

Navigating geopolitics could become more challenging for companies and governments after President-elect Trump's victory adds a new layer of complexity. Escalating trade and technology wars and ongoing conflicts remain big-picture risks. China has pent-up frustration over the Biden/Trump tariffs, and could retaliate harshly against new Trump tariffs, potentially tightening restrictions on critical minerals exports, for example. A heightened trade war could lead China to press for advantage elsewhere, such as with cyberattacks or gradual economic measures to pressure Taiwan, while drawing closer to autocratic nations such as North Korea, Iran and Russia. International conflicts will continue to interfere with global shipping, impacting global energy markets and increasing food insecurity.



Shifting geopolitics creates risk for business in two broad categories: government responses aimed at protecting national and economic security; and non-government disruptions to the business environment. Mitigating these risks requires a comprehensive strategy, including:

- **Identifying relevant global drivers of geopolitical risk** that could impact your business and require close monitoring
- **Prioritizing specific risk factors** through cross-functional planning and analysis.
- **Aligning business strategies with government actions** to anticipate and adapt to regulatory and policy shifts.
- **Developing toolkits and scenario planning** for high-impact risks to ensure resilience.
- **Implementing advocacy plans** to influence public policy and protect business interests.

Squire Patton Boggs' integration of legal and policy expertise, along with deep industry knowledge, positions companies to get ahead of risks, strengthen their market position, and outpace competitors.



Paul Jones

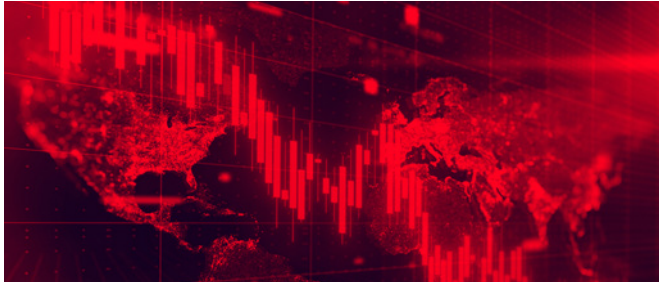
International Affairs Advisor,
Washington DC
M +1 240 441 4614
E paul.jones@squirepb.com

Ambassador Paul Jones offers clients strategic advice on business, geopolitics and government relations from Squire Patton Boggs' Washington, DC office. As international affairs advisor, Ambassador Jones plays a pivotal role at the firm, leveraging a distinguished career spanning three decades to provide unparalleled insights and connections to support clients in navigating geopolitical risk.

Career Highlights:

- **Diplomatic Leadership** – Former US Ambassador to Poland, Malaysia and Chief of Mission in Pakistan, with extensive global policy experience.
- **Washington Expertise** – Served as Principal Deputy Assistant Secretary of State for Europe and Eurasia, Deputy Special Representative for Afghanistan and Pakistan, participating in White House situation room policy meetings and foreign leader summits.
- **Industry Experience** – As VP for International Government Relations at RTX (Raytheon Technologies, 2020-2023), led global teams to achieve strategic objectives in 25 countries.

Ambassador Jones' expertise in shaping policy and leveraging global networks ensures that clients are well-equipped to anticipate risks, influence outcomes, and maintain a competitive edge in a volatile geopolitical environment.



Global Drivers of Geopolitical Risk

The tectonic shifts in global politics ripple across industries. Key sources of uncertainty include:

- **US Global Leadership:** President-elect Trump's reelection realigns US global priorities, impacting economic and security stability.
- **US-China Relations:** Intensified confrontation between the two leading economic and military powers, rising tensions in Asia over Taiwan and South China Sea.
- **US-Europe Relations:** Significant challenges ahead, as US focus shifts to Asia and Trump deemphasizes support for NATO and the EU. Regulatory divergence creates complexity for multinational companies.
- **Ukraine:** Does Trump's commitment to end the war leave a stable situation in Europe, or an emboldened Putin?
- **Middle East Instability:** Risk of an Israel-Iran war persists, alongside shifting regional dynamics and evolving US engagement.
- **Global South Emergence:** Increasing agency among countries with resources to pursue independent geopolitical strategies.
- **Technological Disruption:** Breakthroughs in AI, quantum computing and other technologies disrupt industries and national security.
- **Climate Change:** Environmental challenges drive migration, conflict, and economic policy shifts worldwide.
- **Democratic vs. Authoritarian values:** Divergence on human rights and labor practices impact multinational operations.



Government Response Risks

The US government leads the G-7 in implementing restrictions and incentives designed to counter non-market actions by China and other countries. Key opportunities and risks include:

- **Strategic Industries:** President-elect Trump will promote all forms of energy production, technologies, foreign investment and manufacturing, while deemphasizing climate concerns.
- **Sanctions and Export Controls:** Broadly targeting Russia, China, North Korea and Iran, often via specific entities and products, with off-ramps and deals possible.
- **Tariffs and Trade Wars:** Trump intends to expand US tariffs, risking global trade conflicts.
- **Investment screening:** Increased scrutiny of foreign investments in the US and restrictions on outbound investment in Chinese technology sectors.
- **Supply Chain Adjustments:** Incentives for reshoring, nearshoring, and friendshoring in strategic industries, such as health, IT, defense, and automotive.
- **Labor and Human Rights Compliance:** Strict enforcement against forced labor, bribery, and money laundering.



Business Environment Risks

Fractured international politics expose businesses to threats from criminals, terrorists and covert state actors. Specific risks include:

- **Cyber Attacks:** Increasingly sophisticated attacks impose significant costs.
- **Transnational Crime:** Kidnapping/ransom, forced labor, corruption, financial crimes.
- **War Risks:** Houthi attacks on shipping, military actions, terrorism.
- **Energy Supply and Costs:** Uncertainty around LNG availability, data center energy demands, and shipping lane security.
- **Employee Relations:** Nationalism and global events spark HR challenges in different regions.
- **Supply Chain Vulnerabilities:** Dependence on Chinese-controlled critical minerals, APIs, components.
- **Contractual Challenges:** Diminishing respect for international institutions requires creative legal and operational responses.