

# GLOBAL ELECTIONS

Through the eyes of international business leaders

July 2024





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# Introduction



**In this exceptional year for global politics, with more than half the world’s population voting in national elections, we spoke with business leaders to see how prepared they felt for political change, and the risks and opportunities they anticipate.<sup>1</sup>**

So much has changed in the last decade, providing a different, fluid backdrop for this remarkable year of elections. Revolts against establishment politics ushered in Brexit, US President Donald Trump and right-wing populists across Europe. A once-in-a-century global pandemic crippled, at least for a time, the global economy, causing businesses to adjust to a patchwork of emergency mandates of lockdowns that severely hampered supply chains and product availability, while boosting costs. New wars in eastern Europe and the Middle East reshaped energy markets and forced shifts in trade routes. Inflation became rampant in parts of the world, trade barriers the agenda-setting US enacted became higher and money became more expensive to borrow, causing companies of all stripes to “preserve capital” - or tighten budgets. Supply chains became less reliable. The talent market became tighter. And China’s influence over global politics and economics continued to grow. All of this combined to shift how companies do business around the world, with many changing how and where they operate, or at what scale.

Businesses are weathering all this – and arguably quite well - but there are more developments on the horizon that will require them to continue to adapt. Indeed, at the mid-point of 2024, we are already seeing how election outcomes – including in the EU, UK, France, India and elsewhere - are driving significant political change, with wide-ranging implications for business. And there’s more to come, with the US set to vote in the coming months in a race that has been upended by President Biden’s decision not to run.

We asked business leaders:

- / How prepared they feel for political change
- / Their views on potential election outcomes and where they see the most risks and opportunities
- / The policy issues they are most closely watching
- / The geopolitical impacts about which they are most concerned

<sup>1</sup>H/Advisors commissioned a survey of 111 senior stakeholders (Director / VP and above) in businesses turning over \$200m+ in revenue and operating in highly regulated markets including healthcare, financial services, technology, energy/utilities/infrastructure and FMCG and retail. All respondents were independently verified via telephone or LinkedIn to ensure high quality sample. We also undertook a number of qualitative in-depth interviews with corporates to gain further insight.

## / Figure 1: 64 countries around the world are holding elections during 2024



### Elections in 2024 so far...

- / **Taiwan:** Lai Ching-Te won the presidency in January in elections largely centered on how to deal with China. However, his Democratic Progressive Party lost its majority in the legislature.
- / **Indonesia:** Prabowo Subianto was elected president in February, taking over from incumbent Joko Widodo.
- / **South Korea:** South Korea held general elections in April. The opposition Democratic Party won a majority of seats in the National Assembly against the incumbent party of President Yoon.
- / **India:** Narendra Modi has won a third term but on less emphatic terms than expected.
- / **South Africa:** The ANC suffered its worst performance in 30 years and is now assembling a coalition government.
- / **EU elections:** The significant success of the populist right in European Parliament elections has roiled establishment parties in France and Germany. The mainstream right EPP also enjoyed significant success,

paving the way to Ursula Von Der Leyen's second term as Commission President.

- / **UK:** The Labour party has ended 14 years of Conservative government with an emphatic victory, putting Keir Starmer in 10 Downing Street.
- / **France:** Despite a surge for the National Rally in the first round of voting, the far left was able to hold them back in the second round, leading to a hung Parliament and the resignation of Macron's Prime Minister, Gabriel Attal.

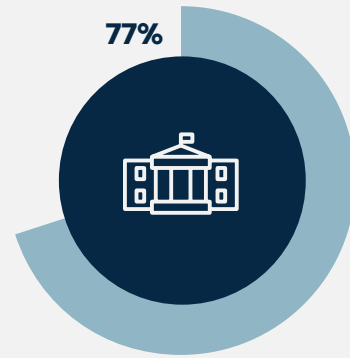
### And still to come...

- / **US:** Joe Biden's decision not to run adds a further level of uncertainty to the most anticipated event in this bumper year of elections. America and the world wait to see whether Donald Trump will return to office on November 5 or whether Kamala Harris, the newly Presumptive Democratic Nominee, can hold on.
- / **Australia:** A federal election is to be held between now and May 2025, with the timing uncertain.

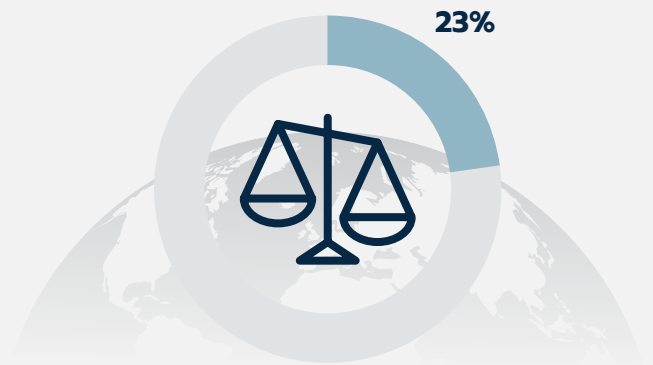
# Key findings

**Companies feel optimistic about, and prepared for, political change.** Business leaders have seen more than a few political upsets over the last decade, which ushered in Brexit, Donald Trump and populism across the globe. But we are surprised by how sanguine business is about change this time around, perhaps having learned from the past to prepare for – and make the best out of – any outcome. Indeed, the survey findings show that 77% of businesses globally are optimistic about the impact of the elections on that relationship (32% are very optimistic) with fewer than one-in-ten pessimistic (9%). It is possible that complacency influences some of this. However, we found evidence in our in-depth interviews that companies have learned to cope with electoral volatility, especially in their home countries. One of our interviewees at a global UK-listed business said that, in recent years, it had paid increased attention to considering political scenarios that would be considered low probability but high impact, seemingly learning from the past decade’s populist – and global reordering – surprises.

**However, companies feel less well prepared for regulatory change.** Both our survey results and in-depth interviews find that businesses feel less prepared to navigate regulatory change particularly in overseas markets. For example, one of our US-based in-depth interviewees from a global tech company said that the interplay of emerging regulatory policy in the US, EU and UK was a major driver of the company’s activities that are requiring an increasingly coordinated approach across borders, a challenge even to well-resourced and sophisticated organisations. The respondent said the company felt it was under siege from continuous legislative and regulatory action in multiple jurisdictions, and across political party lines.



...of businesses globally are optimistic about the impact of the elections on the relationship between politics and business



Fewer than 1-in-4 global businesses (23%) are very confident in their ability to adapt to regulatory changes resulting from 2024 elections

**Businesses are thinking most about financial stability, technological change and sustainability in the context of 2024 elections.** With AI dominating mainstream news in the last year and coverage almost certainly influencing thinking, nearly four out of ten of our respondents named AI, technology and innovation as the one of the three areas on which they anticipate the 2024 elections having the most impact. In the US and APAC, more than half of respondents feel this way. Respondents of in-depth interviews who are working in a range of sectors raise regulation of technology as a concern as the impact of initiatives from the US FTC and new legislation such as the EU Digital Markets Act and AI Act begin to impact business.

**Business did not have a strong preference for either a Donald Trump or Joe Biden victory in November.** When surveyed, Biden was still in the running and companies both in the US and globally didn't see either candidate as the runaway favourite to create the best environment in which businesses can thrive generally. Rather, they saw Biden as stronger on some of their priorities and Trump as stronger on others. This was backed by one of our in-depth interviewees who, rather less kindly, said that they would be "bad in different ways." This is perhaps a consequence of the two candidates being far more alike than different on important and interconnected global issues – trade and tariffs – with a shared "America first" mentality as they look to court working-class white voters in key states in what polls show is an extraordinarily close race. Whoever replaces Biden is unlikely to depart significantly from his policy platform on these issues.

**European Parliament election results have seen a surge for the populist right in France and Germany. Business leaders based outside of Europe tell us this is the outcome for which they are least prepared.** Only 25% of American business leaders – surveyed before the elections - say they are prepared for this outcome. Conversely, those in Europe seem at least as ready for this outcome as any other, suggesting they had learned from past surprises.

### Top-3 areas businesses expect the 2024 elections to impact



**47% Financial stability**

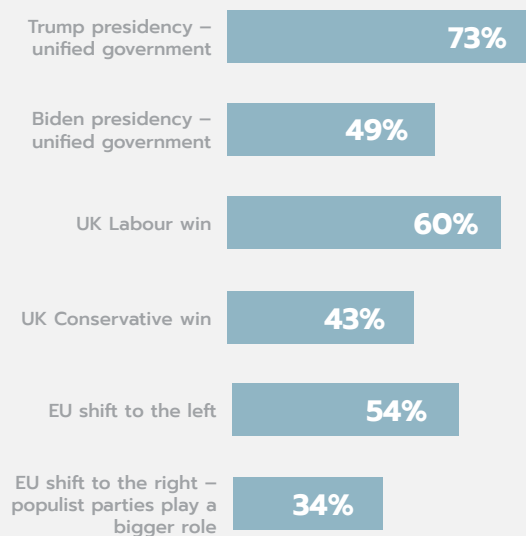


**38% AI, tech and innovation**



**33% Sustainability**

### How prepared do global businesses feel for possible elections outcomes?



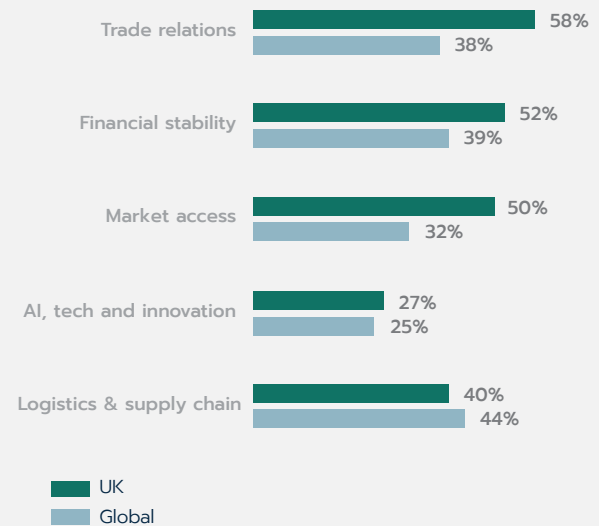
**UK respondents view Labour’s UK general election victory more positively than global respondents.** The size of Labour’s majority and its moderate, business-friendly stance are already feeding through into talk of a ‘stability premium’ for the UK. Our UK respondents had a more favourable view of Labour in Government than overseas companies. This indicates a gap in perceptions of a Labour Government at home versus abroad, which the incoming Government will need to be mindful of as it builds its case for greater investment in the UK.

**Geopolitical issues are on business’ minds but there are different focuses in different regions:**

**/ US business leaders are fixated on China:** . In the US, 57% of respondents say they are concerned about superpower rivalry. In Europe (excluding the UK) this falls to 11%. However, in APAC, this number rises to 31%. This shows that while relations between the US and China are top of mind in the US and important in Asia, Europe does not think about it very much. An in-depth interview with an executive at an automotive business based in APAC says the company is keeping an eye on how the EU is reacting to the simmering rivalry between the US and China. It may be that this issue will be forced up the agenda in Europe.

**/ The economy is Europe’s biggest worry:** Anxiety about low growth is the primary concern: 56% cite the risk of economic downturn. In APAC, it tied as the most significant concern (43%) and was near the top of the list in the US (46%). In short, businesses across the board profess considerable ongoing concern about economic growth.

**% of businesses expecting a UK Labour win to have a beneficial impact – by key impacts**



**Top-3 post-election concerns for businesses – by region**

**US**



**57% Superpower rivalry**



**46% Economic downturn**



**32% Supply chain disruption**

**/ Concerns about trade disruption and supply chains hang over business:** UK respondents – probably with Brexit, Covid changes and two new wars, as well as other recent challenges like Houthi rebel attack in the Suez Canal fresh in mind - were most concerned about the risk of supply chain disruption (50%). Trade is also of concern at a time when policies coming out of the US have been limiting. For those in Australia and Asia Pacific, trade disruptions were joint top of the list (43%). Europeans, who complain that US policies are overly punitive, are even more worried about trade disruptions. This reflects general concerns we heard in our in-depth interviews, with an APAC-based executive telling us about the company’s fear that 2024 elections would reverse the trend of open trade, and that while Southeast Asia would remain open to trade, it would have to navigate a fractured multi-polar system.

**/ Sustainability remains an important issue:** Yet despite our respondents saying that sustainability was in the top 3 issues they expected the 2024 elections to impact, only 6% of respondents feel that climate change is a top concern for their own businesses. It’s possible that a fragile global economy and new wars raging in eastern Europe and the Middle East have superseded climate change despite extreme weather events increasing across the globe. The issue, it seems, has been pushed down the list of concerns relative to others.

**UK**



**50% Supply chain disruption**



**36% Economic downturn**



**36% Trade disruptions**

**EU**



**56% Economic downturn**



**44% Supply chain disruption**



**44% Trade disruptions**

**APAC**



**43% Economic downturn**



**43% Trade disruptions**



**36% Trade sanctions**



# Is business prepared or complacent?

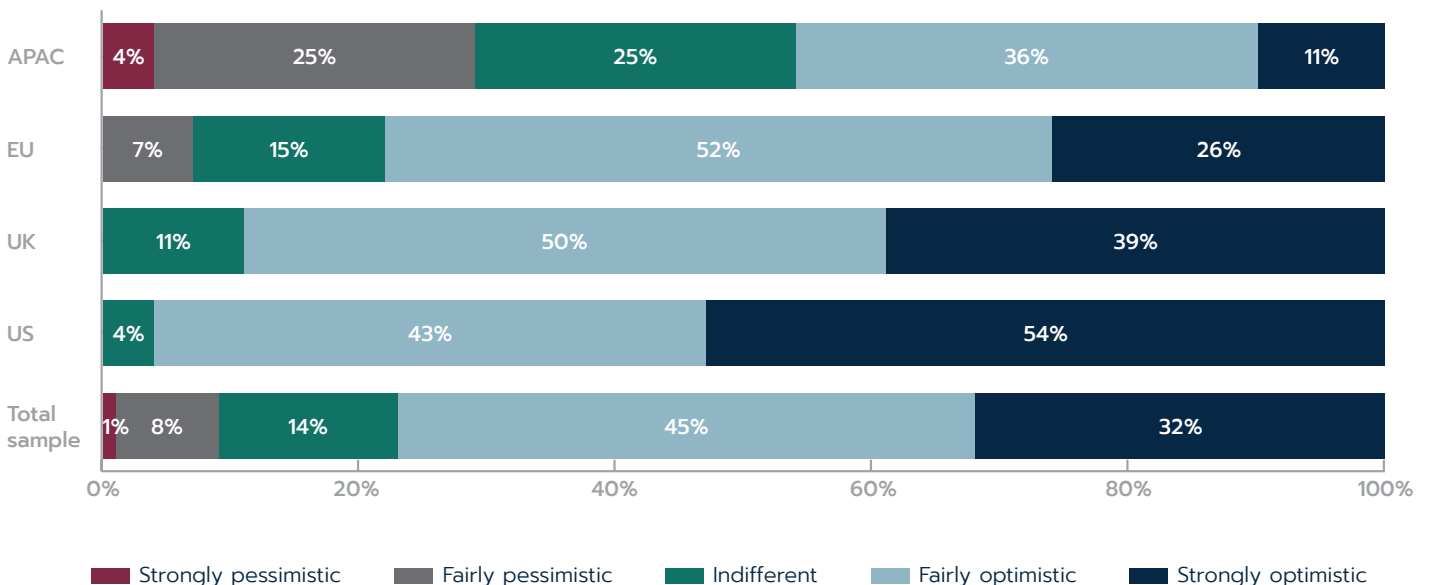


Businesses see several potential beneficial impacts in the global elections - though the nature of these benefits and depth of feeling differs by both outcome and geography. This optimism is also reflected in sentiment towards the relationship between business and politics.

The survey findings show that 77% of businesses globally are optimistic about the impact of the elections on that relationship (32% are very optimistic) with fewer than one-in-ten pessimistic (9%).

There are significant variations in opinion across the regions. Among those based in the US and UK optimism is extremely high (96% and 89% optimistic respectively). While this falls to 78% among those in the EU, it falls to only 46% in the APAC region. With business optimism overall high, there is likely to be a sharp increase in the degree to which corporates across all industries are proactively engaging newly formed or re-elected governments.





**/ Figure 2: Using the scale below, please rate your outlook on the 2024 elections' effect on the relationship between politics and business**



What is consistently clear across our research is the extent to which businesses recognise that the elections around the globe will impact them in some form. This is true regardless both of the election in question and the country in which they are based.

When exploring the extent to which these businesses feel prepared for the range of election outcomes it is particularly useful to assess the findings by the region in which the respondent is based.

**/ Figure 3: How prepared is your organisation to navigate the potential impacts of the following elections outcomes? % fully / fairly prepared by region the respondent is based in**

	Trump presidency with unified government	Trump presidency with divided government	Biden presidency with unified government	Bidem presidency with divided government	UK Conservative win	UK Labour win	UK hung parliament	EU shift to the left (left not in coalition but strong voice)	EU shift to the right (right not in coalition but strong voice)	EU shift to the right (Populist parties play a bigger role)	India BJP win	India INC win
 TOTAL	73%	64%	49%	57%	43%	60%	48%	54%	48%	34%	59%	40%
 US	82%	75%	46%	57%	36%	61%	46%	50%	46%	25%	71%	39%
 UK	86%	64%	39%	68%	61%	75%	71%	61%	50%	29%	50%	46%
 EU	63%	59%	56%	52%	30%	52%	41%	56%	59%	67%	63%	33%
 APAC	61%	57%	54%	50%	46%	54%	32%	50%	36%	18%	54%	39%

We wanted to test to what extent businesses had changed their approach to political preparedness given the political volatility of recent years in our in-depth interviews. We heard consistently that while it was not new

for large businesses to consider political risk, attention to political risk was heightened, particularly in Western democracies with companies constantly thinking about a range of political outcomes.

**“There’ll always be something that you haven’t planned for. But I would say there’s not much that really comes as a surprise to the business because we are always thinking about what could possibly happen, what could go wrong so that we can try and make sure that we’re prepared for it. External advice and perspectives are essential for that process.”**

Head of Corporate Affairs,  
Listed Global Hospitality Business

# Regulation is a headache

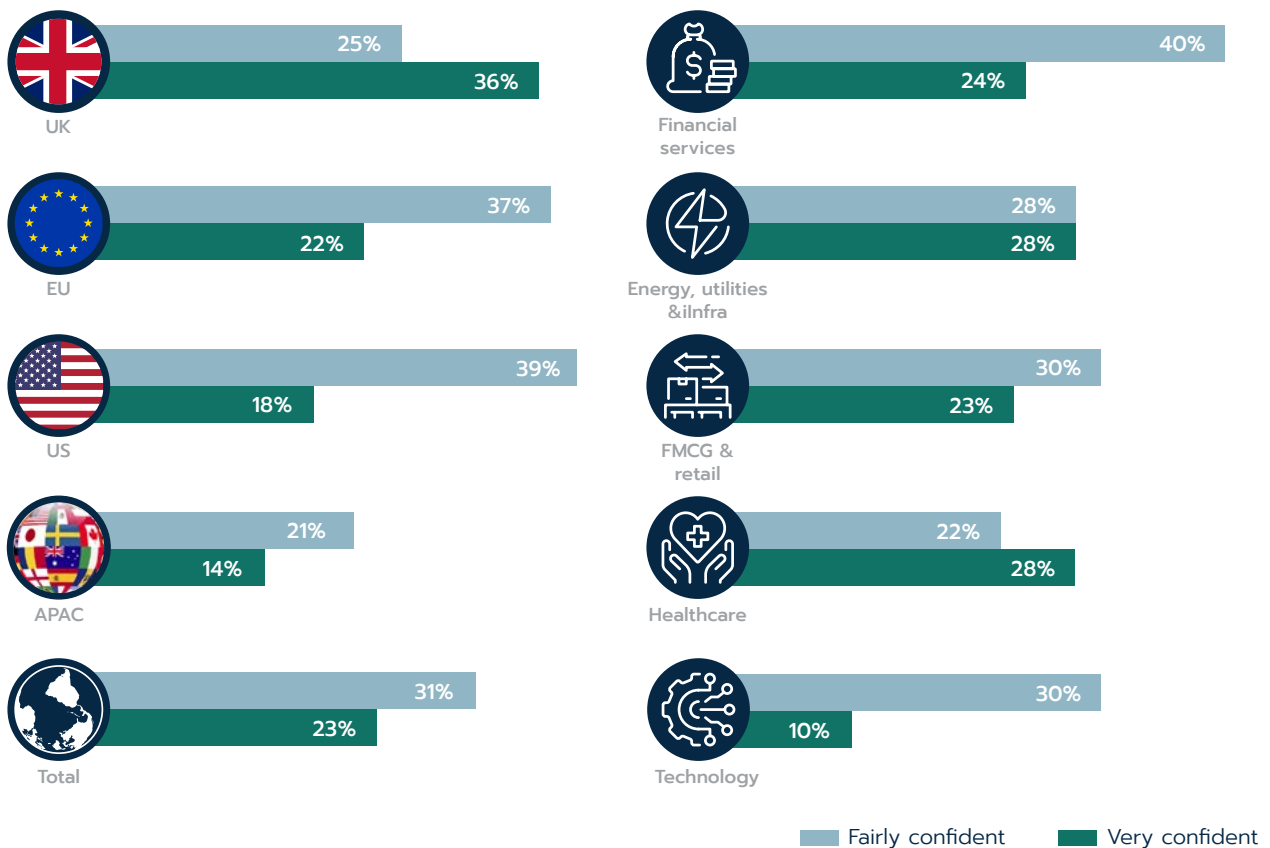


The impact that businesses feel will extend beyond global and domestic policy and into regulatory change. While the former clearly impacts the ability of global businesses to trade around the world, regulatory change has a direct impact on issues such as compliance, legal, the collection and use of management information and change to internal policies. These become even more difficult to manage in businesses with a global footprint – particularly when operating in jurisdictions where regulatory approaches are not complementary.

Our survey shows that fewer than one-in-four businesses (23%) are very confident in their ability to adapt to regulatory changes resulting from the upcoming elections – with only 53% very or fairly confident.

As before, it is those based in the APAC region that are least confident in their ability to adapt, though only around three-in-five businesses in the US, UK and EU feel confident in adapting. When looking across industries, tech businesses feel least confident in their ability to adapt to regulatory change – with only one-in-five very confident.

**/ Figure 4: How confident are you in your organisation’s ability to adapt to regulatory changes resulting from the 2024 elections? % very / fairly confident by region and sector**



*“We’re dealing a patchwork of regulations, laws and incentives depending on where we are, which is over 100 markets. So that’s key for us. And that ties into the wider geopolitical piece that we keep a constant eye on.”*

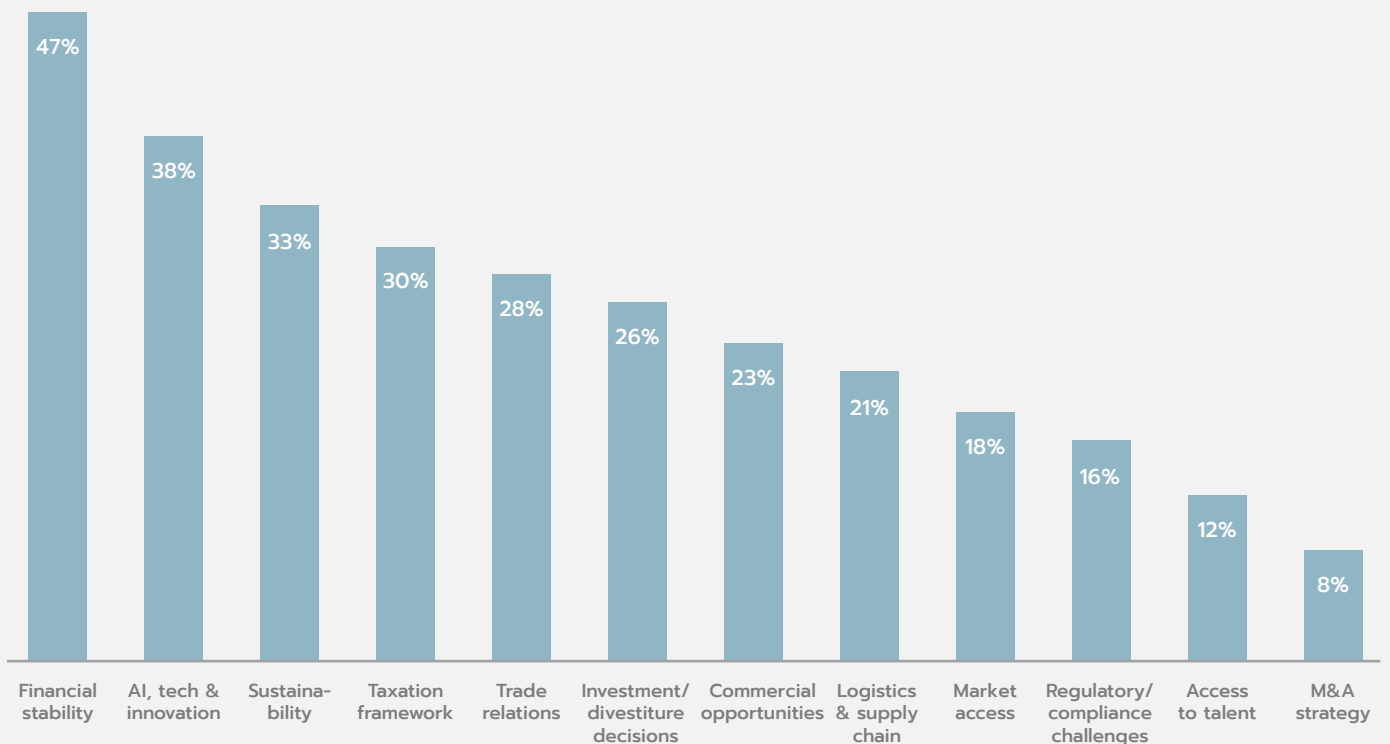
Head of Corporate Affairs,  
Listed Global Hospitality Business

# Technology is top of mind for business



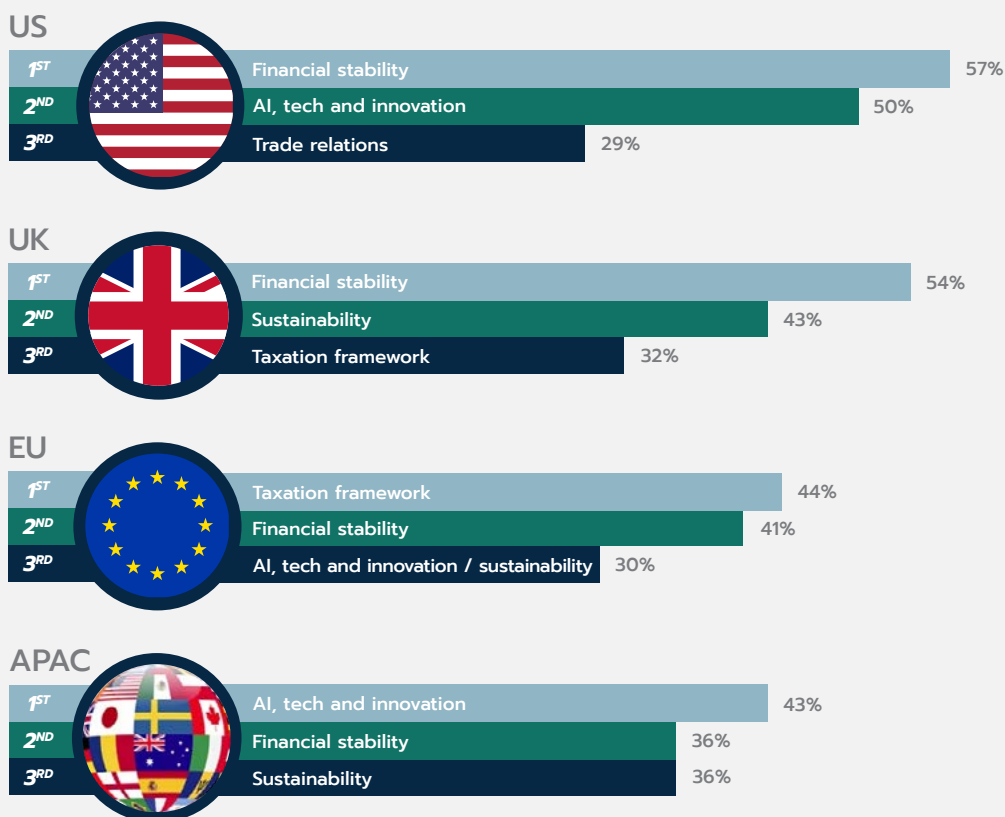
Our research findings show that businesses are most worried about the impacts of elections on financial stability (47%), AI, tech and innovation (38%) and sustainability (33%).

**/ Figure 5: From your organisation's perspective, which are the three areas you anticipate 2024 elections to have the most significant impact on?**



However, these impacts are not being felt equally across geographies. This is evident when looking at the top three likely impacts by market.

**/ Figure 6: From your organisation’s perspective, which are the three areas you anticipate 2024 elections to have the most significant impact on? Top three impacts by region**



In the US and APAC businesses are most anxious about AI, tech and innovation impacts. In the US, regulation of AI is in its infancy. It is, though, one of the rare instances of an issue having bipartisan support, with both Republican and Democrat lawmakers looking at issuing new legislation to put guardrails in place. Across the APAC region, China, South Korea and Taiwan are moving towards specific AI regulations, while many others are looking to do so through existing laws. The direction that governments ultimately take will also be influenced by related interests, including growth, innovation, consumer protections and data sovereignty.

**“ We’re focusing very much on the Digital Markets Act and how that might stand to affect the money that we invest into things like digital platforms, advertising spend and distribution and channel spending will be going. So we take an interest in elections and the impact it will have on policies like that.”**

Head of Government Relations, UK/US Listed Global Company

**“ On the AI side, which I know is a hot topic, I think it’s weird how vaguely these laws are written. And I think some of is the lack of knowledge coming from the policymakers on what to do about this issue. In the EU that’s typically their approach, which is: “well, we’ll know it when you break it, and then we’ll fine to you”, versus in the US, where they’re spinning in circles because they have a really hard time coming up with anything prescriptive.”**

Executive, Global Tech Company

# Elections

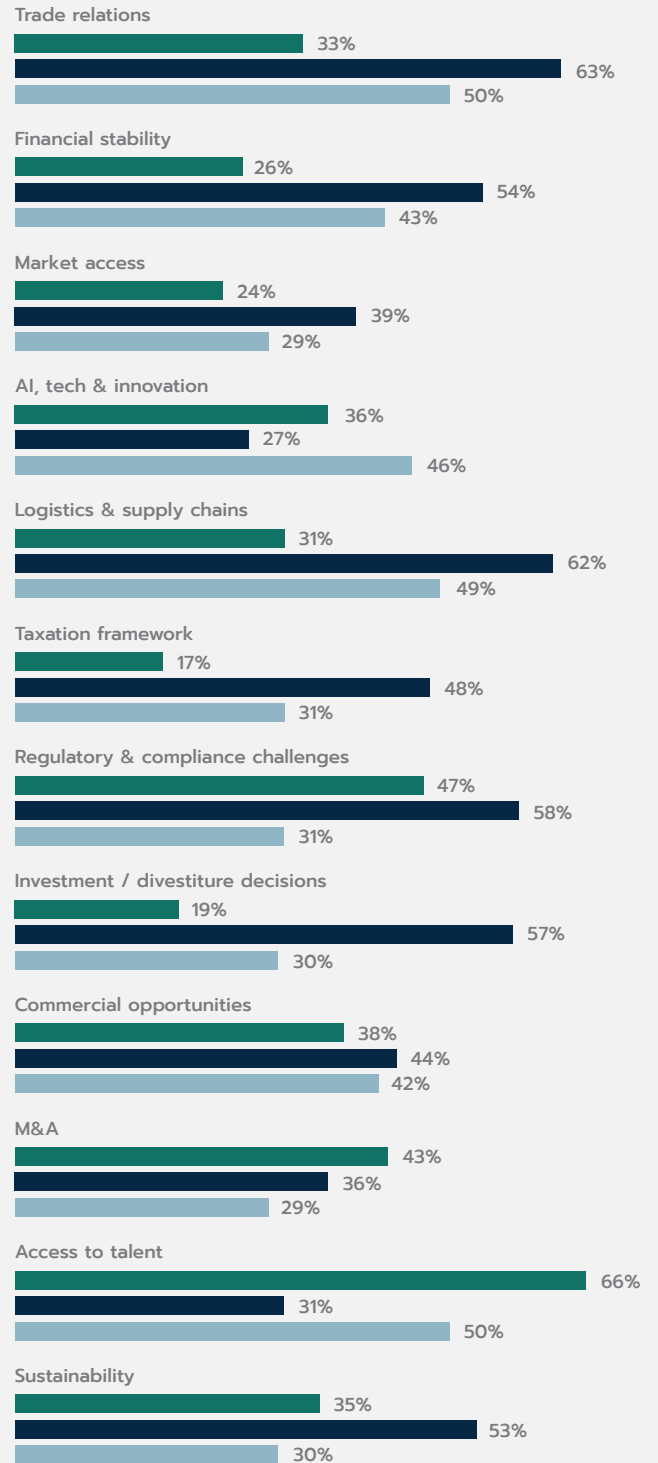


## EU Parliament Elections

From an EU perspective it is evident that global business sees greater benefit, almost across the board, in a shift to the right in the EU Parliament, so business leaders will likely welcome the success of the EPP in these elections. This is most acute around trade relations, financial stability, logistics and supply chains, taxation framework and investment decision-making.



**/ Figure 7: % of global businesses expecting EU election outcomes to have a beneficial impact – by business-issue**



- EU shift to the left (left not in coalition but strong voice in parliament)
- EU shift to the right (right not in coalition but strong voice in parliament)
- EU shift to the right (right in coalition & populist parties play a bigger role)



*Competitiveness and security will be the driving themes of the next European Commission agenda. Although the European Peoples Party (EPP), Socialists and Democrats (S&D), Renew coalition has pushed through German European Commission President, Ursula von der Leyen for a second term, we can expect issue specific coalitions to take form in the new European Parliament as the EU legislative machine restarts. This is a consequence of the growth of the far-right representation in the European Parliament. For businesses this means:*

***Calls for less focus on new regulation:** Supported by the EPP, Renew and the European right, the focus in the tech space will be on implementation and simplification. Industry will need to get to grips with new rulebooks such as the AI Act, Digital Services Act, Digital Markets Act and cyber rules such as NIS2, CRA and DORA.*

***Strategic autonomy, economic security and reducing external dependencies:***

*/ Finance:*

- Completion of the EU capital markets union to provide capital for the EU's underlying goals (strategic autonomy, Ukraine reconstruction, defence, competitiveness) – this may mean gradual realignment with the UK (UK dependency less of an issue as compared to other third countries).*
- Review of fintech and sustainable finance rules – sustainable financial disclosures regulation review / crypto assets reg review.*

*/ Tech:*

- Continued push against big tech cloud certification scheme still to be finalised - if this is not finalised before Trump is elected, geolocation rules may resurface.*
- Focus on consumer protection and digital fairness via the Digital Fairness Act - and potential targeted changed to GDPR.*

*/ Energy autonomy – continued push for domestic EU production.*

*/ Defence – reduced NATO dependency (more alignment with the UK), European Defence Fund.*

*/ More support for EU-grown businesses (funding/talent/scaling ecosystems).*

***Reduced sustainability ambitions:** the long-term goal will remain the same (ie green transition to 55% by 2030 and 100% by 2050) but the road to getting there is expected to change and bringing industry along on that path will be vital. The pan-European farmers demonstrations across European capitals sent a clear signal on the need for workability around green transition requirements – hence the successful pre-election lobbying win for farmers on the Common Agricultural Policy (CAP) - winning derogations and exemptions on standards for “good agri and environmental conditions.”*

**Helena Walsh**

*Senior Partner &  
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# French Parliament Election

At the time our survey was commissioned, there was not a hint that there would be elections in France. However, President Macron's decision and its results have sent shockwaves through Europe and the business community.



*In the short term the dominant scenario is one of deadlock. This confirms a scenario already anticipated by the markets during the period between the two rounds: the absence of a majority that would make it difficult for the leading party, in this case the New Popular Front, to implement its programme.*

*In the medium and long-term the picture is uncertain. The initial stress in the financial markets was generated by assumptions of an absolute majority, which were discarded by the election result. Fundamentally, there is a "vacuum in terms of France's ability to enact legislation", according to an analyst at Monex Europe.*

*If there are no major reforms in France in the next few years, it is very likely that the rating agencies will revise their assessments of France downwards, possibly as early as September and October (Agence France Trésor ratings calendar).*

*The results set up considerable uncertainty for business. The Confederation of Small and Medium-sized Enterprises stated that the dissolution will cost the French economy at least one quarter of growth. While it is too early to measure the repercussions, economists agree that political uncertainty is causing businesses to delay their investments. In a context where there is a lack of visibility and clarity regarding the policies being implemented, business leaders and investors are likely to freeze their short-term economic strategies, including hiring decisions. It's worth noting that surveys on household and business behaviour are expected to be published around July 25, giving an early insight on the economic impact.*

**Tiphaine Mercier**

*Head of Public Affairs  
H/Advisors in Paris*



**/// The initial stress in the financial markets was generated by assumptions of an absolute majority, which were discarded by the election result."**



# UK General Election

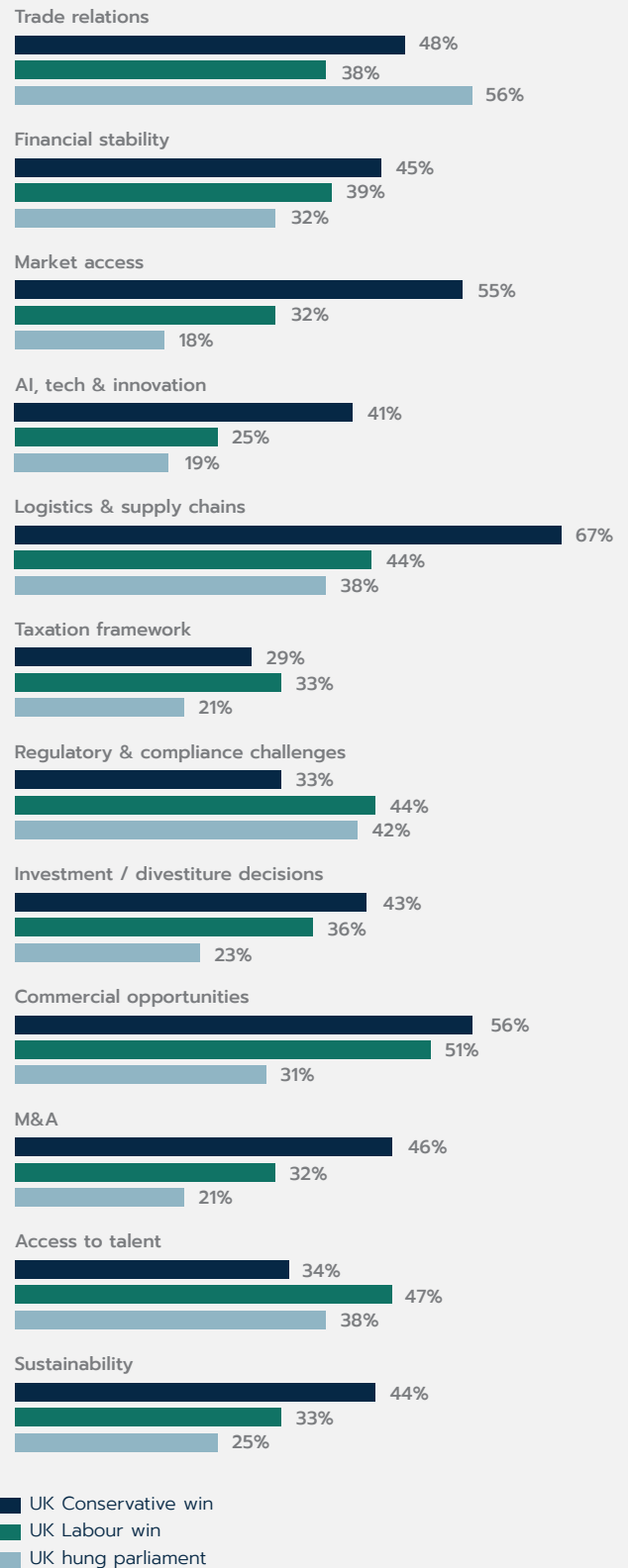
Our survey was conducted before the UK general election result was known. However, it does have some interesting insights. While more than half (52%) of UK-based large business leaders believe the Labour party will be beneficial for the financial stability of the nation, outpolling the Conservatives by around 10 points, just one in three (34%) of businesses based outside the UK agreed. This suggests that Labour has done a good job building the trust of UK business, but has some work to do to build a similar level of support amongst international businesses.

Perhaps more soberingly, irrespective of the winning party, under a quarter of UK businesses feel that that the election would have a beneficial outcome for more competitive taxation, suggesting that businesses have already priced in tax rises. There were similarly low expectations for a more competitive regulatory environment.

When asked on a sector specific basis, British business leaders said that the Conservatives would be more beneficial for AI, tech and innovation (53% Conservative against 27% for Labour), perhaps reflecting Rishi Sunak’s personal enthusiasm when in government. As the UK has often been seen as a leading place for innovation and technological investment, there will need to be a strong focus from the Labour government to ensure this trend continues.

Labour did, however, poll much more strongly on improving trade relations, possibly suggesting business is anticipating lower trade frictions with the EU under this Labour government (58% Labour against 42% Conservative).

**/ Figure 8:** % of **global** businesses expecting EU election outcomes to have a beneficial impact – by business-issue



**/ Figure 9: % of UK sample expecting UK election outcomes to have a beneficial impact – by business-issue**

	Conservative Win	Labour Win
Trade relations	42%	<b>58%</b>
Financial stability	43%	<b>52%</b>
Market access	50%	50%
AI, tech & innovation	<b>53%</b>	27%
Logistics & supply chain	<b>50%</b>	40%
Taxation framework	<b>23%</b>	<b>23%</b>
Regulatory / compliance challenges	<b>20%</b>	<b>10%</b>
Investment / divestiture decisions	33%	33%
Commercial opportunities	43%	36%
M&A strategy	29%	<b>43%</b>
Access to talent	40%	40%
Sustainability	40%	33%

*“ We have almost a clean slate. So we are seeing the elections as generally positive. It’s a lot of work, but there is an opportunity for us to introduce ourselves to new stakeholders and, policy-wise, there could be some good things for us as well. We’re quite enthusiastic about some things that Labour have said they would do. We do have some concerns about labour market regulation and potential increases in taxation. But we’ve always just kind of got on with it and worked with the government of the day wherever we operate because we don’t really have a choice there.”*

Executive, FTSE 100 company

*“ New Prime Minister Keir Starmer and his Chancellor, Rachel Reeves, worked hard in opposition to throw off the anti-business animus of Jeremy Corbyn’s leadership. Labour undertook an impressive array of pre-election policy reviews which consulted very extensively with business, helping build trust. Our in-depth interviews found that businesses were looking forward to a fresh government, with a fresh mandate. This is feeding through into increased talk of a UK ‘stability premium’, with a moderate Government with a large majority making the UK a less risky prospect for investors at home and abroad.*

*However, business will need to adjust to the new government. The influence of trade unions will increase and Labour will press ahead with its workers’ rights package. This is a Labour government after all. Labour will look more closely at ‘social value’ and sustainability than the Conservatives did. None of this is incompatible with a productive relationship between business and government, but it will feel different.*

*It is perhaps for these reasons that our survey shows that it still has some work to do to get a similar level of buy-in from overseas business. Labour says it will prioritise boosting investment and competitiveness in the UK. As such, Labour may need to think about how they improve the investment story in areas in which perceptions of them are relatively poor, such as AI and tech, where just one in four (25%) global businesses think Labour would have a beneficial impact. Labour’s proposed global investment summit will be a crucial moment to not only roll out the red carpet for business but show it has a policy platform that will prove that the UK is open for business.*

**John Rowland**

Senior Partner &  
UK Consulting Lead,  
H/Advisors in London



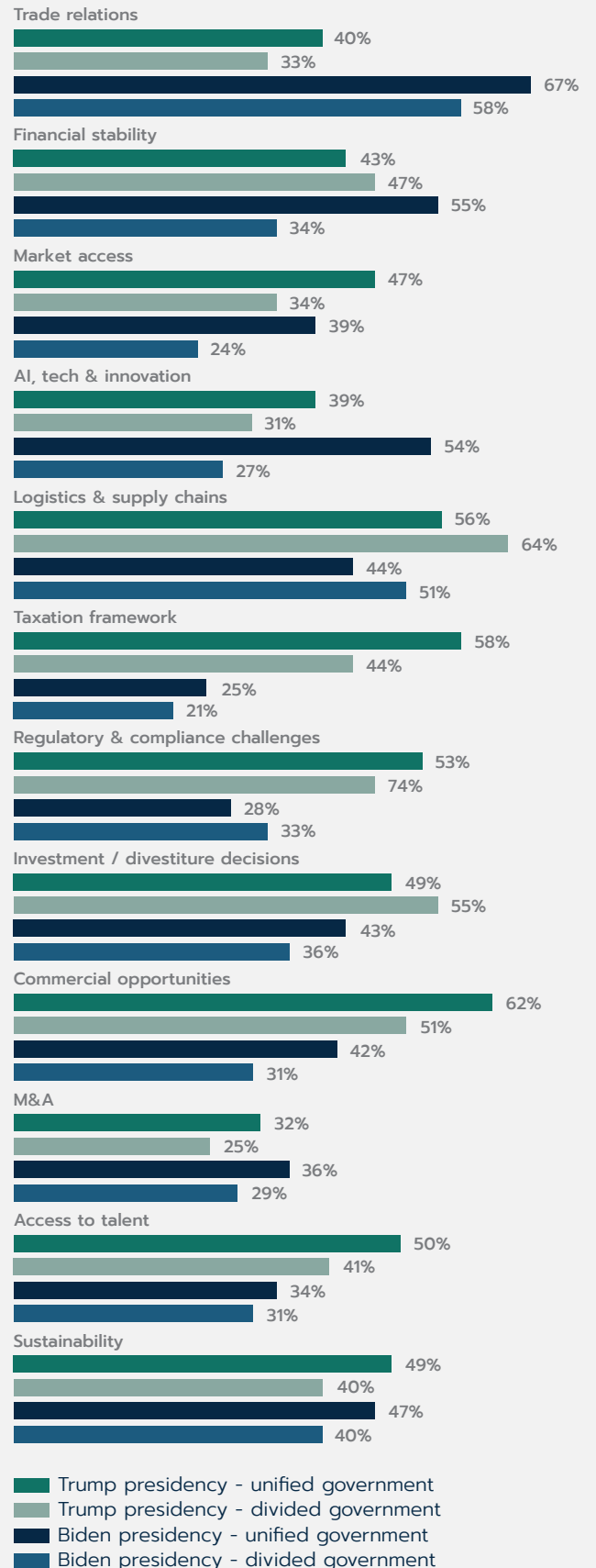
# US Election

Our survey was concluded before Joe Biden’s dramatic decision not to run. The key message from respondents was a certain lack of enthusiasm for either candidate.

What the results show is that businesses in the US didn’t see either Biden or Trump as the runaway favourite to create the best environment in which businesses can thrive generally. Rather, they saw Biden as stronger on some of their priorities and Trump as stronger on others.

At the time of publication, Kamala Harris had secured sufficient Democrat delegates to secure the party nomination. Unless she radically departs from the largely traditional Democratic orthodoxy that Biden espoused, we would expect these results to remain relevant.

**/ Figure 10: % of global businesses expecting US presidency outcomes to have a beneficial impact – by business-issue**





*In the US, businesses are planning for change no matter who wins the White House. And the “who” is a real question at this point, with an already uncertain race being thrown into even more uncertainty with Biden bowing out of the race after a disastrous June debate performance and Trump enjoying a bounce following a series of legal victories and an assassination attempt.*

*With Trump, corporations seem to believe that they’d get even friendlier policies than during his first term. An example: back then, he cut the corporate tax rate to 21% from 35%; now, he’s talking about cutting it even further to 20%. Less regulation, especially in the energy and health care industries, is all but certain as well – a trade-off it seems for what would no doubt be a return to the chaotic governing and communications style with significant ramifications: during his first term, a Trump tweet about a company could shave its market share in an instant. Conversely, with Biden, corporate leaders had been bracing for a continuation of the tighter regulation, increased scrutiny of mergers and acquisitions and an empowered National Labor Relations Board that has marked his first term, if not regulation on steroids.*

*However, now that Biden – under siege from his own party after a disastrous June debate performance that underscored his advanced age (his biggest vulnerability) – has ended his re-election campaign, all bets are off, not just on what precisely a Democratic presidential agenda may look like next year but also who would lead it as president. While Biden has endorsed Vice President Kamala Harris and some senior Democrats have started to rally behind her, it’s no guarantee that she will end up the nominee in August when the party meets in Chicago for its convention to select a presidential and vice-presidential ticket, and other next-generation Democrats are lobbying to earn the chance to become the nominee, setting up the possibility of a rare contested convention. That said, no matter who becomes the Democratic nominee, should that person win the White House, businesses generally can expect a continuation of traditional Democratic orthodoxy of more regulation, more scrutiny around market competition and more advancement of progressive social causes.*

*Only this is certain: As Trump seeks to capitalize on his momentum and Democrats try to field a candidate who can beat him, companies are bracing for an extended period of uncertainty, mindful that it’s possible that the election outcome won’t be known in November at the polls, but rather, weeks or even months later in the courts.*

**Liz Sidoti**

*Managing Director, Head of Public Affairs,  
H/Advisors in Washington D.C.*



*I’m not sure whether, if either side wins you’ll get better for tech for various reasons. We’ve had Democrats who were essentially worried about regulating tech, worried about misinformation, worried about all the things that tech is bringing upon society. You have Republicans that who were thinking that tech is picking and choosing or cutting back on free speech. And so there’s this dichotomy where we’re really looking at is the lesser of two evils.”*

Senior Executive, US Tech Company



# Australian Election

As the UK and French elections show, elections in some systems can come at any time. Though the latest date for elections in Australia is 2025, these could be called in 2024.



*The principal concern in Australia for both business and the broader population remains uncertainty about the short-term direction of the economy. While both the Australian government and the Reserve Bank are both nominally focused on reducing inflation, there are mixed signals.*

*These include tax cuts and household energy subsidies in the 2024 budget, with an increase in Federal government expenditure, all adding to expansionary fiscal policy. This is funded federally by a substantial budget surplus built on high commodity prices – mainly gas and iron ore – and is compounded by increased borrowing and expenditure in State budgets. There have also been substantial wage rises across multiple industries, in part as a COVID catch up.*

*This means headline inflation remains stubbornly high, and consumers are deeply concerned about cost of living: housing, power, fuel and groceries. The Reserve Bank has been cautious in using monetary policy against the problem, and there remains hope that inflation will fall with only a modest rise in unemployment.*

*However, there is an emerging view that there will need to be further rate rises, amplifying stress on mortgage holders and renters. Politically, voters will inevitably hold the Albanese government accountable. The combination of short-term uncertainty with a view that inflation will normalise within two years may entice the government to go to an early poll, to avoid campaigning for re-election when rates and broader cost of living are at their highest.*

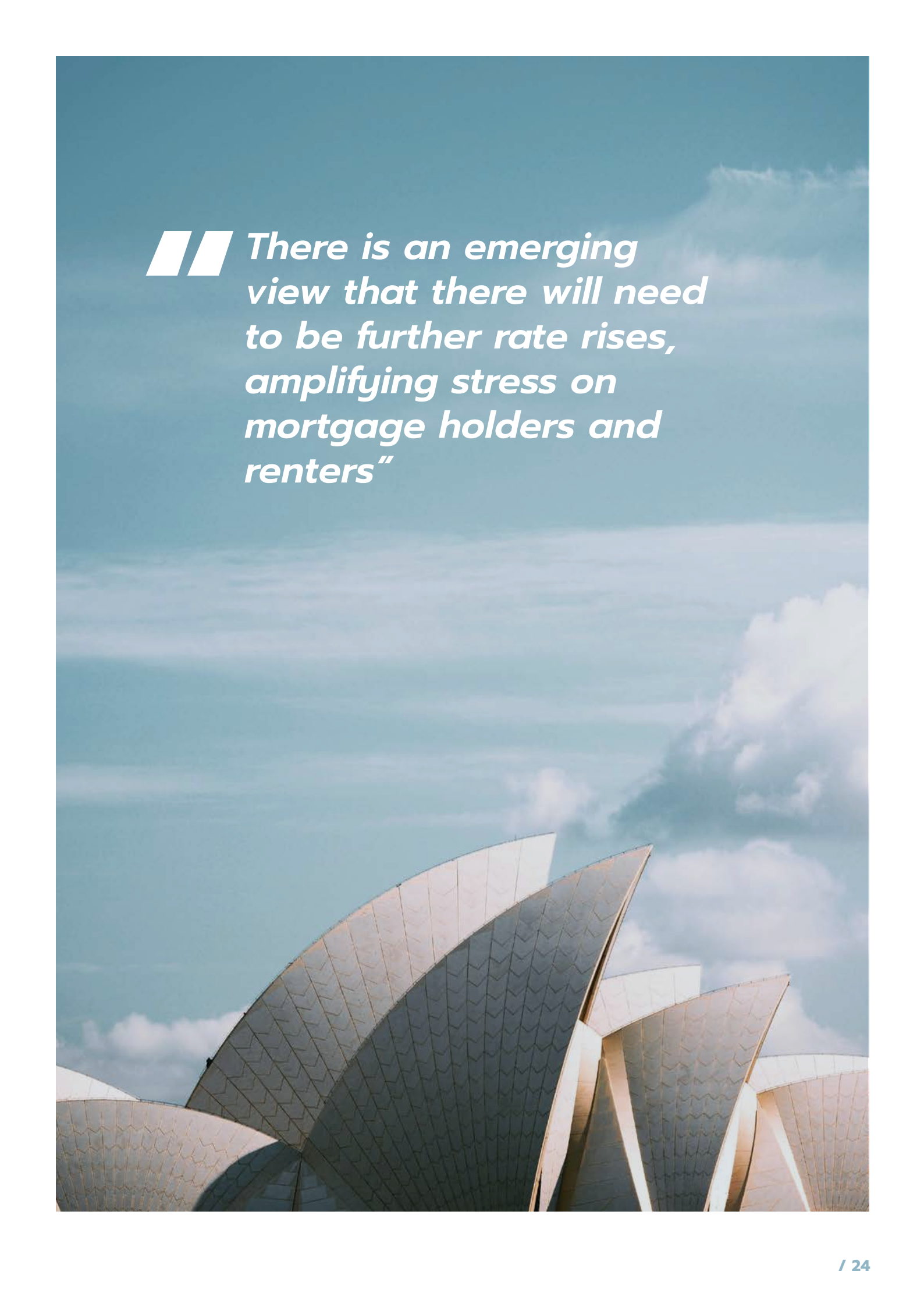
*This could mean an election in the second half of 2024, though one is not due until September 2025.*

*In preparation for a cost-of-living election, the Federal opposition has reintroduced the prospect of nuclear generation in Australia, with a view to squeezing the government on both energy prices and its focus on climate change, which it believes those most affected by inflation regard as a luxury. This has a strong feel of the Trump playbook, pitting 'ordinary Australians' against Canberra insiders and big business.*

*There are some complexities to the election calculus, not least that Australian political history does not favour first-term governments going early. Further, there is a Queensland State election in October this year, in which a long-term Labor government is likely to lose badly. The Federal Labor government will naturally be concerned about any identification with its State counterparts from a nearby election, and will almost certainly not want to risk the unspent wrath of Queenslanders by going to an election ahead of the State."*

## **Tracey Cain**

*Chief Executive Officer,  
H/Advisors in Sydney*



**/// There is an emerging view that there will need to be further rate rises, amplifying stress on mortgage holders and renters”**



# Geopolitics

## China's share of mind is significant

Geopolitical issues are on business' minds but there are different focuses in different regions.

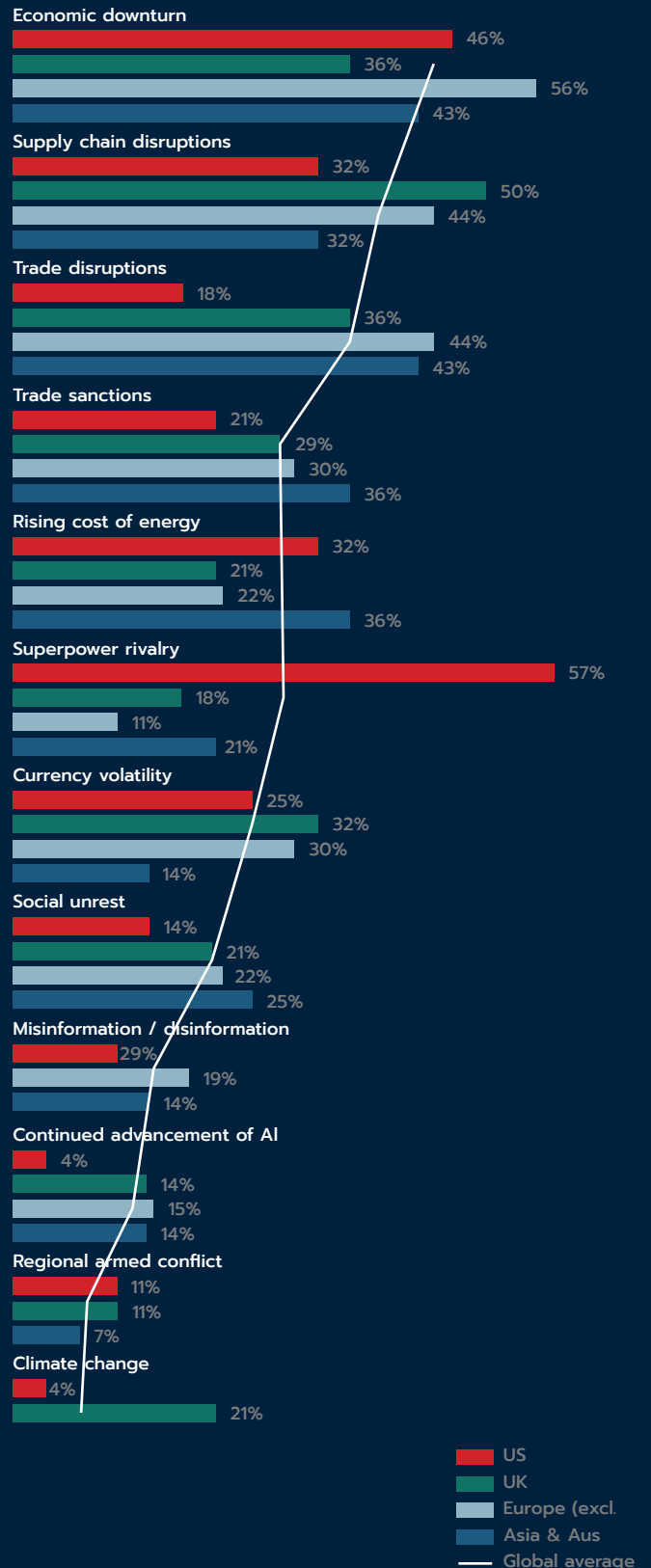
**/ China:** The chart to the right shows quite how focused the US is on China, with 57% of respondents saying they are concerned about superpower rivalry. Remarkably this is a bigger concern than in APAC, a region this number is to 31 percent. Nevertheless, the executives we spoke to in the APAC region identified the US elections and relations with China as important drivers of political risk. Conversely, in Europe (excluding the UK) only 11% cited this factor.

**/ Growth:** In Europe, where anxiety about low growth is a major concern, 56% cite the risk of economic downturn. In APAC, it tied as the most significant concern (43%) and was near the top of the list in the US (45%).

**/ Supply Chains:** UK respondents – probably with Brexit, Covid disruption and two new wars fresh in mind - were most concerned about the risk of supply chain disruption (50%).

**/ Sustainability:** Despite respondents saying the sustainability was in the top 3 issues they expected the 2024 elections to impact, only 6% of respondents globally feel that climate change is a concern for their own businesses. It's possible that a fragile global economy and new wars raging in eastern Europe and the Middle East have superseded climate change.

**/ Figure 11: Areas of post-election concern for businesses across the globe**





*We're concerned about the reversing of the trend of open trade. Political rhetoric during elections have focussed on protectionism. Southeast Asia remains open to trade but has to navigate a fractured multi-polar system... We're also watching how the EU is trying to steer itself in the face of widening geopolitical differences between China and the US. The EU has its own backyard problems that prevents it from expanding influence in Asia."*

*APAC Based Executive, Major European Carmaker*



*There is uncertainty due to the elections. Asian countries are mindful of the impact of US elections, especially bilateral relations with Asian countries. US companies operating in the region will have to react accordingly. Since 2022, new political leaders have been appointed in almost all countries in Southeast Asia. Policies have remained stabled as economic growth agenda takes precedence that no government wants to upset."*

*APAC Based Executive, US Defence Company*



*I'm definitely spending much more time on China than I have in the last six years I have worked here."*

*Executive, UK-Listed Company*



## **The geopolitical climate: A view from APAC**

*Competition between the US and China is reshaping the geopolitical landscape in the rest of APAC. The superpower rivalry threatens to reverse the open and collaborative world that was responsible for the region's economic growth in the past decades.*

### **Pressure to choose sides:**

- / Countries in APAC find themselves having to navigate a multi-polar world in which trade is a means of contestation between superpowers.*
- / Meanwhile, businesses are readying themselves for higher costs due to rising protectionism, disrupted supply chain and uncertainty.*

### **Economic growth will remain key agenda:**

- / Economic growth will be more challenging due to anticipated global economic headwinds. Global investments will become more concentrated among countries that are geopolitically aligned.*
- / Countries that have benefited from reshoring of manufacturing activities away from China, such as Vietnam and Thailand, will have to compete to attract global investments.*
- / Most countries are aiming to attract investments that will help them move up the manufacturing value chain but structural challenges e.g. regulatory red-tapes continue to be a barrier.*

### **Impact of trade sanctions:**

- / The Russia-Ukraine conflict attracts lesser attention in Asia Pacific compared to the US and Europe but businesses in the region find themselves having to manage the impact of trade sanctions on Russia.*
- / Businesses are concerned that they might be unknowingly caught in trade sanctions or become a conduit for import-export of sanctioned items. Trade sanctions make the global supply chain more complicated to navigate.*
- / Businesses are also concerned that their global investments might fall foul of the US legal system due to sanctions.*

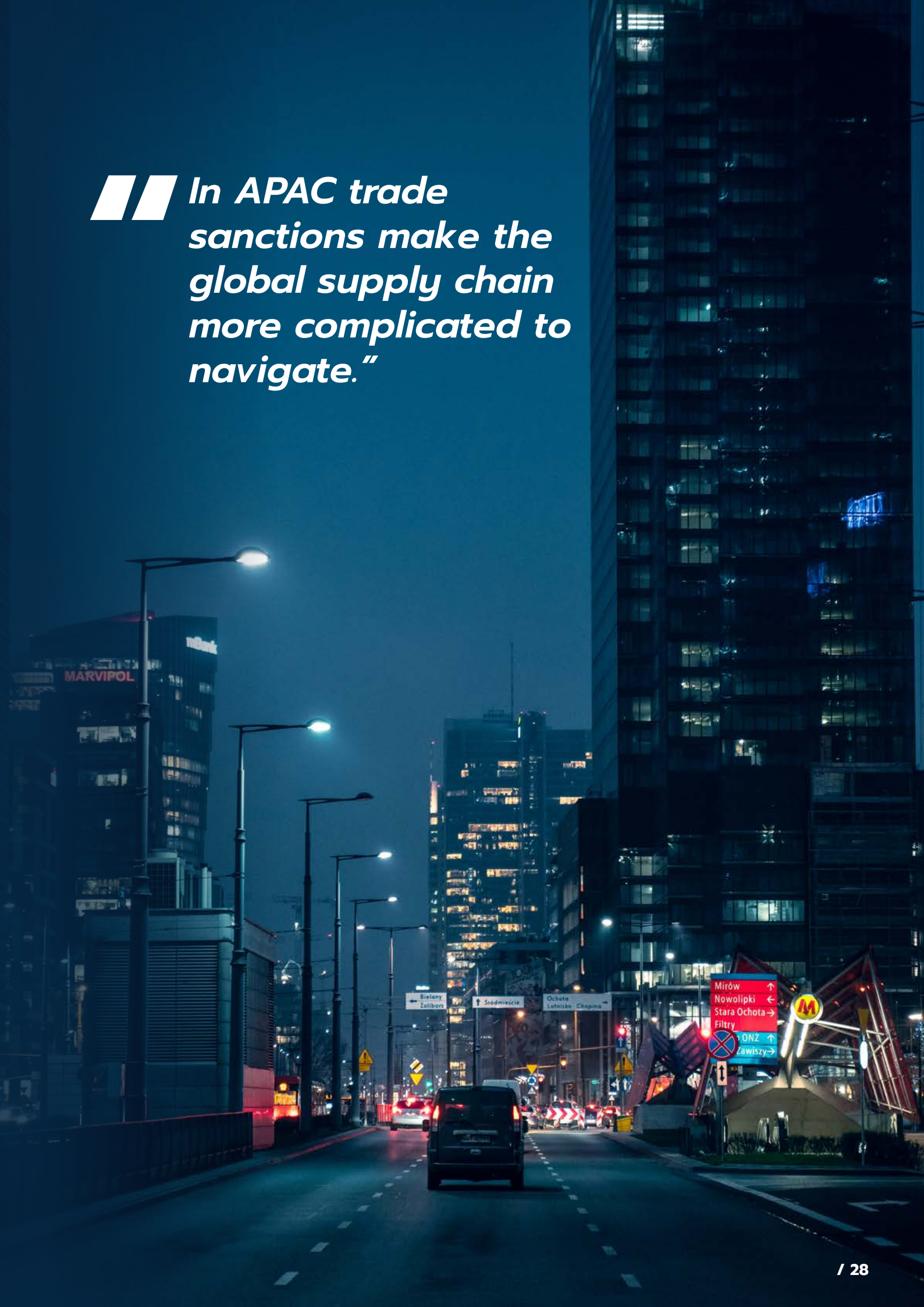
### **Leadership transition in APAC:**

- / Political leadership transition is underway even for countries that did not hold elections in 2024.*
- / Singapore and Cambodia have new prime ministers, while Vietnam appointed a new President. These new leaders will have their own imprint on policy decision making for their respective countries and the wider region.*

### **Wai Leong Tang**

*Senior Director,  
H/Advisors in Singapore*

**/// In APAC trade sanctions make the global supply chain more complicated to navigate.”**



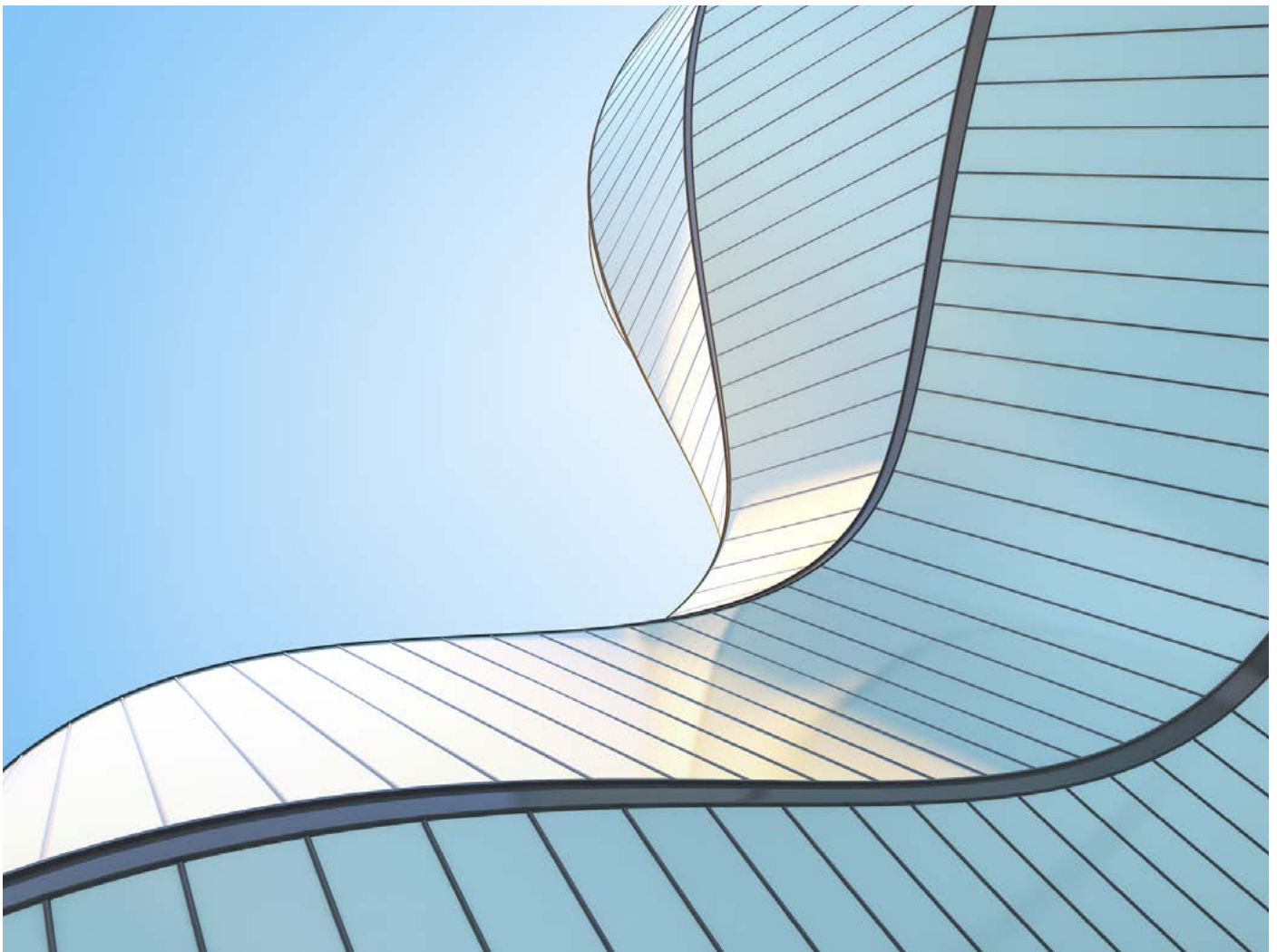
# Conclusion

Businesses reported to us that they felt well prepared for, and optimistic, about the political change emerging from this year's elections. Those businesses we spoke to in-depth told us they were increasingly focussed on planning for political risk, using a range of internal and external capabilities to help them do so. A range of events in recent years had been the drivers of that: populism, the impact of armed conflict, pandemic and the growing complexity of regulation being some of them.

Once we scratched beneath the surface, there were a range of concerns expressed – the challenges of dealing with a patchwork of different regulations on everything from sustainability to AI, uncertainty about the outcome of the US election, the increased emphasis on protectionism and sovereignty at the cost of openness and the relationship.

However, what we found most striking was the strength of certain themes – the way that technology is one of the issues firms in all sectors are thinking about most in relation to these elections, and the dynamics of the relationship between the US and China looming large in the minds of larger companies.

Though we are only halfway through 2024, it has already delivered very significant political change. There is little doubt that more is to come. At H/Advisors our team of experts is helping clients navigate this change every day.



# Appendix

## COUNTRY / REGION RESPONDENT BASED IN

US	25%
UK	25%
Europe (exp. UK)	25%
APAC (inc. Australia)	25%

## POSITION

Owner / partner / board member	10%
C-suite	36%
Non-executive director	15%
Senior counsel	3%
Director / VP	36%

## INDUSTRY

Healthcare	16%
Financial services	23%
Technology	18%
Energy, utilities & infrastructure	16%
FMCG & retail	27%

## TURNOVER

\$200m-\$350m	74%
\$350m-\$500m	61%
\$500m+	34%

## TURNOVER

Business to consumer	74%
Business to business	61%
Business to government	34%

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