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C X O A G E N D A

Clarity of purpose in a volatile world

November 2024

With Trump 2.0 presidency, there is a rapid progression of triggers and structural impacts that need to be forecasted and embedded in business planning

Triggers and impacts that need to be factored

**Geopolitical triggers
caused unilaterally by
US Actions**



**Near term impact
on global economy
and major players**

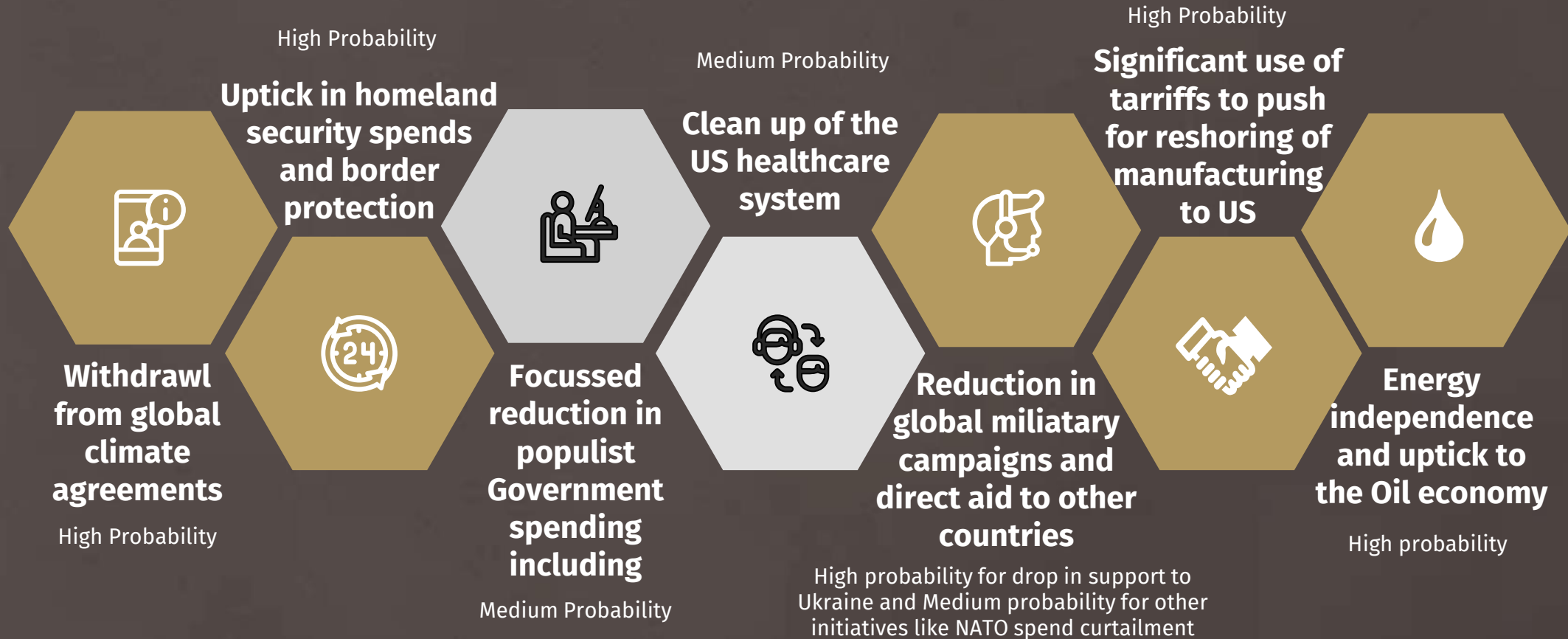
**Geopolitical triggers
triggered by the US but
rooted in structural
factors elsewhere**



**Long term impact on
global economy and
major players**

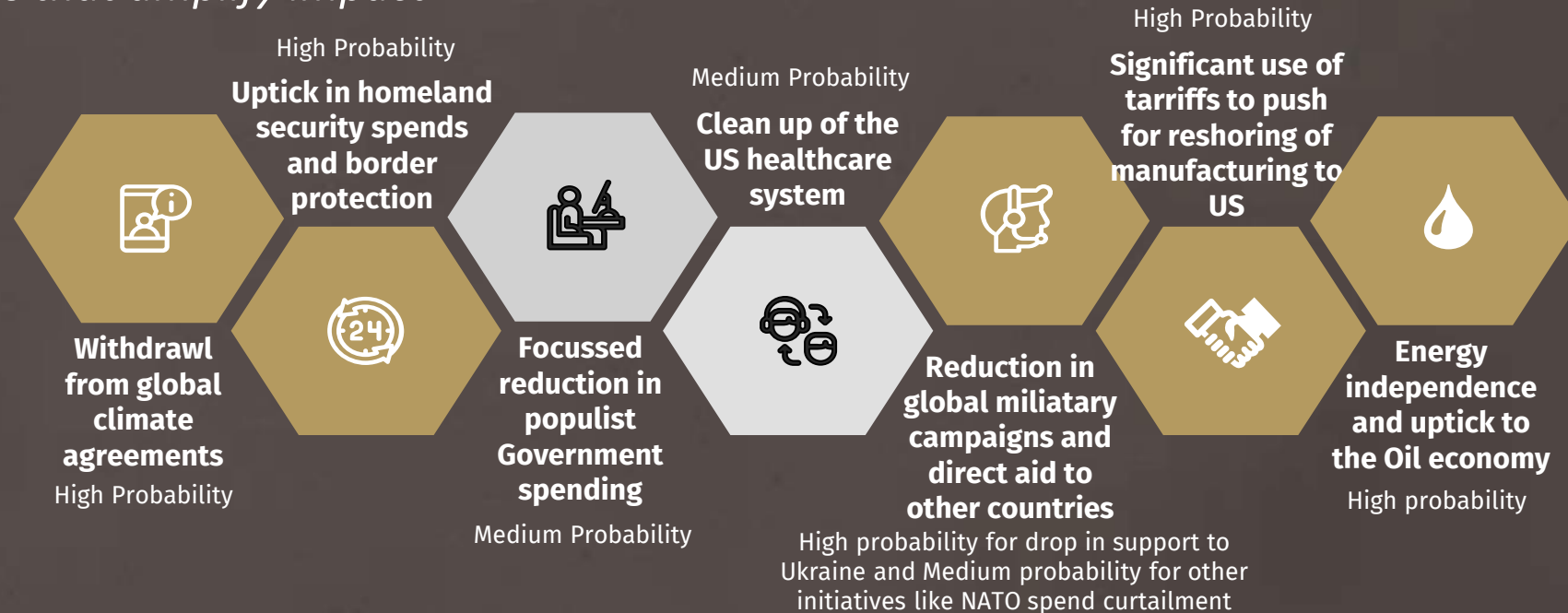
There are 7 triggers anticipated which are solely driven by the actions of a new US administration, each with its own levels of probability and impact

Triggers to consider



These major triggers are playing in the backdrop of some well established medium and long term mega-trends that amplify the impact of these triggers

Underpinnings that amplify impact



Geopolitical order re-alignment

- Progressive weakening of EU economy leading to political instability
- Strengthening of BRICS +
- Emergence of China-Russia-Iran military pole

Race for material Security

- Race to own critical mineral supply chains
- Post Covid re-alignment of supply chains : near shoring
- Focus on securing food supply chain in Africa

Increasing financial Inequity

- Emergence of consecutive 2nd generation of jobless, economic stagnation in US, EU and Japan
- Increased concentration of wealth leading to greater conflicts between economic haves-have nots

Demographic orientation results

- Ageing populations
- Destruction of demographic dividend linked economic advantage in china and EU
- Increased need for global migration of labour

Tech and Climate driven disruption

- Pervasion of AI leading to global skill redundancy for large populations
- Restructuring of manufacturing sector globally as a response to technology shifts
- Climate crisis arising from high cost of redressal and imbalanced cost burden on countries

The immediate and medium term impact for firms with exposure to the US can be summarised as follows

Challenges that firms will face

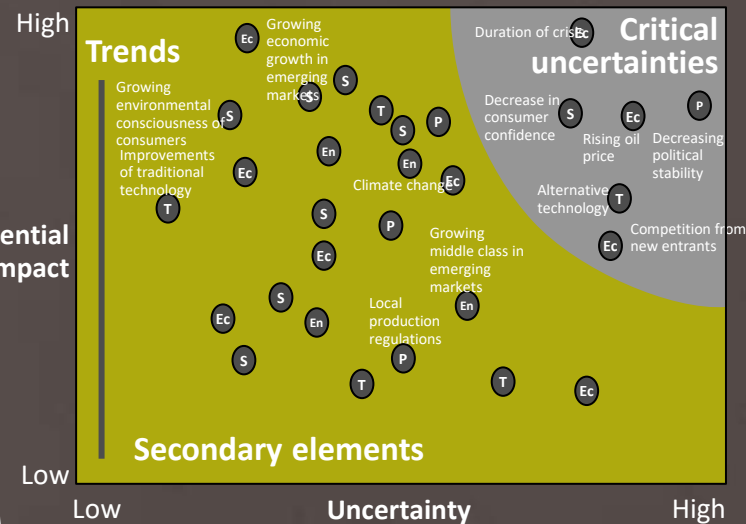
	Firms with operational (mfg.) presence in the US	Firms with operations (mfg.) in US influence zone (Canada, Mexico)	Firms with operations (mfg.) in EU/China with US as a market	Firms with supply chain exposure (upstream, downstream) to US
Short to medium impact to consider	<ul style="list-style-type: none"> • Short term ramp-up of delivered volumes in US especially when the eventual market for production is the US • Inflationary pressure on wages • Deflationary pressure on energy costs • Improvement of ease of doing business in the US • Reduction in corporate taxation in the US • Weakening of environmental protection / green technology led energy transition in the US 	<ul style="list-style-type: none"> • Increased cost of doing business in Mexico/US arising from increasingly adverse duty structures • Reducing economic advantage driven by dropping energy costs in the US • Reducing attractiveness for local manufacture driven by lower corporate taxes in the US 	<ul style="list-style-type: none"> • Increased cost of doing business driven by adverse trade barriers for US market access • Reduced attractiveness for manufacture in the EU driven by political instability and rapidly increasing energy costs • Reduced capital flows from the US • Some loss of US market to “US-local” competitors which may not be compensated by gains elsewhere • Strengthened USD vs. local currency 	<ul style="list-style-type: none"> • Need to critically re-align and amplify delivery to US operations • Revalidate the attractiveness of all global operations

With regards to company strategy implications - Manufacturers globally need to plan and build increasingly higher levels of flexibility in their global operation

Firms need to plan for restructured business lines

STONESBURY FLEX-STRATEGY REDO

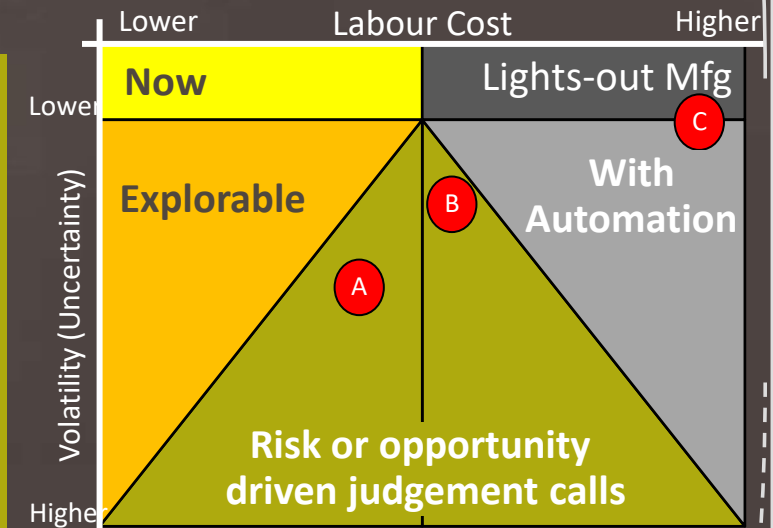
Step 1- Uncertainty vs Impact modelling



Step 2- Scenario build-out



Step 3- Flex-footprint Planning



Clear & articulated footprint plan for building operational flexibility in a VUCA world

To know more about this journey, please
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A Stonesbury AI Generated image showing
need for strategic choices arising from global
technology and geopolitical linkages