

A satellite view of Earth from space, showing the curvature of the planet and the glowing lights of cities at night. The image is dark with a blue and white horizon line.

# APCO GEOPOLITICAL RADAR

**Q1 2024: THE GLOBAL OPERATING ENVIRONMENT**

**APCO**  
worldwide®

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## Welcome to the APCO Geopolitical Radar (AGR), an overview of geopolitical risks posed to global corporations in critical operating regions.

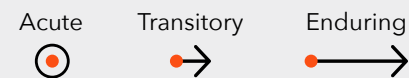
AGR reflects our understanding of the regional risks facing businesses and how these risks come together at a global level. It is intended as a baseline from which to develop strategies that navigate and mitigate these risks. This report looks at emerging trends for Q1 2024 and was published in December 2023.

The regional insights represent the best thinking of APCO corporate advisory practitioners. With more than 1,000 people across more than 30 global locations, our analysis draws on decades of experience and insights serving corporations that operate globally.

The final part of AGR features our Geopolitical Conversation Risk Index, which illustrates the attention global media gives each risk and the degree to which Fortune 500 companies are already acting or are likely to take action.



# HEADLINE GLOBAL RISKS



<b>United States &amp; Canada</b> <ul style="list-style-type: none"> <li>Political upheaval may intensify. →</li> <li>Foreign conflicts divide U.S. public opinion and stretch resources. →</li> <li>As federal policy hardens, U.S. states diverge on economic relations with China. →</li> <li>Government action on AI, supplier due diligence, and EPR are gaining steam. →</li> </ul>	<b>Europe</b> <ul style="list-style-type: none"> <li>Israel-Hamas conflict causes political and socio-economic reverberation across Europe. →</li> <li>Shifts in the dynamics of the war in Ukraine impact stability in Europe. →</li> <li>The EU calibrates its economic security agenda with restrictions on high tech. →</li> <li>European elections will likely shift political priorities toward economic and security considerations with global implications. →</li> </ul>	<b>China</b> <ul style="list-style-type: none"> <li>U.S. officials implement new targeted restrictions on China investments and trade. →</li> <li>China seeking improved relations with the West as de-risking efforts begin to bite. →</li> <li>Escalating global conflicts risk driving a deeper wedge between China and the West. ⊙</li> <li>Systemic risks still weigh on consumer confidence, though reforms offer long-term hope. →</li> </ul>
<b>Latin America</b> <ul style="list-style-type: none"> <li>Latin America is increasingly adopting local approaches to addressing regional migration. ⊙</li> <li>A wave of elections may further entrench the region's political instability. →</li> <li>Latin America is increasingly monetizing its wealth in nature and biodiversity. →</li> <li>Economic impacts from global shocks will continue in 2024. →</li> </ul>	<b>Russia &amp; Ukraine</b> <ul style="list-style-type: none"> <li>Battlefield fatigue increases as both Ukraine and Russia fail to achieve substantive military successes. →</li> <li>Waning support for Ukraine among global allies increases uncertainty and creates instability for the war in Ukraine. →</li> <li>Russian strategic failures limit its legitimacy as a regional security and economic guarantor. →</li> <li>Ukrainian wartime economic policies transform business operations and political conduct in the country. ⊙</li> </ul>	<b>India and South Asia</b> <ul style="list-style-type: none"> <li>Policy slowdown in India ahead of 2024 elections. →</li> <li>India balances geopolitical ties with Russia, the West, and Middle East. →</li> <li>Bangladesh faces protests and election boycott threats in run-up to elections. →</li> <li>Concerns about legitimacy in Pakistan's elections will heighten political tensions. →</li> </ul>
<b>Sub-Saharan Africa</b> <ul style="list-style-type: none"> <li>Sub-Saharan Africa nations face election disruptions amid political unrest. →</li> <li>Extreme weather events threaten sustainability efforts. →</li> <li>China's economic challenges open up new investment opportunities in Africa. →</li> <li>Africa faces soaring debt costs amid expensive foreign borrowing. →</li> </ul>	<b>Middle East &amp; North Africa</b> <ul style="list-style-type: none"> <li>Israel's economic growth has been slowed by October 7 attacks and the subsequent war with Hamas. ⊙</li> <li>Political and diplomatic engagement aim to stop the regional spread of conflict and disruption to global supply chains. ⊙</li> <li>Consumer activism and corporate boycotts persist in some sectors. →</li> <li>Following charges of fossil fuel industry influence at COP28, climate commitments are called into question. →</li> </ul>	<b>Asia Pacific</b> <ul style="list-style-type: none"> <li>Indonesian election puts strain on its democratic future. ⊙</li> <li>South China Sea tensions are straining relations between ASEAN and China. →</li> <li>Japan and Korea strengthen ties with U.S. in continued pivot away from China and Russia. →</li> <li>As digital marketplaces flourish, new regulations are expected along with other protectionist measures. →</li> </ul>

# AGENDA 2024: GLOBAL ELECTION PREVIEW

There will be 40 national-level elections around the world in 2024. We highlight here a sample of the most consequential ones.

## Taiwan | January 13, 2024

- Taiwan's ruling Democratic People's Party (DPP) may retain the presidency in 2024, despite a poor showing in 2022 local elections. Current Vice President Lai Ching-te leading in polls.
- Regarding relations with China, while Lai has supported independence in the past, he has clarified that as President he would maintain the status quo. Lai has tapped former Taiwanese Envoy to the U.S. Hsiao Bi-khim as his running mate.
- Negotiations between Taiwan's major opposition parties, the Kuomintang (KMT) and the Taiwan People's Party (TPP), to form a unity ticket fell apart when they failed to agree on whose candidate would lead the ticket. The KMT is the stronger of the opposition parties, but KMT candidate Hou Yu-ih has seen his popularity slide as he has shifted from a stance of ambiguity on cross-strait relations to one that aligns with increasingly unpopular Beijing-friendly KMT party orthodoxy.

## Indonesia | February 14, 2024

- In February, Indonesian President Joko "Jokowi" Widodo will pass the baton to his successor. The three candidates are: previous presidential candidate and current Defense Minister Prabowo Subianto, former Central Java Governor and nominee of the Jokowi-aligned PDI-P political party, Ganjar Pranowo, and former Jakarta Governor and favorite of political Islam supporters, Anies Baswedan.
- Jokowi's presence looms large. The 2024 election is a litmus test for Jokowi's dynastic politics. Prabowo's vice presidential running mate is Jokowi's eldest son, the 36-year-old Gibran Rakabuming - currently serving as mayor of Surakarta city.
- Criticism among pro-democracy activists hit a fever pitch in November 2023, when Indonesia's Constitutional Court - headed by Chief Justice Anwar Usman, Jokowi's brother-in-law - rejected petitions to lower the age of election candidates but made an exception for regional leaders, thus providing Gibran a path to the vice presidency. An ethics panel subsequently dismissed Usman over questions of impartiality and unethical conduct.
- Indonesia is also pushing ahead with its capital relocation from Jakarta to the to-be-constructed Nusantara in East Kalimantan in Borneo, expected to take place by 2045. While all three candidates offer promising opportunities to businesses, investors are watching in case Indonesia's democratic backslide accelerates and a Prabowo victory brings the Jokowi dynasty into a third term.

## India | April - May 2024

- India's general elections will be a contest between the incumbent Bharatiya Janata Party (BJP) led by Prime Minister Narendra Modi, and the opposition alliance Indian National Developmental Inclusive Alliance (INDIA), led by the Indian National Congress (INC) under new party president Malikarjun Kharge and his predecessor Rahul Gandhi. The elections will be a crucial test of Modi's popularity and his ability to maintain his grip on power for a third consecutive term.
- Modi remains a popular figure despite criticism of his handling of the economy and social issues. The BJP's Hindu nationalist ideology and focus on development resonate with a significant portion of the Indian electorate.
- The INC, the country's oldest political party, is seeking to regain ground after suffering consecutive defeats in the 2014 and 2019 general elections. Party leader Rahul Gandhi has been working to revitalize the INC and has promised to focus on core issues such as job creation, farmer welfare, and social justice.
- The campaign so far has centered on economic growth, job creation and inflation for both parties. The BJP has promoted its stable governance and reform credentials, while the INC has promised an increased focus on social welfare. A coalition or minority government would likely slow efforts by the BJP to reform the Indian economy, including privatization of major public sector companies, at least in the short term.

## Mexico | June 2, 2024

- Mexico's two leading presidential candidates are women: Claudia Sheinbaum and Xóchitl Gálvez. Sheinbaum is currently polling above Gálvez with a double-digit lead.
- During her campaign, Sheinbaum signaled continuity of President Andrés Manuel López Obrador's (AMLO) left-leaning stance on many issues. However, she will likely move towards a more centrist approach as the election approaches.
- Gálvez is the nominee from el Frente Amplio por México, a coalition of 3 parties across the political spectrum. Gálvez has been a strong critic of AMLO.
- The business environment in Mexico is strong, especially for growing sectors like high-tech manufacturing, automobiles, and real estate. However, businesses in industries of national importance—energy and mining, telecommunications, banking, and logistics - should be wary of electoral tensions and potential impact to operations, as the next government will want to maintain government oversight and influence over these sectors.

# AGENDA 2024: GLOBAL ELECTION PREVIEW

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## European Union: June 6-9, 2024

- Anti-establishment and far-right parties are expected to make significant gains, while green and centrist groups may experience a decline. The center-right European People's Party (EPP) will likely remain the largest party, crucial for securing the majorities needed in the European Parliament to make significant legislative decisions.
- The election outcomes and political leanings of member states will shape negotiations for pivotal EU roles, including the new European Commission President and the distribution of portfolios among senior Commissioners. The increasing dominance of right-of-center national governments is correspondingly influencing the balance of power in both the Council of the EU and the upcoming Commission.
- The green agenda may be de-emphasized in 2024. A shift towards enhancing Europe's economic competitiveness and promoting re-industrialization may bring opportunities for business. However, this shift is also leading to a reevaluation of the EU's stance on global trade, especially where domestic European companies are uncompetitive or risk critical dependency.

## United States: November 5, 2024

- A Trump-Biden rematch carries significant risk of social, commercial and political upheaval, given former president Trump's framing of the 2024 election in apocalyptic terms and the likelihood that he will claim fraud if he loses. More immediately, early polling indicates a close race, creating geopolitical and business uncertainties globally, as companies and countries grapple with the possible implications of a second Trump presidency.
- A key campaign issue for Biden remains the economy and inflation. Democrats may frame the issue in terms of corporate greed and price gouging, which may catalyze increased scrutiny of the business community. Leading Republican candidates, Donald Trump and Governor Ron DeSantis, have both made culture war issues cornerstones of their campaigns, and both are likely to criticize companies they perceive as giving in to the "woke, radical left agenda."
- Republican candidates have been trying to outdo each other with their tough-on-China credentials, which may derail efforts by the Biden administration to stabilize relations with Beijing and gnaw at business ties between the two countries even if Biden ultimately wins the election.

## Scrutiny of AI-generated misinformation and disinformation is growing.

- Following the October 7 Hamas attacks and subsequent war in Gaza, misinformation and disinformation continue to rapidly spread on social media.
- The EU has announced probes into Facebook owner Meta and TikTok, seeking more details on the measures they have taken to stop the spread of "illegal content and disinformation" related to the conflict.
- In the U.S., social media platforms that include X have had to address Congress and the American Jewish community around concerns that major platforms have fueled anti-Israel and antisemitic rhetoric since October 7, particularly on college campuses.
- Deepfakes are increasingly being used in the Ukraine War. Of most concern, Russia has employed deep fakes in disinformation campaigns trying to convince Ukrainian soldiers to surrender, along with separate campaigns to shore up support in Russia, undermine confidence in the West, and amplify grievances in Ukraine.

## ASIA PACIFIC



## HEADLINE RISKS

## IMPACT TO BUSINESSES

## RISK HORIZON

**Indonesian election puts strain on its democratic future**

- Indonesia's Defense Minister Prabowo Subianto announced President Joko "Jokowi" Widodo's eldest son as his running mate in the country's 2024 presidential election.
- Indonesia's Constitutional Court also upended an electoral law to lower the minimum age for presidential and vice-presidential candidates from 40 to any age, on condition that a candidate had served as a lawmaker or in regional government.
- Questions around Indonesia's dynastic politics and democratic backslide persist, as an ethics panel dismissed the Constitutional Court's chief justice, Jokowi's brother-in-law, amid conflict-of-interest accusations and public outcry.
- Jokowi's lack of neutrality and dwindling support for his party's candidate, Ganjar Pranowo-Mahfud, illustrates his focus on empowering family and allies

- Election results could lead to an uncertain business environment in Indonesia, with a transition away from Jokowi triggering skepticism among investors. That said, Indonesia's next president will likely continue the country's capital relocation project, necessitating foreign investment and friendly business relations.

**South China Sea tensions are straining relations between ASEAN and China**

- Following months of increased aggression between China and ASEAN member countries in the South China Sea (SCS), diplomats from each side have renewed a vow to finalize a nonaggression pact for the South China Sea within three years.
- However, tensions in the SCS remain tense, most recently with Chinese and Philippine vessels clashing in disputed waters.
- Australia and the Philippines have already begun joint sea and air patrols in the South China Sea following the latest incidents, in which China accused the Philippines of enlisting foreign forces to patrol the South China Sea and the Chinese coast guard blasted a water cannon toward a Philippine motorboat and encircled other Philippine vessels near a shoal claimed by China.

- Tensions in the South China Sea have cooled China-Philippines relations to the extent that Philippines Transport Minister Jaime Bautista announced in late October that the country will back out of China's Belt and Road Initiative (BRI). While this presents a diplomatic opening for the U.S. to strengthen security and business relations in the region, ASEAN members at large will continue to hedge between China and the U.S.

**Japan and Korea strengthen ties with U.S. in continued pivot away from China and Russia**

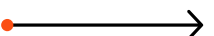
- On November 12, 2023, the U.S., South Korea, and Japan agreed to a real-time data-sharing scheme on North Korean missiles to combat North Korean military capabilities and to provide contingencies over the Taiwan Strait.
- The move followed Russia's November 9 decision to unilaterally terminate an agreement with Japan to dismantle nuclear weapons, capping off a steady decline in bilateral relations following the Russian invasion of Ukraine.
- Regional relations have also soured due to China and Russia's import ban on Japanese seafood products in reaction to the Fukushima ALPS water release.

- Military alignment and the trend toward "friend shoring" may deepen regional divides with regard to trade, and prompt uncertainty in certain sectors.

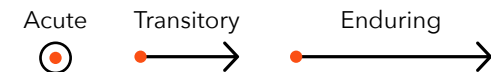
**As digital marketplaces flourish, new regulations are expected along with other protectionist measures**

- Market forecasts indicate Southeast Asia's digital economy will reach \$1 trillion by 2030. Countries in APAC have introduced protectionist policies to bolster local brands as tech investment from China and the U.S. continues to grow in the region.
- In September 2023, Indonesia announced a regulation prohibiting social media companies from facilitating sales of products on their platforms, cutting off TikTok's lucrative retail business in a move that benefits Indonesian brands such as Tokopedia and others.
- Malaysia and neighboring ASEAN member countries may well follow suit, citing TikTok's predatory pricing. South Korea is also building out a policy framework for digital assets to curb market manipulation.

- Forthcoming regulations around digital practices could limit the freedom of foreign businesses to operate platforms in certain countries. However, regulatory arbitrage, tech innovations and new business models will offer businesses continued opportunities for growth.







## HEADLINE RISKS

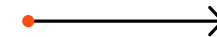
## IMPACT TO BUSINESSES

## RISK HORIZON

**U.S. officials implement new targeted restrictions on China investments and trade**

- The U.S. continues to expand and refine restrictions on outbound investment in, and trade with China, particularly around strategic technologies like semiconductors, quantum and AI. The U.S. Treasury Department will likely finalize an outbound investment review mechanism in 2024.
- Several legislative proposals to clamp down on trade with China are gathering steam in the U.S. Congress, including proposals that would curb Chinese investment in U.S. farmlands; require private equity firms to report their China exposure; and restrict U.S. operations of certain Chinese technology platforms including WeChat.

- Global businesses face an increasingly complex web of U.S. restrictions on China trade and investment comprised of export controls, government blacklists, sanctions, and regional investment bans, which create significant risk and increased compliance burden. In this context, proper due diligence, including comprehensive supply chain mapping, will only grow in importance when it comes to managing risk.

**China seeking improved relations with the West as de-risking efforts begin to bite**

- China's post-pandemic business climate has been marked by reduced investor confidence amid geopolitical tensions with the West and challenging new domestic regulations that have driven foreign direct investment to record lows and impacted exports.
- Economic challenges have spurred China to elevate its engagement with Western countries, including the renormalization of trade ties with Australia, significantly stepped-up high-level engagement with the U.S., the streamlining of visa processing to accommodate foreign travelers, and reopening of suspended flights between China and the U.S.

- Assuring the support of the foreign business community has been a staple of Beijing's policy-making to counter trade tensions. However, uncertainties around China's economy, the extent of U.S. technology controls and new national security laws and regulations continue to weigh on long-term investments in the market.

**Escalating global conflicts risk driving a deeper wedge between China and the West**

- China's stance on the Russia-Ukraine War has further propelled "de-risking" efforts among both businesses and governments. Top EU officials have signaled that China's support for Russia is now the defining issue in the bilateral relationship.
- The U.S. continues to aggressively sanction Chinese entities and individuals for providing the Russian military with critical weapons and technology.

- Tensions arising from major conflicts may accelerate efforts by Western governments to de-risk and draw investment away from China.

**Systemic risks still weigh on consumer confidence, though reforms offer long-term hope**

- China's continued housing sector weakness, burdensome levels of debt, and persistently high youth unemployment have driven down Chinese consumer confidence. While renewed policy support for China's property market and local debt issues has helped quell market uncertainty, these problems will take years to fully address.
- With around 70% of Chinese household wealth tied up in the property market, the inherently slow pace of wholesale sectoral reform will prove a long-term drag on China's economy as the government pushes for a transition to consumption-led growth.

- Global and domestic companies in China will face challenging market conditions driven by cautious Chinese consumer sentiment.
- In this context, value-driven may thrive as consumers seek deals, while ultra-high-end brands may benefit from a less adventurous luxury consumer.



# INDIA AND SOUTH ASIA



HEADLINE RISKS	IMPACT TO BUSINESSES	RISK HORIZON
<b>Policy slowdown in India ahead of 2024</b> <ul style="list-style-type: none"> <li>Elections in India are scheduled for April-May 2024, and President Modi and the BJP seek a third consecutive term in office.</li> <li>The Modi government has several items on its domestic policy agenda, including privatizing state-owned enterprises, land, and labor reforms. With forthcoming elections, these initiatives are likely to be slowed down or shelved entirely.</li> </ul>	<ul style="list-style-type: none"> <li>As the government focuses on upcoming elections, businesses should anticipate delays in policy implementation, affecting approvals, licenses, and government processes.</li> <li>Investors might adopt a 'wait and see' approach until the post-election policy landscape becomes clearer, which could affect foreign investment and capital flows in sectors such as manufacturing and infrastructure.</li> </ul>	→
<b>India balances geopolitical ties with Russia, the West, and Middle East</b> <ul style="list-style-type: none"> <li>India has delicately balanced its geopolitical relationships, navigating ties with Russia and the West, as well as between Israel and Palestine as it takes a pro-Israel stance in the conflict between Israel and Hamas. India will seek to continue this tightrope walk in its foreign policy.</li> <li>While India's relations with the United States will remain on a general upward trajectory, certain foreign policy decisions—such as its neutrality in the Russia-Ukraine conflict, increased oil purchases from Russia, and the alleged involvement in the assassination of a Sikh separatist leader in Canada—will persist as points of contention.</li> </ul>	<ul style="list-style-type: none"> <li>Although businesses can anticipate stronger and more robust ties between India and the West, they should remain cognizant of the potential for unexpected 'black swan' events. These unforeseen incidents, like the recent suspension of visa processing by India in Canada, can negatively impact business relations.</li> </ul>	→
<b>Bangladesh faces protests and election boycott threats in run-up to elections</b> <ul style="list-style-type: none"> <li>Elections in Bangladesh are scheduled for January 7, 2024, amidst protests demanding the Prime Minister's resignation and calls for a caretaker government, coupled with threats of election boycotts. This situation sets the stage for a potentially tumultuous electoral process and uncertain political future.</li> <li>Garment workers in Bangladesh have been engaged in sustained protests demanding higher wages, improved working conditions, and increased protections for workers. These protests have gained momentum in recent months, fueled by rising inflation, stagnant wages, and persistent safety hazards in garment factories.</li> </ul>	<ul style="list-style-type: none"> <li>For businesses in Bangladesh, the upcoming elections will bring a period of uncertainty, potentially affecting market stability and undermining the investment climate.</li> <li>Protests by garment workers, marked by violence, blockades, and clashes with police, pose operational and supply chain challenges for global businesses as Bangladesh is one of the world's largest suppliers of garments.</li> </ul>	→
<b>Concerns about legitimacy in Pakistan's elections will heighten political tensions</b> <ul style="list-style-type: none"> <li>Pakistan's general election is scheduled for February 2024. The race between numerous candidates is prompting tension, especially with popular former Prime Minister Imran Khan imprisoned, and compounded by ongoing concerns regarding the election process's legitimacy as well as economic and security concerns.</li> <li>The escalating political uncertainty and instability are creating opportunities for terror groups like the Tehrik-i Taliban, Pakistan (TTP) to intensify their attacks, fueling a cycle of escalating violence in the country.</li> </ul>	<ul style="list-style-type: none"> <li>Businesses must brace for a turbulent period leading up to the elections. The post-election period will not necessarily usher in a stable political regime and may create sustained uncertainty for businesses operating in Pakistan.</li> <li>Businesses must proactively safeguard their operations against the challenges posed by the current politically unstable environment and the heightened risk of terrorism.</li> </ul>	→



# MIDDLE EAST & NORTH AFRICA



## HEADLINE RISKS

### Israel's economic growth has been slowed by October 7 attacks and the subsequent war with Hamas

- The OECD lowered the GDP growth forecast for Israel to 2.3% in 2023 and 1.5% in 2024, a slightly more pessimistic outlook than Israel's Central Bank forecast of 2% for both years. It expects a recovery to 4.5% growth in 2025.
- Uncertainty about the length and scope of the fighting with Hamas is impacting the government's decisions about subsequent phases of war and post-war economic recovery and reconstruction. The war is estimated to cost NIS 200 billion (approximately US\$ 54 billion), including one-time security expenditures of NIS 110 billion (US\$ 30 billion), of which half would be covered by aid and assistance from the U.S.

## IMPACT TO BUSINESSES

- Businesses will see continued slowdown of commercial transactions, tourism and associated air traffic, along with increasing consumer goods prices.
- The construction industry will see a particularly significant negative impact due to restrictions on the entry of laborers from the Palestinian Territories and the complete stoppage of employment of laborers from Gaza. War for an extended period will also affect companies whose local employees are activated for military reserve duty, particularly in Israel's hi-tech sector which drives about half the country's exports.

## RISK HORIZON



### Political and diplomatic engagement aim to stop the regional spread of conflict and disruption to global supply chains

- Efforts to contain the Israel-Hamas war center mostly around reining in Iran and its proxies, particularly Lebanese Hezbollah. In November, the U.S. sent two carrier strike groups to the Mediterranean as a strategic deterrent and to protect commercial shipping, and Saudi Arabia reportedly offered Iran an economic investment package if it persuades regional proxies against an escalation of the conflict into Lebanon, Yemen and the Red Sea.
- Governments in the region are managing their political responses to the war while working together to prevent regional contagion. Political analysts in Egypt are concerned about potential escalation or reaction due to military operations in Khan Yunis near the Egyptian border.
- Egypt, Qatar, the U.S., the UAE and Israel have been engaged in extensive talks with international aid organizations to enable humanitarian access to Gaza.

- Businesses that move cargo through the Red Sea and Suez Canal are facing shipping delays, increased insurance rates, and war risks from heightened maritime safety concerns. Increased Houthi activity from Yemen will continue to pose a risk to freight traffic, particularly ships believed to have connections to Israel, and have major economic implications for Egypt with ships avoiding the Suez Canal.
- Regional cooperation will carry into any initiatives to oversee reconstruction of the Gaza Strip after Hamas capabilities are destroyed and Israeli aerial bombing campaigns have rendered much of northern Gaza uninhabitable. The reconstruction is expected to require significant investment, likely from Gulf countries, particularly Saudi Arabia and the UAE. Qatar and Turkey, with a history of aiding in post-conflict rebuilding, would be expected contributors, along with Western countries.



# MIDDLE EAST & NORTH AFRICA



## HEADLINE RISKS

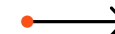
## IMPACT TO BUSINESSES

## RISK HORIZON

### Consumer activism and corporate boycotts persist in some sectors

- Consumer activism, including calls for boycotts of brands with leadership ties to Israel, has continued, although at a slower pace, following Israel's military response to Hamas attacks on October 7. Activism has mainly targeted Quick Service Restaurant (QSR) franchises with a presence in Israel that have engaged in humanitarian activities, as well as consumer brands and companies that have made statements deemed as pro-Israel.
- Corporate boycott calls have been mostly contained to the region but there have been some instances of this activism in the UK and U.S.

- The direct impact of boycotts is confined to regional brands and multinational consumer brands with a significant market presence in the Levant. Isolated incidents may also occur outside the region, particularly in Europe and the U.S.
- As the future governance and administration of Gaza is clarified, businesses will need to track public sentiment and opinion as it informs brand loyalty in the region.



### Following charges of fossil fuel industry influence at COP28, climate commitments are called into question

- COP28 climate negotiations faced intense questioning given the economy of the host nation, the UAE, is built on the fossil fuel industry. The COP28 president, Sultan Al Jaber – who leads the national oil company – faced backlash for suggesting the summit be used to negotiate oil contracts and for comments about the role of fossil fuels in sustainable development.
- For some, the record number of fossil fuel lobbyists that attended COP28 undermined commitments by the energy industry to take serious action on climate change. Conference negotiators are looking for common ground on oil, gas, and coal, and outcomes will indicate the commitments and trajectory of the energy transition.
- Fifty oil and gas companies pledged near-zero methane emissions by 2030, with a plan due by 2025, and announced a fund for methane abatement projects in emerging markets; they also committed to achieving net-zero greenhouse gas emissions from their operations by 2050.

- The phrases “greenwashing” and “green hushing” are increasingly being applied to governments as well as companies, and may carry risk for companies engaging on climate issues and engaging in international dialogue around climate action.
- Methane abatement will require extensive collaboration between the private sector, governments, and development banks to implement projects and technologies, particularly in emerging markets.



# SUB-SAHARAN AFRICA



## HEADLINE RISKS

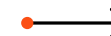
### Sub-Saharan Africa nations face election disruptions amid political unrest

- In Madagascar, police disrupted an opposition rally, detaining a presidential candidate amid pre-election unrest. Security forces later promised candidate protection amid allegations of an "institutional coup."
- Widespread reports of election intimidation in Zimbabwe and Gabon's post-election military coup in August 2023 reflect regional trends of growing authoritarianism, contributing to social discontent and increasing the potential for military takeovers in other states, especially in volatile West African nations.

## IMPACT TO BUSINESSES

- Upcoming elections in Zimbabwe, Botswana, and South Africa could bring substantial political changes, influencing regional stability and slowing democratic advancement within the Southern Africa Development Community. The results may lead to further erosion of governance standards and disruption of trade relations.

## RISK HORIZON



### Extreme weather events threaten sustainability efforts

- East African and the Horn of Africa are grappling with intense floods, exacerbated by climate change after prolonged droughts. Governments in the region are prioritizing disaster preparedness, following significant fatalities in Kenya and Somalia.
- The ongoing El Niño phenomenon is intensifying the frequency of extreme weather events, jeopardizing rainfall patterns and agricultural output. Conflict has exacerbated the ability of governments to respond to disasters, while disasters fuel further conflict.

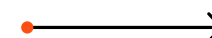
- Escalating extreme weather patterns threaten food security, especially in agrarian economies, creating risks to supply chains and social stability, as seen in countries like Madagascar and in the Nile Valley. The region has looked to global forums like COP28 and the Africa Green Economy Summit for stronger commitments from developed countries to address ongoing climate crises.



### China's economic challenges open up new investment opportunities in Africa

- In 2023 Chinese lending in sub-Saharan Africa dropped below \$1 billion, the lowest in nearly two decades.
- As China pulls back, foreign investments in the region by other powers is expected to grow. The Saudi Fund for Development plans to sign \$533 million worth of development agreements with African nations. The Saudi Public Investment Fund will also make significant investments, including energy-related cooperation agreements with several countries and a \$158 million financing deal for infrastructure projects in Mozambique.

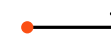
- African countries see emerging opportunities with international partners beyond China, particularly Gulf nations like Saudi Arabia, the UAE and Qatar. Shifting market dynamics present both saturation risk and new investment opportunities, reflecting the evolving landscape of foreign investment in the region.



### Africa faces soaring debt costs amid expensive foreign borrowing

- Eurobond markets are tightening amid challenges created by lingering COVID-19 supply chain disruptions, Russia's invasion of Ukraine, and global inflation, prompting aggressive interest-rate increases. Investors demand higher yields for African sovereign dollar bonds compared to U.S. Treasuries, which have seen a 400 basis point increase since January 2020.
- Countries like Ghana, Kenya, and Uganda are experiencing shortened debt maturities due to exchange rate and inflation dynamics, reflecting anticipation of future rate hikes and currency volatility. Central banks are likely to sustain higher interest rates, exacerbating financial pressures for the foreseeable future.

- The ongoing financial strain is expected to persist as central banks maintain higher interest rates, impacting companies operating in the region, particularly in nations with elevated debt costs such as Egypt, Kenya, and Zambia.



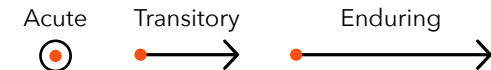


# RUSSIA & UKRAINE



HEADLINE RISKS	IMPACT TO BUSINESSES	RISK HORIZON
<b>Battlefield fatigue increases as both Ukraine and Russia fail to achieve substantive military successes</b> <ul style="list-style-type: none"> <li>Ukraine's Commander-in-Chief General Valery Zaluzhny indicated that supply difficulties have resulted in a battlefield stalemate, with Ukraine only managing to advance 17 kilometers in five months of counter-offensive.</li> <li>Many Russian and Ukrainian forces remain under-trained and under-equipped for combat as both sides exhaust both personnel and supply limits amidst heavy losses.</li> <li>Developments on the Ukrainian battlefield in 2024 will likely hinge on Western willingness to provide additional military and financial support.</li> </ul>	<ul style="list-style-type: none"> <li>The uncertain military outcomes in Ukraine heighten concerns around foreign direct investment and foreign business maneuverability in Ukraine.</li> </ul>	
<b>Waning support for Ukraine among global allies increases uncertainty and creates instability for the war in Ukraine</b> <ul style="list-style-type: none"> <li>Scrutiny in U.S. Congress is rising due to Ukraine's performance on the battlefield and its anti-corruption campaigns. Congress is exploring alternative funding sources for assistance to Ukraine, including the use of Russian sovereign assets.</li> <li>Elections across the globe in 2024, including in the U.S., EU, UK, and Russia will impact international support for Ukraine as enthusiasm for financial and military support for the war differs across political party lines.</li> <li>In Ukraine, uncertainty surrounding financial and military aid may affect Ukrainian battlefield performance, domestic government spending, and the status of Russian occupied territories.</li> </ul>	<ul style="list-style-type: none"> <li>The outcome of elections in key funding states and the policies that lead specific politicians to victory, will intensify in 2024.</li> <li>There will also likely be renewed pressure on businesses to take clear stances on doing business in Russia and Ukraine, and companies may consider investment decisions related to the reconstruction of Ukraine.</li> </ul>	
<b>Russian strategic failures limit its legitimacy as a regional security and economic guarantor</b> <ul style="list-style-type: none"> <li>Russian battlefield outcomes in Ukraine have significantly affected its ability to limit Azerbaijan's successful recapture of Nagorno-Karabakh, a region previously under Armenian control.</li> <li>The imposition of significant economic sanctions, aimed at crippling the Russian economy and specifically wartime production, has caused regional partners in the Commonwealth of Independent States (CIS) to reconfigure trade and supply chains over fears of aiding circumvention of sanctions.</li> <li>The imposition of sanctions on a wide array of defense inputs and revenue streams from Western countries has limited Russia's bargaining power with crucial suppliers from China, Turkey, and India.</li> </ul>	<ul style="list-style-type: none"> <li>Businesses operating in CIS countries like Kazakhstan could encounter significant trade and business incentives as they look to Western markets and seek to comply with a complex web of sanctions.</li> </ul>	
<b>Ukrainian wartime economic policies transform business operations and political conduct in the country</b> <ul style="list-style-type: none"> <li>In Kyiv, law enforcement officials are waging a war on state and private corruption to mitigate Western fears over graft and malfeasance that has stunted economic growth and foreign investment in Ukraine.</li> <li>Ukraine's anti-corruption reforms are attracting scrutiny globally, as there is a severe lack of legal mechanisms to protect private companies from government initiatives, including several recent cases of government action to distribute or nationalize corporate assets.</li> <li>During the course of 2023, numerous U.S. government agencies have urged Ukraine to continue pursuing anti-corruption and financial transparency reforms to keep receiving direct support from the U.S. government and international donors.</li> </ul>	<ul style="list-style-type: none"> <li>Ukraine recently extended its martial law designation that suspends Ukraine's presidential elections and allows the government to take swift action on business regulatory compliance issues as well as company malfeasance.</li> <li>Business maneuverability and domestic stability will depend on geopolitical and military outcomes, and consistent with the nature of the conflict, they will be difficult to predict.</li> </ul>	

## EUROPE



HEADLINE RISKS	IMPACT TO BUSINESSES	RISK HORIZON
<b>Israel-Hamas conflict causes political and socio-economic reverberation across Europe</b> <ul style="list-style-type: none"> <li>The war between Israel and Hamas has deepened social and political divisions in Europe, manifesting in spikes in Islamophobic and antisemitic attacks and major protests in European cities. There are growing concerns regarding potential terrorist attacks and increased restrictions applied within the Schengen free movement area.</li> <li>In the run-up to European elections, the divisions may to some extent undermine left-wing parties walking a fine line in adopting positions that criticize Israel's military operations and alienate certain voter blocs.</li> </ul>	<ul style="list-style-type: none"> <li>Further escalation of the conflict could affect European economic growth and inflation. Political divisions and social unrest may increase reputational risks for private sector organizations and executives.</li> </ul>	
<b>Shifts in the dynamics of the war in Ukraine impact stability in Europe</b> <ul style="list-style-type: none"> <li>The balance of military probabilities seems to be shifting gradually towards stalemate following a stalled Ukrainian counteroffensive. Hope that Ukraine could regain its territories via military means or through negotiations is fading, adding to fatigue among a European population now grappling with the consequences of conflict in the Middle East.</li> <li>The start of Ukraine's EU accession process coupled with a possible slowing of U.S. involvement will increase the burden on the EU to provide financial and military support to Ukraine.</li> </ul>	<ul style="list-style-type: none"> <li>Military stalemate and supply shortages raise the prospect of prolonged uncertainty, which could have a destabilizing economic effect for the rest of Europe.</li> <li>While the EU has achieved gas storage targets set in preparation for the 2023-2024 winter, higher energy prices will continue to act as a drag on Europe's economy and industrial activity over the coming months.</li> </ul>	
<b>The EU calibrates its economic security agenda with restrictions on high tech</b> <ul style="list-style-type: none"> <li>The European Commission aims to complete key components of its Economic Security Strategy by the end of 2023. It will review the existing Foreign Direct Investment screening mechanism, propose greater EU-level coordination of export controls and explore possible ways to scrutinize outbound investments.</li> <li>By the end of 2023, the EU Commission and member states are on track to carry out risk assessments on a recently published list of critical technologies. Linkages between this list and upcoming economic security initiatives remain unclear. The Commission has indicated that the risk assessment outcomes will inform its next steps.</li> </ul>	<ul style="list-style-type: none"> <li>Ambitious deadlines and a sense of urgency are pushing the EU to develop a de-risking agenda quickly, even as assessments of the underlying risks remain underway. Planning in strategic sectors may be affected by uncertainties regarding expected politicization and scrutiny of key business decisions.</li> <li>Policymakers are calling for proactive de-risking from the private sector but have not articulated concrete expectations, which adds an unknown compliance pressure for businesses.</li> </ul>	
<b>European elections will likely shift political priorities toward economic and security considerations with global implications</b> <ul style="list-style-type: none"> <li>A string of national elections is expected to consolidate a rightward shift in several EU member states. There is growing support for anti-establishment and far-right parties, while green and centrist groups are seeing greater electoral headwinds.</li> <li>The European regulatory machine is slowing down ahead of the election season. At the political level, an anticipated strengthening of the right may lead to renewed focus on strengthening industrial competitiveness within Europe.</li> <li>The current European Commission is itself looking to set a direction on these topics, having tasked former Italian prime ministers Mario Draghi and Enrico Letta with preparing reports respectively on EU competitiveness (due early summer) and on the Single Market (due in March).</li> </ul>	<ul style="list-style-type: none"> <li>Growing emphasis on European competitiveness presents an opportunity for businesses able to demonstrate their contribution to European growth and reindustrialization.</li> <li>However, the rising salience of industrial autonomy means new and ongoing trade negotiations are likely to face increased headwinds, with greater risk of failures as seen recently in EU-Australia negotiations.</li> </ul>	

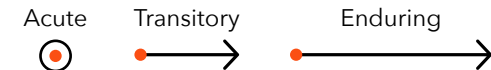
# LATIN AMERICA



HEADLINE RISKS	IMPACT TO BUSINESSES	RISK HORIZON
<b>Latin America is increasingly adopting local approaches to addressing regional migration</b> <ul style="list-style-type: none"> <li>• Migration from and within Latin America has hit unprecedented levels. Regional governments are shifting away from U.S. cooperation on migration and taking a more local approach.</li> <li>• At the Migration Summit in Palenque in October 2023, Mexico convened 12 countries from the region met to address the migration influx through country-specific action plans, promotion of regional trade and combating organized crime.</li> <li>• While collaboration is needed to regulate migration flows, countries in the region are taking a lead in devising and implementing solutions.</li> </ul>	<ul style="list-style-type: none"> <li>• Latin American governments will look for companies to support these initiatives, particularly those aimed at alleviating poverty and unemployment. Companies in the region should actively engage with governments to contribute their expertise, resources, and technologies to support development goals.</li> </ul>	
<b>A wave of elections may further entrench the region's political instability</b> <ul style="list-style-type: none"> <li>• Recent elections in Ecuador and Argentina demonstrated that Latin America's political pendulum will continue to swing back and forth between established and anti-establishment candidates.</li> <li>• In 2024, elections in Mexico and Panama may introduce new leaders who will be forced to navigate a series of challenges, including a dampening economic outlook, increased migration and public mistrust in institutions.</li> </ul>	<ul style="list-style-type: none"> <li>• The political instability in Latin America goes hand-in-hand with an uncertain business environment. Companies should engage and strengthen relationships with a breadth of stakeholders across all sectors and political affiliations to ensure they have allies amid the upcoming political changes which may include reforms to labor and fiscal systems.</li> </ul>	
<b>Latin America is increasingly monetizing its wealth in nature and biodiversity</b> <ul style="list-style-type: none"> <li>• With the possibility of COP 30 in Brazil and the 30x30 commitment to conserve 30% of the world's land and water by 2030, policymakers in Latin America and the Caribbean are accelerating efforts to develop and capitalize on climate finance.</li> <li>• Countries are partnering with international and regional financial institutions to build frameworks for climate-focused projects to develop innovative solutions and boost economic growth.</li> <li>• Smaller countries like Antigua and Barbuda, Costa Rica, Guyana and Suriname, among others, have outsized influence and are leading the charge in adopting innovative solutions.</li> </ul>	<ul style="list-style-type: none"> <li>• The transition to climate and biodiversity finance creates new business and social impact opportunities. Companies should pay attention to emerging trends and opportunities to partner with regional governments on these initiatives.</li> </ul>	
<b>Economic impacts from global shocks will continue in 2024</b> <ul style="list-style-type: none"> <li>• Projected GDP growth for Latin America in 2024 is expected to remain at around 2.3%, constrained by global macroeconomic challenges, including inflation and the costs of war.</li> <li>• As global interest rates rise, Latin American debt payments will increase, potentially undermining economic growth and public and private sector investment. This economic instability may contribute to a surge in migration towards wealthier countries within Latin America and abroad.</li> </ul>	<ul style="list-style-type: none"> <li>• Companies will need to navigate a challenging economic environment and a potential decrease in consumer spending, as well as adapt to new fiscal and economic policies that governments might implement in response.</li> </ul>	



# UNITED STATES & CANADA



## HEADLINE RISKS

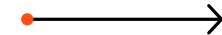
### Political upheaval may intensify

- The indictments of Donald Trump, legislative and judicial developments on abortion, infighting over the House speakership, controversial protests in universities and cities over the war in Gaza, and a variety of other fronts in the wider "culture war" are continuing to exacerbate U.S. political polarization.
- These fights will likely intensify ahead of the U.S. presidential election in 2024, fueled by Republican primaries, Trump trials, culture war legislation at the state level, questions around Hunter Biden, and misinformation and disinformation amplified by AI.

## IMPACT TO BUSINESSES

- Businesses may be pressured to take sides on a range of socio-cultural issues, many of which have become weaponized in partisan campaigns.
- The words and actions of companies and executives will be scrutinized, including decisions around hiring and firing, diversity initiatives, corporate partnerships with nonprofits and celebrities, and advertising choices.

## RISK HORIZON



### Foreign conflicts divide U.S. public opinion and stretch resources

- Conflicts in the Middle East and Ukraine are dividing the U.S. public and stretching U.S. diplomatic and military resources, while the threat of foreign and domestic terrorism in the U.S. has increased. The Biden Administration has attempted to link these conflicts in a coherent foreign policy of supporting democracies under threat, but this message is under strain.
- In line with voter concerns, some Republican lawmakers have raised concerns about funding for the Ukraine war, which is in stalemate, at a time when illegal immigration via the border with Mexico continues to surge.
- While Democratic lawmakers largely support Israel, polls suggest some weakening among voter support for providing US aid to Israel.
- Meanwhile, the Canada-India spat and an alleged assassination plot in the U.S. may complicate Washington's furthering of U.S.-India relations.

- American multinationals are increasingly challenged by their employees and members of the public to take a stance on Israeli military operations in Gaza and other foreign policy-related matters.
- A wider Middle Eastern war or U.S. alienation of Arab states could disrupt supply chains and stimulate inflation.



# UNITED STATES & CANADA



## HEADLINE RISKS

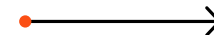
## IMPACT TO BUSINESSES

## RISK HORIZON

### As federal policy hardens, U.S. states diverge on economic relations with China

- Despite continuous efforts to restore communication with Beijing, the U.S. federal government continues to harden economic restrictions on China in a relatively narrow area related to high-tech and other sectors critical to U.S. national security.
- Meanwhile, U.S. states are taking divergent approaches to Chinese inbound investment as they weigh political dynamics and economic priorities.
  - For instance, states with leaders seeking to promote their political interests have taken a more restrictive approach to Chinese investment.
  - By contrast, states who see economic development, including green energy development, and job creation as their top priorities are more receptive to Chinese investments that meet their goals.

- Given strong sentiments on China, seemingly insignificant friction regarding Chinese investment could be leveraged by state and federal lawmakers to score political points. Chinese investment poses a higher risk of becoming politicized, and should expect extra scrutiny or unusual allegations beyond the course of normal business.



### Government action on AI, supplier due diligence, and EPR are gaining steam

- Unrelated issues such as AI, supply chains, and extended producer responsibility (EPR) seem ripe to generate new federal and state legislation in 2024 which could affect corporate operations and bottom lines.
  - The Biden administration's executive order on AI, greater funding for Customs and Border Protection's (CBP) enforcement of product sourcing restriction bans, and state-level environmentally conscious waste management legislation are all driven by lawmakers' desire to match their legislative record to ethical concerns.

- New legislation or policy on each of these issues could affect corporate operations or profit margins.
  - New regulations will shape how companies implement AI, centered on privacy and copyright issues.
  - More CBP inspections and goods detentions under sourcing restrictions such as UFLPA will impose costs on noncompliant businesses, increasing the need for supply chain traceability.
  - EPR legislation in some states could require apparel brands to develop and fund collection schemes.



# MULTILATERAL INSTITUTIONS & FORUMS

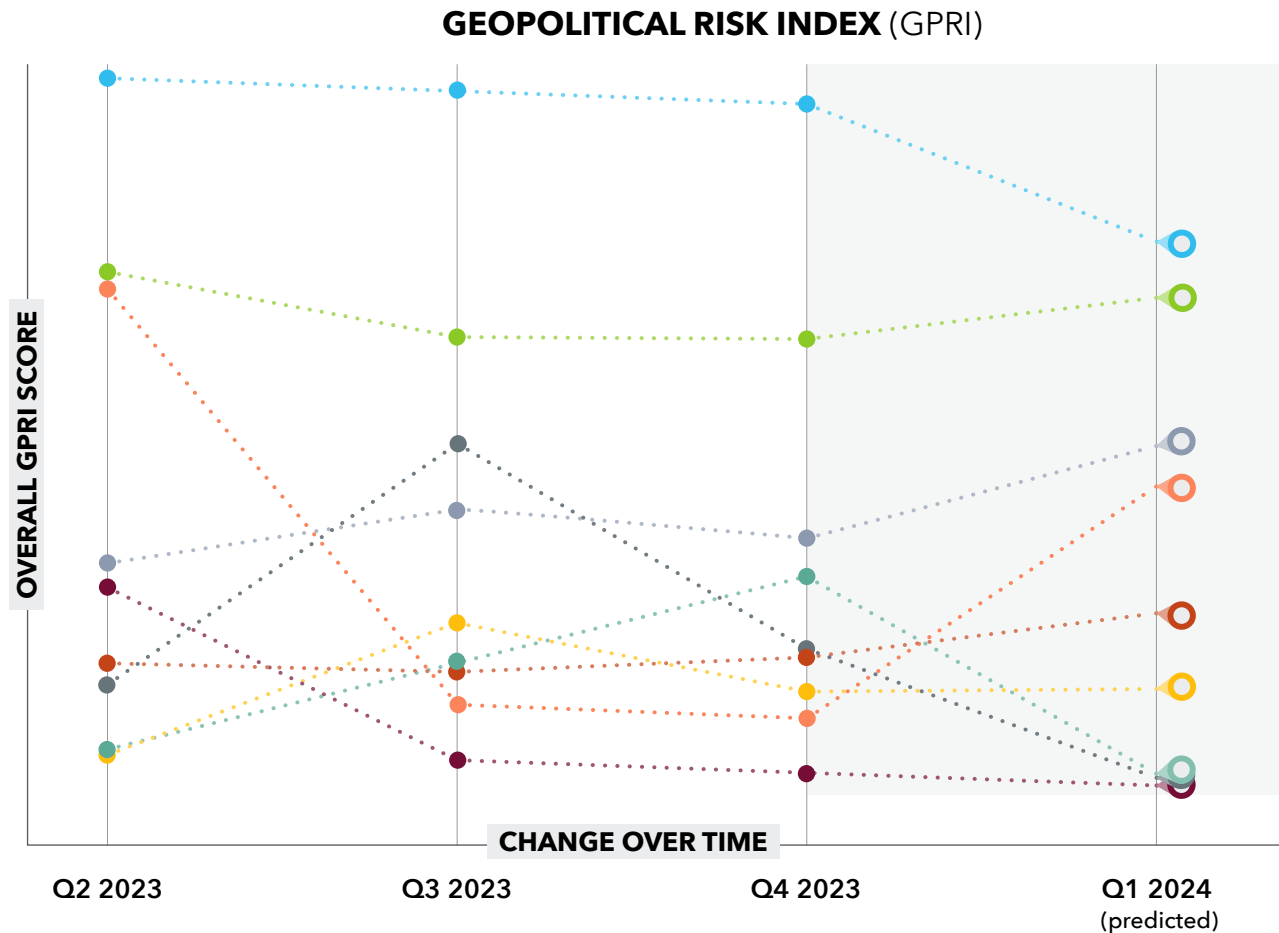


HEADLINE RISKS	IMPACT TO BUSINESSES	RISK HORIZON
<b>Regional forums are increasingly filling gaps left by the United Nations</b> <ul style="list-style-type: none"> <li>As global multilateral organizations—particularly the UN—have failed to provide solutions to address and halt ongoing global conflicts, governments are looking to other forums to address concurrent global crises.</li> <li>Regional organizations are stepping in due to their proximity to and understanding of issues. With a UN peacekeeping mission concluding in Mali despite the deteriorating security situation, the Economic Community of West African States and the African Union have stepped in to coordinate a regional response despite disagreements. Similarly, multilateral rather than forum diplomacy in the MENA region facilitated the temporary ceasefire and hostage exchange agreement between Israel and Hamas in November.</li> </ul>	<ul style="list-style-type: none"> <li>Given this trend, companies should engage with regional organizations as much as with global organizations like the UN. This includes establishing partnerships and collaborating on relevant initiatives to support sector-specific growth and development.</li> </ul>	
<b>Global organizations risk overlooking the tech gap as they rush to regulate emerging technologies.</b> <ul style="list-style-type: none"> <li>There is a convergence of multilateral action to implement standards and binding frameworks on artificial intelligence and other emerging technologies at the pace it is developing.</li> <li>However, tech innovation and control and control are concentrated in developed nations, creating a reliance on their technology that widens the digital divide. Multilateral organizations need to recognize this in upcoming treaties to prevent a monopolization of tech resources and to encourage the progress of tech capacities in developing nations.</li> </ul>	<ul style="list-style-type: none"> <li>Companies must recognize that developing countries will not be able to adapt as quickly as others to emerging technologies.</li> <li>Companies also have an opportunity to work with governments and civil society to introduce digital tools and collaborate on best practices to enhance technology innovation in developing nations.</li> </ul>	
<b>Multilateral finance systems are under pressure to adapt to global challenges.</b> <ul style="list-style-type: none"> <li>The recent deadlock between developing and developed countries on where the Loss and Damage Fund should be located, and who should contribute to it, demonstrates the pressure on multilaterals to restructure their financing systems.</li> <li>Developing countries are arguing for a shift away from the World Bank as the host while developed countries in turn prefer financing avenues where they have clearer oversight into how funds are managed.</li> <li>As the need in developing and low-income countries becomes more acute, the calls to renew the multilateral financial system will only increase. Multilateral organizations are beginning to have discussions on how to address this issue, but it is not a priority.</li> </ul>	<ul style="list-style-type: none"> <li>As multilateral organizations are navigating these changes, there is an increasing expectation for private capital to fill in the gap. The private sector will be called upon to take an active role in providing and advocating for flexible funding structures, since developed nations are not meeting the need of the global community.</li> </ul>	



# GEOPOLITICAL RISK INDEX

## ANTICIPATING THE TRAJECTORY OF CONVERSATIONS GLOBALLY



- |                              |  |                             |
|------------------------------|--|-----------------------------|
| ● Tariff/Non-Tariff Barriers | ● Global Energy Supply Issues              | ● Food Security Issues      |
| ● Political Polarization     | ● Climate Change/Environmental Degradation | ● Electric Grid Reliability |
| ● Inflation and Wages        | ● Mass Migration/Displacement              | ● Geo-Strategic Decoupling  |

APCO's Geopolitical Risk Index (GPRI) is calculated by measuring:

- **Media Attention:** the volume, sentiment, engagement and rate of growth for each issue in traditional and social media
- **Corporate Action:** mention of or response to each risk in the external communications of leading corporations
- **Momentum:** how much the conversation around each risk has increased or decreased leading up to Q1 2024

Our GPRI measures conversational engagement on key risks covered in this report in global English language media. We leverage natural language processing and predictive analytics to synthesize publicly available data from English-language media coverage, social media, company websites and annual reports to calculate scores that are reflected in the Index.

- **Economic risks** continue to be high, mostly stemming from lingering inflation/ wages issues, labor shortages, and the global economic recession. Our data suggests that while there might be a slight decrease in concern over inflation and wages due to economic measures taking effect, the overarching theme of economic uncertainty persists, signaling that cost of living and economic stability remain pressing concerns.
- **Energy/environment risks** show a high degree of volatility with a particular emphasis on climate change and environmental degradation, which have become top issues. Indicators point towards a growing urgency surrounding discussions of sustainability and the quest for energy independence. Nonetheless, advancements in renewable energy conversion provide a glimmer of hope and represent a stable subcategory amidst the otherwise high-risk energy and environment sector.
- **Technology/information security risks** maintain at a steady level of moderate risk. Deep interest in generative AI underscores the growing influence of AI on decision-making processes, and concurrently, the prominent risk of cybersecurity breaches highlights the need for more robust measures in protecting against digital intrusion and information misuse.
- **Human rights risks** are also moderate, with a subtle downturn observed on in issues regarding disease resurgence and food insecurity. This shift might be attributed to proactive health initiatives and better disease management strategies, as well as improved agricultural practices and food distribution mechanisms aimed at combating hunger.
- **Political risks** soar, with contributing factors like impending global elections, escalating tensions stemming from the Russia-Ukraine conflict, and the persistent threat of terrorism and extremism. These elements underscore a global apprehension about the stability of established political orders, the unfolding of democratic processes, and the simmering threat of ideological radicalism across different continents.

## KEY RISKS

The following analysis for Q1 2024 derives key insights from the last quarter's GPRI, focusing on trends in global issues that carry the potential to impact geopolitics and the international economic landscape.

Here's what we've discerned from the current data:

Collectively, our data projections for Q1 2024 anticipate a global operating environment that remains interconnected and volatile, and therefore precarious for global companies. This landscape is defined by economic headwinds, escalating climate issues, technological advancements and consequent ethical implications, human rights factors, and powerful political movements.

## HERE'S OUR DATA

This chart shows all the trend lines for Q1 2024 and the anticipated rise and fall of issues over the next three months.

### PROJECTION THROUGH Q1 2024

↑ = Strong Growth  
in Conversation

↗ = Moderate Growth  
in Conversation

↘ = Moderate Decline  
in Conversation

↓ = Strong Decline  
in Conversation

\*Topic added in Q1 2024

TOPIC	RISK	DESCRIPTION	GPRI
Economic Risks	Inflation and Wages	Effects of rising prices on food, energy, real estate and automobiles as wages stall globally.	↑
	Supply Chain Shortages	Threats of Russia/China alliance will pose interruptions in production across tech, automotive and apparel.	↗
	Socioeconomic Inequality	Effects of wealth and education disparities on access to health care and critical social services.	↓
	Global Economic Recession*	Reduced consumer spending slows economic growth and trade.	↑
	U.S.-China Tensions Impact	U.S. - China relations unsteady around trade disruptions and China's weakening economy.	↓
	Multilateralism and Global Economies	G20 summit outcomes raise concerns over new world order emerging.	↘
Energy & Environment Risks	Global Energy Supply Issues	Talent availability, cost and capacity in the wake of post-pandemic economic reconfiguration.	↗
	Climate Change/Environmental Degradation	Effect of war in Ukraine on supply of energy and its impact on renewable energy market.	↑
	Renewable Energy Consumption	National moves to protect against future energy price spikes by accelerating investment in alternative sources.	↑
	Electric Grid Reliability	Extreme summer heat is straining the electric grid in China, while electricity shortages due to aging infrastructure could curtail African GDP growth.	↓
	Electric Vehicle Production	EV production and adoption not happening fast enough.	↓
Technology & Information Security Risks	Generative AI and Decision-Making	Debate over the reliability and uses of generative AI across industries.	↓
	Cybersecurity	Cyber risks to energy, banking and other online and cloud-based systems.	↗
	GDPR and Data Privacy	GDPR privacy rules and OpenAI compliance.	↓
	Technology Bias Reduction	Bias in tech access and outcomes (eg., search engine, genAI) being addressed.	↓
	Technology Access	The global inequality in access to technology impacting education, economic prospects and job opportunities.	↓
Human Rights Risk	Mass Migration/Displacement	Political unrest, war and asylum-seeking will increase migration to the U.S. and Europe.	↘
	Humanitarian Needs*	Worsening regional wars and extreme El Niño weather cause humanitarian crises.	↑
	Food Security Issues	Hunger and malnutrition affected by the pandemic and the war in Ukraine.	↓
	Viral Disease Resurgence	Resurgence of COVID and other viruses threaten global health.	↓
Political Risks	Terrorism and Extremism	Attention to global and domestic terrorism, extremism and societal threats.	↘
	Israel-Hamas War Escalation*	Heightened activity by Iranian proxies raises regional tensions and risks wider conflict.	↑
	Global Isolation*	How open countries are to travel / inward vs. outward policy stances.	↓
	Global Elections	Impact of national elections on global stability, international relations and risk of foreign interference.	↘



# UPCOMING GLOBAL EVENTS

## JANUARY

### **January 1, 2024**

Egypt, Ethiopia, Iran, Saudi Arabia, the UAE, and possibly Argentina will join the BRICS; Russia takes over BRICS presidency

### **January 13, 2024**

Bangladeshi general election

### **January 15, 2024**

Start of the U.S. presidential primaries in Iowa (Republicans) and South Carolina (Democrats)

### **January 15-19, 2024**

World Economic Forum Annual Meeting (Davos)

### **January 20-23, 2024**

Third South Summit of the G77, Non-Aligned Summit

### **January 28, 2024**

Finnish presidential election

### **January TBD**

EU-U.S. Trade and Technology Council meeting

## FEBRUARY

### **February 4, 2024**

Salvadoran general election

### **February 8, 2024**

Pakistani general election

### **February 12-14, 2024**

World Governments Summit, Dubai

### **February 14, 2024**

Indonesian presidential election

### **February 16-18, 2024**

Munich Security Conference

### **February 20-23, 2024**

Asia-Pacific Forum on Sustainable Development

### **February 26-29, 2024**

WTO Ministerial Conference

### **February TBD**

NATO Exercises in Northern Europe, largest since the Cold War

### **February TBD**

Ukraine 'Global Peace Summit'

## MARCH

### **March 10, 2024**

Portuguese general election

### **March 17, 2024**

Russian presidential election

### **March 31, 2024**

Ukrainian presidential election

### **March 31, 2024**

Ukrainian presidential election

## DATE UNSPECIFIED

Qua meeting, hosted in India

February-March NATO exercises in Germany, Poland, and the Baltic States, largest since the Cold War



## **ABOUT APCO**

APCO Worldwide is an advisory and advocacy communications consultancy. We partner with organizations to help them catalyze progress, act with agility and build reputations, relationships and solutions that enable success. APCO is an independent and majority women-owned business and has helped clients to grow, sustain, and protect their interests for nearly 40 years. Clients typically come to APCO with complex and unconventional problems that cut across jurisdictions and do not neatly match the competencies of traditional law firms, lobbyists, PR agencies, management consultancies or other legacy professional services firms.

## **ABOUT GEO-COMMERCE**

APCO's Geo-Commerce team advises clients whose interests intersect geopolitics, commerce and diverse stakeholder interests. The global team works across APCO's 30+ offices, combining cross-market insights and connectivity with knowledge of local networks and executional capabilities.

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