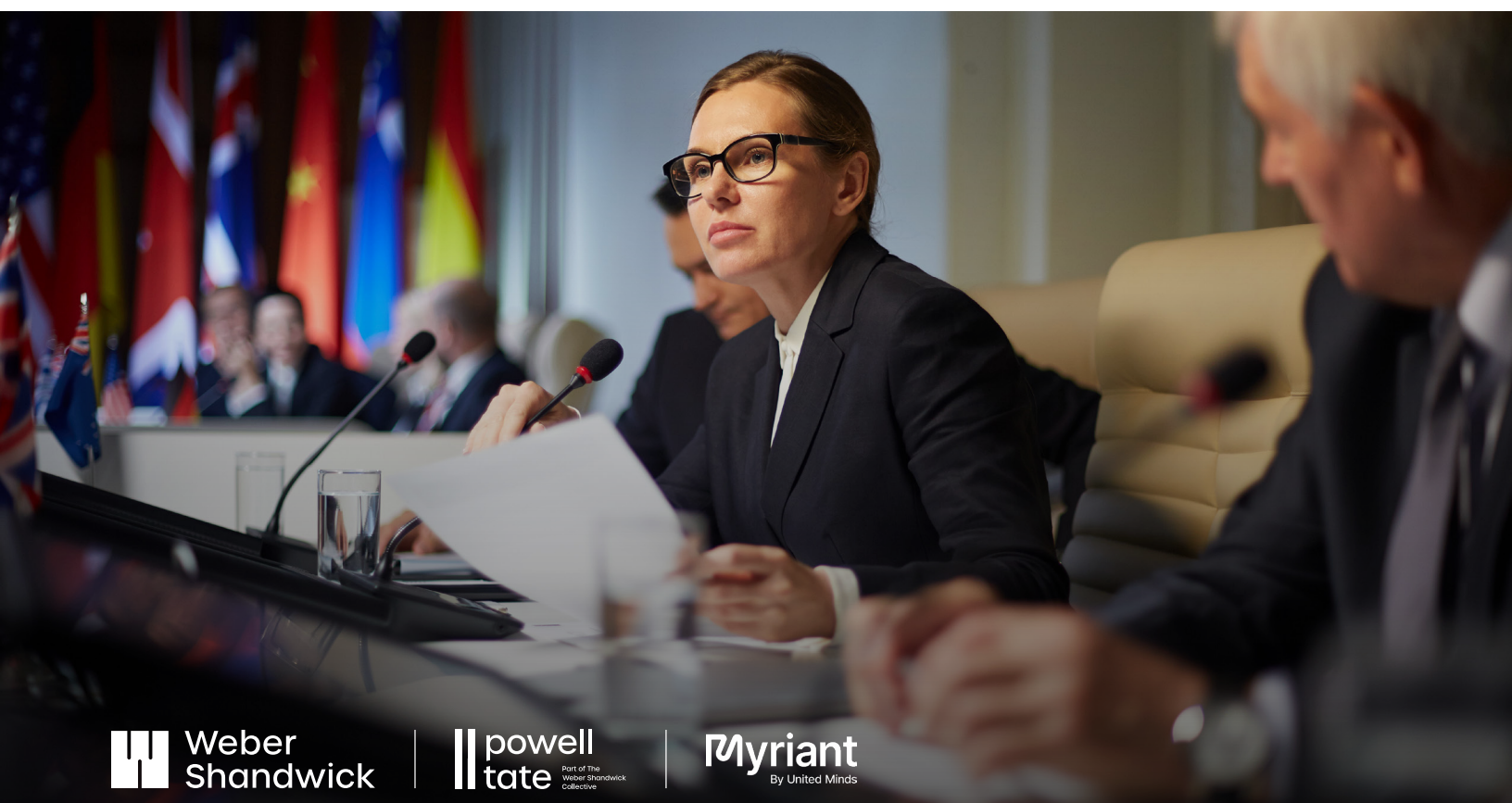




# Geopolitics 2023: Three Summits to Watch

## September 2023

Geopolitics is at center stage in 2023. There are competing interests at play among several powers, the ongoing war in Ukraine, competition for energy resources and raw materials, extreme weather events, and slowing economic growth around the world. Businesses must carefully calculate these and other risks, navigate a myriad of policies across markets where they operate, and look over the horizon for trends and events that could enhance or disrupt business operations, supply chains and growth strategies.



On the near-horizon are three summits that will convene different countries, multilateral institutions and businesses. Companies should monitor the interactions between leaders and the global challenges that will be on the agenda at each and engage where possible. **These events are:**

## G20 Summit



### Chaired and hosted by India in Delhi on September 9-10.

- The Summit brings together leaders from the world's 20 largest economies. This year nine additional leaders are invited by the host government.
- Key issues for leaders will be global food security, climate finance, the digital economy, women-led development and managing global financial governance. President Biden plans to propose reforms to the multilateral development banks.
- The host country will try to unite a G20 divided on the war in Ukraine and other geopolitical issues. Companies from each G20 member state participate through the B20 to provide advice to the leaders.
- The Summit is an opportunity for India to communicate its point of view and leadership on global challenges and for companies to reassess India's place in their growth strategies.

## APEC Leaders Meeting 2023



### Chaired and hosted by the United States in San Francisco on November 12-18.

- The annual summit brings together leaders from 21 countries in Asia and the Americas. This year's meeting, led by President Biden, will focus on economic issues, sustainability, digitalization, women's economic empowerment, trade facilitation, energy security, food security and global health.
- About 1,200 companies will participate through a CEO Forum on November 15-17.
- President Biden and Chinese President Xi could meet on the sidelines of the summit. If they do meet, business, markets and media will analyze how the two countries may manage bilateral risks that could impact the broader geopolitics. A Biden-Xi meeting could set the tone for U.S.-China policy debates during the 2024 presidential and congressional elections.

## COP28



### UNFCCC-led climate conference will be in Dubai, UAE from November 30 to December 12.

- COP 28 will convene 198 member governments and as many as 70,000 participants, including industry leaders, academics and representatives from civil society organizations.
- This year's COP will focus on climate finance, progress on implementing the Paris Climate Agreement, specifics around a "loss and damage" climate fund, and climate impacts on food systems, trade and oceans. Business and civil society participate through hundreds of side events.
- While the conference still attracts business interest, some companies fear it is also a platform for NGO and media criticism of corporate "greenwashing" and its outcomes are not relevant to actions that companies are already taking in the climate space.

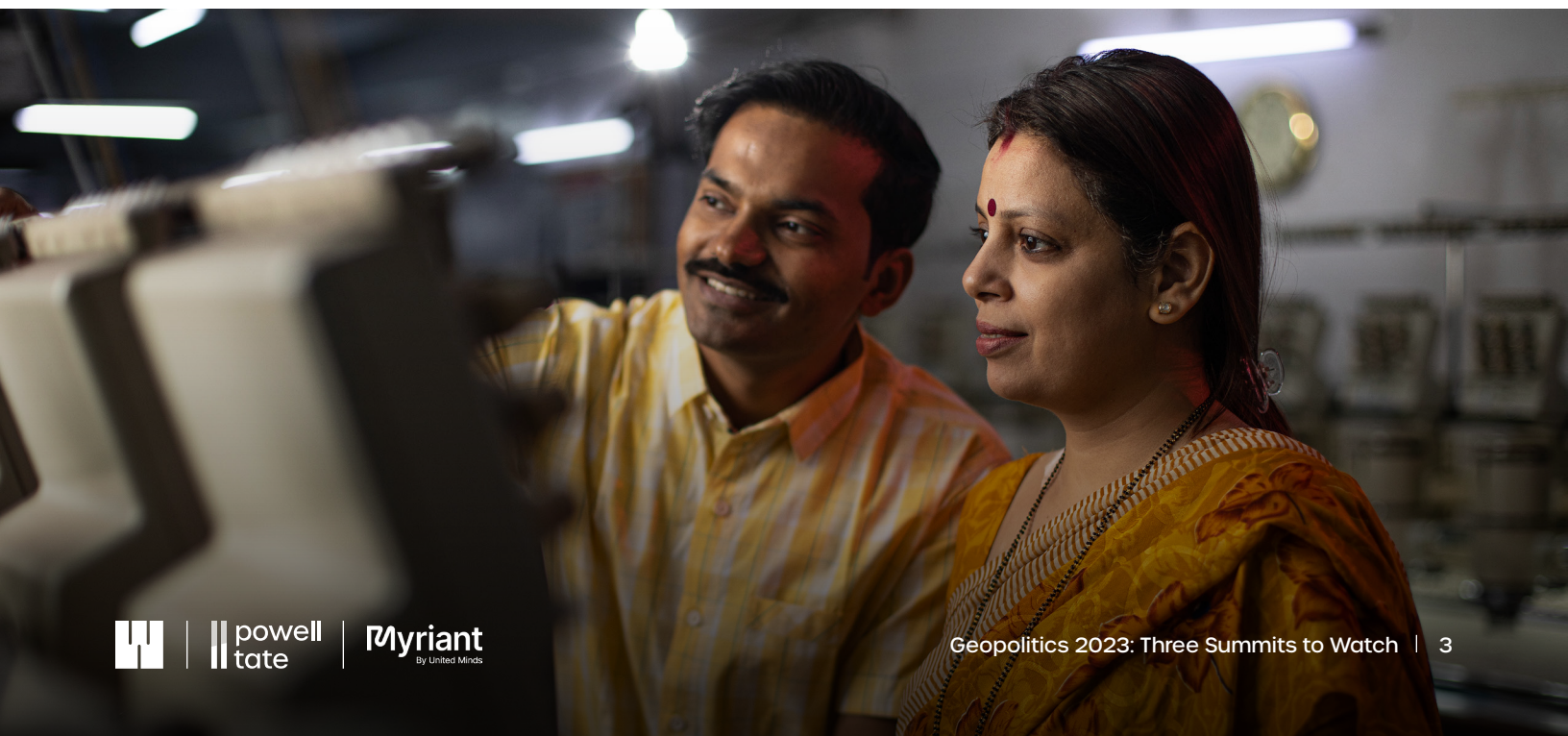
Here are five geopolitical trends for companies to watch around these events.

## 1 India Rising

The G20 Summit is India's opportunity to showcase its rising presence and influence on the global stage ahead of parliamentary elections in 2024 when Prime Minister Modi and his Bharatiya Janata Party (BJP) will campaign for a third 5-year term.

### What to watch:

- India is leveraging the G20 presidency to demonstrate its strength as a responsible and collaborative global actor. Its message of "One Family, One Earth, One Future" (Vasudhaiva Kutumbakam) outlines India's commitment toward a global response on shared threats. Much is also being invested in showcasing the Modi government's achievements. By hosting G20 ministerial events across different Indian states, the government has sought to reach diverse domestic constituencies and secure valuable political capital in the process.
- India is attracting high levels of inward investment. Several major deals have been announced in the tech, IT, healthcare and manufacturing sectors over the past 12 months. India is seeking to attract global companies deleveraging from China and that want to elevate their presence in a market characterized by strong economic growth, a growing middle class and a skilled workforce.
- India and the United States have resolved a series of bilateral trade disputes while India and the European Union have relaunched negotiations for a free trade agreement. India is playing a greater role in regional security through the QUAD process (U.S., India, Australia and Japan) and collaboration with ASEAN members.
- India will be a leading voice at COP28 for increased climate finance from the developed world. But India is also the world's third largest carbon emitter and is seeking to reduce its reliance on coal and increase investments in renewable energy.
- India has Observer Status in APEC and is seeking full membership, which would further elevate its presence in global economic and trade policy.



## 2 Global Cooperation, or Pursuit of National Interests?

When summit leaders gather, the focus of the meetings, photo-ops and communiqués centers on cooperation to address shared global challenges. But they will return to their political capitals and pursue national interests and nation-first policies that may not align with or advance global cooperation.

### What to watch:

- Major economic powers are favoring domestic companies and industries through increasing protectionism. Economic competition between the United States, Europe and China is fueling the fire, with impacts rippling outward as countries seek to near-shore and friend-shore supply chains and manufacturing.
- Energy security is national security. Leaders discuss global cooperation at summits, but many are pursuing subsidies, extraction and other policies designed to shore up favorable domestic access, availability and pricing.
- The Biden administration's industrial and energy policy features billions in subsidies and tax credits for domestic investments in semiconductors, electric vehicles, clean energy and supply chains, creating a dispute with major trade partners. The European Union is countering with its own subsidy program in key sectors such as semiconductors, batteries and quantum computing. China is subsidizing state enterprises to support its "Made in China 2025" initiative. India promotes its "Make in India" program.
- Smaller markets may get left behind as major powers pursue national interests, creating a widening economic gap. Globalization isn't dead, but companies are facing a more stress-inducing landscape driven by economic friction that includes weaponization of policy tools such as export controls, investment bans, sanctions and tariffs.

## 3 Geopolitics on Stage at the Summits

The United States, China and Europe are at the core of an evolving multipolar system with an array of regional and middle powers competing for influence.

### What to watch:

- Many countries are declining to choose sides between big powers and creating mini-blocs to better maneuver on the international stage. This creates challenges for companies that operate across markets where geopolitical competition can impact business operations.
- After several months of ministerial-level meetings with little progress on bilateral disputes, President Biden and Chinese President Xi could meet on the sidelines of the APEC Summit.
- Geopolitics is more than the clash or cooperation between world powers. In today's digital age, geopolitical power is infinitely distributed across governments, multilateral organizations, business and increasingly empowered masses of digital citizens. For global brands to navigate this environment – and stay ahead in this age – they must monitor summits, elections and regulatory policies while also tracking culture, media and social platforms and shifts in public opinion. The head and tailwinds generated by these combined forces can be consequential to a company's reputation and success.



## 4 The Growing Influence of the Global South

Countries across Asia, Africa and Latin America have historically been underrepresented in multilateral decision-making. But today they are playing a greater role in global summits and conferences, exerting pressure for policies that will meet their need for enhancing sustainable development, climate change mitigation and finance, reform of global financial institutions, public health and education systems, regional security and more..

### What to watch:

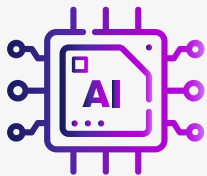
- India has invited leaders from Bangladesh, Egypt, Mauritius, Nigeria, Oman, Singapore and the UAE to participate in this year's G20 Summit, offering these nations a chance to influence the grouping. The African Union could be made a permanent member of the G20. Brazil will chair and host the G20 in 2024 and is a critical player at COP28 to slow down Amazon deforestation. Peru will chair and host APEC in 2024.
- At COP28, Global South countries will urge developed countries to provide more than \$2 trillion in finance aid for climate adaptation and mitigation. With governments facing rising debt and fiscal deficits, there is increasing pressure on private capital flows to ramp up and finance the transition to clean energy markets.
- The United States seeking to finalize chapters of Indo-Pacific Economic Framework (IPEF) for Prosperity (IPEF) in time for the APEC Summit. IPEF is being negotiated between the U.S. and 13 partners – Australia, Brunei, Fiji, India, Indonesia, Japan, South Korea, Malaysia, New Zealand, the Philippines, Singapore, Thailand and Vietnam. The agreement is focused on four pillars: fair and resilient trade, supply chains, clean economy (environmental provisions) and fair economy (labor provisions).

## 5 Business Can Impact Global Challenges Beyond Any Summit Outcome

The three summits provide limited opportunities for global companies to directly engage with leaders – business leaders are observers and informal advisors. Beyond the summits, business-led innovation, investment and capital flows, supply chain management and growth strategies can have a greater impact on the issues discussed at these events than the limited outcomes likely to be realized.

### What to watch:

- The three summits will be heavily scripted, with outcomes negotiated in meetings ahead of when the leaders gather. But the summits provide opportunities for leaders to meet face-to-face and for businesses, media and markets to observe and assess the power dynamics in play among them.
- With many governments facing rising public debt and fiscal limitations, there is a greater recognition that private sector capital will increasingly be needed to finance progress on interconnected challenges such as climate change and development. Governments and multilateral organizations need to put in place the right incentives to “crowd in” private capital that can realize both financial and social returns. Companies have a stake in shaping the regulatory landscape that will drive smart investments and capital flows.



### One more to watch...

G7 leaders held their annual summit in Japan in May, but are now working on a shared set of rules for artificial intelligence (AI). G7 officials will meet in September to finalize a blueprint for regulating AI, possibly followed by a formal summit of leaders before the end of the year. Officials say that because AI is inherently a cross-border tool, an alignment on rules is important to develop safe ways to use the technology internationally. China, which is not a G7 member, is moving ahead with its own rulebook.

## Geopolitics is an essential component of a global company's ability to identify and mitigate business and reputation risk.

Companies must navigate many forms of business disruption driven by geopolitics, including trade and investment barriers; sanctions; cyberattacks, transnational crime, and intellectual property theft; AI, data and privacy issues; competition policy, and others. Our internal teams and outside experts help corporate leaders integrate geopolitical intelligence and analysis into their business decision-making. We:

- Advise on geopolitical strategies, messages, and actions that can impact business operations, supply chains or reputation.
- Offer a non-partisan lens to assess over-the-horizon geopolitical events, trends, and dynamics and the intersection of geopolitics, culture, society, and media.
- Stress test geopolitical scenarios that can mitigate risk and minimize damage to business and reputation.
- Counsel companies on how to engage with governments on geopolitics to communicate their interests and inform leaders on the impact of geopolitics.
- Counsel companies on internal communications when geopolitical events impact their workforce.

**Weber Shandwick** is the earned-first global communications agency. Led by world-class strategic and creative thinkers and activators, Weber Shandwick has won some of the most prestigious awards in the industry. Part of the Interpublic Group (NYSE: IPG), Weber Shandwick is the anchor agency within The Weber Shandwick Collective - the strategic communications and consulting network.

**Powell Tate** is the Washington, D.C.-based public affairs unit of The Weber Shandwick Collective. Working at the intersections of business, public policy, and social issues, we help our clients lead, navigate, and engage with their most critical audiences and stakeholders. We are nimble, data-driven, and led by people who understand fast-changing politics, emerging cultural trends, the role of third-party stakeholders, and digital transformation.

**Myriant** by United Minds is a management consultancy that applies a stakeholder lens to business decisions, leveraging industry exclusive, AI-backed analytics, and insights to help leaders address issues and opportunities.

### For More Information, Please Contact:

#### **Chris Deri**

Chief Corporate Affairs Officer  
Weber Shandwick, Chair of Myriant  
[cderi@webershandwick.com](mailto:cderi@webershandwick.com)

#### **Pam Jenkins**

Chief Public Affairs Officer Weber  
Shandwick, Chairman Powell Tate  
[pjenkins@webershandwick.com](mailto:pjenkins@webershandwick.com)

#### **Ben Kalevitch**

Managing Director Myriant  
[bkalevitch@myriant.com](mailto:bkalevitch@myriant.com)

#### **Valerie Pinto**

CEO Weber Shandwick India  
[VPinto@webershandwick.com](mailto:VPinto@webershandwick.com)

#### **Jim Meszaros**

Executive Vice President Weber  
Shandwick, Senior Principal Myriant  
[jmeszaros@webershandwick.com](mailto:jmeszaros@webershandwick.com)

