War in Ukraine: Perspective on Future Scenarios

BCG Global Advantage and Corporate Finance & Strategy Practice Areas

Prepared: 16 May 2022
Introduction to this document

The war in Ukraine is above all a political and humanitarian crisis

Russia’s invasion of Ukraine has led to a serious humanitarian crisis. BCG condemns this attack and the violence that is killing, wounding, and displacing so many people.

The top priority in moments like these must be the safety and security of people. Corporations, governments, and not-for-profit organizations should focus on supporting the people in Ukraine, Russia, Europe, and globally affected (physically and mentally).

It is the duty of political, societal, and business leaders to navigate through this crisis. The objective of this document is to provide an update about the global economic impact of the War in Ukraine; and to enable thoughtful and expansive strategic discussions about the medium term, using potential future scenarios to help build resilience and strengthen plans, beyond the near-term crisis.

The situation surrounding Ukraine is dynamic and rapidly evolving - this document reflects information and analysis as of 16 May 2022. It is not intended as a prediction of future events and is shared only as a resource for BCG and client conversations.
FUTURE SCENARIOS

Navigating the global business landscape was already extremely challenging before Russia invaded Ukraine. Now, business leaders must cope with new supply shocks, deepening economic uncertainty, complex sanctions, and shifting geopolitics. The war’s duration, scope, and outcome are all unknown.

How can organizations remain resilient in such a volatile environment? One key is to consider a range of scenarios on how the future could unfold. Here are four plausible scenarios that can help companies prepare for what comes next:

• **Back to the Future.** Major powers see the benefits of global cooperation and minimizing military conflict.

• **Tripolar Competition.** Three blocs coexist, each with its own norms and institutions. North America and the EU lead a Western bloc and China and Russia an Eastern bloc. A “nonaligned” bloc consists of nations seeking a third path.

• **Limited Stalemate.** Conflict in Ukraine and other non-NATO former Soviet republics is chronic. China keeps its distance from Russia. Western-inspired global institutions struggle to remain relevant.

• **Global Escalation.** Economic and military confrontations erupt in multiple locations, redefining trade flows. Economic and military power supplants global institutions.

Organizations should consider these scenarios when pressure testing business plans. They should be ready to respond, whatever the outcome.
War in Ukraine: Global Update and Future Scenarios

AGENDA

- Perspective on Future Scenarios
  - Uncertainties & 2030 scenarios
  - Implications for businesses
  - Key takeaways for leaders
The Ukraine conflict is a crisis that builds upon a range of other challenges, forcing leaders to build resilience in the face of many geopolitical & societal uncertainties.

Leaders should challenge themselves to look beyond potential Ukraine war evolutions, exploring the way other uncertainties may unfold including geopolitical relations, trade & supply chains, financial stability, energy & climate, technology, and more.

This document details a set of four contrasting stretched-yet-plausible scenarios for 2030 that can help with that exercise:

- **Back to the future** | Major powers see benefits in global cooperation and minimized military conflicts
- **Tripolar competition** | Western (primarily North America and EU) and Eastern (primarily China & Russia) blocs co-exist in new balance, while "non-aligned" nations seek 3rd path; norms and institutions differ within and among blocs
- **Limited stalemate** | Chronic conflict in Ukraine & elsewhere in non-NATO former Soviet republics; China keeps distance from Russia; economies survive sanction shock; West-inspired institutions struggle for relevance
- **Global escalation** | Economic & military confrontations erupt in multiple locations, disrupting trade patterns; economic & military power supplants institutional system

The objective of these scenarios is not to "predict" the future, as there are multiple possible outcomes – but rather to pressure-test business plans against different potential futures and to inspire strategies and actions that strengthen preparedness, agility and resilience, regardless of what the future holds.
# How to use the scenarios described in this document

## What scenarios ARE

- **Representative** of a range of possible futures

## What scenarios ARE NOT

- **Comprehensive** or exhaustive

## How to use them

1. Use the set of scenarios as a basis for further reflection, and build them into your organization's decision making.
   - Imagine what no-regret, contingent, or other reactions may be most appropriate for your business to build resilience and strengthen strategy.
   - Determine how your actions can best exemplify your values, and determine how your organization's capabilities can positively influence the future.

## What scenarios ARE

- **Stretched-but-plausible** pictures of different potential worlds

## What scenarios ARE NOT

- **Predictions** of what the future will be

## Notes

- A set of permutations of uncertainties; worlds in which we might have to operate
- A linear extrapolation of current trends and uncertainties

**Source:** BCG analysis.
Global economic impact of the war in Ukraine

**Perspective on Future Scenarios**

- Uncertainties & 2030 scenarios
- Implications for businesses
- Key takeaways for leaders
Multiple possible evolutions exist for Ukraine war, with direct potential impacts for the business environment

### Main factors driving conflict
- Balance of **military power**, and choice of tactics and weapons
- **Sanctions** & policy actions by "West," and Russia’s response
- Military **aid & support** from third countries ("West" & other)
- **Peacemaking** (bilateral, multi-lateral or third-country brokering)
- Domestic **political & economic conditions** in Russia

### Potential conflict evolutions

<table>
<thead>
<tr>
<th>Military conflict ceases</th>
<th>Fall of Ukraine</th>
<th>Russian forces control full country</th>
</tr>
</thead>
<tbody>
<tr>
<td>David defeats Goliath</td>
<td>Ukraine repels Russian forces</td>
<td></td>
</tr>
<tr>
<td>Freeze in-place (Korea 2.0)</td>
<td>Negotiated peace / de facto partition</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Military conflict persists</th>
<th>No end in sight (Afghanistan 3.0)</th>
<th>Protracted stalemate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global spillover</td>
<td>Further conflicts in other theatres</td>
<td></td>
</tr>
</tbody>
</table>

### Key impacts for business

- Sanctions remain indefinitely
- Sustained isolation of Russia
- Major re-build by Russia

- Sanctions remain indefinitely
- Major re-build required

- Certain sanctions lifted
- Major re-build required

- Sanctions remain indefinitely
- Significant socioeconomic impact
- Sustained isolation of Russia

- Sanctions expand to other nations engaged in aggression

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**Global scenarios required to go beyond war evolutions and navigate an uncertain medium term**

Source: BCG analysis. Note: These analyses represent only potential scenarios and are not intended as a prediction or forecast.
Thinking holistically about the medium term means exploring dynamics associated with seven key drivers of uncertainty.

<table>
<thead>
<tr>
<th>Drivers of uncertainty</th>
<th>Example dynamics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geopolitical relations</td>
<td>Dynamics among key countries, interplay of geopolitical and trade blocs (e.g., &quot;decoupling&quot;), military implications</td>
</tr>
<tr>
<td>Strength of institutions</td>
<td>Changing role of institutions and rule-of-law vs. use of power; role of private vs. public sector in society</td>
</tr>
<tr>
<td>Trade &amp; supply chains</td>
<td>Shifting trade relations, interconnectedness, supply chain re-shoring, creation of multi-local industrial hubs</td>
</tr>
<tr>
<td>Financial stability</td>
<td>Capital market dynamics and flows, private lending &amp; investment, resilience of financial system</td>
</tr>
<tr>
<td>Energy &amp; climate</td>
<td>Energy mix, renewables, energy flows &amp; security, potential embargos and alternatives (e.g., new LNG import capacity)</td>
</tr>
<tr>
<td>Technology &amp; innovation</td>
<td>Role of technology, &quot;splinternet,&quot; creation of parallel social &amp; payment networks, artificial intelligence, automation</td>
</tr>
<tr>
<td>Consumption</td>
<td>Recession or recovery, potential food security crises, change in consumer habits</td>
</tr>
</tbody>
</table>

Source: BCG analysis.
We have developed scenarios for ~2030 by exploring contrasting permutations of these seven key drivers of uncertainty.

<table>
<thead>
<tr>
<th>Drivers of uncertainty</th>
<th>Axis end-points</th>
<th>Back to the future</th>
<th>Tripolar competition</th>
<th>Limited stalemate</th>
<th>Global escalation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geopolitical relations</td>
<td>Alignment &amp; stability</td>
<td>Polarization &amp; insecurity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strength of institutions</td>
<td>Institutions prevail, domestic &amp; int'l</td>
<td>Power-based relations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade &amp; supply chains</td>
<td>Free trade &amp; hyper-globalization</td>
<td>Regionalization &amp; reshoring</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial stability</td>
<td>Limited inflation &amp; rising markets</td>
<td>Stagflation &amp; instability</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy &amp; climate</td>
<td>Undisrupted transition</td>
<td>Dependence &amp; climate crisis</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technology &amp; innovation</td>
<td>Acceleration</td>
<td>Incremental</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumption</td>
<td>Confidence &amp; spending</td>
<td>Distrust &amp; recession</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: BCG analysis. Note: These analyses represent only potential scenarios and are not intended as a prediction or forecast.
Focus on stretched-yet-plausible worlds for 2030

Four potential scenarios for 2030 can support strategic thinking and help build uncertainty advantage

**Back to the future**
Major powers see benefits in global cooperation and minimized military conflicts

**Tripolar competition**
Western & Eastern blocs coexist in new balance, while "non-aligned" nations seek 3rd path; norms and institutions differ within and among blocs

**Limited stalemate**
Chronic conflict in Ukraine & elsewhere in non-NATO former Soviet republics; China keeps distance from Russia; economies survive sanction shock; West-inspired institutions struggle for relevance

**Global escalation**
Economic & military confrontations erupt in multiple locations, disrupting trade patterns; economic & military power supplants institutional system

Source: BCG analysis. Note: These analyses represent only potential scenarios and are not intended as a prediction or forecast.
## Back to the future

**Domestic conditions** drive leadership of global powers to pull back from confrontational stance

- **Geopolitical relations**: Eastern and Western poles coexist, while "non-aligned" countries seek a third path in global affairs
- **Strength of institutions**: Eastern powers pivot to a balance with global Western-inspired institutions
- **Trade & supply chains**: Global trade grows to historical highs; Africa increases share of global supply chains
- **Financial stability**: Monetary policy alignment & markets integration support stocks & long-term investments
- **Energy & climate**: Global policy coordination and Chinese Greentech accelerate energy transition
- **Technology & innovation**: Innovation in AI & automation push productivity but drive higher inequality; Western networks & platforms concentrate activity
- **Consumption**: Expansion of global markets & integration of Eastern players supports demand growth

Source: BCG analysis. Note: These analyses represent only potential scenarios and are not intended as a prediction or forecast.

## Tripolar competition

- **Eastern and Western poles coexist**, while "non-aligned" countries seek a third path in global affairs
- **In Africa and Asia**, institutions sponsored by major powers coexist
- **Global financial markets decouple** limiting access to capital
- **Global policy coordination and Chinese Greentech accelerate energy transition**
- **Innovation in AI & automation push productivity but drive higher inequality; Western networks & platforms concentrate activity**
- **Expansion of global markets & integration of Eastern players supports demand growth**

## Limited stalemate

- **Chronic conflict limited** to Ukraine & elsewhere in non-NATO former Soviet republics; major powers maintain confrontational stance
- **Western institutions try but fail to align other powers; business tries to shape global cooperation**
- **Sanctions & counter sanctions** limit capital flows, hindering lending, valuations and long-term investment
- **Insecurity pushes US/ME LNG imports & renewables in EU, but EMs sustain high emissions**
- **Intra-pole demand increases but policy-driven barriers lead to shortages and inflation pressure**
- **Stagflation reinforces negative demand cycle & food crises persist in developing world**

## Global escalation

- **Major powers clash & military escalation spreads to other theatres** (e.g., Central Asia, Middle East, Indo-Pacific)
- **State-led protectionism & nationalist policies shape socio-economic and political dynamics**
- **Global trade plunges; chains localize; resource-endowed countries continue to provide essential supplies**
- **Capital shifts to private investments, more opaque than public markets; state investments gain relevance**
- **Fossil fuels & coal prevail in war economy & intensify no-return point in climate crisis**
- **Innovation in decoupled networks ("splinternet"), payment systems & strategic sectors as defense & space**
- **Cybersecurity is top priority; insecurity pushes metaverse as alternative to physical experiences; parallel networks keep growing**
- **Local consumption shifts to basic goods & cryptocurrencies enable e-commerce continuity**
Each scenario would suggest different outcomes for key macroeconomic KPIs that shape the business environment.

<table>
<thead>
<tr>
<th>Scenario</th>
<th>GDP Growth</th>
<th>Global Trade (physical goods)</th>
<th>Inflation</th>
<th>Oil Price</th>
<th>Global temperature increase (°C)</th>
<th>Business environment impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Back to the future</td>
<td>▼</td>
<td>▲</td>
<td>▼</td>
<td>▼</td>
<td>▼</td>
<td>Strengthened East-West joint markets highlight importance of global networks / ability to work across borders and of investments in long-term innovation</td>
</tr>
<tr>
<td>Tripolar competition</td>
<td>▲</td>
<td>▲</td>
<td>▼</td>
<td>▼</td>
<td>▼</td>
<td>Tripolar world requires focus on regional ecosystems (e.g., through governments partnerships) and investment on digital to ensure operability across poles</td>
</tr>
<tr>
<td>Limited stalemate</td>
<td>▼</td>
<td>▲</td>
<td>▼</td>
<td>▼</td>
<td>▼</td>
<td>Uncertainty requires focus on stagflation, supply shocks and addressing humanitarian crises leveraging corporate capabilities</td>
</tr>
<tr>
<td>Global escalation</td>
<td>▼</td>
<td>▼</td>
<td>▲</td>
<td>▲</td>
<td>▲</td>
<td>War economy takes center stage, requiring collaboration with local networks &amp; governments to face supply shocks &amp; cost inflation</td>
</tr>
</tbody>
</table>

Reference (2019):
- GDP Growth: ~3%²
- Global Trade: 56%²
- Inflation: ~2%²
- Oil Price: $64³
- Global temperature increase: -

1. 2019 selected as pre-Covid baseline. Directions indicate temporary changes over the medium term; not static/permanent views; 2. World Bank; 3. Average Brent crude oil price, Statista. Source: BCG analysis. Note: These analyses represent only potential scenarios and are not intended as a prediction or forecast.
Perspective on Future Scenarios

➤ Uncertainties & 2030 scenarios

➤ Implications for businesses

➤ Key takeaways for leaders
Scenario-specific implications detailed through early warning indicators, geographic & sector considerations, and potential actions for leaders

1. Example **early warning indicators** to signal scenario emergence

2. **Implications** on strength / vulnerability for **specific geographies and sectors**

3. Potential actions for leaders to **build uncertainty advantage**

On top of scenario-specific actions, **several 'no regret moves' emerge across scenarios**

Source: BCG analysis. Note: These analyses represent only potential scenarios and are not intended as a prediction or forecast.
ILLUSTRATIVE & NON-EXHAUSTIVE; TO PROMOTE DISCUSSION

Back to the future | Scenario-specific implications for businesses

Example
early warning indicators
Beyond the headlines

- East-West trade barriers: tariffs, export controls & sanctions
- Global sourcing: offshoring to low-cost markets, $B
- Long-term investments: global corporate capital expenditure, $B
- Green energy development: renewable energy as % of total energy

Geographies with...

<table>
<thead>
<tr>
<th>Strong position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major exporting economies and trade hubs</td>
</tr>
<tr>
<td>Lower cost base to attract supply chains</td>
</tr>
<tr>
<td>Positive Foreign Direct Investment environment</td>
</tr>
<tr>
<td>Flexibility in pivoting public resources &amp; regulation</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Vulnerable position</th>
</tr>
</thead>
<tbody>
<tr>
<td>High reliance on regional trade networks / local supply</td>
</tr>
<tr>
<td>Major production hubs with substitutable products</td>
</tr>
<tr>
<td>Higher cost-base, risking job losses &amp; investment crowd-out</td>
</tr>
<tr>
<td>Low agility in pivoting public resources &amp; regulation</td>
</tr>
</tbody>
</table>

Sectors with...

<table>
<thead>
<tr>
<th>Strong position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global markets &amp; value chains</td>
</tr>
<tr>
<td>High labor intensity</td>
</tr>
<tr>
<td>Strong long-term innovation</td>
</tr>
<tr>
<td>Examples:</td>
</tr>
<tr>
<td>Shipping &amp; logistics</td>
</tr>
<tr>
<td>Automotive</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Vulnerable position</th>
</tr>
</thead>
<tbody>
<tr>
<td>High reliance on traditional energy sources</td>
</tr>
<tr>
<td>Examples:</td>
</tr>
<tr>
<td>Oil &amp; gas</td>
</tr>
<tr>
<td>Petrochemicals</td>
</tr>
</tbody>
</table>

Actions to build uncertainty advantage

- Build teaming & cybersecurity capabilities for a globalized environment and work across borders
- Implement automation/AI innovations while protecting flexible talent models and relocation/upskilling opportunities
- Build capacity to securely access and monetize global consumer data
- Build and leverage multi-country supply chains enabled by digital fulfilment & strategic partnerships
- Promote & invest in climate action

Source: BCG analysis.
Note: These analyses represent only potential scenarios and are not intended as a prediction or forecast.
**Tripolar competition | Scenario-specific implications for businesses**

**Actions to build uncertainty advantage**

- **Adapt digital infrastructure & cybersecurity** to regional ecosystems and ensure secure interoperability
- **Develop innovation capability** targeted to closer markets
- **Deepen customer & investor relationships** within closer markets
- **Nurture strong government relationships** to promote joint investments
- **Work with intra-pole public & private partners to accelerate critical climate action**

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**Example early warning indicators**

*Beyond the headlines*

- **East-West trade barriers:** tariffs, export controls & sanctions
- **Regional super apps:** 
  - # of super apps downloads
- **Cross-pole business exposure:** Revenues outside of home pole, % of total
- **Public investment in local/regional business:** total subsidies, tax reductions & direct investments, $B

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**Geographies with...**

<table>
<thead>
<tr>
<th>Strong position</th>
<th>Vulnerable position</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Regional</strong> business ecosystems within a single bloc</td>
<td>High reliance on <em>global trade</em>, for <em>markets &amp; supply chains</em></td>
</tr>
<tr>
<td><strong>Strong regional financial markets</strong></td>
<td><strong>No clear pole alignment</strong></td>
</tr>
<tr>
<td>Established position and public support of <em>strategic industries</em> (e.g., semiconductors, defense)</td>
<td><strong>Weaker position in regional strategic industries</strong> (e.g., mainly exporting parts or specific software)</td>
</tr>
</tbody>
</table>

**Sectors with...**

<table>
<thead>
<tr>
<th>Strong position</th>
<th>Vulnerable position</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Regional markets, near-shore supply chains</strong></td>
<td><strong>Global markets/ supply chains</strong> and exposure to <em>global capital flows</em></td>
</tr>
<tr>
<td><strong>High capital &amp; tech investments, innovation opportunities</strong></td>
<td><strong>Limited state involvement</strong></td>
</tr>
<tr>
<td><em>Examples:</em></td>
<td></td>
</tr>
</tbody>
</table>
  - Aerospace & defense
  - Semiconductors & electronics |  
  - Fashion & retail
  - Global MedTech |

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*Source: BCG analysis.*

*Note: These analyses represent only potential scenarios and are not intended as a prediction or forecast.*

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*ILLUSTRATIVE & NON-EXHAUSTIVE; TO PROMOTE DISCUSSION*
### Limited stalemate | Scenario-specific implications for businesses

#### Geographies with...

**Strong position**
- Robust food supply & export capacity
- Nation-wide developed cyber capabilities & digital economies
- Self-sufficient energy sources

**Vulnerable position**
- High dependence on food supply chains
- High exposure to refugee flows
- Sanctions and/or no clear trade bloc alliance

### Sectors with...

**Strong position**
- Regional & local markets
- Highly digital models, able to interact safely with customers

**Examples:**
- Social media & services
- Agriculture & food
- Metals & mining

**Vulnerable position**
- Reliance on global supply & vulnerability to input shocks
- Physical customer interaction

**Examples:**
- Social media & services
- Agriculture & food
- Metals & mining

### Actions to build uncertainty advantage

- **Strengthen supply chain resilience** by developing multi-sourcing alternatives, revisiting overall footprint
- **Strengthen cybersecurity capabilities**
- **Develop virtual offerings and customer networks in different countries** to adapt to consumer preferences
- Redefine talent models to respond to humanitarian crises (e.g., protect from food insecurity, accommodate refugees)
- Accelerate climate action to achieve energy resilience
- **Nurture government partnerships** to respond to crises & build resilience

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**Example early warning indicators**

**Beyond the headlines**

- **Duration & reach of conflict(s):** months, # of countries in conflict
- **Defense/military expenditure:** % of GDP
- **Investment in cyber defenses:** global spending on cybersecurity, $B
- **Refugees:** # of refugees worldwide
- **Food prices:** FAO Food Price Index

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Source: BCG analysis.

Note: These analyses represent only potential scenarios and are not intended as a prediction or forecast.
Global escalation | Scenario-specific implications for businesses

Example early warning indicators
*Beyond the headlines*

**Duration & reach of conflict(s):** months, # of countries in conflict

**Defense/military expenditure:** % of GDP

**Election of nationalist/populist leaders:** # of leaders; % of GDP controlled

**Global investment:** Foreign Direct Investment flows, $B

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**Strong position**

- Strong local markets & supply
- Developed cyber capabilities
- Strong production ecosystems with strategic capabilities (e.g., semiconductors, defense)
- Self-sufficient supplies of energy, food & water

**Vulnerable position**

- High reliance on global supply chains or trade
- Focus on services sector, especially with international client base
- Directly impacted by potential conflicts

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**Geographies with...**

- Localized supply & markets
- Flexible talent models to accommodate insecurity
- High national importance

**Sectors with...**

- **Strong position**
  - Oil & Gas
  - Aerospace & defense

- **Vulnerable position**
  - Travel & tourism
  - Global investment funds & PE firms

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**Actions to build uncertainty advantage**

- Assess possibility of local spinoffs for global players
- Strengthen cybersecurity capabilities to ensure ongoing consumer trust
- Accelerate automation to accommodate potential talent shortages
- Strengthen local supply chains, limiting reliance on global networks
- Secure critical resource reserves (e.g., energy, food)

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Source: BCG analysis.

Note: These analyses represent only potential scenarios and are not intended as a prediction or forecast.
6 high-level 'no regret' moves emerge as common across scenarios to consider today and strengthen uncertainty advantage for the future

<table>
<thead>
<tr>
<th>Embed geopolitics in decision-making</th>
<th>Build supply chain resilience</th>
<th>Invest in people strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actively explore challenges &amp; opportunities associated with geopolitical risks; embed robust risk analysis processes organization-wide</td>
<td>Explore diversification and/or re-localization of vulnerable inputs as core risk management mechanisms</td>
<td>Build flexible talent models to better support employees and improve ability to respond to regional talent mismatches</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Innovate as a hedge</th>
<th>Reinforce cybersecurity</th>
<th>Accelerate climate action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Explore where digital / virtual innovation can help limit geopolitical exposure &amp; strengthen competitive positioning</td>
<td>Invest in cybersecurity capabilities and develop proactive risk mitigation mechanisms; explore gov't collaboration opportunities</td>
<td>Double down on climate action and explore strategic partnerships to achieve targets despite disruptions</td>
</tr>
</tbody>
</table>

Source: BCG analysis. Note: These analyses represent only potential scenarios and are not intended as a prediction or forecast.
Global economic impact of the war in Ukraine

Perspective on Future Scenarios

- Uncertainties & 2030 scenarios
- Implications for businesses
- **Key takeaways for leaders**
Scenarios can help stretch perspectives, enabling stronger medium-term strategy, more resilient decision making and proactive measures

**Stretch your strategic decision-making**
Do not wait for an uncertain future to disrupt your strategy. Incorporate prospective (not predictive) scenarios and competitive, dynamic simulations into your strategic planning, and anticipate plausible ways your business environment may evolve.

**Monitor and drive action**
Identify risk-intelligent actions, big bets and no regret moves for your particular business, monitor indicators & disruptions and move to action to prepare for potential future challenges and shape opportunities, mobilizing partnerships, resources and investment.

**Influence positive outcomes**
Understand how societal challenges may evolve, incorporate into ESG strategies and nudge the future towards desirable outcomes on topics ranging from humanitarian crises to climate change leveraging your capabilities.

Sources: BCG analysis and case experience.
Teams across BCG are actively monitoring impact

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