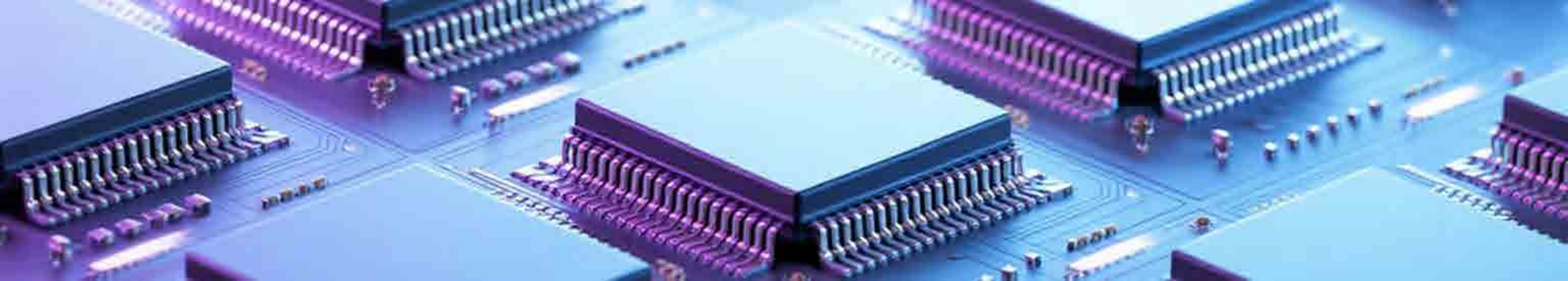


The U.S. trade deficit with Vietnam stands near \$98 billion, representing one of America's largest bilateral deficits globally.

In July 2025 alone, imports reached \$18 billion while exports totaled just \$1.35 billion—a stark illustration of the imbalanced trade flows.

US Trade Reality





Top U.S. Exports to Vietnam (2025)

Computer Chips
\$969 million

Down 47% YoY, reflecting shifting semiconductor markets

Cotton
\$920 million

Up 116%, driven by Vietnam's booming textile industry

Aircraft Parts
\$320 million

Up 199%, supporting aviation sector growth

Wood Products
\$290 million (up 301%)

Cell Phones & Equipment
\$435 million (stable)

Trade Overview: Scale and Growth in 2025

\$114.49B

Total Bilateral Trade

Through July 2025, up
40.9% year-over-year

9th

**U.S. Trade
Partner**

Vietnam's position
among America's
largest trading
partners

43.7%

Import Surge

U.S. imports from
Vietnam jumped
dramatically

13.2%

Export Growth

U.S. exports to
Vietnam rose steadily

Vietnam's trade with the U.S. is growing significantly faster than overall U.S. global trade growth of 8.4%, highlighting the increasing economic integration between these two nations.



Recent Trade Developments: A New Agreement

October 2025

1

U.S. and Vietnam agree on Framework for Reciprocal, Fair, and Balanced Trade

2

Preferential Access

Vietnam commits to provide preferential market access for most U.S. industrial and agricultural exports

Tariff Structure

3

U.S. maintains 20% baseline tariffs on Vietnamese goods but will exempt select strategic products

4

Regulatory Alignment

Focus on reducing non-tariff barriers, improving regulatory alignment, and strengthening intellectual property protections



EX: Textile Industry Impact Vietnam

\$16B

Annual Imports

Textile imports from Vietnam yearly

20%

Tariff

Rate applied to Vietnamese textiles. 40% if shipped through Vietnam

0%

Chance

Likelihood of textile jobs returning to the US