



ceir predict

Annual Exhibition Industry Outlook Conference

12-13 SEP 2024

MGM NATIONAL HARBOR

Geopolitical Landscape and Its Impact

Dane Chamorro

Control Risks

Control Risks is a specialist risk consultancy. We are committed to helping our clients build organisations that are secure, compliant and resilient in an age of ever-changing risk and connectivity.

45+

years of experience

178

countries and regions covered

37

global offices

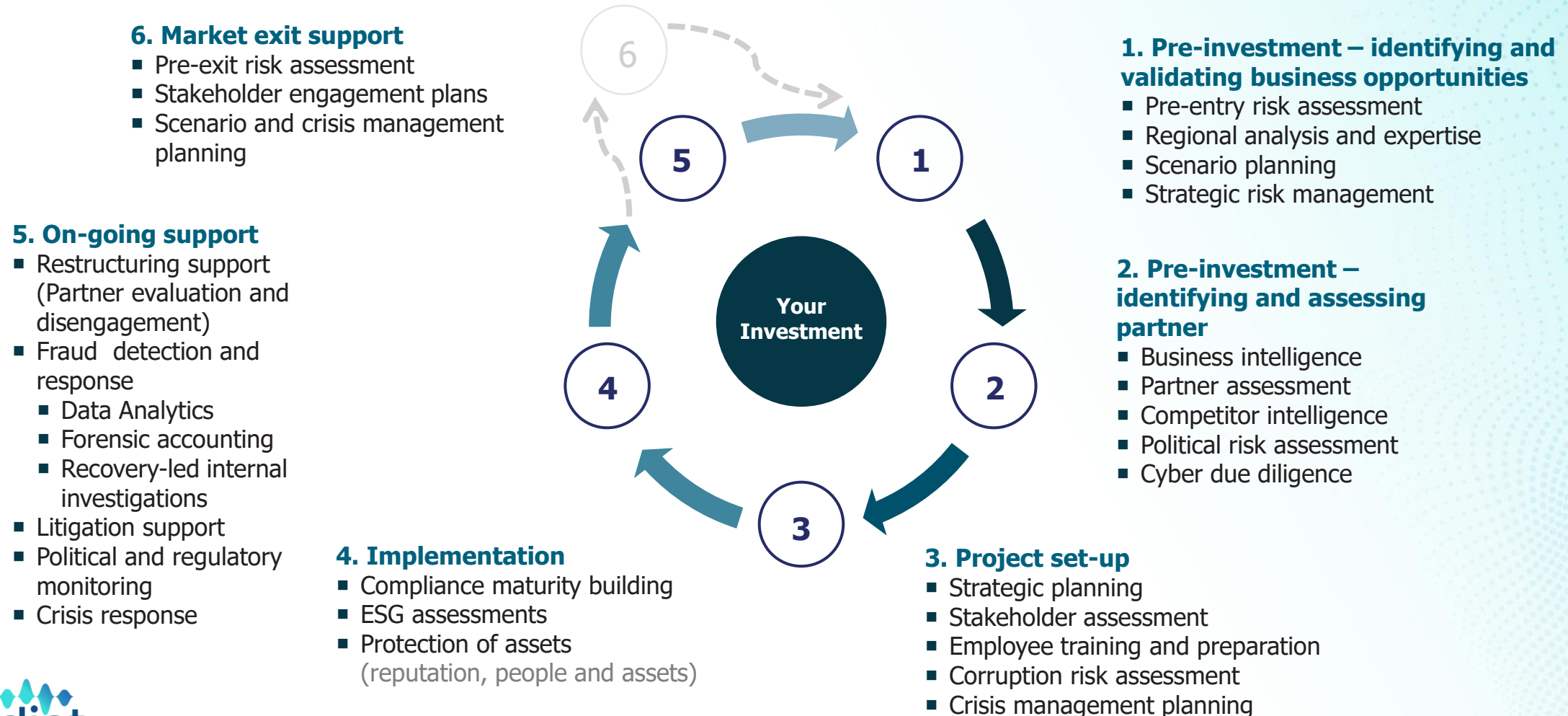
3000

professional consultants

85%

of the Fortune Global 250 companies work with us

Where we work in the business cycle



A Second **PINK TIDE** in Latin America?

Pt 1/2



Geopolitics and your business....

"One problem faced by investors is that they are poorly equipped to assess risks associated with "black-swan" events, which have very low probabilities but can be extremely costly"

The Economist 5 March 2022

(mostly)...
W R O N G !



The Bad - 2022

- Middle East war (?)
- Energy war with Russia
- Technology / 'Cold war 2' with China
- Social wars driven by inequalities
- Shifting supply chains
- Climate crises / costs



New normal = accelerated *transformation*

- *neither revolution nor evolution....*
- *but still highly disruptive*
 - New business models
 - New regulation: ethical sourcing, sanctions, local content, digital, resource nationalism
 - New supply chains
 - New climatic realities
 - New players – national, corporate, technological, political
 - New geopolitics



A multi-polar and multi-layered world

- China is a world power. Russia is a great power. Iran is a regional power. ...with the exception of those long aligned with the United States, the world's countries almost all refuse to choose between America, China or Russia.
- Countries like Turkey and Saudi Arabia that once cleaved to the United States no longer do so.
- Nato is far from unanimous in its views of world or even European affairs.
- Many countries are hedging against possible abandonment by their former American protector.
- *US Amb Charles Freeman – SCMP 26 Aug 2024*

AT&T 13:20

AT&T 5G 08:49

BBC Sign in

All News Business Innovation

August 20

The Big Take

A \$2 Trillion Reckoning Looms as Ports Become Pawns in Geopolitics

Listen

Big Take: US-China Tensions Play Out at World's Ports

World order 'under threat not seen since Cold War'

MI6 and CIA warn of threats such as the war in Ukraine, Islamic State and the Israel-Gaza conflict.

60 mins ago | World

HOME MARKETS WATCHLIST MEDIA MENU

Home Video Live More

...but its not **ALL** bad news !

BREAKING!

INDIA'S GDP RECORDS DOUBLE-DIGIT GROWTH OF 13.5% IN Q1 OF 2022-23

Meanwhile, China registered an economic growth of 0.4% in April-June 2022



PM MODI'S PROACTIVE REFORMS HAVE PUT THE INDIAN ECONOMY BACK ON TRACK!

NATION WITH NAMO

AT&T 5G 17:36

< LISTEN

India Predicts Ample Monsoon Rain Next Month in Boost to Crops

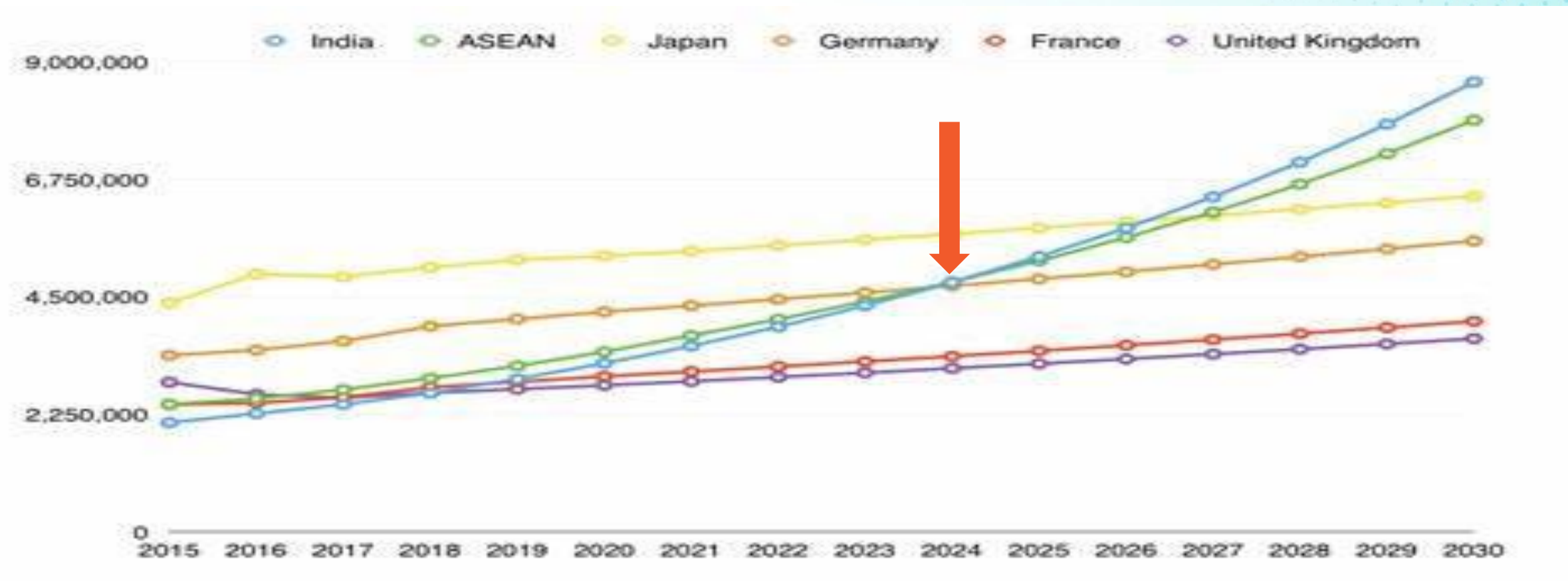
- Precipitation seen more than 109% of long-term average
- Some areas at high risk of extremely heavy rainfall, floods



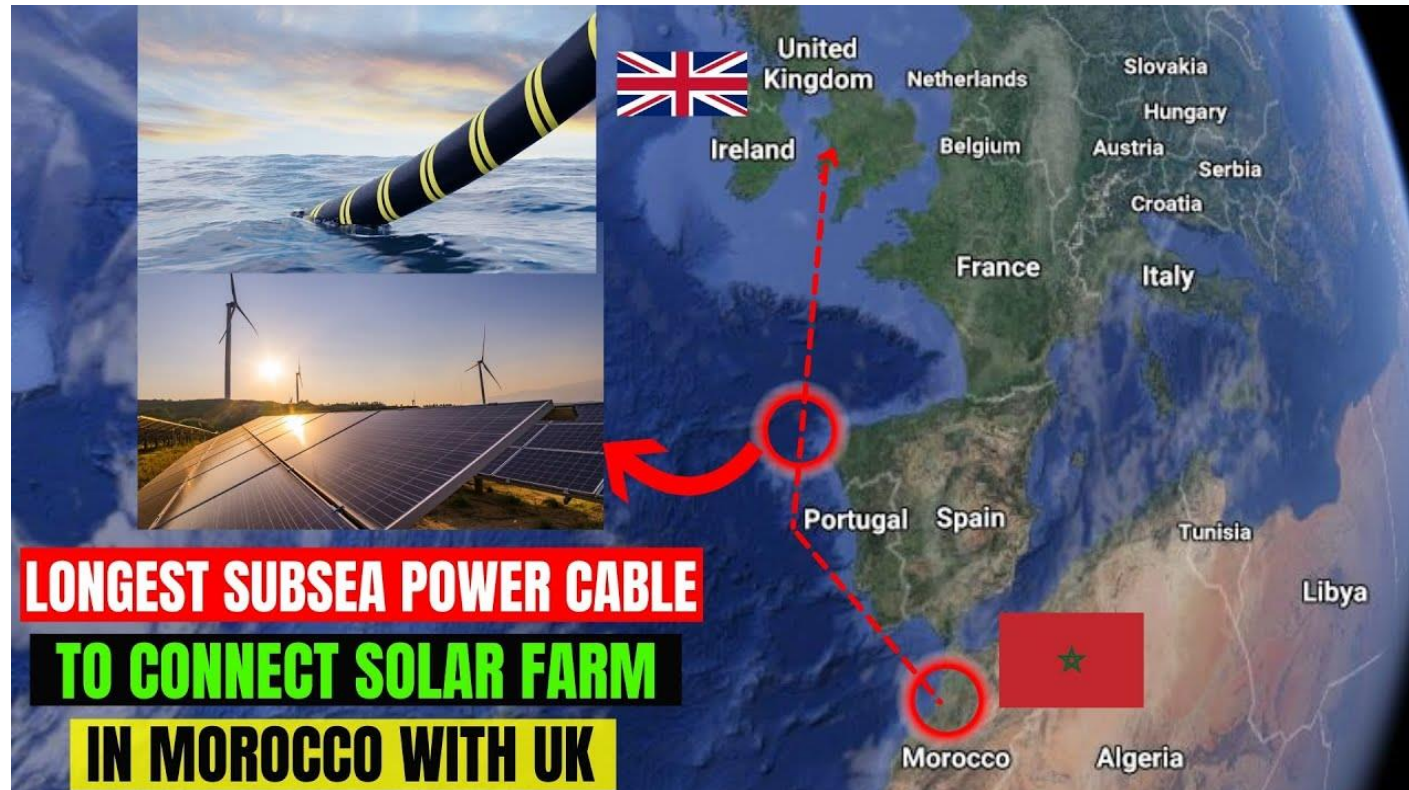
You've reached your free article limit for this month. [Claim This Offer](#)

B HOME | MARKETS | WATCHLIST | MEDIA | MENU

The 'take off' zone



Key 'connector' markets



Record national election year (50+)

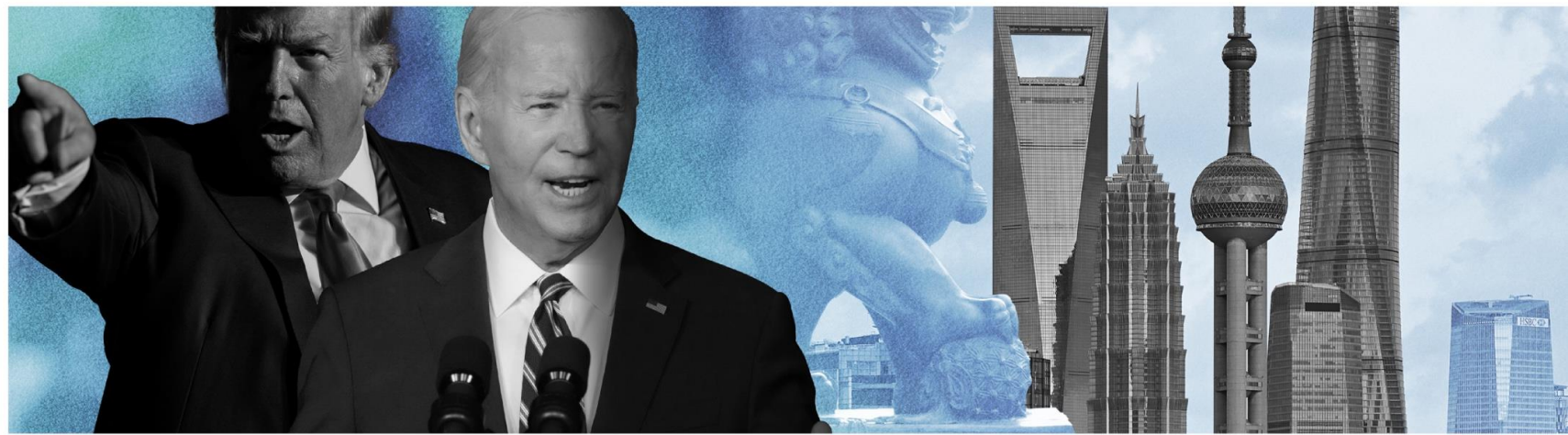




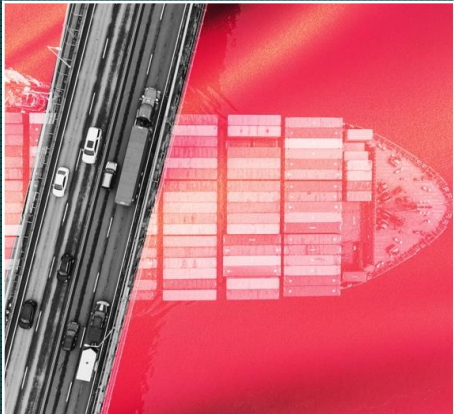
**RIS
KMAP**

Control Risks

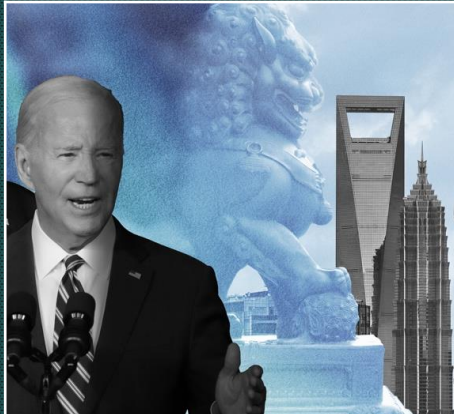
**THE ESSENTIAL
GLOBAL RISK FORECAST**



Control Risks Top Risks for 2024



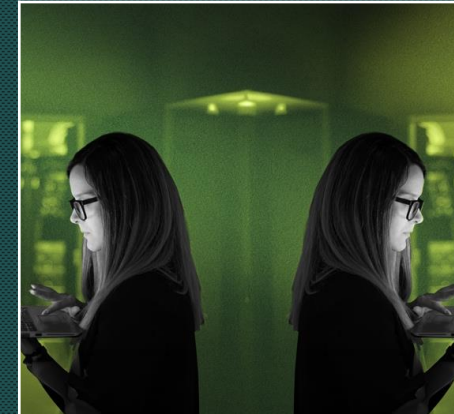
**THE GREAT
REALIGNMENT**



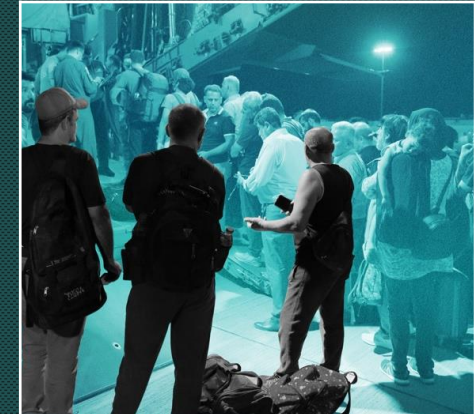
**UNCERTAINTY
PARALYSIS**



**CLIMATE
DISRUPTION**



**TRUST
DEFICIT**



**RISK MANAGEMENT
OVERLOAD**

Great Realignment: Acting Globally, Surviving Locally



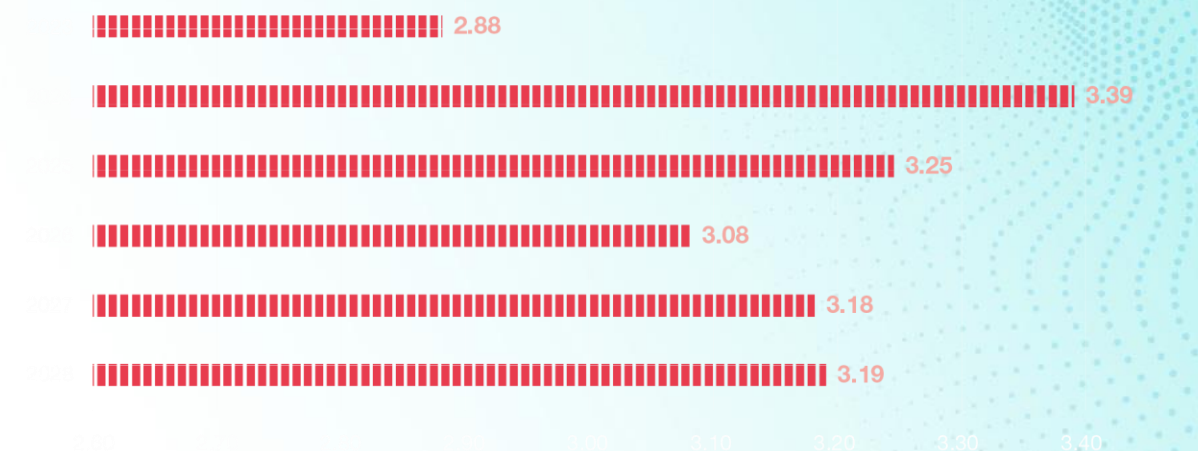
- As countries realign and reorient, global businesses will need to pay attention to the individual interests of a wider range of stakeholders.
- Localisation will intensify, protectionism will increase...eg restrictions of iPhones at PRC government entities, chip chains, data nationalization etc.)
- Industrial policies include incentives which can benefit technology sector (e.g., IRA, CHIPS act, etc.)
- Middle power nations will provide a counterbalance to great power rivalry and look to reroute trade along new axes.

THE GREAT REALIGNMENT

MIDDLE POWERS GEOPOLITICAL ALIGNMENT (CHINA, RUSSIA AND US)



MIDDLE POWERS AVERAGE % GDP GROWTH



SELECTED LOCALISATION POLICIES: STICKS AND CARROTS

STICKS

Local content requirements	Tariffs and quotas
Data localisation	Procurement restrictions
Indigenisation policies	Offset policies
Ownership restrictions	Technology transfer
Buy-local mandates	Technical and design standards
Nationality, residency and local presence policies	Rules of origin
Preferential licensing	

- Business tax incentives
- Intellectual property
- Subsidies
- Pricing incentives
- Consumer tax incentives

Uncertainty Paralysis: US Politics and China's Economy



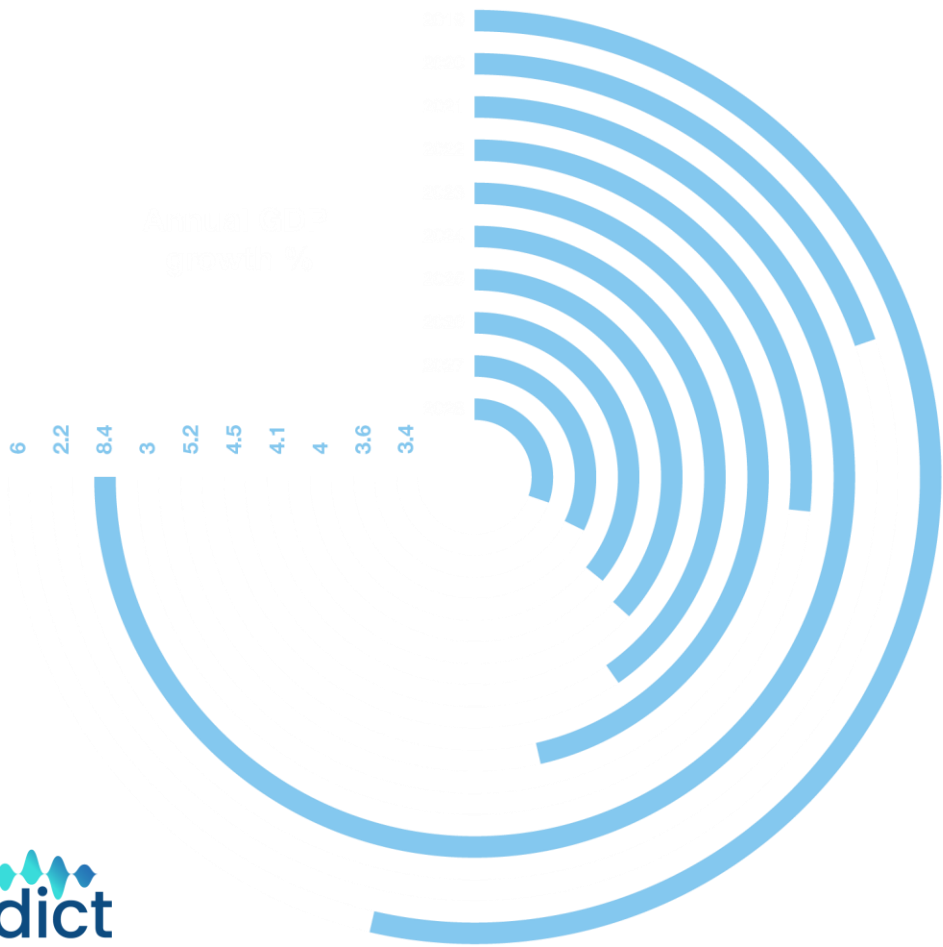
- China's management of its economic downshift will be the most significant global economic risk in 2024.
- Meanwhile, US presidential politics threaten to upend foreign policy and domestic stability
- Any policy agenda will almost certainly face unprecedented challenges
- US-China relations may enter a holding pattern in 2024, and there were record trade volumes in 2022, but the relationship will continue to be volatile

UNCERTAINTY PARALYSIS

Relations between the US and China will likely enter a holding pattern in 2024, while they are preoccupied with domestic affairs. What might too, if a period of global calm should not distract from the reality that flashpoints around Taiwan, Ukraine and trade remain.

CHINA GDP, REAL ANNUAL GROWTH % LEVEL VALUES

While China's economy will stabilise in 2024 relative to the volatility of 2020-23, a sustained rebound is unlikely.



US-CHINA TRADE INTERDEPENDENCE

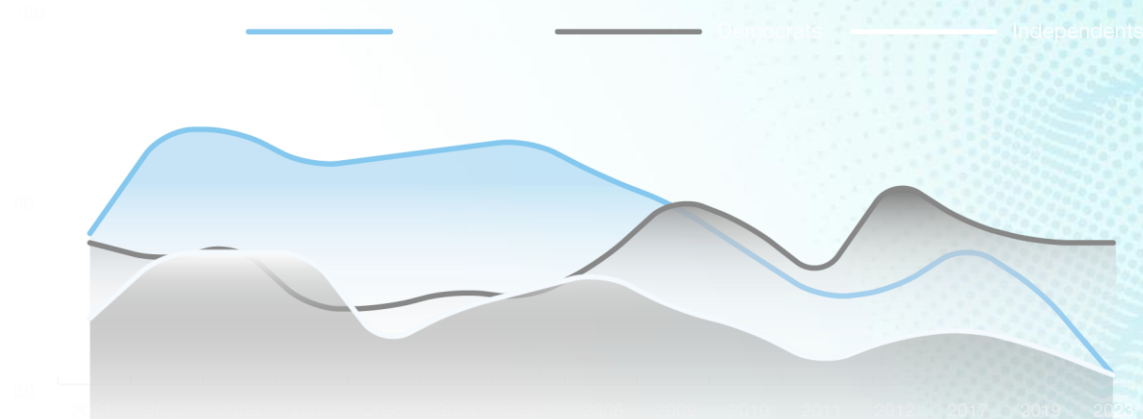
Investment flows have seen a relatively steady decline in US-China trade interdependence.



Source: US Census Bureau and GACC

US POLITICAL AFFILIATION AND SUPPORT FOR A LEADING US ROLE IN INTERNATIONAL AFFAIRS

Since 2001, Republicans and Independents have pushed harder on the US taking a leading role in international affairs, while Democrats have remained relatively constant.



Climate Disruption: The Global Threat Multiplier



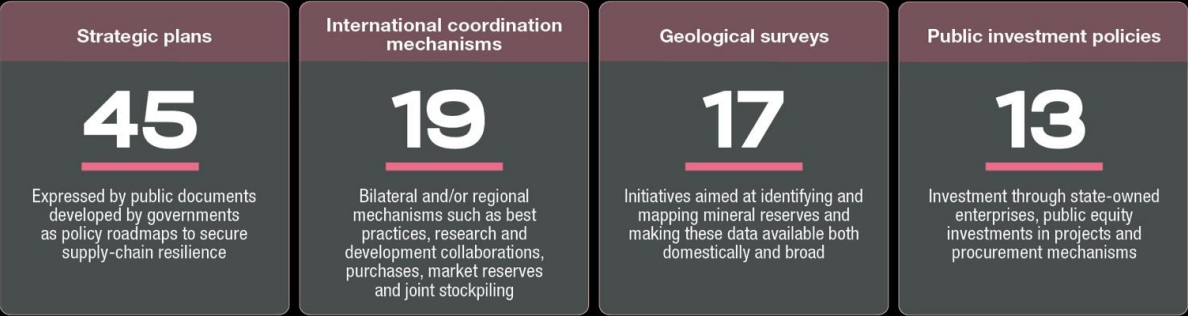
- Disruption wrought by climate change will be the principal threat multiplier of 2024
- Climate events will bring increasingly diverse impacts ranging from supply-chain disruption, uncontrolled migration to the increased spread of disease and will continue to exacerbate ongoing challenges related to conflicts, political instability, economic protectionism etc.
- Expect potential shocks to key infrastructure (e.g., power grid reliability) and litigation related to climate issues in the USA as well as regulatory/compliance reporting in the EU.
- Reputational risk (both real and perceived) will be important to monitor.

CLIMATE DISRUPTION

Climate change disruption will be the principal threat multiplier of 2024. Financial support from governments will be meagre amid persistently flawed decarbonisation frameworks, conflicting priorities and fiscal concerns.

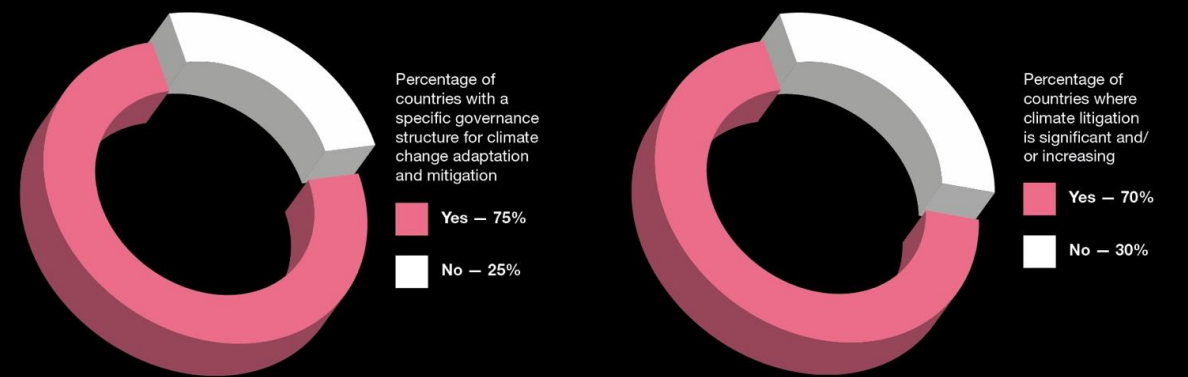
CRITICAL MINERAL COMPETITION

Relevant actions by countries identified in the International Energy Agency database. This illustrates growing competition for critical minerals, exposing business to regulatory and operational risks.



Source: International Energy Agency (IEA) and Control Risks

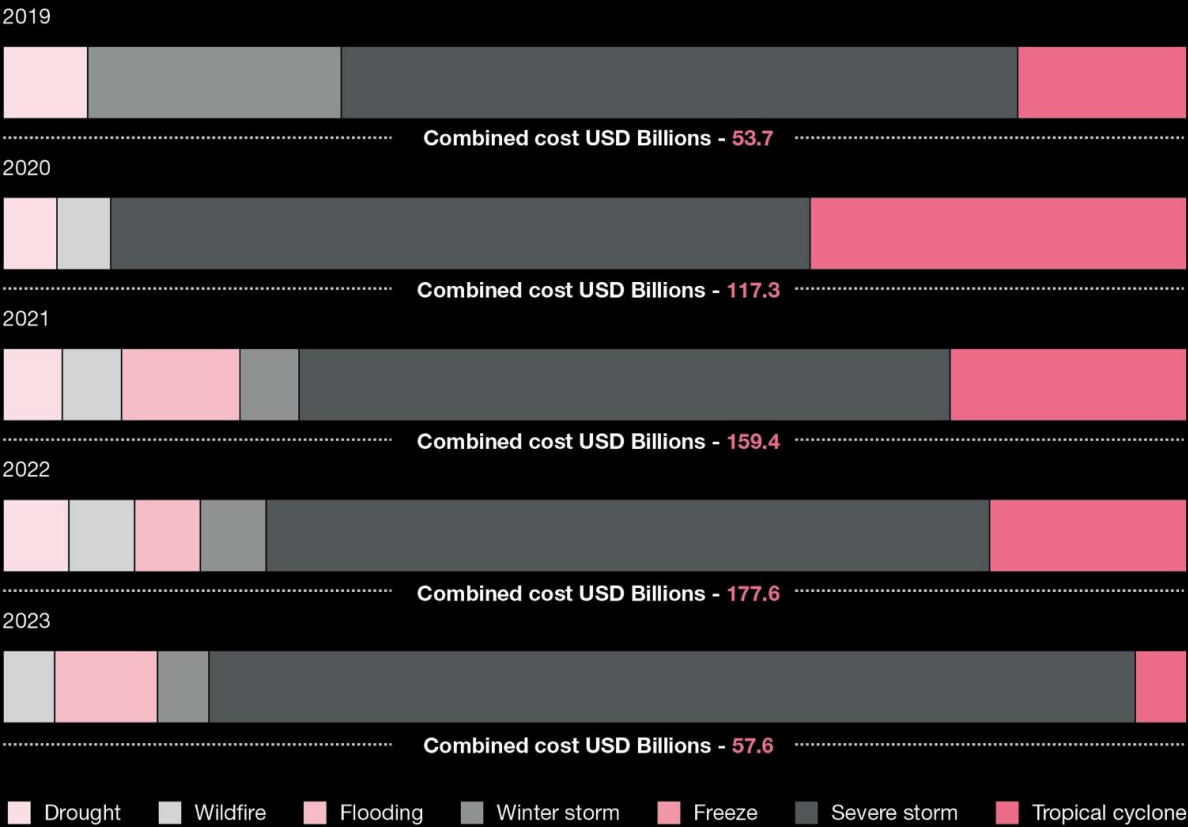
REGULATORY MOMENTUM INCREASING GLOBALLY, BUT STILL UNEVEN



Source: 99 countries covered by Control Risks ESG Country Monitor

BILLION-DOLLAR CLIMATE EVENTS IN THE US IN THE LAST FIVE YEARS

Since 2019* the combined cost/damages of billion-dollar climate events has seen a general trend upward.



*Events recorded up to Sep 2023

Source: National Center for Environmental Information (US government)

MORE THAN HALF OF ALL DAMAGES/COSTS FROM BILLION-DOLLAR CLIMATE DISASTERS IN THE US SINCE 1980 HAVE BEEN INCURRED SINCE 2012.

50,000 COMPANIES WILL BE SUBJECT TO MANDATORY REPORTING AS A RESULT OF THE EU'S CORPORATE SUSTAINABILITY REPORTING DIRECTIVE (CSRD).

Trust Deficit: Digital Integrity Frays



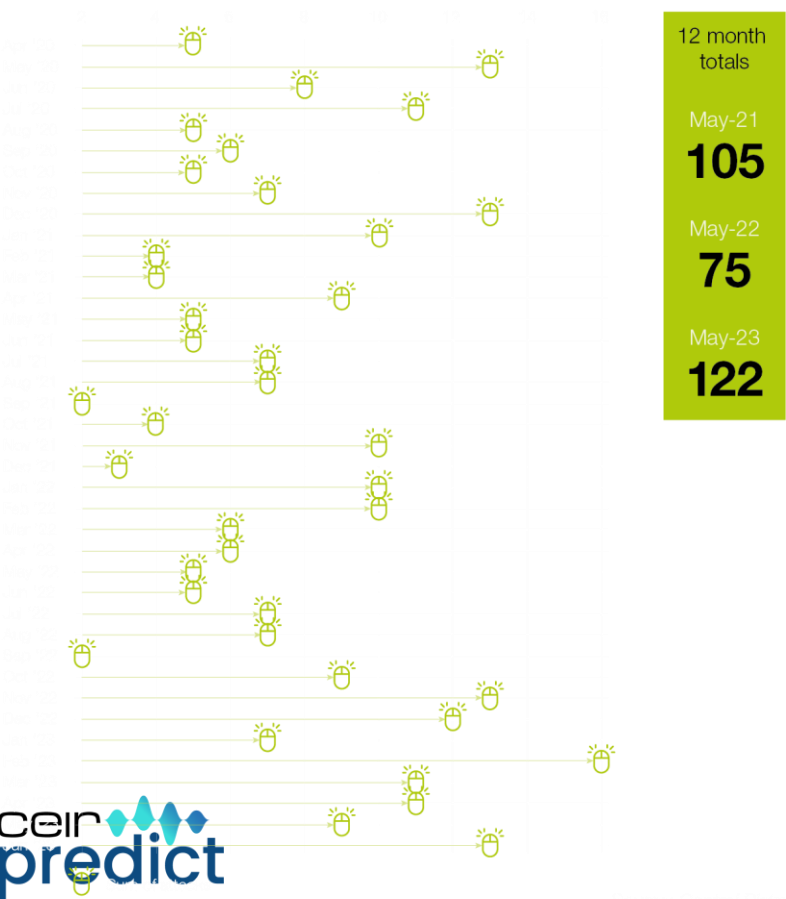
- Attacks enabled by and targeting AI systems, and regulatory pressures worldwide will collide.
- With continued global tensions and conflict in 2024, the targeting of the **integrity of data** will normalise, challenging our ability to detect attacks and trust new technologies.
- There will be potential blowback against technology platforms as misinformation gets supercharged from AI, especially during electoral cycles
- Expect increased compliance burden around software security/integrity and data nationalism – 100 countries now define “CNI” which includes data/technology

TRUST DEFICIT

In 2024, companies across the world will be confronted by a persistent shift in the integrity and trust deficit in the ecosystem and technology. As they shift their focus away from traditional digital integrity or technology and focus from emerging trends, it will be hard to maintain their work.

SIGNIFICANT INTEGRITY ATTACKS ON BUSINESS GLOBALLY FROM APRIL 2020

Many cyber integrity attacks will likely continue to remain elevated in 2024.



CYBER INTEGRITY ATTACK:

MALICIOUS ACTION AIMED AT COMPROMISING THE ACCURACY, RELIABILITY OR AUTHENTICITY OF DATA OR INFORMATION WITHIN A SYSTEM OR NETWORK.

48% OF RESPONDENTS TO OUR 2023 GLOBAL RESILIENCE SURVEY RANKED TECHNOLOGICAL DISRUPTION AS THEIR BIGGEST CONCERN.

INCREASING USE OF DEEPAKE CONTENT

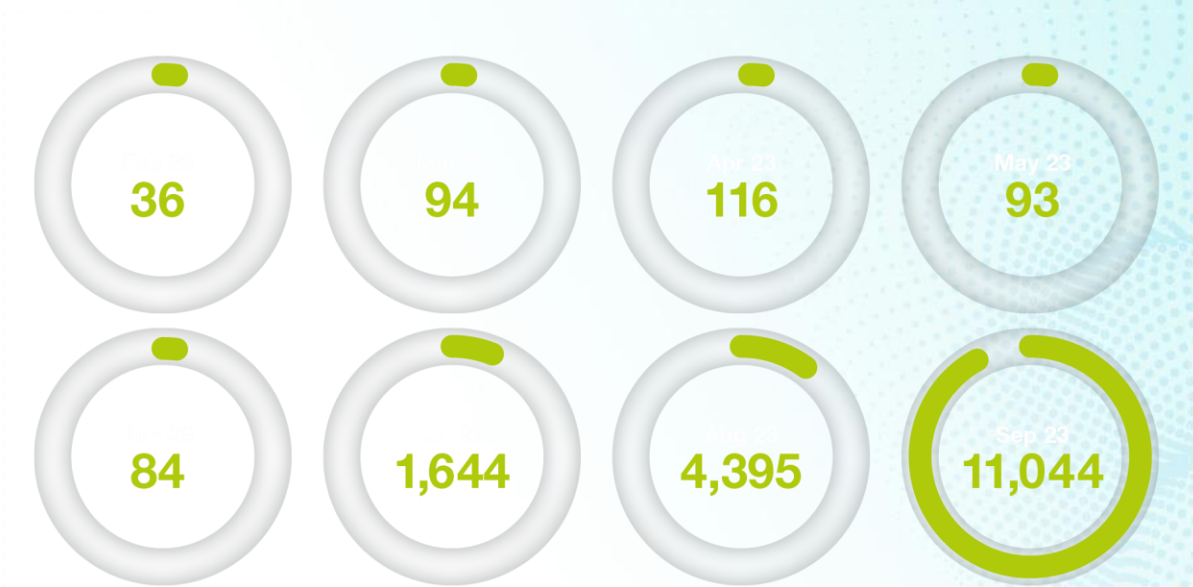
AI-powered disinformation campaigns using deep fake video and audio content will increasingly challenge our trust in online content.



Source: DeepMedia (Posted online in 2023 compared to 2022)

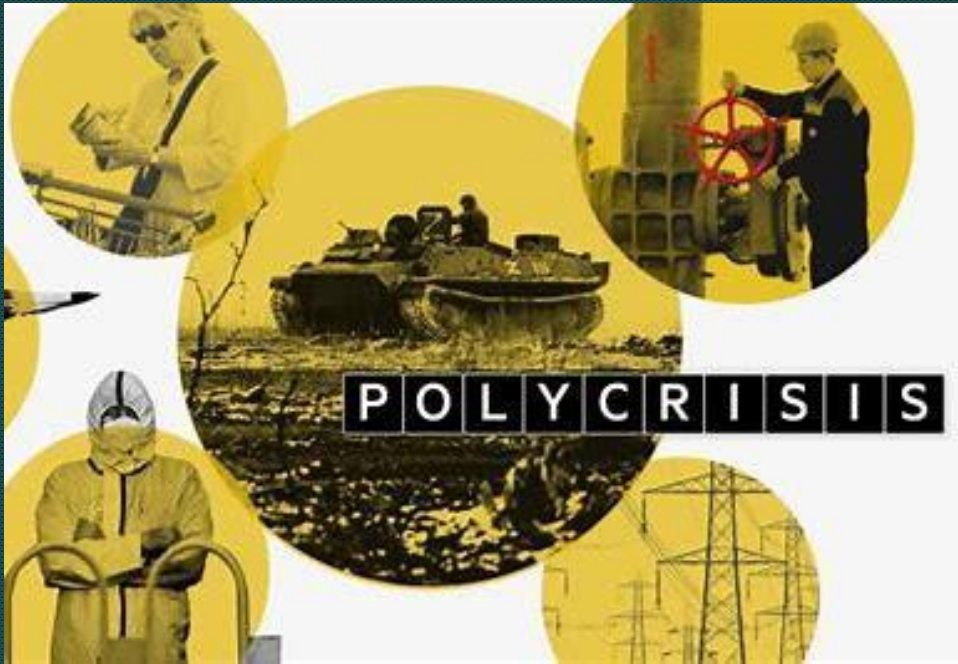
MENTIONS OF GENERATIVE AI IN KNOWN DEEP AND DARK WEB CRIMINAL FORUMS

Three actors have started to use generative AI as part of their operations, increasing their impact on the deep and dark web of attacks.



#CEIRPredict

Risk Management Overload: Crisis Everywhere



- In 2024, the number and diversity of crisis events will test the resilience of risk management functions on a new level.
- The feedback loop between drivers of disruption and the disruption they cause will intensify. Economic pressure and extreme weather will feed into more disruptive elections, state fragility, conflict, mutating cyber, digital and physical risks, geopolitical realignment and mushrooming regulation.
- Corporations need a system approach to geopolitical risk management to include scenario planning and resilience testing, plus the ability to intake information, analyze the relevance, and action it.

RISK MANAGEMENT OVERLOAD

In 2024, expect to see economic pressure and extreme weather feeding into more disruptive elections, state fragility, conflict, mutating cyber, digital and physical risks, geopolitical realignment and mushrooming regulation.

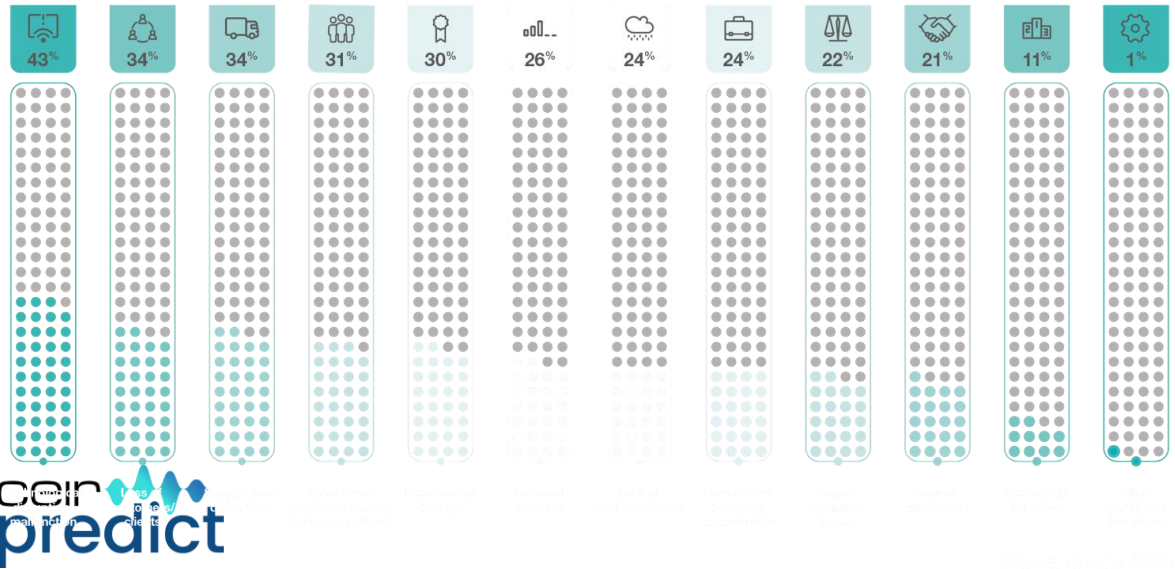
2024 ELECTIONS

Presidential elections in the US and Ukraine are just the tip of the iceberg.



WHAT COMPANIES ARE WORRIED ABOUT

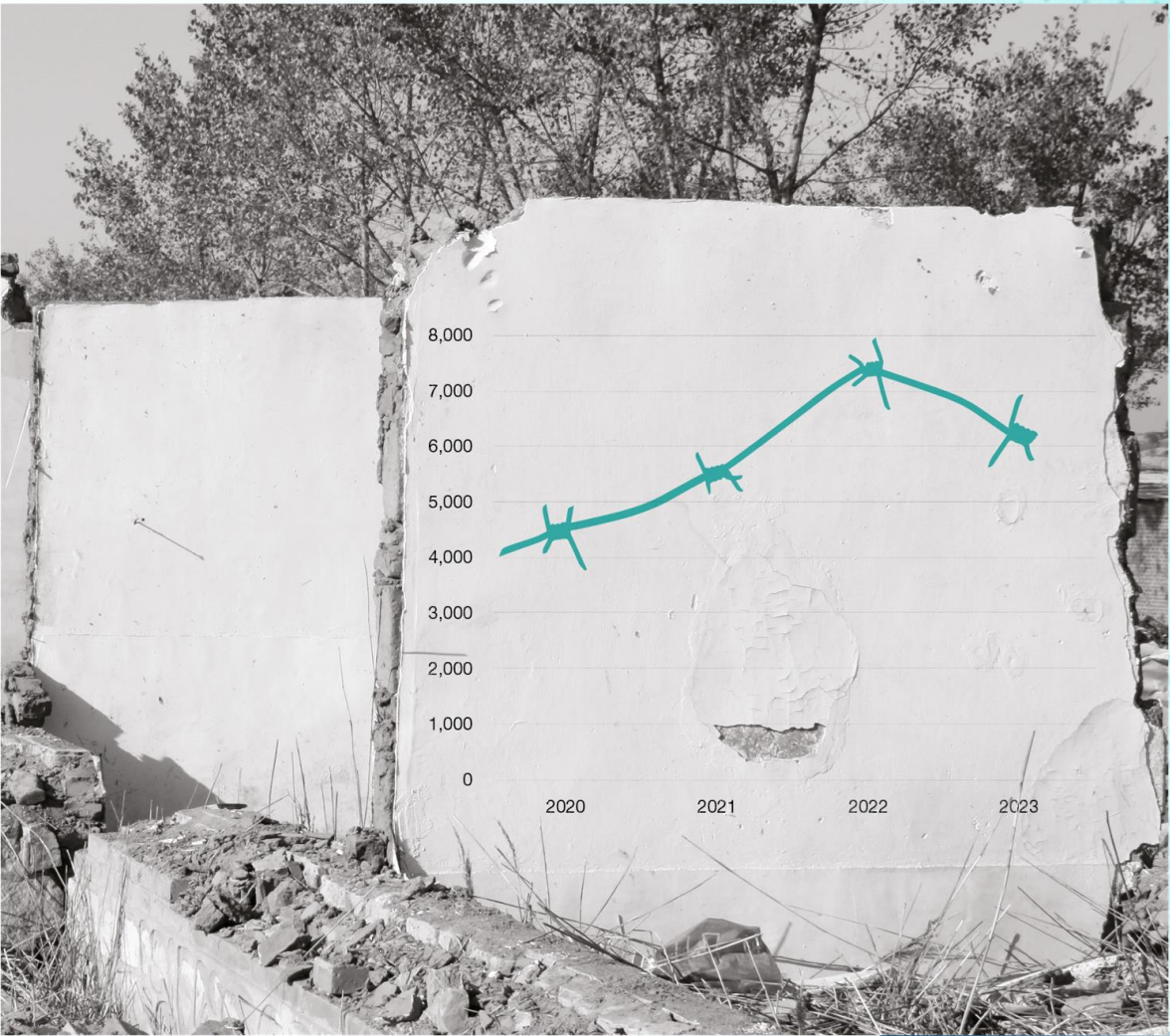
Tech is enhancing risk management while at the same time increasing the complexity of the task.



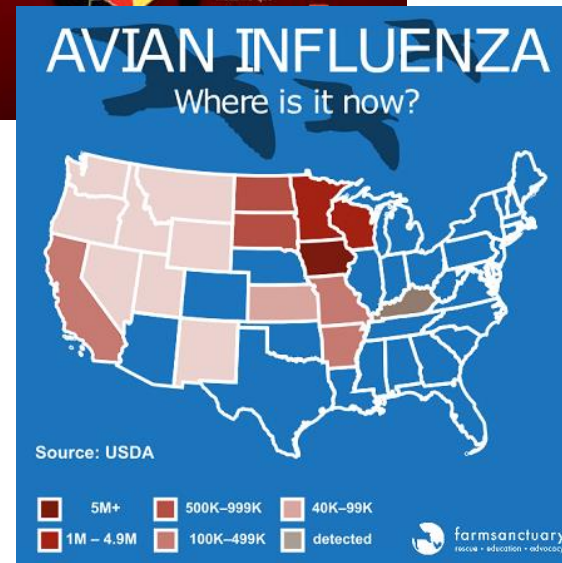
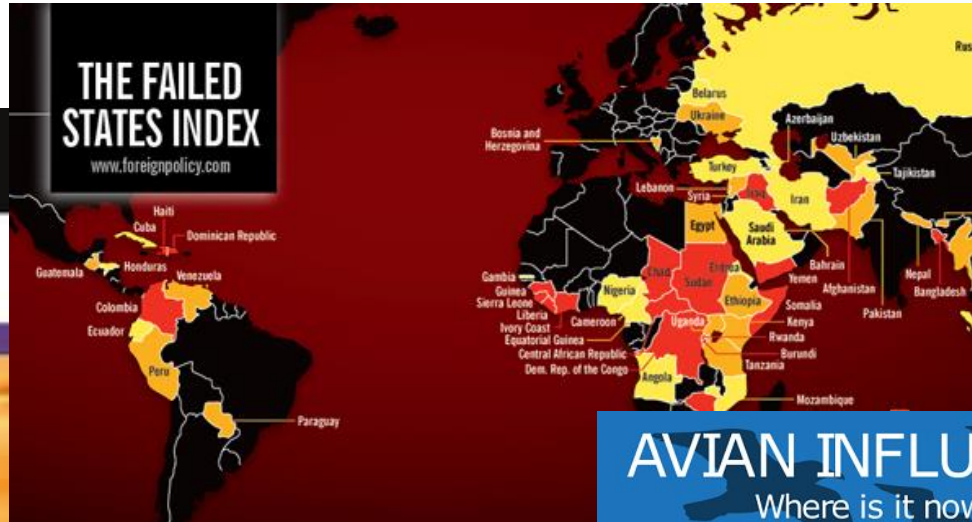
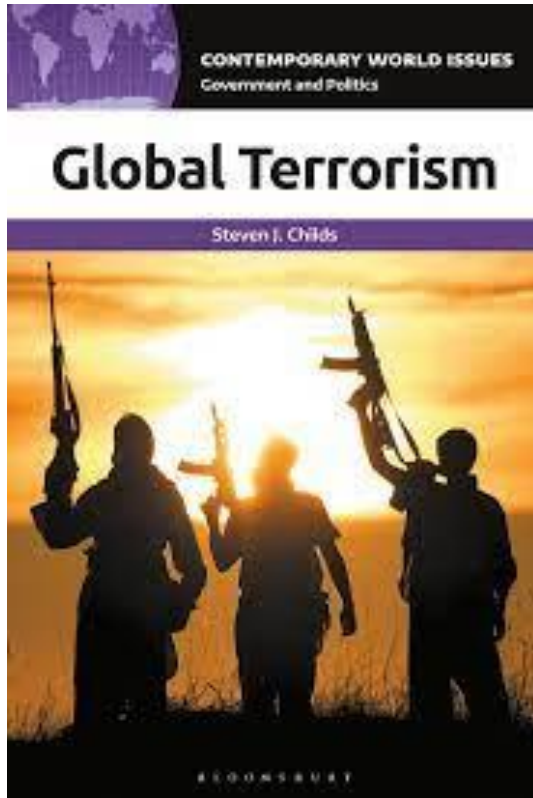
RISK MANAGEMENT FUNCTIONS FACE PRESSURE NOT ONLY FROM BOARDS BUT ALSO PARTNERS, CUSTOMERS AND EMPLOYEES.

SEERIST VERIFIED EVENTS 2020-2023

Crime, war, terror and disaster events have increased by 38% between 2020-2023.



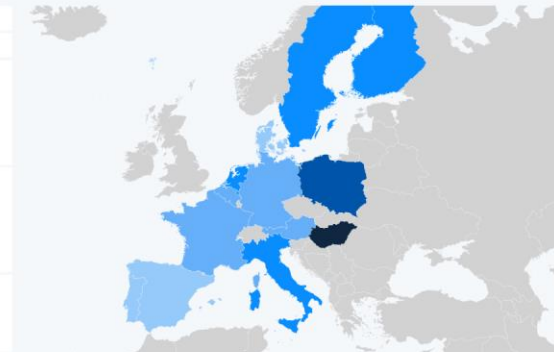
The Ugly...(other things to worry over)



Where Europe's Far-Right Has Gained Ground

Share of seats held by the main far-right party in the national parliament of selected EU countries*

59%	Fidesz
35%	PiS
30%	Fdi
23%	PVV
23%	PS
21%	SD
16%	FPÖ
15%	RN
12%	VB
11%	AfD
9%	Vox
5%	Chega
4%	DF



As of Nov. 23, 2023. Figure for the Netherlands is preliminary.
* Ideologically, these parties share a stance on nationalism, social conservatism and anti-immigration. Some parties may be part of a broader coalition.
Sources: Respective parliaments, YouTrend, Statista research



statista

So what do we do about it?



Understand the environment 360 –all the stakeholders



Actively monitor political, regulatory, and competitive landscape



Ensure you are compliant – legally, ethically, socially



Practice response and watch for 'triggers'

Regulatory Dashboard – prepared for

Introduction

United States

Brazil

United Kingdom

Netherlands

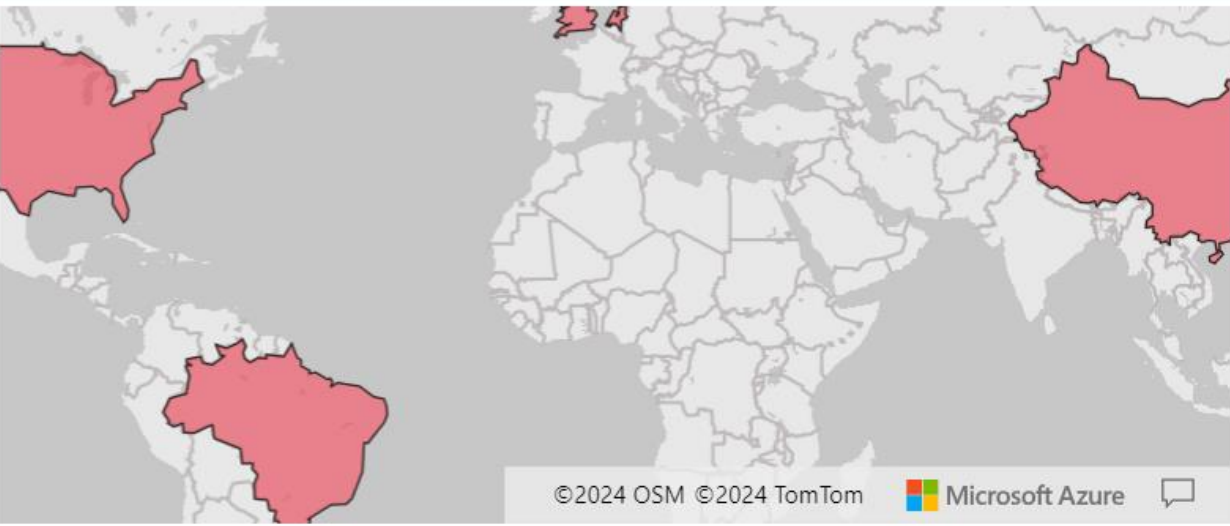
China



Heatmap

Location

	Brazil	China	Netherlands	United Kingdom	United States
Anti-bribery and corruption	MEDIUM	MEDIUM	MEDIUM	MEDIUM	HIGH
Anti-money laundering	MEDIUM	MEDIUM	HIGH	HIGH	HIGH
Antitrust	MEDIUM	MEDIUM	MEDIUM	MEDIUM	MEDIUM
Cybersecurity	LOW	HIGH	MEDIUM	MEDIUM	MEDIUM
Data privacy	MEDIUM	HIGH	HIGH	HIGH	MEDIUM
Diversity and workplace issues	MEDIUM	LOW	HIGH	HIGH	MEDIUM
Environmental regulations	HIGH	MEDIUM	HIGH	HIGH	HIGH
Financial reporting	HIGH	MEDIUM	VERY HIGH	HIGH	HIGH
Forced labour and modern slavery	MEDIUM	MEDIUM	MEDIUM	MEDIUM	HIGH
Sanctions and trade controls	LOW	MEDIUM	HIGH	HIGH	HIGH
Whistleblowing	VERY LOW	MEDIUM	HIGH	MEDIUM	LOW



Theme
All

Risk Rating
All

Select all
Brazil
China
Netherlands
United Kingdom
United States

Theme Rating Commentary

Country	Theme	Risk Rating	Risk Outlook	Rating Comment
United States	Anti-bribery and corruption	HIGH	➔	The US rigorously enforces anti-bribery and anti-corruption of US officials under various federal statutes. In addition, the US prohibits bribery of foreign officials under the Foreign Corrupt Practices Act. Corruption and bribery charges under these laws carry significant penalties.
China	Anti-bribery and corruption	MEDIUM	➔	Anti-corruption rules have not seen a significant change in recent years, however their implementation still poses sustained risks for companies, especially in particular priority sector for the government. The central government on 10 January announced that China's Central Commission for Discipline Inspection prioritise anti-corruption scrutiny in state-owned enterprise, as well as in the overall financial and healthcare sectors. Foreign business are unlikely to be particular targets of this campaign and Hunter Douglas' sector was not listed specifically.
Brazil	Anti-bribery and corruption	MEDIUM	➔	Brazil has an Anticorruption Law since 2013, which is somehow comprehensive and generally enforced. Compliance requires regular employee training, in addition to the implementation of monitoring systems and due diligence processes. Changes in law interpretation by the Judiciary mean that companies should have monitoring systems in place.
Netherlands	Anti-bribery and corruption	MEDIUM	➔	Bribery and corruption do not pose a significant risk. There are strong compliance-related laws but there is no indication that corruption is systemic in the Netherlands, or that it is present at scale in public procurement.
United Kingdom	Anti-bribery and corruption	MEDIUM	➔	Bribery is illegal in the UK under the Bribery Act 2010, which specifies that it is illegal to offer, promise, give, request, agree, receive, or accept bribes. Businesses are encouraged to have anti-bribery policies if there is a risk that someone in their employ or someone working on their behalf might be exposed to bribery. The UK also has strong anti-corruption provisions, with the Criminal Finances Act 2017 giving law enforcement agencies the power to recover the proceeds of crime and address tax evasion and corruption. There is no indication that corruption is systemic in the UK, or that it is present at scale in public procurement.
United Kingdom	Anti-money laundering	HIGH	➔	Money laundering in the UK is defined in the Proceeds of Crimes Act 2022 and includes all forms of handling or possessing criminal property and facilitating any handling or possession of criminal property. Anti-money laundering regulations in the UK are set out in the Money Laundering, Terrorist Financing, and Transfer of Funds Regulations 2017 (amended 2019). These regulations mandate that

United Kingdom

Introduction

United States

Brazil

United Kingdom

Netherlands

China

Theme

Select all

Anti-bribery and corruption

Anti-money laundering

Theme Risk Rating

All

Theme Risk Outlook

All

Date Range

1900

2027

Reset Filters

Reset

Name	Description	Compliance implications	Framework	Date
Data Protection Act 2018	A data protection framework that regulates all aspects of how businesses, organizations, and government bodies control and process personal data.	Requires UK businesses to adhere to stringent data protection standards, ensuring lawful processing of personal data, obtaining explicit consent, and enabling individuals' rights to access, correct, and delete their data. Businesses must also ensure data security and promptly report breaches to the Information Commissioner's Office (ICO).	Statute	2018
Proceeds of Crime Act 2002	Broad legislation making it a criminal offence to profit from criminal activity.	Businesses must conduct customer due diligence, identify suspicious transactions, and report them to the National Crime Agency (NCA). POCA requires businesses to freeze assets derived from criminal activities, cooperate with law enforcement agencies in investigations, and maintain records of financial transactions. Compliance with POCA involves regular staff training, internal controls, and adherence to regulatory guidance issued by supervisory authorities.	Statute	2003
Terrorism Act 2000	Defines terrorism including indirect financial assistance.	Businesses are required to report suspicions of terrorist financing, freeze assets of designated individuals and entities, and prevent the provision of financial or material support to terrorists or terrorist organisations. Compliance involves implementing counter-terrorism financing (CTF) measures, conducting thorough customer due diligence, and monitoring transactions for suspicious activities.	Statute	2000
Climate Change Act 2008	Designed to reduce carbon dioxide emissions in the UK. Binding targets have been set that will reduce these emissions from levels recorded in 1990 by at least 80% by 2050.	Businesses must contribute to national carbon budgets and meet sector-specific emission reduction targets, which require implementing measures to improve energy efficiency, transition to low-carbon technologies, and mitigate environmental impacts. The act mandates reporting requirements on emissions and progress towards targets, fostering transparency and accountability in corporate environmental practices.	Statute	2008
Equality Act 2010	Equality Act protects people against discrimination on the grounds of protected characteristics, of which there are 9: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation.	Mandates that businesses in the UK must prevent discrimination against employees, job applicants, and customers based on protected characteristics. It requires reasonable adjustments for individuals with disabilities, equal pay for equal work, and reporting of gender pay gaps for larger organizations. Businesses must also prevent harassment, promote fair recruitment and promotion practices, and comply with the Public Sector Equality Duty if applicable.	Statute	2010
Energy Savings Opportunity Scheme	ESOS is a mandatory energy assessment scheme for in scope businesses in the UK. Applies to overseas companies if they have a UK-registered establishment with 250 or more employees. In scope businesses must calculate their total energy consumption, encompassing all energy used in buildings, industrial processes, and transportation.	Businesses must carry out an audit of their energy-consuming activities and identify cost-effective energy-saving measures once every four years. Requires businesses in scope to identify opportunities for improving their energy efficiency and list these in their report.	Regulation	2023
Sanctions and Anti-Money Laundering Act 2018	Gives broad powers to impose sanctions regulations for compliance with a UN obligation or any other international obligation. Sanctions possible include financial trade, immigration, shipping aircraft and implementing UN sanctions.	Businesses in the UK must comply with sanctions regimes imposed by the UK government, which include freezing assets and restricting dealings with sanctioned individuals, entities, and countries. It also strengthens AML regulations, requiring businesses to implement due diligence procedures, customer identification processes, and transaction monitoring to prevent money laundering and terrorist financing activities.	Statute	2018
International Financial Reporting Standards	International Financial Reporting Standards (IFRS) are a set of accounting rules for the financial statements of public companies that are intended to make them consistent, transparent, and easily comparable around the world. The IFRS is issued by the International Accounting Standards Board (IASB).	IFRS specify in detail how companies must maintain their records and report their expenses and income. They were established to create a common accounting language that could be understood globally by investors, auditors, government regulators, and other interested parties. UK accounting standards are substantially aligned with IFRS standards with limited modifications. Foreign listed companies are permitted to use IFRS standards.	Standard	2006
Computer Misuse Act	Legislation relating to offences or attacks against computer systems such as hacking or denial of service. It deliberately allows for technological development by not defining what is meant by a 'computer'.	Businesses must ensure cybersecurity measures to prevent unauthorised access or modification of computer systems, including implementing strong access controls, encryption protocols, and regular security assessments. Compliance involves educating employees about the risks of computer misuse, monitoring network activities for suspicious behaviour, and promptly reporting any breaches or incidents to law enforcement authorities.	Statute	1990
Sanctions and Anti-Money	Makes provisions for enabling or facilitating the detection or investigation of money laundering and	Businesses in the UK must comply with sanctions regimes imposed by the UK government.	Statute	2018

Where we are

Our offices

Abu Dhabi
Al Khobar
Amsterdam
Baghdad
Basra
Beijing
Berlin
Bogotá
Chicago
Copenhagen
Delhi
Dubai
Erbil
Frankfurt
Hong Kong
Houston
Islamabad
Jakarta
Johannesburg
Lagos
London
Los Angeles
Mexico City
Moscow
Mumbai
Nairobi
New York
Panama City
Paris
Port Harcourt
São Paulo
Seoul
Shanghai
Singapore
Sydney
Tokyo
Washington DC





ceir predict

Annual Exhibition Industry Outlook Conference

12-13 SEP 2024

MGM NATIONAL HARBOR