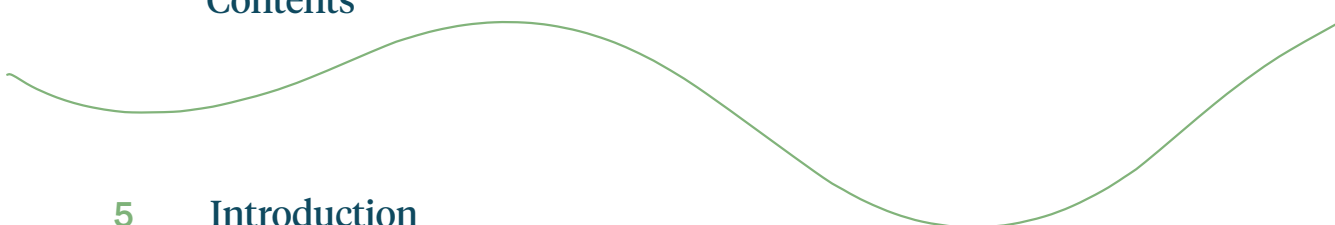


Quarterly Report

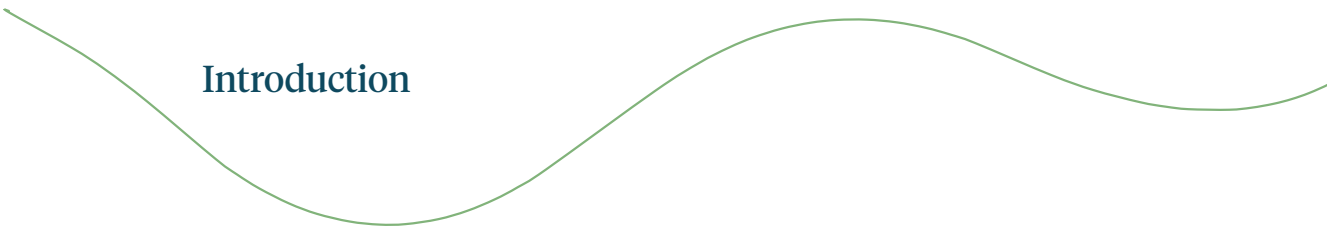
Global Risk Scenarios



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Introduction

This report is the first in a series of Samphire publications analysing the global malicious risk environment. The scenarios below are not designed to be predictive, but they are intended to be plausible, high-impact events that should encourage those in risk management roles to consider the potential implications and what mitigations might follow.

While some scenarios may feel remote to those not operating in frontier markets, the febrile political environment and speed at which threats can spread means nobody is completely immune from current instability. The adage that **you may not be interested in politics, but politics is interested in you** is mostly obviously being borne out in the Gulf, but it also holds true in numerous other, less visible conflicts. Samphire's decision to look at such a wide range of risks reflects our commitment to providing thoughtful analysis and tailored policies that address malicious risks on a global scale. We hope you find it useful.

Thematic Overview

2026 has been a year of great instability, largely due to the Trump administration's foreign policy choices, which are causing many governments to reconsider the US's place in the world. The capture of the Venezuelan president, Nicolas Maduro, in the first days of 2026 initially suggested a greater and more muscular US focus on Latin America. This was soon eclipsed, however, by the war in the Middle East, which began seemingly without consistent objectives or wide international support, and has impacted living standards on every continent through higher food and energy prices. Even a state as well-resourced as America's cannot fight multiple conflicts simultaneously and indefinitely, which will not have gone unnoticed by its adversaries.

If the US is unable to extract itself from its stand-off with Iran, then this could give more freedom to China in Asia and Russia on the edge of Europe, while swingeing cuts to USAID will weaken security in some of the world's most fragile states. Short-term military action also takes attention away from long-run, existential issues, such as organised crime, climate change and AI adoption. Understanding how these issues will develop and even coalesce is complicated, but it remains an important task for businesses hoping to thrive.

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01

US Supports Lebanese Government in Eradicating Hezbollah

The US's efforts to force regime change in Iran have failed, while its attacks on the country and previous withdrawal from the JCPOA mean that the Iranian government is even less willing to negotiate seriously on its nuclear programme. To ensure that it has something to show for its offensive in the Middle East, the US opts to join the Lebanese government in a bid to eradicate Hezbollah, the Iranian-backed Shia Islamist political party. In 2025, the Lebanese government approved a policy to disarm the group, but its formidable strength (and alliance with Iran) makes this very difficult. The US decides that pressuring the Lebanese government to act is a more efficient use of its resource. It provides intelligence, political support and additional funding to the government, which eventually succeeds in capturing and killing Hezbollah's leadership and curtailing its vast system of financial support, signalling a catastrophic weakening of the movement.

Implications

Iran would be required to fundamentally reassess its reliance on Shia militias as a key part of its national security, while its inability to prevent Hezbollah's destruction would be seen by the Iranian public and soldiers as a sign of regime weakness and decline. Removing a major threat and endless cause of conflict on Israel's northern border would be presented as a victory by the Netanyahu government, but without an ongoing national security crisis to bind them, the ruling coalition would fracture. A major Gulf and EU-funded reconstruction effort in Lebanon would follow in order to persuade Lebanese Shia to support a national government, including a disarmament, demobilisation, and reintegration programme aimed at Hezbollah fighters. But spoilers would remain as different parties jostle for power, and the threat of terrorism and kidnappings across the region would rise as actors seek to score points and exert influence.

02

China imposes maritime quarantine on Taiwan

As China's military capability has strengthened, Taiwan's semiconductor manufacturing has become more integral to the global economy, and the island's nationalist politicians have cemented themselves in power, China has gradually applied more pressure to Taiwan. In recent years, China has increased the number of flights into Taiwanese airspace, inspections of Taiwanese ships, and cyber-attacks on Taiwanese government networks. Overt escalation follows when China decides to impose a maritime quarantine on the island, which grants Beijing control over the goods travelling into and out of Taiwan by sea. As a small country that imports the majority of its food and energy needs and whose economy is built on international trade, such a move would highlight several of the island's greatest vulnerabilities. China has the naval capability to sustain a quarantine indefinitely, and, unlike putting Chinese soldiers on the ground, it would not automatically compel the US to come to Taiwan's aid. China would likely use its ability to control Taiwanese maritime trade flows as a lever to extract concessions, rather than an immediate precursor to a full-scale invasion. These could include the forced reduction in the size or capability of Taiwan's armed forces or the submission to permanent Chinese oversight of its international trade.

Implications

Although China has been intensifying its Taiwan policy incrementally for years, the deployment of a quarantine would still be seen as a global geopolitical and macroeconomic shock. Premia for maritime services in the area would rise steeply and some insurers would suspend coverage altogether. Prices for global shipping services would climb, at least until it became clear how China intended to operate the quarantine. Prices for goods that incorporate components manufactured in Taiwan would increase. Share prices of large US technology companies would decline very sharply because of their use of Taiwanese semiconductors, and the heavy weighting of these firms in the S&P and Nasdaq indices mean that US stock markets as a whole would also fall, raising speculation of a US recession. Suppliers of food and energy products to Taiwan may also be affected, again

depending on the rules of the quarantine. It would become increasingly difficult for executives to serve both China and Taiwan, with China making it clear its preference for Taiwanese relationships to be terminated. China would come under heavy international political and diplomatic pressure to ease its restrictions, but we would expect it to respond only when Taiwanese leaders have accepted the concessions demanded.



03

Russia Tests NATO in the Baltics

Encouraged by a US-brokered peace agreement that enables Russia to hold onto the entire Donbas region of Ukraine, Russia intensifies its hybrid warfare in the Baltics. First, Russia presents a case against the Latvian government at the International Court of Justice, claiming that the Latvians are discriminating against Russian-speaking minorities in Latvia by ending Russian-language teaching in schools and Russian-language media broadcasts. With this pretext established, Russia stokes local protests against the Latvian government that are broken up by the Latvian police. Claiming further hostility against people it regards as its own, Russia sends a small number of troops over the border to protect them. The troops quickly withdraw when confronted at scale, but the goal is not to launch a long-term occupation, but to demand a response from NATO and highlight any inadequacies in the group's co-ordinated reaction.

Implications

Russia would not seek to hold any territory it occupied for long. As soon as they were detected (and the propaganda value of the exercise would mean they would not try to hide), the Russians would withdraw, preventing any substantive exchange of fire. Russia's presence within the territory of a NATO member would trigger the group's Article 5, which commits it to a policy of collective defence. Russia would highlight its success in entering Latvia and would look for any weakness in the NATO response – such as delays or confusion – as evidence that the block is not united or acting as one. Members, particularly those in eastern Europe, would respond by committing even larger shares of their economy to defence, at the expense of other public services. Some foreign investors in the finance, health and technology industries would demand reassurance of the continued safety of operating in the Baltics. The response of the US would be particularly closely scrutinised, given its determination to end its residual support for Ukraine and avoid any additional entanglements in Europe. Russia would be highly likely to continue its other forms of hybrid warfare, such as cyber-attacks on government infrastructure, incursions into Baltic air and maritime zones and interference with telecommunications and financial architecture.

04

Widespread adoption of AI in US leads to social unrest

As the capabilities of AI tools improve, more and more white-collar firms begin to lay off workers. This is first apparent in law firms, consultancies and accountants, where a smaller number of supervisors are required to review AI-generated output. Seeing a softening of demand, these firms increase their use of AI to create additional cost savings, only for private-sector demand to fall further. Some ex-finance employees find work in retail and delivery, putting a ceiling on wages. Anti-AI movements, swelled by the ranks of the newly unemployed, protest the lack of protections and assistance from the federal government and target technology and finance companies that symbolise AI-accelerated capitalism. The administration deploys the National Guard to cities unused to social unrest, such as Boston and San Francisco.

Implications

The economic implications would be severe. The white-collar workers most susceptible to AI displacement are the backbone of the US economy and contribute a disproportionately large share of consumer spending. As they find themselves unable to get work of equivalent pay, demand for goods and services, from cars to restaurants to beauty treatments, would decline. Mortgage holders cut back spending elsewhere in order to continue to afford their repayments, but eventually house prices begin to fall and the number of mortgages in arrears ticks up. Fewer people in employment (and particularly higher earners) depresses government tax revenue. Interest rate cuts by the Federal Reserve are ineffective, as the source of the problem is weak demand, not tight supply. The political consequences are also profound. Dozens of people are killed in clashes with the National Guard across the country. A ground-up movement called The Displaced demand compensation from the federal government for those that have lost their jobs, but Congress fails to agree a bipartisan bill. Protestors stage acts of civil disobedience during presidential primaries in the run-up to the 2028 elections, with widespread belief that both parties are out of touch. Anger is also directed at senior executives at leading AI companies, leading to increased demand

for personal security services. Canada, the EU and other advanced economies draw up legislation that limits firms' head-count reduction each year to a proportion of the total. Others permit the early draw-down of pensions in the event of AI displacement.



05

South-east Asian scam cities ensnare white-collar workers

In recent years a group of purpose-built small cities have appeared along the Burmese banks of the Mekong river that border Thailand. These cities are designed entirely for the purpose of running large scam operations, to defraud or extort wealthy targets. Typically, low-income workers from across Asia are persuaded to take seemingly legitimate jobs at the centres, only to be held as prisoners within the cities and subject to a range of abuses by those further up the hierarchy if they fail to meet arbitrary financial targets. Despite efforts by the Thai and Chinese governments, in particular, to impede the operations of these cities, the co-operation of the Burmese junta has enabled them to flourish and their operations to become more varied and sophisticated. A well-known Chinese influencer, Wang Xing, fell for one of these schemes and was rescued by Chinese police in early 2025. Other anecdotal reports have emerged of such centres beginning to target young, educated professionals with promises of lucrative work or enabling them to run up large gambling debts by playing online games run from the cities. Another emerging strand of business is a rescue industry, where intermediaries seek a fee to return family members who have been coerced into cities.

Implications

The growth of scam centres is symptomatic of the heavy presence of organised crime across the region, which represents a serious risk to businesses in South-East Asia. Retrieving workers from the scam cities is far from straightforward. Mr Wang was located after a social-media campaign by his girlfriend, which only gained traction because of his public profile. Estimates suggest that tens of thousands of other people remain stuck within the cities. The cities' targeting of wealthier individuals has led to the development of a rescue industry, where intermediaries with ties to the city operators ask a large fee from family members who have been coerced into the cities. Limited cross-border co-operation between Myanmar and Cambodia – the two countries with the greater concentration of scam cities – and their neighbours means that driving them out of the region will prove impossible. Overall the threat of criminal kidnapping, including virtual kidnap, across the region remains an under-reported issue that companies are only starting to address.

06

Drought and extremism generate institutional collapse in the central Sahel

The central Sahel, an area encompassing territory belonging to Mali, Burkina Faso and Niger, is under pressure from climate change, extremism and demography, and is plagued by weak governance. Soil erosion and water shortages are already forcing nomadic, herding communities to venture further south in search of water and grazing land, where they are encountering farming communities already occupying the territory. Islamic extremist groups, such as Jama'at Nasr al-Islam wal Muslimin (JNIM) and Islamic State Sahel Province (IS-Sahel) have been active in the region for years and are seeking to expand their influence by competing with weak governments. Very young populations are also looking for work wherever they can find it; the absence of formal employment leaves them more exposed to overtures from criminal networks. A severe, multi-year drought in the region would intensify each of these trends. Herders would lose their livestock and subsistence farmers their crops, raising insecurity for both groups. Extremist groups would become even more capable than governments to step in and distribute food and resources. Weaker consumer demand would reduce job opportunities, enhancing the appeal of illegal work. Eventually, a series of connected conflicts – between herders and farmers, and extremist groups and government troops, backed by foreign mercenaries – begin to overlap and government control of the countries becomes effectively illusory.

Implications

A drought that dramatically increases the number of people in need of government help to meet their most basic needs would demonstrate the limits of institutional power in the region. Democracy has already been defeated: all three countries are run by military figures who took power through force in the past five years. Their strong anti-colonial stance has seen them reject French and multilateral assistance in favour of (largely Russian) private military contractors. Their ability to retain this support will weaken as Islamist extremists continue to undermine state capacity, through sabotage of infrastructure and the intimidation and violence of local communities. Clashes between state-backed mercenaries

and extremist groups will also result in further damage to the land and destruction of infrastructure, making it more difficult for livelihoods to recover. This could escalate to major towns being encircled or blockaded. The presence of foreign investors, notably Chinese mining firms, would wither, given the difficulty to operating in an insecure environment and of negotiating binding contracts with the governments. Western diplomatic and financial influence would remain very weak, given the ideological hostility of the military-run governments.

“Eventually, a series of connected conflicts – between herders and farmers, and extremist groups and government troops, backed by foreign mercenaries – begin to overlap and government control of the countries becomes effectively illusory”

Hardliners in the PSUV remove Delcy Rodriguez in Venezuela

There are many in Venezuela's ruling Socialist Party (PSUV) who are opposed to the US's capture of Nicolas Maduro and its installation of his deputy, Delcy Rodriguez, as interim president. For PSUV hardliners, the prospect of democratic elections, potentially forced by the return of popular opposition politician Maria Corina Machado, risks the party losing power to members of the Unitary Platform, the umbrella anti-Chavismo alliance. Forcibly removing Rodriguez would be a strategic gamble. Although Maduro has gone, the architecture of his authoritarian state remains in place. If the interior minister, Diosdado Cabello, decided to assume control of the PSUV, he could attempt to reintroduce the repression of the Maduro era and present the short interregnum of Rodriguez as a consequence of unwelcome foreign meddling. Cabello and his allies still have the loyalty of Maduro's colectivos and other armed organisations. It would also put the US in dilemma, by demonstrating that the US would need to commit significantly more resources to achieve its aims in Venezuela. Cabello and his supporters may also feel that they have no choice: the US has put multi-million-dollar bounties on their heads, which means they have no future in a US-dominated Venezuela.

Implications

If PSUV members removed Rodriguez, the prospect of major conflict would rise considerably. Rodriguez has attempted to strengthen her own security by appointing loyalists to senior positions and removing the powerful defence minister, Vladimir Padrino, but it is not at all clear how far these supporters would go to protect her or the emerging possibility of a democratic Venezuela. Her removal would also test the US's appetite for a long-term commitment to the country. Thus far, it has managed to topple Maduro and potentially unlock access to the world's largest oil reserves through a single military operation. But if the PSUV showed itself to be unruly, then the US would either need to introduce its own transitional government and/or further military action to quell the PSUV's hardliners and their supporters. Given the concerns already raised by some US oil majors about operating in Venezuela, the US may decide that the costs outweigh the benefits.

08

Syria re-emerges as a crucible for Islamic State

Syria has several large-scale detention centres for former IS fighters and their families. These were previously located in territory controlled by the Syrian Democratic Forces (SDF), a US-backed, Kurdish-led militia. However, the SDF is gradually being integrated into the transitional Syrian government and in February 2026 it abandoned al-Hawl, the largest of these centres, which housed an estimated 25,000 people. In a chaotic situation, the US-led international coalition moved several thousand IS-linked individuals to prisons in Iraq, while many others escaped. Conditions in the camp were harsh and Western observers have long-held concerns that the treatment of detainees assisted in radicalisation. The effective release of a large number of people sympathetic to IS into a country still lacking stable government, full control of its territory, or a track record of economic rehabilitation, presents a risk of granting IS the chance to rebuild its capability across the Syria and beyond.

Implications

A strengthening IS would complicate the outlook for Syria's nascent political and economic recovery under the government led by the president, Ahmed al-Sharaa. The integration of the SDF and its territory will expand the transitional government's reach significantly, north to the Turkish border and in the east of the country. However, IS attacks on government officials or the country's energy infrastructure could halt this momentum quickly, especially if they take place alongside attempts to foment anti-government sentiment among other ethnic groups who feel that al-Sharaa's administration is leaving them behind, including the Druze and Alawites. The US's ongoing troop withdrawal from the north-east of the country could draw out IS action. An increase in violence would also undermine international confidence in the Syrian administration at the exact time that it is trying to draw in foreign expertise, investment and aid to help it to rebuild the economy. International supporters in Europe, in particular, would pay close attention to the security situation, out of concern that an IS resurgence could increase the risk of terrorist attacks in the Mediterranean Sea and complicate efforts to return refugees.

About Samphire Risk

Samphire Risk was formed in 2021 and is a world-leading independent Managing General Agent (MGA) focused on insuring people and companies against hostile and malicious risks. Through an expert team and exceptional technology, Samphire aims to create world-class products that insure against extortionate crime, hostage-taking and kidnap; terrorism in all its guises; travel into, and within, insecure countries and locations.

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