



2024 Look-Ahead

10 Geopolitical Issues for Businesses

1 Middle East Conflict: The crisis in some form will run into 2024. Regional war is improbable but instability will dog Israel and its immediate neighbours while the Gulf States focus on their development.

Israel will need some time to fulfil its immediate military objectives. A key question will be whether it maintains internal and external support for the campaign as the focus shifts to a more densely populated south Gaza that could see increased casualties. Israel will subsequently be left with the humanitarian fallout and the need to pursue Hamas long term. This, and an uncertain process to resolve internal differences and address strategic failure, will absorb its energy. A compact Arab position also leaves it in the lurch on future governance of Gaza. Neither regional players nor the UN are willing to manage the recovery in the strip, while the Palestinian Authority lacks the legitimacy to do so. Radical Israeli action to change the facts cannot be ruled out.

Hezbollah and Iran have been deterred from fuller military engagement, although their longstanding hybrid war with Israel goes on. Strikes by their proxies (i.e. the Houthis in Yemen) threaten navigation and create an unwelcome sense of instability on the Arabian Peninsula. The Gulf states appear disinclined to use energy or economic levers against Israel and instead have prioritised diplomacy; Saudi Arabia's leadership of the Arab/Muslim world at a time when there is much anger against US support of Israel will emphasise its geopolitical importance. There may still be popular boycotts of brands associated with Israel, though online campaigns have yet to take off. Israel's immediate neighbours will be most concerned by popular protests lest they turn to focus on dire domestic conditions. Conversations about a two-state solution will resume, both in Washington D.C., and globally.

2 Russia-Ukraine: A possible stalemate will entrench inflationary pressures and continue the current gridlock in the multilateral system.

The conflict is grinding towards a stalemate following a Ukrainian summer counter offensive that failed to achieve any significant gains. President Putin may welcome this as he attempts to outlast Western resolve: the attachment of conditions to Western aid could become a very public debate in the spring, and the Russian leader will have an eye on US elections in November 2024 that could see a scaling back of support under a second Trump Administration and Europe given more responsibility. The risk of escalation will rise as we enter a period of maximum peril this winter: Putin's likely re-election in March 2024 might embolden him to go for a larger mobilisation that would tilt the military balance on his side and he will step up bombardments of critical infrastructure before Ukraine receives new ammunition and equipment in spring, while Kyiv may consider more dramatic attacks on the Russian mainland as it loses momentum. In either case, pressure on the West to transfer Russian reserves to Ukraine will grow.

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3 US-China: A fragile stabilisation of ties will offer a measure of reassurance for businesses after a year of spiralling geopolitical tensions.

Both sides will hope to maintain the contact lines established at the November APEC meeting between President Biden and President Xi, with particular optimism in Beijing. But external factors will endanger the reprieve in this structurally competitive relationship: elections in the US and Taiwan will put Sino-American ties at the forefront of minds, while previous thaws have been upended by unpredictable issues like high-altitude balloons. Renewed communication will reassure global business, but its perceived fragility means this is unlikely to reverse investment fund outflows from China or derisking trends.

4 Upcoming Elections: Businesses face political instability as countries cumulatively making up over 50% of global GDP undergo elections.

Countries with populations totalling more than 4bn people will vote in elections in 2024, significantly influencing the operational, reputational and regulatory environment of multinational firms. This includes votes in: the US (5 November), where Congressional elections and the prospects for divided government will be key to watch along with the Presidential race; Taiwan (13 January), where China's reaction to a possible Democratic Progressive Party win bears watching; India (May), where divisive Hindu-nationalist narratives could accelerate prior to the vote, the EU (6 June), where far-right parties could show continued gains in member states, and the UK (date tbc).

“**Renewed US-China communication will reassure global business, but its perceived fragility means this is unlikely to reverse investment fund outflows from China**”

5 Changing Supply Chains: Governments implementing 'derisking' strategies may force businesses to prioritise resilience over efficiency in their supply chains.

Expect rising costs as this shift away from 'hyper globalisation' causes supply chains fragmentations and frictions, and is accompanied by an increase in export controls, financial restrictions and sanctions. Watch for the emergence of new supply chain options in response, particularly new corridors in Asia, the Persian Gulf region and Africa.

6 Macroeconomic Conditions: Interest rates are likely to stay higher for longer, as most developed countries face either mild recessions or soft landings for different structural reasons.

The EU and UK are facing stubborn inflation, with Germany particularly struggling. Persistently low unemployment and inflation have not yet gained President Biden support in the polls. There is growing pessimism over global growth (especially in China, below). Debt build-ups and rising debt service burdens bear watching, and their effects on long-term bond rates.

7 The Chinese Economy: The Communist Party of China (CPC) may undertake policy shifts to incentivise foreign investment as China's economy struggles to perform.

China's slowdown could continue as real estate problems accumulate, the renminbi struggles against strong US growth and rising US bond yields, and Beijing prioritises national security over growth. But despite the recent shifts in economic policy, it remains to be seen whether a major course correction on the treatment of the domestic private sector or addressing the economy's structural issues materialises. Instead, the CPC will look to maintain stabilised ties with the US in an attempt to assuage investor concerns and restrict possible Western controls on high tech. China's significant room for fiscal management will also help.

8 Immigration and Populism: Increased migration could embolden populist narratives, heightening social polarisation in turn.

Immigration has re-emerged as a key issue in European domestic politics and will likely play a leading role in the June EU elections. Control of the US' southern border may also carry electoral salience in November. Physical and economic insecurity in the Sahel and South and Central America could amplify these trends, as could an increase in climate-related displacements. Populist leaders will benefit electorally as a result, as demonstrated in the recent Dutch election.

9 Climate: The energy transition is a rapidly growing issue with many different dimensions for business, notably increased scrutiny on 'greenwashing' and greater regulation and state interventions against the backdrop of market-based solutions increasingly deemed insufficient.

The synchronisation of energy availability, security, and decarbonisation will be front and centre for policymakers next year. Energy transition efforts will also take on greater geopolitical significance given competition over access to the goods required for this (e.g. batteries). A persisting lack of engagement from industrialised countries to support both development and climate justice could meanwhile accelerate divides between the Global 'North' and 'South', especially given the latter's struggle to manage debt burdens against a backdrop of higher global interest rates.

10 Technology: Advances in AI and quantum technology will change business risk calculations and complicate the regulatory environment, with more interventions on national security and sovereignty grounds.

Great power rivalry will intensify on critical minerals, components such as semiconductors, and fast-emerging technologies. Governments will subsidise, regulate, and exert export restrictions to encourage domestic capacity and protect key research. On AI, its accelerating applications will reveal possibly existential vulnerabilities in business operations and risk controls. Expect growing calls for regulation given perceived security concerns (i.e., on frontier models) and societal impacts. But the US, EU, China and India could all take different approaches, further complicating the international regulatory environment.

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2024 Calendar

Dates not necessarily final and subject to change

January

- **BRICS:** Russia's Presidency of the BRICS begins, 1 January–31 December
- **EU:** Belgium's Presidency of the Council of the EU begins, 1 January–30 June
- **G7:** Italy's Presidency of the G7 begins, 1 January–31 December
- **Bangladesh:** Presidential and Parliamentary Elections, 7 January
- **Taiwan:** Presidential and Parliamentary Elections, 13 January
- **US:** Republican Party Primaries begin, 15 January
- **World Economic Forum:** Annual Meeting in Davos, 15–19 January
- **United Nations:** 60th Intergovernmental Panel on Climate Change (IPCC) Session, 16–19 January
- **G77:** Third South Summit of the G77, 20–23 January
- **WHO:** Executive Board Meeting, 22–27 January
- **US:** Democratic Presidential Primaries begin, 23 January
- **European Central Bank:** ECB Governing Council Monetary Policy Meeting, 25 January
- **Finland:** Presidential Election, 28 January
- **US Federal Reserve:** Federal Open Market Committee Meeting, 30–31 January

February

- **African Union:** 37th Heads of State Summit, Date TBC
- **Bank of England:** Monetary Policy Committee Meeting, 1 February
- **Pakistan:** Parliamentary Election, 8 February
- **Indonesia:** Presidential, Parliamentary and Regional Council Elections, 14 February
- **Munich Security Conference:** Annual Conference, 16–18 February
- **Ukraine:** 2 Year Anniversary of Russia's Invasion, 24 February
- **Senegal:** Presidential Election, 25 February
- **World Trade Organisation:** Ministerial Conference, 26–29 February

March

- **China:** 'Two Sessions' Meetings of the National People's Congress (NPC) and the Chinese People's Political Consultative Conference (CPPCC), Date TBC
- **Iran:** Parliamentary Election, 1 March
- **US:** Super Tuesday, 5 March
- **European Central Bank:** ECB Governing Council Monetary Policy Meeting, 7 March
- **Portugal:** Parliamentary Election, 10 March
- **Russia:** Presidential Election, 17 March
- **US Federal Reserve:** Federal Open Market Committee Meeting, 19–20 March
- **Bank of England:** Monetary Policy Committee Meeting, 21 March
- **EU:** European Council Meeting, 21–22 March

April

- **China:** Quarterly Politburo Meeting on the economy, Date TBC
- **South Korea:** Parliamentary Election, 10 April
- **European Central Bank:** ECB Governing Council Monetary Policy Meeting, 11 April
- **World Bank/IMF:** Spring Meeting, 19–21 April
- **US Federal Reserve:** Federal Open Market Committee Meeting, 30 April–1 May

May

- **India:** General Election, Date TBC
- **South Africa:** General Election, Date TBC
- **South Korea:** AI Safety Summit, Date TBC
- **Asian Development Bank:** Annual Meeting, 2–5 May
- **Panama:** Presidential and Parliamentary Elections, 5 May
- **Bank of England:** Monetary Policy Committee Meeting, 9 May
- **Dominican Republic:** Presidential, Parliamentary and Senatorial Elections, 19 May
- **WHO:** 77th World Health Assembly, 27 May–1 June

June

- **China:** Lujiazui Financial Forum, Date TBC
- **IISS:** Shangri-La Dialogue, Date TBC
- **OPEC:** 37th OPEC and non-OPEC Ministerial Meeting, 1 June
- **Mexico:** Presidential, Parliamentary and Senatorial Elections, 2 June
- **European Central Bank:** ECB Governing Council Monetary Policy Meeting, 6 June
- **EU:** European Parliament Elections, 6–9 June
- **Belgium:** Parliamentary and Regional Elections, 9 June
- **US Federal Reserve:** Federal Open Market Committee Meeting, 11–12 June
- **G7:** Leaders' Summit, 13–15 June
- **Bank of England:** Monetary Policy Committee Meeting, 20 June
- **EU:** European Council Meeting, 27–28 June

July

- **China:** Quarterly Politburo Meeting on the economy, Date TBC
- **Croatia:** Parliamentary Election, Date TBC
- **EU:** Hungary's Presidency of the Council of the EU begins, 1 July–31 December
- **NATO:** NATO Summit, 9–11 July
- **US:** Republican Party National Convention, 15–18 July
- **European Central Bank:** ECB Governing Council Monetary Policy Meeting, 18 July
- **US Federal Reserve:** Federal Open Market Committee Meeting, 30–31 July

August

- **Rwanda:** Presidential and Parliamentary Elections, Date TBC
- **Bank of England:** Monetary Policy Committee Meeting, 1 August
- **US:** Democratic Party National Convention, 19–22 August

September

- **Austria:** Parliamentary Election, Date TBC
- **Sri Lanka:** Presidential Election, Date TBC
- **World Trade Organisation:** Annual Public Forum, Date TBC
- **UN:** 79th Session of the UN General Assembly, 10–24 September
- **European Central Bank:** ECB Governing Council Monetary Policy Meeting, 12 September
- **US Federal Reserve:** Federal Open Market Committee Meeting, 17–18 September
- **Bank of England:** Monetary Policy Committee Meeting, 19 September
- **UN:** Summit of the Future, 22–23 September

October

- **Botswana:** Parliamentary Election, Date TBC
- **BRICS:** Leaders' Summit, Date TBC
- **China:** Quarterly Politburo Meeting on the economy, Date TBC
- **Czech Republic:** Senatorial Election, Date TBC
- **Lithuania:** Parliamentary Election, Date TBC
- **Israel:** 1 Year Anniversary of Hamas Attack, 7 October
- **Mozambique:** Presidential and Parliamentary Elections, 9 October
- **European Central Bank:** ECB Governing Council Monetary Policy Meeting, 17 October
- **Commonwealth:** Heads of Government Meeting, 21–25 October
- **World Bank/IMF:** Annual Meetings, 25–27 October
- **Georgia:** Parliamentary Election, 26 October
- **Uruguay:** Presidential and Parliamentary Elections, 27 October

November

- **Asia-Pacific Economic Cooperation:** Leaders' Summit, Date TBC
- **Mauritius:** Presidential Election, Date TBC
- **Moldova:** Presidential Election, Date TBC
- **Namibia:** Presidential and Parliamentary Elections, Date TBC
- **Paris Peace Forum:** Annual Meeting, Date TBC
- **Romania:** Presidential Election, Date TBC
- **United States:** Presidential, House, Senate, State Legislature and Gubernatorial Elections, 5 November
- **US Federal Reserve:** Federal Open Market Committee Meeting, 6–7 November
- **Bank of England:** Monetary Policy Committee Meeting, 7 November
- **COP29:** 29th session of the Conference of Parties, 11–24 November
- **G20:** Leaders' Summit, 18–19 November
- **Guinea Bissau:** Presidential and Parliamentary Elections, 24 November

December

- **Algeria:** Presidential Election, Date TBC
- **China:** Central Economic Work Conference, Date TBC
- **France:** AI Safety Summit, Date TBC
- **Venezuela:** Presidential Election, Date TBC
- **Ghana:** Presidential and Parliamentary Elections, 7 December
- **European Central Bank:** ECB Governing Council Monetary Policy Meeting, 12 December
- **US Federal Reserve:** Federal Open Market Committee Meeting, 17–18 December
- **Bank of England:** Monetary Policy Committee Meeting, 19 December
- **United Kingdom:** General Election, Before January 2025

