



# Global Insights Report

2024 Risk Outlook

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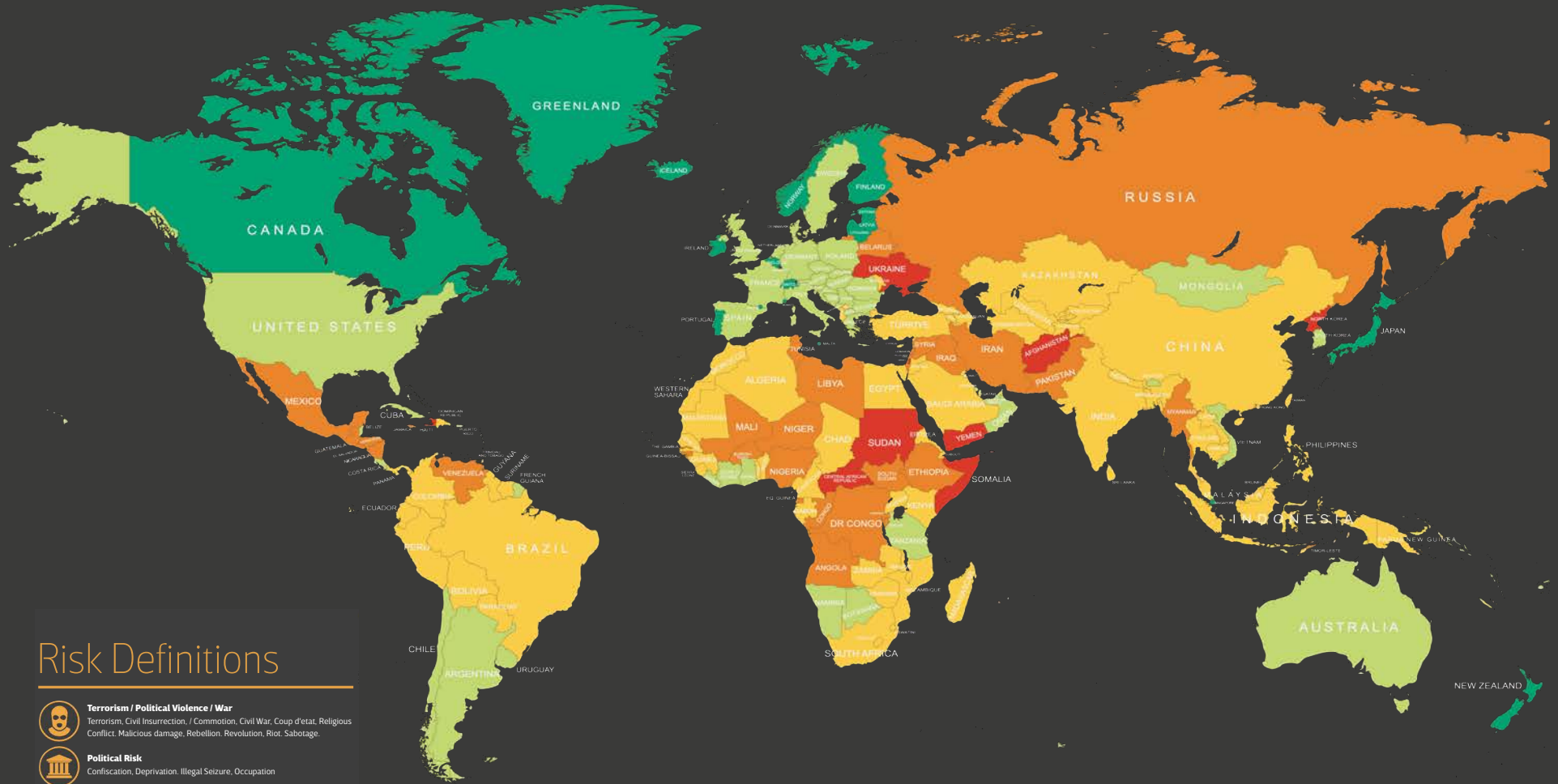
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# SPS 2024 Risk Map



## Risk Definitions

- 
**Terrorism / Political Violence / War**  
 Terrorism, Civil Insurrection, / Commotion, Civil War, Coup d'etat, Religious Conflict, Malicious damage, Rebellion, Revolution, Riot, Sabotage.
- 
**Political Risk**  
 Confiscation, Deprivation, Illegal Seizure, Occupation
- 
**Criminal Risk**  
 Assault, Bribery Demand, Murder, Product Tampering, Stalking, Threat, Workplace Violence.
- 
**Kidnap, Detention and Extortion**  
 Blackmail, Detention, Extortion, Hijack, Kidnap, Missing Person(s), Product Extortion.
- 
**Natural Disaster Alert and Response**  
 Search, Rescue and Stabilisation: Earthquake, Tsunami, Severe Storms, Displaced Persons.



## Risk Rating Matrix

The risk rating matrix considers the potential impact on organisations and/or individuals by means of terrorism/political violence/localised conflict and war, political risk, criminal risk, kidnap, ransom, detention, and extortion

# Executive Summary

In 2024, businesses will face an array of heightened risks across the global landscape. Ongoing conflicts, such as the Israel-Hamas conflict in Gaza and the war in Ukraine, present immediate concerns. The Israel-Hamas conflict, has already far exceeded the intensity of the Russia-Ukraine war in relation to civilian casualties, and holds the potential for further escalation, involving regional players like Hezbollah and Iran. With the conflict already impacting global supply chains, escalation will in all likelihood also impact oil prices. While mass protests triggered by the conflict have induced unrest, particularly in MENA and Central Asia, requiring caution for travel to these regions.

Simultaneously, widespread anticipation grows regarding the escalation of political instability on a global scale throughout 2024. Spanning over 17 years, the continuous decline in democracy, as highlighted by Freedom House, is expected to persist. With 21% of nations and over 2 billion people participating in elections, concerns arise about potential coups, civil unrest, and political violence, requiring careful attention to personal and business security.

As geopolitical confrontations continue to evolve, shaping the global narrative in 2024, we see a number of potential flashpoints, including China's assertiveness in the South China Sea, the potential invasion of Taiwan, the ongoing Ukraine conflict, and the aftermath of the Gaza conflict. These factors contribute to an overarching climate of heightened confrontation, impacting international affairs and unsettling global security dynamics.

In a seemingly annual escalation of climatic records, 2024 will likely pose formidable challenges for businesses. With extreme weather events having greater and longer lasting impacts on people and infrastructure worldwide. Floods, droughts, and heatwaves all have catastrophic effects on agriculture, leading to shortages and price volatility, disrupting supply chains, especially for businesses reliant on agricultural products. While climate-vulnerable countries, often among the poorest and most unstable, struggle to handle the ramifications of climate change, serving as a further catalyst for instability.

Finally, the cybersecurity landscape in 2024 is characterised by increasing complexity and evolving threats. Ransomware attacks, with potential impacts on critical infrastructure, underscore the importance of proactive measures. Cybercriminals, leveraging Artificial Intelligence and Machine Learning, are expected to enhance malicious capabilities. With Cyber-induced electoral interference posing threats to the integrity of national elections, in turn contributing to geopolitical tensions and domestic unrest. While predictions from Cybersecurity Ventures indicate global cybercrime costs likely reaching \$9.5 trillion USD in 2024, emphasising the crucial need for advanced security solutions to stay ahead of evolving threats.

In conclusion, navigating the multifaceted challenges of 2024 demands comprehensive strategies for businesses. Vigilance, adaptation to emerging threats, and strategic planning are crucial elements for resilience and security in this dynamic global landscape.



# SPS 2024 Ones to Watch



- AI
- Climate
- Political
- Geopolitical
- Conflict

# Section 1: Top 5 Global Risks

# Conflict

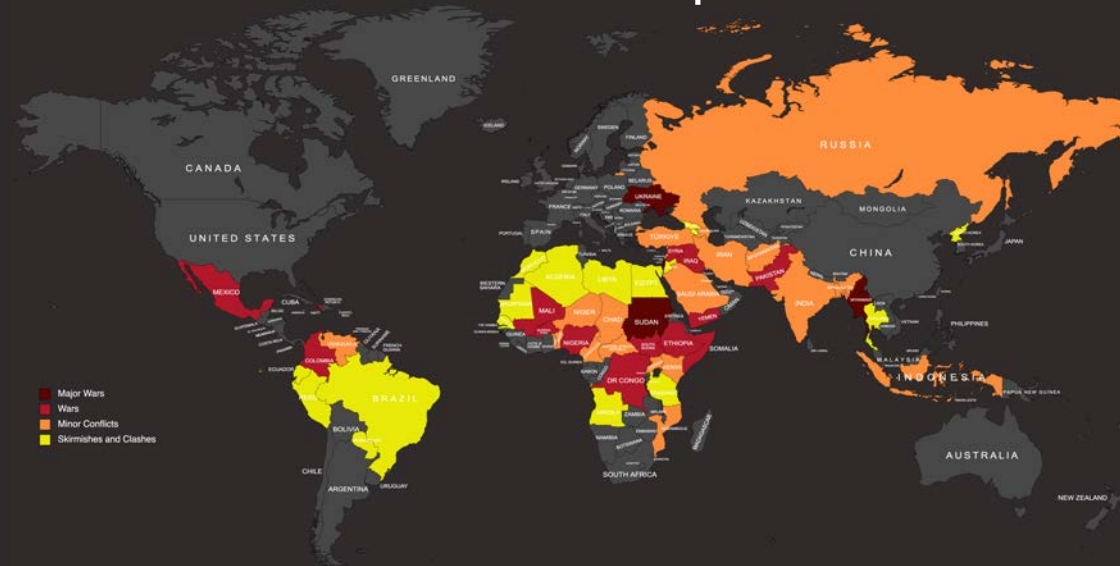
# 1

Businesses are set to face elevated risks associated with ongoing conflicts in 2024, with two prominent hotspots being the Israel-Hamas conflict in Gaza and the war in Ukraine. The Israel-Hamas conflict, to date most intensively fought to the Gaza Strip, has yet to significantly impact the global economy and markets. Yet the conflicts intensity surpassed that of Ukraine with more one month of

Israeli military action in Gaza resulting in a higher civilian death toll than the entire Russia-Ukraine war. However, the looming potential for escalation, involving regional players like Hezbollah and Iran, presents a substantial threat. Oil prices, as a potential conduit of crisis to the global economy and markets, could be significantly impacted in the event of a broader conflict. Ongoing mass protests against

Israel's actions in Gaza have triggered unrest in several states in MENA and Central Asia, manifesting in incidents such as the storming of an airport in Dagestan by a mob expressing anti-Semitic sentiments.

## Conflict Map

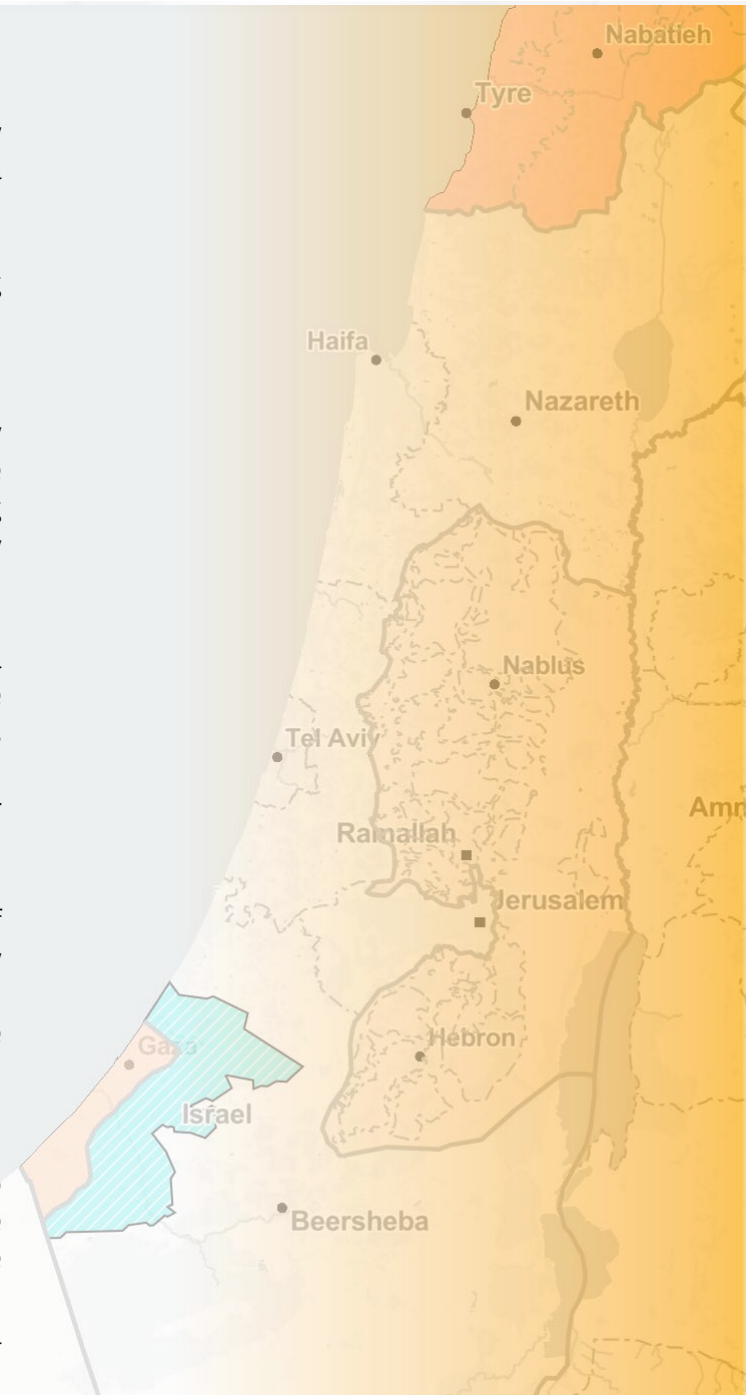




Caution is advised for travel to locations witnessing pro-Palestinian, anti-Zionist, and anti-Semitic protests, particularly in MENA and Central Asia. Research by the Armed Conflict Location and Event Data Project indicated that from 7 October to 24 November, there were at least 7,283 pro-Palestinian protests and 845 pro-Israel protests around the world, each posing potential personal safety risks and travel disruptions.

The war in Ukraine remains a critical risk for businesses, across the world. Europe's strategic efforts to diversify energy sources and manage energy demand, have mitigated economic impacts on growth, mostly affecting key sectors like Germany's energy-intensive heavy industry. While the broader economic fallout has been contained, ongoing disruptions to energy, food markets, and supply chains pose real risks, with potential repercussions for inflation and consumer disposable income if the conflict escalates. A rebound in natural gas and food prices could also undermine recent progress in controlling inflation and negatively impact real consumer income.

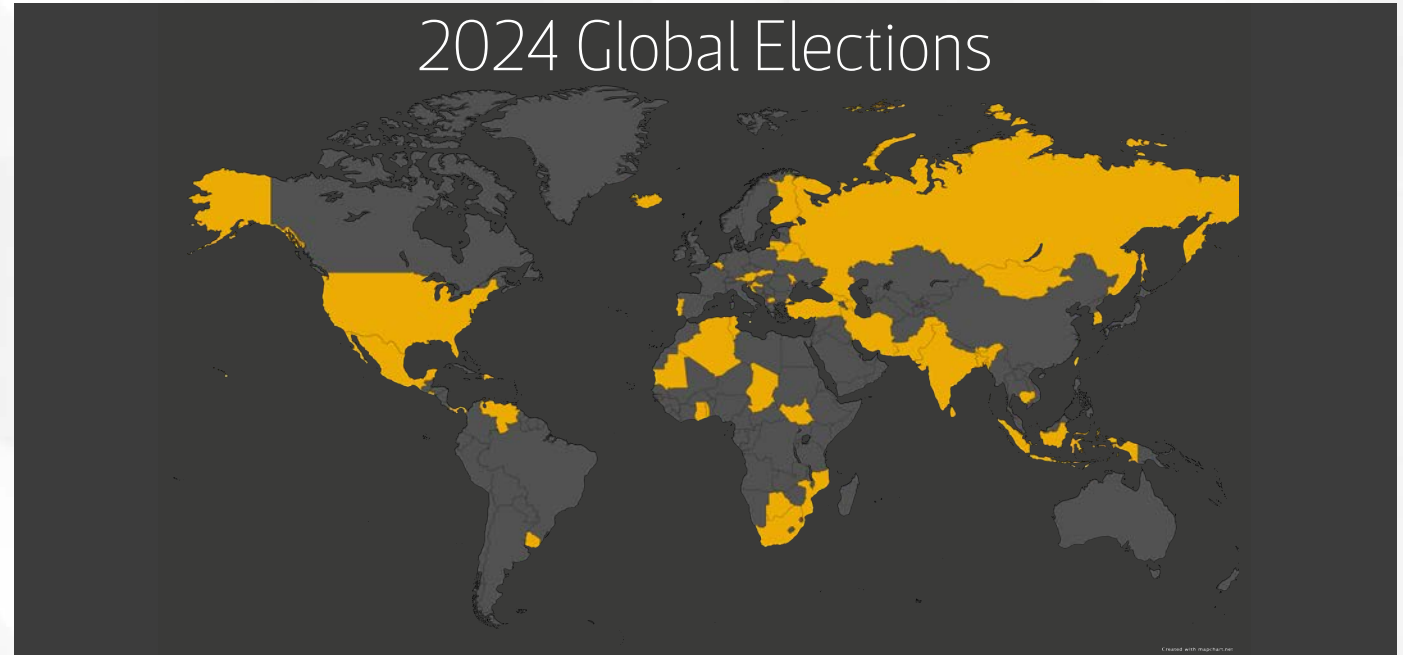
Finally the Sahel region faces an increasing threat of terrorism in 2024, exacerbated by political instability from successive coups and the withdrawal of French forces. This security vacuum allows terrorist groups like Boko Haram and Al Shabaab to reassert themselves, posing a significant danger to the safety of foreign nationals working in the area. Businesses must remain vigilant, implementing appropriate security measures to safeguard their employees and infrastructure in the deteriorating landscape of the Sahel region. As such we predict a likely expansion of terrorism in the region and the realistic possibility of attempts to establish a caliphate.





# Political Instability

# 2



While major democratic overhauls may grab headlines, political instability can take various forms and is increasingly evident through disruptive protests witnessed globally. From dealing with climate change to national issues like migration and economic growth, citizens, whether in established democracies or new ones, are turning away from voting and opting for street protests. Events in 2023, such as demonstrations in Israel, nationwide strikes in Bangladesh, and far-right riots in Dublin, all highlight the potential disruptions of political instability, ranging from supply chain issues to threats to personal safety.

Looking forward to 2024, significant disruptions are anticipated. The likelihood of demonstrations and civil unrest targeting key transportation hubs, as seen in late 2023, suggests major disruptions in transportation will occur. Additionally, heightened political emotions during large national elections will continue to fuel the potential for democratic decline in an evermore digitally polarised world. The upcoming year therefore presents a challenging landscape, necessitating careful assessment and strategic planning to monitor and navigate the ever-evolving political landscapes in which one operates.

# Political Instability

In 2024, there is widespread anticipation that events of political instability will rise in frequency and pose significant risks in terms of personal and business security across the world. According to Freedom House, the world has experienced a continuous decline in democracy for over 17 years; 2024 is not predicted to break this trend. Looking ahead to the coming year, 21% of nations across the world and over 2 billion people are heading to the ballot box, raising concerns about potential political coups, civil unrest, and political violence.

The current global economic outlook adds to the risk forecast; sluggish growth in China and stagnation in Europe are expected to undermine political stability, amplifying discontent. The upcoming US elections are particularly noteworthy, with lingering fears of post-election violence, reminiscent of the events in 2021. In a world that is becoming more fragmented and polarised, the political centre is losing ground to both extreme left and extreme right ideologies, potentially challenging the foundations of democracy.





# Geopolitical Tensions

# 3

In 2024, we anticipate a continued persistence of geopolitical confrontations, intensifying within the landscape of great power competition. China's growing military assertiveness in the South China Sea, coupled with looming threats of a potential invasion of Taiwan and the persistent conflict in Ukraine, stands to unsettle global security and disrupt international affairs. The recent conflict in Gaza has added another layer of complexity, exacerbating tensions and contributing to the overall climate of heightened global confrontation.

While the direct economic costs of the Israel and Ukraine conflict have been mitigated their spillover effects such as on international shipping and the price of food and energy have significant ramifications for the global economy. Geopolitical tensions will persistently drive changes in international trade, price volatility and economic uncertainty. Perhaps most significantly the evident tensions in the Sino-US relationship are expected to have ripple effects on globalised supply chains, potentially leading to trade barriers and regulatory changes. Sydney-based think tank Institute for Economics and Peace noted in its 2023 Global Peace Index report that a Chinese blockade of Taiwan would lead to a drop in global economic output of \$2.7 trillion in the first year. Through 2024 the continuing near shoring or “friend shoring” of supply chains will drive the relocation of businesses and an exposure to new risk environments notably in Latin America and Eastern Europe. This was noted in research by the European central Bank in 2023 which showed that 42% of surveyed firms envisage pursuing a strategy of near shoring, up from just 11% in the previous five years.



# Geopolitical Tensions

Furthermore geopolitical tensions will likely be escalated in Europe's current security landscape, driven by the highly likely persistence of the Ukraine conflict coupled with an expanded Nato membership, and EU wide elections in 2024 only heightening tensions between the West and Russia. With fears of an expanded conflict and electoral manipulation driving further antagonism. For business leaders, navigating risks becomes increasingly complex in this evolving geopolitical landscape characterised by evermore entrenched alliances and rivalries. The overlapping bilateral, regional, and institutional alliances further complicates the geopolitical landscape, heightening risks and uncertainties for businesses worldwide.

Furthermore, the escalating authoritarian measures undertaken around the world by rogue and deemed adversary states will pose increasing travel risks across a fractured world order. As geopolitical volatility intensifies between Western and non-Western powers, there is a growing concern about the potential for the increasing trend of Cold War-style detentions of foreign nationals which we predict to rise through 2024. This adds a layer of risk for Western enterprises operating in regions with high political tensions, emphasising the importance of understanding and managing geopolitical risks in the global business landscape.





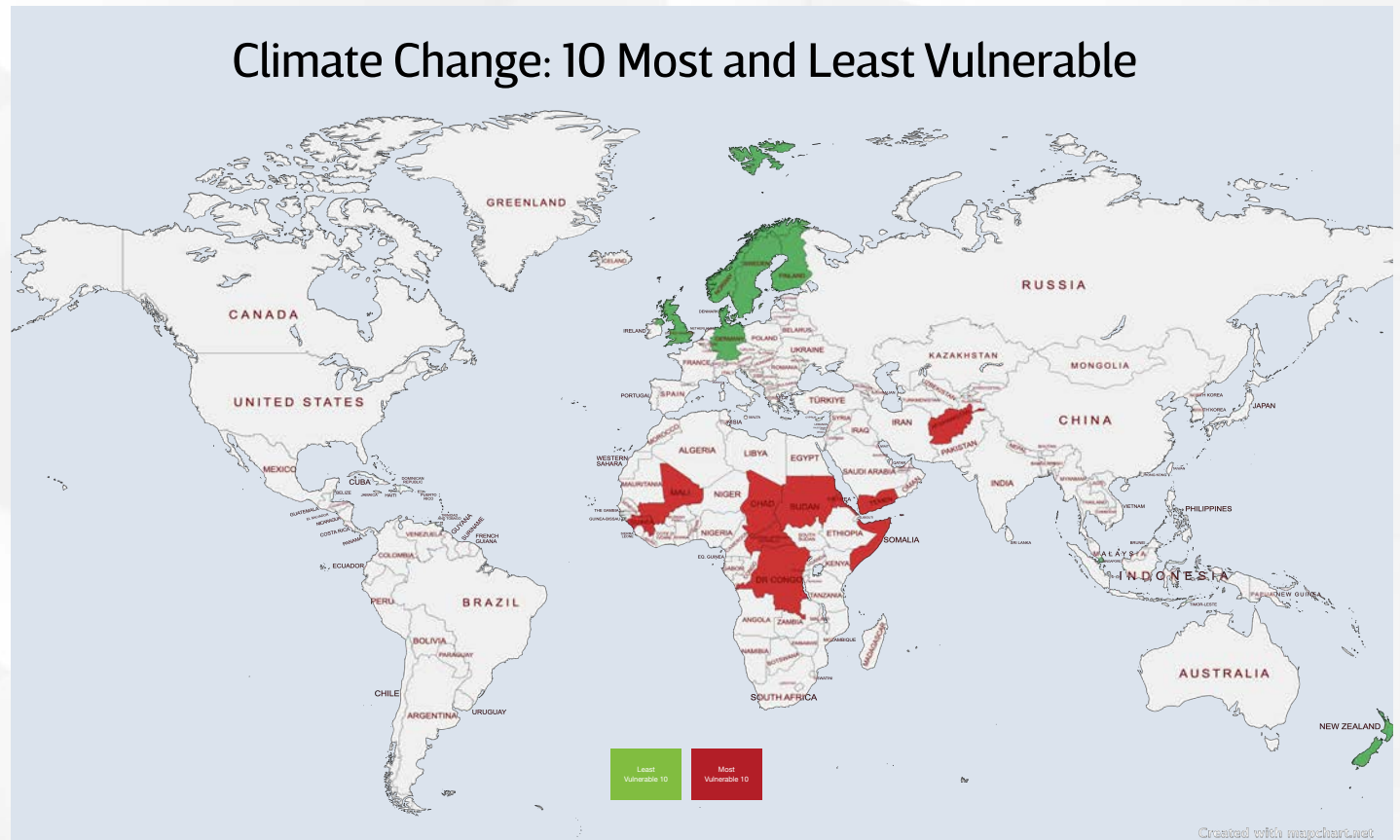
# Climate Change

# 4

Climate risks grow annually for businesses as we advance into 2024. Last year witnessed the unsettling record of the hottest summer ever recorded, marked by unprecedented heatwaves, wildfires, and floods, all leaving lasting impacts on people and infrastructure. The formidable challenges posed by the physical risks of climate change stand out as one of the most daunting hurdles for companies worldwide. Climate-driven natural hazards wreak havoc on critical infrastructure, leading to substantial damage, injuries, and even the loss of life. Carbon brief gathered data from more than 200 different studies into extreme event attribution and found that 68% of extreme weather events studied in the past 20 years were made more likely or more severe by human-caused climate change and projections indicate that 2024 is poised to surpass the high temperatures of the previous year, and with this year's El Nino weather pattern the frequency and severity of environmentally destructive events looks set to rise.

Floods, droughts, and heatwaves have catastrophic effects on crops and livestock, while desertification, notably rampant in MENA and Sub-Saharan Africa, transforms once-fertile land into desolate expanses. The perfect storm of rapidly growing populations, land degradation, and environmental hazards perpetuate security crisis across the world. Coupled with this, many of the most climate vulnerable countries in the world are also amongst the poorest and most unstable nations whom are ill-equipped to handle the ramifications of climate change which continues to serve as a catalyst for instability. Each year climate change provides further challenges to livelihoods in affected regions and undermine economic progress. Only 0.8% of the planet's land surface has mean annual temperatures above 29C, mostly in the Sahara desert and Saudi Arabia. But a recent study found that by 2070, under a high emissions scenario, unbearable temperatures could expand to affect up to three billion people, meaning that many new places will become too hot to live by the end of the current century.





This is most poignantly felt in farming productivity, creating a ripple effect that disrupts the supply chains of businesses, especially those reliant on agricultural products such as food and beverages. As energy prices have come down in 2023, climate costs have gone up compared to last year, as reported by scientists from the Energy and Climate Intelligence Unit. With the report highlighting that Climate change now accounts for a third of all food price inflation. Diminished yields introduce shortages and price volatility, posing challenges for various industries. Businesses engaged

in water-intensive processes, like manufacturing or energy production, will increasingly grapple with increased operational costs as water scarcity becomes more acute. Soil erosion and the uptick in extreme weather events, such as sandstorms, pose a tangible threat to infrastructure, including transportation networks and energy facilities. Therefore, companies dependent on unsustainable infrastructure must brace for heightened maintenance costs and potential disruptions.

## AI & Cyber

# 5

In the ever growing landscape of cybersecurity, the year 2024 promises increasing complexity, evolving threats, and a heightened awareness of the need for advanced security solutions. Key trends that will shape the cybersecurity domain include the anticipation of intensified ransomware attacks, extending their impact on critical infrastructure.

Artificial Intelligence and Machine Learning are expected to play an ever-more prominent role in cyberattacks, with cybercriminals leveraging these new technologies to automate and enhance malicious capabilities. Cybersecurity Ventures predicts that cybercrime costs will amount to \$9.5 trillion USD in 2024, as yearly figures continue to rise. Cybersecurity professionals must proactively employ AI to stay ahead of evolving threats, recognising its dual nature as both an asset and a challenge.

Amidst this landscape, global governments will attempt to impose stricter data privacy regulations in 2024, with AI legislation likely to be tightened. Such regulation may place greater responsibility on organisations to secure customer data and lead to compliance risks. Robust data protection mechanisms, including encryption and access controls, are expected to become imperative and legislated.

Further risks of AI stem from the potential role it has in political manipulation. While the full extent of social media's influence is only now becoming understood, the computing power of new technologies threatens to transform that media and the ability to verify information. Disinformation has increasingly become a tool of nation-states and political entrepreneurs, and through 2024 national elections are expected to face elevated concerns from cyber-induced electoral interference. Such threats not only disrupt ballot boxes but can alter the information upon which the electorate votes, raising the prospect of foreign national involvement, geopolitical tensions and domestic unrest. In conclusion, 2024 is poised to be a pivotal year for cybersecurity, demanding vigilance, adaptation to emerging threats, and the strategic deployment of the latest security technologies for a safer digital future.





# Section 2: Regional Breakdowns



# Asia Pacific

While international conflicts aren't the primary concern across the region, national-level conflicts persist, notably the ongoing strife in Myanmar, displacing millions. Localised conflicts in nations like the Philippines, Papua New Guinea, and Indonesia pose potential risks for foreign travel and business operations. All the while the looming geopolitical rivalry between the United States and China, amplifies the risks of conflicts in the region escalating. While a direct conflict over Taiwan is unlikely in 2024, tensions are expected to persist. Anticipated in the Asia-Pacific is an intensification of great power competition, particularly the struggle for dominance as US allies on the periphery brace for increased Chinese aggression, notably in the South China Sea. This geopolitical dynamic poses potential impacts on regional supply chains and travel routes. Alongside these developments, the cybersecurity landscape in the

Asia-Pacific is poised for substantial change in 2024, with increased integration of Artificial Intelligence presenting both opportunities and challenges for businesses. Additionally, upcoming elections in Bangladesh, Malaysia, Indonesia, and Taiwan bring the risk of instability. Bangladesh has witnessed heightened protests in the lead-up to its January elections, while political instability, including terrorism, remains a concern in various parts of the region, such as the Philippines and Pakistan.

Climate change will pose a substantial concern in the Asia-Pacific region, prompting nations like China and India to consider more urgent measures to counter the escalating impacts of rising global temperatures. Unpredictable weather patterns and the heightened probability of natural disasters in the region add to the challenges, undermining food and water security.

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Geopolitical  
Tensions

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Climate  
Change

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Conflict

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AI and  
Cyber

A red circular icon containing the text 'Political Instability' in white, sans-serif font.

Political  
Instability

# Europe

Facing imminent challenges in 2024, Europe is undergoing significant geopolitical shifts, with the Russia-Ukraine conflict entering its second year and anticipated to persist. These developments are poised to adversely impact Europe's security architecture, likely resulting in Moscow's sustained aggressive behaviour. These trends pose dangers for foreign nationals and Western businesses in Russia, given the country's increasing authoritarianism, which raises the risk of detainment for those operating there. Furthermore, the conflict's ongoing nature, coupled with a decreasing likelihood of Ukrainian victory and the potential for waning US support, will exacerbate the economic fallout in Europe. Europe faces potential risks as Russia may become more assertive in the face of this geopolitical shift. Such concerns are heightened due to the expansion of NATO and potential for electoral interference in the 2024 European Union elections.

Furthermore geopolitical tensions and the events in Israel politically fuel the potential threat of terrorist

attacks across Europe. The events in Gaza have triggered large-scale protests across Europe, and with unregulated internal borders, terrorism will remain a poignant risk for the continent. Such dynamics poses a threat to everyday business operations and may drive enhanced security measures and risks across transport hubs, which businesses need to consider and address as we move through 2024.

Finally, Europe has taken a lead role in the innovation and the regulation of Artificial Intelligence such trends will likely continue in 2024. The European Union's groundbreaking agreement on the world's first comprehensive law for Artificial Intelligence aims to mitigate potential threats. This regulatory framework will thoroughly investigate and address the potential risks posed by AI, ensuring responsible development and deployment which can benefit businesses operating in Europe, yet such reforms may create new regulatory challenges for businesses in the continent.

Geopolitical  
Tensions

Conflict

AI and  
Cyber

Political  
Tensions

Climate  
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# MENA & Central Asia

Conflict is unsurprisingly the most significant risk to businesses in MENA and Central Asia in 2024. The Israel-Gaza conflict poses a real threat of regional escalation. Israel may undertake a second military intervention in Lebanon to the north with the aim of eliminating Hezbollah. The response of Tehran to such developments could have catastrophic consequences, potentially prompting the United States to intervene. The ensuing domino effect may result in the entire MENA region turning to war. Geopolitical tensions are already at their highest point in years, especially between Israel and its neighbours such as Turkey and Iran. Several Arab nations that had normalised relations or were seeking to normalise relations with Tel Aviv are now changing course. The terror threat across MENA is also very high, with radical Islamist groups operating in Syria and Iraq. Remnants of the Islamic State organisation, as well as militias in the pro-Iranian constellation in Iraq, are both inherently anti-Western, often targeting foreign infrastructure and have been stirred by the recent conflict.

It is important to note the significance of Cyber risks in the region, particularly with current tensions between Iran and Israel. Recently, Iran hacked a hospital network

in Israel that was housing several wounded IDF soldiers. Israel responded by hacking numerous gas stations across Iran, causing chaos. The cyber-threat posed by Iran should concern any Western-based company operating in the region. The US Justice Department has linked several hacking groups to the Iranian Revolutionary Guard Corps. Animosity between Iran and the West may lead to further cyber attacks against foreign companies with a footprint in MENA, posing logistical and security challenges.

Finally, we are also expecting to see climate change have an acute effect on MENA. The already arid climate makes much of the region inhospitable. Desertification will continue to act as a push factor for migrants, many of whom seek to live in Europe. While water scarcity and infrastructure damage caused by severe weather events should all be of significant concern to businesses that operate in the region. This is especially poignant for water intensive practices such as energy production upon which much of the region remains dependant upon. The increasing water stress will further drive operational challenges in the region as well as societal unrest as demand outstrips a reduced supply.

Conflict

Geopolitical  
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Political  
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AI and  
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# Sub Sahran Africa

In Sub Saharan Africa (SSA), the failings of national governance pose the most significant risk heading into 2024. Surveys of people living in SSA indicate strong public demands for jobs, improved economic management, reduced inequality, anti-corruption measures, and advancements in healthcare, education, and infrastructure. Citizens are increasingly leveraging technology and social media to hold governments accountable as well as to organise civil unrest. Tensions between government and people have already resulted in several populist coups in the past few years, as well as popular discontent being utilised as a preamble for military takeovers. Recent military coups, notably in the Sahel, pose grave challenges to governance in Africa as military dictators have long held records of human rights abuses and mismanagement. Such coups have also led to the loss of significant Western aid, both financial and military, upon which the continent's counter terrorism and development policies often hinge.

Linked to poor governance and economic opportunity, many SSA countries are also grappling with significant and immediate security issues. Elevated levels of violence or criminal activity within these nations have demonstrated the potential to serve as catalysts for conflict. Destabilisation in the Sahel, as well as the

prevalence of militias such as M23 in the Democratic Republic of Congo, will continue to create a hostile security atmosphere that transcends national boundaries and increase the risks stemming from criminality. The fracturing of governance across the continent will only increase such internal challenges which we anticipate to increase through 2024.

Despite global concerns over environmental issues dominating news headlines, SSA has achieved limited mitigation due to the deep costs entailed. The projected impact of climate change on the region is dramatic. Severe droughts, floods, and storms are expected to become more frequent. The urgency to address climate change is emphasised repeatedly by extreme weather events, which cause significant damages. Africa is anticipated to be among the continents most severely affected by climate change, with nine out of the ten most vulnerable countries located in SSA. The region's vulnerable coastal cities, including Lagos and Dar es Salaam, face increased risks. The GDP of African nations vulnerable to extreme climate patterns has grown from \$895 billion in 2018 to \$1.4 trillion in 2023, representing 48% of the entire continent's GDP. This underscores the pressing need for scaling up adaptation and resilience efforts to address the accelerating impacts of climate change.



# Latin America

Looking towards 2024, our analysis suggests that conflict is for the first time in recent years a realistic possibility within Latin America. In the face of Venezuela's renewed claims over the contested Essequibo region, the potential for the outbreak of interstate war on the American continent has reached its highest point since the 1990s. While talks are currently being held between the Guyanese and Venezuelan governments, President Nicolás Maduro's deadline of three months for the removal of foreign business from the region has worried Brazil sufficiently for it to mobilise troops to its shared border.

If Venezuelan forces were to attempt a full-scale military operation in the region, geographical analysis suggests that it is likely to require manoeuvres across Brazilian territory; such an event would likely spark a region-wide conflict involving the great powers of the Americas, including the United States. There is cause

for optimism, however, given the potential influence of US sanctions on Venezuelan military activity and the possibility that Maduro's claims over Essequibo have more of a rhetorical purpose, galvanising public support ahead of elections, than a practical one, involving preparations for war.

We also expect 2024 to be a year where political instability plays a significant role in determining the risks facing Latin America. The power transition set to take place in Guatemala, alongside upcoming elections in Mexico, the Dominican Republic, El Salvador, Panama, and Venezuela, all threaten to cause internal strife, as likely protesters are met by national security forces. Further disputes over election results similar to those already seen in Guatemala cannot be ruled out, posing a risk to democratic institutions and motivating violent public outbursts.

Political  
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# Anglo America

Our analysis suggests that political instability represents the greatest threat Anglo-American regional stability through 2024. The storming of the US Capitol in 2021 casts a shadow over the upcoming US presidential election, set to be held in late 2024. With it appearing increasingly likely that the presidential race will be contested by the same two candidates as in the previous election cycle, there are growing fears that political tensions could result in the further undermining of democratic institutions and greater violence between civilians and law enforcement. Tensions between the two main parties will likely fracture public discourse and could lead to partisan violence and unrest.

On a related note, artificial intelligence also presents a growing threat to Anglo-American security. The proliferation and refinement of open-source, machine-learning AI software in North America mean that this technology now poses a threat to both the democratic processes and economies of the United States and Canada. AI programs now have the capacity to produce lifelike deepfake reproductions of videos of anyone with a public profile, including celebrities and politicians. This could lead to a proliferation of

convincing disinformation, which may be harnessed by political elites to their benefit. Populist leaders in particular are set to benefit from an atmosphere of general uncertainty, providing them with the platform to criticise formal sources of knowledge and lean into relativistic claims. Further to this threat to democratic deliberation, the advancement of large language model AI may also pose a significant threat to particular sectors of the American and Canadian economies. The creative and journalistic sectors in particular are most likely to be affected by the spread of this technology, potentially leading to large-scale strikes and spikes in unemployment.

Climate change will also pose a substantial threat to Anglo-America, as rising temperatures and the incoming El Niño weather system are expected to generate extreme weather events. Wildfires, storm surges, and hurricanes will stretch American and Canadian state resources and pose threats to civilians throughout the year. Such extreme weather events have only grown in recent years and are expected to once again provide significant threats to property, personnel and travel.

Political  
instability

AI and  
Cyber

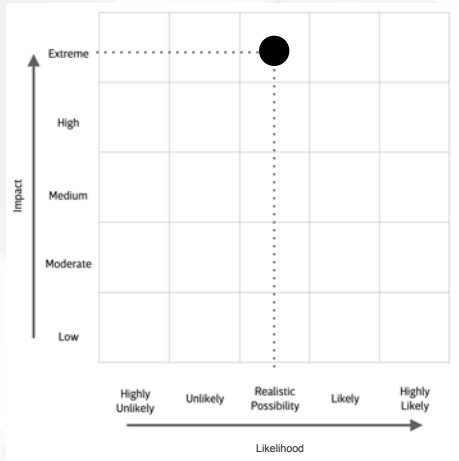
Climate  
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Conflict

# Section 3: Risk Scenarios

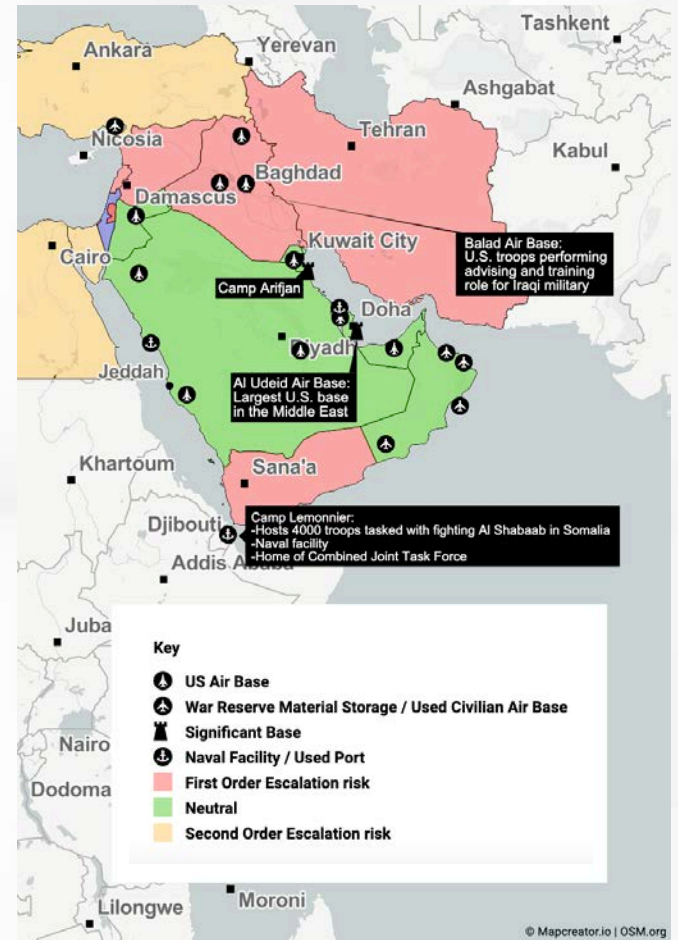
# Middle East Escalation



There remains a realistic possibility that the Middle East becomes an all-out conflict between Iran and Hezbollah versus Israel and the United States. With Israel rejecting all international demands for a ceasefire, the IDF is preparing itself for a conflict that will last several months. Tel Aviv may decide that eliminating the threat of Hezbollah to the north will be the next step in ensuring Israel's security. Israel has total air superiority over Hezbollah, so we may see a series of intense air strikes on Hezbollah bases all over Lebanon. The IDF may cross the Blue Line into Lebanese territory to engage Hezbollah on the ground. If this scenario does occur, Tehran is likely to respond militarily in solidarity with the Shia group. We have already seen an increase in violent activity conducted by the several militias in the pro-Iranian constellation across the region. Most notable examples include increased Houthi activity in the Red Sea, as well as terrorist activity conducted in Iraq against US infrastructure since the outbreak of the conflict in Gaza. These activities would only become more frequent and intense if Israel assaults Hezbollah. Iran may back Hezbollah in this instance militarily, perhaps providing the group with air support.

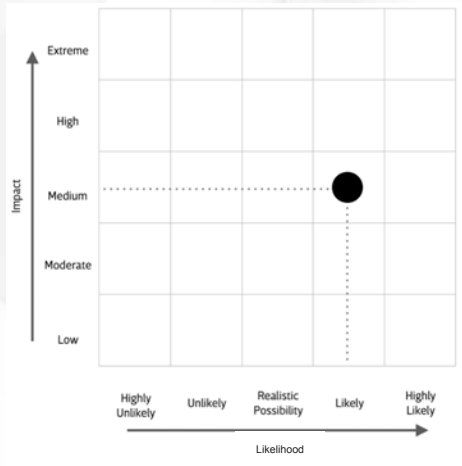
The use of nuclear weaponry must also be discussed as a worst-case scenario. Israel has always had a policy of nuclear opacity, never officially confirming the existence of a nuclear program. Nevertheless, remarks made by Israel's Heritage Minister in November, proposing the use of nuclear weapons in Gaza, have, for those highly critical of Israel's existence, affirmed

the presence of the nation's nuclear capability. Any dramatic escalation of the Israel-Gaza conflict, potentially including Iran, Hezbollah, and the United States, may lead to more belligerent regional powers viewing the use of nuclear weapons as a pragmatic option.





# Africa Coup Risk



African Coup Belt since 2020



Coups Since 1950

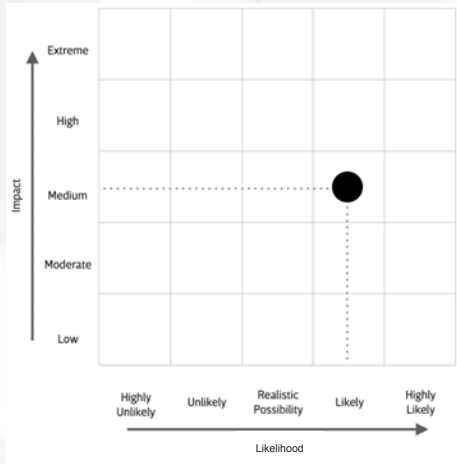


There is growing apprehension about an increased likelihood of coups in Africa. In West and Central Africa, eight coups have occurred since 2020, raising concerns about a potential domino effect on the continent.

The Congo Basin in particular is emerging as a potential hotspot for incoming coups, with analysts closely monitoring Cameroon, Congo Brazzaville, and Equatorial Guinea. The presence of long-standing rulers, sustained economic mismanagement spanning generations, and a discontented populace are key factors contributing to a real sense of imminent regime changes in the region. Notably, five out of the six Congo Basin countries are Francophone, a commonality shared with recent coups in West Africa - Burkina Faso, Guinea, Mali, and Niger. These coups were accompanied by a strong anti-French populist rhetoric, rallying public support against perceived puppet leaders serving French interests rather than prioritising policies for local improvement.

The rise of military coups is indicative of the limitations of democratisation in Africa's economically challenged nations. In these countries, elections have proven inadequate in yielding legitimate governments that can effectively ensure stability and foster development. In contexts where institutions lack strength, the electoral process alone is insufficient to establish accountability among leaders. Coups pose an additional threat to destabilise the country, compounding existing challenges such as insecurity, a rise in refugees and internally displaced persons, food shortages, and the already severe impacts of climate change on seasonal floods and resource availability.

# Africa Terror Insurgency



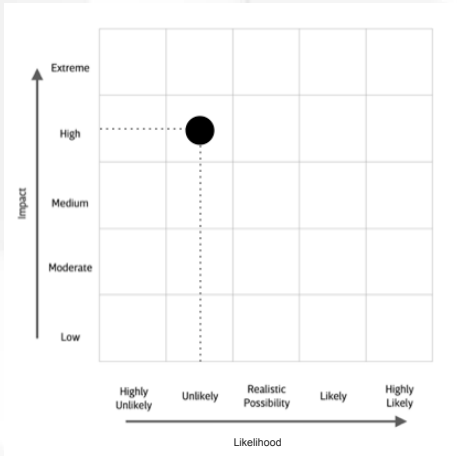
The threat posed by African Islamist groups in Africa will likely increase through 2024. The series of coups that we have seen over the past few years, along with the withdrawal of French forces from across the Sahel region, will undoubtedly have an effect on regional security. Radical Islamic groups, such as Boko Haram and offshoots of the Islamic State organisation will be able to conduct their violent activities in a wider area due to the absence of a substantial security apparatus. Several Africa nations, such as Nigeria, have proven to be incapable of tackling radical islamist groups on their own. Countries such as Mali, Chad, and Burkina Faso will also likely fail to curb radical Islamist violence without direct foreign military assistance.

Sudan's descent into violence, coupled with escalating instability in Chad, poses the risk of uniting these conflict areas into a vast corridor of instability across the Sahel. As the civil war persists, a faltering Sudan may potentially serve as a haven for jihadists. This could grant groups like al-Shabaab increased access to a more extensive portion of the African continent. Sudan's strategic location renders it highly susceptible to the influence of radical Islamism. The nation has historically served as a transit point for militias moving from the Middle East and North Africa (MENA) into the heart of Africa. A resurgence of jihadist radical Islamism in Sudan could potentially radiate outwards, impacting regions spanning MENA and the Sahel.





# Ukraine Funding Withdrawal



There has been a global shift in sentiment towards supporting Ukraine as the war goes on, almost two years since its beginning. Obstacles faced by two aid packages exemplify this, encountering opposition from Republicans in the US Congress and Hungary in the European Union. Ukraine aims to address its projected \$43 billion budget deficit for 2024 primarily through foreign financial aid, including €18.5 billion from the EU and over \$8 billion from a US package, which encompasses crucial military assistance. Despite the challenges, eventual approval was this time secured, although uncertainty will only grow over future financial aid especially in an electoral year for the European Union and United States where populist candidates will aim to galvanise a support for the reduction of aid.

Since Russia's invasion in February 2022, Kyiv has directed a large share of its revenue towards defence and the military. Foreign aid, has amounted to tens of billions of dollars, and has covered expenditures ranging from pensions to social payments. There is a concern that Kyiv may face a several-billion-dollar shortfall in financing for 2024, with a \$10 billion gap posing risks to macroeconomic stability and the International Monetary Fund (IMF) program. The IMF, having recently approved a new \$900 million tranche, requires solid financing assurances for the next 12 months. A significant decline in external financing could raise questions about the continuity of Ukraine's IMF program. While the government possesses a liquidity reserve for January and February, filling the budget gap may compel Ukraine to consider undesirable options such as tax hikes or even printing money, both carrying economic risks.



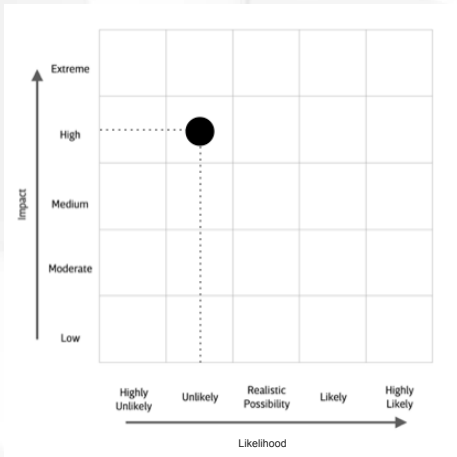
# Ukraine Funding Withdrawal

Finance Minister Serhiy Marchenko expressed hope in securing full foreign financing in 2024. However, he acknowledged the potential need for adaptation to new conditions if the war persists. Additionally, Ukraine faces the task of restructuring approximately \$20 billion in international debt next year,

following a two-year payment freeze agreed upon by sovereign bondholders in August 2022.

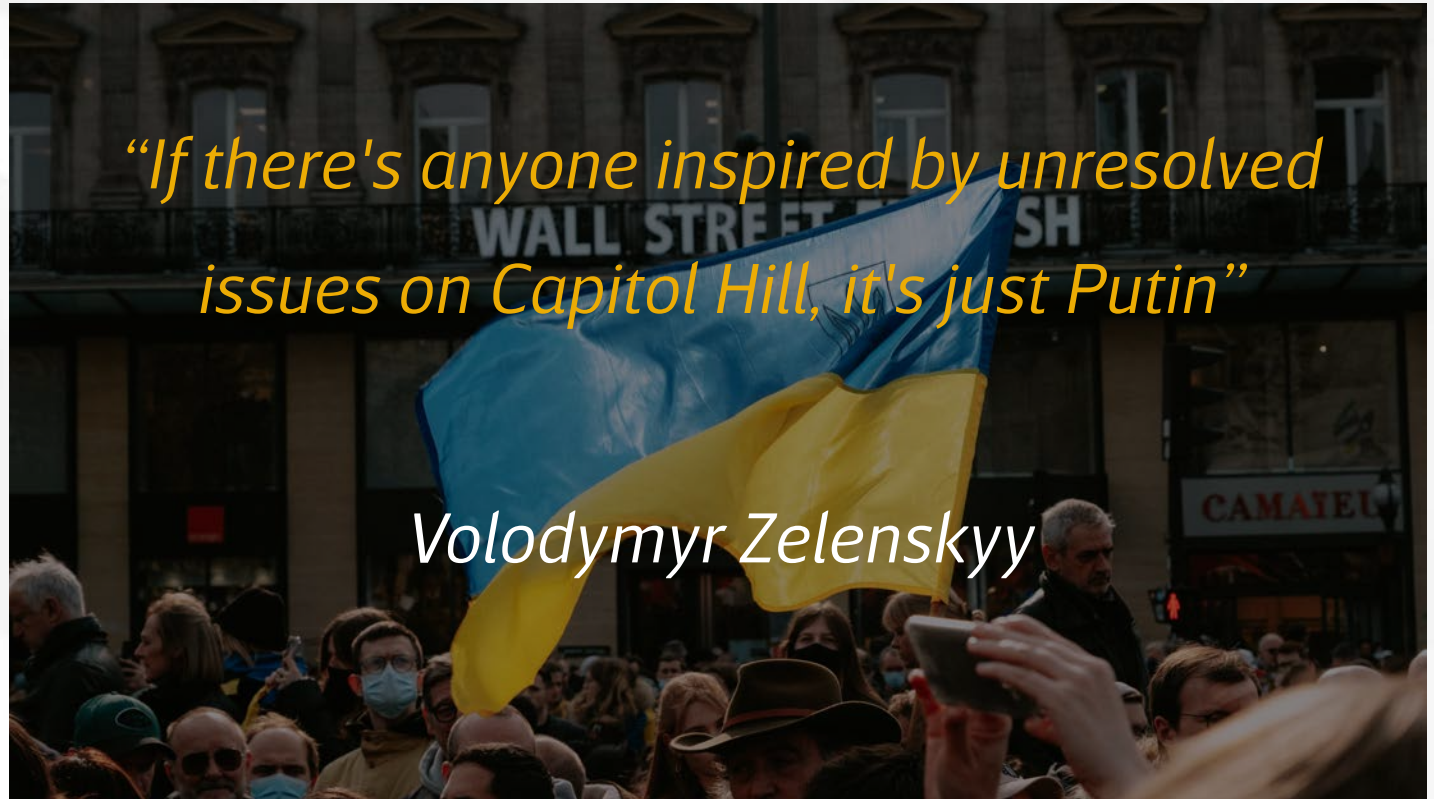
Kyiv has already warned that it has been forced to downsize some military operations because of a drop-off in foreign military aid. The Ukrainian military claims that ammunition shortages are starting

to become a serious problem. Despite attempts to develop its own arms manufacturing capability, Ukraine cannot compete with Russia's immense manpower and resources. A further drop in financial aid will undoubtedly continue to impact the battlefield, ultimately working in Moscow's favour.

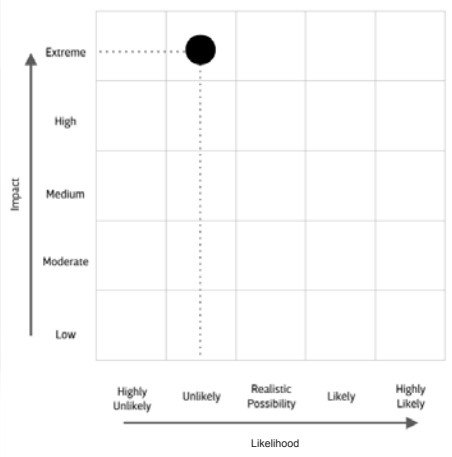


*“If there's anyone inspired by unresolved issues on Capitol Hill, it's just Putin”*

*Volodymyr Zelenskyy*



# Taiwan Conflict



The outcome of January’s election holds the key to future dynamics between China, Taiwan, and the United States. Currently, the Democratic Progressive Party (DPP) is leading in polls for another term, though their advantage over the opposition has narrowed to less than the margin of error.

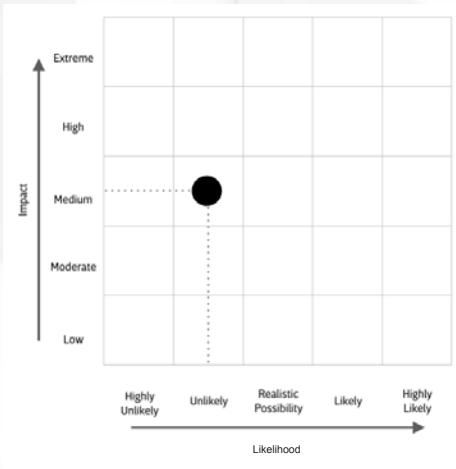
Should the DPP secure another term, it is anticipated to strengthen the Washington-Taipei relationship, potentially escalating tensions with Beijing without necessarily leading to military action. Despite China’s recent military displays, demonstrating the capability to reunify Taiwan by force, scenarios simulated in war gaming exercises suggest a costly but probably US victory under specific conditions. The sheer economic consequences of sanctions imposed on Beijing following an invasion would be

catastrophic on the global economy. Nonetheless, conflict remains an unlikely possibility.

In the event of the Kuomintang (KMT) gaining power, concerns may arise regarding Chinese interference. Recent revelations by Taiwanese intelligence officials indicate evidence of a meeting among Chinese Communist Party leaders to “coordinate” efforts to influence the upcoming election. The KMT’s rising popularity in Taiwanese polls over recent months could lead to a pro-Chinese government in Taipei, reducing engagement with the United States and steering the region away from military conflict towards a path of unification. However, such an outcome may spark domestic unrest within Taiwan and heighten international pressure with mainland China.



# Challenges to US Democracy



Threats to the democratic process present a real danger to security in the United States in 2024. The upcoming presidential election appears set to be contested between the same figures of a polarised election in January 2021. As such, fears abound that a similar process of claims of election fraud, rhetorical demonisation of political opponents, and incitements of violence may occur, threatening America’s democratic institutions in the process.

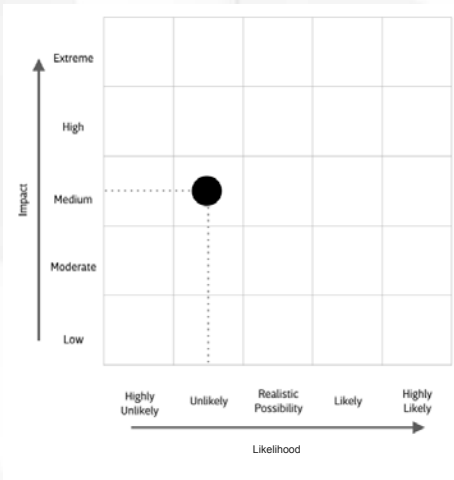
Two independent factors suggest that this trend in political polarisation is set to continue: election interference from abroad, and the proliferation of powerful new AI disinformation tools. It is beyond doubt that states such as Russia, China, and Iran have much to gain from a new, friendlier administration claiming the White House; as such, it can be expected that foreign interference in the election, through bribery, misinformation, and cyberattacks, may take place. Awareness of potential interference heightens the stakes of the election and provides political opponents with ammunition for accusations of undemocratic behaviour. Further to this, new AI machine-learning tools are capable of producing videos impersonating anyone with a substantial public

profile. This enables the production and dissemination of vast amounts of ever-more convincing disinformation, contributing to an atmosphere of general distrust that already exists due to fears of election interferences from abroad.

Atmospheres of distrust have been proven to lend themselves to the success of populist political leaders, who are able to take advantage of this context in order to further relativistic claims. Their arguments reject the knowledge produced by formal intellectual institutions in favour of antiestablishment rhetoric and claims to the importance of individual emotional responses. The success of populist candidates threatens open deliberation and the institutions of the electoral process, both key components of democracy in America. Heading into the 2024 election, it currently appears relatively likely that a context conducive to populists will develop, presenting a threat to US democracy as the presidential election grows nearer. In such a scenario pre and post election violence may ensue in a country whose domestic gun ownership could further fuel the potential impact of such civil unrest.



# China Economic Slowdown



A potential economic slowdown in China in 2024 could pose significant risks to global security and stability, reverberating through international markets and geopolitical dynamics. As the world's second-largest economy, China plays a central role in the interconnected web of global trade, finance, and diplomatic relations. A downturn in its economic growth could trigger a cascade of repercussions with far-reaching consequences.

One major concern is the impact on global trade. China is a major trading partner for numerous countries, and a slowdown in its economy would lead to decreased demand for imports, affecting economies worldwide. Countries heavily reliant on exports to China, such as those in Asia and commodity-dependent nations, for which China remains the most significant exporter, could face economic downturns, exacerbating existing vulnerabilities and potentially sparking regional tensions as supply chains weaken. As such, we are likely to see continuing re-shoring and near-shoring of Western supply chains throughout 2024.

The internal challenges within China resulting from an economic slowdown may also have implications for its political stability. A struggling economy could lead to

social unrest, and the Chinese government might adopt more assertive or nationalistic policies to divert attention from domestic issues. This could potentially escalate regional tensions, particularly in areas where China has territorial disputes, such as the South China Sea or Taiwan.

Furthermore, a weakened Chinese economy might prompt a shift in global power dynamics. China's influence in international institutions and its ability to invest in strategic projects around the world could be curtailed, potentially creating a power vacuum and leaving room for other actors to fill the void. This would be most profoundly felt in Africa where the loss of large Western funding could be combined with a reduction in Chinese investment leading to crippling economic ramifications.

In conclusion, a significant Chinese economic slowdown in 2024, while an unlikely scenario, could pose substantial risks to the global economy, impacting trade, finance, and politics. The interconnected nature of the world economy means that the reverberations of such a slowdown would be felt far beyond China's borders, leading to potentially global ramifications.



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