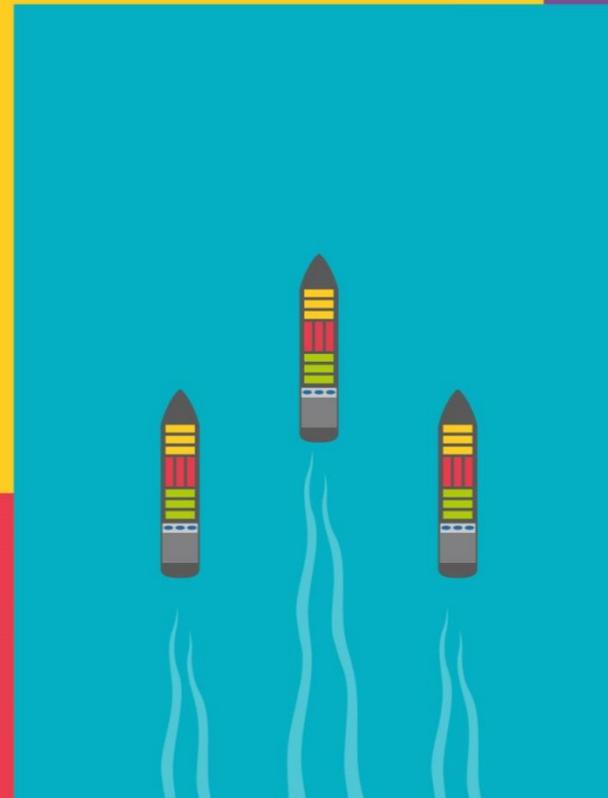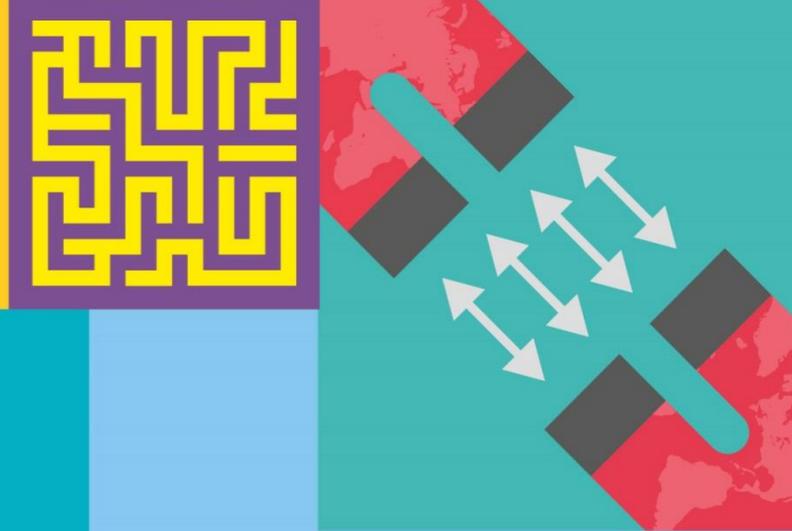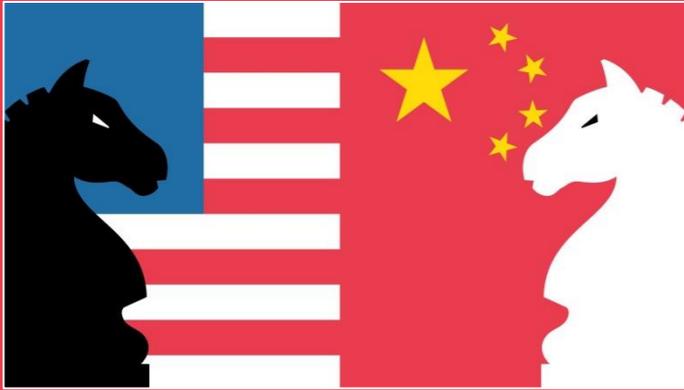# The New Global Reality for Business

Steve Wilford, Senior Partner
Control Risks

Five geopolitical "crosscurrents"

US-China trade rift brings a new global order

▸ As Control Risks predicted in 2018, the confrontation on trade between the United States and China has become the defining geopolitical dynamic of 2019.

▸ Companies in a wide orbit around this stand-off have or will feel the political and economic impact, with this orbit of impact widening.

▸ What started as a trade war has hardened into a more permanent stance. A US "contain China" policy is now shaping to become one of the pillars of a new global order.
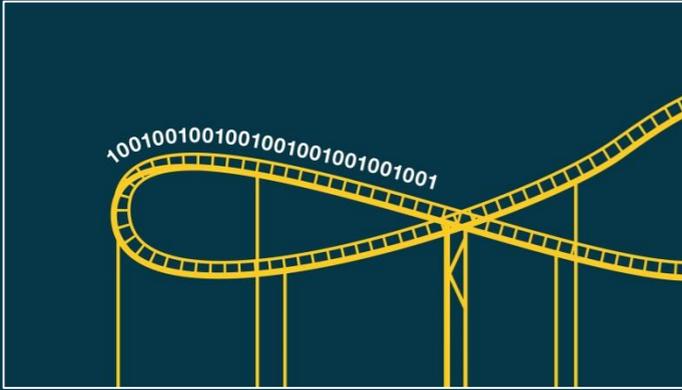
The global data regulations stand-off

▶ The stand-off between the three domains of data regulation will present a new level of risk for the international business in 2019 and beyond.

▶ For China, data is something to be controlled; for the EU, data is something to be protected; the United States sees data as something to be commercialised.

▶ Brace for the challenge of collecting, storing and transferring data within and between these three domains against a backdrop of inconsistent enforcement and escalating cyber security threats.
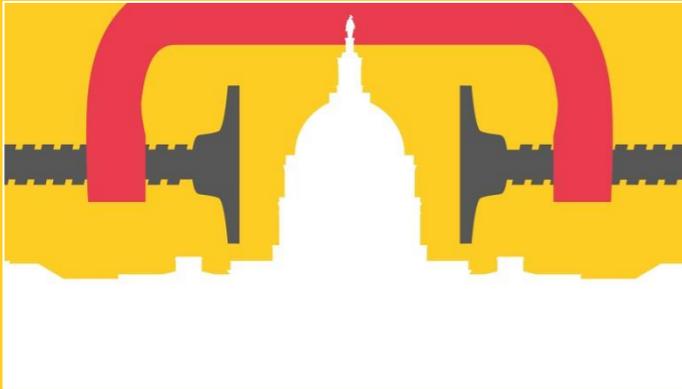
US political gridlock

▸ The vice of legislative gridlock will close on policy making in Washington and throw the US into a period of pitched political uncertainty.

▸ Resurgent Democrats in the House of Representatives will continue to pin the President under an investigative lens. Pushback from a Republican Senate and White House will erase any hopes of consistency for business.

▸ Trade policy will remain unchanged; the pace of deregulation will slow. Foreign policy will remain unsettled and ambivalent in a global environment that requires clarity and resolve.

Climate change driving politicised regulation

▸ Some of 2019's worst business disruptions will not come from terrorist attacks but from extreme weather and its consequences. From storms to floods to droughts and forest fires, the costs of interrupted production, distribution, sales and travel will skyrocket.

▸ Governments' use of environmental regulations as a political tool could intensify in the region.

Nationalist politics confronting multinationals

▶ Globalised companies risk – ironically – becoming nationless as nationalist politics continue to advance across the world.

▶ Formal and informal barriers are rising. Frictionless trade is beginning to rub, supply chains are starting to drag.

▶ Business leaders must re-calibrate and adapt to this new reality or global players will end up being played by a world in uncertain transition.

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Feel free to reach out for a chat:

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