

A Disjointed World

Navigating a New Era of Uncertainty and Risks

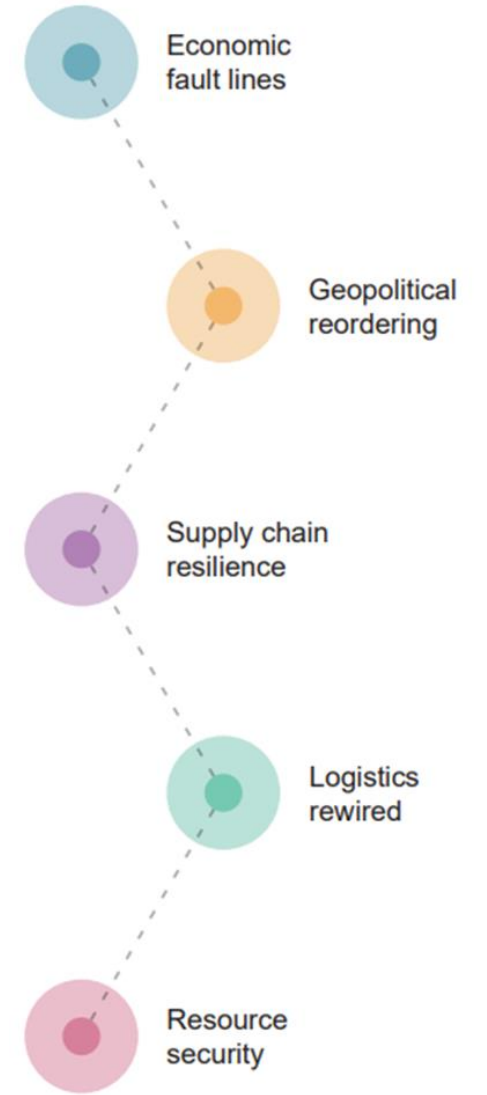
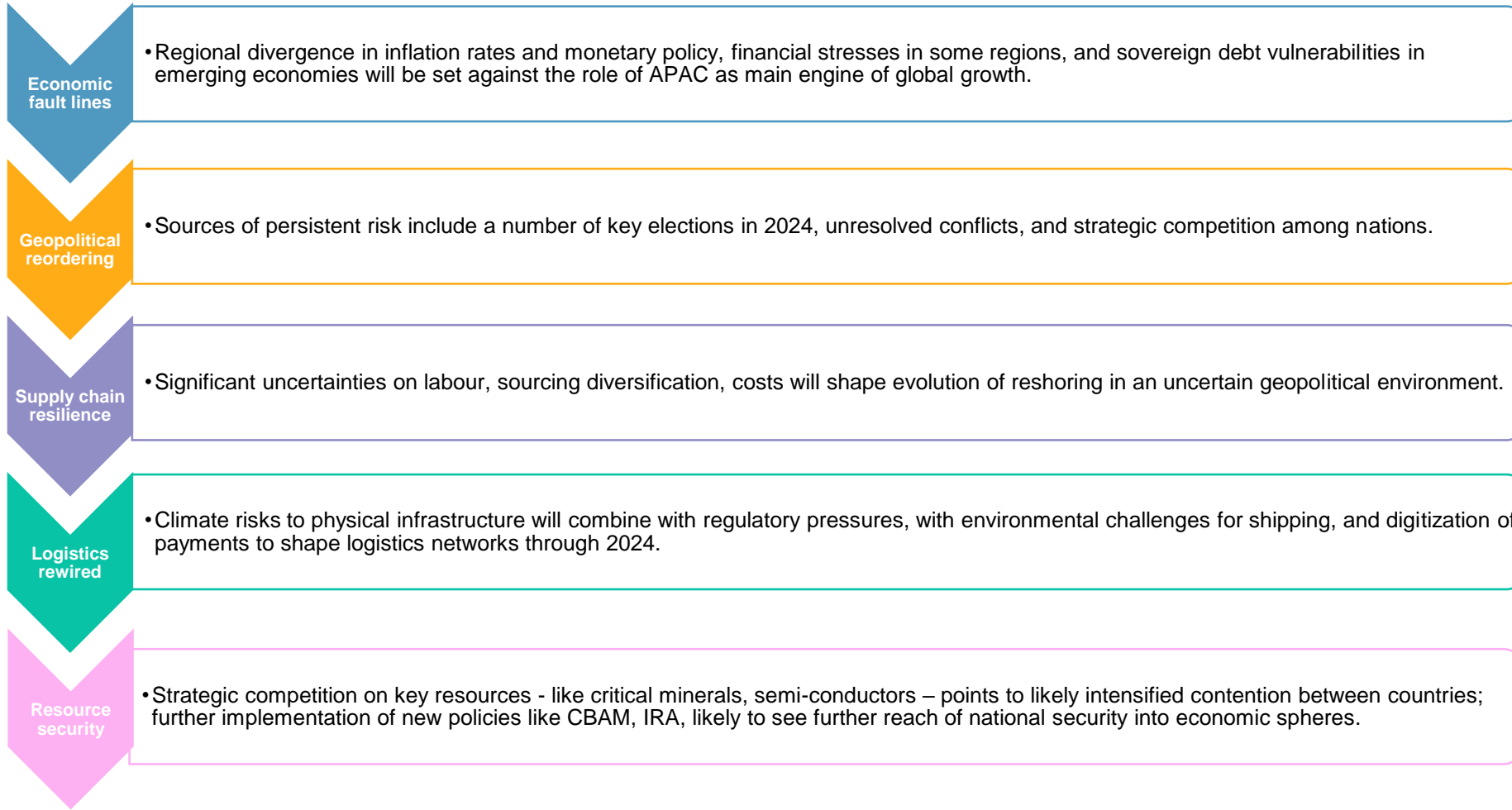
Laurence Allan, Head of Europe
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April 2024



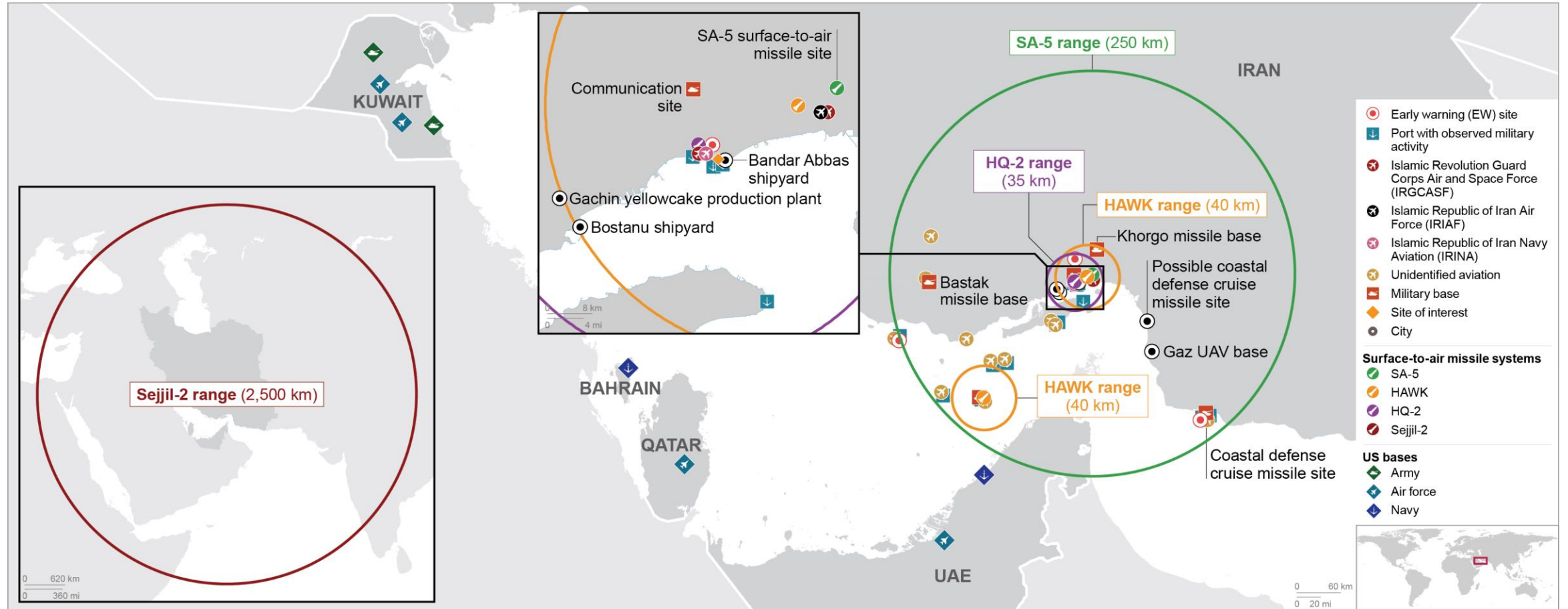
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Cross-cutting challenges that will shape the global landscape in the year(s) ahead



Regional war would likely impact the Gulf and Strait of Hormuz

Bases and air defenses around the Strait of Hormuz



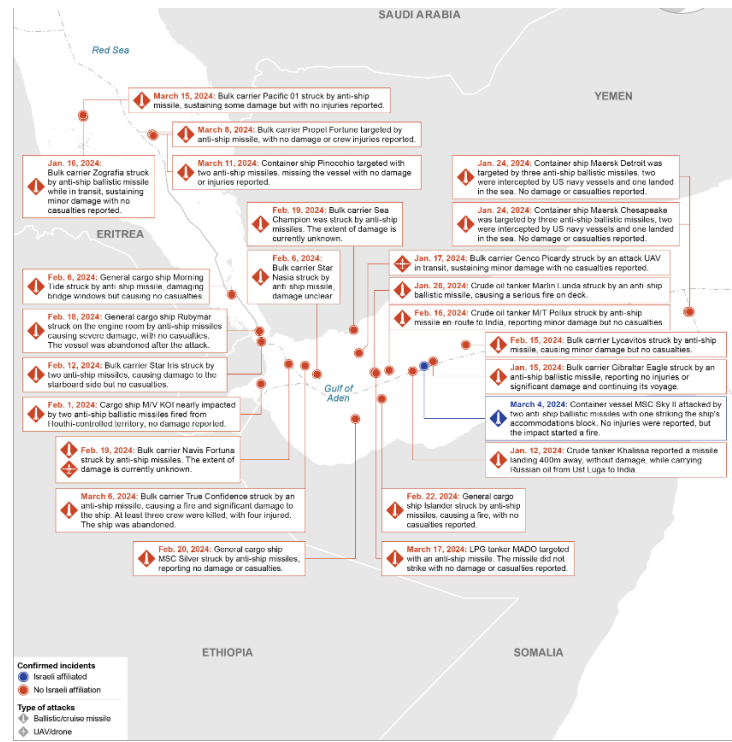
Data compiled April 15, 2024.

Source: S&P Global Market Intelligence: 2012845.

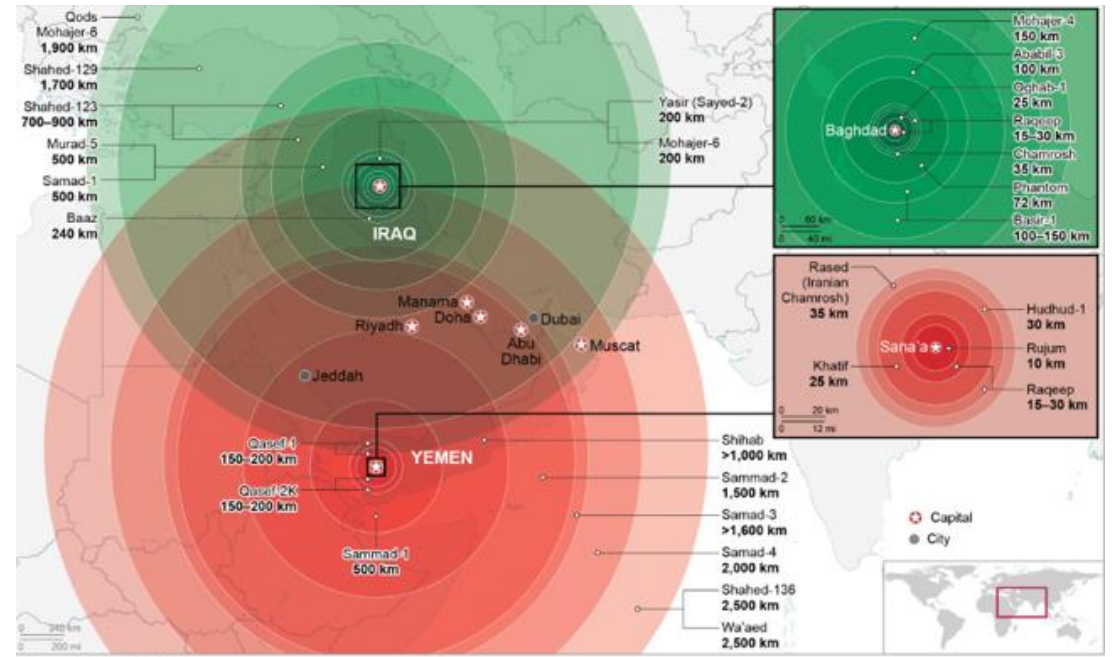
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Evolving conflict tactics impact risks globally

Confirmed incidents of Houthi targeting commercial shipping since Jan.12, 2024



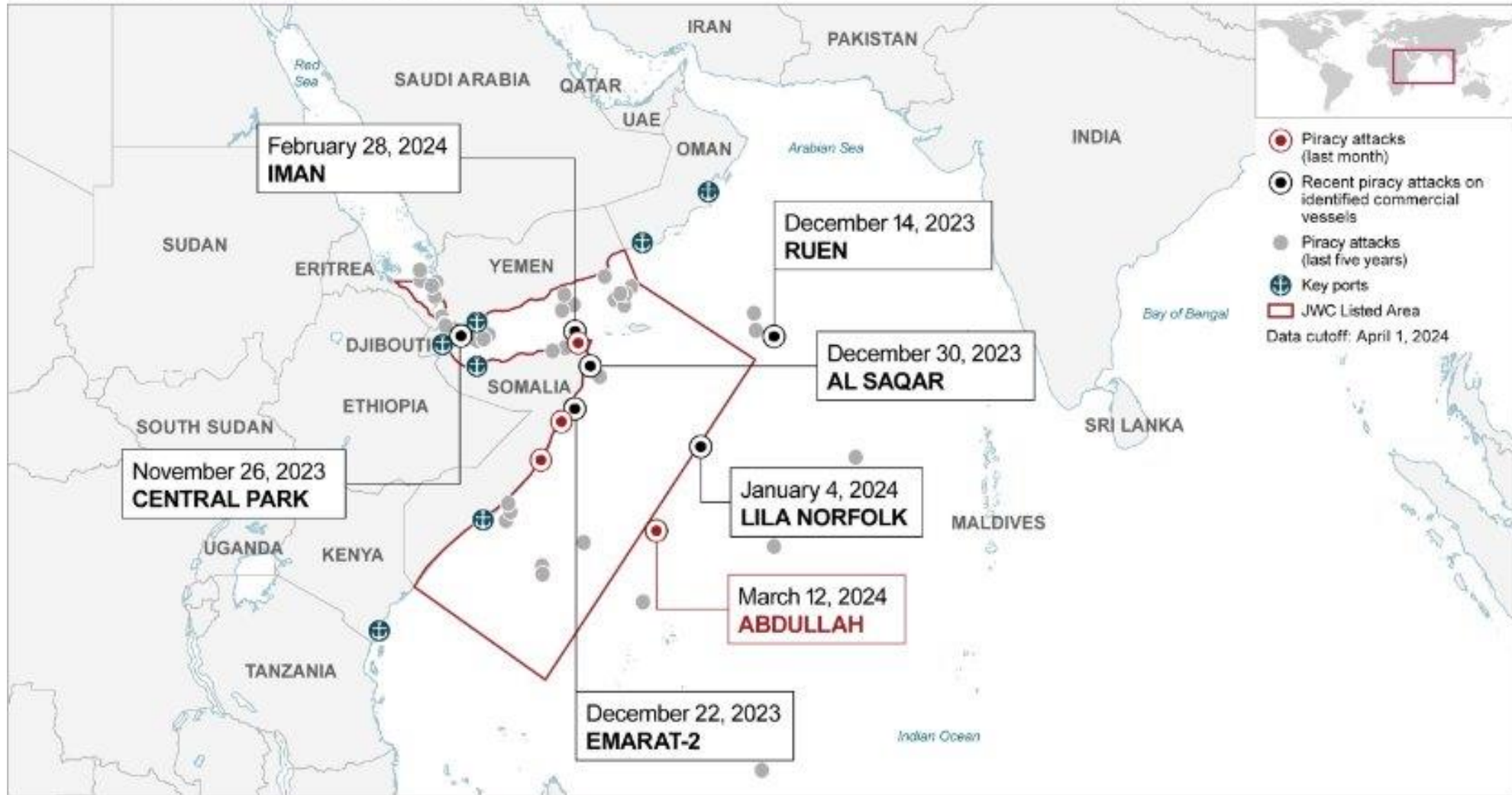
Unmanned aerial vehicle (UAV) ranges from Yemen and Iraq



Data compiled Jan. 25, 2024.
 Source: S&P Global Market Intelligence: 2012023.
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Somali piracy attacks have become more frequent since late 2023

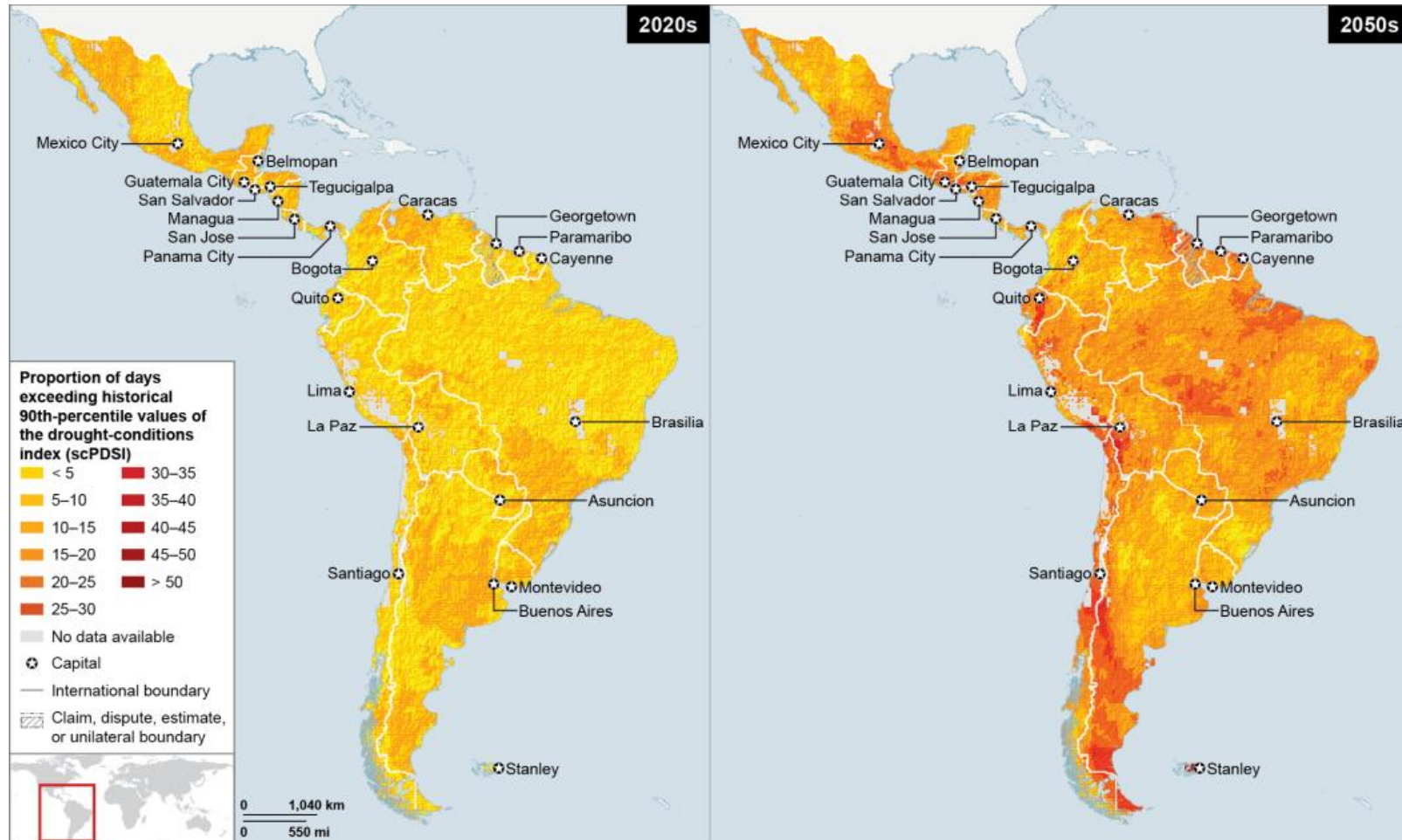
Piracy attacks recorded off Somalia



Data compiled April 2, 2024.
Source: S&P Global: 2012748.

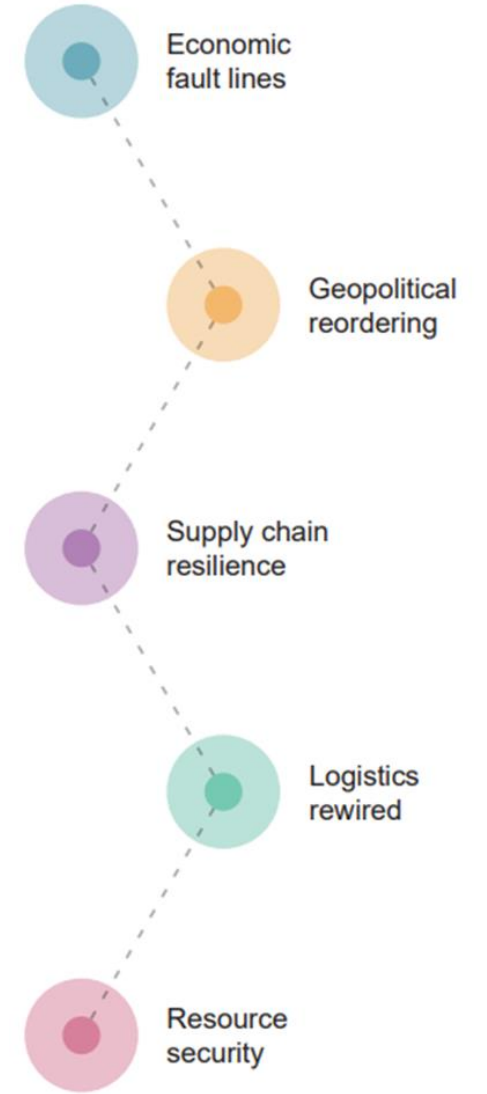
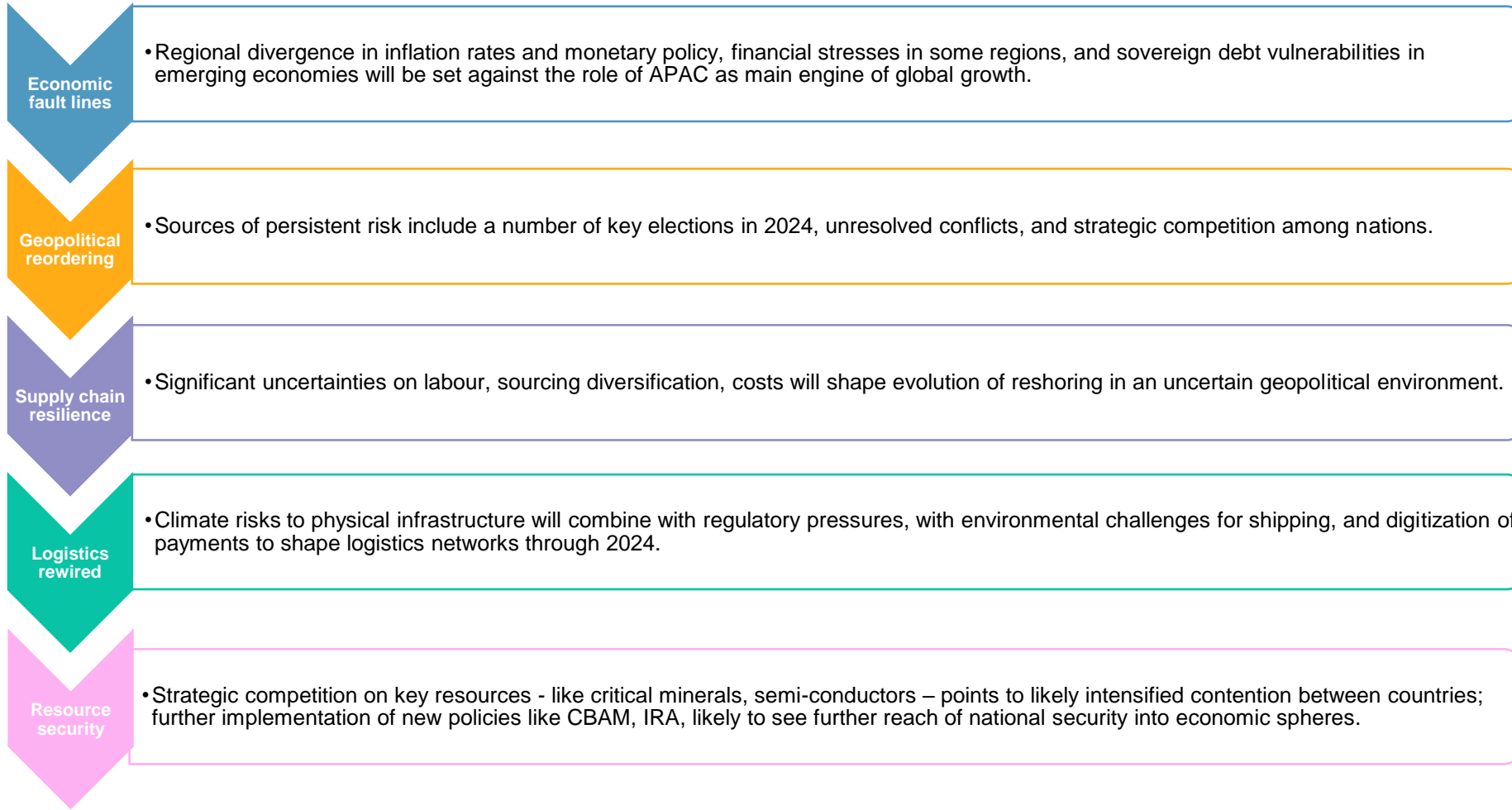
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Drought hazard in 2020s and 2050s: 'middle of the road scenario'



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S&P Global

Market Intelligence

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Regional take: Selected priority issues to watch in 2024



Europe & CIS	Asia-Pacific	Latin America	Sub-Saharan Africa	Middle East & North Africa	North America
<ul style="list-style-type: none"> • EU institution disequilibria and policy instability risks • NATO expansion and evolution of European security • EECA: sanctions vs nearshoring opportunities • Pathway for reinstating fiscal deficit caps and risks of livelihood protests • Shaky foundations for global green standard bearer 	<ul style="list-style-type: none"> • Competing for FDI in industrial upgrade, energy transition, supply chain diversification • Conflicting agenda and escalation risks around South China Sea, Taiwan Strait, Korean peninsula • Geopolitics, trade, fiscal health dominate key elections in South, Southeast Asia 	<ul style="list-style-type: none"> • Brazil positioning food security and climate transition for the 'Global South' • Water disruptions for industry & logistics • Critical minerals alignment / development strategy • Mexico-US post-elections impact on nearshoring • Venezuela-Guyana war risks 	<ul style="list-style-type: none"> • Risks of coup in Sahel and WAEMU fracturing • Deterioration in South Africa's potential growth • Continued delays to G20 Common Framework debt restructuring • Divergent monetary policy paths 	<ul style="list-style-type: none"> • Freedom of navigation through four critical maritime chokepoints • Iran-Israel confrontation intensifying via Hezbollah • Intra-regional competition/diversification • Fiscal discipline amid debt refinancing pressure • Food insecurity driving government instability and civil unrest risks 	<ul style="list-style-type: none"> • Failure of foreign/military aid legislation. • Inflation and monetary policy loosening • Polarized politics: protests and terrorism following contested election. • Environmental and labor regulations initiated prior to election. • Strict immigration policies create tight agricultural labor market.

