



Research Center
Strategic Change
“Franco Fontana”

GEOPOLITICAL RISK OBSERVATORY

ITALY IN A FRAGMENTING GLOBAL ORDER

A GRO Executive Brief from
“**Sistema Italia e rischio geopolitico: sfide e opportunità**”

30 September 2026

ITALY IN A FRAGMENTING GLOBAL ORDER

From geopolitical exposure to strategic response

GRO Executive Briefs are concise analytical papers distilling the key insights emerging from events organised by the Geopolitical Risk Observatory for wider dissemination. Rather than reproducing the discussion, they synthesise its main evidence, arguments and perspectives and integrate them into a structured, forward-looking interpretation of the issues addressed and their potential implications for businesses, decision-makers and strategic planning. In line with the Chatham House Rule, individual statements are not attributed to specific speakers or participants, allowing the briefs to capture the substance of the exchange while preserving an open and candid dialogue. For further information on the Observatory’s research and activities, please contact strategicchange@luiss.it

Sistema Italia e rischio geopolitico: sfide e opportunità

GEOPOLITICAL RISK OBSERVATORY – SECOND-YEAR KICKOFF | 30 SEPTEMBER 2026 | 11:00 AM–1:00 PM
SALA DELLE COLONNE, LUISS CAMPUS, VIALE POLA 12, ROME

A business and strategic decision-making perspective

Geopolitical risk is no longer an external variable that companies can address only when a crisis materialises. It increasingly shapes decisions on markets, supply chains, investment, energy security, access to finance and the protection of strategic assets.

This brief presents the main insights emerging from the opening event of the second year of the Geopolitical Risk Observatory. The discussion brought together perspectives from industry, energy, banking, internationalisation and geopolitical risk analysis to explore how Italy’s economic and productive system is responding to a more fragmented and volatile international environment.

The central message is straightforward: resilience based on rapid reaction is no longer sufficient. Italian companies increasingly need the capabilities to identify exposures in advance, interpret geopolitical signals and incorporate them into strategic decisions. The GRO’s second research

cycle is designed around precisely this transition, from risk measurement to scenario interpretation and, ultimately, organisational response.

I. Key Takeaways

- **Geopolitical risk has become a structural business variable;** Market selection, supply-chain configuration, investment, financing, energy security and asset protection are increasingly influenced by geopolitical developments. The issue is therefore not only one of risk management, but of competitiveness.
- **Italy combines high international exposure with specific structural vulnerabilities;** Its manufacturing specialisation, export orientation, integration into global value chains, energy dependence and large population of SMEs create an asymmetric exposure to international shocks.
- **Adaptability remains an Italian strength – but it is often reactive;** Companies can redirect exports or suppliers relatively quickly, while reducing critical dependencies, redesigning production networks or changing infrastructure requires substantially more time and investment.
- **The next step is organizational;** Geopolitical intelligence creates value only when it enters planning and decision-making processes. This requires stronger connections between strategy, risk management, supply chain, finance, public affairs and senior leadership.

II. Italy’s asymmetric exposure to geopolitical risk

The international environment facing Italian companies is being reshaped simultaneously across trade, security and energy. These shifts are reducing the predictability of rules, changing the geography of dependencies and altering the conditions under which firms can access markets and organise production.

Italy is particularly exposed to these changes because several structural characteristics reinforce one another. Its economy combines a strong manufacturing base with high export intensity and deep integration into international value chains. At the same time, energy dependence and the prevalence of small and medium-sized enterprises can constrain the ability to absorb prolonged disruption or rapidly redesign supply networks.

Six areas of vulnerability stand out: supply chains, critical raw materials, protectionist pressures, regulatory and compliance requirements, energy security, and cyber and hybrid risks. These should not be treated as separate risk categories. Increasingly, they interact.

Trade restrictions can alter supply-chain economics. Political instability can affect the security of strategic infrastructure. Export controls, sanctions and investment screening can change access to markets and technologies. Energy shocks can quickly transmit geopolitical instability into production costs and investment decisions.

The implication for Italian business is therefore not to eliminate geopolitical exposure – an unrealistic objective for an open economy – but to understand where exposures are concentrated, which dependencies are difficult to replace, and how rapidly different parts of the business can adapt.

III. From resilience to anticipation

Italian companies have repeatedly demonstrated a capacity to adapt to external shocks. The discussion highlighted, however, an important distinction between adaptability and anticipation. Redirecting exports, identifying a new supplier or adjusting commercial priorities can sometimes be achieved relatively quickly. Structural diversification is different. Reconfiguring supply chains, reducing dependence on critical inputs, developing alternative infrastructure or entering new markets requires longer lead times, capital and managerial attention.

This makes timing a strategic variable. The relevant question is increasingly not simply how effectively can a company react when a disruption occurs, but rather how early can it recognise that its operating environment is changing.

This requires a shift from ex-post analysis toward ex-ante scenario building. Information alone is not enough. Companies need to distinguish material signals from background noise, challenge existing assumptions and consider alternative trajectories before one of them becomes the dominant scenario.

The concept of geopolitical acumen captures this requirement: the ability to transform external information into interpretation and judgement, recognise discontinuities and update decisions as the context changes. The discussion also underscored that these capabilities cannot always be fully internalised. Universities, institutions and specialised organisations can become part of a wider knowledge ecosystem supporting corporate decision-making.

For firms, this points to three practical priorities:

- a. map exposures;
- b. diversify structurally rather than tactically;
- c. integrate geopolitical intelligence into strategic decision processes.

IV. Turning geopolitical intelligence into decisions

The principal challenge is not a shortage of information. It is the ability to transform a growing volume of signals into decisions. Geopolitical developments now affect choices that sit across different parts of the organisation: international expansion, capital allocation, sourcing, financing,

infrastructure, risk management and stakeholder relations. The effectiveness of geopolitical analysis therefore depends on whether it can travel across organisational boundaries.

This requires tools, processes and capabilities. Monitoring mechanisms are needed to detect changes in exposure. Scenario analysis can test the implications of alternative developments. But these instruments become strategically relevant only when their outputs reach planning processes and decision-makers. The organisational consequence is a need for stronger links between strategy, risk management, supply chain, finance, public affairs and senior leadership.

For SMEs, the challenge is particularly significant. They often combine substantial international exposure with fewer internal resources dedicated specifically to geopolitical analysis. External ecosystems – business associations, financial institutions, research organisations and specialist networks – can therefore play an important role in making geopolitical intelligence accessible and actionable.

The objective is not to predict every disruption. It is to increase the organisation’s capacity to recognise change, understand its own exposure and preserve strategic options before urgency narrows the range of possible responses. This is also the logic underpinning the GRO as a permanent observatory: combining continuous monitoring, expert analysis and quantitative measurement to support decisions on countries, investments, supply chains and international exposure.

V. Outlook: from MAPS to organizational action

The event marked the beginning of the second annual research cycle of the Geopolitical Risk Observatory.

The programme is designed as a three-stage strategic intelligence cycle.

- MAPS establishes the starting point by examining the changing geography of geopolitical risk and its implications for Italian companies.
- LENS will deepen the analysis through interviews with diplomats, ambassadors, policy experts and scholars, exploring how geopolitical trajectories may evolve.
- MOVE will take the analysis inside organisations, examining how companies translate geopolitical risk into decisions, mitigation mechanisms and organisational capabilities.

The next phase will therefore move from mapping exposure to understanding trajectories and, ultimately, corporate response. At least thirty experts will be involved through semi-structured interviews, followed by thematic focus groups with selected companies.

The objective is deliberately practical: to connect the measurement of geopolitical risk with the way companies change markets, investments, supply chains and organisational models.

For Italian business, the strategic challenge is unlikely to be whether geopolitical uncertainty will persist. The more relevant question is how effectively firms can build the information, judgement and organisational capabilities required to operate within it.

Luiss

Research Center
Strategic Change
“Franco Fontana”

Viale Romania 32, 00197 Roma
T +39 06 85222350
www.luiss.it