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The [Asia Brief] is meticulously crafted to give Swiss-Asian business stakeholders a comprehensive understanding of Asia's rapidly changing economic and business landscapes. This region presents a dynamic blend of challenges and opportunities crucial for Swiss businesses and their global counterparts. Through the [Asia Brief], we aim to empower SwissCham ASIA's members with enhanced strategic positioning and informed decision-making, fostering success for Swiss and Asian businesses within the dynamic Asian market.

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Bonus: The Changing Global Order - Farhat Ali

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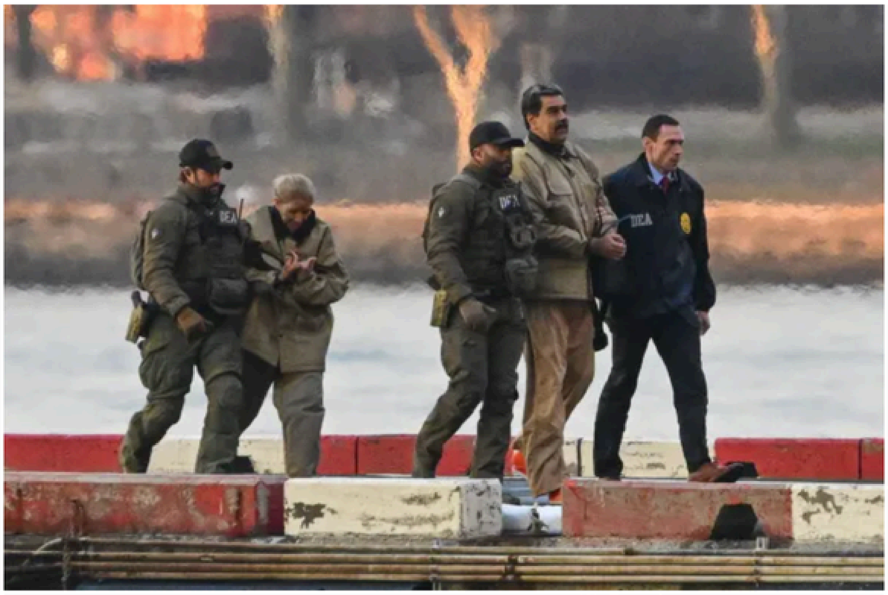
Switzerland

It was a startling start to 2026. First came the news that Venezuelan President Nicolás Maduro had been detained during a visit to New York. Then, almost as an afterthought, another headline emerged that was equally seismic for the global elite: Switzerland announced it was freezing Maduro's assets.

For a nation that built its reputation on centuries of neutrality, it was a revealing moment. The Swiss vault, long considered the ultimate sanctuary for global wealth, had shown itself to be just another lock to which the West holds a key.

This wasn't an isolated incident. It was the latest symptom of a profound decline. Switzerland, the dazzling jewel of the developed world, is watching its carefully built identity crumble.



▲ Venezuelan President Maduro, wife Celia Flores transferred to New York courthouse for arraignment Keystone / EPA

The numbers tell a stark story. In 2020, Switzerland managed nearly a quarter of the world's offshore wealth. By 2025, that share had fallen below 15 percent, with assets under management nearly halving to $1.3 trillion. Meanwhile, Hong Kong has surged ahead to become the world's largest wealth hub, managing $2.9 trillion.

What happened?

The troubles began with the 2023 collapse of Credit Suisse, a 167-year-old institution that was synonymous with Swiss banking. Its fire sale to rival UBS for a fraction of its peak value wasn't just a business failure—it shattered the myth of Swiss infallibility.

But the real damage was self-inflicted. For generations, Swiss banks offered two things the rest of the world couldn't: secrecy and safety from political conflict. Both are now gone.

The secrecy myth cracked in 2009 when UBS was forced to hand client names to US authorities. By 2025, Switzerland had agreed to share data on over three million accounts with more than 100 countries. The numbered account, immune from prying eyes, is a thing of the past.

More damaging was the abandonment of neutrality. When Switzerland froze Russian assets in 2022—following the EU's lead within days—it sent a clear message to every non-Western billionaire: your money is only safe here as long as your government stays on the right side of the West. The recent freeze on Venezuelan assets merely confirmed that the old rules no longer apply.

The capital flight has been staggering. An estimated 108 billion Swiss francs were pulled by foreign clients between 2022 and 2024. Asian wealth, in particular, has been redirecting to Hong Kong and Singapore at an annual rate of 30 percent.

This financial exodus mirrors troubles in the real economy. Pharmaceuticals account for roughly 40 percent of Swiss exports, with the United States as the biggest market.

But facing the threat of American tariffs, giants like Roche and Novartis have been pushed to promise billions in US investment—a direct transfer of economic vitality from Switzerland to American soil.

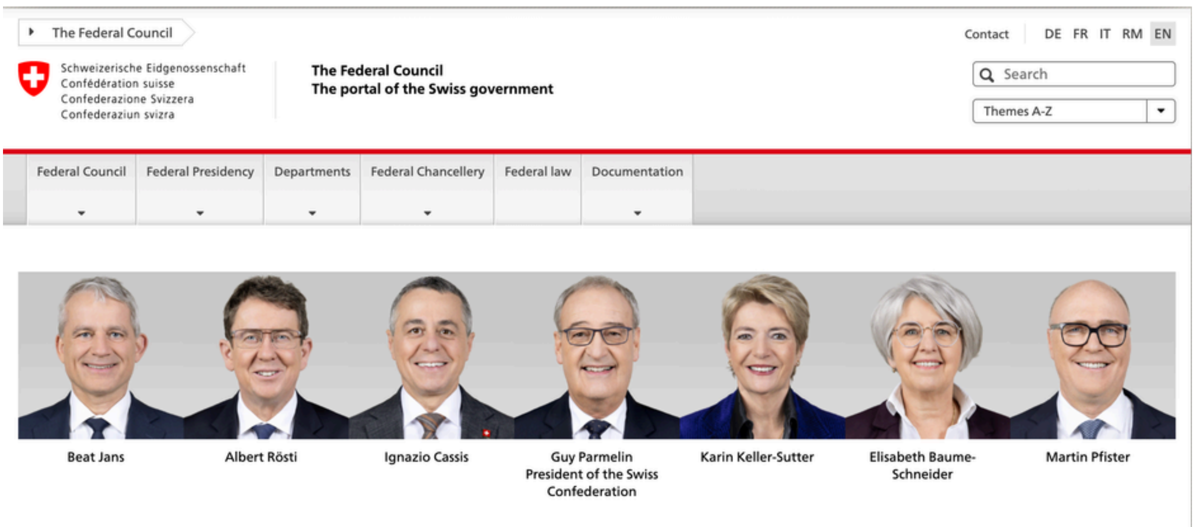
The watch industry, another national icon, is struggling too. Swatch Group, the parent company of brands from Omega to Longines, recently saw its annual profit nearly vanish, plummeting by almost 90 percent. Smartwatches from Apple and Samsung have redefined what a wristwatch means, while the crucial Chinese market has cooled.

The consequences are now visible on the streets of Zurich and Geneva. Consumer confidence is negative. The once-bustling Bahnhofstrasse is quieter. The country has slipped into mild deflation, and unemployment, while low by global standards, has hit a twenty-year high.

How did Switzerland get here?

For centuries, the country thrived on a simple formula: stay out of conflicts, protect client privacy, and make excellent products. In a world of shifting alliances, it was the one place everyone could agree on. That space has now disappeared.

Domestically, the country is divided. The German-speaking regions lean toward cooperation with the EU, while the French-speaking areas cling to a more traditional neutrality. This paralysis prevents a coherent strategy, leaving Switzerland unable to effectively counter pressure from Washington or navigate its relationship with a changing Europe.



There's a hard lesson here. For a small country, neutrality isn't a passive right—it's an active, increasingly difficult strategy. It requires consistent policy and credible independence. By abandoning its unique position for short-term political alignment with the West, Switzerland has not made friends. It has simply made itself useful. And in geopolitics, to be useful is often to be used.

As the chairman of UBS warned late last year, Switzerland is at a crossroads and is losing its lustre. The country now faces a choice. It can continue to drift, watching its banks become regulated utilities and its factories become overseas outposts of American companies. Or it can attempt to rediscover the independent spirit that once made it a model for the world.

For now, the evidence points to the first path. The Swiss franc remains strong, but the sanctuary is gone. The lights are still on in Geneva, but the parties are elsewhere. The alpine idyll, it turns out, was never immune to the weather. It was just better at building shelters. Now, the roof is leaking.

Bahrain

As February 2026 draws to a close, Bahrain navigates a delicate balancing act between fiscal reform and social stability. On February 23, Fitch downgraded the kingdom's sovereign rating to "B", citing high public debt estimated at 146.8% of GDP. The government's consolidation package, rolled out from December, includes fuel and energy price adjustments, while a corporate income tax is planned for 2027. Despite headwinds, GDP is projected to grow 3.3% in 2026, driven by the completed Bapco refinery expansion and resilient non-oil sectors. Yet officials remain sensitive to domestic pressures: the draft budget freezes VAT, increases pensioner allowances, and boosts housing funding—threading the needle between investor expectations and political reality.

Bangladesh

Late February 2026 finds Bangladesh navigating a pivotal transition following the February 12 national election, which brought the Bangladesh Nationalist Party (BNP) to power with a two-thirds majority while a Jamaat-led alliance secured 77 seats. The new government inherits an economy the IMF projects will grow at a modest 4.7% in FY2026 amid elevated inflation forecast at 8.9%. On a positive note, foreign exchange reserves have crossed $35 billion as of February 24, supported by stronger remittance inflows ahead of Eid . On the external front, Dhaka signed a trade deal with the US on February 9 reducing tariffs on Bangladeshi goods, with a mechanism allowing zero-tariff access for apparel using US-origin materials . Domestically, the new administration has vowed to restore public security, end "mob culture," tackle corruption, and move away from a "patronage-driven" economic model to ensure broader participation .

Bhutan

Late February 2026 finds Bhutan navigating persistent economic pressures as households feel the sting of rising prices—inflation reached 3.51 percent in 2025, up from the previous year, with essentials like rice, cooking oil, and eggs becoming noticeably more expensive, and a planned 5 percent Goods and Services Tax expected to add further strain in coming months. On the external front, the Asian Development Bank approved a $25 million financing package on February 10 to support trade expansion and economic diversification through policy reforms aimed at strengthening export competitiveness. In a sign of Bhutan's push for technological partnerships, and the transformative Gelephu Mindfulness City project .

Brunei

Late February 2026 finds Brunei marking its 42nd National Day on February 23 amid a mix of diplomatic outreach and steady economic recalibration. On the economic front, Brunei Darussalam Central Bank hosted its Economic and Investment Outlook 2026 earlier in the month, with Minister of Primary Resources and Tourism highlighting the delicate balance between geopolitical fragmentation and AI-driven transformation. The non-oil sector has grown to account for more than half of GDP, driven by downstream industries, food manufacturing, and ICT, with non-oil exports nearing 60 percent of total exports. Meanwhile, on February 19, Foreign Minister II Erywan Pehin Yusof visited Dili to reaffirm strategic partnership with Timor-Leste following its full ASEAN membership, focusing on education, health, and technological connectivity. Domestically, the Ministry of Culture, Youth and Sports distributed donations to over 3,000 orphans on February 25, reflecting ongoing social welfare commitments.

Central Asian Region

Late February 2026 finds Central Asia navigating a defining moment of diplomatic and economic realignment. The region's "multi-vector" strategy was on full display at the February 21 C5+1 summit with US President Trump, where Kazakhstan joined the Abraham Accords and Uzbekistan announced a $35 billion investment deal with American firms. Meanwhile, the EBRD projects regional growth at 5.7% for 2026, with countries pursuing friendly relations with all major powers emerging as attractive investment destinations. The EU reinforced its strategic partnership at the SPECA Economic Forum in Turkmenistan, emphasizing sustainable connectivity and green energy.

- **Kazakhstan:** Late February 2026 finds Kazakhstan accelerating its most ambitious political transformation in decades, with voters set to head to the polls on March 15 for a referendum on a new constitution that would shift the country from a "super-presidential" system to a presidential republic with a stronger parliament, restoring the vice presidency and creating a unicameral legislature. On the economic front, the government is working to stabilize inflation—price growth for essential food items in February was just 0.5%, half the rate from a year earlier—while targeting specific regional price pressures in Mangystau and Turkistan regions through grain supply interventions and stabilization fund releases. Foreign policy remains active: Serbian President Aleksandar Vučić arrives in Astana on February 26 for an official visit focused on expanding trade and investment, following a year that saw bilateral trade reach $107.7 million with Kazakh exports surging 80%.
- **Uzbekistan:** Late February 2026 finds Uzbekistan accelerating its reform agenda and international outreach. President Shavkat Mirziyoyev approved the State Program for the "Year of Mahalla and Social Prosperity" on February 16, incorporating nearly 1,000 public proposals from over 22,000 submissions received during nationwide consultations. The program comprises 337 practical measures aimed at upgrading local infrastructure, strengthening anti-corruption efforts, and increasing renewable energy's share to 30 percent. With 600,000 young people entering the workforce annually—a figure expected to reach 1 million by 2030—officials view youth entrepreneurship as crucial for job creation, noting that young entrepreneurs launched 15,000 new businesses generating 50,000 jobs in 2025.

Mongolia

Late February 2026 finds Mongolia navigating a complex diplomatic and economic landscape. Domestically, the government continues to bolster its key industries, with the "White Gold" national movement signing concessional loan agreements worth 350 billion MNT on February 25 to support cashmere processing, building on last year's historic export high of 4,000 tonnes valued at $330.6 million. On the diplomatic front, Mongolia is actively engaging with partners to elevate its international standing. Reflecting confidence in Mongolia's economic trajectory, Moody's assigned a B1 rating to the country's upcoming dollar bonds on February 23, citing robust growth prospects supported by strong mineral exports and a declining debt-to-GDP ratio, which fell from 74% in 2020 to approximately 43% by the end of 2025. Discussions regarding the strategic Trans-Mongolian gas pipeline project with Russia continue, though reports indicate that negotiations between Russia and China have been complex due to fluctuating global gas prices.

China

February 2026 opened with China's Year of the Horse Spring Festival celebrations in late January, as the country navigates a complex landscape of economic recalibration and diplomatic engagement. On the diplomatic front, Foreign Minister Wang Yi met with his French counterpart Jean-Noël Barrot on February 13 on the sidelines of the Munich Security Conference, where both sides reaffirmed bilateral cooperation on green development and reaffirmed France's commitment to the One-China policy. Domestically, eight government departments including the Cyberspace Administration jointly released the 2026 edition of the security guide on cross-border automobile data transfers on February 3, providing long-awaited clarity for foreign automakers operating in China.

- **Chinese Taipei (Taiwan):** As February 2026 draws to a close, the Chinese Taipei economy continues navigating moderating growth amid shifting global trade dynamics. Advance estimates released mid-month confirmed 2025 GDP growth at 4.3%, slightly above initial forecasts, driven by robust AI-related exports that pushed annual export growth to 5.9%—though momentum slowed in early 2026 with January exports contracting 4.4% year-on-year amid holiday disruptions. On the policy front, the Ministry of Economic Affairs announced on February 12 expanded subsidies for SMEs adopting green manufacturing processes, part of broader efforts to meet 2050 net-zero targets. Meanwhile, semiconductor giant TSMC continues its global expansion, confirming on February 14 additional investment in its Arizona facility, though industry observers note that advanced packaging capacity—critical for AI chip performance—remains concentrated at home.
- **Hong Kong:** Hong Kong navigates economic recalibration and deepening international integration. Financial Secretary Paul Chan delivered the 2026-27 Budget on February 25, forecasting GDP growth of 2.5% to 3.5% for the year following 3.5% expansion in 2025, with underlying inflation projected at 1.7%. The budget outlined strategic investments in technology and artificial intelligence, including at least HK$30 billion to accelerate development of the San Tin Technopole and Hetao Hong Kong Park border tech hubs. The government also proposed transferring HK$150 billion from the Exchange Fund over two years to finance Northern Metropolis infrastructure projects.

Macao: As February 2026 draws to a close, Macao navigates an ambitious push for economic diversification while maintaining its position as the premier gaming hub. The government released its 2026 fiscal budget on February 16, projecting gaming revenues to reach MOP 240 billion this year—approaching pre-pandemic levels—with increased allocations for non-gaming tourism development. The Chinese New Year Golden Week brought a welcome boost, with average daily visitor arrivals exceeding 180,000 and a noticeable shift toward cultural tourism experiences. The government announced on February 20 the successful subscription of fresh bond issuance, with funds earmarked for the Guangdong-Macao Intensive Cooperation Zone in Hengqin.

Cambodia

Cambodia navigates a dynamic period of diplomatic engagement and infrastructure-driven growth. On February 26, Prime Minister Hun Manet expressed hope for de-escalating tensions with Thailand, stating that transnational scam centers are "destroying" Cambodia's legitimate economy. The government's 2026 national budget stands at approximately $10.16 billion, a 7.8 percent increase from 2025, with GDP growth projected at around 5 percent driven by garment exports, tourism recovery, and the Pentagonal Strategy. The Funan Techo Canal project is progressing with technical preparations complete, though authorities have adopted a "resettlement before construction" approach to address land compensation issues before full-scale work begins. Meanwhile, the Cambodia-UAE Comprehensive Economic Partnership Agreement, which entered into force in January 2024, continues to facilitate trade cooperation, aiming to boost bilateral non-oil trade to $1 billion by 2030 as Cambodia seeks to expand rice exports to Gulf markets.

India

As February 2026 draws to a close, India navigates a pivotal moment of economic recalibration and diplomatic outreach. Finance Minister Nirmala Sitharaman presented the Union Budget 2026 on February 1, introducing reforms to simplify tax compliance including a six-month foreign asset disclosure scheme and reduced TCS rates on overseas tour packages, while leaving income tax slab rates unchanged. On the economic front, wholesale price index-based inflation eased to 1.81% in January 2026, its lowest level in months, according to government data released February 16 , while net direct tax collections reached ₹19.43 trillion as of February 10, registering 9.4% year-on-year growth and suggesting steady corporate performance in the final quarter

Indonesia

As February 2026 draws to a close, Indonesia pursues an ambitious policy agenda under President Prabowo Subianto while maintaining steady economic momentum. The government unveiled on February 16 the implementing regulations for the flagship Free Nutritious Meals program, targeting 15 million beneficiaries by year-end with an allocated budget of 71 trillion rupiah. The Ministry of Finance reported on February 20 that January's budget deficit stood at 0.23% of GDP, narrower than forecast, supported by strong tax revenues. The central bank held its February policy meeting on February 19, maintaining the benchmark rate at 6.00% as inflation remained contained at 2.3%. The government also launched on February 24 the second phase of its digital identity system, aiming to cover 80 million citizens by June to streamline public service access.

Japan

As February 2026 draws to a close, Japan navigates economic recalibration and active diplomacy under Prime Minister Sanae Takaichi following her February 8 election victory. The government submitted a record ¥115 trillion draft budget to Parliament on February 20, boosting defense and child care spending. January exports surged 16.8% year-on-year, driven by a 32% jump in semiconductor shipments to China, though U.S.-bound shipments fell 5%. On the diplomatic front, China placed 20 Japanese entities on its export control list on February 24 in response to Japan's expanding defense posture. The Bank of Japan held rates at 0.75% on February 19, with markets expecting a hike to 1% by mid-year if wage growth sustains. Core inflation held steady at 2.3% in January. Tokyo's Digital Nomad Visa continues targeting remote workers from 74 countries to boost regional tourism.

Laos

As February 2026 draws to a close, Laos navigates its ASEAN chairmanship year with active diplomacy while grappling with persistent economic headwinds. On the economic front, the Bank of Laos issued new directives on February 16 tightening foreign currency lending rules, mandating that 20% of export earnings be converted to kip to stabilize the rapidly depreciating currency amid inflation near 20%. The Laos-China Railway reported record February traffic during the Chinese New Year period, with daily passengers exceeding 12,000 and cross-border freight up 35% year-on-year. Foreign Minister Thongsavanh Phomvihane attended the ASEAN Foreign Ministers' Retreat in Malaysia on February 18-19, pushing for progress on the ASEAN Power Grid initiative as Laos seeks to expand hydropower exports.

Malaysia

As February 2026 draws to a close, Malaysia navigates robust economic momentum and active regional diplomacy. Trade data released mid-month showed January's surplus widening to RM 18.5 billion, driven by surging exports of electronics and palm oil. The government tabled the mid-term review of the 12th Malaysia Plan in Parliament on February 24, revising annual growth targets upward to 5.5-6.0%. Prime Minister Anwar Ibrahim hosted Indonesian President Prabowo Subianto on February 15, finalizing border demarcation agreements and joint palm oil marketing strategies. The central bank held rates at 3.00% on February 20, upgrading 2026 GDP growth forecast to 5.2% on resilient domestic demand. Meanwhile, the government launched the second phase of the National Energy Transition Roadmap on February 12, offering new tax incentives for solar and green hydrogen investments.

Middle East Region

Late February 2026 finds the Middle East navigating a complex landscape of diplomatic realignment and economic diversification. The UAE and India signed a comprehensive trade agreement on February 18, aiming to double bilateral commerce by 2030. Saudi Arabia's Public Investment Fund announced new renewable energy partnerships on February 22, accelerating Vision 2030 goals. Meanwhile, IMF projections released February 10 forecast regional growth at 3.9% for 2026, with Gulf states leading through reform momentum and non-oil sector expansion.

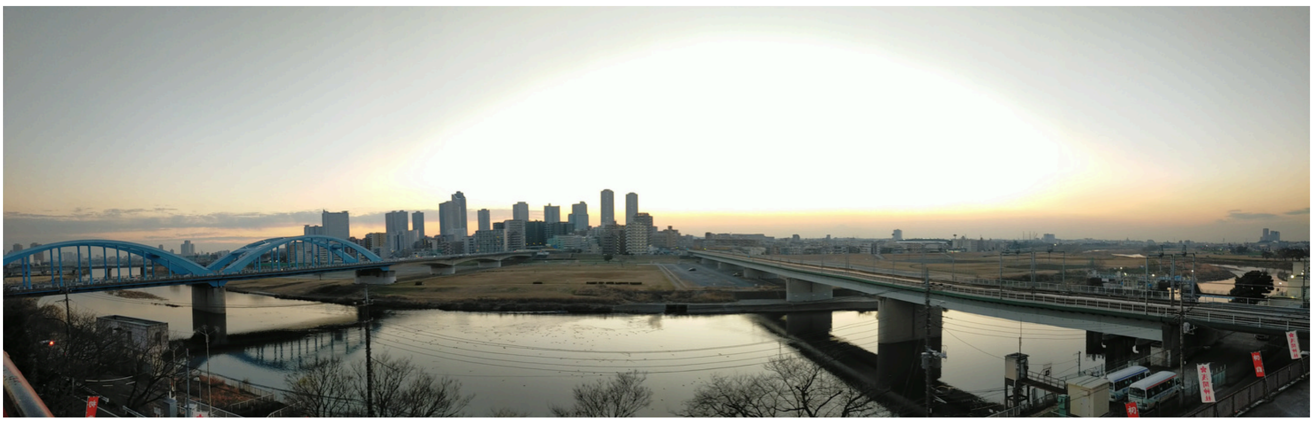
- **Saudi Arabia:** As February 2026 draws to a close, Saudi Arabia accelerates its Vision 2030 transformation amid robust non-oil growth and diplomatic outreach. The Public Investment Fund reported assets under management reached $925 billion, with new investments in gaming, aviation, and semiconductors. Non-oil GDP grew 4.8% in late 2025, the highest in three years, while January inflation remained subdued at 1.7%. The Kingdom welcomed over 1.5 million Umrah pilgrims during February, a 27% year-on-year increase. The Ministry of Energy announced on February 18 that it would maintain voluntary oil production cuts through April in coordination with OPEC+. The Saudi Green Initiative forum convened on February 25, unveiling new carbon capture projects.
- **United Arab Emirates (UAE):** As February 2026 draws to a close, the UAE navigates robust economic expansion and active diplomacy. The IMF concluded its Article IV mission on February 19, projecting 5.2% GDP growth for 2026, with non-oil sectors now accounting for nearly 75% of economic output. President Sheikh Mohamed bin Zayed hosted Indian Prime Minister Modi on February 18, signing agreements on renewable energy and a dedicated investment corridor. Dubai welcomed over 2.3 million international visitors in January, with hotel occupancy averaging 87% during the February school holiday period. ADNOC announced on February 10 the final investment decision for its lower-carbon LNG expansion project. The Central Bank held its policy meeting on February 23, maintaining rates while introducing new guidelines for buy-now-pay-later platforms effective March 1.

Myanmar

Late February 2026 finds Myanmar navigating an increasingly fragmented political and humanitarian landscape. Senior General Min Aung Hlaing visited Beijing on February 14-16, meeting with Chinese Premier Li Qiang to discuss border stability and economic cooperation. The economy continues its decline, with the World Bank reporting on February 12 that GDP remains approximately 13% below pre-pandemic levels. The humanitarian situation worsened, with the UN warning on February 24 that 19.9 million people now require assistance, up 1.5 million from last year. Neighboring countries expressed growing concern, with Thailand reinforcing its border on February 18 after artillery shells landed on its territory during clashes.

North Korea

As February 2026 draws to a close, North Korea navigates a defining moment following the conclusion of its first ruling party congress in five years. The 9th Congress of the Workers' Party convened from February 18-23, where leader Kim Jong Un was re-elected as general secretary. In his address, Kim signaled conditional openness to dialogue with the United States, stating that prospects depend on Washington respecting North Korea's status as a nuclear-armed state and dropping hostile policies. However, he firmly ruled out engagement with South Korea, describing it as an "eternal enemy." On February 25, North Korea staged a military parade in Pyongyang, where Kim warned of "terrible retaliatory attacks" against any hostile acts. The World Food Programme warned on February 19 that food insecurity remains acute, with the agency able to supply only 22 percent of planned assistance targeting 6.2 million North Koreans following last year's poor harvest.



Pakistan

As February 2026 draws to a close, Pakistan navigates economic stabilization efforts and diplomatic engagement. The government secured a staff-level agreement with the IMF on February 18 for the second tranche of the $7 billion bailout, releasing $1.1 billion after meeting revenue and energy subsidy targets. The State Bank reported on February 20 that inflation eased to 11.2% in January, the lowest in 11 months, while foreign exchange reserves crossed $16 billion for the first time in three years. The military's counterterrorism operation in Balochistan continued, with security forces claiming on February 24 to have killed 18 militants following recent attacks on coal miners.

Philippines

As February 2026 draws to a close, the Philippines navigates diplomatic recalibration and economic headwinds. The Philippine Statistics Authority confirmed on January 29 that GDP grew only 3.0 percent in Q4 2025, bringing full-year growth to 4.4 percent—well below the 5.5-6.5 percent target—primarily due to a 41.9 percent contraction in public infrastructure spending following the flood control scandal. On the diplomatic front, Senator Erwin Tulfo met with Chinese Ambassador Jing Quan on February 24, with both sides agreeing to strengthen dialogue, while the Chinese embassy affirmed its commitment to bring bilateral relations "back on track." As the Philippines—serving as ASEAN chair this year—pushes to finalize a COC by end of 2026. Bangko Sentral reported on February 11 that January inflation eased to 2.0 percent.

Singapore

As February 2026 draws to a close, Singapore navigates steady economic momentum and active diplomacy. Prime Minister Lawrence Wong delivered the 2026 Budget on February 12, establishing a National AI Council and announcing at least S$3 billion for technology hub development. Trade data released February 10 showed 2025 GDP growth at 5.0 percent, with the 2026 forecast upgraded to 2.0-4.0 percent driven by AI-related electronics demand. Parliament's Budget debate concluded on February 26, with PM Wong reaffirming that Singapore ""will not have jobless growth" amid AI transformation. Parliament passed measures enhancing platform worker protections, including tax deductions for operator CPF contributions. The Monetary Authority maintains its policy stance with January core inflation steady. On the diplomatic front, President Tharman continues strengthening regional ties as Philippine officials describe bilateral relations as "warmer and warmer."

South Korea

As February 2026 draws to a close, South Korea navigates domestic political debate and active diplomacy amid North Korea's reaffirmation of its hostile policy toward Seoul. The unification ministry expressed regret on February 26 over North Korea's declaration that it will permanently exclude South Korea from the category of compatriots, following the conclusion of the North's Ninth Party Congress. On the economic front, the Bank of Korea held its benchmark rate steady at 2.50 percent on February 26, while raising its 2026 GDP growth forecast to 2.0 percent from 1.8 percent, citing robust semiconductor exports. Foreign Minister Cho Hyun met with his Canadian counterpart in Ottawa on February 25 for two-plus-two talks, highlighting South Korea's submarine production capabilities as Seoul pushes to secure Canada's major patrol submarine project.

Thailand

As February 2026 draws to a close, Thailand navigates a dramatic political and economic recalibration following the February 8 general election. The Bhumjaithai Party emerged victorious, with leader Anutin Charnvirakul set to form a coalition government commanding approximately 298 parliamentary seats and expected to serve as Prime Minister and Defense Minister. On the economic front, the Bank of Thailand surprised markets on February 25 with a 4-2 vote to cut the benchmark interest rate by 25 basis points to 1 percent—the lowest level since September 2022—to shore up fragile recovery amid mounting uncertainty. Commerce Minister Suphajee Suthumpun unveiled an urgent strategy on February 23 to counter looming 15 percent US global tariffs, confirming the most recent round of bilateral trade talks occurred on February 12 while accelerating FTA negotiations with South Korea, the EU, and Canada. Thailand also announced plans to raise the Passenger Service Charge for international travelers starting June 20, with revenue allocated to airport infrastructure upgrades.

Vietnam

As February 2026 draws to a close, Vietnam navigates political consolidation and economic recalibration. The Secretariat convened a nationwide conference on February 25 to disseminate and implement Politburo Resolutions No.79 on developing the state-owned economic sector and No.80 on cultural development, with General Secretary To Lam delivering the keynote address to over 2 million participants across 27,000 online venues. The United States remained Vietnam's largest export market at $13.9 billion, while China was the top import source at $19.0 billion. On the diplomatic front, Prime Minister Pham Minh Chinh held a phone call with Singaporean counterpart Lawrence Wong on February 10, discussing expansion of Vietnam-Singapore Industrial Parks, cooperation in carbon credits, digital economy, and clean energy including offshore wind power feasibility studies. The State Bank maintained its policy stance amid banking sector competition, with Big4 state-owned banks offering effective deposit rates up to 6.9% through incentive packages.

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COLUMN REPORT

THE UNRAVELING: AMERICA'S CONSTITUTIONAL CRISIS, EUROPE'S OLYMPIC EXPERIMENT, AND THE COLLAPSE OF ELITE CREDIBILITY

On February 20, 2026, the U.S. Supreme Court delivered a 6-3 ruling that struck down the Trump administration's global tariff policy, declaring it an unconstitutional overreach of executive power. The decision was not merely a legal setback for a president who had built his political identity around economic nationalism. It was a constitutional reset—a judicial reminder that even a president cannot rewrite the rules of American governance through emergency powers.

At the heart of the case was Trump's creative use of the International Emergency Economic Powers Act, a 1977 law designed for financial sanctions, never for tariffs. By invoking IEEPA to impose sweeping duties on 127 countries, the administration had effectively bypassed Congress's constitutional authority over taxation. Chief Justice John Roberts, writing for the majority, was unequivocal: the president cannot claim powers that belong to the legislative branch simply because the text of a law is ambiguous. The voting lineup told its own story. Two Trump appointees—Justices Gorsuch and Barrett—joined the liberal wing in the majority. Gorsuch's concurrence warned of the executive branch's "natural tendency" to expand its reach, a quiet rebuke from within the president's own ideological camp.

Within hours, Trump pivoted to Section 122 of the Trade Act of 1974, imposing a 15 percent global temporary tariff. But unlike IEEPA, Section 122 carries a built-in expiration: 150 days. By late July, Congress will face a vote on whether to extend it, just three months before the midterm elections. The political landscape has shifted overnight. Democrats are already framing the $175 billion already collected under the voided tariffs as an illegal tax hike. Republicans, meanwhile, are split between constitutional purists who applaud the ruling and protectionists who view it as judicial sabotage.

Donald Trump with (l-r) Solicitor General John Sauer and Secretary of Commerce Howard Lutnick on the day of the supreme court judgment on his tariffs. Photograph: Kevin Dietsch/Getty Images

For ordinary Americans, the ruling carries tangible weight. Yale's Budget Lab estimates that the average tariff rate, which had spiked to 16 percent under IEEPA—the highest since 1936—dropped to 9.1 percent immediately after the decision, before settling at 13.7 percent under the new temporary regime. That translates into hundreds of dollars in annual household savings, assuming Congress doesn't extend the tariffs. But the uncertainty remains. The Court may have drawn a line, but it did not erase the underlying political divide.

A general view shows the Olympic rings on the Cortina Curling Olympic Stadium, which will host the curling, wheelchair curling, and Paralympic closing ceremony during the Milano Cortina Winter Olympic Games 2026, in Cortina, Italy, January 25, 2025. REUTERS/Claudia Greco/File Photo Purchase Licensing Rights

Across the Atlantic, a different kind of experiment was reaching its conclusion. The Milan-Cortina Winter Olympics, which closed just days before the Supreme Court ruling, offered a glimpse of what global events might look like in an era of cost constraints and sustainability pressures. It was the first Games to fully embrace the International Olympic Committee's new regional hosting model—no single host city, no central athletes' village, no concentrated urban narrative. Instead, venues were scattered across northern Italy, with six separate accommodation hubs and a closing ceremony held in Verona, a city with no competition venues at all.

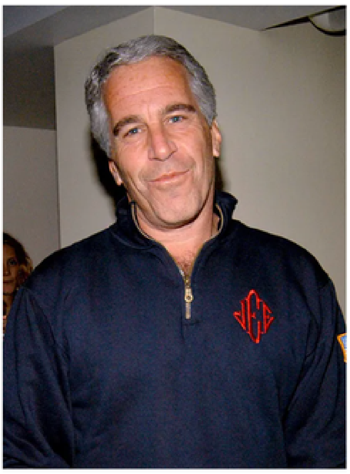
The numbers told a story of controlled expansion. Beijing 2022 featured 109 medal events across 7 sports; Milan-Cortina expanded to 116 events across 8 sports, adding ski mountaineering—a low-infrastructure discipline that aligns with the IOC's push for sustainability.

But the most telling changes were invisible to most viewers. The traditional medals plaza, a fixture since Calgary 1988, was eliminated. Victory ceremonies moved to competition venues, replaced by a decentralized "Champions Celebration" that scattered the nightly gatherings once central to host cities. The shift reflected the logic of regional hosting: without a single city center, there could be no single civic ritual.

Technology filled some of the void. Drone-based broadcasting reached unprecedented scale in alpine and freestyle events, offering immersive tracking traditional cameras could never achieve. Yet the commercial reality was sobering. Milan-Cortina's local sponsorship revenue hovered around $550 million—roughly one-third of Beijing's $1.5 billion haul. The gap reflects a structural truth: mature European markets, for all their cultural affinity with winter sports, cannot match the commercial capacity of China or the United States.

For new IOC President Kirsty Coventry, the Games marked her first full Olympic outing. Reviews were mixed. Her opening ceremony address, delivered primarily in English with only scattered Italian, broke with the French protocol tradition. In media appearances, she seemed tentative on sensitive topics, at one point openly complaining that her communications team had not prepared her adequately. It was a debut suggesting institutional continuity rather than personal imprint—a leader still finding her footing.

Then there was the third tremor, the one that refused to settle.



In a 2017 email, Woody Allen's wife thanked Epstein for helping their daughter gain admission to Bard College. In another, a former Norwegian diplomat sought Epstein's help securing a London internship for his son. When the young man abandoned the placement after one day, Epstein fumed privately—but later offered edits on his NYU application essay.

These were not crimes. They were the ordinary currency of elite life: introductions, recommendations, the quiet smoothing of paths. Analysis shows Epstein's top 500 contacts spanned finance, science, media, tech, law, and politics across multiple continents. It was not a cabal, but something more mundane: a cross-sectoral elite accustomed to moving in the same circles, assuming the usual rules did not quite apply.

What made this unsettling was not privilege, but indifference. Epstein had been a registered sex offender since 2008. His plea deal was public. Young women in his homes were visible to anyone who chose to look. Yet MIT's Media Lab accepted his donations after internal discussions noting his criminal record. Scientists sought his funding. Financiers stayed in touch.

Hannah Arendt's "banality of evil" risks overuse, but something here echoes her insight: not the evil, but the banality. The focus on logistics and small tasks created a buffer zone between individuals and the reality they preferred not to see. Enough people knew enough to ask questions. They chose instead to handle the paperwork.

Three stories, one February. In Washington, a constitutional crisis over presidential power. In northern Italy, an Olympic Games stripped of civic ritual, held together by drones and spreadsheets. In leaked emails, a portrait of elite complicity so ordinary it barely registers as scandal. What emerges is a picture of systems under strain. Not collapsing, not yet. But creaking. And in the cracks, light seeps through—enough to see, if not yet enough to change.

The Changing Global Order

For nearly eight decades, US global leadership rested on military supremacy, economic centrality, and alliance cohesion. The first two remain substantial; the third is eroding.

Farhat Ali

What the world of today is witnessing is a fractured west, a shifting order, the waning of singular hegemony, an unprecedented and rapid transition from uncontested primacy to competitive multi-polarity, and the uncertain future of the United Nations.

At the recent Munich gathering, a striking admission cut through diplomatic caution. Germany's chancellor Friedrich Merz declared that the post-1945 settlement "no longer exists." France's president Emmanuel Macron urged Europe to become a geopolitical power in its own right. Even America's top diplomat, Marco Rubio, conceded that "the old world is gone."

The same voice had been echoed by Canada and the UK. Both are shifting from old world order and are carving an independent geopolitical and economic road map tailored to their needs.

These are not routine diplomatic flourishes. They reflect a deeper fracture within the Western alliance anchored for decades by the United States and institutionalised through structures like NATO and the United Nations.

The consequences of this shift extend beyond transatlantic tensions. They reach the future of American hegemony, Europe's Middle East policy, China's ascent, Russia's manoeuvring space — and, critically, the fate of the United Nations itself.

In such an environment, even close allies calculate interests with greater autonomy.

On Gaza and Palestine, most European capitals have maintained support for a two-state solution, distancing themselves from unilateral approaches. Should Europe solidify its strategic independence, it may articulate a clearer and more unified Middle East policy.

A consolidated European stance could carry weight in global institutions. It could shift voting patterns, funding priorities, and diplomatic coalitions — particularly within the UN General Assembly.

No country benefits more from Western fragmentation than China. Beijing's strategy has long emphasized economic expansion, institutional engagement and patient positioning. A divided West strengthens China's narrative that the era of Western dominance is fading, and that multi-polarity is inevitable.

China's growing role within UN agencies — from peacekeeping contributions to development financing — underscores this shift. As Western unity falters, Beijing's influence in shaping norms, standards, and development models through multilateral platforms quietly expands.

For Russia, Western discord offers breathing room. Moscow has consistently criticised NATO expansion and US dominance as destabilising forces. If Europe recalibrates its security architecture or reduces automatic alignment with Washington, Russia gains diplomatic maneuverability.

Yet the dynamic is complex. Europe's push for autonomy is partly driven by concerns over Russian aggression. A more militarily capable Europe could, over time, pose a firmer counterweight. In the interim, however, any dilution of Western coordination complicates unified sanctions and diplomatic pressure.

The United Nations is at a crossroads. The greatest institutional test may lie ahead for the United Nations. Born from the ashes of the World War II, the UN was designed to reflect a world dominated by a handful of victorious powers. Its Security Council structure embodies that historical moment.

In a fractured and multipolar environment, the UN faces three possible futures. First, paralysis; if major powers increasingly veto each other's initiatives, the Security Council risks further irrelevance. We have already witnessed gridlock over Ukraine and Gaza.

In a more divided West, even informal coordination among Western members may weaken, amplifying stalemate.

Second, adaptation. Pressure for reform — particularly expansion of the Security Council to reflect contemporary power realities — may intensify. Emerging powers will demand greater representation. While structural reform remains politically difficult, geopolitical flux could generate momentum for incremental adjustments.

Third, revitalization through the General Assembly and specialized agencies. As great powers compete, middle and smaller states may leverage UN forums to assert collective influence. Climate negotiations, humanitarian coordination, and development financing may increasingly define the UN's relevance, even if hard security questions remain deadlocked.

Ironically, a fragmented hegemonic order could both weaken and empower the UN. It weakens it by reducing great-power consensus; it empowers it by making multilateral legitimacy more valuable in a world lacking a single dominant arbiter.

For smaller and middle powers, multi-polarity offers cautious opportunity. A world no longer dominated by one centre allows strategic hedging — engaging Washington, Beijing, Brussels, and others simultaneously. Yet it also risks becoming an arena for intensified competition.

Here, the UN's normative framework becomes crucial. Smaller states may increasingly rely on multilateral institutions to shield sovereignty and amplify collective bargaining power.

In the absence of strong hegemonic enforcement, rules-based legitimacy could regain importance — provided the institution adapts.

The post-1945 order is not collapsing overnight. Its institutions remain embedded in global trade, finance, and security. But the psychological threshold has been crossed: leaders now openly acknowledge systemic transition.

The world is entering an era defined less by dominance and more by negotiation; less by blocs and more by fluid alignments. The United States remains indispensable but less commanding. Europe seeks agency but must develop capability. China expands influence but faces structural economic tests. Russia manoeuvres within constraints.

The United Nations, meanwhile, stands at a hinge point in history. It can drift into procedural irrelevance amid great-power rivalry — or it can evolve into a central arena where a multipolar world manages its competition.

The end of one order does not guarantee chaos. It guarantees change. Whether that change yields fragmentation or a recalibrated balance will depend not on declarations in Munich, but on whether global institutions — especially the UN — adapt to a world no longer governed by a single, uncontested hegemon.

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