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As 2024 draws to a close, and we begin to plan for the year ahead, we've been reflecting on the geopolitical landscape of the past 12 months and its impact on business.

A YEAR OF GLOBAL CHALLENGE

To many, 2024 has been a year of challenge. The UN's Antonio Guterres in his recent COP29 closing statement, described 2024 as "brutal", underlining the ever-present threat of climate disasters including extreme flash flooding and the devastating effects of hurricanes Helene and Milton.

With war and conflict continuing to create global unrest and terrible suffering, tensions have remained high resulting in volatile trading conditions, sanctions and a heightened humanitarian crisis affecting millions across multiple locations. Calls for the softening of immigration crackdowns, sit tightly alongside political calls for a harsher stance in the US and elsewhere.

November saw America's new President-elect confirmed, with an astounding landslide, the far-reaching consequences and uncertainty surrounding the new leadership in The White House particularly impacts global trading arrangements, including the prospect of tariffs.

Earlier this year Economist Intelligence published a Trump Risk Index such is the magnitude of US influence on the global economy. The Index highlights policy change, security matters and cultural alliances as points to pay close attention to.

Whilst all these events have had varying degrees of impact on business and civil society, there is one common thread binding them all together. A sense of uncertainty, the threat of many risks hitting at once. Making 2024 another year of polycrisis.

A YEAR OF NEW FACES

2024 saw more than half the world's population given an opportunity to vote in elections.

This has seen much change; also, some of the same, with the return of (albeit weakened) leadership in India and South Africa. A shift to the left in France's parliamentary elections (appelé en hâte in response to a shift to the right in wider EU elections) led to the appointment of a right-of-centre 'negotiator' Prime Minister, seeing Michel Barnier ousted from his post in less than 3 months. A country now in political crisis as we move towards a New Year sees its President significantly weakened and calls for his own resignation.

Not only in France, other nations have grappled with the prospect of snap elections, revealing new political ideas, leadership personalities and investment frameworks. The surprising (or not?) results of these had countries like the UK poised to respond to the opportunities (and challenges) unveiled through election promises and government budgets. In the UK, for example, there are promising signs for capital investment and infrastructure projects and a commitment to the Net Zero agenda remains resolute.

A YEAR FOR (SOME) ANSWERS

Whilst there has been obvious instability, 2024 was also a year in which we saw progress. In the UK the Grenfell Inquiry has begun to provide answers to many years of questions from both those directly affected by the 2017 tragedy and the construction and property sectors. The final report, published in September, identified sweeping failings across government bodies and industry alike.

The Inquiry has also been the catalyst for an improved building safety regime in the UK including a renewed focus on health and safety cultures and accountability.

A YEAR FOR EVOLUTION & COLLABORATION

The EU's AI Act has been developing at pace for several years, finally coming into force on 1 August 2024. Pioneering legislation in this field and a milestone for users and developers alike, the Act is an important step to a risk-based approach to the implementation of AI systems and helping to ensure that technical specifications meet a 'harmonized standard'.

Signing of the Bletchley Declaration at the UK hosted AI Safety Summit in March was a positive sign for international collaboration on matters of AI safety. However, given recent political change, priorities are shifting with commentators hinting that the UK, led by its new secretary of state for technology, is even more committed to the AI agenda than his predecessor. The US appetite for trans-Atlantic AI collaboration currently looks uncertain, and a protectionist approach to AI investment on the horizon. Either way, with *The Economist* (November 2024/*The World Ahead*) stating that "spending on AI data centres between 2024 and 2027 is expected to exceed \$1.4trn", its attraction looks likely to continue, provided investors' risk appetite remains.

Looking to 2025

2024's many legacy events will continue to influence what 2025 has in store for business. The UN's **World Economic Situation and Prospects 2025** is set to be launched on 9 January and the **World Economic Forum's annual Global Risks Report** typically paints an interesting picture of what we can expect to see on the horizon.

We plan to review the key findings of the 2025 report, publishing an outline of some of the key points early in the New Year. Look out for that, but in the meantime, revisit some of the risks highlighted for 2024 and summarized in a *Bulletin* by our team [here](#).

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EXPANDING AND DIVERSIFYING

2024 has been a time for celebration at 2MPy, having reached three years in business in May. We have since revisited our service offering, conducted client satisfaction reviews and broadened our portfolio of services in response to the needs of our clients.

We have seen an increased interest in our strategic advisory portfolio, most notably independent insight, guidance and support, to help review or inform business strategy. Political change and economic uncertainty have also been leading some industries to reappraise their international business interests, whether that be exploring new territories for growth or understanding the risks attributed to global operations.

COLLABORATING & EXCHANGING IDEAS

We were pleased to introduce guest author *Viewpoints* last year and collaborate with leaders in industry to explore new ideas. Thanks again to Ian Rogers who kick started with insights on **technology and team efficiencies** and also to Carole O'Neil, from Cundall, who shared views on the **realities and practicalities of an ageing workforce**.

2024 saw contributions from Laura McDonough from Miller with insights on the **importance of forging trusted, strategic relationships** when identifying suitable insurance providers and brokers and, also to Nick Hill who last month shared his experiences of **resolving conflict and disputes**, including some practical measures to help expediate this. Thanks again to all contributors.



Season's Greetings

As we close out 2024, we would like to take this opportunity to send good tidings to all our clients and collaborators and wish you all the very best for 2025.