



Risk Watch 2024: Potential Repercussions of an Unpredictable World on Global Services Delivery

April 2024: Complimentary Abstract / Table of Contents

State of the Market Report
Locations Insider™



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- ▶ Pricing Analytics as a Service
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- ▶ Revenue Cycle Management
- ▶ Rewards and Recognition
- ▶ SAP Services
- ▶ Service Optimization Technologies
- ▶ Software Product Engineering Services
- ▶ Supply Chain Management (SCM) Services
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Contents

4	Introduction and overview
5	Research methodology
6	Key dimensions of assessment
7	Methodology and key inclusions
8	Global risk heatmap
9	Political elections around the world heatmap
10	Political elections around the world key risks
11	Asia Pacific
18	Europe
27	Americas
36	Middle East and Africa
43	Appendix
44	Exchange rates
52	Sources used
54	Research calendar

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Overview and abbreviated summary of key messages

Global Locations State of the Market 2024:

Risk Watch provides a comprehensive view of the operating and business environment in the major delivery locations globally. The report includes risk ratings across seven primary parameters of risk assessment and details on location-specific recent risks and developments.

Some of the findings in this report, among others, are:

Risk watch

- Despite the subdued economic conditions due to global headwinds, the APAC region continues to present promising opportunities. South Korea and Singapore offer attractive environments for businesses seeking stability. These locations have good infrastructure, robust macroeconomic fundamentals, and a high quality of life. Instances of geopolitical tensions in some countries such as the China-Taiwan standoff, India-China border disputes, South China Sea tensions, and Hong Kong's political uncertainties led to a slight increase in instability in the region
- Europe's business environment presents a diverse picture. While core strengths such as stable institutions and skilled workforces remain, challenges such as the Russia-Ukraine war, rising inflation, and evolving regulations loom. England and Germany offer the most attractive risk profiles in this region; Ukraine, Russia, and Turkey have the highest risk in the region. While the war between Ukraine and Russia has reduced in scale and intensity, its impact continues to linger. Turkey, on the other hand, continues to grapple with a multitude of macroeconomic challenges
- Latin America and the Caribbean encompasses a large and significantly diverse market including developed markets such as the US and Canada and the developing economies of the region. The US and Canada offer the most favorable conditions for businesses; Argentina, Guatemala, El Salvador, and Honduras offer less favorable risk profiles. While Argentina continues to grapple with high inflation and unemployment rates, the others have concerns about safety and security, ease of doing business, and lower infrastructural readiness
- The year 2023 presented a mixed economic picture for the Middle East and Africa, with established economies such as the UAE enjoying continued investment, while others navigated global challenges such as inflation. Among the MEA countries, the UAE offers the most attractive risk profile, primarily driven by its favorable business climate. Israel has historically offered robust infrastructure and regulations that enable ease of doing business; however, concerns around the Israel Hamas conflict may impact businesses in the short to medium term

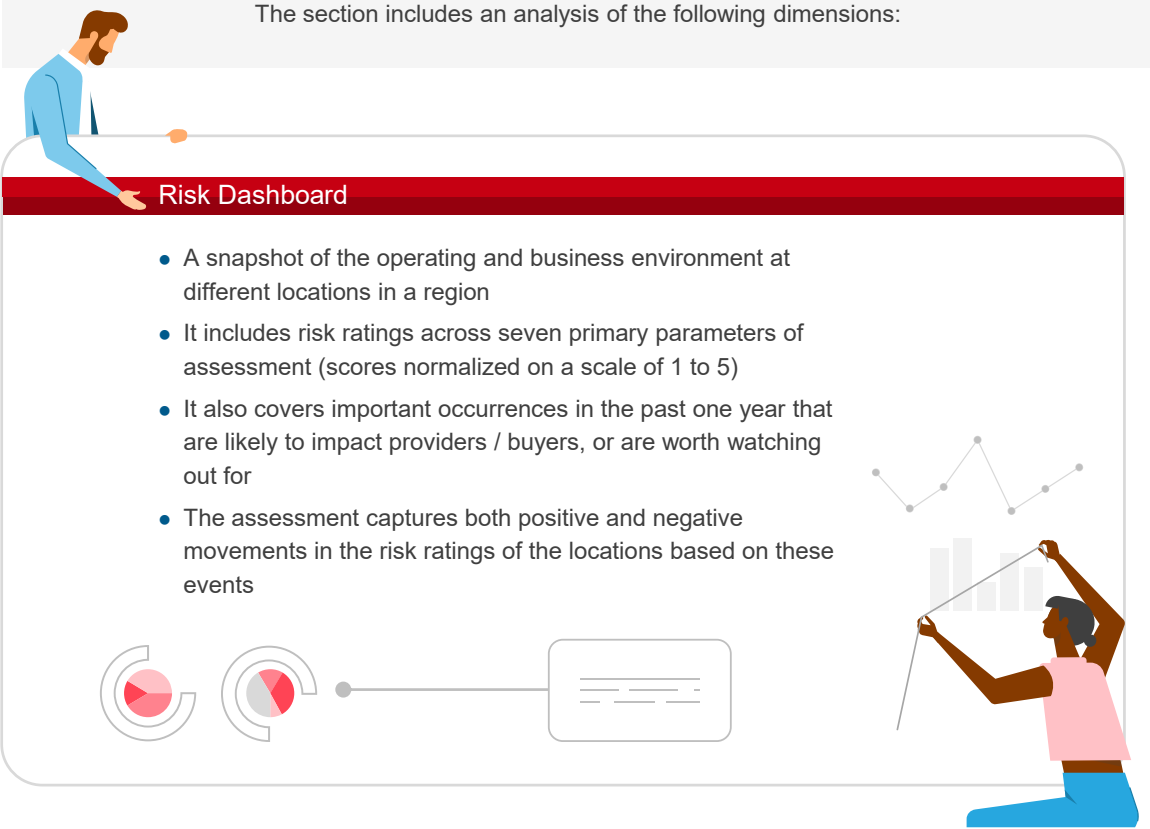
This study offers three distinct chapters providing a deep dive into key aspects of global location risks; below are three charts to illustrate the depth of the report

Key dimensions of assessment

The **risk watch** section provides a comprehensive view of the operating and business environment in the major delivery locations globally, along with select source geographies. The section includes an analysis of the following dimensions:

Risk Dashboard

- A snapshot of the operating and business environment at different locations in a region
- It includes risk ratings across seven primary parameters of assessment (scores normalized on a scale of 1 to 5)
- It also covers important occurrences in the past one year that are likely to impact providers / buyers, or are worth watching out for
- The assessment captures both positive and negative movements in the risk ratings of the locations based on these events




Risk dashboard

■ Highly favorable ■ Favorable, with some concerns ■ Significant challenges

Lowest risk (most safe) 5 —————> 1 Highest risk (least safe)

Country	Quality of infrastructure	Safety and security	Geopolitical	Macroeconomic	Regulations & ease of doing business	Ease of remote working	Quality of life	Overall risk
Country 1	3	3	3	1	2	3	3	3
Country 2	3	2	3	2	3	3	3	3
Country 3	4	4	5	4	5	5	5	5
Country 4	3	3	4	4	4	3	4	4
Country 5	3	1	3	3	3	3	3	3
Country 6	3	3	4	2	3	3	4	3


Methodology and key inclusion

**Infrastructure quality**

- Quality of physical infrastructure
- Quality of IT/telecom infrastructure
- Availability of IT/BP real estate

**Safety and security**


- Security risk
- Threat of disruption from natural disasters
- Business costs of crime and violence

**Geopolitical stability**


- Risk of political instability
- Threat of external intervention
- State of democracy
- Corruption levels

**Ease of remote working**


- Digital readiness
- Availability of nomad visa
- Availability of coworking spaces
- Level of innovation

**Macroeconomic stability**

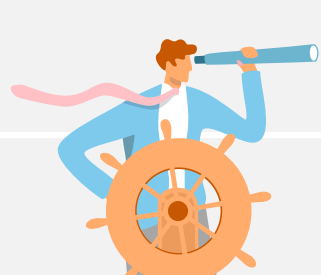
- Overall macroeconomic stability
- Financial risk
- Country debt risk

**Quality of life**

- Access to quality medical care and education
- Environment quality
- Perception of well-being and happiness

**Regulations and ease of doing business**

- Overall legal and regulatory risk
- Strength of IP protection laws
- Ease of doing business
- Stringency of labor laws



Research calendar

Locations Insider™

	Published	Current release	Planned
Reports title	Release date		
Global Locations State of the Market 2023: Changing Locations Landscape in the Face of Economic Uncertainty Locations PEAK Matrix®			September 2023
Location Spotlight – Serbia			November 2023
Location Spotlight – Northern Ireland			December 2023
Location Spotlight – Argentina			January 2024
Service Provider Compass™ – Global Services Delivery from Mexico			January 2024
Location Spotlight – Shenzhen, China			February 2024
Talent Demand Trends India IT Services – H2 2023			February 2024
Location Spotlight – Riga, Latvia			March 2024
Location Spotlight – Ireland			March 2024
Location Spotlight – Vadodara, India			March 2024
Risk Watch 2024: Potential Repercussions of an Unpredictable World on Global Services Delivery			April 2024
Location Spotlight – El Salvador			Q2 2024
Technology and Operations Services Delivery in Japan			Q2 2024
Global Locations State of the Market 2024 – Key Trends Shaping the Landscape			Q2 2024
The Evolving Technology Landscape in Europe			Q2 2024

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