

Heligan Strategic Insights' 2026 State of the Nation Series

Heligan Strategic Insights remains at the forefront of global defence and national security market intelligence, leveraging proprietary sources and continuous monitoring to anticipate emerging flashpoints that will redefine markets and unlock new opportunities for investors and businesses.

As 2026 dawns we examine the regions of the world where developments are likely to disproportionately influence our sectors of specialism. In Eastern Europe war has raged for almost four years and has fundamentally changed the character of conflict and the speed of military technology adoption, but the prospect of peace in 2026 will undoubtedly shift equipment demand dynamics.

The Indo-Pacific theatre, stretching across the vast Indian and Pacific Oceans, has long served as a stage for strategic competition between the US and China, each vying for influence in this pivotal arena. Recent unilateral action by the US in the Western Hemisphere, which removed Venezuela's President Nicolás Maduro, throws the door open for Chinese operations against Taiwan, heightening geopolitical tensions in the South China Sea.

Increasingly talked about is the Arctic which holds significant natural resources in the form of hydrocarbons and rare earth minerals – essential for electronics and defence technologies such as guidance systems – and holds strategic early warning

significance for the US and NATO in the face of Russian threats. President Trump's renewed calls to annex Greenland highlight the strategic significance of the area, and his willingness to threaten military action underscores the urgency for others to assert influence in what is fast becoming a future operating environment – one with the potential to trigger confrontation among major powers.

This here then is our 'State of the Nation' – a 5-part Primer series that provides an in-depth assessment of the world's key theatres where unfolding events will shape our core sectors of business and where new opportunities are likely to emerge amid the anticipated turbulence.

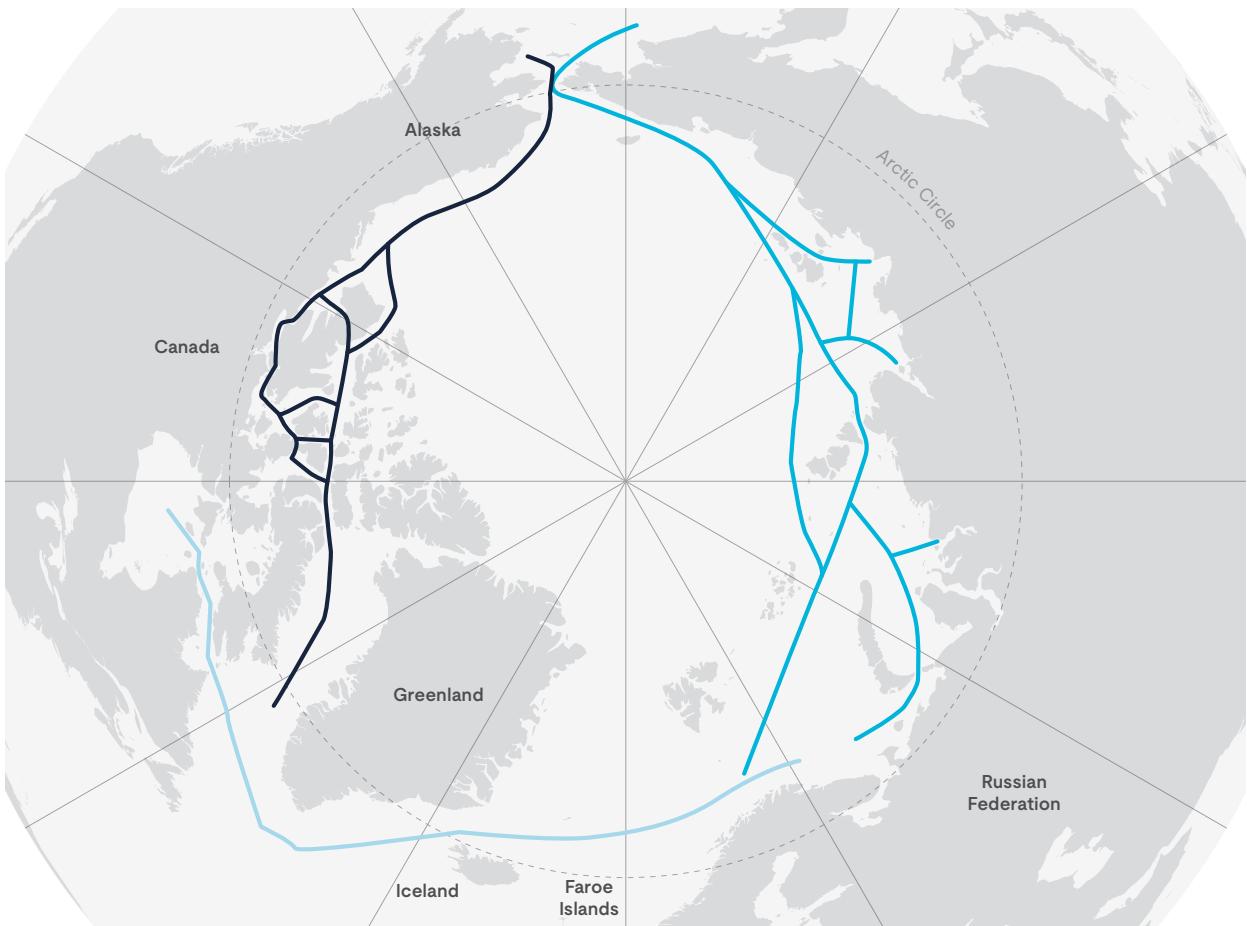


The Arctic

The Arctic has quietly shifted from a frozen buffer to a working theatre of geopolitics, defence, and capital. Melting ice, driven by global warming has opened routes, shortened distances, and exposed resources that were once naturally protected. At the same time, Russia's hardened northern posture, China's growing strategic curiosity, and NATO's expansion northwards have turned the High North into a place where physical presence, sensors, and logistics matter as much as raw military force.

When we talk about the Arctic in defence and security terms, we are not talking about a single blank space on a map. It is a set of connected operating environments. The European High North and Barents Sea are defined by Russia's bastion around the Kola Peninsula and NATO's need to see and understand what is happening there. The Greenland–Iceland–UK gap links the Arctic to the North Atlantic and underpins

everything from submarine movements to the flow of equipment. The Canadian Arctic and Alaskan approaches sit at the heart of early warning for the US and wider NATO defence. The Bering Strait connects this whole system to the North Pacific. What ties these together is not just geography but the reality that whoever controls sensing, access, and sustainment, controls the tempo of events.



Existing sea transport routes in the Arctic

— Northern Sea Route — Northwest Passage — Arctic Bridge

Source: Nordregio at www.nordregio.org

Northern Russia remains the most heavily militarised Arctic actor, with long-standing bases, air defence, and submarine infrastructure. NATO has always treated the Arctic as a front door rather than a distant flank, but recent activity, particularly from suspected Russian covert operations in the High North has led to a modernisation of warning systems and planning for faster response. NATO has been transformed by the accession of Finland and Sweden, closing long-standing gaps in the High North and making allied operations more coherent. Norway has doubled down on its role as the alliance's frontline Arctic state.

Denmark and Greenland have become more strategically visible, not only because of and the traditional deterrence role it has played, but also because of recent US challenges to sovereignty based on national security arguments. China is not an Arctic coastal state, but it is an Arctic stakeholder in practice, seeking influence, access, and data in ways that increasingly overlap with Russian interests, and increasingly facilitated by them.

The Arctic matters because it compresses strategic time and space. High latitudes are where long-range threats transit and where early warning buys precious minutes. They are also where critical infrastructure such as subsea cables, satellite ground stations, ports, and runways become sparse and therefore fragile. The region's resource potential adds long-term economic gravity, but in the near term it is the ability to see, communicate, and move in extreme conditions that defines advantage. In this environment, competition rarely looks like open conflict. It shows up as persistent mapping, dual-use research, infrastructure investments, and who owns the data picture. Where conflict erupts, we are seeing it occurring increasingly in the grey zone.

For Heligan Group, the Arctic is not an exotic niche. We see it as a stress test for the next generation of defence and national security technology. Capabilities that work in the High North tend to be the ones governments trust everywhere else.

Persistent sensing, space and maritime awareness, resilient communications, autonomous systems, and infrastructure security are no longer optional add-ons. They are the backbone of how allies intend to hold territory, protect societies, and manage escalation.

So for us, the investment "so what" is simple. The Arctic is driving real, budgeted demand for technologies that combine security, data, and infrastructure. Denmark's Arctic and North Atlantic investment programme, Norway's strategic investments into readiness and surveillance, and the Trump Administrations strategy in the High North, all point in the same direction. Capital that backs companies able to plug into these programmes, improve performance in extreme environments, and align with allied procurement pathways is riding a structural wave. For Heligan, we believe that means prioritising platforms that see first, networks that stay up when others fail, and systems that keep critical infrastructure visible and protected when the map turns white.

