



Reflections on Davos

Brunswick's Davos Delegation
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The 2024 WEF Annual Meeting in Davos illustrated the multitude and variety of issues business leaders are facing daily: polarizing geopolitical issues, ethical discussions around artificial intelligence, the impact of elections for over half the world's population and the opportunities and challenges in emerging markets.

Brunswick's Davos delegation share their takeaways for companies in the coming year.

The Biggest Themes From Davos 2024

Geopolitics, Goeconomics, Business

The magnitude, complexity and simultaneity of today's geostrategic crises pose unique challenges for government and business leaders alike.

- This year's WEF took place against a fraught geopolitical backdrop, with deep-rooted tensions between the US and China that continue to divide global politics, regional wars in Ukraine and Gaza that show no signs of abating and global elections that will affect 50% of the world's population.
- In Davos, business leaders spent much of their time debating how to navigate this increasingly challenging operating environment and trying to understand the potential impact on their business strategies.
- To read more about the geopolitical issues that will affect business, read the [2024 Look-Ahead](#) from Brunswick Geopolitical.

The India Opportunity

There is huge confidence in India's future and the business opportunities it represents.

- Several positive trends are converging from different sides of India's business ecosystem: demand, supply and the system-wide facilitating factors.
- Growth is inevitable, and at higher levels too, if business and government deepen collaboration. Navigating and seizing these fundamental factors will be key to determining just how fast India can progress.
- Public-private partnership will be core to the opportunity. The government's bold and deep vision, combined with the realities of those who can do business in India and across the world, could create a unique partnership and moment.



- To learn more about how dealmakers are approaching the India opportunity, read [India Makes Its Own Seat at the Table](#) from the Brunswick Review.

AI, AI and more AI

AI replaced crypto at the top of the WEF agenda, with private- and public-sector leaders optimistic about its opportunities and wary of its risks in equal measure.

- Every year, a different tech topic dominates at Davos. This year — no surprise — the attention was on artificial intelligence. But the sense among conference attendees was that this latest fascination would be less fleeting than other technology trends because it is relevant to every business and sector.
- In the absence of nation-state leadership, there were particularly loud calls for private-sector collaboration to build trust and transparency, focus on ethics and address the “AI divide” between the Global North and Global South.

The Ghost of Davos

While former US President Donald Trump wasn't in Davos, speculation about his potential return to the White House, and US politics in general, was one of the most talked-about topics.

- Although there has been significant continuity between the Trump and Joe Biden administrations on China policy, Trump has directed his focus on securing America's southern border, bringing a rapid end to the war in Ukraine and implementing a new trade policy with tariffs on friendly and unfriendly nations alike.
- As leaders around the world prepare for a possible return to office for the former US president, the turmoil in Congress (and in the EU) over funding for Ukraine has already cast doubt on Ukraine's ability to bring Russia to the negotiating table.
- Countries representing more than half of global GDP are going to the polls in 2024, but there is no doubt that America will be the closest-watched race by business leaders.
- To read more about how the US elections could affect your business, read [Road to the 2024 Presidential Election](#) from Brunswick's US Public Affairs team.

Geopolitics

By [Kenneth Weinstein](#) and [Mike Rogers](#)

Geopolitical uncertainty overshadowed any sense of optimism

With no prospect of the current geopolitical context improving, businesses must have a deep understanding of their operating environment and identify the key issues or trends that most impact their business activities, outcomes or strategy.

The world is currently in a window of “tit-for-tat” activity across multiple areas of conflict. Concurrent challenges in Europe, the Middle East and Northeast Asia magnify the burden on the US, even if US allies and partners are increasingly determined to increase their defense spending. Efforts to deter Iran and its proxies have become more challenging as Iran inches closer to becoming a nuclear-armed power.

These crises are interconnected, as Russia, Iran, China and North Korea, among other nations, seek to exploit opportunities to challenge the rules-based international order with significant implications for global economic and energy security.



Businesses are deeply affected by the geopolitical fallout

The most urgent example is the disruption of shipping in the Red Sea, which is compelling companies to de-risk their supply chains.

The movement to home-shore manufacturing, especially in the chip sector, and to implement rigorous export controls in areas of emerging technologies such as AI, will continue. However, the shortage of skilled workers in the US, especially for the chip sector, remains a major obstacle.

The green transition is challenged by China's growing dominance of the EV export market and its current dominance of the EV battery supply chain.

2024 elections

The first major global election of 2024, William Lai's election as president of Taiwan – which China opposed – will lead to an escalation of rhetoric and tensions in the Taiwan Strait. An outright invasion of Taiwan by the PRC is unlikely in the near term, but other potential scenarios include stricter controls of trade into Taiwan or even an attempt to seek to control one of Taiwan's outlying and less well-defended islands.

Technology, Media, and Telecommunications

By [Ash Spiegelberg](#), [Alice Gibb](#) and [Cerith Evans](#)

AI is everywhere

From Kristalina Georgieva at the International Monetary Fund to the professional-services firms looking at the impact on the workforce and supply chains, everyone was talking about AI. Conversations focused on how companies are using AI in the day-to-day, in supply chains, to free up worker capacity and to augment their own services. There was a focus on the enterprise-level agenda with large tech companies branding everything in their Promenade shop fronts as AI, as well as integrating the topic into their messaging on and off stage. On stage, panel members even made jokes about how long it would take to mention AI in non-AI settings. The takeaway for business leaders was the importance of having an informed view of the impact of AI on their business, with clear messaging about the advantages and disadvantages for all stakeholders.

Talk of crypto

Following a surge in crypto prices and the recent bitcoin ETF approval news in the US, crypto was garnering a lot of interest and discussion. While the industry presence was dialed down in comparison to previous years, there were a number of crypto-sponsored shop fronts on the Promenade. We also observed more meaningful interaction between the traditional finance audience and the crypto group. Perhaps an emblem of this was that the packed annual party hosted by Anthony Scaramucci, the former Trump communications director turned crypto evangelist, ran out of wine.

TMT capital markets

The outlook for the dealmaking environment remains patchy, with investment bankers hoping that capital markets would soon reopen, and equity issuance would drive some revenue gains. With a few high-profile IPOs in the pipeline and some M&A action already this year, there is a renewed sense of hope. There was also



talk of strategic bolt-on deals in the AI space and with private-round companies in need of an exit. Private equity executives are said to be fed up with sitting on the sidelines, and some may try to sell assets this year after largely holding off over the past 18 months.

Financial Institutions

By [Charles Pretzlik](#)

Interest rate cuts (and lack thereof)

European fiscal leaders had varying predictions, with coverage noting that the differing opinions among central bank heads meant it remained difficult to predict what direction the European Central Bank (ECB) would take. Initial comments from Christine Lagarde, President of the ECB, led to a worldwide selloff when she signaled that borrowing costs would come down in the summer rather than spring.

ECB Governing Council member Robert Holzmann also dismissed the possibility of an early rate cut, indicating that recent trends point in the opposite direction, and stating that rate cuts in 2024 are unlikely due to persistent inflation and the potential risks of a recession.

Following these comments, leaders of many of the major banks and other financials were asked to give their own predictions and thoughts during sideline interviews at Davos:

- Steve Schwarzman of Blackstone said he sees a return of "animal spirits" in the finance sector.
- Morgan Stanley's Ted Pick anticipates lower interest rates unlocking deals.
- Bank of America CEO Brian Moynihan remained positive in his prediction, expecting eight rate cuts in the next two years but noted, "the [US Federal Reserve] has got to get normalized and get out of the way."
- A Bloomberg article quotes a number of other global banking executives taking a bearish position on rate cuts, including StanChart's Bill Winters, JPM's Daniel Pinto and Nomura's Christopher Willcox, and reporting Sergio Ermotti from UBS's comment that the "outlook for four or six rate cuts for 2024 look[s] a little bit optimistic."

Banking competition concerns

During a private meeting led by Barclays CEO C.S. Venkatakishnan and Manulife CEO Roy Gori, a media source reported that major bank CEOs expressed concerns about competition from fintech firms and private lenders and grievances about burdensome regulations.

Attendees at the session discussed navigating risks amid geopolitical tension, macroeconomic uncertainty and technological disruption, with a particular focus on regulatory challenges in the UK and Europe.



To continue the conversation



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Alice Gibb is a Director in Brunswick's London office and client liaison for Brunswick's Davos delegation. Having split her career between London and New York, she advises international clients on corporate reputation, financial communications and issues management. Her experience spans a broad range of sectors, with a particular focus on consumer, retail and tech.