

## EMBRACING OPPORTUNITIES IN A TRANSFORMING WORLD



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The year 2025, designated by the United Nations as the Year of Quantum Science and Technology, marks a pivotal moment in the evolution of global dynamics. Suspended between multiple potential futures, the world is navigating a landscape of economic, political, and technological uncertainties.

The United States, following the result of last November's election, has taken a sharp turn towards protectionism. A prioritisation of transactional foreign policy, coupled with geopolitical instability and transformative advances in the field of artificial intelligence (AI), forecast a year of significant change.

These developments, and largely the ones in the US, will have a profound effect in Europe and in Switzerland, which will present opportunities and challenges to professionals and investors in the wealth management space. What are some of the key trends that will define the year ahead?

### SHIFTING GLOBAL DYNAMICS

A forthcoming change in US policy will potentially fragment trading systems, weaken transatlantic relations, and reduce geopolitical vigilance. For global actors, the need to adapt strategies to this new paradigm is more urgent than ever.

The wider political upheavals of 2024 reflect concerning levels of voter dissatisfaction around the world. Globally, citizens have voted for change, and governments must now deliver under intense scrutiny.

This is coupled with major elections in Germany and political uncertainty in France – Europe can ill afford such weakness in its two largest economies.

In 2025, the global political landscape will remain a delicate balancing act, requiring close monitoring of shifting regional dynamics; especially as the geopolitical hotspots in Eastern Europe, the Middle East, and East Asia continue to simmer.

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A more transactional approach by the United States could encourage rival powers to take bolder actions. The spillover effects on trade, security, and investment could challenge global resilience and require stakeholders to prepare for an increasingly volatile world order.

### IMPLICATIONS ON AI AND GREEN INNOVATION

In 2025, the competition between the U.S. and China for leadership in AI will intensify. Trump's deregulatory agenda could play a critical role in determining America's ability to maintain its technological edge. However, this push must balance innovation with societal concerns, such as the ethical use of AI and its potential to disrupt labour markets. Expanding U.S. leadership in AI would not only drive economic growth, but also strengthen military capabilities in an increasingly competitive global environment.

Whether these reforms can spur sustainable growth or exacerbate fiscal imbalances will depend on their implementation and broader economic conditions.

China's leadership in clean technology continues to drive the global energy landscape. Rapid advances in solar power, battery storage, and electric vehicles are not only addressing climate challenges, but also becoming central to geopolitical influence.

America's approach to green technology under a new Trump administration may focus less on sustainability and more on deregulation to accelerate innovation. If implemented effectively, reforms in areas such as energy, biotech, and AI could enhance US competitiveness.

### POST-INFLATION DILEMMAS

While inflation has subsided in much of the developed world, fiscal challenges remain, especially in the US where core inflation was revealed to be sticky. Trump's ambitious tax cut proposals, coupled with his promises to trim federal spending and raise trade tariffs, will test the limits of economic policy and potentially affect the Fed's rate-cutting policy in 2025.

At the same time, the new administration's wide-ranging push for deregulation of anything from drug approval processes to military procurement will look to streamline the public sector and accelerate technology adoption. Whether these reforms can spur sustainable growth or lead to exacerbation of fiscal imbalances will depend on their implementation and broader economic conditions.

### RESILIENCE IN AN ERA OF CHANGE

2025 promises to be a year of profound change. One of the key lessons of recent years is that unpredictability is now a constant force in global dynamics. Whether through technological breakthroughs, geopolitical shifts, or coping with climate disruptions, agility will be essential to meeting these challenges.

In this era of uncertainty, resilience and anticipation will be the keys to turning risk into opportunity and thriving in an evolving global environment. Those who embrace these principles will not only weather the storms ahead, but will emerge stronger and better positioned for long-term success.



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