dun & bradstreet

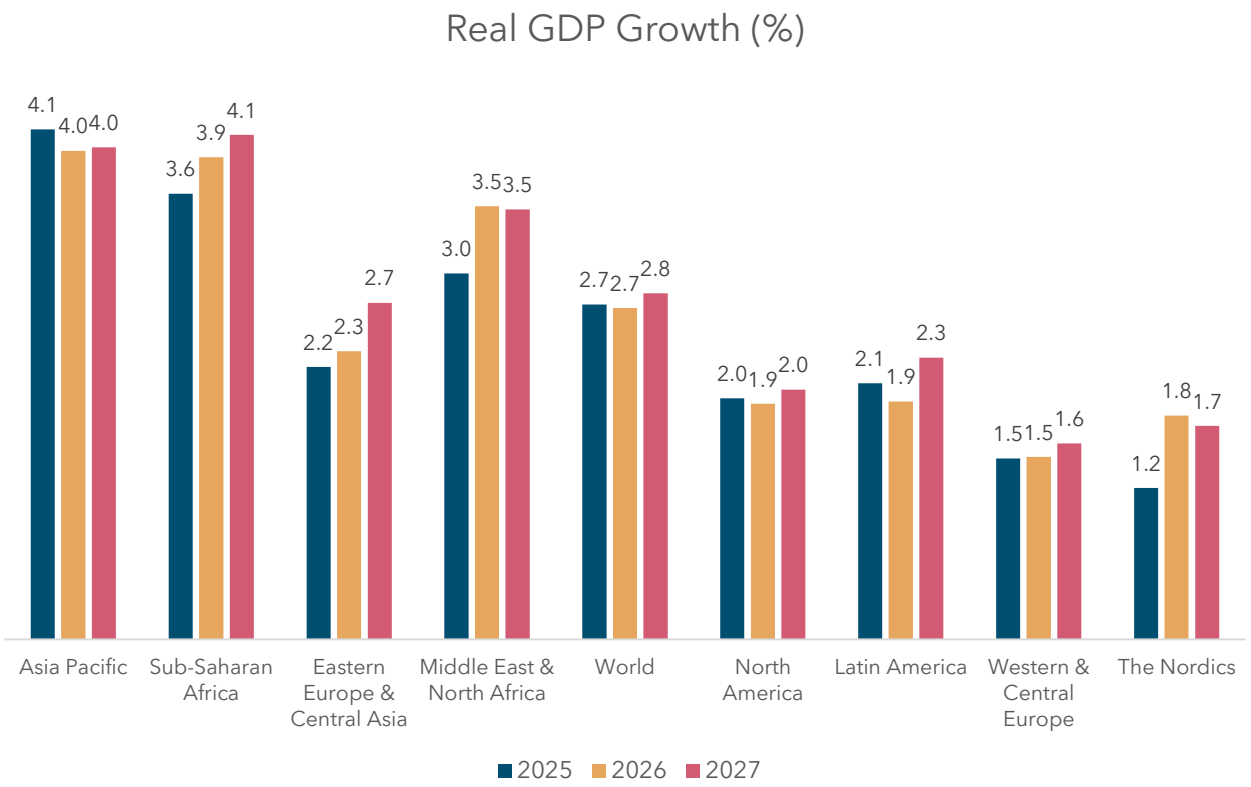
Global Economic Outlook – March 2026

Conflict and new tariffs: geopolitics reshapes the macro landscape

"February marked a clear inflection point from latent geopolitical risk to active macro disruption. Risks that had been largely anticipated at the start of the year began to transmit more directly into trade flows, pricing decisions, and market conditions. The escalation in the Middle East, the global tariff reset triggered by U.S. court rulings, and intensifying pressure on critical trade corridors underscored how quickly geopolitical events are now transmitted into prices, supply chains, and financial conditions.

The replacement of emergency tariffs with a temporary but universal import levy in the U.S. has injected fresh uncertainty into contract pricing and investment planning, even as it accelerates longer-running trends toward regionalization. Across Europe and parts of Asia, industrial policy and subsidy frameworks continued to harden, signaling a global trading system that is becoming more conditional, more security-driven, and less predictable in the short term. At the same time, energy risk returned to the forefront. Conflict in the Middle East rapidly repriced oil markets and lifted insurance and transport costs, exposing how vulnerable global inflation dynamics remain to geopolitical shocks. These pressures arrived just as monetary policy paths continued to diverge across regions, amplifying currency volatility.

The defining feature of the current environment is fragility. Growth continues, investment endures, and trade adapts – yet the buffer against shocks gets thinner. As geopolitics becomes an embedded input into economic decision-making rather than an episodic risk, competitive advantage will increasingly belong to firms and economies that can absorb volatility, re-route quickly, and appropriately price uncertainty rather than react to it." – Country Insight Group economists.



Source: *Haver Analytics; Forecasts from Dun & Bradstreet.*

© 2026 DUN & BRADSTREET
PUBLIC

dun & bradstreet

Recent Developments

Global

- The U.S and Israel are engaged in an expanding direct military conflict with Iran, marked by sustained air and naval strikes on Iranian targets. Iran has retaliated with missile and drone attacks against Israel and Gulf states. The confrontation has driven sharp oil price volatility, heightened global market risk, and raised the probability of a prolonged regional war with no clear diplomatic off-ramp.
- The U.S. has imposed a temporary 10% global import tariff following a Supreme Court ruling invalidating the emergency tariffs imposed in 2025.
- The mid-February Munich Security Conference exposed growing transatlantic strains, with European leaders warning against U.S. unilateralism and calling for stronger multilateral security frameworks. The discussions reinforced concerns that geopolitical fragmentation is becoming a structural drag on global growth and capital allocation.
- Multiple emerging market central banks, including those of Egypt and Hungary, eased policy in February as inflation declined, while others, such as Bank Indonesia, held rates to defend currencies. This divergence underscores asymmetric disinflation progress and heightened sensitivity to capital flows amid volatile global financial conditions.
- In mid-February, ASEAN policymakers renewed discussions on regional security and economic cooperation amid ongoing tensions in Myanmar and the South China Sea. The meetings highlighted the challenge of balancing geopolitical fragmentation with ambitions for deeper regional trade and investment integration.

Movement in Environment Risks

Country Rating	Environment Risks			
	Credit	Market	Supply	Political
India Sweden	Czech Republic Hong Kong Italy	Czech Republic India Sweden	South Africa Guatemala	South Africa El Salvador Indonesia

Note: *Colors indicate rating upgrade/improvement in outlook, rating downgrade/deterioration in outlook; Credit Environment helps cross-border traders and investors understand the level of risk related to non-payment or delayed payment; Market Environment provides businesses involved in cross-border trade and/or investment to make informed decisions about changing business links in a country; Supply Environment covers factors that could disrupt supply chains associated with the country; Political Environment helps traders and investors to understand the risks associated with political instability, cross-border conflict, policy uncertainty and expropriation.*

© 2026 DUN & BRADSTREET

North America

- Over February 20-21, the U.S. reset its tariff regime following a Supreme Court ruling that struck down the legitimacy of emergency tariffs introduced in 2025. The government imposed a new temporary 10% global import tariff, effective from late February for up to 150 days, and could potentially enact a higher 15% rate at a future date.
- U.S. market volatility increased after reports of a potential Federal Reserve leadership change, reinforcing investor focus on inflation risks and the pace of future rate cuts. Kevin Warsh, nominated to lead the Fed, has previously criticized the Fed's large bank sheet.
- The Congressional Budget Office warned in February that U.S. federal debt would reach 120% of GDP by 2036 (from around 101% in 2026), intensifying political debate over deficits, tariffs, and long-term interest costs.
- By early March, the U.S. had entered into direct combat with Iran, executing sustained joint air and naval strikes alongside Israel against Iranian missile, nuclear-linked, and command infrastructure, marking a decisive shift from deterrence to open interstate conflict.
- Late February saw further fiscal scrutiny as the Canadian government introduced the Main Estimates 2026-27, outlining over CAD500 billion in planned spending, including more than CAD48 billion earmarked for defense.

Western and Central Europe

- Banks within the U.K. have started a process to develop an emergency alternative to U.S.-based Visa and Mastercard. A similar process is occurring within the Euro area; in February, the European Payments Initiative and EuroPA alliance signed an MoU to develop a central interoperability model for payments.
- The European Parliament has delayed ratifying the removal of EU import tariffs on industrial goods due to uncertainty over U.S. trade policy.
- The EU's Industrial Accelerator Act (IAA) was set to be adopted at the end of February but was delayed due to a proposed 'Made in Europe' clause, which stated that 70% of EV components had to originate in the bloc to qualify for subsidies. The IAA also included measures to accelerate the decarbonization of industry.
- The latest package of EU-Switzerland agreements was approved by member states in February; this will deepen Switzerland's integration with the EU across a range of issues such as electricity, food safety, and research.
- In February, Hungary and Slovakia vetoed the EU's 20th sanctions package against Russia; Hungary has also blocked the EU's €90 billion loan to Ukraine. Hungary and Slovakia have faced fuel shortages due to the halting of oil deliveries via the Druzhba pipeline since January.

© 2026 DUN & BRADSTREET

Asia Pacific

- Over January-February, monetary policy divergence widened across the region, raising cross-market currency and funding dispersion. The Reserve Bank of Australia lifted the cash rate to 3.85%, while the Bank of Japan (0.75%), the Bank of Korea (2.50%), and Bank Indonesia (4.75%) held rates; the Philippines central bank cut rates to 4.25%.
- In February, the U.S. Supreme Court invalidated the U.S. "emergency law" tariff regime, prompting a shift to a time-bound global surcharge under another statute. Asian exporters might gain short-term relief, but price and contract uncertainty persists.
- Oil markets have repriced quickly (close to $80/barrel as of March 2); the risk premia has widened considerably and insurers have warned of cancellations for vessels travelling through the Gulf and Strait of Hormuz, raising energy cost uncertainty for Asia's import-heavy economies.
- The Bangladesh National Party won a two-thirds majority in the February general election, while Japan's ruling party secured a supermajority in a snap election in the same month, improving near-term policy clarity.

Eastern Europe and Central Asia

- On February 18, the European Commission unveiled a major new strategy, Strong Regions for a Safe Europe, aimed at strengthening the economic resilience, defense readiness, and long-term competitiveness of EU regions bordering Russia, Belarus, and Ukraine.
- Complementing this, on February 26, the EU unveiled the EastInvest Facility, a €28bn loan facility to expand lending and advisory support for nine member states – Finland, Estonia, Latvia, Lithuania, Poland, Slovakia, Hungary, Romania, and Bulgaria – that continue to face hybrid threats, economic disruption, and demographic pressures linked to the Russia-Ukraine war.
- Romania has officially co-adopted the Tirana Ministerial Declaration, alongside Albania, Bulgaria, Italy, and North Macedonia; this landmark agreement aims to fast-track the development of Pan-European Transport Corridor VIII.
- Russia and Ukraine concluded their latest U.S.-brokered peace talks in Geneva on February 18. Despite minor procedural progress, no breakthrough emerged on core issues such as territory and security guarantees.
- In February, the National Bank of Tajikistan announced plans to install special ATMs that will allow individuals to buy and sell gold bullion directly, without visiting a bank branch.
- The second B5+1 (Central Asia and the U.S.) business forum convened in Bishkek on February 4-5, bringing together regional governments and major U.S. companies to advance cooperation in trade, investment, technology, and logistics.

© 2026 DUN & BRADSTREET

Latin America

- U.S.-Cuba tensions remain elevated due to the worsening energy and humanitarian crisis in Cuba driven by the U.S.'s national emergency order blocking oil supplies. The U.S.'s threat of tariffs on countries that directly or indirectly supply oil to Cuba has resulted in an effective fuel blockade, with Mexico (a key supplier) halting oil shipments since late January. A late February incident in which Cuban border guards intercepted and fired on a Florida-registered speedboat has further raised tensions.
- A major military operation on February 22 killed 'El Mencho', leader of the Jalisco New Generation Cartel (CJNG), triggering widespread violence across 20 Mexican states and the deployment of 10,000 soldiers to contain retaliatory attacks. By early March, conditions had largely stabilized, though the risk of further factional violence remains.
- Peru's congress removed interim President Jose Jeri in February over a corruption probe involving undisclosed meetings with Chinese businessmen. Jose Maria Balcazar was appointed on February 18 to lead the country through to the April 12 elections and remain in office until the next elected president is sworn in, underscoring the volatile political backdrop.
- On February 27, Argentina's senate approved President Javier Milei's controversial labor modernization law, despite strong union resistance. The reform aims to: lower employer costs; curb union blockades by imposing penalties and minimum service requirements in essential sectors; expand working hour flexibility; and reduce severance obligations.
- Argentina and Uruguay ratified the EU-Mercosur agreement at the end of February, activating the process for provisional application. The European Commission confirmed it would move ahead with provisional application of the deal, enabling the gradual elimination of tariffs to take effect even while full ratification remains pending.

Middle East and North Africa

- On February 28, the U.S. and Israel launched a pre-emptive attack on Iran. In retaliation, Iran has targeted Israeli and U.S. military assets in Bahrain, Qatar, and the U.A.E.; air defenses have intercepted barrages, but debris has caused casualties in some cities.
- Oil markets have repriced quickly (close to $80/barrel as of March 2); the risk premia have widened considerably and insurers have warned of cancellations for vessels travelling through the Gulf and Strait of Hormuz.
- Ships in the Gulf have reported hearing warnings linked to the Iranian Revolutionary Guard. Some tankers have paused near Fujairah and Oman, lifting lead-time uncertainty; meanwhile, the Houthis may renew their attacks on shipping in the Red Sea.
- Gaza's phase-two track continues; a technocratic committee is being positioned to run day-to-day administration, while ceasefire security remains fragile.

© 2026 DUN & BRADSTREET

- Libya has signed a $2.7 billion public-private partnership to expand capacity at Misurata Free Zone Port and attract global operators – if the project goes ahead as planned, it would be an upside for North African logistics.

The Nordics

- On February 24, Denmark launched a formal review to assess whether certain North Sea oil and gas production licenses should be extended – potentially up to 2050 – within the existing 2050 phase-out framework, citing Europe's energy security needs.
- The European Free Trade Association made a landmark ruling in February that Norway's continental shelf falls under the European Economic Area Agreement, pulling the country into the scope of the EU's Net Zero Industry Act and its requirement that oil and gas producers help achieve 50m tonnes of annual CO_2 injection capacity (CO_2 stored in geological formations) by 2030.
- The ruling means Norway must develop a massive build-out of CO_2 storage infrastructure across the North Sea.
- The Nordic Council and the Nordic Council of Ministers moved forward with efforts to update the Helsinki Treaty during a series of meetings held over February 17-24. The discussions focused on modernizing the 1962 treaty to strengthen regional cooperation and grant equal status to Greenland, the Faroe Islands, and Åland within Nordic governance structures.
- The prime ministers of Finland and India met on February 18 to discuss doubling bilateral trade and collaborating on 6G, quantum computing, and renewables.
- At the Munich Security Conference, the leaders of Denmark and Greenland publicly aligned in a unified stance against renewed U.S. pressure to acquire the Arctic territory.
- Iceland's airport operator, Isavia ohf., confirmed that a ISK22 billion expansion project at Keflavik International Airport will begin later this year.

Sub-Saharan Africa

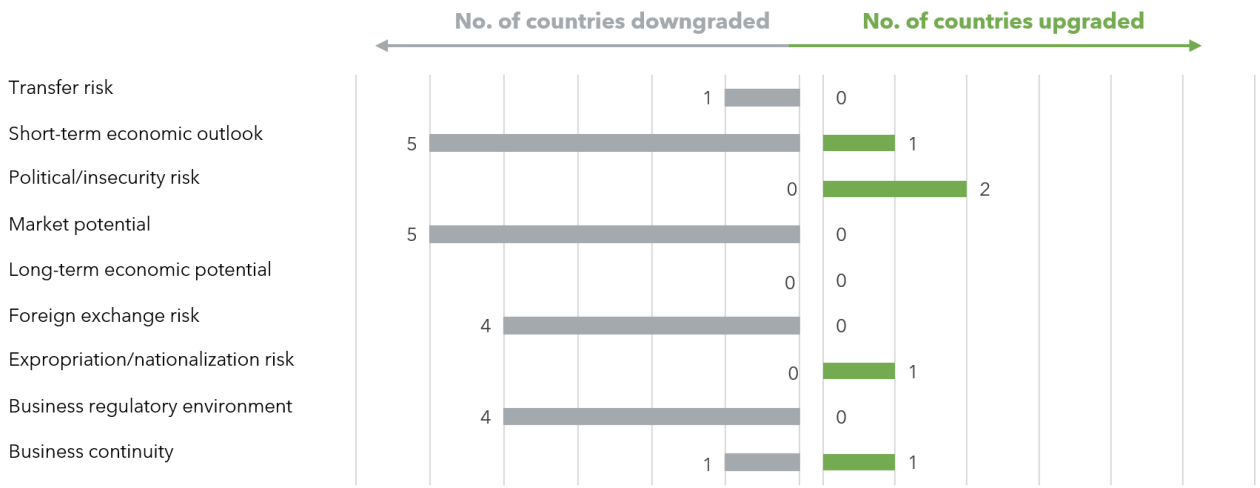
- During the 39th African Union Summit in mid-February, the Chinese Mainland said it would implement zero-tariff treatment for 100% of tariff lines for all 53 African countries with which it has diplomatic relations, effective May 1, 2026.
- In late February, Zimbabwe imposed an immediate ban on the export of all raw minerals and lithium concentrate to promote domestic processing and value addition. The ban extends to raw minerals already in transit.
- The Democratic Republic of the Congo (DRC)–Burundi border reopened on February 23 after the M23 rebel group withdrew from the eastern DRC town of Uvira in January, restoring a degree of cross-border trade and voluntary refugee movements.
- Stronger-than-expected revenue in 2025-26 has allowed the South African government to cancel ZAR20 billion in planned tax increases for 2026 and provide

© 2026 DUN & BRADSTREET

inflation-linked relief to households and small businesses. The budget also significantly raises the compulsory VAT registration threshold for small firms.

- Nigeria's central bank cut the benchmark interest rate by 50bps to 26.5% in February against a backdrop of sustained disinflation, signaling a shift toward a more accommodative monetary policy stance aimed at supporting growth.
- Mozambique's 2025-26 floods – exacerbated by Cyclone Gezani in mid-February – are among the worst the country has seen in over two decades, leaving more than 240 dead and over 860,000 affected and causing extensive damage to homes, key transport routes, farmland, and livestock.

Movement in Risk Dimensions



Source: *Dun & Bradstreet.*

How Dun & Bradstreet Can Help

Dun & Bradstreet's Country Insight Solutions provide forecasts and business recommendations for 132 economies, allowing businesses to monitor and respond to economic, commercial, and political risks. To learn more, visit dnb.com/country-insight.

© 2026 DUN & BRADSTREET

dun & bradstreet

DISCLAIMER

Dun & Bradstreet makes no representations or warranties, express or implied, with respect to information provided and the results of the use of such information, including but not limited to implied warranty of merchantability and fitness for a particular purpose, warranties of accuracy, completeness, or currency. Neither Dun & Bradstreet nor any of its parents, subsidiaries, affiliates or their respective partners, officers, directors, employees or agents shall be held liable for any damages, whether direct, indirect, incidental, special or consequential, including but not limited to lost revenues or lost profits, arising from or in connection with use or reliance on the information provided in this report. Recipients of these reports are responsible for determining whether the information contained herein is sufficient for use and shall use their own skill and judgement when choosing to rely upon the reports.

LEGAL AND COPYRIGHT NOTICES

© 2026 Dun & Bradstreet. All rights reserved | 5335 Gate Parkway, Jacksonville, FL 32256

No part of this publication may be reproduced or used in any form or by any means graphic, electronic or mechanical, including photocopying, recording, taping, or information storage and retrieval systems without permission of Dun & Bradstreet.

DELIVERED USING DUN & BRADSTREET'S DATA AND EXPERTISE

Dun & Bradstreet's Country Insight solutions deliver country- and region-specific insight and data-driven analysis, helping businesses in various industries and sectors globally minimize current risks. Our solutions allow you to identify emerging challenges and explore opportunities for market expansion and longer-term investment. Our analysis covers economies accounting for 99% of global GDP.

Our experienced country-intelligence specialists use Dun & Bradstreet's proprietary data, supplemented by secondary data from the International Monetary Fund, World Bank and other multilateral organizations, to provide unique analysis to drive sound business decisions.

Updated frequently – and monthly for our most requested countries – our data and analysis are presented in a format that facilitates the comparison of economic, political and commercial conditions on a country, regional and global level.

FIND US HERE:

For more information relating to D&B's Country Insight Services, please contact us below:

U.K.

Telephone: 01628 492 000 Email: ukcs@dnb.com

U.S.

Telephone: 1 (808) 239 8944 Email: CustomerService@dnb.com

Rest of World

You can contact your local D&B Customer Services departments by clicking here.

The Point

North Wharf Road London W2 1AF

dun & bradstreet