

INSIGHT 2026

Identifying the most compelling trade and investment opportunities in emerging markets for 2026.



Insight 2026 examines where opportunity is returning across emerging and frontier markets, and why outcomes will remain uneven. Drawing on political, macroeconomic, and geopolitical analysis, the report maps the infrastructure corridors, capital flows, and managed conflict de-escalation shaping trade and investment in the year ahead. With expanded coverage across Africa, the Middle East, and Asia, Insight 2026 provides evidence-based intelligence to help lenders, insurers, investors, and operators identify durable opportunities, anticipate risk, and plan confidently in a fragmented global economy.

19 January 2026



PANGEA-RISK

FOREWORD

2026: The year opportunity returns, if you know where to look

Welcome to *Insight 2026* – the annual publication by Pangea-Risk where we forecast the most exciting opportunities for trade and investment, alongside country risks, in emerging and frontier markets for the year ahead.



Robert Besseling,
CEO, PANGEA-RISK

The first question is whether our forecasts for 2025 proved accurate... Well, we were correct in foreseeing an increase in local currency trade driven by dollar weakness, buoyant commodity growth, and the impact of US tariffs. The Gulf region continued to invest heavily into African and Asian markets, competing with hegemony like China and the US, while development of new infrastructure corridors and maritime trade routes proved resilient into 2026.

Political instability and high costs of living triggered protests from South and Southeast Asia to Africa, as we correctly forecast an escalation of Gen Z mobilisations in 2025. Our top picks of countries at the start of last year – Egypt and South Africa – saw remarkable economic turnarounds and improvements in their respective country risk outlook over 2025, despite lingering fiscal weaknesses and vulnerability to external shocks.

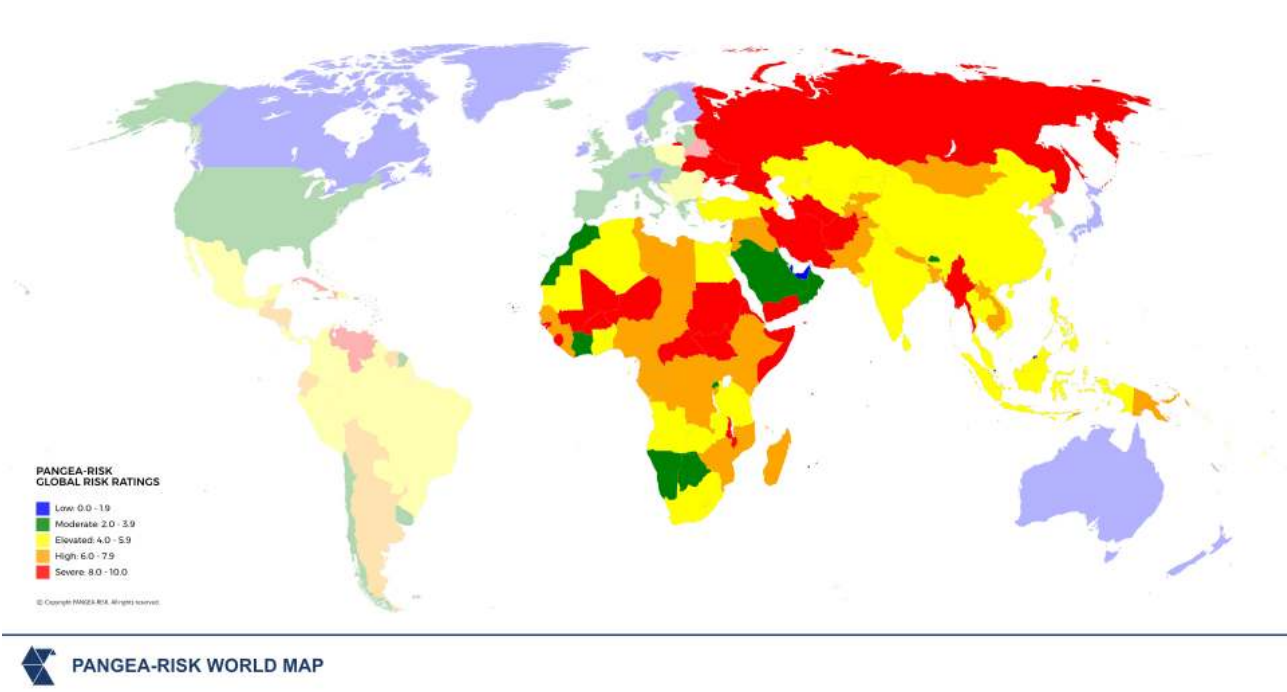
This year, we take a slightly different approach to identify opportunities in places usually overlooked. Firstly, we spotlight several large-scale infrastructure projects that are poised to reshape trade routes, industrial capacity, and regional integration across the Global South in the coming year. Based on our groundbreaking collaboration with South Africa’s Standard Bank, we are able to assess localised and sectoral risk of infrastructure and resources projects based on a new methodology that goes one step beyond the sovereign parameters of OECD country risk scoring.

2026 will be a year of conflict, peace, and peace deals. US aggression towards the western hemisphere offers competing great powers like Russia and China, and ‘middle powers’ in the Gulf and Asia remits to exert authority within respective spheres of influence. Critical minerals, hydrocarbons, and access to markets are at the forefront of reinvigorated geopolitical competition across Africa and Central Asia, as well as Latin America. Our chapter on ‘The Age of Peace (Deals)’ is an actionable roadmap to global conflict in 2026.

We dedicate two chapters to emerging market financing flows as investors and lenders seek higher yield on the back of improved market conditions and commodity price tailwinds, while displaying greater appetite for alternative and outcome-linked debt instruments to mitigate risk in frontier markets. However, capital flows remain volatile and uneven across emerging market asset classes and countries, with foreign participation improving in some markets while remaining constrained in others. Africa, the Middle East, Asia Pacific are set to attract record capital inflows in 2026.

To map the year ahead, *Insight 2026* includes a calendar of key elections, leadership and business summits, and expiring treaties to support your decision-making and planning (and travel plans!). The spotlight is on a series of tense electoral cycles from Benin and Zambia, to Thailand and Bangladesh, and Israel and Armenia, as well as the G20 Leaders Summit in Florida.

Every year, we select three countries of the year based on economic performance, commercial relevance, and improvement in country risk indicators. For 2026, we pick Nigeria, Morocco, and Sri Lanka – all three have demonstrated resilience moving into 2026 and potential for brighter long-term prospects for trade and investment. The wild card for 2026 is Syria, as the pendulum swings wildly between economic recovery and massive investments, or state fragmentation and regional war. *Insight* subscribers can access our latest country risk analysis on each of these markets directly through the platform, or contact us to discuss how we can support your commercial and investment decisions in these countries.



Our objective for 2026 is to continue to surprise our clients by providing accurate, actionable, and commercially relevant intelligence on emerging and frontier markets. To achieve this goal, we have expanded coverage of the *Insight* platform to include Central, South, and Southeast Asia, as well as Russia and Ukraine, to our established coverage of Africa and the Middle East. We are enhancing our expert analysis with AI technology, reviewing our quantitative risk scoring methodology, and strengthening our Advisory practice for bespoke client requests.

In 2026, opportunity returns, if you know where to look (with Pangea-Risk to support you) ...

Insightful reading!

THE YEAR AHEAD: EVENTS SHAPING GLOBAL AND REGIONAL MARKETS

Elections, summits, and geopolitical inflection points to watch in 2026

Elections, summits, and high-level conferences can profoundly affect investment conditions, political futures, and broader security dynamics. At Pangea-Risk, we have created a bespoke calendar to monitor potential fallout from the most consequential geopolitical events in the upcoming year.

Why 2026 Matters

Over 40 countries across six continents are scheduled to host elections in 2026. Starting in Africa, we expect ballots in the Republic of the Congo (March) and Djibouti (April) to consolidate the authority of long-standing incumbents. But, there is potential for change elsewhere. Following five successive postponements, South Sudan (December) is slated to host national elections for the first time since achieving independence in 2011. In a similar vein, elections are due to be held in Ethiopia (June) for the first time since the end of the Tigray War in 2022. The potential for unrest in Addis Ababa has been raised by an unconvincing national dialogue in conjunction with the suppression of political pluralism by Prime Minister Abiy Ahmed Ali.

In other emerging markets, election cycles in Bangladesh (February) and Colombia (May) are likely to be punctuated by political violence. Parliamentary elections in Thailand (February) should bring an end to months of political deadlock, but unfold against the backdrop of recent cross-border skirmishes with Cambodia. In Israel, Prime Minister Benjamin Netanyahu was re-elected as leader of the Likud in November 2025, but could face snap elections if the 2026 budget fails to pass through the Knesset.

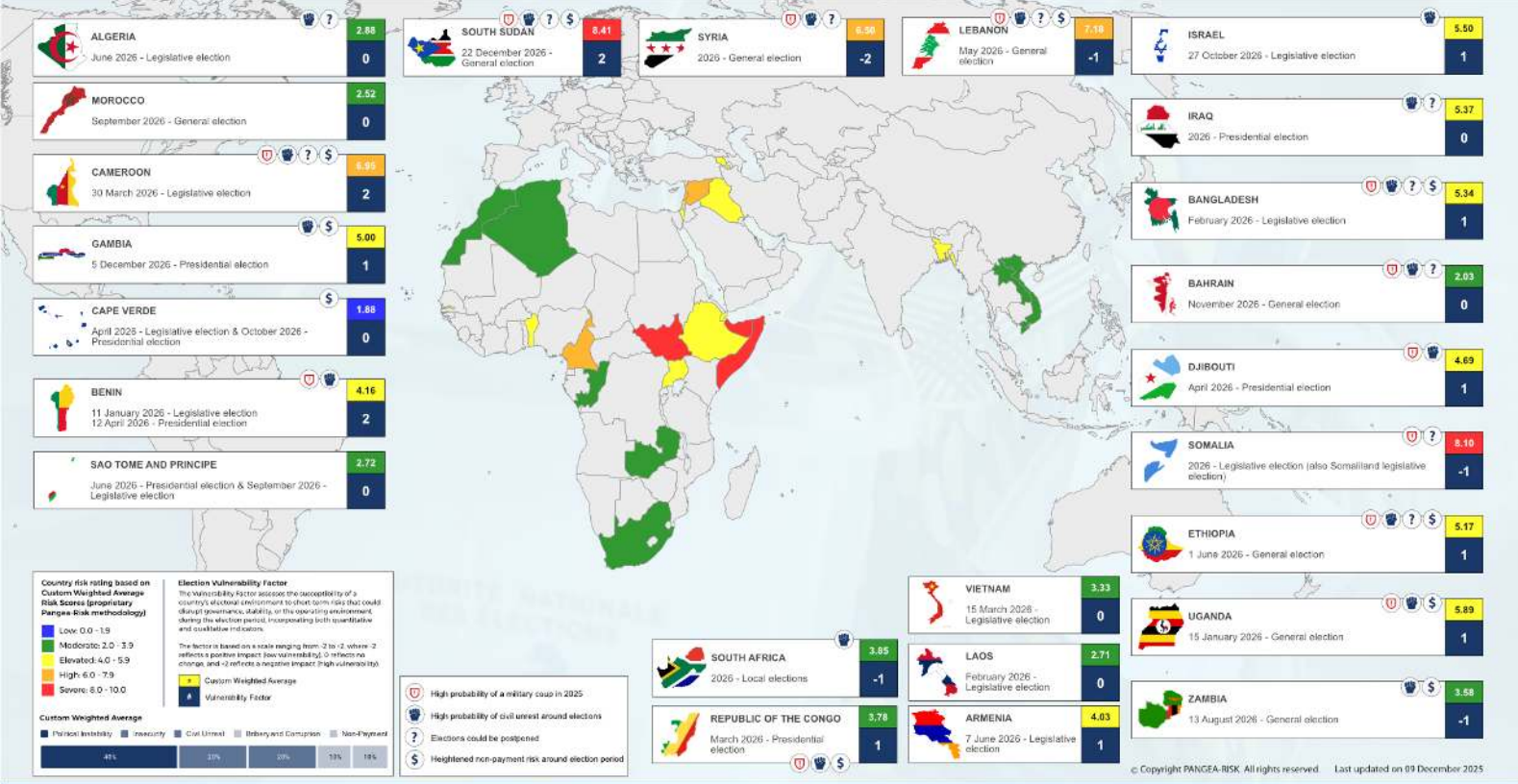
To provide clients with actionable intelligence and forward-looking advisory support, we will follow all potential regime changes and policy changes closely - including those in South America, North America, Europe, and Oceania.

Elections Timeline

REGION:						
SSA						
MENA						
ASIAPAC						
LATAM						
EUROPE						
Parliamentary	Benin	Month: January	Scheduled Date: 11 Jan 2026	Election System: Proportional Representation (PR)	Incumbent (Leader + Party): Patrice Talon (UPR)	Length of Tenure: Since 2016
General (Presidential + Parliamentary)	Uganda	Month: January	Scheduled Date: 15 Jan 2026	Election System: Two-round (majority) + First Past The Post (FPTP)	Incumbent (Leader + Party): Yoweri Museveni (NRM) / Anita Among (NRM)	Length of Tenure: Since 1986 / 2022
Parliamentary	Myanmar	Month: January	Scheduled Date: 11 Jan 2026	Election System: FPTP	Incumbent (Leader + Party): Min Aung Hlaing (Junta)	Length of Tenure: Since 2021
Presidential	Iraq	Month: January	Scheduled Date: Date TBC (Expected in January)	Election System: Indirect (voted by Council of Representatives)	Incumbent (Leader + Party): Abdul Latif Jamal Rashid (Patriotic Union of Kurdistan)	Length of Tenure: Since 2022
Parliamentary	Cameroon	Month: February	Scheduled Date: Date TBC (Expected in February)	Election System: Majority + PR (List)	Incumbent (Leader + Party): Paul Biya (RDPC) / Joseph Ngute (CPDM)	Length of Tenure: Since 1982
! Parliamentary	Thailand	Month: February	Scheduled Date: 08 Feb 2026	Election System: Parallel Voting + FPTP	Incumbent (Leader + Party): Anutin Charnvirakul (Bhumjaithai Party)	Length of Tenure: Since September 2025
! Parliamentary	Bangladesh	Month: February	Scheduled Date: 12 Feb 2026	Election System: FPTP	Incumbent (Leader + Party): Vacant	Length of Tenure: Since 2009
Parliamentary	Laos	Month: February	Scheduled Date: 22 Feb 2026	Election System: FPTP (One-Party Framework)	Incumbent (Leader + Party): Saysomphone Phommvihane (LPRP)	Length of Tenure: Since 2021
General (Presidential + Parliamentary)	Costa Rica	Month: February	Scheduled Date: 01 Feb 2026	Election System: Two-Round + PR	Incumbent (Leader + Party): Rodrigo Chaves (Independent) / Rodrigo Arias Sanchez (National Liberation)	Length of Tenure: Since 2022
Presidential	Republic of the Congo	Month: March	Scheduled Date: 22 Mar 2026	Election System: Two-round	Incumbent (Leader + Party): Denis Sassou Nguesso (PCT)	Length of Tenure: Since 1997
Parliamentary	Nepal	Month: March	Scheduled Date: 05 Mar 2026	Election System: FPTP + PR	Incumbent (Leader + Party): Sushila Karki (Independent)	Length of Tenure: Since 2025
Legislative	Vietnam	Month: March	Scheduled Date: 15 Mar 2026	Election System: Block Voting	Incumbent (Leader + Party): To Lam (Communist Party of Vietnam)	Length of Tenure: Since 2024
! Presidential	Benin	Month: April	Scheduled Date: 12 Apr 2026	Election System: Two-round	Incumbent (Leader + Party): Patrice Talon (UPR)	Length of Tenure: Since 2016
Parliamentary	Cape Verde	Month: April	Scheduled Date: Date TBC (Expected by April)	Election System: PR	Incumbent (Leader + Party): Ulisses Correia e Silva (MpD)	Length of Tenure: Since 2016
Presidential	Djibouti	Month: April	Scheduled Date: Date TBC (Expected by April)	Election System: Two-round	Incumbent (Leader + Party): Ismail Omar Guelleh (RPP)	Length of Tenure: Since 1999
General (Presidential + Parliamentary)	Libya	Month: April	Scheduled Date: Date TBC (Expected in April)	Election System: Two-round + Mixed (FPTP + PR)	Incumbent (Leader + Party): Mohamed al-Menfi (Independent) / Abdul Hamid Dbeibeh (Independent)	Length of Tenure: Since 2021
General (Presidential + Congressional)	Peru	Month: April	Scheduled Date: 12 Apr 2026	Election System: Two-Round + PR	Incumbent (Leader + Party): José Jeri (We Are Peru) / Fernando Rispigliosi (Popular Force)	Length of Tenure: Since October 2025
Parliamentary	Lebanon	Month: May	Scheduled Date: Expected in May	Election System: PR (List)	Incumbent (Leader + Party): Nawaf Salam (Independent)	Length of Tenure: Since 2025
! Presidential	Colombia	Month: May	Scheduled Date: 31 May 2026	Election System: Two-Round	Incumbent (Leader + Party): Gustavo Petro (Historic Pact)	Length of Tenure: Since 2022

Parliamentary	Fiji	Month: June	Scheduled Date: Between June and Feb (2027)	Election System: Open-List PR	Incumbent (Leader + Party): Sitiveni Rabuka (People's Action Party Coalition)	Length of Tenure: Since 2022
Parliamentary	Algeria	Month: June	Scheduled Date: By June 2026	Election System: PR	Incumbent (Leader + Party): Brahim Boughali (FLN)	Length of Tenure: Since 2021
General (Executive + Legislative)	Ethiopia	Month: June	Scheduled Date: 01 Jun 2026	Election System: Parliamentary Indirect Vote + FPTP	Incumbent (Leader + Party): Abiy Ahmed (Prosperity Party)	Length of Tenure: Since 2018
Parliamentary	Somaliland	Month: June	Scheduled Date: Date TBC (Expected by June)	Election System: Plurality	Incumbent (Leader + Party): Yasin Haji Mohamoud (Kulmiye)	Length of Tenure: Since 2023
Parliamentary	Armenia	Month: June	Scheduled Date: 07 Jun 2026	Election System: PR (List)	Incumbent (Leader + Party): Nikol Pashinyan (Civil Contract)	Length of Tenure: Since 2018
Presidential	São Tomé and Príncipe	Month: July	Scheduled Date: Date TBC (Expected by July)	Election System: Two-round	Incumbent (Leader + Party): Carlos Vila Nova (MLSTP/PSD)	Length of Tenure: Since 2021
General (Presidential + Parliamentary)	Zambia	Month: August	Scheduled Date: 13 Aug 2026	Election System: Majority + FPTP	Incumbent (Leader + Party): Hakainde Hichilema (UPND)	Length of Tenure: Since 2021
Parliamentary	Morocco	Month: September	Scheduled Date: Date TBC (Expected in September)	Election System: PR	Incumbent (Leader + Party): Aziz Akhannouch (RNI)	Length of Tenure: Since 2021
Parliamentary	São Tomé and Príncipe	Month: September	Scheduled Date: Date TBC (Expected in September)	Election System: PR	Incumbent (Leader + Party): Américo Ramos (ADI)	Length of Tenure: Since 2021
Parliamentary	Russia	Month: September	Scheduled Date: Expected in September	Election System: FPTP + PR	Incumbent (Leader + Party): Mikhail Mishustin (Independent)	Length of Tenure: Since 2020
Presidential	Cape Verde	Month: October	Scheduled Date: Date TBC (Expected by October)	Election System: Two-round	Incumbent (Leader + Party): José Maria Neves (MpD)	Length of Tenure: Since 2021
Legislative	Israel	Month: October	Scheduled Date: 27 Oct 2026	Election System: PR (List)	Incumbent (Leader + Party): Benjamin Netanyahu (Likud)	Length of Tenure: Since 2022
General (President + Congressional + Legislative)	Brazil	Month: October	Scheduled Date: 04 Oct 2026	Election System: Two-Round + PR + Majoritarian	Incumbent (Leader + Party): Lula (Workers Party)	Length of Tenure: Since 2023
Parliamentary	Bahrain	Month: November	Scheduled Date: By November 2026	Election System: Two-round	Incumbent (Leader + Party): Ahmed bin Salman al-Musallam (Independent)	Length of Tenure: Since 2022
Presidential	Gambia	Month: December	Scheduled Date: 05 Dec 2026	Election System: FPTP	Incumbent (Leader + Party): Adama Barrow (NPP)	Length of Tenure: Since 2017
General (Presidential + Legislative + Council of States)	South Sudan	Month: December	Scheduled Date: 22 Dec 2026	Election System: Two-round + Mixed (FPTP & PR)	Incumbent (Leader + Party): Salva Kiir (SPLM)	Length of Tenure: Since 2011
Parliamentary	New Zealand	Month: December	Scheduled Date: By 19 December	Election System: MMP (PR + List)	Incumbent (Leader + Party): Christopher Luxon (National Party)	Length of Tenure: Since 2023

REGION: SSA MENA ASIAPAC LATAM EUROPE



PANGEA-RISK INSIGHT ELECTIONS 2026: COUNTRY RISK VULNERABILITY ASSESSMENT

We will also cover the fallout from high-level conferences, summits, and roundtable discussions as global leaders mould national and international responses to the latest political, economic, and security developments. New or revised trade rules, sanctions, and security developments are likely to impact operational conditions, regulatory and compliance burdens, and exchange rates. The African Union Summit Ordinary Session (February), G7 Leaders' Summit (June), and APEC Economic Leaders' Week (November) all promise to deliver critical outcomes for investors to consider.



Summits Timeline

Other

Expiring Treaties

Global Finance / Governance

Climate

Governance

FEB 2026	New START	Date: Due to expire on 4 February (previously signed in April 2010)	Attendees: Russia and the US		Notes: Limits the number of accountable deployed nuclear warheads and bombs to 1,550.
FEB 2026	Munich Security Conference (MSC)	Date: 13-15 February	Attendees: Various global leaders, ministers, and security delegates.	Location: Munich, Germany	Notes: High-level discussions on international security
FEB 2026	African Union Summit (Ordinary Session)	Date: 14-15 February	Attendees: African Heads of State / senior delegates	Location: Addis Ababa, Ethiopia	Notes: High-level discussions on continental development and security.
FEB 2026	AI Impact Summit	Date: 19-20 February	Attendees: Government leaders, policymakers, technology CEOs / founders	Location: New Delhi, India	Notes: Responsible use and development of Artificial Intelligence (AI)
MAR 2026	WTO Ministerial Conference	Date: 26-29 March	Attendees: Senior government officials from 160 nations	Location: Yaoundé, Cameroon	Notes: Focus on global trade and reform
MAR 2026	IMF-World Bank Spring Meetings	Date: 13-19 April	Attendees: Finance ministers, central bank governors, IFI leadership, private sector, CSOs	Location: Washington, D.C., USA	Notes: Global economic outlook, debt, SDRs, climate-finance, and MDB reform debates
APR 2026	Fossil Fuel Non-Proliferation Treaty Conference	Date: 28-29 April	Attendees: Governments supportive of the initiative, experts, and civil society	Location: Santa Marta, Colombia	Notes: First major conference centred on a treaty-style fossil-fuel phase-out framework
APR 2026	Non-Proliferation Treaty Review Conference	Date: 27 April to 22 May	Attendees: Delegates from 191 countries of the NPT - including nuclear weapon states and non-nuclear states, observers, etc.	Location: New York, USA	Notes: Discussion of nuclear armament
JUN 2026	G7 Leaders' Summit	Date: 14-16 June	Attendees: G7 Heads of Government, EU Leaders, Invited Partners	Location: Evian-les-Bains, France	Notes: Focus on the global economy, Ukraine, climate-finance, and infrastructure.
JUN 2026	UNEP FI Global Roundtable 2026	Date: 22-26 June (2-day slot, TBC)	Attendees: Senior banks, insurers, investors, regulators, and the UN system	Location: London, UK	Notes: Flagship UN-linked sustainable-finance event aligned with London Climate Action Week
JUN 2026	Opec / OPEC+ Ministerial Meetings	Date: Dates TBC (likely mid-year and Q4 key meetings)	Attendees: Energy ministers from OPEC and partner producers	Location: Typically, Vienna or virtual	Notes: Regular quota-setting/ market stabilisation meetings
JUL 2026	NATO Summit	Date: 7-8 July	Attendees: NATO Heads of State, Invited Partners	Location: Ankara, Turkey	Notes: Global challenges, defence spending, Russia-Ukraine conflict.
JUL 2026	Global AI Dialogue	Date: 7-10 July	Attendees: Government leaders, policymakers, technology CEOs / founders	Location: Geneva, Switzerland	Notes: Responsible use and development of artificial intelligence (AI)

SEP 2026	UN General Assembly 81st Session (High-Level Week)	Date: 22-29 September	Attendees: Various (heads of state, intergovernment organisations, CSOs)	Location: New York, USA	Notes: International governance
OCT 2026	IMF-World Bank Annual Meetings	Date: 12-18 October	Attendees: Finance ministers, central bank governors, IFI leadership, private sector, CSOs	Location: Bangkok, Thailand	Notes: Medium-term policy, MDB reform, development-finance commitments, e.g. climate
NOV 2026	APEC Economic Leaders' Week 2026	Date: 18-19 November	Attendees: APEC Member Economies	Location: Shenzhen, Guangdong, China	Notes: Stated focus on openness, innovation, and cooperation in APEC.
NOV 2026	UNFCCC COP31	Date: 9-20 November	Attendees: UNFCCC Parties, observers, non-state actors	Location: Antalya, Turkiye	Notes: Main 2026 climate-negotiation session, including climate-finance delivery and implementation debates.
DEC 2026	G20 Leaders' Summit	Date: 14-15 December	Attendees: G20 Heads of State / Government, international organisations	Location: Trump National Doral, Miami, USA	Notes: Core forum for macro, trade, energy-transition, and climate-finance signalling.
2026	BRICS Summit 2026	Date: Date TBC	Attendees: Leaders of BRICS members and invited partners	Location: India (city TBC)	Notes: 18th BRICS summit: likely emphasis on south-south cooperation, finance, and energy.
2026	ASEAN Summits	Date: TBC (2 summits)	Attendees: ASEAN Leaders, various other senior ministers and global governance stakeholders	Location: City TBC, Philippines	Notes: Listed themes are "Peace and Prosperity", "Security and Anchors", and "People Empowerment"
2026	Summit of the Americas	Date: TBC	Attendees: Heads of state from the Americas and various other leaders in global governance.	Location: Punta Cana, Dominican Republic	Notes: Regional challenges affecting North, South, and Central America, and the Caribbean

Other

Expiring Treaties

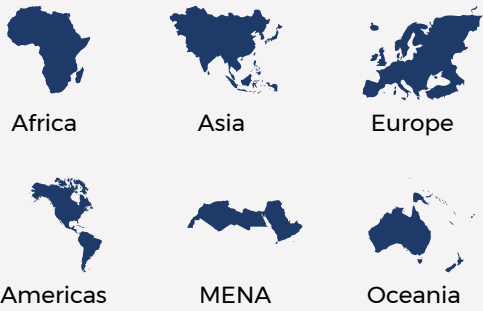
Global Finance / Governance

Climate

Governance

Elections in 2026 Snapshot

- ◆ 40+ countries
- ◆ 6 continents
- ◆ High concentration in emerging & frontier markets



Elections to Watch Most Closely

- ◆ Ethiopia: Test for legitimacy post-Tigray conflict
- ◆ South Sudan: First national vote since independence
- ◆ Bangladesh & Colombia: Violent unrest risk



Compiled by Jack Brodsky,
Country Risk Analyst.

Speak with Jack ➡

INFRASTRUCTURE OPPORTUNITIES DEFINING THE NEXT DECADE

Top infrastructure projects set to unlock trade and growth in 2026 and beyond

Across the Global South, a new wave of large-scale infrastructure projects is poised to reshape trade routes, industrial capacity, and regional integration. As landmark transport corridors, ports, energy systems, and digital backbones reach financial close, break ground, or come online from 2026 onwards, they are expected to unlock long-term economic gains by reducing logistics costs, expanding export capacity, and crowding in private investment. Spanning Africa, Asia, the Middle East, and Latin America, the projects mapped here represent strategic bets on connectivity, resilience, and growth, with impacts that will extend well beyond national borders and help redefine trade flows over the next decade.



Grand Faw Port (Al Faw Grand Port) in southern Iraq's Basra Governorate



Asia

Laos-Vietnam Railway

Scheduled to begin construction in 2026 and be completed by 2030, the USD 6.6 billion, 571 km electrified railway will link Vientiane in Laos to Vung Ang Port in Vietnam. The project will give landlocked Laos its first direct rail access to a seaport, cutting logistics costs by up to 40% and strengthening trade across the Greater Mekong Subregion.

Machilipatnam Deep-Water Port

Phase 1 of the USD 1.7 billion Machilipatnam deep-water port in Andhra Pradesh is expected to be completed by December 2026. The four-berth facility will deliver initial capacity of 36 million tonnes per year, boosting bulk and container exports from Andhra Pradesh and Telangana and strengthening India's eastern maritime connectivity.

China-Kyrgyzstan-Uzbekistan Railway

The USD 4.7 billion, 523 km China-Kyrgyzstan-Uzbekistan Railway entered full-scale construction following groundbreaking in late 2024, with major works continuing through 2026. Once operational, it will carry up to 15 million tonnes annually, providing Kyrgyzstan and Uzbekistan with their first direct rail link to China and cutting transit times to Europe and East Asia.

TRIPP Corridor (South Caucasus)

Construction of the proposed 43 km Trump Route for International Peace and Prosperity (TRIPP) Corridor through southern Armenia is expected to begin in 2026. The route would link mainland Azerbaijan to its Nakhchivan exclave and Türkiye, potentially reopening strategic transit corridors and reshaping trade and connectivity across the South Caucasus.

Africa

Lobito Corridor

Under phased construction through 2026-27, the Lobito Corridor links Angola's port of Lobito with mining regions in the DRC and Zambia via a 1,300 km rail-led multimodal network. Backed by US, EU, and AfDB financing, the project aims to reduce transport costs, diversify mineral export routes, and rebalance copper and cobalt trade away from eastern corridors.

Abidjan-Lagos Corridor Highway

Expected to commence construction in 2026 or 2027, the USD 15.6 billion Abidjan-Lagos Corridor Highway will connect Côte d'Ivoire, Ghana, Togo, Benin, and Nigeria. Backed by the AfDB and EU, the project aims to ease congestion, lower transport costs, and strengthen regional value chains, generating up to USD 16 billion in economic impact and significant job creation.

Port of Ndayane

The USD 1.1-1.2 billion Port of Ndayane in Senegal is under construction and designed to become a major deep-water logistics hub for West Africa. Once operational, it will handle up to 1.5 million TEU annually, ease congestion at Dakar, support integrated industrial zones, and is projected to add up to 3% to national GDP by 2035.

Simandou Trans-Guinean Railway & Liberty corridor

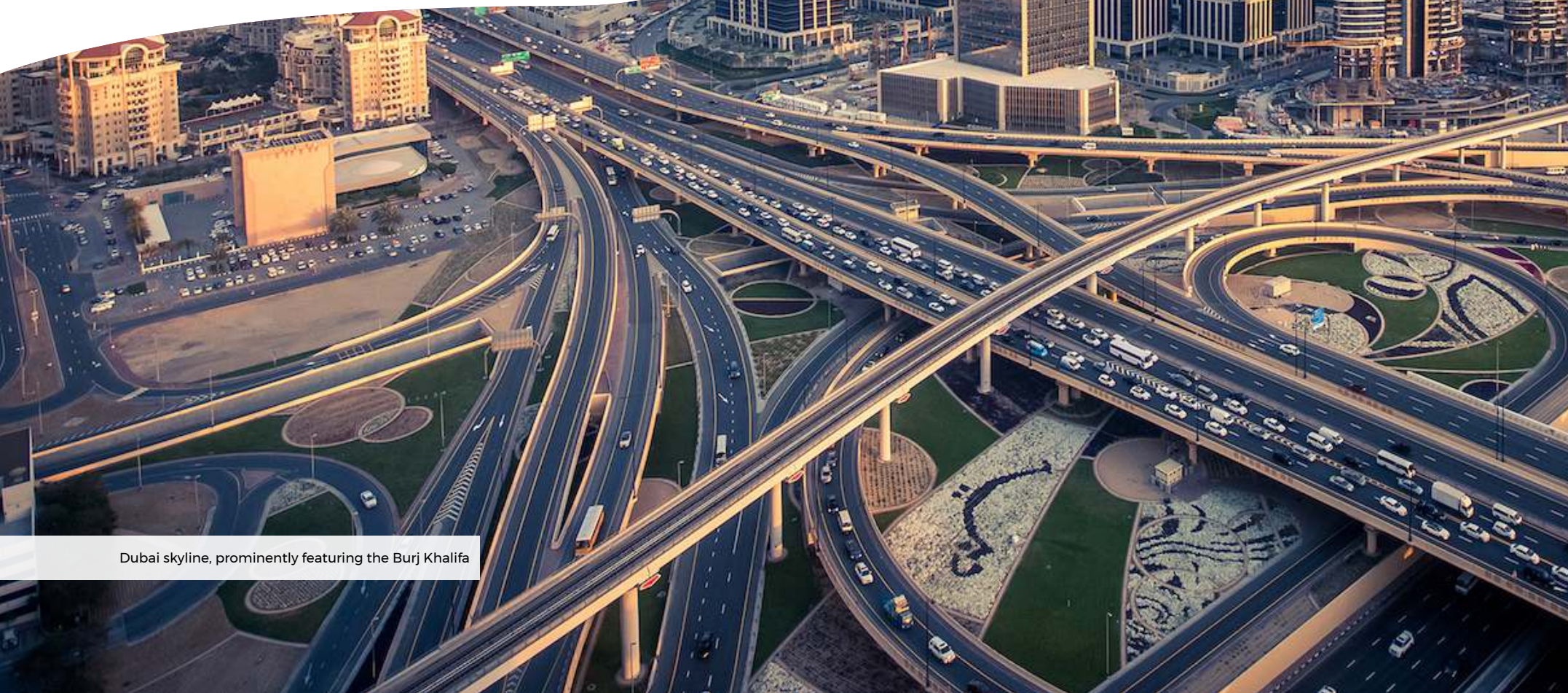
Guinea's flagship western logistics push combines the Simandou Trans-Guinean Railway and the proposed Liberty Corridor. The 650-670 km Simandou railway will link iron ore deposits to new Atlantic export infrastructure from late 2025-26, while the US-backed USD 1.8 billion Liberty Corridor aims to route Guinean iron ore through Liberia via shared rail and port upgrades, creating competing export pathways.



Middle East and North Africa

Nador West Med

Morocco's USD 1 billion Nador West Med deep-water port and industrial platform is expected to begin operations in the second half of 2026. With initial capacity of around 1.8 million TEU per year, the project will strengthen Morocco's position as a Mediterranean logistics and energy hub linking Europe, North Africa, and West Africa, while supporting up to 100,000 jobs.



Dubai skyline, prominently featuring the Burj Khalifa

Grand Faw Port Corridor (Iraq Development Road)

Anchored by the Grand Faw Port in Basra, the USD 17 billion Iraq Development Road combines port, rail, and highway infrastructure linking southern Iraq to Turkey. Partial port operations are expected to begin in 2026, repositioning Iraq as a Gulf-Europe transit hub and reducing Asia-Europe shipping times while diversifying regional trade routes.

GCC Unified Rail Network

The GCC Unified Rail Network is a long-term cross-border railway programme connecting all six Gulf states. In 2026, construction is set to begin on the Saudi Arabia-Kuwait rail link while the UAE-Oman Hafeet Rail advances. With planned investment exceeding USD 250 billion, the network aims to cut transport costs and deepen regional trade integration.



Latin America

Capricorn Bioceanic Corridor

Expected to be completed in late 2026 or early 2027, the 2,300 km Capricorn Bioceanic Corridor will link Brazil, Paraguay, Argentina, and Chile via a continuous Atlantic-Pacific road route. The corridor is designed to cut freight costs by up to 40% and shipping times by 15 days, unlocking new export routes for agriculture, mining, and manufacturing.

São Paulo, Brazil



As these flagship corridors demonstrate, infrastructure in emerging and frontier markets is no longer defined solely by engineering or financing, but by political continuity, geopolitical alignment, and long-term strategic relevance. Pangea-Risk has advised investors, lenders, and operators across many of these projects, assessing political risk, execution risk, policy durability, and the commercial resilience of trade routes amid shifting domestic and global conditions. Our approach combines country risk analysis, project-level intelligence, and forward-looking scenario assessments to support confident, time-sensitive decision-making. Through our latest collaboration with Standard Bank, we assess localised and sectoral infrastructure risk using a methodology that goes beyond traditional OECD sovereign risk scoring, incorporating on-the-ground dynamics, stakeholder relations and strategic importance. As competition for capital, commodities, and corridors intensifies, understanding which infrastructure will endure is critical.

Engage with Pangea-Risk to identify opportunity early and manage risk decisively.



Compiled by Gabrielle Reid,
Head of Advisory.

Speak with Gabrielle ➔

THE AGE OF PEACE (DEALS)



Peace deals reshaping geopolitical risk and trade corridors in 2026 and beyond

2026 is unlikely to deliver a shift toward comprehensive global peace, but it may see an increase in transactional ceasefires and managed de-escalation in selected interstate conflicts. These deals will be driven less by reconciliation than by fatigue, economic pressure, and external mediation, and they aim to cap escalation rather than resolve root causes. The key outcomes are unlikely to produce a universal peace dividend, but a re-pricing of risk: sharp reductions in disruption across specific corridors (shipping lanes, energy routes, trade chokepoints) can generate unexpected upside shocks to logistics costs, commodity markets, and investment sentiment. At the same time, intrastate conflicts, political fragmentation, and governance erosion may intensify, creating a bifurcated global risk environment.

DEAL MOMENTUM

Active political or technical frameworks are constraining escalation behaviour and shaping economic expectations, even where conflicts remain unresolved.

Russia-Ukraine war

Ceasefire discussions, corridor stabilisation mechanisms, and external security arrangements limit escalation pathways. Although military activity persists, the

probability of sustained disruption to energy infrastructure and Black Sea logistics has declined relative to 2024 and 2025.

Armenia-Azerbaijan peace process

A draft political framework covering borders and transit arrangements has reduced the likelihood of renewed interstate armed confrontation. Conditional progress on connectivity has altered expectations around transport corridors linking the South Caucasus.

Israel-Palestine conflict

An externally brokered ceasefire framework has constrained escalation incentives across Gaza, southern Israel, and linked regional actors. The arrangement has reduced the frequency of spillover events affecting Red Sea shipping and regional trade flows.

Israel-Lebanon border conflict

A cessation of hostilities framework continues to cap escalation along the border despite periodic armed incidents. The arrangement limits the risk of wider regional conflict and sustained disruption to eastern Mediterranean infrastructure.

Thailand-Cambodia border dispute

A reactivated ceasefire and monitoring process has reduced armed confrontations along contested border areas. Although demarcation remains incomplete, local security conditions have stabilised sufficiently to constrain escalation.

MANAGED CALM

Escalation is contained through deterrence or technical engagement rather than active political momentum.

India-Pakistan Kashmir dispute

Ceasefire practices along the Line of Control and crisis communication mechanisms continue to limit escalation. Risk remains concentrated around isolated triggering incidents rather than sustained confrontation.

Ethiopia-Egypt Nile waters dispute

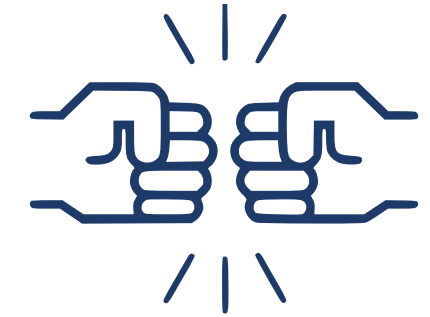
Diplomatic and technical engagement concerning the Grand Ethiopian Renaissance Dam has prevented military escalation. The absence of a binding agreement sustains uncertainty, but coercive escalation remains unlikely.

Morocco-Algeria Western Sahara dispute

The dispute remains managed through United Nations processes and diplomatic containment. Political disagreement persists, but the probability of direct interstate armed confrontation remains low.

DRC-Rwanda conflict (M23)

Interstate diplomatic engagement has constrained direct confrontation between states. Persistent armed activity by militants continues to undermine broader stabilisation and limits economic normalisation.



DEAL FATIGUE/ ESCALATION RISK

No credible framework is constraining escalation or coercive behaviour driving increased risk.

China-Taiwan Strait conflict

The status quo relies on deterrence and deconfliction rather than negotiated rules. The absence of a stabilising framework leaves the environment exposed to miscalculation and coercive pressure.

Ethiopia-Eritrea Red Sea and border dispute

The lack of a negotiated access or security framework sustains elevated escalation risk linked to Red Sea access and strategic geography.

US-Venezuela confrontation

Disputes over sovereignty, sanctions enforcement, and energy exports remain unresolved. Legal and maritime coercion have replaced stabilising political arrangements.

US-Denmark Greenland Dispute







No formal arrangement governs sovereignty, strategic basing, or resource access. Alliance-level friction has become a source of uncertainty.

Israel and US-Iran nuclear and regional confrontation

The absence of a binding nuclear framework leaves escalation control dependent on informal restraint and deconfliction, sustaining elevated risk of miscalculation.

ECONOMIC TRANSMISSION

How deal momentum in specific conflicts feeds through to the economy

 CONFLICT	 LOGISTICS	 COMMODITY PRICES	 TRANSPORT ROUTES	 TRADE	 INVESTMENT
Russia-Ukraine	Reduced disruption risk in the Black Sea lowers war risk premiums and insurance surcharges on bulk shipping. Freight volatility declines relative to 2022-2024.	Grain, fertiliser, and energy markets face fewer shock-driven price spikes linked to corridor closures.	Partial stabilisation of Black Sea maritime routes enables more consistent vessel movements.	Agricultural and bulk commodity exports resume with fewer interruptions.	Selective restart of logistics, storage, and transport infrastructure investment tied to export corridors.
Israel-Palestine conflict	Lower probability of escalation reduces sudden shipping disruptions linked to regional retaliation dynamics.	Reduced risk of abrupt supply shocks affecting oil and gas transit routes lowers headline-driven volatility.	Eastern Mediterranean and Red Sea routes remain cautious but less exposed to sudden closures.	Energy and essential goods trade face fewer ad hoc delays.	Limited re-engagement by insurers, shipping services, and trade finance providers.
Armenia-Azerbaijan	Improved border predictability reduces transport delays across the South Caucasus.	Stabilisation supports more predictable pricing for transit-dependent energy and metals flows.	Conditional reopening of east-west land corridors linking the Caspian basin to Türkiye and Europe.	Resumption of overland trade previously constrained by border closures.	Renewed interest in transit, rail, pipeline, and supporting infrastructure projects.
Israel-Lebanon border conflict	Contained armed activity limits disruption risk to ports and offshore energy infrastructure.	Reduced escalation probability dampens risk premia linked to eastern Mediterranean energy assets.	Maritime and coastal infrastructure remains operational without sustained interruption.	Energy-related trade continues without prolonged suspension.	Cautious re-engagement in offshore energy and port-related services.
Thailand-Cambodia	Reduced armed confrontations and lower delays in cross-border trucking.	Agricultural commodity pricing stabilises as border trade normalises.	Land border crossings reopen more consistently.	Regional trade in agricultural and light manufacturing goods resumes.	Limited investment recovery in border logistics and processing facilities.

COUNTERTRENDS

Structural dynamics that limit the upside from deals

Coercion shifts

Military restraint is increasingly paired with sanctions enforcement, asset seizures, export controls, and legal pressure

Infrastructure becomes leverage

Ports, pipelines, power grids, undersea cables, and energy facilities attract strategic pressure because they offer economic leverage without overt military escalation.

Alliance disunity emerges

Disputes such as the one on Greenland demonstrate that geopolitical risk can originate within alliance structures, creating uncertainty independent of adversary behaviour

Agreements coexist with violence

Interstate restraint exists alongside persistent armed activity by militants, limiting economic normalisation

Rearmament continues

Defence industrial production, stockpiling, and military procurement remain elevated across regions, preventing the emergence of a broad peace dividend.



Compiled by Bilal Bassiouni, Head of Risk Forecasting.

Speak with Bilal →

A SELECTIVE RETURN TO INTERNATIONAL DEBT MARKETS

How improved market conditions and commodity price tailwinds are supporting emerging market debt resilience

Emerging market sovereigns are cautiously re-engaging with international debt markets amid a moderation in global financing stress and commodity windfalls. By late 2025, expectations of monetary easing by the US Federal Reserve had contributed to lower US Treasury yields and renewed appetite for higher-yielding sovereign instruments. While borrowing costs remain elevated relative to the pre-COVID-19 pandemic period, the tightening phase that characterised 2022-23 has clearly passed.

At the same time, firm industrial metals prices have continued to underpin external balances

across commodity-exporting emerging markets. Copper prices reached record highs at the start of 2026, while gold, platinum, and lithium traded above long-term averages, supporting export receipts and FX inflows for producers across Africa and Asia. Together, these dynamics have strengthened reserve coverage, narrowed current account deficits, and improved near-term liquidity across a subset of emerging markets. Looking ahead, these conditions are likely to continue to support a selective return to international issuance, driven by external buffer strength, disciplined timing, and a focus on liability management.



 COMMODITY PRICES ARE TRENDING HIGHER INTO 2026

Commodity-linked issuers lead return to international markets

The selective return to international sovereign debt markets towards the end of 2025 was led overwhelmingly by commodity-linked issuers with improved external positions. Issuance volumes were contained, maturities conservative, and transactions framed primarily around refinancing or liability management, signalling a deliberate shift towards resilience rather than opportunistic borrowing to aggressively ramp up spending. Across Africa, Asia, and the Middle East, a group of sovereigns returned to international markets in 2025, including Angola, Nigeria, Côte d'Ivoire, South Africa, Indonesia, and Oman. Their return signals that market access has reopened for selected emerging sovereigns, but only where external liquidity risks are judged to be manageable, and policy credibility is intact.

Clear regional differentiation persists. Asian and Middle Eastern sovereigns, supported by stronger reserve buffers, deeper domestic capital markets, and more stable current account dynamics, have been able to access

international markets earlier and more consistently than African peers. In Africa, access remains narrower and more conditional. Sovereigns that returned to markets in 2025 were predominantly commodity exporters with improved FX liquidity or existing strong foreign investor interest. Meanwhile, Saudi Arabia kicked off 2026 by raising USD 11.5 billion through an international US dollar bond sale in the first week of January, which is part of the country's USD 58 billion borrowing plan. Kazakhstan also has plans to issue Eurobonds worth USD 1.5 billion in 2026.

Looking ahead, international market access is expected to remain selective, favouring sovereigns with stable export earnings and strong external buffers. In Africa, countries that have made progress in debt restructuring, such as Ghana and Zambia, are more likely to use improved external conditions to rebuild market access over time. By contrast, resource-rich sovereigns in the Gulf and Central Asia are better positioned to access markets.



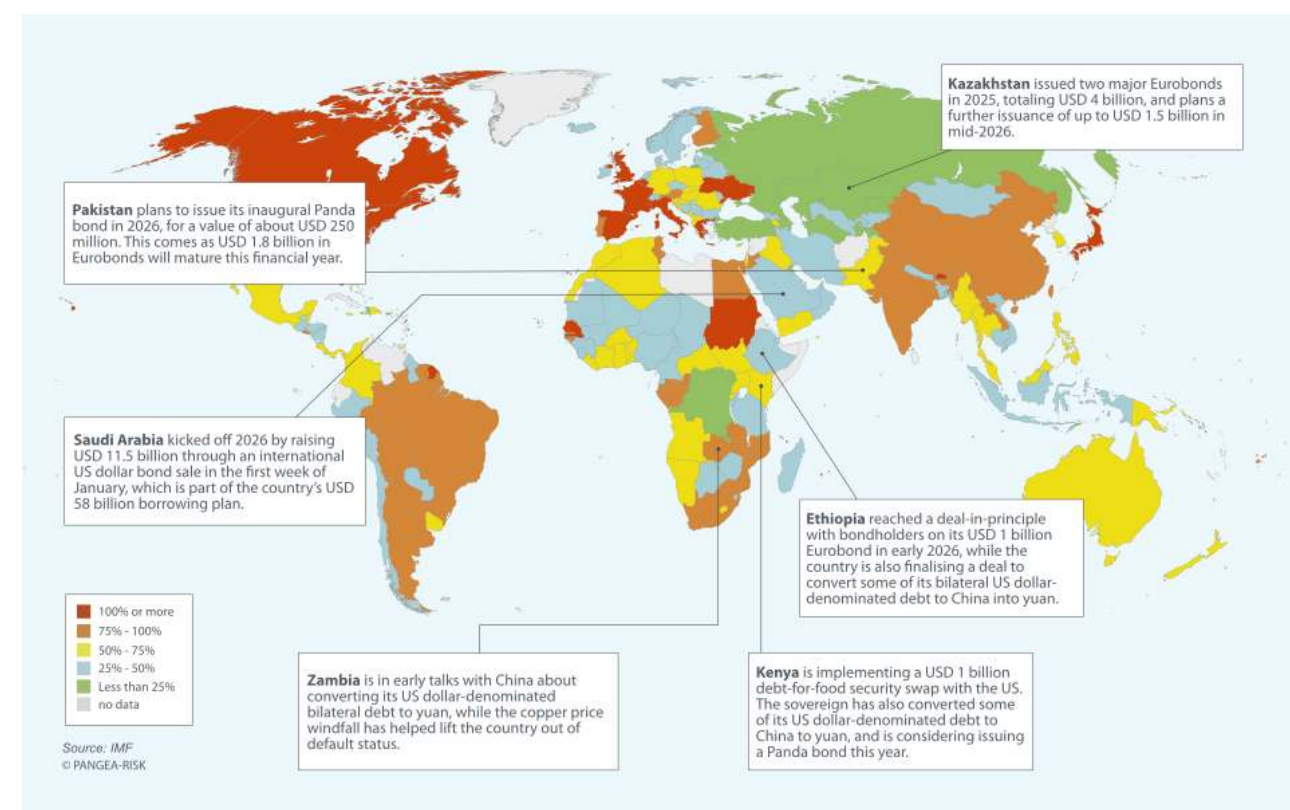
Currency diversification and non-USD funding channels

A defining feature of emerging market debt strategies heading into 2026 is the deliberate diversification away from the heavy reliance on US dollar funding. Sovereigns and quasi-sovereigns are increasingly incorporating and considering alternative debt instruments, bilateral refinancing, and swap-linked structures into their debt portfolios.

The use of Panda bonds and Samurai bonds gained traction in 2025, with sovereigns exploring alternative liquidity pools and strategies to reduce exposure to US rate cycles. Côte d'Ivoire was the first Sub-Saharan African country to issue a Samurai bond on the Japanese market, valued at USD 335 million. Kenya is considering issuing a Panda bond on

the Chinese market to fund its railway infrastructure expansion. At the same time, some sovereigns have reprofiled Chinese bilateral debt by converting US dollar repayment obligations into yuan as part of broader efforts to reduce near-term FX liquidity pressure. Such agreements have been negotiated in Kenya and Ethiopia.

Currency diversification in debt management is likely to continue in 2026, particularly with deals between Africa and China as the latter seeks to bolster international uptake of the yuan. This holds the prospect of enhancing emerging market debt resilience by broadening financing options and reducing currency concentration risk.



GOVERNMENT DEBT-TO-GDP (2025)

Alternative and outcome-linked debt instruments

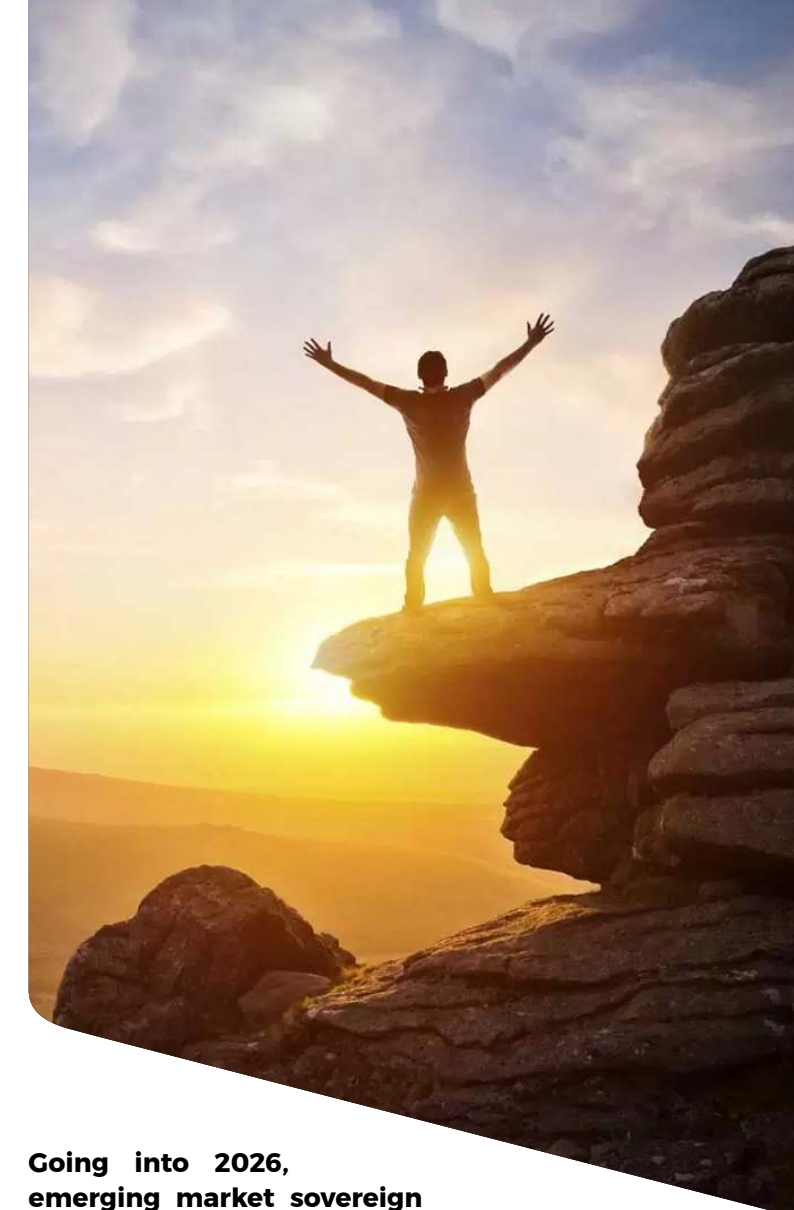
Emerging market sovereigns are increasingly deploying alternative and outcome-linked debt instruments as part of broader resilience strategies. Debt-for-nature, debt-for-food security, and other social-outcome swaps have gained traction as tools to create fiscal space while addressing socioeconomic challenges. These instruments typically do not materially reduce headline debt stocks, but their appeal lies in their ability to mitigate non-payment risk indirectly by reducing the likelihood of social unrest or fiscal slippage.

Kenya exemplifies this hybrid approach. Facing elevated refinancing pressures and domestic sensitivity to food and fuel prices, Kenya has combined traditional market issuance, non-US dollar refinancing discussions, and the development of a USD 1 billion debt-for-food security swap with the US International Development Finance Corporation (DFC). The structure aims to lower near-term debt servicing costs while ring-fencing resources for food production and resilience, addressing a key source of political instability and unrest risks.

Outcome-linked instruments are likely to expand in 2026, particularly among emerging market sovereigns facing climate exposure or import-dependent food systems. These deals can enhance short-term stability and policy credibility. However, their effectiveness depends on sustained political commitment and institutional capacity.

Outlook: Debt management foundation to strengthen

Stronger commodity prices and improved global financial conditions have rebuilt external buffers and reopened selective market access. Debt management strategies have become more adaptive, relying on refinancing, reprofiling, currency diversification, and structured instruments. This has reduced the likelihood of abrupt liquidity crises in the near term. Debt servicing pressure is increasingly managed through negotiated solutions and engineered transactions, rather than disorderly market exits. However, exposure to commodity price cycles, global growth shocks, and domestic political risk remains notable.



Going into 2026, emerging market sovereign debt dynamics are more resilient, but underlying credit risk has not structurally diminished. The key shift for 2026 is that emerging market sovereign risk is becoming more differentiated and more structure driven. Apart from headline debt ratios, external buffer strength, creditor composition, and financing flexibility increasingly play a role in improving resilience. While international market access has not been uniformly restored, financing conditions have improved sufficiently to open access to select sovereigns focused on strengthening liquidity management and refinancing capacity.



Compiled by Zaynab Hoosen, Senior Africa Analyst.

Speak with Zaynab ➔

CAPITAL FLOWS IN A FRAGMENTED GLOBAL ECONOMY

Selective capital reallocation shaping emerging market opportunities in 2026 and beyond

Entering 2026, emerging markets have attracted renewed investor attention after a period of relative underperformance, helped in part by improving risk appetite and rotations that favoured non-US exposures. However, capital flows remain volatile and uneven across emerging market asset classes and countries, with foreign participation improving in some markets while remaining constrained in others. Emerging markets also appear under-represented versus their share of global

opportunity sets, suggesting scope for reallocation if the macro backdrop remains supportive. Outcomes will likely stay highly dispersed, as geopolitical risk, domestic politics, security conditions, external financing needs, and policy credibility continue to drive foreign exchange, liquidity, and exit optionality. Investors should underwrite opportunity size alongside a granular country-risk view before increasing exposure.

What explains the emerging market turnaround?

There are several forces driving the emerging market rebound, though their impact varies across regions and asset classes, including:

Uncertainty in US policymaking: Investors are diversifying away from the US amid unpredictable tariff measures and perceived political pressure on monetary policy. A weakening US dollar and potential further interest rate cuts by the Federal Reserve are reinforcing the relative appeal of emerging market assets amid current market expectations.

Declining developed market yields: With real yields in developed economies softening due to monetary easing, investors are seeking higher returns in emerging markets. The yield differential is once again favouring frontier and mid-risk sovereigns, particularly those offering

strong growth prospects, credible reform trajectories, and legal certainty for investors.

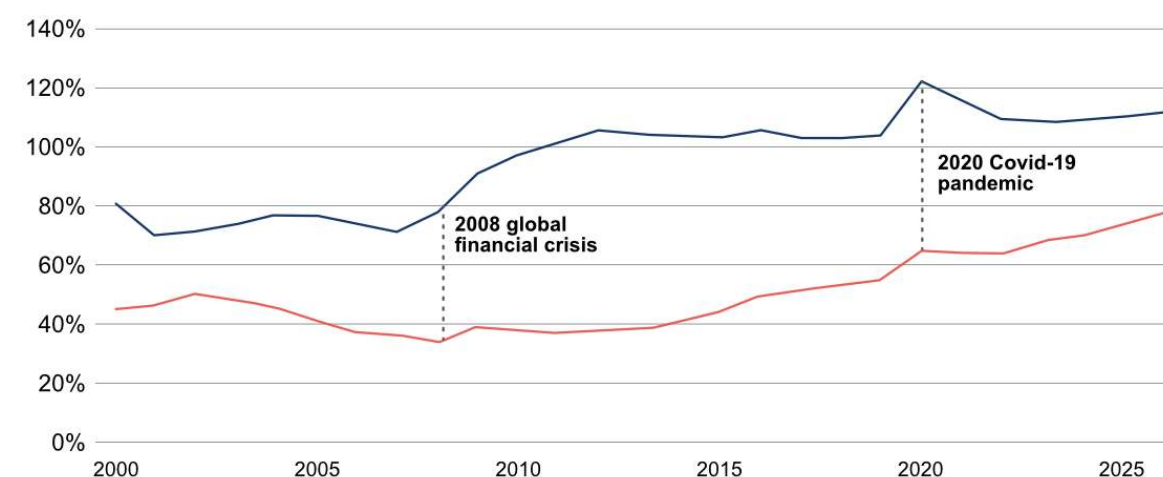
Strong emerging market fundamentals: A subset of emerging markets has strengthened macro profiles, stabilising debt ratios, anchored inflation expectations, and more flexible exchange rate regimes, with some countries seeing credit rating affirmation or upgrades. That said, outcomes are heterogeneous, and fundamentals must be assessed at the country level.

Geopolitical supply chain realignment: Emerging markets integrated into strategic supply chains such as critical minerals, clean energy, nearshoring manufacturing, and AI-enabling infrastructure are attracting capital as investors reposition portfolios around geopolitical alliances. Their appeal lies in strategic relevance and long-term alignment with global trade and security priorities.

2026 is likely to see continued net sovereign credit rating upgrades. Countries upgraded in 2025 include Argentina, Ghana, India, Mongolia, Nigeria, Pakistan, South Africa, Tunisia, Ukraine, and Uzbekistan, while Bolivia, Mozambique, Gabon, Senegal, and Botswana were among those downgraded.

The FTSE Frontier Emerging Markets Government Bond Index rose 12 percent last year. The yield differential between emerging market sovereign bonds and US treasuries reportedly narrowed to its lowest level in over a decade, while carry trade strategies delivered their strongest returns since 2009.

Gross government debt-to-GDP ratio



Source: IMF and other sources

— Advanced economies — Emerging markets and Middle-income economies



EMERGING MARKETS SHOW IMPROVED DEBT DISCIPLINE DESPITE RISKS

Sectors positioned to attract the most capital in 2026

As emerging markets maintain their growth premium over advanced economies in 2026, projected at 4 percent versus 1.4 percent according to the IMF, recent capital allocation patterns reveal distinct sectoral opportunities across Sub-Saharan Africa, the Middle East and

North Africa, and Asia Pacific. These regions are expected to attract between USD 40 billion and USD 50 billion in debt fund inflows alone, with significant additional equity and infrastructure investment flowing into sectors aligned with structural transformation, technological disruption, and the global energy transition. The sectors that are likely to attract significant capital in 2026 include:

Sub-Saharan Africa



- Renewable energy and power infrastructure
- Critical minerals and mining
- Agriculture and food systems
- Infrastructure, transport and logistics
- Healthcare and health technology

Middle East and North Africa



- Infrastructure and construction
- Renewable energy and green hydrogen
- Digital infrastructure and AI
- Fintech and financial services
- Real estate and urban development

Asia Pacific



- Digital infrastructure and AI
- Semiconductor and electronics manufacturing
- Electric vehicles and batteries
- Manufacturing and supply chain diversification
- Renewable energy and green transition

Structural shifts in global financing

Capital flows into emerging markets in 2026 are increasingly shaped by changes in the structure and purpose of financing, rather than by shifts in headline risk appetite alone. Traditional funding channels have become more constrained, prompting investors and public institutions to adopt new mechanisms and partnerships to deploy capital. These adjustments reflect a broader effort to mobilise funding at scale and align investment with strategic, climate or development priorities. Some of these shifts include:

Expansion of private credit: Private credit lending in emerging markets is expected to

remain elevated in 2026, building on the sharp expansion recorded in 2025. Private credit firms reportedly deployed a record USD 18 billion across emerging markets last year, as reduced bank lending created space for alternative financiers. Deal sizes increased as funds replaced bond issuance, while leverage remained comparatively conservative. Investors have prioritised asset-backed structures, lower loan-to-value ratios, and legal protections under US or UK jurisdictions, supporting stronger debt repayment capacity.

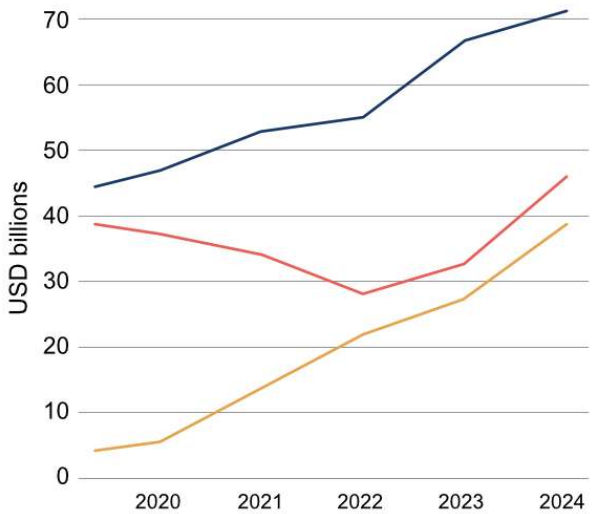
Multilateral securitisation and capital recycling: In September 2025, the World Bank introduced a new financing model through the International Finance Corporation’s first

securitisation, a USD 510 million collateralised loan obligation backed by emerging market assets. By converting existing loan exposures into rated securities, the structure is designed to attract institutional investors such as pension funds and insurers. This approach enables multilateral lenders to recycle capital, expand lending capacity, and scale private sector participation through market-compatible instruments.

From aid to strategic capital: Development finance institutions (DFIs) are steadily moving away from traditional aid-based approaches toward strategic sector financing. The US Development Finance Corporation increasingly frames investment around supply chain resilience and national security, targeting critical minerals, energy infrastructure, and advanced manufacturing. European DFIs are pursuing a similar shift through the EU’s Global

Gateway, with greater emphasis on climate change. Across both regions, development finance is becoming more selective, aligning concessional and blended capital with broader trade, industrial, and geopolitical priorities.

Climate and energy transition capital: Climate mitigation, adaptation, and energy transition financing are increasingly shaping capital flows into emerging markets. Renewable power, grid infrastructure, energy storage, and climate-resilient assets are acting as anchor sectors for blended and institutional capital. Access to this financing is becoming more conditional, favouring jurisdictions with credible regulatory frameworks, clear procurement mechanisms, and bankable project pipelines, while capital concentrates in a limited number of markets rather than dispersing evenly across regions.



Source: Multiple sources — Europe — United Kingdom — Rest of world

Private credit lending in emerging markets reached a record **USD 18 billion** in 2025.

Emerging markets still represent less than **10 percent** of total private credit investments.

The largest deal last year was a **USD 3.4 billion** loan to Indian real estate conglomerate Shapoorji Pallonji.

Over the past decade, Asia captured about **82 percent** of emerging market private credit fundraising, followed by Latin America (11 percent) and EMEA (7 percent).

GROWING NUMBER OF PRIVATE CREDIT DEALS OUTSIDE THE US

Capital flow leaders and constrained markets

Capital flows into emerging markets in 2026 will remain uneven, with foreign direct investment (FDI) concentrating in a limited number of jurisdictions while retreating from others. These divergences reflect differences in policy credibility, debt management, currency

stability, and alignment with strategic investment priorities. The selected middle-income economies outlined below enter 2026 with either favourable conditions to attract renewed capital inflows or heightened exposure to capital retrenchment. However, these outlooks are not fixed and may evolve as geopolitical, economic, and political conditions change.

Capital inflow markets

Ghana: Debt restructuring progress, ongoing International Monetary Fund (IMF) programme reviews, and improving reserves positions the country for strong inflows this year.

South Africa: Reform momentum under the Government of National Unity, credit rating upgrades, and infrastructure financing should support higher inflows in 2026.

Egypt: IMF support, Gulf-backed investment, and improved foreign currency availability should support continued inflows in 2026.

Morocco: Port expansion and green hydrogen-linked industrial zones strengthen nearshoring appeal, likely lifting FDI during 2026.

Vietnam: Manufacturing-led FDI will probably remain resilient, supported by major government investment in infrastructure and supply-chain diversification.

Uzbekistan: Ongoing market reforms and privatisation as well as growing strategic relevance along Eurasian trade corridors could lead to rising capital inflows.

Capital-constrained markets

Gabon: Elevated fiscal deficits and debt arrears will sustain capital constraints in 2026, amid limited external financing and regional market liquidity.

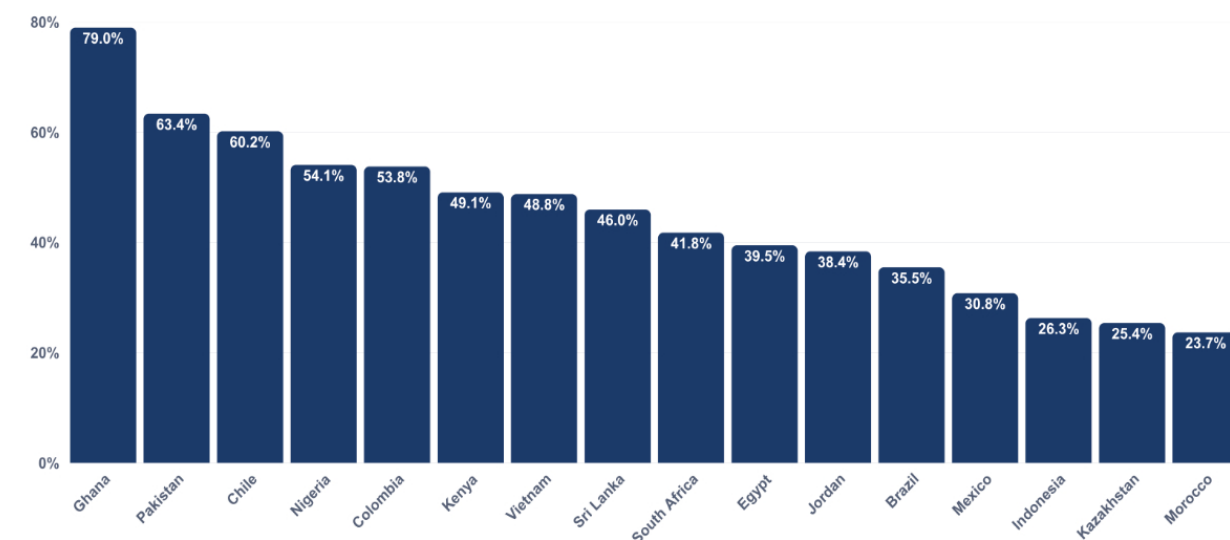
Senegal: Hidden debt revelations, IMF programme suspension, multi-notch rating downgrades, and a 2026 refinancing cliff will sharply constrain fresh inflows.

Tunisia: Scarce external financing, fiscal deficits, and IMF programme uncertainty increase outflow risks in 2026.

Lebanon: Prolonged financial challenges, weak governance, and security challenges will likely continue to drive capital flight and deter new investment.

Pakistan: Large external financing needs, insecurity, and regulatory challenges will continue to weigh on investor confidence.

Bangladesh: Although the formation of an elected government could support renewed investment interest, many investors are likely to adopt a wait-and-see approach before committing substantial capital.



Source: tradingeconomics.com

As of 7 January 2026



YEARLY STOCK MARKET GROWTH IN SELECTED COUNTRIES

A case for caution

While emerging markets are widely expected to maintain the growth momentum this year, there remains a range of external and domestic risk factors that could reverse capital inflows or accentuate market divergence. A sharper-than-expected slowdown in advanced economies, particularly if accompanied by renewed trade restrictions or tariff escalation, would weaken export demand and fiscal revenues across several emerging markets. A reversal in US monetary policy, potentially driven by higher interest rates in response to high inflation, could strengthen the US dollar and reignite pressure on external financing conditions.

At the country level, political instability, policy reversals, and delays to fiscal or structural reforms remain key risks, particularly in economies dependent on multilateral support or portfolio flows. Geopolitical shocks, including regional conflicts or supply chain disruptions, could also undermine investor confidence unevenly across markets. Together, these risks suggest that the emerging market turnaround is conditional rather than entrenched, with capital flows likely to remain selective and sensitive to shifts in the global and domestic risk environment throughout 2026.



As of 12 January 2026

Source: MSCI, Trading Economics and other sources



EMERGING AND FRONTIER MARKET STOCKS MAINTAIN STRONG PERFORMANCE



Compiled by Saif Islam, Head of Asia Forecasting.

Speak with Saif



STRENGTHENING INSIGHT: METHODOLOGY, COVERAGE, AND CAPABILITY GROWTH IN 2026

The *Insight* subscription platform entered 2025 as a core pillar of Pangea-Risk's analytical offering and exits the year broader, deeper, and more rigorous. Over the past twelve months, the platform expanded coverage across Africa, the Middle East, and, critically, Asia, reflecting both client demand and shifting centres of geopolitical and commercial gravity. The appointment of Saif Islam as Head of Asia Forecasting anchored this expansion, bringing dedicated regional leadership and strengthening coverage across South, Southeast, and East Asia through a consistent country-risk lens.

During 2025, *Insight* published 378 briefings across 100 countries, addressing political, security, economic, and regulatory developments with direct relevance to investors and operators. This volume was underpinned by continued refinement of Pangea-Risk's forecasting methodology. Notably, our indicator-based peril framework,

led by Head of Risk Forecasting Bilal Bassiouni, underwent independent peer review and was published in the *Journal of Risk Management in Financial Institutions*, reinforcing the platform's analytical credibility and transparency.

The platform's evolution has also been shaped by usability. In response to the growing flow of actionable intelligence, *My Insight AI* was launched in 2025, enabling subscribers to interrogate content more efficiently and extract insights aligned with specific geographies, sectors, and risks. This marks the first stage of a wider technology programme that will accelerate in 2026.

As *Insight* enters its next phase, expanded regional expertise, peer-reviewed methodology, and selective use of AI are strengthening its role as a practical decision-support tool for navigating emerging and frontier markets with clarity and discipline.

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Insight is our specialist country risk platform for forecasting risks and opportunities in emerging and frontier markets. Powered by our proprietary methodology and enhanced by AI technology, Insight provides clear, comparable intelligence to help organisations anticipate disruptions and plan confidently.



Insight delivers timely, data-driven analysis that supports strategic decisions and reveals emerging opportunities.



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- ◆ Daily Insight briefings on developments in Africa, the Middle East, and Asia
- ◆ Media Monitor tracking real-time, high-priority global developments



ADVISORY IN ACTION: HOW PANGEA-RISK HELPED CLIENTS NAVIGATE 2025 AND PREPARE FOR THE YEAR AHEAD

As *Insight 2026* shows, emerging and frontier markets enter the year ahead with renewed momentum, but also sharper divergence. The experience of 2025 reinforced a central lesson: opportunity does not return evenly, and it is rarely visible through headline indicators alone. Instead, turning points tend to emerge at the intersection of political settlement, strategic relevance, and market structure. For lenders, insurers, investors and operators, the challenge in 2026 is not whether opportunity exists, but where it is durable, bankable, and resilient to volatility.

Throughout 2025 and into 2026, Pangea-Risk supported clients across trade finance, infrastructure, energy, and resources navigating this uneven landscape by combining country risk analysis with project-level and sector-specific insight. Our work has focused on helping decision-makers distinguish between headline volatility and underlying opportunity, combining country expertise, structured methodology, and human-source intelligence to assess where exposure could be scaled sustainably and where risks required tighter management. Across multiple engagements, we applied comparative market frameworks to evaluate political stability, foreign exchange dynamics, regulatory capacity, and trade ecosystems within frontier and emerging markets. This approach enabled clients to identify markets where institutional capacity, policy direction, and liquidity conditions were sufficiently robust to support expansion.

For clients with operational exposure, we provided continuous intelligence and scenario-based assessments to support day-to-day risk management. Regular reporting on security conditions, regulatory developments, and political dynamics allowed early identification

of disruption risks, supporting timely engagement with local stakeholders and authorities. In more volatile contexts, targeted political risk assessments examined elite dynamics, succession risks, and unrest trajectories, offering realistic scenarios and implications for infrastructure, energy, and extractive assets. Sector-specific analysis was another core pillar of our work. We assessed regulatory transitions in sensitive industries, identifying gaps between policy intent and implementation and evaluating exposure to illicit activity and enforcement risk. In parallel, we supported strategic market entry and expansion decisions by analysing macroeconomic conditions, stakeholder landscapes, and sectoral relevance, grounded in local insight rather than regional averages. By integrating national, regional, and local dynamics, we helped clients stress-test assumptions, design mitigation strategies, and plan with greater confidence in an environment where risk and opportunity increasingly coexist.

Our experience in 2025 reaffirmed the value of grounded, forward-looking analysis in identifying emerging market turning points. We correctly anticipated the expansion of local-currency trade, increased Gulf investment into Africa and Asia, and the resilience of new infrastructure corridors despite growing trade fragmentation, while also treating youth mobilisation and cost-of-living pressures as structural political risks rather than temporary shocks. These lessons shape the 2026 outlook, where major infrastructure projects are set to reshape trade routes and industrial capacity across the Global South, but with outcomes contingent on political continuity, regulatory credibility, and geopolitical alignment. At the same time, capital flows are returning selectively to strategically relevant markets,

while transactional peace deals are repricing risk along specific corridors even as conflict and governance pressures persist elsewhere.

These engagements reflect a broader shift in how risk is assessed. Through our collaboration with Standard Bank, we have further developed methodologies to assess localised and sectoral infrastructure risk beyond traditional sovereign scoring frameworks. This allows clients to distinguish between national-level volatility and project-level resilience, particularly for assets embedded in strategic corridors or supported by durable political interests.

Looking ahead, our capabilities continue to expand. In 2025, *Insight* coverage extended across Central, South, and Southeast Asia, as

well as Russia and Ukraine, alongside Africa and the Middle East. We are enhancing expert analysis with AI-supported tools, refining quantitative risk scoring, and strengthening our advisory practice to meet bespoke client needs.

The central conclusion of *Insight 2026* is therefore a measured one. Opportunity is returning, but selectively, and often in places that appear complex or overlooked. Success in this environment depends on understanding political settlements, strategic relevance, and market structure in tandem. For those equipped to look beyond headlines, 2026 offers meaningful openings. Pangea-Risk stands ready to support clients in identifying those turning points early and navigating risk with clarity and confidence.

To discuss how we can support you through tailored analysis and strategic risk solutions, contact our Advisory team.

CONTACT OUR ADVISORY TEAM



Advisory offers tailored intelligence and consulting support to help organisations understand risks, build resilience, and operate confidently in complex markets. Combining rigorous forecasting, regional expertise, and human source networks, we deliver tailored outputs shaped around client needs.

Our services include:

Standalone assessments and briefings across political, economic, security, and sector risks

Tailored intelligence reporting monitoring developments affecting operations

Specialised consulting to build custom methodologies and strengthen intelligence and risk assessment capabilities

Advisory provides clear, method-driven guidance that helps clients navigate uncertainty, assess exposure, and unlock opportunities in emerging and frontier markets.



PANGEA-RISK



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Explore our country risk intelligence with confidence. Contact us and quote #Insight2026 to be considered for a two-week trial of the Insight platform, plus a 10 percent discount on an annual Insight subscription.

This offer is subject to eligibility, terms and conditions, and availability. Please get in touch to discuss access and how Insight can support your strategic, commercial, and investment decisions in 2026.

For more information on this report or Pangea-Risk, contact info@pangea-risk.com.
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