

How far will power struggles go?

Coface

Geopolitical tensions are intensifying: what are the consequences for globalisation and economic stability? At the Coface Country Risk Conference on February 17, four experts share their analyses of these geostrategic rivalries that are impacting global trade.

"The future is a door, the past is the key," wrote Victor Hugo. Even recent events can undoubtedly help us to understand the present and, above all, to try to sketch out the future. Some of the events that took place in 2025 fall into this category. *"Coming just after 'drill, baby, drill', the humiliation inflicted in February last year by Donald Trump and his vice-president on Ukrainian President Volodymyr Zelensky, live from the Oval Office, struck me as the expression of a method, very brutal in both form and substance, of how the Trump administration intended to conduct its policy,"* says Thomas Gomart, director of the French Institute of International Relations (IFRI). *"I also saw in this episode a form of ideological convergence between the White House and the Kremlin on the conflict in Ukraine."*

A few weeks later, "Liberation Day", during which the US president unveiled a first wave of massive tariff increases, was another expression of this new method of exercising power, consisting of Donald Trump *"starting by going further than expected, before partially backtracking – hence the emergence of the acronym TACO for 'Trump Always Chickens Out',"* adds Andrew Bishop, senior partner and global head of political research at Signum.

Does Europe's salvation lie in closer ties with China?

For Agatha Kratz, a partner at Rhodium Group, the dates of 4th April and 9th October 2025 are also significant. *"These two days refer to [China's](#) adoption of packages of measures to control exports of critical minerals."* By securing its stranglehold on resources that have become indispensable (electrification of uses, data centre operations, etc.), the Middle Kingdom intends to gain not only in terms of sovereignty, but also in terms of diplomacy, as *"the ability of other countries to exert pressure is automatically reduced"*.

Attempts to annex Greenland and implement the "Donroe Doctrine"[1] on the American side, growing military pressure on Taiwan and the reaffirmation of nuclear ambitions on the Chinese side: the signals sent in recent months by the world's two major economic powers have been translated into concrete action at the start of 2026.

And to reshuffle the geopolitical deck. Tania Sollogoub, head of country and global geopolitical research at Crédit Agricole Group, talks about the "geopolitics of resources". *"Throughout history, there has never been a hegemonic cycle that was not closely linked to one or two strategic materials. Today, we have entered the cycle of critical metals, which are of existential importance to states,"* notes the expert.

Tania Sollogoub points to *"a fear of scarcity"* at its peak, manifested in stockpiling, alliances forged with partners on a product-by-product basis, and the ongoing restructuring of supply chains. *"While the seas are on fire, we are seeing a restructuring of flows and routes, as evidenced by the numerous infrastructure projects underway on land and the return to prominence of the term 'corridor',"* adds the head of global country and geopolitical research at Crédit Agricole Group.

The era of "realism"

In this context, economic opportunities may certainly emerge, as illustrated by the current strengthening of trade relations between Saudi Arabia and Brazil, and between the United Arab Emirates and [India](#).

But, more broadly, this intensification of rivalries is above all a source of uncertainty, both for governments and economic actors. "*Companies have realised that risk, particularly geopolitical risk, is the 'new normal'*," warns Tania Sollogoub, who believes that one of the main challenges facing the market today is identifying the channels through which sensitive events are transmitted.

"*What is striking is the desire of companies to decouple themselves from geopolitical risk and do everything possible to maintain their business, up to a certain point*," says Thomas Gomart. *But what point?* "To set this threshold, many have moved from a binary approach to risk – I accept it or I don't – to a more "realistic" approach. This is characterised by the development of a variety of scenarios, each with its own associated action plans. "*We are entering the era of realgeopolitik*," sums up Tania Sollogoub, who also sees the possibility of companies becoming misaligned with their own governments as one of the other major dangers of this new era.

An era in which the Old Continent does not seem to be entering from a position of strength. Indeed, having lost one of its few comparative advantages – stability – with the outbreak of war in Ukraine, it is currently weakened both by the marked political fragmentation among its member states and the recent fracturing of the transatlantic alliance...

Thomas Gomart points out, however, that an economically open world requires the major powers to respect a minimum set of rules and believes that, in this respect, "*Europe probably has some political room for manoeuvre*". Caught between the United States and China, it will nevertheless have its work cut out to make its voice heard and defend its interests.

Bipolar power management in the United States

It is sometimes difficult to analyse and anticipate the decisions of the US federal authorities, partly because they do not follow the same logic depending on who is making them! "*There are two visions coexisting in the United States: that of Donald J. Trump on the one hand, and that of his administration on the other*," explains Andrew Bishop, senior partner and global head of political research at Signum.

This view is shared by Agatha Kratz, associate at Rhodium Group. "*The latter, for example, has a real 'China strategy' (a desire to get rid of all external influences in the Americas, rebuild critical supply chains on the continent, acquire strategic resources extracted there, etc.) that the former, whose approach is very transactional, does not have*," she explains.

According to Andrew Bishop, the US president's main obsession is to "*leave a legacy in the history books*", which would explain "*the lack of consistency in the choices made*" – as illustrated, for example, by the desire to be a peacemaker between [Russia](#) and Ukraine and the interventionist attitude in Venezuela.

Conversely, the behaviour of the Trump administration, led by figures such as Vice-President J.D. Vance and Secretary of State Marco Rubio, appears more transparent. "*The administration's strategy is based on a total withdrawal of the US presence in the world and the formation of a bloc of allies, including Europe, against China*," says Andrew Bishop.

Sino-European rapprochement: does Europe have more to lose than to gain?

Paris, Berlin, Madrid, London... Recent or upcoming visits by European heads of state and government to China are on the rise. With the transatlantic alliance under strain from the Trump administration, between substantial increases in customs duties and repeated criticism of the Old Continent, the prospect of a rapprochement with the Beijing regime may seem appealing.

This is all the more true given that the two powers share certain major challenges and priorities, such as "*demographic ageing and the energy transition to a low-carbon model*", notes Thomas Gomart, director at IFRI. However, as some experts argue, it is far from certain that the cost/benefit balance of such a move would tip in Europe's favour. "*China has little to offer*," says Agatha Kratz, a partner at Rhodium Group, who believes that the risks far outweigh the opportunities.

The specialist points to: sluggish Chinese economic growth, well below that reflected in official statistics; less promising trade prospects, as evidenced by the 44% year-on-year drop in German automotive exports to China in 2025; squeezed margins for local companies, due in particular to significant production overcapacity; and less leeway for multinationals operating in the country. Andrew Bishop goes even further. "*China is not only an economic threat to Europe. It is also the country that is currently enabling Russia to continue fighting in Ukraine. What if Beijing wants Moscow to emerge victorious from the conflict? China also poses a physical threat to Europe.*" This forces European leaders to perform a real balancing act. "*It is essential to stabilise relations with Beijing. But we must be careful not to overplay the Chinese card,*" warns Agatha Kratz.

Is American democracy in danger?

The list of blows to American democracy grows longer almost every week: dismantling of countervailing powers, particularly judicial ones; recurrent criticism of the media and use of "fake news"; closures of federal agencies operating in the fields of the environment, public health, diversity and inclusion; electoral redistricting designed to favour the Republican Party.

Not to mention the protesters killed by immigration police in suspicious circumstances. Since Donald J. Trump's return to the White House in January 2025, the foundations of democracy have been severely tested. "*There has been an undeniable change of direction in this area,*" acknowledges Thomas Gomart. To the point of heralding a shift, in the more or less short term, to a more authoritarian regime?

The geopolitical expert is reassuring. Unlike other countries, such as Russia, "*the United States has a system of separation of powers, and civil society is mobilising...*" The imminent holding of crucial elections, in particular the *midterm* elections on 3 November, also presents a real opportunity for the federal government to "*correct*" these abuses, Thomas Gomart believes.

[1] With reference to the famous Monroe Doctrine as applied to Donald Trump.