

# Navigating Geopolitical Risks in today's uncertain times

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# Who We Are

Singapore-based, **MitKat Global Consulting Pte Ltd** is a leading Risk Consultancy trusted by world's most respected organizations. MitKat works collaboratively with niche customers in nearly 40 countries across five continents to protect their most valuable assets.



Experts in the field of Corporate Security  
and Geopolitical Awareness & Crisis  
Communication



Using AI, Machine Learning, empowered by  
human intelligence in the field of operational risk

# Quiz Time

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Collins English  
Dictionary –  
Word of the  
year 2022

The Collins dictionary word of 2022:

## Permacrisis

*(noun): [ 'pɜːməˌkraɪsɪs ]*

1. An extended period of instability and insecurity, especially one resulting from a series of catastrophic events.

*See also: the climate crisis, war in Ukraine, cost of living crisis, political instability, a tanking economy ...*



# Business Disruptors



Natural Disasters



Infrastructural  
Challenges



Political Instability



Geopolitical  
Balance



Civil Disturbance



Socio-economic  
Disparity



Radicalisation  
/Extremism



Ethnic Violence



Corruption



Cyber Security

Geo-politics  
and  
Geo-economics  
has taken  
centre stage in  
the  
“Board Room”

**In addition:**



Supply chain stress



Climate risks



Economic stress

And the list goes on and on.....

# Scenario Planning – Pre- Pandemic



Fire in the building



IT failure and downtime



Ransomware attack



Mishap with Senior leadership



Earthquake or Floods

***More Inward looking***

# Scenario Planning Now



South China Sea conflict



Extreme Weather Events caused by Climate Change  
disrupt Global Supply Chains



A Green Technology Subsidy Race



China moves to annex Taiwan, forcing a sudden global  
decoupling



Israel-Hamas War escalates into a regional conflict



AI regulators comes heavily on the emerging tech



# What are Geopolitical Risks

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Geopolitical risks are defined as the potential political, economic, military, and social risks that can emerge from a nation's involvement in international affairs.





# Facts about Geopolitical Risks

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- Emerge when there is a major shift in power or conflict or crisis
- Geopolitical Risks are interconnected
- Implications can be more for the region than the Country itself
- Can be boon for another country as well
- Political Relations with the country matter

Political

Economic

Societal

Legal

Cyber

# Case Study

## Case 1: Israel – Palestine Conflict

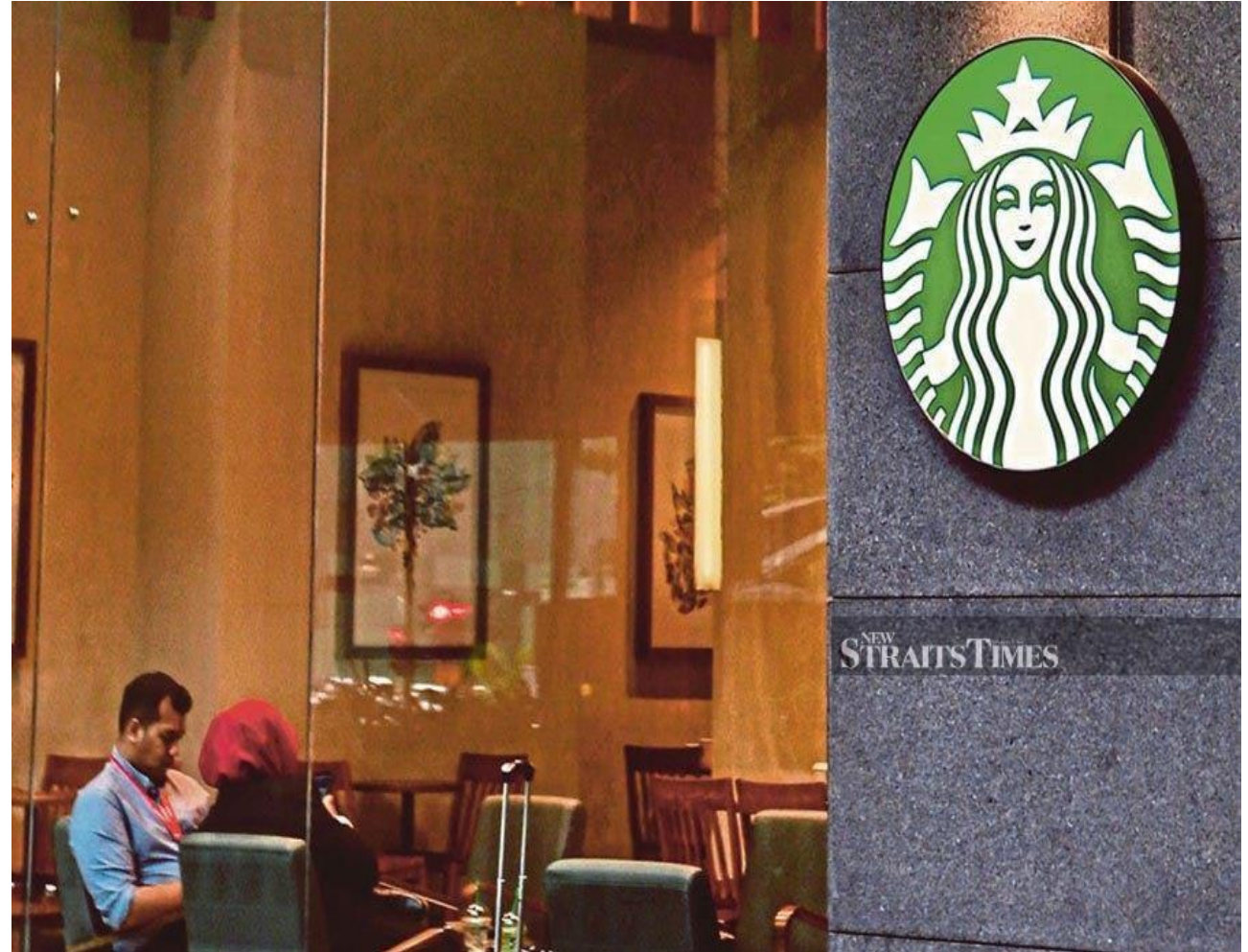
### Key Factors:

Indonesia & Malaysia saw boycott on Global Brands such as McDonalds & Starbucks following the Israel – Palestine Conflict.

Boycotts over the Gaza war are hitting big brands in Southeast Asia despite local owners denying links to Israel.

### Key Risks:

- Loss of jobs for locals
- Growth plan halted due to decline in revenue



# Case Study

## Case 2: India-China conflict

### Key Factors:

Growing tariff hike on Chinese products in India as a result of the India-China border clashes

Ban of Chinese apps in India along with many Chinese products as a retaliatory measure

### Key Risks:

- Trade was affected as a result of a geopolitical/bilateral issue between India and China (has happened with Pakistan before)
- Loss of Jobs due to closure of companies





# Case Studies

## Case 3: Human rights concerns impacting fashion brands

### Key Factors:

Xinjiang region of China where China faces allegations of forced labour in the cotton industry by persecuted minority i.e. Uighurs (Muslim) of Xinjiang

Allegations denied by the Chinese government

Nike, H&M, Zara, among others issued statements expressing concerns about human rights in their supply chain

Some even cut ties with the region all together, ending the use of cotton from China. Chinese e-commerce platforms, in retaliation, kicked major international labels off their sites

### Key Risks:

Burning of products produced by these brands by customers who became aware of the forced labor and plight of Uighurs impacted sales as well as brand reputation



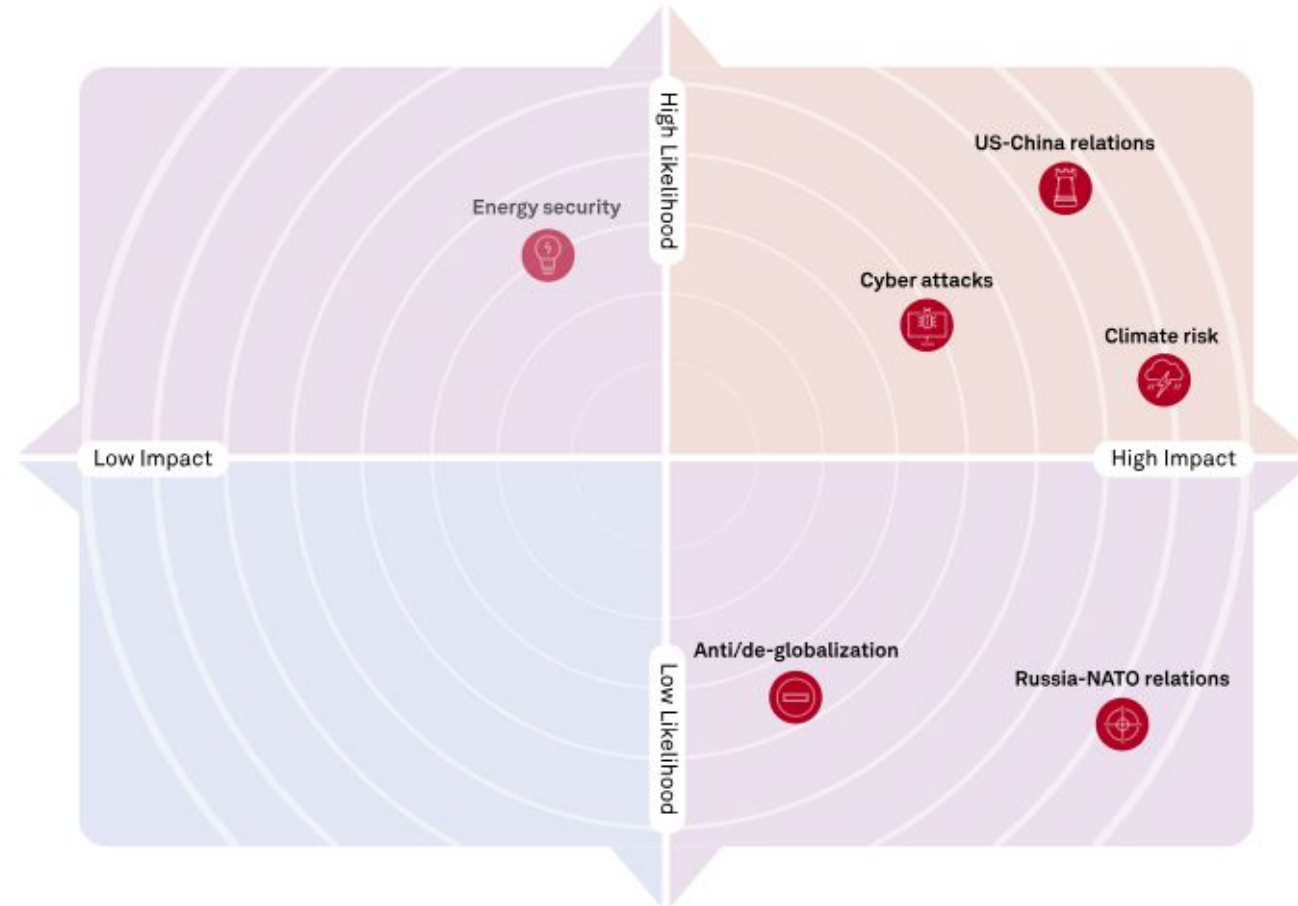
# Why it Matters?

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## **Geo-politics affects businesses:**

- Investments
- Ease of doing business
- Unskilled & Skilled manpower
- Business operations
- Business continuity
- Taxation policy
- Supply chain and logistics

# Top Global Geopolitical Risks in 2024



Source: S&P Global

<https://www.spglobal.com/en/research-insights/market-insights/geopolitical-risk>

# Risks stated by World Economic Forum

## Global risks ranked by severity over the short and long term

*\*Please estimate the likely impact (severity) of the following risks over a 2-year and 10-year period.\**





# The Zoo of Risks

RISK	CHARACTERISTICS	IMPLICATIONS	PROBABILITY	IMPACT	RISK LEVEL	MANAGEMENT STRATEGIES
<b>Black Swan</b>	Unpredictable, Catastrophic Events.	Broad-based Impacts, Challenges Foresight.	Low	High	High	Expect the Unexpected, Prepare Proactively, Learn from History.
<b>Grey Rhino</b>	Highly probable, High-Impact, Neglected Threats.	Occurs After Visible Warnings, Often Ignored.	High	High	High	Address Proactively, Monitor Emerging Threats, Prioritize.
<b>White Elephant</b>	Costly, Unproductive Projects Misaligned With Goals.	Difficult to Eliminate Due to Emotions or Sunk Costs.	Moderate	High	Moderate to High	Align Strategy, Regularly Evaluate Projects, Cut Losses if Needed.
<b>Black Jellyfish</b>	Predictable, High-Impact Risks Avoided Due to Fear or Anxiety.	Linked to Personal, Social, or Ethical Issues.	Moderate	High	Moderate to High	Confront Openly, Foster a Culture of Trust and Accountability.

The centre of gravity of humanity and commerce is shifting to Asia



# Geopolitics Risks for Businesses

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Geopolitical risk has a clear meaning for business: It is the potential for international and domestic politics to threaten the financial and operational stability of companies.

To develop a framework to mitigate this risk, companies must:

- Understand the specific nature of the **relationship** between corporate globalization and geopolitics
- Map the “**sites of risk**” for corporations in their activities – people, process, technology, assets, reputation
- **Map the risks & key stakeholders**
- Adopt **forecasting tools** to enhance their enterprise resilience
- Work out **risk mitigation strategies** in line with their business models that **are cost-effective, bespoke, implementable**

In a geopolitically Volatile, Uncertain, Complex and Ambiguous (**VUCA**) world, the business environment that global companies operate in is defined by constant disruption, and business leaders need to be confident with making strategic choices in the midst of uncertainty.

# Role of Risk Management Leaders

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Stakeholder's expectations are unrealistic and they are unforgiving

Build a holistic risk management program that can preempt risks.

Communicate with all stakeholders including employees

Train, Rehearse & Repeat



# Requirement of Good Risk Intelligence



# Communication is key

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Timely

Concise

Clear

Empathy

Multi  
Modal

# Thank You

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