



IT'S A TOUGH WORLD.

A stylized graphic of a globe with blue lightning bolts around its edges. The background is filled with falling binary code (0s and 1s) in a light blue color, creating a digital rain effect.

GLOBAL FORECAST

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Smoke rises after Israeli air strikes near the border east of the city of Rafah in the southern Gaza Strip, on October 12 2023.

INTRODUCTION

In MAX Security's Global Forecast 2024, we analyze the key risk factors that unfolded in the previous year and their expected impact on geopolitics, business operations, and travel security in 2024. The breakout of the Israel-Palestinian conflict, the continuation of Russia's offensive in Ukraine, and increased US-China rivalry will majorly shape the geopolitical risk landscape in 2024. This will intersect with nearly 50 countries holding elections globally, increasing the uncertainty related to domestic dynamics, foreign policies, and regional alliances.

The elections will increase political polarization and social unrest, bringing the role of artificial intelligence-generated misinformation and perceptions of government surveillance into sharp focus. The trend of groups and individuals ascribed to a viewpoint mobilizing at short notice will worsen as ideological hostilities sharpen closer to polls globally. The US elections will have the largest bearing on geopolitical recalculations, with a possible Trump presidency amplifying active conflicts as well as simmering tensions like those in the Taiwan Strait. The deglobalization trend due to the US-China rivalry will feed into stricter controls over their data and technology while countries elsewhere will pursue bolstered industrial policies to be viable alternatives for companies diversifying from China. Global trade will continue to be impacted by maritime threats in the Red Sea and the Horn of Africa, raising the costs of doing business and concerns surrounding inflation.

The report will also highlight the main risk drivers in different regions, followed by a snapshot of key issues in major countries across the world. The aim is to foreground specific events that can pose challenges to organizations and travelers to enable timely and effective decision-making. As 2024 looks set to be increasingly volatile, MAX Security is prepared to leverage its unique combination of intelligence expertise and robust operational capabilities to ensure business continuity.



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ISRAEL-HAMAS WAR

Israel-Hamas war to continue to impact global affairs in 2024, although likely to diminish in intensity as conflict wanes

Hamas' unprecedented assault on Israel on October 7, 2023 triggered a major ongoing Israeli operation in the Gaza Strip that has had a ripple effect both regionally and globally. The ramifications of the Israel-Hamas war on the MENA region included the intensification of the Israel-Hezbollah conflict, Iran-backed militia attacks on US interests in Iraq and Syria, and Houthi-perpetrated attacks on international shipping in the Red Sea. This maritime element and its limited impact on supply chains, together with a surge in activism, hate crimes, protest activity, and political tensions worldwide, constituted the primary global effects.

The Israel-Hamas war in Gaza is likely to gradually wane in intensity as 2024 unfolds, although targeted and surgical operations are liable to continue throughout the year as Israel pursues its strategic goals. The IDF will likely maintain a presence in the Gaza Strip for the foreseeable future. As the elimination of Hamas' leadership remains a key objective, Israel is also liable to risk the backlash of operating on foreign soil in pursuit of the Islamist group's leaders. Alongside the ongoing tensions and intensified conflict between Israel and Hezbollah, these regional dynamics will keep the conflict on the international agenda over the coming year.

As a result, albeit less frequently than in 2023, large pro-Palestinian protests are likely to periodically occur in major cities during periods of escalation in the Middle East. As part of this global protest movement, activist and student groups will continue to mobilize and target organizations deemed to be supportive of Israel. As online content is awash with dis/misinformation, this is liable to include companies with negligible or even no authentic ties to Israel. As has been demonstrated in recent months, this may include boycott and divestment campaigns, attempts to discredit businesses and their executives, and on rare occasions physical attacks or vandalism targeting company properties.

Amid the war, a global surge in hate crimes was also recorded against Jewish and Israeli individuals (and to a lesser extent Muslim/Palestinian-linked individuals). This peaked in October and November, although it has since declined. As the war continues at a lower intensity and global attention gradually shifts elsewhere, such hate crimes are likely to reduce. However, they are likely to remain higher than the pre-war figures and increase during periods of tension. This is liable to impact both Israeli and Jewish people, especially while traveling to more pro-Palestinian countries. As part of this dynamic, physical attacks will be rare, but cannot be ruled out. This is especially as Iran continues to attempt to harm Jewish and Israeli targets across the world. Meanwhile, global jihadist groups will continue to take advantage of the focus on the conflict to disseminate anti-US and anti-Israel propaganda, although this is unlikely to lead to a rise in attacks.

The conflict has already reinforced geopolitical fault lines between the West and the Iranian-Russia-China alliance, as the former bloc has largely backed Israel's operation in some form while the latter has remained staunchly pro-Palestinian (primarily Tehran and Moscow). These alliances are set to be emboldened further in 2024. Broadly US-aligned states in Latin America, especially the new

Thousands take part in pro-Palestine protest calling for a ceasefire. Toronto, Canada 28 October 2023



Argentinian government; prominent Sunni states in MENA, including Saudi Arabia and the UAE; most European nations; key countries in Asia, including India; and certain African states will remain generally supportive of Israel. This is set to be rivaled by a vocal pro-Palestinian grouping made up of prominent countries such as Russia, Iran, South Africa, Colombia, Brazil, and Malaysia. Additionally, the Israel-Hamas war will feature and impact elections in certain countries, including the US, and increase domestic political tensions as governments face criticism over their policy on the issue.

Overall, the conflict is likely to be a relatively less destabilizing factor globally in 2024 compared to 2023. However, it will likely frequently be on the international agenda, with the potential to intermittently impact corporations' supply chains and business continuity as well as traveler safety and the wellbeing of personnel as tensions persist over this deeply contentious issue.

→ LIKELY GLOBAL IMPACT OF ISRAEL-HAMAS WAR IN 2024



Pro-Palestinian protests



Part of discourse in elections



Impact on geopolitical fault lines



Activist campaigns against perceived pro-Israel companies

US ELECTION

US foreign policy in 2024 to be shaped by electoral interests ahead of presidential elections

The run-up to the November 2024 US elections will take place amid a contested and fragile international context marked by the continuation of Russia's invasion of Ukraine, the ongoing Hamas-Israel war, and tensions with China. While elections tend to be driven by domestic issues, President Joe Biden's approach to these developments in 2024 will pose challenges to his electoral prospects.

As the war between Israel-Hamas prolongs and advances through new stages, the US government will intensify pressure on Israel to end the conflict in order to lower the diplomatic costs associated with supporting the Israeli offensive. Biden will seek to reach a sustainable ceasefire as part of a more comprehensive settlement that returns the hostages and builds up the Palestinian Authority as a revitalized entity that governs Gaza. Ending the war will also be vital to restore momentum in resuming negotiations on a potential normalization agreement between Saudi Arabia and Israel. This would secure greater stability in the Middle East and recalibrate the alliances in the region in favor of the USA. Moreover, the US administration will seek to continue deterring Iran from achieving nuclear weapons capabilities through diplomatic means, while also hindering their proliferation of arms and capabilities to US adversaries in the Middle East and elsewhere.

The US position on China will continue to be marked by strategic competition and protectionism. Washington will continue to bolster efforts to preserve and boost its lead in advanced technologies like AI, semiconductors, and quantum computing. The scope of ongoing export controls and mechanisms to review outbound investment will expand, possibly prompting US allies in Europe and Asia to adopt similar measures. US support for Taiwan will persist, with Washington closely monitoring the Taiwan election results and China's response to it. In turn, China's outlook in the coming years will be shaped by the outcome of the US presidential elections. Former President Donald Trump's victory would further toughen tariffs on China, while also allowing Beijing to increase its global standing by capitalizing on Trump's isolationist policies. Regardless of the result, possible Chinese and Russian government-backed election meddling aimed at stirring social division and undermining the legitimacy of the election results is anticipated.

Furthermore, as suggested by US officials, in 2024, the Biden administration will shift its approach from supporting Ukraine's territorial goals to improving its position in an eventual negotiation to end the war. However, it remains possible that Russia will not open negotiations until the next US president is confirmed. In light of this, coupled with Congress stalling the additional military and financial aid to Ukraine, the prospects of the Russia-Ukraine conflict ending in 2024 remain unlikely.

All these geopolitical developments will become a crucial test for the US' global standing and Biden's reelection prospects in 2024. While Republicans will seek to portray Biden as an unfit leader, countries like Iran, China and Russia will look for reasons to exploit weak US foreign policy to their advantage. In this context, the outcome of the November vote will be shaped by both domestic and international developments.

GLOBAL

➔ MAIN TOPICS THAT WILL SHAPE 2024 US PRESIDENTIAL ELECTION

DOMESTIC



Inflation



Environmental policies



Immigration Policy



Abortion

INTERNATIONAL



US support for Israel in Gaza War



US mediation role in potential Saudi-Israel normalization



US support for Ukraine in Ukraine-Russia War



US involvement in foreign wars



Challenges from G20 bloc



US stands against Eastern Axis - Russia, China, Iran



US-China rivalry and support for Taiwan

DE-RISKING FROM CHINA

Geopolitical factors, regulations to prompt limited rollback of foreign firms' presence in China

Global investor concerns regarding China have been amplified by noteworthy developments in the latter months of 2023, such as the country's reported quarterly deficit in foreign direct investment (FDI). This is in step with the ongoing efforts by notable foreign firms to roll back some of their China-based operations.

At the outset, these struggles with sustaining investor sentiment tie in with the cumulative impact of trade conflict with the US since the administration of President Donald Trump. They also dovetail with production limits related to China's "Zero COVID" strategy in recent years. The foreign policy factor, more importantly, is liable to have continuing ramifications for diminished FDI and company flight. Although the US presidency changed in 2021, President Joe Biden's government has pressed ahead with the policy of "de-risking" from China. This has primarily manifested in export curbs to restrict China's access to advanced chipmaking equipment. This, in turn, drew retaliatory measures from Beijing such as restrictions on the export of germanium and gallium, which are pivotal for the semiconductor industry, in August 2023.

While the US election this year will significantly inform the direction of this trade conflict, a major reversal or change in trajectory is less likely. This is given that foreign policy on Beijing has largely been patterned on retaliatory tariffs; although a victory for former President Donald Trump could further expand such action. The anticipations of long-drawn trade tensions will prompt foreign businesses to explore mitigatory strategies against exposure to China-US competition and its consequent instabilities.

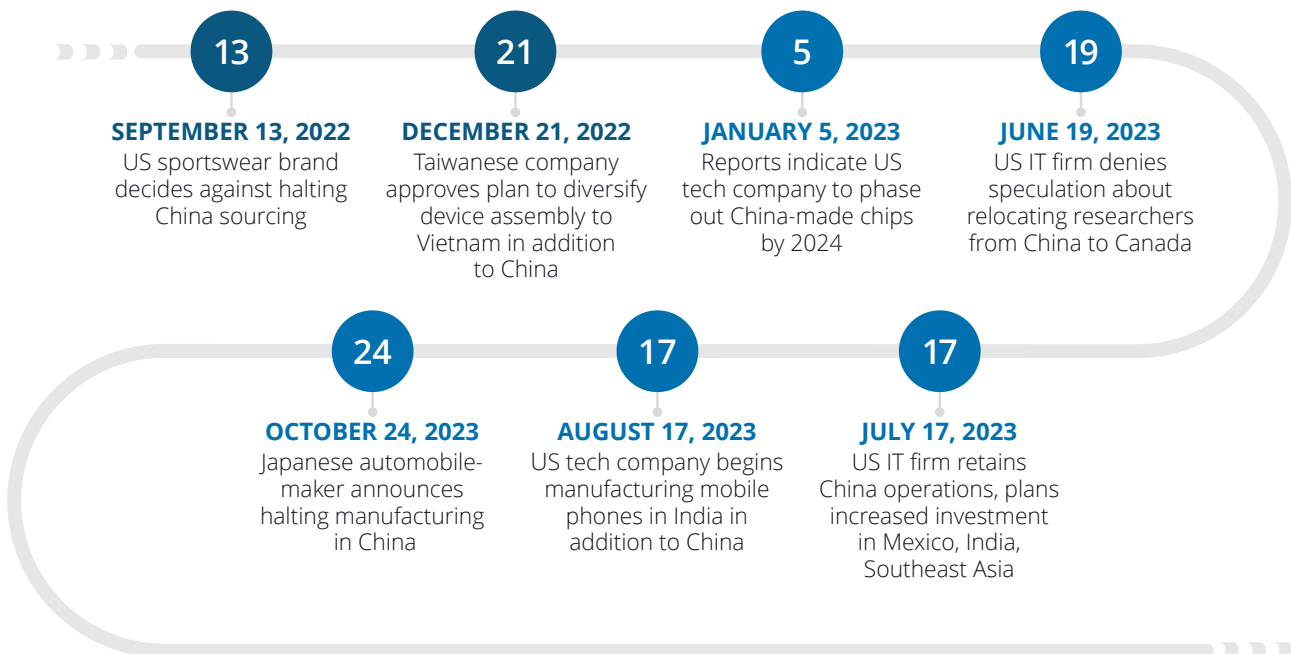
Apart from monetary policy issues such as lower interest rates, a more immediate domestic security concern for foreign firms in China will be the stringent implementation of laws on cybersecurity and data localization. Beijing's most recent major legislation, in this regard, is the Counter-Espionage Law. Amended in July 2023, it deems the transfer of data related to vaguely defined "national security or national interests" as espionage. Thus, an intensification of the "China for China" strategy is likely in the coming months as corporate firms endeavor to minimize the risks of targeting by Chinese authorities for alleged anti-state activity. This strategy may involve isolating the China arm from global operations, which helps meet Beijing's local sourcing policies and insulates against the risk of potentially illegal out-of-state data transfers.

Foreign companies' moves to diversify production bases outside of China in recent years are illustrative of the "friendshoring" efforts. Given geopolitical and domestic concerns, companies operating in China are liable to increasingly explore alternative manufacturing hubs in countries such as India, Indonesia, Mexico, and Bangladesh, which are seen as "friendly" to Western firms.

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That said, a wholesale transplant of business operations is unlikely. The entrenched reliance of supply chains on China and underlying concerns about political stability amid elections in some of these countries substantiate this forecast. Thus, diversification efforts will fall under the broad “China plus one strategy.” This is premised on companies maintaining a considerable presence in the country amid moves to re-organize some elements of their supply chains. Given the advantages Beijing continues to offer with relatively competitive production costs, foreign companies are likely to focus on working with local regulations rather than entirely exiting the country in the coming year.

➔ KEY DEVELOPMENTS RELATED TO CHANGING FOREIGN BUSINESS OPERATIONS IN CHINA



SUPERPOWERS AND ALLIANCES

Geostrategic interests, elections to shape superpower engagement in 2024

In 2024, geopolitical shifts and superpowers' engagement will be driven by geostrategic interests, economic competition, accelerating multipolarity, and growing domestic political polarization. Further, the wave of elections scheduled across regions in 2024 is expected to increase uncertainty regarding foreign policy and regional alliances. Countries heading to the polls include superpowers like the USA and Russia, emerging global players such as India, geopolitical hotspots such as Taiwan and Pakistan, as well as resource-rich countries like Indonesia and Venezuela.

In the USA, the outcome of the November presidential elections is likely to have far-reaching impacts on global alliances. While a Biden-led Democrat victory is likely to entail foreign policy continuity, a Trump-led Republican administration would bring abrupt foreign policy shifts. These shifts include disengagement with international institutions and strategic alliances, increased tariff threats against the EU and China, and reduced support for Ukraine. A Republican administration is likely to push allied countries to seek more strategic autonomy from US-led organizations and initiatives, with skepticism regarding trans-Atlantic ties thereby expected to grow in 2024.

Despite an amicable bilateral meeting at the Asia Pacific Economic Cooperation (APEC) summit in November 2023, strategic competition between the USA and China is expected to continue and overall relations are unlikely to improve. Taiwan will remain a flashpoint for US-China tensions, with the January 13 elections on the island expected to determine cross-strait relations. China is likely to increase political, diplomatic, and military pressure on the island if the ruling pro-independence party retains control. However, a direct cross-strait conflict remains unlikely.

The failure of Ukraine's counteroffensive in achieving presumed military and strategic objectives in 2023 revealed the vast scale of resources needed by Kyiv to drive Russian forces out of occupied areas. Western military and financial support for Ukraine from the USA and EU is expected to waver in 2024, especially ahead of the US elections. This, coupled with upcoming presidential elections in Russia where domestic criticism regarding military achievements in Ukraine has grown, is liable to drive Moscow to embolden its offensive. However, large-scale strategic gains for either side remain unlikely, with efforts expected to remain concentrated on smaller tactical gains.

Meanwhile, despite Russian attempts to safeguard its interests in Africa and Central Asia, its faltering economy is expected to substantially reduce its ability to provide economic investments in the regions. This is liable to pave the way for China to expand its influence through trade, energy, and infrastructure investments, as well as military ties as reflected in its joint navy drills planned with African countries in 2024.

In the Middle East, Israel's ongoing campaign in the Gaza Strip is expected to remain protracted and will shape the region's outlook in 2024. Cross-border attacks by Hezbollah on the Lebanese border, coupled with Iran-backed Houthi attacks in the southern Red Sea, point to the continued risk of spillover impact into the wider region. The conflict is expected to hinder Arab-Israeli relations through 2024, setting back the trend of regional de-escalation noted in 2023 and dimming the region's economic outlook.

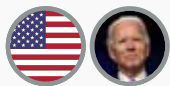
Moreover, as reflected in the expansion of the BRICS organization to 11 members on January 1, multipolarity and the role played by the Global South in the global system will increase in 2024. China and Russia are liable to use the expansion as a means to counter the influence of the West, prompting the USA and EU to seek closer relations with non-aligned countries such as India and Brazil. That said,

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given the divergent interests of BRICS members, expansion of the organization is liable to make it more difficult to achieve a consensus.

Further, increasing political polarization and social tensions witnessed globally in 2023 are expected to continue in 2024, especially ahead of elections in countries headed to the polls. The popularity of the far-right is expected to grow further in Europe as contentious themes such as immigration dominate electoral campaigns. Partisan sentiments are likely to heighten in the USA, while inter-faith tensions increase in India in the run-up to elections. With that, the risk of politically motivated violence domestically is also expected to increase in such countries.

➔ NOTABLE STATEMENTS ON FOREIGN POLICIES



"see stiff competition with China... although we're going to hold China accountable to follow the rules... we're not looking for confrontation."

US President Joe Biden,
December 14, 2023



"Let's return to these goals - they have not changed: demilitarization and a neutral status for Ukraine."

Russian President Vladimir Putin,
December 14, 2023



"We are intensifying the fight against Hamas... I have rejected the international pressure aimed at stopping the war before we achieve [our] goals."

Israeli Prime Minister Benjamin Netanyahu,
December 30, 2023



"I believe BRICS and friendly countries can work together to strengthen a multipolar world."

Indian Prime Minister Narendra Modi,
August 24, 2023



"China will surely be reunified, and all Chinese on both sides of the Taiwan Strait should be bound by a common sense of purpose."

Chinese President Xi Jinping,
December 31, 2023

MARITIME SECURITY

Regional tensions to increase threats in, around Red Sea, adversely impacting supply chains

Since November 2023, the Yemen-based Houthi movement, which controls vast swaths of Yemeni territory, has repeatedly attacked commercial vessels traversing the Red Sea and the Gulf of Aden, using board-and-seize operations, naval missiles, and explosive-laden UAVs. The Houthis initially claimed they were targeting Israeli vessels but later stated that they will target any ship bound for Israel, considering Israel's alleged deprivation of aid to the Gaza Strip. Nevertheless, the development has impacted many countries, and multiple global shipping giants that have suspended shipping through the Red Sea, adversely impacting commerce between Asia and the West. In response, the US led the deployment of a multinational maritime force to tackle the Houthi threat. This has not deterred the Houthis, who continued trying to target ships, leading to the first direct clash between Houthi and US forces at sea on December 31 and to subsequent US and UK-led airstrikes against Houthi infrastructures in Yemen.

The Houthis have been receiving years-long Iranian support as they form part of Iran's regional "Axis of Resistance" against Israel and the US. Their attacks mark a historical development in which the group has directly responded to a conflict unrelated to Yemen, leveraging their geostrategic positioning along the Red Sea, where around 15 percent of global seaborne trade passes. The suspension of Red Sea travel by numerous global shipping giants highlights the wide-ranging impact of the Houthis' policy on international commerce, which will persist at least in the coming months. This is because the Houthis have projected their resolve to continue conducting attacks, linking the situation to Israel's ongoing military campaign in Gaza, which will likely be prolonged. Their use of UAVs and cruise/ballistic missiles highlights the limitations in shipping firms' ability to take sufficient precautions via conventional anti-piracy contingency plans.

In the current circumstances, further attempted attacks will likely recur in early 2024. This will prompt the proactive parties in the coalition, namely the US and UK, to escalate their response, leading to more clashes at sea and further airstrikes against the Houthis in Yemen. This may prompt the Houthi movement to deploy additional arms to the Red Sea arena, such as naval mines and explosive-laden fast boats, as well as to expand the focus of their attacks to include British and American vessels. Parallel to this, at least five assaults against ships in the Gulf of Aden and the northern Indian Ocean were suspected to involve Somali pirates since the Houthi campaign began. This points to a resurgence of pirate activity off the coast of the Horn of Africa. This may be a result of Somalia-based groups capitalizing on the Red Sea situation but could demonstrate some collaboration between pirates and the Houthis, compounding the current risk at sea.

Against this backdrop, shipping firms will demonstrate continued reluctance to resume Red Sea travel, as corporate threat perceptions remain high from fear of being targeted and of a military escalation. As ships reroute around Africa, adding between two to four weeks to delivery times and around 17,000 km to the journey between Asia and the West, this will adversely impact supply chains and costs, contributing to current global inflationary pressures.

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In the long term, the development shows how the prominent anti-Western actor could disrupt global shipping against localized conflicts, necessitating prompt business-continuity-related contingency plans from firms in future Middle East conflicts. On the flip side, this will also bolster US-led initiatives, such as the India-Middle East-Europe Economic Corridor (IMEC), seeking to introduce alternatives to maritime shipping through land bridges connecting countries like the UAE, Saudi Arabia, Jordan, and Israel.

➔ IMPORTANCE OF RED SEA TO GLOBAL COMMERCE



Around 15 percent of global seaborne trade



Around 8 percent of global grain trade



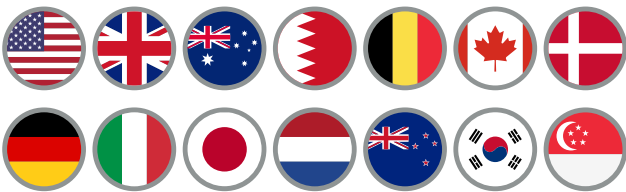
Around 12 percent of seaborne traded oil



8 percent of global LNG trade

The Houthis will bear the responsibility of the consequences should they continue to threaten lives, the global economy, and free flow of commerce in the region's critical waterways.

US-led maritime coalition members, January 3, 2024



ACTIVISM

Protests and unrest will continue to erupt quickly and unpredictably from unforeseeable triggers

The potential time between triggering events and mass protests and even violent unrest manifesting has reduced significantly. Groups and individuals ascribed to a viewpoint or ideology are often actively looking for these trigger events, with increasing preparedness and capabilities to quickly act and call upon others to protest or gather should they arise.

Notable examples in 2023 include the explosion at the Al-Alhi (Ahali) hospital in Gaza in October, when, within hours of reports of an explosion at a hospital allegedly caused by Israeli missiles, protests erupted across the Middle East and beyond, including attempts to storm Israel diplomatic missions. Similarly in November, in Ireland, hundreds of right-wing protesters violently clashed with police and caused significant property damage less than four hours after an individual attacked a group of children and their carer in Dublin.

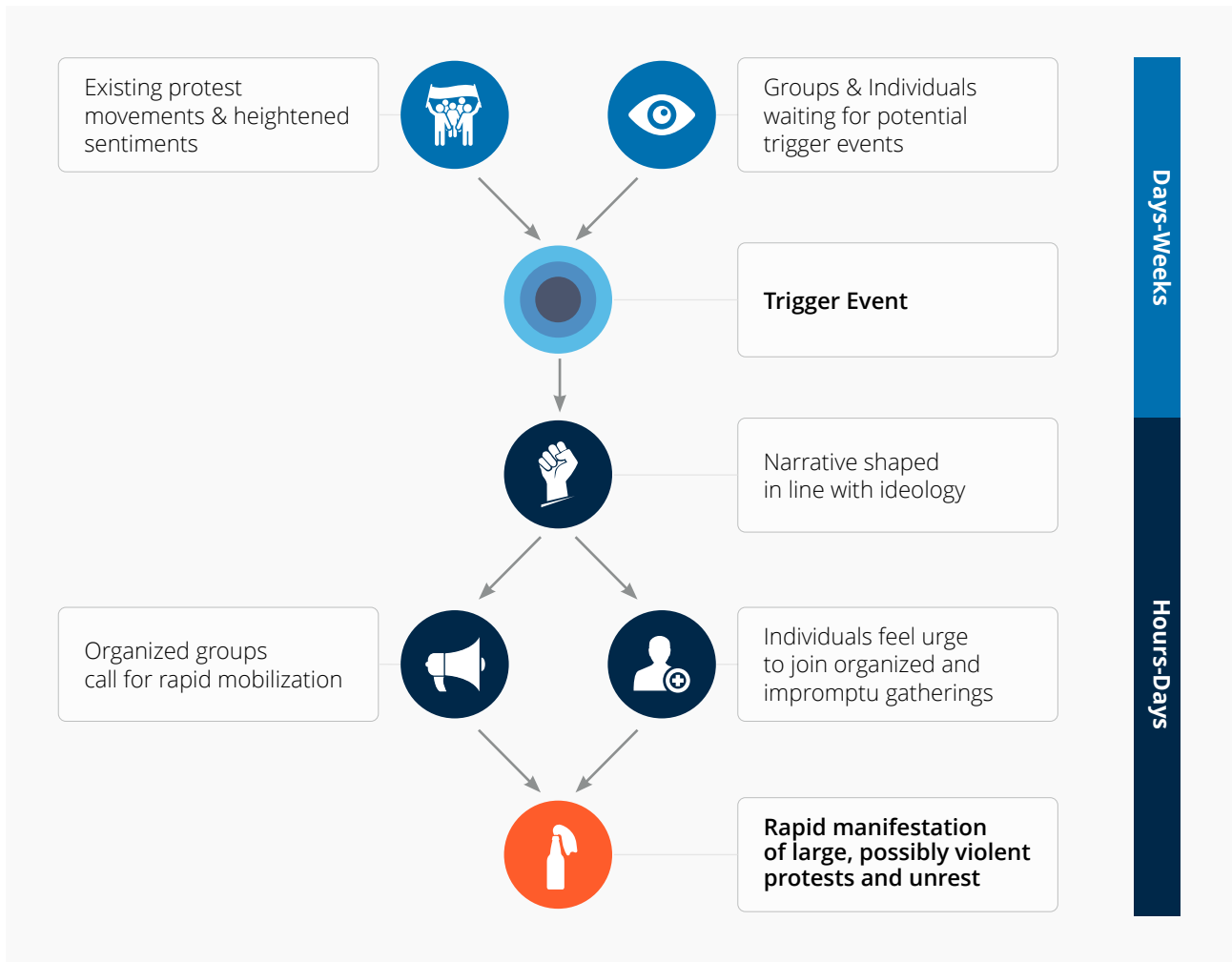
In both cases, the circumstances of the trigger event were unclear or disputed at the time the protests or unrest began. Indeed, later evidence largely dispelled Israel's involvement in the hospital explosion, while in Ireland, later reports did support earlier unconfirmed rumors that the attacker was an immigrant, namely from Algeria, although his motivations remained unclear for several days. In such cases, in which emotional reactions are predominant and the exact nature of incidents are unlikely to be clear for some time, the details are less relevant, given that the coverage in both mainstream and social media outlets either directly feed into or are interpreted within pre-existing conceptions and prejudices. This is in contrast to less emotive triggers, such as policy announcements, or longer-term issues with no specific trigger, such as climate change.

Another important comparison between the two incidents of unrest, and with other instances witnessed around the world in the past year, is that while they were escalations in terms of violence and scale, they were part of ongoing protest activity. In the case of Gaza, widespread protests had been taking place for several weeks against Israeli military actions in the region, while anti-immigrant sentiment and protests had been growing in attendance and frequency in Ireland for several months. This creates the basis for fast paced reactions and mobilization.

Going forward, considering the increasing overlap of tactics and social media activity of protest movements across the spectrum and issues, the types of events that may illicit fast-paced, mass, and potentially violent protests will grow. Policy announcements that may have traditionally led to large-scale protests only several days afterward, may now face significant demonstrations the same day or even within hours of publication. That said, it is still the more emotive issues that carry the highest propensity to spark the most violent and rapid unrest. As such, during periods of heightened sentiment, organizations should begin to actively monitor and increase awareness of potential trigger events, as well as have contingency plans in place in case of rapid onset unrest.

GLOBAL

→ TIMELINE OF RAPID ONSET PROTESTS & UNREST



ARTIFICIAL INTELLIGENCE

Artificial Intelligence in Corporate Security

Over the past year, Artificial Intelligence (AI), particularly Generative AI, has received significant attention and this trend can be expected to continue in 2024 with businesses looking to integrate AI into their operations to empower employees and improve overall productivity, among other things. Similarly, AI solutions can also be seen increasingly adopted in the corporate security sector to bolster monitoring operations and cybersecurity. AI can be expected to be used in various ways, including AI-operated biometrics for control access, and speeding the process of sifting through video surveillance with AI swiftly identifying security threats along with the possibility of sending real-time alerts.

AI's ability to mine, process, and analyze large, complex data sets through machine learning and advanced algorithms will increasingly be embraced by various sectors to recognize patterns, trends, and anomalies with this data and predictive analysis eventually resulting in better-informed decisions. However, the use of AI also poses the risk of data manipulation and poisoning by threat actors, which would result in wrong predictions and outcomes, that could have a significant negative impact on businesses. Furthermore, as AI-generated content becomes widely available on the web, this content becomes the source information for the next AI-generated analysis, slowly moving users unknowingly away from independent facts toward relying on AI-generated information. Amid increasing data breaches and developing technologies, the public and governments have become highly particular about data privacy with businesses expected to employ all efforts and measures to secure the data.

Security professionals are embracing AI tools to bolster traditional security measures to help monitor, identify, prevent, and remove threats to company data and networks. However, similarly, threat actors are utilizing AI to improve cyber-attacks with AI-powered attacks being difficult to detect. Ransomware attacks are expected to intensify in 2024 with generative AI further improving such extortion campaigns. Identity theft and social engineering attacks will become more individualized with accessible AI-assisted voice cloning and deep fakes already helping develop more advanced phishing emails and sites. Various AI chatbots have been generated and made widely available by threat actors to swiftly write malware and ransomware. These have enabled even those with minimal hacking skills to launch sophisticated cyber-attacks. Thus, while the early adoption of AI solutions in corporate security is essential, it is equally important to ensure that these solutions and tools evolve given that the AI-powered threat is constantly changing and improving.

Several challenges will come up as the corporate security sector endeavors to adopt AI in its practices but one of the main concerns is the lack of AI expertise in the workforce. This will require businesses to simultaneously develop policies, train, and up-skill their employees to use AI safely as new AI tools are integrated with the security operations. Furthermore, the aspect of "Shadow AI", which describes the unsanctioned use of generative AI by employees without the knowledge of companies, will be something that will need to be identified and regulated by organizations given the threat that this poses to the security of company data and network systems.

GLOBAL

Such efforts will be required in light of the growing regulations and compliance requirements for privacy and data protection across the globe. Concerns such as ethnic bias and data protection associated with AI usage have already resulted in various countries and organizations engaging in discussions to develop AI regulations and policies to ensure the safe integration of AI. As governments and organizations gradually progress in developing AI policies in 2024, businesses will need to remain up-to-date and ensure compliance with the advancing AI regulations. Overall, businesses will see increased costs incurred to ensure the safe and effective integration of AI in their operations, particularly in the corporate sector, in 2024.

➔ COMPLEXITIES OF AI ADOPTION FOR BUSINESSES



Increased sophisticated cyber attacks



Regulatory compliance



Fast evolving technologies



Shadow AI

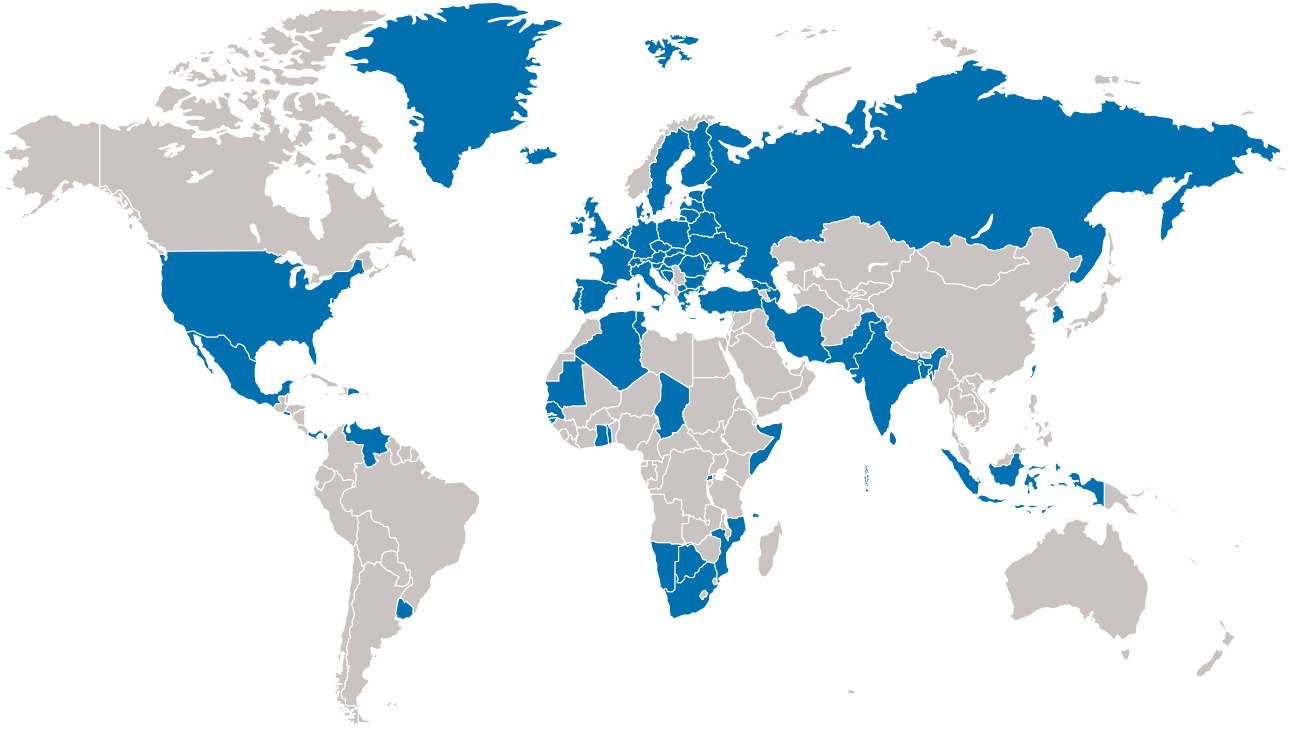


Increased Cost



Lack of AI-skilled professionals

ELECTIONS 2024



Risk of Violence:

- Low** - No substantial risk of politically motivated violence and/or low potential for pre/post-election civil unrest.
- Medium** - Some risk of politically motivated violence and/or medium potential for pre/post-election civil unrest.
- High** - Substantial risk of politically motivated violence and/or high potential for pre/post-election civil unrest.
- Extreme** - Almost certain risk of politically motivated violence and/or extreme potential for pre/post-election civil unrest.

General Legislature President

Risk of Instability:

- Low** - Low likelihood of electoral results being challenged, with transition of power expected to be smooth. The country is expected to remain politically stable.
- Medium** - Moderate risk of electoral results being challenged, with transition of power liable to be contested to some degree. An interim period of political instability is possible.
- High** - High likelihood of electoral results being challenged, with transition of power likely to be highly contested. Political instability is expected to ensue.

JANUARY

Bangladesh • January 7



Finland • January 28



Taiwan • January 13



Comoros • January



ELECTIONS 2024

FEBRUARY

El Salvador • February 4



Pakistan • February 8



Indonesia • February 14



Belarus • February 25



Senegal • February



MARCH

Iran • March 3



Portugal • March 10



Maldives • March 17



Russia • March 17



Togo • March



APRIL

South Korea • April 10



North Macedonia • April



Slovakia • April



India • April-May



MAY

Panama • May 5



Dominican Republic • May 19



Lithuania • May



South Africa • May



JUNE

Iceland • June 1



Mexico • June 2



Belgium • June 9



EU • June



Mauritania • June



ELECTIONS 2024

AUGUST

Rwanda · August



SEPTEMBER

Austria · September



Croatia · September 22



Sri Lanka · September



OCTOBER

Uruguay · October 27



Botswana · October



Chad · October



Georgia · October



Mozambique · October



NOVEMBER

USA · November 5



Guinea-Bissau · November



Mauritius · November



Namibia · November



Somaliland · November



DECEMBER

Algeria · December



Ghana · December



TBD

Moldova · TBD



Romania · TBD



Tunisia · TBD



UK · TBD



Ukraine · TBD



Venezuela · TBD



REGIONAL

The below section details the most prominent concerns and the overall stability forecast for 2024 in some of the most notable countries in each region

Country Risk Level:

- No substantial risk of physical harm and/or low potential for travel/operational disruptions
- Some risk of physical harm and/or medium potential for travel/operational disruptions
- Substantial risk of physical harm and/or high potential for travel/operational disruptions
- Almost certain potential of physical harm and/or travel/operational disruptions

Stability Forecast:

- ➔ **Improving** - Country in question is likely to increase in stability over the coming months, indicating an overall improvement in the security situation
- ➔ **Stable** - The security situation is likely to remain unchanged, with current risk levels continuing over the coming months
- ➔ **Deteriorating** - Country is likely to experience declining stability over the next months

AMERICAS

With the Americas reaching the end of the 2021-2024 super electoral cycle, support for traditional political parties and the political elite will likely decrease in Central and South America. This will translate into support for anti-establishment or centrist parties in the 2024 elections, as already seen in the victories of Bernardo Arevalo in Guatemala, Javier Milei in Argentina, and Daniel Noboa in Ecuador in 2023. Concurrently, hyperpolarization will likely dominate politics, with the elected ruling parties often lacking congressional support, thereby either compelling ruling parties to enter unconventional alliances such as in Ecuador or resulting in delayed legislative processes as evidenced in Chile and Peru. Meanwhile sustained concerns over a democratic backsliding will remain for Cuba, El Salvador, Nicaragua, Venezuela, and to a lesser extent, also Honduras.

The organized crime landscape is unlikely to undergo substantial improvements in Colombia, Haiti, Mexico, and Central America. Rather, the deteriorating public security in Bolivia, the Caribbean, Chile, Costa Rica, Ecuador, and Peru, largely attributed to the proliferation of transnational organized criminal groups, will heighten calls for hardline security measures.

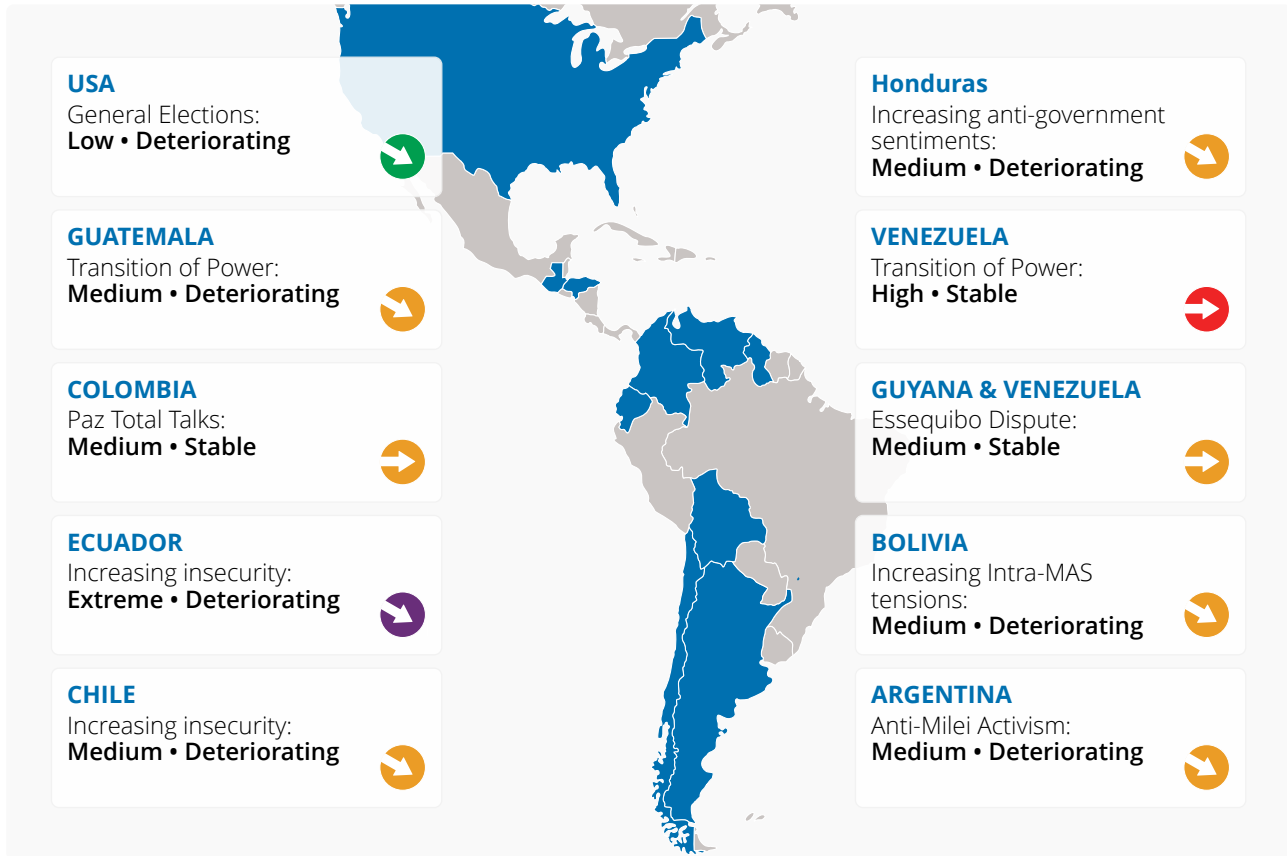
Meanwhile, the incidence of widespread violent anti-government protests will mostly decline in 2024 as compared to 2019-2022, due to the steady economic recovery in most countries since 2021. However, protest activity will intensify in Argentina, Guatemala, and Honduras due to ongoing political developments.

An increase in hate crimes, motivated by antisemitism and islamophobia and protests triggered by the Israel-Hamas conflict will continue regionwide, particularly in North America. While there is a latent threat of attacks by lone-wolf actors, elevated surveillance is expected to thwart large-scale attacks.

Efforts towards multilateral economic integration via United States-Mexico-Canada Agreement (USMCA), the Caribbean Community (CARICOM), and Mercosur (Southern Common Market) will be fostered, in addition to improved regional co-ordination over migration and clean energy transition.

REGIONAL

EVENTS AND TRENDS TO MONITOR IN 2024



AMERICAS

Argentina

Country Risk Level: Low • Stability Forecast: Deteriorating

The political landscape will be marked by radical policy changes, as already seen with the emergency decree (DNU) and omnibus reform bill announced by newly elected President Milei containing over 300 reforms. These reforms will likely prove efficient in improving the country's economic situation and lowering inflation. Nonetheless, they are likely to intensify protest activity by unions, elevating the risk of unrest, especially in Buenos Aires. Meanwhile, the government will step up the fight against organized crime in the Parana River basin, particularly in Rosario.



REGIONAL

AMERICAS

Bolivia

Country Risk Level: Medium • Stability Forecast: Deteriorating

The political landscape will remain polarized amid the ongoing rift within the ruling left-wing Movimiento al Socialismo (MAS) party. Moreover, the Constitutional Court's ruling to disqualify former president Evo Morales from running for re-election in the 2025 vote is anticipated to heighten sentiments among his supporters, prompting intermittent protests through 2024. Meanwhile, insecurity due to drug trafficking-related criminal groups will persist amid the lack of institutional cooperation and adequate legislation to combat them.



Brazil

Country Risk Level: Medium • Stability Forecast: Stable

President Lula da Silva's main priority will continue to be economic recovery, with the introduction of tax reforms expected to bring down inflation in 2024. Overall, Lula's mandate will remain stable and characterized by institutional calm. However, organized crime and associated violence will remain a key concern regardless of Lula's recent measure to militarize key airports, ports, and borders. Despite Lula's initial promises to crack down on deforestation and turn Brazil into an environmental leader, Petrobras' continued focus on oil exploration will prompt increased backlash from environmental activists.



Canada

Country Risk Level: Low • Stability Forecast: Stable

Public pressure is expected to heighten against the PM Justin Trudeau-led minority government stemming from high interest rates, a housing crisis, and a general anti-incumbency. The ruling Liberal Party of Canada and New Democratic Party's (NDP) confidence-and-supply agreement is expected to remain intact through the 2025 elections, with the NDP-touted pharmacare legislation deadline agreed upon by both parties, thereby also limiting the potential for political instability. Meanwhile, the proposed carbon tax, to be in effect from April, is anticipated to be highly politicized.



REGIONAL

AMERICAS

Chile

Country Risk Level: Medium • Stability Forecast: Improving

With Chile having rejected the new Constitutional draft for a second time in the December 2023 plebiscite and the constitutional rewriting project suspended until 2026, political and economic stability can be expected through 2024. Nonetheless, the triggers for the Constitutional drafting process including reforms to pensions, healthcare, education, and tax, as well as emerging security concerns are likely to dictate legislative agenda through 2024. While the likelihood for violent protests as witnessed between 2019-2023 remains limited, rallies may resurge ahead of the October municipal vote.



Colombia

Country Risk Level: Medium • Stability Forecast: Stable

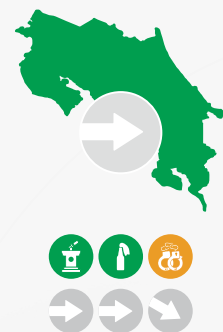
Considering the ruling coalition's major defeat in the October 2023 regional elections, President Gustavo-Petro led government will likely face legislative challenges, particularly passing reforms that seek to reduce the private sector's participation in areas such as health and pensions. Public trust on the Paz Total policy will also dwindle, with guerilla groups continuing to violate ceasefires, thus aggravating the security landscape. A full-scale peace agreement with the Ejercito de Liberacion Nacional (ELN) remains unlikely through early 2024.



Costa Rica

Country Risk Level: Low • Stability Forecast: Stable

The Presidency of Rodrigo Chaves enters 2024 with a stabilizing unemployment rate that is further expected to decrease, with the center-right Progreso Social Democratico (PPSD) leading market-friendly economic policies. However, public safety continues to remain under threat from surging violent crime rates, with homicides in 2023 exceeding by at least 40.6 percent. Although this trend will endure, it is unlikely to impact the safety for travelers.



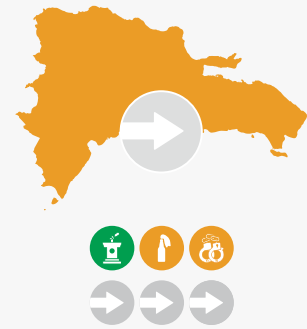
REGIONAL

AMERICAS

Dominican Republic

Country Risk Level: Medium • Stability Forecast: Stable

The next presidential election will take place in May 2024, with President Luis Abinader currently leading in the opinion polls. However, with decreased commercial activity with Haiti amidst the ongoing dispute, the incumbent faces a potential loss to a coalition of opposition parties. Given recent security incidents involving security personnel and Haitian citizens at the common border, tensions are likely to persist despite the partial reopening suggesting a trend towards normalization.



Ecuador

Country Risk Level: Extreme • Stability Forecast: Deteriorating

A security crisis will persist in 2024 following a wave of attacks by gangs across the country. The stringent stopgap measures implemented by President Noboa and the associated crackdown on criminal groups will continue to be met with retaliatory violence, especially explosive attacks, against state institutions and officials. Moreover, as these groups continue to compete for control over narcotics export routes, inter-gang disputes and extortion attempts will remain prevalent, especially in cities like Guayaquil, Manta, and Esmeraldas. Noboa's government's efforts to combat these networks will be hindered by corruption within law enforcement and the judicial system.



Guatemala

Country Risk Level: Medium • Stability Forecast: Deteriorating

President-elect Bernardo Arevalo's resumption in office in January 2024 will remain challenging due to sustained judicial attempts to undermine the validity of the August 20 election results. Meanwhile, medium-scale pro-democracy protests and blockades demanding the resignation of high-ranking alleged corrupt officials will recur intermittently across the country. Political instability will likely exacerbate economic prospects, with an anticipated economic slowdown of 3.3 percent in 2024, down from an estimated 3.6 percent in 2023.



REGIONAL

AMERICAS

Guyana

Country Risk Level: Medium • Stability Forecast: Deteriorating

With the booming oil sector, the economy is set to expand by 34.2 percent in 2024 and will encourage the development of other sectors, including infrastructure and services. Although Guyana and Venezuela have agreed to not use force to settle the Essequibo territorial dispute, political bilateral tensions will remain high through 2024. This dispute will likely lower investors' confidence in the oil and gas sector, potentially prompting disruptions to their operations through the medium term.



Haiti

Country Risk Level: Extreme • Stability Forecast: Deteriorating

Despite the imminent deployment of the Kenya-led peace mission expected in the near term, the security landscape is anticipated to remain precarious. The seemingly insufficient police presence will continue to allow for turf wars between local criminal alliances and gangs, especially in and around Port-au-Prince, manifesting as shootings and arson attacks. Continued gang violence is liable to prompt intermittent protests, posing a credible risk of escalating into violence due to retaliation by gangs.



Honduras

Country Risk Level: High • Stability Forecast: Stable

As the Xiomara Castro-led government enters the second year of the State of Exception, the reported drop in homicides in 2023 indicates the likelihood of the measure continuing to prove efficient in somewhat abating violent crime. However, security operations against transnational criminal organizations are likely to persist, continuing to threaten public safety. Moreover, anti-government sentiments will continue to rise over alleged anti-democratic measures, manifesting in intermittent large-scale protests in the country's main cities.



REGIONAL

AMERICAS

Mexico

Country Risk Level: High • Stability Forecast: Stable

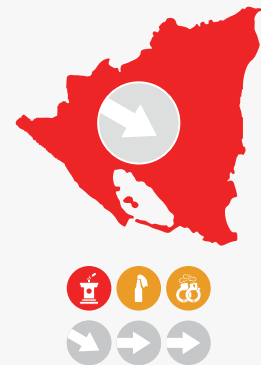
With over 20,000 federal and gubernatorial up for grabs, including that of the Presidency in the June 2024 general elections, 2024 will be marked by campaign rallies, political violence, and efforts by President Andres Manuel Lopez Obrador to push for pending legislations. Mexico's nearshoring prospects will attract foreign investments. Conversely, the organized criminal landscape is unlikely to undergo substantial shifts, with select hotspots located along the northern borders, central-eastern states, and Chiapas remaining the focal points of cartel violence. Simultaneous efforts to consolidate cartels' revenue streams via synthetic drug production and diversify their market beyond the USA are expected.



Nicaragua

Country Risk Level: High • Stability Forecast: Deteriorating

Systematic repression against political opposition, journalists, and activists is expected to persist, with arbitrary detentions and prosecutions anticipated. The government's crackdown on NGOs, religious institutions, and media outlets is likely to continue at elevated levels, severely limiting freedom of expression. The international community's efforts to address human rights abuses may lead to continued sanctions and condemnations from the USA, the EU, and other key actors, with significant changes from Managua being improbable.



Panama

Country Risk Level: Medium • Stability Forecast: Deteriorating

Panama's socio-economic landscape will face continued instability given the ruling deeming concessions to a Canadian mining company as unconstitutional. Regardless of the ruling, the perceived volatility of mining regulations, coupled with strong environmental activism, may adversely affect future foreign investments in the sector. Moreover, heightened public dissatisfaction with the government's inadequate response to protests is likely to negatively impact prospects of President Cortizo's Partido Revolucionario Democratico (PRD) party in the upcoming May 2024 elections.



REGIONAL

AMERICAS

Paraguay

Country Risk Level: Medium • Stability Forecast: Stable

President Santiago Pena's second year in office will be characterized by policy continuity, pushing for more private sector-led investment. Nevertheless, Paraguay will be compelled to reexamine its long-standing relationship with Taiwan due to increasing pressure from farmers to export to China. Confrontations between criminal groups and security forces will persist amid attempts to crack down on drug trafficking operations and prison control by gangs like Rotela Clan and its rivals, Primeiro Comando da Capital (PCC).



Peru

Country Risk Level: Medium • Stability Forecast: Stable

President Dina Boluarte will remain unpopular among the public even as she forms de-facto alliances with opposition centrist and right-wing parties. Intermittent small to medium-scale protests demanding the redrafting of the constitution, Boluarte's resignation, and the disbandment of Congress are expected. However, the potential for these escalating into unrest as witnessed between December 2022-March 2023 will remain low. Meanwhile, organized crime groups involved in extortion-related activities will continue to expand, especially across Lima.



Suriname

Country Risk Level: Medium • Stability Forecast: Stable

President Chandrikapersad Santokhi's decision to end fuel and electricity subsidies may escalate protest activity, with protesters expressing discontent over inflation and the depreciation of the Suriname dollar. Concurrently, the government will need to navigate Chinese debt, fiscal deficits, and diversifying the economy due to declining bauxite mining. Future growth of GDP will be contingent on continuous investment, with structural reforms likely to focus on enhancing offshore oil and gas development.



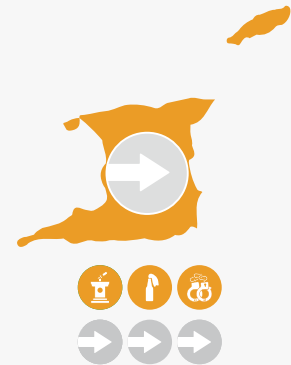
REGIONAL

AMERICAS

Trinidad & Tobago

Country Risk Level: Medium • Stability Forecast: Stable

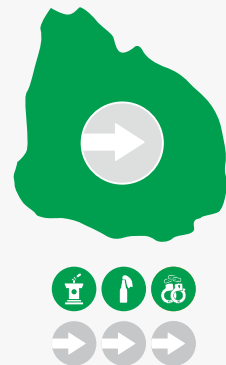
Boosted by offshore drilling and significant gas reserves, the country's oil and gas sector is poised for substantial growth in 2024. This expansion, driven by projects like Matapal, is supported by government fiscal incentives for increased production in key marine fields. Simultaneously, internal political dynamics, particularly within the PNM party, and the approach to the 2025 general election, may slightly heighten political tensions throughout 2024. However, significant protest activity or unrest remain unlikely.



Uruguay

Country Risk Level: Low • Stability Forecast: Stable

The October general elections are expected to further polarize the public landscape, as President Luis Lacalle Pou is unable to run for re-election. The opposition is likely to capitalize on the rise in insecurity, while disputes over micro-drug trafficking will continue to be recurrent, especially in Montevideo. Considering Uruguay's efforts to establish a bilateral trade agreement with China and Mercosur, coupled with positive crop forecasts for 2024, the Uruguayan macroeconomic scenario is expected to improve.



REGIONAL

AMERICAS

USA

Country Risk Level: Low • Stability Forecast: Deteriorating

Southern border security and illegal immigration, cost-of-living, foreign policy stance over the Russia-Ukraine and Israel-Hamas conflict, and the criminal trials against Trump will dominate voter sentiments ahead of the November 2024 elections. Appeals against Trump's ongoing cases will delay the litigation process, thereby limiting the potential for his disqualification from the 2024 ballot. Nonetheless, uncertainties stemming from judicial-political complexities over the same will increasingly polarize the public discourse through the presidential primaries and general elections. With that, the risk of political violence will remain moderate. That said, given that several alt-right extremist groups are disbanded and fragmented, the potential for widespread riots surrounding Trump's candidacy is limited.



Venezuela

Country Risk Level: Extreme • Stability Forecast: Stable

Due to diminishing political freedom and a compliant bureaucracy, President Nicolas Maduro is likely to retain power in the 2024 presidential elections, most likely rendering them symbolic. With the US' demand to hold "free and fair elections" unlikely to be fully met, a complete sanctions relief by Washington remains highly improbable. This will further cripple Venezuelan economy, including its oil and gas sector. Diplomatic tensions with Guyana over Essequibo will remain high, albeit with a minimal potential for a military escalation.



REGIONAL

ASIA

Looking into the year ahead, security considerations in the Asia-Pacific region will be shaped by domestic tensions, geopolitical interaction, and engagement with non-state groups. Elections will serve as the primary sites of socio-political and religious contention as Bangladesh, Georgia, India, Indonesia, Maldives, South Korea, Sri Lanka, Taiwan, and Pakistan conduct polls. Economic issues, religious/ethnic sensitivities, and localized concerns seeking national visibility will be notable electoral flashpoints.

Meanwhile, the role of non-state actors will be thrown into sharp focus. Ranging from terrorist/insurgent cells to anti-government organizations, these groups are likely to shape trends in unrest, social media use, and public sentiment. This will include radicalization efforts by militant factions in Afghanistan and the Philippines or attacks by anti-state groups in Myanmar. Prominent issues from outside the region, such as the Israel-Hamas war, are liable to be instrumentalized by activist groups for mobilization. Indonesia, Malaysia, and Pakistan are likely to continue witnessing the largest pro-Palestinian gatherings.

Inter-state relations in 2024 will also define security discourse across Asia. In some instances, this may presage greater dialogue, as forecast in the South Caucasus. Conversely, simmering hostilities, notably in the Korean Peninsula, the South China Sea, and the Kashmir region are liable to give way to nationalist rhetoric, military posturing, and diplomatic flare-ups. Longstanding conflicts involving regional powers will invariably draw in Western stakeholders and Russia as well.

ASIA: REGIONAL FORECAST, MAJOR SECURITY FLASHPOINTS IN 2024



REGIONAL

ASIA

Afghanistan

Country Risk Level: Extreme • Stability Forecast: Stable

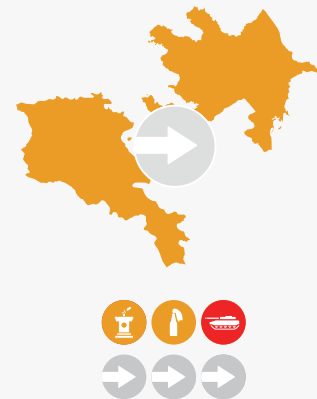
The influence of the Taliban's hardline faction on policymaking will sustain the implementation of a strict interpretation of Sharia Law, including curtailment of women's rights, despite pressure from Western nations. While the international community is unlikely to recognize the Taliban-run government, diplomatic ties with China and Russia will likely continue to strengthen amid tensions with Pakistan. The volatile security landscape will remain unchanged, including in Kabul, amid the Islamic State Khorasan Province's operational presence nationwide.



Armenia-Azerbaijan

Country Risk Level: Medium • Stability Forecast: Stable

Prospects for a peace deal have grown following Azerbaijan's reclamation of Nagorno-Karabakh and renewed dialogue between Baku and Yerevan. An agreement recognizing each other's territorial integrity could materialize, with technical specifications of border demarcation and transportation routes left for future negotiations. This piecemeal approach will trigger intermittent skirmishes as Azerbaijan pushes for further territorial and strategic gains. Domestically, Azerbaijan's President Ilham Aliyev will be reelected in February while the Armenian government will likely face sporadic anti-government protests.



Australia

Country Risk Level: Low • Stability Forecast: Stable

Domestic economic pressure will likely decrease due to reduced inflation, interest rate cuts, and further removal of Chinese tariffs on certain Australian goods. This will improve PM Anthony Albanese's political capital amid low approval ratings. However, security cooperation with the US will sustain tensions with Beijing. Climate change-related protests will continue to gain traction following recent natural disasters such as flooding and bushfires. The authorities will increase monitoring of online platforms for possible radicalization linked to the Israel-Hamas conflict and far-right activism.



REGIONAL

ASIA

Bangladesh

Country Risk Level: Medium • Stability Forecast: Stable

The opposition parties' rejection of Prime Minister Sheikh Hasina's reelection in the January 7 polls will inform anti-government protests throughout the year. This will manifest in sporadic unrest and political violence nationwide, including in Dhaka. The risk of actionable jihadist plots will likely be limited by the Awami League government's stringent crackdown on extremist groups, even as smaller Islamist organizations will continue to wield local influence.



Cambodia

Country Risk Level: Medium • Stability Forecast: Stable

Prime Minister Hun Manet, son and successor of long-time ex-PM Hun Sen, is unlikely to significantly reorient the domestic political landscape as he sustains the influence of his father's policy stances. In a similar vein, the ruling Cambodian People's Party's longstanding limiting of opposition groups will continue. Cambodia's growing defense cooperation with China is liable to continue, with Phnom Penh expected to continue drawing on major infrastructure investments, including under Beijing's Belt and Road Initiative.



China

Country Risk Level: Medium • Stability Forecast: Stable

China's territorial contestation with India and maritime disputes with Japan and several Southeast Asian countries will inform intermittent tensions. Consistent with Beijing's recent orientation in the South China Sea, maritime confrontations with the Philippines and the US military assets are liable to grow. China's trade ties with individual states in the region will prevent any consequential diplomatic fallout for the foreseeable future. Slow economic recovery will likely trigger sporadic low-scale protests against property developers and local governments, as well as isolated "social revenge" crimes.



REGIONAL

ASIA

Georgia

Country Risk Level: Medium • Stability Forecast: Stable

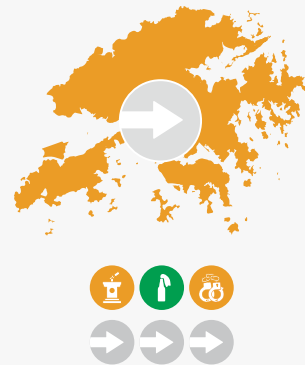
The Georgian Dream (GD) administration will capitalize on the EU candidacy status granted to Tbilisi to regain public trust ahead of the parliamentary elections in October. Intra-party tensions within the main opposition United National Movement will likely benefit the GD and prevent adequate opposition representation under the latest thresholds for parliamentary entry. Election-related protests will likely increase closer to the polls. Georgia's ties with Russia will remain stable despite Moscow's continued support for Abkhazia and South Ossetia.



Hong Kong

Country Risk Level: Medium • Stability Forecast: Stable

Record-low turnout in the district council elections held in December 2023 and legal proceedings against pro-democracy activists suggest that Beijing will continue focusing on politically and legally integrating the city with China. Chief Executive John Lee will likely redouble efforts to adopt the city's own National Security Law in 2024, which will dampen foreign investor confidence in Hong Kong. Increased online activity since the COVID-19 pandemic will drive banking fraud, e-commerce, and telephone scams.



India

Country Risk Level: Medium • Stability Forecast: Stable

Political polarization and civil unrest along communal lines are likely to increase closer to the national elections in April-May where the majoritarian Bharatiya Janata Party is expected to return for a third term. Despite intermittent arrests of suspected militants from major cities, their operational capabilities will remain limited. Notwithstanding concerns over Delhi's alleged operations against separatists on foreign soil, India's ties with the West are likely to remain strong given its role as a supply chain diversification partner and relative counterbalance to China in the region.



REGIONAL

ASIA

Indonesia

Country Risk Level: Medium • Stability Forecast: Stable

High prospects of a run-off vote on June 26 following the February 14 presidential elections will sustain the risks of religious-ethnic polarization, with candidates likely appealing to influential religious groups for support. President Joko Widodo's tacit support to the leading president-vice presidential pair of Prabowo Subianto and Gibran Raka, respectively, may draw protests over Widodo's bid to retain political influence beyond the elections. Unrest in the Papua Province due to the separatist movement will also sustain.



Japan

Country Risk Level: Low • Stability Forecast: Stable

Prime Minister Fumio Kishida is increasingly unlikely to complete a full term in office following investigations into financial malpractice against several prominent members of the ruling Liberal Democratic Party (LDP). PM Kishida will likely resign or be removed from his position during the LDP presidential elections in September. On a regional level, increased Chinese presence in the disputed Diaoyu/Senkaku Islands will increase the risk of close encounters between Chinese Coast Guard (CCG) vessels and Japanese civilian vessels.



Korean Peninsula

Country Risk Level: High • Stability Forecast: Deteriorating

Following the suspension of the Comprehensive Military Agreement, the frequency of provocative military exercises near the inter-Korean border will likely increase in 2024. Strengthening Seoul-Tokyo-Washington ties and Pyongyang-Moscow relations are expected to mutually reinforce each other. Following the repeated successful tests of its long-range missiles, Pyongyang will likely focus on launching additional spy satellites. Domestically, the South Korean government is unlikely to face significant public pressure of its North Korean policy.



REGIONAL

ASIA

Malaysia

Country Risk Level: Medium • Stability Forecast: Stable

The Prime Minister Anwar Ibrahim-led unity government is liable to adopt increasingly populist positions, such as appeals to conservative religious groups, to offset gains that the opposition Perikatan Nasional has made with majoritarian Malay-Muslim constituencies in recent months. Such orientation will likely cause internal disaffection within the ruling coalition, alienate minority groups, and even result in defections. PM Ibrahim's administration is liable to seek comparative advantage from the US-China trade conflict, possibly through moves such as smoother approval processes for Chinese semiconductor firms.



Myanmar

Country Risk Level: High • Stability Forecast: Deteriorating

The military (Tatmadaw) will likely face territorial setbacks in Chin, Kachin, Kayah, Rakhine, Sagaing, and Shan states amid multi-front battles against ethnic armed organizations and pro-democracy forces. The depletion in the military's ranks and declining troop morale will likely trigger strategic retreats to secure key urban centers like Mandalay, Naypyidaw, and Yangon alongside indiscriminate aerial bombardments to confine the anti-Tatmadaw forces to peripheral regions. Chinese mediation will likely prioritize preventing the spillover of fighting and refugees across the border, albeit with limited success.



Nepal

Country Risk Level: Medium • Stability Forecast: Stable

Nepal's stability on domestic and foreign fronts is anticipated to persist in the immediate term. However, the country's fragile political alliances remain susceptible to internal discord, which may threaten the long-term stability of the coalition government led by Prime Minister Pushpa Kamal Dahal. Geopolitically, Kathmandu is expected to maintain a balanced stance in diplomatic relations with both China and India, given the country's strategic and economic imperatives.



REGIONAL

ASIA

New Zealand

Country Risk Level: Low • Stability Forecast: Stable

Prime Minister Christopher Luxon's coalition government is expected to introduce economic reforms and reconfigure the taxation structure to portray a business-friendly environment. Proposed changes to indigenous-related policies will likely prompt domestic backlash. Despite possible pressure from within the coalition to prioritize amicable ties with China, Wellington will likely strengthen its military and supplement the West's power projection efforts in the Asia-Pacific. Retail crime like ram-raids will likely decline as businesses adopt more protective measures.



Pakistan

Country Risk Level: High • Stability Forecast: Deteriorating

Amid the prolonged imprisonment of Pakistan Tehreek-e-Insaf (PTI) chief Imran Khan, Pakistan Muslim League (N)'s Nawaz Sharif will likely lead the next government with the backing of the military following general elections in February. Despite marginal improvements, enduring economic challenges will persist amid limited political appetite for widespread macroeconomic reforms. Weak socio-economic prospects will likely drive protests and criminality. The security apparatus will also be stretched by elevated militancy risks in Balochistan and Khyber Pakhtunkhwa provinces.



Philippines

Country Risk Level: Medium • Stability Forecast: Stable

Considering the increased Chinese assertion in the South China Sea, Manila will likely seek to revamp its defense infrastructure and pursue greater ties with allies, especially the US, through joint military exercises. The prospects of dialogue with left-wing insurgent groups will be hamstrung by continued skirmishes with the army. Islamic State East Asia (ISEA) affiliates are liable to attempt retaliatory attacks in the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) to project strength. This is especially likely amid declining operations and the neutralization of major group leaders.



REGIONAL

ASIA

South Korea

Country Risk Level: Low • Stability Forecast: Stable

Political scandals and breakaways impacting both the ruling People Power Party and the opposition Democratic Party will likely lead to a close contest in the parliamentary elections in April. Perceptions of eroding rights and engagement with Japan will sustain intermittent anti-government protests by labor unions, women groups, and progressive activists. Personal distress, as well as social and economic strains, may trigger sporadic acts of violence involving bladed weapons, particularly around government installations or subway stations.



Sri Lanka

Country Risk Level: Medium • Stability Forecast: Stable

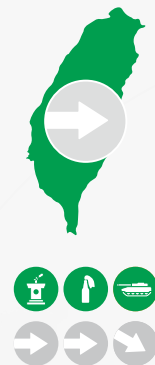
Sri Lanka will continue economic stabilization efforts, potentially seeking increased foreign investment from international allies and forums to boost domestic demand. Government reforms to that end will likely engender a pushback from trade unions and civil society groups and prompt sporadic protests ahead of presidential polls slated for September. Divergences between President Ranil Wickremesinghe's United National Party (UNP) and Sri Lanka Podujana Peramuna (SLPP) will likely also grow as elections approach. Meanwhile, economic challenges will likely sustain criminal activities



Taiwan

Country Risk Level: Low • Stability Forecast: Stable

The outcome of Taiwan's presidential and legislative elections will have significant ramifications for the island's relations with China and the US. Beijing's tactics of intimidation in the Taiwan Strait are expected to continue. The outbreak of armed conflict between both sides is unlikely, irrespective of the result. Nevertheless, frequent aircraft drills and naval exercises near the Median Line are liable to occur. They are expected to be accompanied by other pressure tactics such as limited trade bans and media rhetoric.



REGIONAL

ASIA

Thailand

Country Risk Level: Medium • Stability Forecast: Stable

With pro-military parties in a coalition government led by PM Srettha Thavisin, a major challenge to the establishment by pro-democracy activists is unlikely. A positive outlook for the country's economy and tourism will likely mitigate any major unrest. However, limited anti-monarchy protests are likely should the Constitutional Court rule that the opposition Move Forward Party's controversial pledge to reform the royal defamation law undermined the monarchy. The sluggish pace of dialogue between insurgent groups in the Deep South and the government will sustain volatility in the region.



Vietnam

Country Risk Level: Low • Stability Forecast: Stable

Vietnam will seek to balance relations with China and the US for economic and geostrategic benefits, including increased investments in the semiconductor industry and maintaining its territorial claims in the South China Sea. Domestic crackdowns on corruption and environmental activism will likely continue, along with enhanced surveillance and restrictions on online activities. Domestic tax incentives are likely to be announced to maintain business competitiveness following Vietnam's approval of a 15 percent global minimum tax rate in November 2023.



REGIONAL

EUROPE

In 2023, the Russia-Ukraine war continued to impact regional stability, with concern over domestic aid for Kyiv increasing among the public in multiple countries. This trend is expected to continue in 2024, with disgruntled workers in sectors such as agriculture and transport to continue carrying out protest actions, including highly disruptive campaigns, against EU policies exempting Ukraine from permits and other measures. Moreover, while 2023 saw Poland's government shift from the Euroskeptic right-wing populist Prawo i Sprawiedliwosc party to Donald Tusk's pro-EU centrist Platforma Obywatelska party, multiple countries saw notable wins for right-wing parties.

Support for populist right-wing parties is expected to continue in 2024, especially given growing anti-immigration sentiment as well as concerns over the financial impact of aid for Ukraine among the public. With the European Parliament elections scheduled for June, in addition to several national and local elections, concern over support for right-wing parties is expected to rise, particularly given reports over Russian destabilization campaigns attempting to impact support for such parties.

With polarization witnessed in various issues, including climate policy, the Russia-Ukraine conflict, and the ongoing Israel-Hamas conflict, protests will continue regionwide. In addition to large-scale protests sparked by global and domestic issues, environmentalist-coordinated disruptive actions will continue posing a risk to both travel and supply-chain operations. Moreover, given the growing overlap between environmentalists and far-left activists, such protests are increasingly likely to witness unrest, as tactics become more violent, including vandalism and arson. Further, given climate policies affecting the agriculture sector regionwide, farmers' protest actions are liable to intensify, as evidenced by protests in France, Germany, and the Netherlands.

In addition to activism, the threat of Islamist terrorism will remain elevated in 2024, as radicalization efforts focused on both Quran burnings and Israel continue. While the potential for mass-casualty attacks is higher than in recent years, given bolstered counter-terrorism efforts, lone actors will continue to pose the primary threat.

➔ KEY ISSUES IN EUROPE IN 2024



Energy Policy



Russian
Disinformation
Campaigns



Cost-of-living



Immigration



Environmentalism



Ukraine Conflict



Populism



Terrorism

REGIONAL

EUROPE

Austria

Country Risk Level: Low • Stability Forecast: Stable

Austria will conduct elections in September 2024 to elect the lower house of the bicameral parliament. Political tensions and instability are expected to rise in the lead-up to the elections, with the right-wing nationalist Freiheitliche Partei Österreichs (FPÖ) party polling ahead of the currently leading center-right Österreichische Volkspartei (ÖVP) party. The threat of both Islamist and far-right extremism will persist. With that, disruptive protests by climate activists are also likely to continue in Vienna



Belarus

Country Risk Level: High • Stability Forecast: Stable

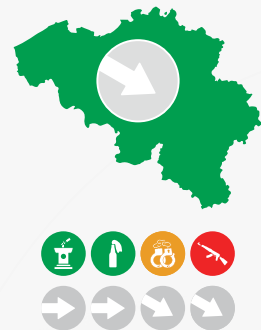
Despite the parliamentary and local elections in February, President Alexander Lukashenko's political position is likely to remain unchallenged in 2024. Amid calls for boycotts by exiled opposition members, the elections will likely witness high abstention levels, with all attempts at organizing protests expected to be met with mass repression. Minsk is expected to make a fragile economic recovery as it redirects its trade focus to its allies in the Collective Security Treaty Organization (CSTO), with Western sanctions expected to continue amid sustained ties with Russia.



Belgium

Country Risk Level: Low • Stability Forecast: Deteriorating

Political tensions are expected to rise ahead of the general elections scheduled for June 2024. With the ruling seven-party coalition led by Prime Minister Alexander de Croo expected to retain its majority, significant policy shifts are unlikely. However, considering existing differences within the coalition, overall legislation is liable to remain slow. The primary threats to domestic security are likely to stem from Islamist terrorism and gang violence among drug-trafficking groups



REGIONAL

EUROPE

Bosnia & Herzegovina

Country Risk Level: Low • Stability Forecast: Deteriorating

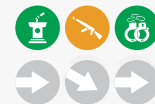
The political instability in Bosnia & Herzegovina (BiH), centered around ethnonationalism, is liable to persist throughout 2024, with internal tensions between BiH and the ethnic Serb majority entity Republika Srpska unlikely to abate. As such, secessionism threats and rhetoric from Republika Srpska are likely to persist and are liable to be heightened by neighboring Serbia, as well as Russian disinformation campaigns. Additionally, EU accession talks are likely to continue to remain protracted through 2024



Finland

Country Risk Level: Low • Stability Forecast: Stable

Prime Minister Petteri Orpo's government is expected to ensure stability through 2024, despite policy differences among the ruling coalition parties on economic and immigration-related issues. Following Finland's accession to NATO, the threat of Russian destabilization activities will remain elevated, with Helsinki recently accusing Moscow of carrying out cyberattacks and facilitating illegal migration into Finland. The possibility of electoral interference by pro-Russia groups cannot be ruled out ahead of the Presidential elections in January.



France

Country Risk Level: Medium • Stability Forecast: Deteriorating

President Emmanuel Macron's government is likely to become more unpopular amid political polarization, further impeding legislative processes and increasing its reliance on the political right to pass bills. While further reforms are likely, they are unlikely to trigger mass protests such as the 2023 anti-pension reform demonstrations, however, the far-right is liable to increase mobilization. The threat of terrorist attacks is expected to rise in the lead-up to the Paris Olympics, forcing authorities to increase security measures.



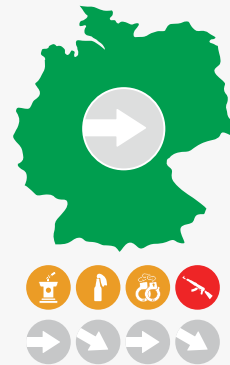
REGIONAL

EUROPE

Germany

Country Risk Level: Low • Stability Forecast: Stable

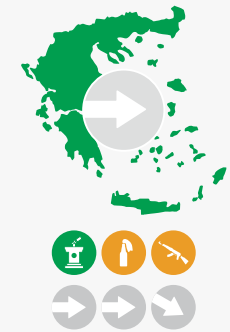
Chancellor Olaf Scholz's government is expected to continue facing declining public support amid the Russia-Ukraine war, energy insecurity, and economic slowdown. With that, the opposition center-right Christlich Demokratische Union Deutschlands and far-right Alternative fur Deutschland are likely to see gains in local and state elections, and the European Parliament elections. Disruptive protests by climate and far-left groups will pose a primary risk to business continuity, while the threat from Islamist and far-right terrorism will remain elevated.



Greece

Country Risk Level: Low • Stability Forecast: Stable

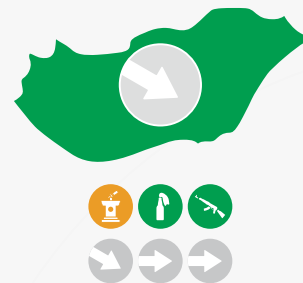
Strikes by unions over economic concerns and protests over social issues are expected to continue through 2024. Infiltration by far-left groups is liable to raise the potential for unrest at protests in major cities, including Athens and Thessaloniki. The primary domestic threat is likely to continue to stem from far-left, including anarchist, and far-right groups in the form of targeted attacks against state institutions and political entities. The political landscape is expected to remain stable.



Hungary

Country Risk Level: Low • Stability Forecast: Deteriorating

Tensions between the EU and Hungary over Budapest's delayed implementation of rule-of-law reforms are liable to remain elevated. Although Hungary's sustained vetoes against Ukrainian accession and aid efforts will likely persist, Budapest's stance is likely to be contingent on the bloc's frozen cohesion funds, with Brussels likely to use the funds to incentivize support. Meanwhile, Hungary-Russia relations are expected to continue raising Western concerns amid Budapest's sustained dependence on Russian energy resources.



REGIONAL

EUROPE

Ireland

Country Risk Level: Low • Stability Forecast: Deteriorating

Drug trafficking and associated violent activities are likely to increase in 2024, with Ireland becoming a preferred destination and transit point for narcotics. Consequently, there remains an increased risk of intergang rivalries and targeted attacks. Amid growing youth gang activities in Dublin, the latent risk of violent crime, including physical assaults and muggings targeting tourists, also remains elevated. Right-wing groups are likely to continue capitalizing on growing criminality to stoke anti-immigration sentiments and organize protests.



Italy

Country Risk Level: Low • Stability Forecast: Stable

Prime Minister Giorgia Meloni's coalition is expected to remain stable, despite minor internal divisions, due to common policy goals. It is expected to carry out further radical economic, political, and social reforms, triggering recurring left-wing protests. Certain reforms, including a constitutional amendment enacting the direct election of the Prime Minister, are likely to lead to bilateral tensions with the EU. Meanwhile, heightened concerns over illegal immigration are likely to sustain far-right mobilization.



Kosovo

Country Risk Level: Low • Stability Forecast: Deteriorating

Ethnic tensions are likely to persist through 2024, with ethnic Serbs continuing to demand autonomous municipalities and rejecting the installation of ethnic Albanian mayors in northern Kosovo. With that, there remains an elevated risk of ethnic Serbs staging large-scale protests, which could escalate into armed confrontations with Kosovar police and NATO peacekeeping forces. Meanwhile, the ongoing EU-mediated efforts to normalize Pristina-Belgrade relations are liable to remain protracted amid Serbia's continued reluctance to recognize Kosovo's independence.



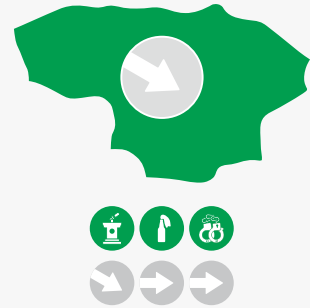
REGIONAL

EUROPE

Lithuania

Country Risk Level: Low • Stability Forecast: Deteriorating

Political tensions are expected to increase ahead of the presidential and parliamentary elections scheduled for May and October 2024 respectively. The potential for the ruling center-right alliance to retain its majority in the Seimas remains uncertain. However, policy stability is expected to continue, with any potential government likely to retain a pro-Western and pro-business stance. The risk of potential electoral interference and cyberattacks by Russian actors is likely to increase.



Moldova

Country Risk Level: Medium • Stability Forecast: Deteriorating

The Moldovan Presidential Elections will be held in November 2024. Current Prime Minister Sandu has also called for a referendum next fall on Moldova's EU accession. As such, Russia is expected to intensify its disinformation campaigns and other destabilization efforts ahead of the proposed referendum and presidential elections. In turn, this could lead to higher levels of civil unrest and concerns over spillover from the ongoing Russia-Ukraine conflict.



Montenegro

Country Risk Level: Low • Stability Forecast: Improving

Montenegro, under Prime Minister Milojko Spajic's leadership, is expected to see political stabilization and accelerated EU integration in 2024. However, his broad-based coalition may face challenges, including implementing judicial reforms, tackling corruption, and mitigating Russian destabilization efforts. Economically, Montenegro is on an upward trajectory with expected real GDP growth between three and four percent, fueled by stabilized food prices and increased public investment, despite a significant public debt.



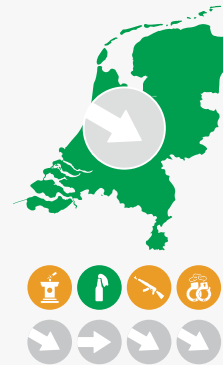
REGIONAL

EUROPE

Netherlands

Country Risk Level: Low • Stability Forecast: Deteriorating

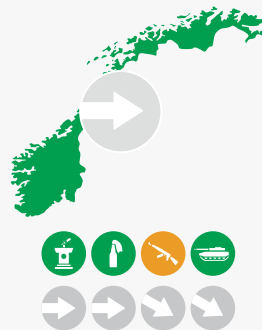
Following the November 22 elections to the lower house, given the significantly fragmented seat share, and reservations and ideological differences among key political actors, coalition negotiations are likely to be protracted. Additionally, with the Netherlands being a key transit and destination point for drug imports from Latin America, the risk of drug trafficking and associated violent criminal activity, including inter-gang clashes, is likely to remain elevated. Moreover, the threat of Islamist terrorism also remains elevated.



Norway

Country Risk Level: Low • Stability Forecast: Stable

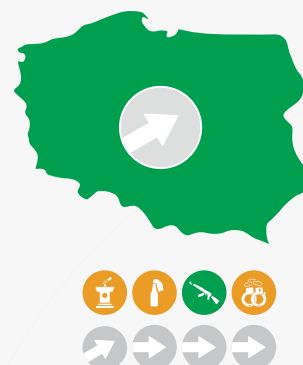
Given precedent, Norway is expected to see an uptick in organized crime and drug trafficking linked to Swedish gangs in 2024. Environmentalists are expected to continue protesting, targeting government buildings, oil mines, and industries built on land traditionally used by Indigenous Sami people. Further, tensions with Russia will continue, with Moscow increasing its military presence in the Arctic. Additionally, the threat from Islamists and far-right radicals is also expected to persist.



Poland

Country Risk Level: Low • Stability Forecast: Improving

The newly installed pro-EU Donald Tusk-led Koalicja Obywatelska (KO) government is likely to continue implementing socio-economic reforms aimed at unlocking the EU's frozen cohesion funds, with Warsaw expected to witness a progressive and pro-European shift in policies. Although the ruling coalition's ideological diversity will likely trigger internal tensions, the collective aim of preventing the opposition right-wing Prawo i Sprawiedliwosc (PiS) party from returning to power is largely expected to deter any potential collapse in the government.



REGIONAL

EUROPE

Portugal

Country Risk Level: Low • Stability Forecast: Deteriorating

Support for the center-left Partido Socialista (PS) is expected to decline amid corruption charges levied against former PM Antonio Costa and the dissolution of the parliament. Additionally, far-left and far-right parties such as Bloco de Esquerda (BE) and Chega respectively, are expected to utilize political instability to grow their parties over the coming year. With that, there is an increased risk of political protests. Despite these changes, the overall economic stability of Portugal is unlikely to be affected.



Romania

Country Risk Level: Low • Stability Forecast: Deteriorating

Romania faces a period of political divisiveness and potential civil unrest as it approaches local, parliamentary, and presidential elections. Mass protests, fueled by Russian disinformation campaigns, are possible, targeting the pro-Western bloc. The Alianta pentru Unirea Romanilor (AUR) party, with Russian backing, may gain traction by capitalizing on Euro-skeptic and anti-NATO sentiments, especially as Romania increases support for Ukraine. The country should see strong GDP growth, though inflation will remain elevated.



Russia

Country Risk Level: High • Stability Forecast: Deteriorating

President Vladimir Putin is likely to be re-elected in the March 2024 Presidential elections, as he maintains conservative support, cracks down on opposition figures, and projects perceived Russian gains in the Ukraine conflict. The possibility of violent, large-scale anti-government protests remains limited, with the Kremlin severely cracking down on the same. The threat of Ukrainian airstrikes and saboteur activity will remain elevated in southwestern regions and urban centers such as Moscow, posing threats to civilians.



REGIONAL

EUROPE

Serbia

Country Risk Level: Low • Stability Forecast: Deteriorating

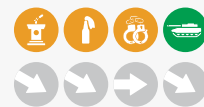
The ongoing opposition-led large-scale anti-government protests demanding re-elections are expected to persist into the initial months of 2024, with protests likely to become increasingly sporadic. With President Aleksandar Vucic's populist Srpska Napredna Stranka (SNS) party retaining the parliamentary majority, a perpetuation of previous foreign and pro-Russia policies is expected going forward. This is likely to raise EU concerns over Belgrade's candidate status. Meanwhile, amid elevated bilateral tensions, Belgrade-Pristina relations are expected to further deteriorate in 2024.



Slovakia

Country Risk Level: Low • Stability Forecast: Deteriorating

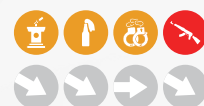
PM Robert Fico's populist Smer – socialna demokracia party (SMER-SSD) party-led government to strengthen the pro-Moscow and conservative bloc within the EU. Domestic policies are likely to be characterized by a deterioration in EU principles, particularly the rule of law. Fico-led government is also expected to increase calls for terminating military aid to Ukraine and call for peace negotiations. Large-scale anti-government protests by opposition groups are expected in response to potential EU law violations and harsh anti-West measures.



Spain

Country Risk Level: Low • Stability Forecast: Deteriorating

Political instability is likely to persist through 2024 given that Pedro Sanchez's minority government is dependent on regional parties to maintain parliamentary majority. Further right-wing and far-right protests are expected as the government approves the Catalan amnesty bill and other regional demands. Increased far-right mobilization is also liable to heighten the threat emanating from far-right militancy while the Islamist threat is liable to follow a nationwide surge.



REGIONAL

EUROPE

Sweden

Country Risk Level: Low • Stability Forecast: Deteriorating

With Sweden expected to join NATO in early 2024, Russia is liable to intensify its destabilization campaign – including cyberattacks targeting public and private infrastructure, and disinformation aimed at sowing public divisions. Criminal networks will continue posing the primary domestic threat, with escalations in gang rivalries leading to surges in shootings and explosions, increasing violence outside police-designated risk areas. The threat of Islamist terrorism will remain elevated, with the risk of an attack higher than in previous years.



Switzerland

Country Risk Level: Low • Stability Forecast: Stable

Increased public support for the right-wing populist Union Democratique du Centre (UDC) party is unlikely to significantly influence executive policies, given that Switzerland's seven-member government is not formed through a coalition or majority, but by a compact between the largest parties. Regardless, stronger support for right-wing anti-environmentalist and anti-immigrant policy is still anticipated in 2024. Further, the development is unlikely to trigger widespread civil or political unrest.



REGIONAL

EUROPE

UK

Country Risk Level: Low • Stability Forecast: Deteriorating

The UK is expected to hold a general election in the autumn of 2024, with the election to be held no later than January 28, 2025. Political tensions and instability are liable to increase ahead of elections, with the center-left Labour Party leading the polls by significant margins ahead of the ruling Conservative party. Protests and labor actions across various sectors, including disruptive climate demonstrations, will intensify. Moreover, the threat from Islamist and far-right terrorism remains elevated.



Ukraine

Country Risk Level: Extreme • Stability Forecast: Deteriorating

Prolongation of the conflict into 2024 to create severe challenges to Kyiv amid the destabilization of continued Western military and financial support which has sustained Ukraine's war efforts since the invasion in February 2022. Both Kyiv and Moscow remain incapable of achieving major on-ground territorial breakthroughs, with hostilities likely to be concentrated along current frontlines. Amid the decrease in aid, the West is likely to pressurize Kyiv to start negotiations for a ceasefire in the medium term.





REGIONAL



MIDDLE EAST AND NORTH AFRICA

Iran-backed 'Axis of Resistance' to sustain attacks against Israel, US-linked targets, although full-scale conflict unlikely

In recent years, Iran has dedicated significant resources toward arming and coordinating between its regional proxies and affiliates to forge an “axis of resistance” against Israel and the US. Tehran has long sought to build an image of unity between these elements and drive a process of loyalty to Iran. The actions of various regional proxy groups following the start of the Israel-Hamas war in October 2023 are therefore a manifestation of this broader Iranian strategy aimed at targeting Israel in its vicinity. This provides Iran the opportunity to portray solidarity with Palestinians in Gaza and to militarily pressure Israel by keeping its defenses engaged across various fronts. This strategy will therefore continue to be employed as hostilities in Gaza continue, particularly in the year’s initial months.

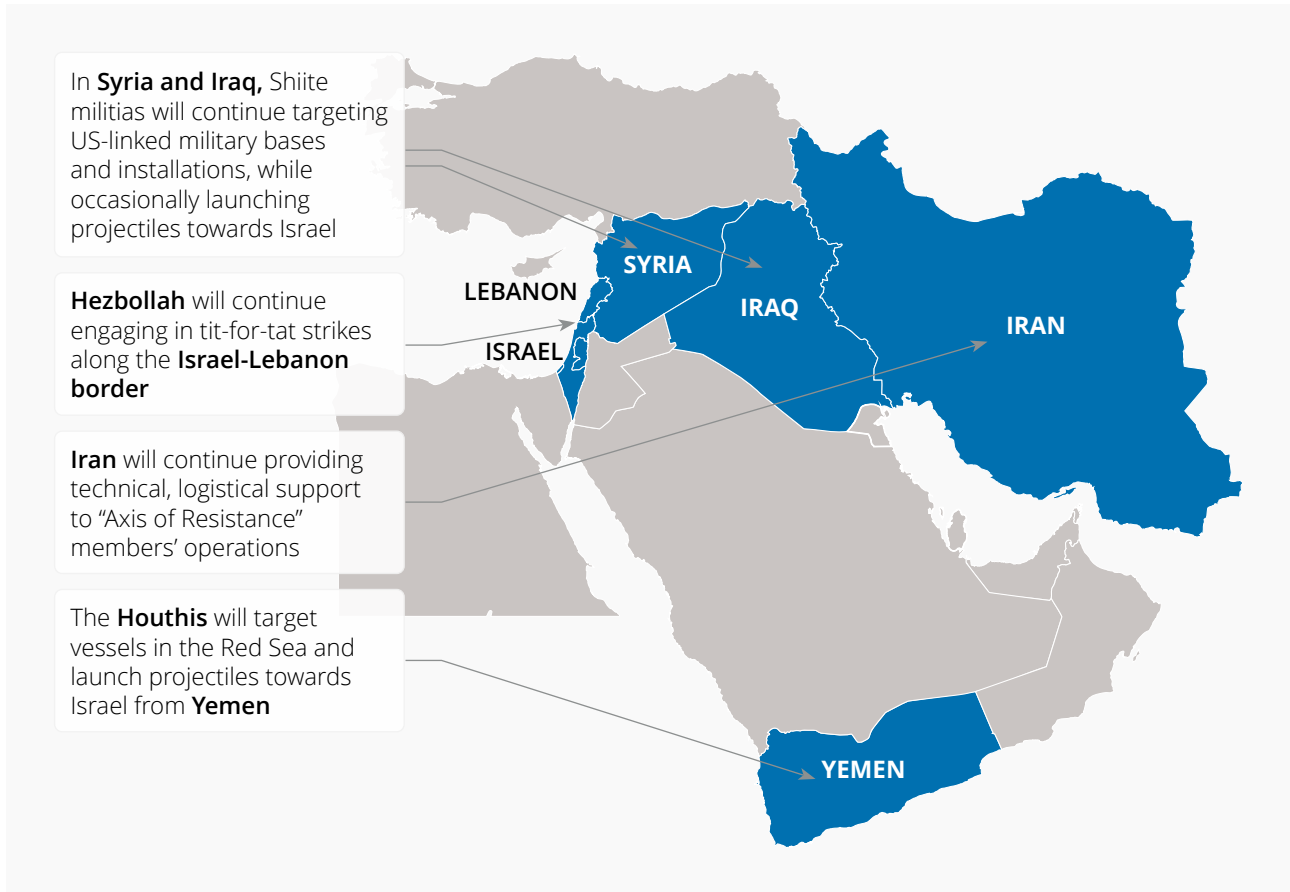
In Israel’s northern front, the Israel-Hezbollah conflict will likely continue at the current threshold, namely with frequent tit-for-tat attacks along the Israel-Lebanon border. Hezbollah will remain reluctant to engage in an all-out war with Israel, as indicated by its recent rhetoric and actions. Regardless, tensions will remain high on this front, which increases the potential for a miscalculation and escalation. Elsewhere, Iran-backed militias in Iraq and Syria will occasionally launch attacks towards Israel. Israeli forces will likely continue to strike Iranian-linked targets in Syria to retaliate against such attacks and to prevent Iranian arms transfers toward Axis members. Iran-backed militias in Iraq and Syria will also continue to conduct attacks against US military positions in these countries, prompting periodic surgical US strikes.

As long as the war in Gaza continues, the Yemen-based Houthis will likely continue to target vessels in the Red Sea deemed to be Israel-owned/linked or perceived as traveling towards Israel, while occasionally targeting Israel’s south. Although currently unlikely, the group’s actions in the Red Sea are liable to lead to direct US-led action against the group’s assets, which would escalate tensions further and potentially prompt Houthi attacks on Gulf nations or other US interests.

Overall, tensions will remain high between the US and Israel on one side and Iran and its proxies on the other. In the background, covert actions in multiple domains or arenas, such as cyberattacks against strategic sectors, are also likely. That said, a full-scale conflict between the two rival groupings is unlikely to occur.

REGIONAL

➔ IRAN-BACKED 'AXIS OF RESISTANCE' TO SUSTAIN ATTACKS AS WAR CONTINUES



MIDDLE EAST AND NORTH AFRICA

Algeria

Country Risk Level: Medium • Stability Forecast: Stable

Presidential elections are slated to be held in 2024. Therefore, President Abdelmadjid Tebboune will make efforts to project proactiveness and accountability to the public in order to assuage any socio-economic grievances. Additionally, Algeria will continue with its diplomatic efforts to improve ties with European countries it has been at odds with, such as Spain, with the aim of expanding energy exports to Europe.



REGIONAL

MIDDLE EAST AND NORTH AFRICA

Bahrain

Country Risk Level: Medium • Stability Forecast: Stable

Large sections of the local populace will continue to protest nationwide in support of the Palestinians amid the ongoing Israel-Hamas war. This will include demonstrations by both pro- and anti-government groups. Protesters will likely be critical of the Bahraini government's decision to continue maintaining diplomatic ties with Israel. However, this is unlikely to significantly affect the country's current policy towards Israel. Meanwhile, periodic Shiite-led anti-government protests will continue, which will result in sporadic instances of civil unrest.



Egypt

Country Risk Level: Medium • Stability Forecast: Stable

Egypt is likely to continue facing hyperinflationary pressures in the coming months due to its continued import dependence and weakening currency. While the recently concluded presidential election and re-election of Abdel Fattah al-Sisi signals political stability, this may be challenged by possible unpopular reforms. These include further devaluations of the Egyptian pound, the privatization of state-owned enterprises, and/or curbs on social spending, which may increase the likelihood of localized protests.



Iran

Country Risk Level: High • Stability Forecast: Stable

Tehran's lack of transparency about its nuclear program and the continued production of 60 percent enriched uranium will increase political friction with the West. Previous understandings on Iranian enrichment limits in exchange for Western sanctions relief are unlikely to materialize. Despite a growing "resistance economy", Western sanctions will continue to adversely impact Iran's economy, potentially fueling unrest. Iran's "shadow war" with Israel will persist, with period cyber and kinetic attacks on Iranian territory likely.



REGIONAL

MIDDLE EAST AND NORTH AFRICA

Iraq

Country Risk Level: High • Stability Forecast: Deteriorating

Iran-backed militias will continue to attack US military bases in Iraq while the Israel-Hamas conflict persists. This is likely to prompt retaliatory US strikes, which may escalate the current tit-for-tat dynamic. In turn, this will pressure Prime Minister Mohammed Shia al-Sudani, who will try to balance Iraq's relations with Iran and the US. The Iran-backed Coordination Framework's success in recent provincial elections will enable the consolidation of its control on Iraqi politics.



Israel

Country Risk Level: High • Stability Forecast: Stable

The security landscape in Israel will remain volatile in 2024, with the IDF expected to continue its operation against Hamas for the coming months at least. As the war in Gaza evolves, rocket fire from the Strip will become increasingly rare, although Iran's "Axis of Resistance" will continue to launch attacks toward Israeli territory. The risk of an escalation between Israel and Hezbollah will remain elevated. The security volatility will also increase domestic political tensions.



Jordan

Country Risk Level: Medium • Stability Forecast: Deteriorating

Jordan will likely continue experiencing the effects of several socioeconomic challenges, including high inflation, unemployment, sluggish economic growth, and dwindling natural resources. This is due to persistent structural challenges, regional conflicts, a large refugee burden, and a fast-growing population. The Israel-Hamas war is likely to exacerbate Jordan's vulnerabilities through supply-chain constraints, reduced incoming tourism, and restricted collaboration with Israel on critical projects, including water security.



REGIONAL

MIDDLE EAST AND NORTH AFRICA

Kuwait

Country Risk Level: Low • Stability Forecast: Improving

Kuwait's new Emir will seek to overcome the longstanding political deadlock between the legislative and executive branches of the Parliament. Considering the predominant role of oil in Kuwait's economy and global decarbonization trends, the incoming cabinet is expected to prioritize urgent economic diversification. Fiscal reforms, including reducing unnecessary state expenses within the public sector, will likely be undertaken. Establishing a stable political environment in 2024 will remain the priority to create a conducive atmosphere for much-needed foreign investment.



Lebanon

Country Risk Level: Extreme • Stability Forecast: Deteriorating

Lebanon's security landscape will remain volatile as Hezbollah continues to conduct daily cross-border attacks against Israel amid the latter's Gaza campaign. Israel will increasingly signal its readiness to expand its military operation against Hezbollah, which risks a full-scale conflict. This will compound threat perceptions within Lebanon and abroad, disincentivizing business activity and travel to Lebanon. Hezbollah's independent approach will compound the political deadlock over the election of a president, with the political crisis exacerbating economic turmoil.



Libya

Country Risk Level: Extreme • Stability Forecast: Stable

The continued lack of consensus between key political organs on electoral laws will likely fuel political instability in the country, resulting in the indefinite postponement of elections. Libya is likely to continue to make efforts to attract foreign investment to its hydrocarbon sector, but political infighting may hinder such efforts. The threat of armed conflict stemming from inter-militia tensions will persist in Tripolitania, while the threat posed by terrorist groups will remain moderate nationwide.



REGIONAL

MIDDLE EAST AND NORTH AFRICA

Morocco

Country Risk Level: Medium • Stability Forecast: Stable

Morocco is likely to remain politically stable through 2024, despite occasional anti-government protests by employees of major sectors such as health and education. Rabat is likely to increase spending and intensify reconstruction efforts in areas that were heavily hit by the September 2023 earthquake. This increased spending, in addition to the recently implemented direct cash transfer program, is likely to increase the money supply in the economy which may increase inflation rates.



Palestinian Territories

Country Risk Level: Extreme • Stability Forecast: Stable

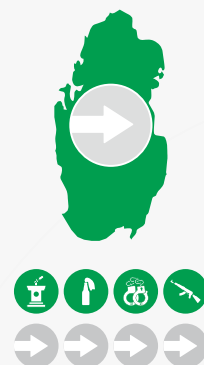
The IDF will likely continue its operation in the Gaza Strip for the coming months at least. While this will transition to lower-intensity fighting, the security landscape will remain tense and volatile. Clashes will persist between IDF forces and remaining Palestinian militant cells. The humanitarian situation is liable to deteriorate further, increasing the risk of infectious diseases spreading. The West Bank will remain volatile given the significant risk of terrorist attacks and frequent IDF counter-militancy operations.



Qatar

Country Risk Level: Low • Stability Forecast: Stable

The Israel-Hamas war is likely to continue to bolster Qatar's global standing, especially if it brokers another deal facilitating a hostage release or ceasefire. Such an agreement would be welcomed by both pro-Israel and pro-Palestinian governments globally, in addition to major global humanitarian organizations. Doha's role as a mediator would be perceived as effective and may provide Qatar with opportunities to be involved in resolutions for other global conflicts, garnering it more influence and opportunities.



REGIONAL

MIDDLE EAST AND NORTH AFRICA

Saudi Arabia

Country Risk Level: Medium • Stability Forecast: Stable

In 2024, Saudi Arabia will likely continue to expand its non-oil sector with potential investments in sports, entertainment, infrastructure, and tourism. Hydrocarbons are expected to remain a substantial contributor to state revenue despite prolonged production cuts. Efforts to project the country as an attractive destination for travel and business investments will continue. Riyadh's economic goals will also prompt it to prioritize diplomacy and negotiations with adversarial actors like Iran and the Yemeni Houthis to protect its national security.



Syria

Country Risk Level: Extreme • Stability Forecast: Stable

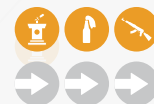
Syria's security stability will remain turbulent, with deteriorating economic conditions. The country will remain a flashpoint for hostilities between Israel and the US on one side and Iran and its proxies on the other. In northern Syria, pro-government forces will continue clashing with jihadist rebels in Idlib Province, and Turkish-Kurdish hostilities will persist in the northeast. IS will continue to capitalize on the instability to regroup and pose a risk in its strongholds of Deir Ezzor, Raqqa, and the Syrian Desert.



Tunisia

Country Risk Level: Medium • Stability Forecast: Deteriorating

Tensions between President Kais Saied and the political opposition will likely increase ahead of the November presidential election, especially if Saied continues his crackdown on the latter. Anti-Saied protest activity is likely to recur although this is unlikely to pose a threat to Tunisia's internal stability. The country's continued hosting of irregular migrants, including near Sfax, remains liable to trigger localized unrest. Militant attacks will remain unlikely, but they cannot entirely be ruled out.



REGIONAL

MIDDLE EAST AND NORTH AFRICA

Turkey

Country Risk Level: Medium • Stability Forecast: Stable

Over the coming months, the Turkish government will prioritize curbing inflation by maintaining its more conventional monetary policy. President Erdogan is unlikely to revert to lowering interest rates, as this would stifle foreign investors' emerging confidence in Ankara's commitment to economic reform. Ankara will work to regain trust among its Western partners by approving Sweden's NATO accession. At the same time, Erdogan will project independence from the Western bloc by maintaining ties with Russia and Hamas.



UAE

Country Risk Level: Low • Stability Forecast: Stable

The UAE will continue to focus on expanding its non-oil private sector economy in 2024 by capitalizing on the momentum achieved in this domain in 2023. Hydrocarbon GDP growth is also expected to accelerate with the UAE's 2024 OPEC+ production quota increase. Political freedoms, including criticizing the Emirati government or its policies, supporting free speech, or the right to hold demonstrations, will continue to be curtailed in the country.



Yemen

Country Risk Level: Extreme • Stability Forecast: Deteriorating

Saudi Arabia's desire to end the armed conflict in Yemen will likely lead to renewed talks for a prolonged ceasefire with the Houthis. However, Houthi efforts to demonstrate its support for Hamas through attacks against Israel and maritime shipping in the Red Sea, at least until the Israel-Hamas conflict ceases, may complicate Saudi efforts. Recurrent inter-factional political tensions within the Presidential Command Council (PCC) will also protract political and economic instability in Yemen in the coming year.



REGIONAL

SUB-SAHARAN AFRICA

2023 was a year of slow economic growth in Africa, with GDP on the continent expanding by just 3.4 percent. This is because several countries have struggled to recover from multiple global shocks since 2020. These include the COVID pandemic, Russia-Ukraine conflict, multiple coups in West and Central Africa as well as civil conflict in Sudan. These shocks have resulted in inflation, high interest rates to curb price rises, good shortages due to supply chain disruptions, and weak economic growth. Given that global and Africa-centric conflicts are not expected to cease and could even worsen in 2024, low growth and the other economic issues are expected to persist across the continent.

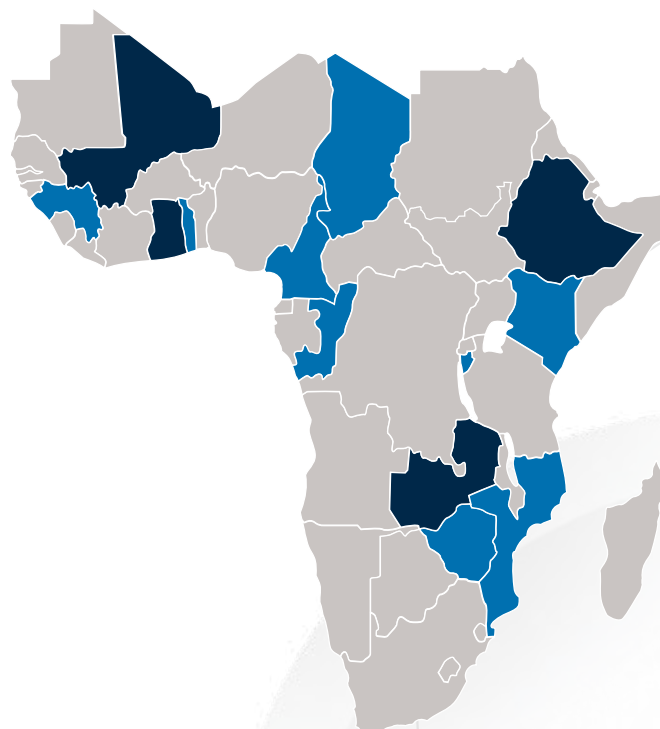
Insufficient growth and weakening global demand for goods has resulted in a lack of government revenue in most African nations, and particularly in Kenya, Malawi, South Sudan. This means that these nations will be forced to increase borrowing from international financial institutions and bilateral leaders such as the US, EU, and China to maintain their budget. This borrowing could make it even harder for countries to service their existing external debt, increasing the risk of a default as seen in Ethiopia, Ghana, Mali, and Zambia in the past three years. While most defaulting countries are expected to enter into debt restructuring negotiations similar to Addis Ababa, Accra, and Lusaka, these talks are expected to take months, if not years. This is because lenders, particularly Chinese entities, have been reluctant to forgive debt. Protracted negotiations and persistent debt crises will likely make private investors wary of investing in indebted African nations, including more prosperous nations such as Kenya, further impacting economic growth and development.

Even if some African countries manage to pay their external debt after borrowing, it is likely that more of their budgets will be allocated to fulfilling financial obligations to international lenders. This would leave fewer financial resources to allocate towards the education, health, and infrastructure sectors which could help propel growth, likely resulting in a situation of poor economic performance over the coming months.



AFRICAN NATIONS WITH DEBT DISTRESS

- Countries which have defaulted on debt payments
- Other countries with debt distress



REGIONAL

SUB-SAHARAN AFRICA

Botswana

Country Risk Level: Low • Stability Forecast: Stable

Political tensions are expected as President Mokgweetsi Masisi leads the ruling Botswana Democratic Party (BDP) into the 2024 general elections, set for October. BDP will likely maintain its prominence in part due to divisions within the opposition. Support from self-exiled former President Ian Khama may bolster the opposition's confidence. Masisi will likely allow opposition rallies and protests during the electoral period due to the open political environment, and the campaign period is expected to be peaceful albeit with isolated incidents of political violence.



Chad

Country Risk Level: Medium • Stability Forecast: Stable

Political tensions are expected to remain heightened as the government-endorsed constitution that enables a unitary state is implemented, ending the transitional government under President Mahamat Idriss Deby in 2024. The opposition is likely to continue to call for elections to be held, which may be accompanied by protests. There remains the continued threat of sporadic rebel activities in the north along with the potential for small-scale jihadist militant attacks taking place in Lac Region.



DRC

Country Risk Level: High • Stability Forecast: Stable

President Felix Tshisekedi's re-election in the December 2023 general elections will likely lend some stability though the overall political situation will remain largely tense with intermittent civil unrest. The security situation in the eastern DRC will remain volatile with continued offensives by various armed groups. Renewed security operations will be launched to prevent the March 23 Movement (M23) rebellion from seizing territory, while other operations continue to curb the wider violence.



REGIONAL

SUB-SAHARAN AFRICA

Ethiopia

Country Risk Level: High • Stability Forecast: Stable

Ethno-nationalist tensions will continue destabilizing security across the country. Oromo separatist militias will continue to clash with federal forces and civilians, though mediation efforts may continue. The ongoing conflict with the ethnic Amhara 'Fano' is also likely to persist as the government struggles to address their grievances, particularly as tensions continue over the implementation of the Tigray peace deal. PM Abiy Ahmed will continue to struggle with his domestic and international political negotiations particularly in the region.



Ghana

Country Risk Level: Low • Stability Forecast: Deteriorating

The socioeconomic crisis will likely deteriorate further despite bailout agreements and loans from international financial institutions. This is expected to increase public frustrations over the government's perceived mismanagement of fiscal affairs, manifesting in demonstrations and potential unrest. The political tensions are expected to heighten in the lead up to the December general elections. Concerns over the potential for the spillover of militancy from Burkina Faso to Ghana's northern regions are also liable to persist.



Great Lakes: DRC, Burundi, Rwanda

Country Risk Level: High • Stability Forecast: Stable

Tensions between DRC and Rwanda are expected to continue rising over repeated cross-allegations of support for rebels against one another. This could also result in sporadic limited-scale border scuffles between the two countries. However, it is unlikely to devolve into a large-scale conflict. Regional mediation efforts will continue to mitigate the tensions but the DRC's distrust and perception that neighboring countries are biased toward Rwanda will fuel persistent tensions among the Great Lakes countries.

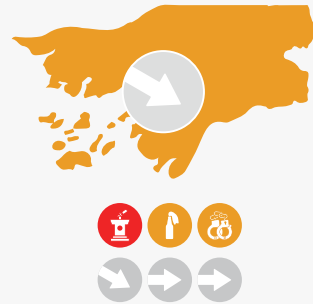


SUB-SAHARAN AFRICA

Guinea-Bissau

Country Risk Level: Medium • Stability Forecast: Deteriorating

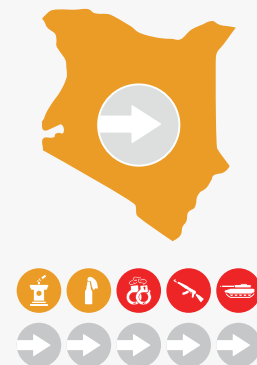
President Umaro Sissoco Embalo is expected to advance his governance agenda with little dissent after he dissolved the opposition-dominated parliament in December 2023 over an alleged coup attempt. He will likely use this incident to further restrict opposition activity, especially ahead of the December 2024 presidential elections. This, along with Embalo's refusal to issue dates for the next legislative elections, is expected to form the basis of heightened political tensions and opposition protests in 2024.



Kenya

Country Risk Level: Medium • Stability Forecast: Stable

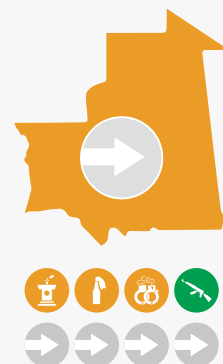
Tensions will persist between President William Ruto's administration and the Raila Odinga-led opposition, particularly over the government's budget bill and tax increases. The dire socioeconomic situation will continue frustrating civilians and encouraging the opposition to resume demonstrations amid the expected failure of political dialogue. Protests can trigger instances of violent unrest and retaliatory security crackdowns. Intermittent militant attacks in northeastern counties will recur alongside the distant potential of militants targeting major cities like Nairobi.



Mauritania

Country Risk Level: Medium • Stability Forecast: Stable

The political environment will remain stable although tensions will emerge around the June presidential elections, with President Mohamed Ould Ghazouani likely to be re-elected. Mauritania's security landscape will continue to be affected by developments in the broader Sahel region, with an underlying but not expected risk of militant spillover from Mali and volatility along border areas with Western Sahara and Algeria. Cooperation agreements with international actors will help improve the macroeconomic situation but are unlikely to improve civilian living conditions.



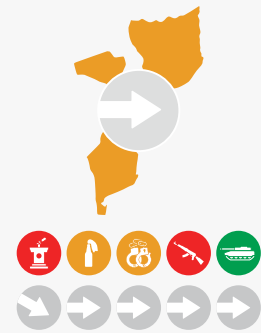
REGIONAL

SUB-SAHARAN AFRICA

Mozambique

Country Risk Level: Medium • Stability Forecast: Stable

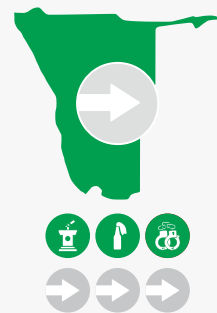
Security in northern Cabo Delgado Province is likely to continue to improve as counterinsurgency operations continue, with the specific effort to protect foreign energy infrastructure and production that will restart in 2024. Militants will continue to attack military and civilian targets, though their overall capacity will likely remain in flux. Political tensions will heighten in the lead up to the October general elections, with the potential for nationwide demonstrations and unrest.



Namibia

Country Risk Level: Low • Stability Forecast: Stable

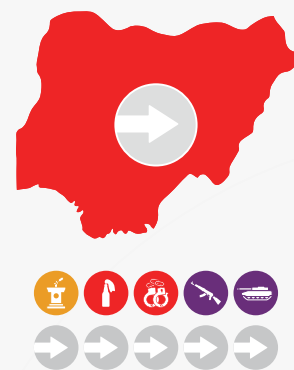
Presidential and legislative elections will take place in November and will be generally peaceful, though there will be some political tensions. The ruling SWAPO party has been losing support in recent years but may be able to secure the presidency. However, the party could lose the legislative majority and be forced to form a coalition government, with the potential to complicate economic reforms meant to boost growth.



Nigeria

Country Risk Level: High • Stability Forecast: Stable

Existing security challenges will persist with militants cementing their dominance in the northeast while trying to expand their territorial presence in central Nigeria, including in the vicinity of Abuja. Bandits will continue operating freely in northwestern and north-central states while ethnic-religious conflicts between farmers and herders will fuel persistent Biafra secessionist sentiments in the southeast. The political situation will likely stabilize after a difficult electoral year, although tensions will persist particularly to entrenched security and socioeconomic crises.



REGIONAL

SUB-SAHARAN AFRICA

Sahel: Mali, Niger, Burkina Faso

Country Risk Level: Extreme • Stability Forecast: Deteriorating

Overall security is expected to deteriorate due to the vacuum following the withdrawal of France and the UN mission in Mali. With fraying ties to regional and Western partners, Burkina Faso, Mali, and Niger will increasingly rely on one another to tackle insecurity to limited success. Jihadist and inter-jihadist violence will continue in all three countries with the growing threat to Benin, Ghana, Ivory Coast, and Togo. Progress in the political transitions will likely stagnate among the military governments even if they meet some individual benchmarks.



Senegal

Country Risk Level: Low • Stability Forecast: Stable

Senegal will hold presidential elections on February 25 with heightened inter-party tensions expected nationwide during the pre- and post-electoral period. This will be marked by mass demonstrations and associated unrest involving security crackdowns. Despite this, the political landscape is expected to remain largely stable throughout the year once the electoral process is fully concluded. The socioeconomic crisis will likely continue fueling public frustrations regardless of the outcome of the election.



Somalia

Country Risk Level: Extreme • Stability Forecast: Deteriorating

The federal government is expected to struggle against al-Shabaab as the African Union mission continues its withdrawal, with offensives expected in southwestern and central Somalia. In Puntland, the presidential election process could spark further political violence as well as federal-state disputes. Somaliland will likely hold long-delayed elections, which could defuse some internal tensions but will remain a flashpoint in the Las Anod area.



REGIONAL

SUB-SAHARAN AFRICA

South Africa

Country Risk Level: Medium • Stability Forecast: Deteriorating

Political tensions are expected to heighten ahead of the May 2024 general elections, which will likely result in protests and unrest by various parties and civil society groups. The ruling African National Congress (ANC) may lose its parliamentary majority for the first time, which could create prolonged political uncertainty. The economy will continue suffering from low growth rates despite reform efforts, impacting state-owned electricity utility Eskom and resulting in continued power cuts. Violent and petty crime is expected to persist nationwide.



South Sudan

Country Risk Level: High • Stability Forecast: Stable

President Salva Kiir's efforts to consolidate power in political institutions will likely translate into further defections or integrations of opposition commanders to the ruling party. Elections may take place by the end of the year but could be delayed further. While batches of unified forces will gradually be deployed countrywide, intercommunal violence will continue with the unofficial backing of government- and rebel-aligned militias. Greater Upper Nile will likely remain a hotspot as flows of refugees and returnees coming from Sudan increase intercommunal tensions.



REGIONAL

SUB-SAHARAN AFRICA

Sudan

Country Risk Level: Extreme • Stability Forecast: Deteriorating

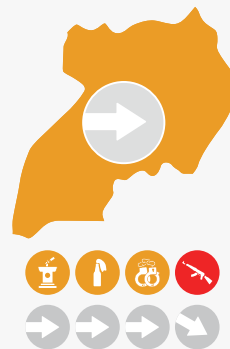
The civil war between the Sudanese Armed Forces (SAF) and Rapid Support Forces (RSF) will remain extremely volatile and is not expected to conclude in 2024 despite regional and international mediation initiatives. The RSF's continued momentum and expanding territorial dominance will put pressure on the SAF and may cause some shifts among regional allies. Humanitarian conditions will continue to deteriorate with further potential for atrocities against civilians.



Uganda

Country Risk Level: Medium • Stability Forecast: Stable

The political landscape will remain stable as President Yoweri Museveni continues to practice complete dominance and as the opposition and civil society remain deterred and repressed. Localized instances of unrest are possible amid the entrenched anti-government sentiments among large parts of the population. The threat of militant activity in the Western Region will continue due to the free movement of militants from eastern DRC, with an overall higher risk of small-scale attacks within Kampala.





IT'S A TOUGH WORLD.