



FLEISHMAN
HILLARD

TRUE GLOBAL
INTELLIGENCE

EXPLORING

MULTILATERAL COOPERATION

What international business leaders think about multilateral cooperation, partnership with government and the top issues on the global agenda

AUGUST 2021

Introduction

TRUE Global Intelligence, **FleishmanHillard's** *research practice,* surveyed more than 700 business decision makers in the seven G20 countries and found executives from East to West aligned on many issues facing world leaders. They want corporations to work closely with governments to address global issues, and the view that misinformation and disinformation are a significant threat to corporate success.

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Global summary

There is considerable consensus among senior business executives that multilateral diplomacy and international policymaking efforts are both necessary and highly effective

A once-in-a-century pandemic. The China-U.S. trade war and territory disputes in the Pacific. Tensions with Russia. Conflict in the Middle East. Brexit. Temperatures are rising and testing geopolitical relationships around the world and it's not only because of a warming planet. There's that to address urgently, too.

Yet, despite frayed relationships between governments around the world, there is considerable consensus among senior business executives from Brazil, China, France, Germany, Italy, United Kingdom and United States on their expectations, their roles and their view on the world's most

pressing issues – and their belief that multilateral diplomacy and international policymaking efforts are both necessary and highly effective.

There was strong consensus among executives that they need to be at the table helping world leaders solve problems. While this may be practical, it is also notable. One clear lesson from recent years: the stakes are too high to leave any distance between business leaders and political leaders. Business leaders want to work closely with governments to address global issues, and they told FleishmanHillard that misinformation and disinformation are significant threats to corporate success. These leaders see advantages of

multilateralism, believing it is effective in driving outcomes that are beneficial to their businesses and solving global challenges.

Globally, business leaders feel that corporations should be working with and supporting governments to influence international issues (73%) and more than half feel that corporations should take a leadership role on international issues (65%). This is likely driven by the fact that leaders understand their organizations and can no longer avoid the impacts of international conflicts (67%).

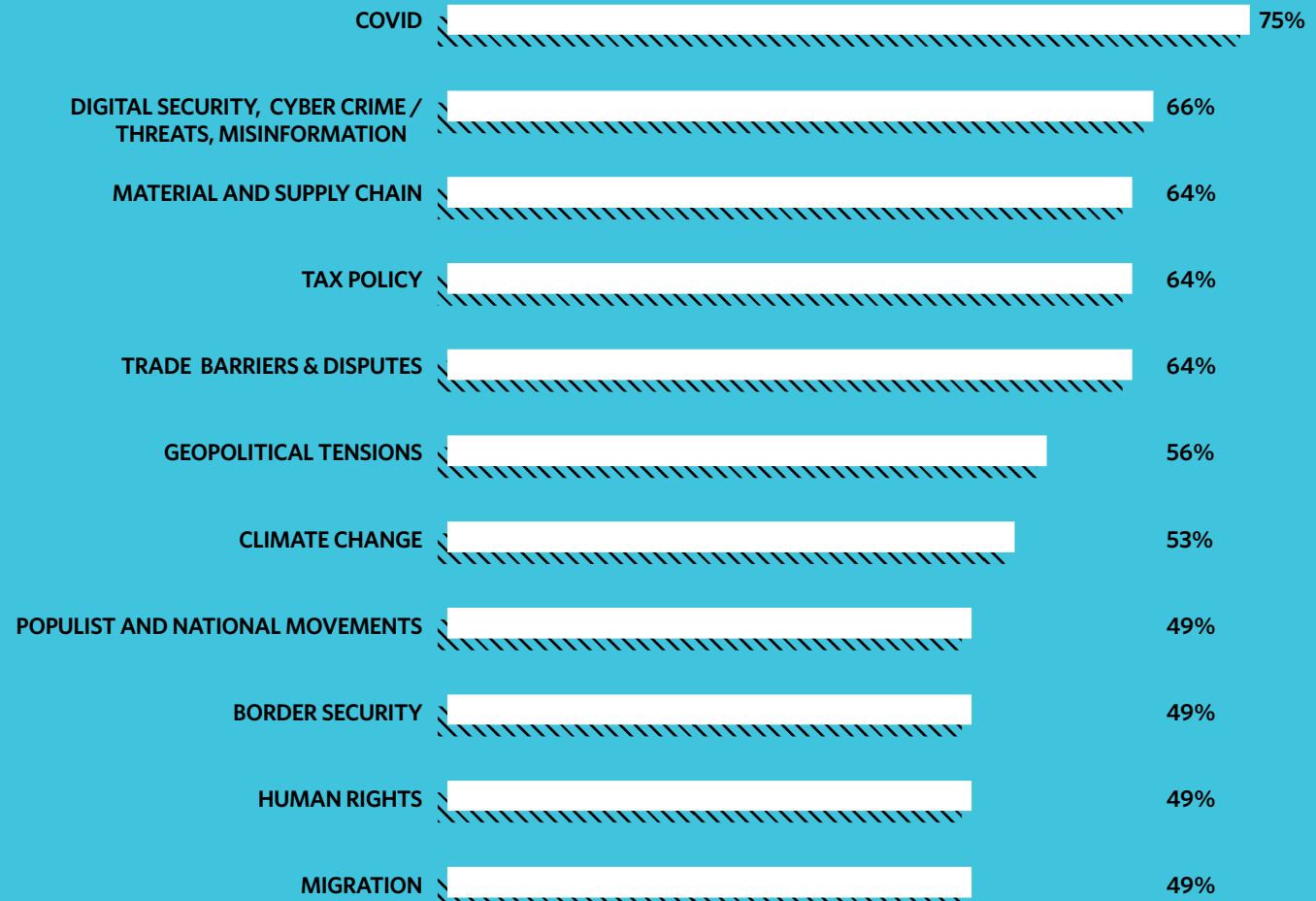
Anticipating Disruptions

Our survey also found that almost half (45%) of business leaders expect geopolitical issues to disrupt the business sector during the next year. What do they believe is most likely to upset the market over the next 12 months? The top ranked concerns were:

1. ***The COVID-19 pandemic***
2. ***Digital security, cyber crime/ threats and misinformation***
3. ***Materials and supply chain***
4. ***Tax policy***
5. ***Trade barriers and disputes***

COVID-19 is the topic that contributes the most to the disruption of an organization's ability to do business, followed by digital security, cyber crime and misinformation.

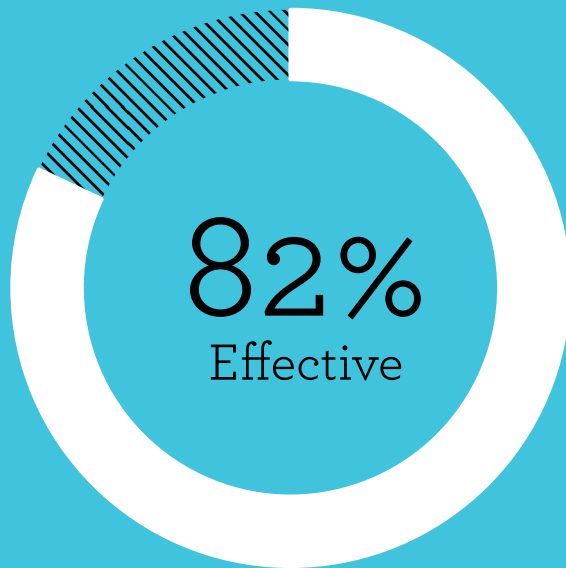
How much does each topic contribute to the **disruption of the ability of your organization to do business?**



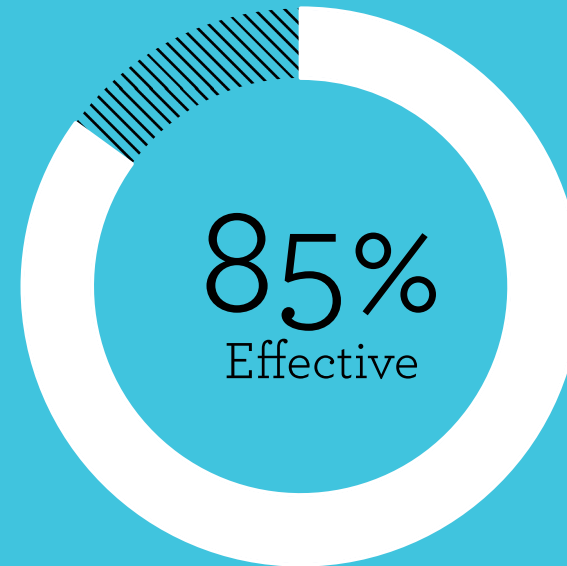
How much does each topic contribute to the disruption of the ability of your organization to do business?

Many global leaders believe multilateralism is effective in driving outcomes that are beneficial to their businesses and solving global challenges.

Internationally, how effective is multilateralism in **driving outcomes that are beneficial to businesses** such as yours?



Internationally, is multilateralism effective in **driving outcomes that are beneficial to solving global challenges**?



Source: TRUE Global Intelligence survey.



At the same time, global business leaders expressed confidence in their company's ability to navigate the policies and regulations of the countries where they operate, rather than relying on government or international organizations like the G20. Exactly 80% of Chinese, EU and U.S. respondents said they were confident in their company's ability to navigate their market.

Role in Policymaking

More than seven in 10 surveyed said corporations should work with and support governments to address global issues. Overall, 65% of the business leaders in the seven countries said they believe the business community should take a leadership role. That sentiment was even higher in China (74%), the UK (71%) and Brazil (70%).

At the same time, 71% said "direct government intervention" is needed on issues such as climate change for corporations to thrive. While this suggests the industry is being practical, this is also interesting given the private sector typically prefers market-based solutions and public-private partnerships rather than ones determined by policymakers.

Economic Expectations

The survey also found a mix of optimism and realism from business leaders. More than seven in 10 (73%) believe there will be a global economic recovery over the next 24 months.

Preferred Countries for Investment

In a positive sign for the U.S. economy, global business leaders surveyed said political, economic and/or business landscapes will make them most likely to invest in the U.S. over the next 12 months, and less likely to invest in India, Russia and China. Not surprisingly, American and Chinese business leaders said they are less likely to invest in each other's countries, which stands to reason given the ongoing tensions between Beijing and Washington.

The survey found a mix of optimism and realism from business leaders. More than seven in 10 (73%) believe there will be a global economic recovery over the next 24 months.



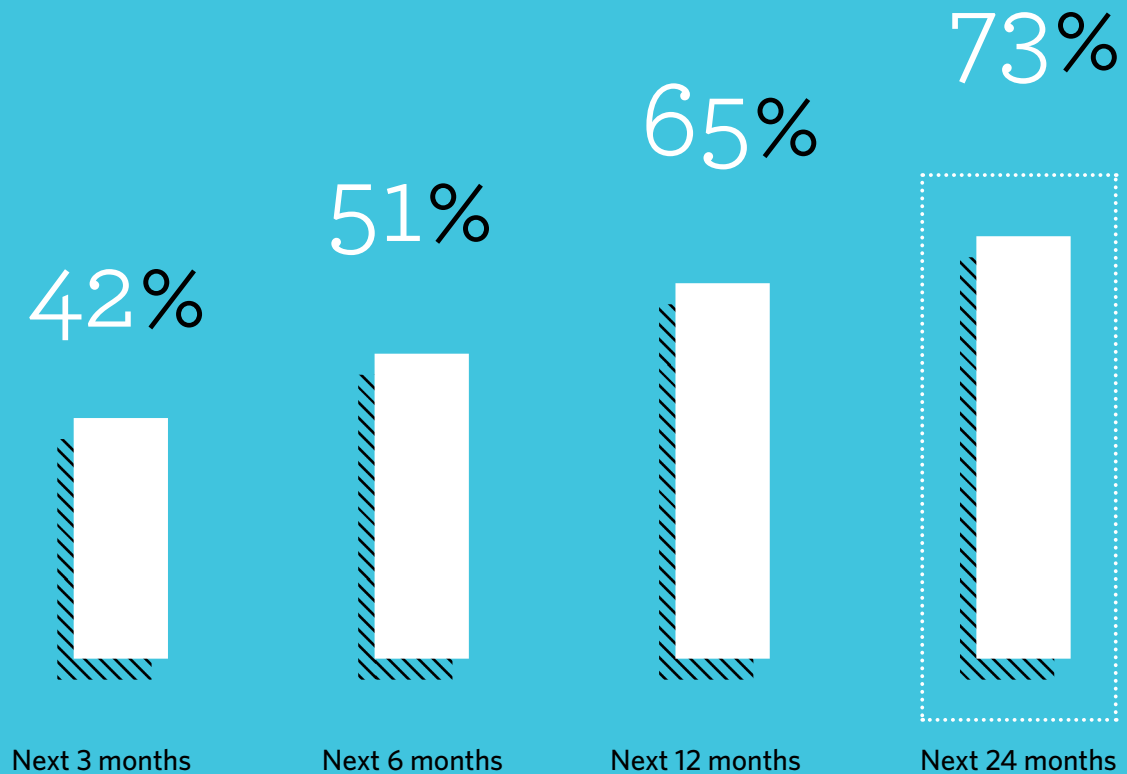
Find out more...



Research also uncovered some interesting insights – including how much Chinese and U.S. business leaders said they feel about investing in each other's countries.

Global business leaders (73%) are most confident that the ongoing growth and recovery from COVID-19 will take 24 months. They are least confident (42%) that it will happen in the next 3 months.




Thinking about the international economy, how confident are you about **ongoing growth and recovery from the COVID-19 pandemic** in the following time periods?

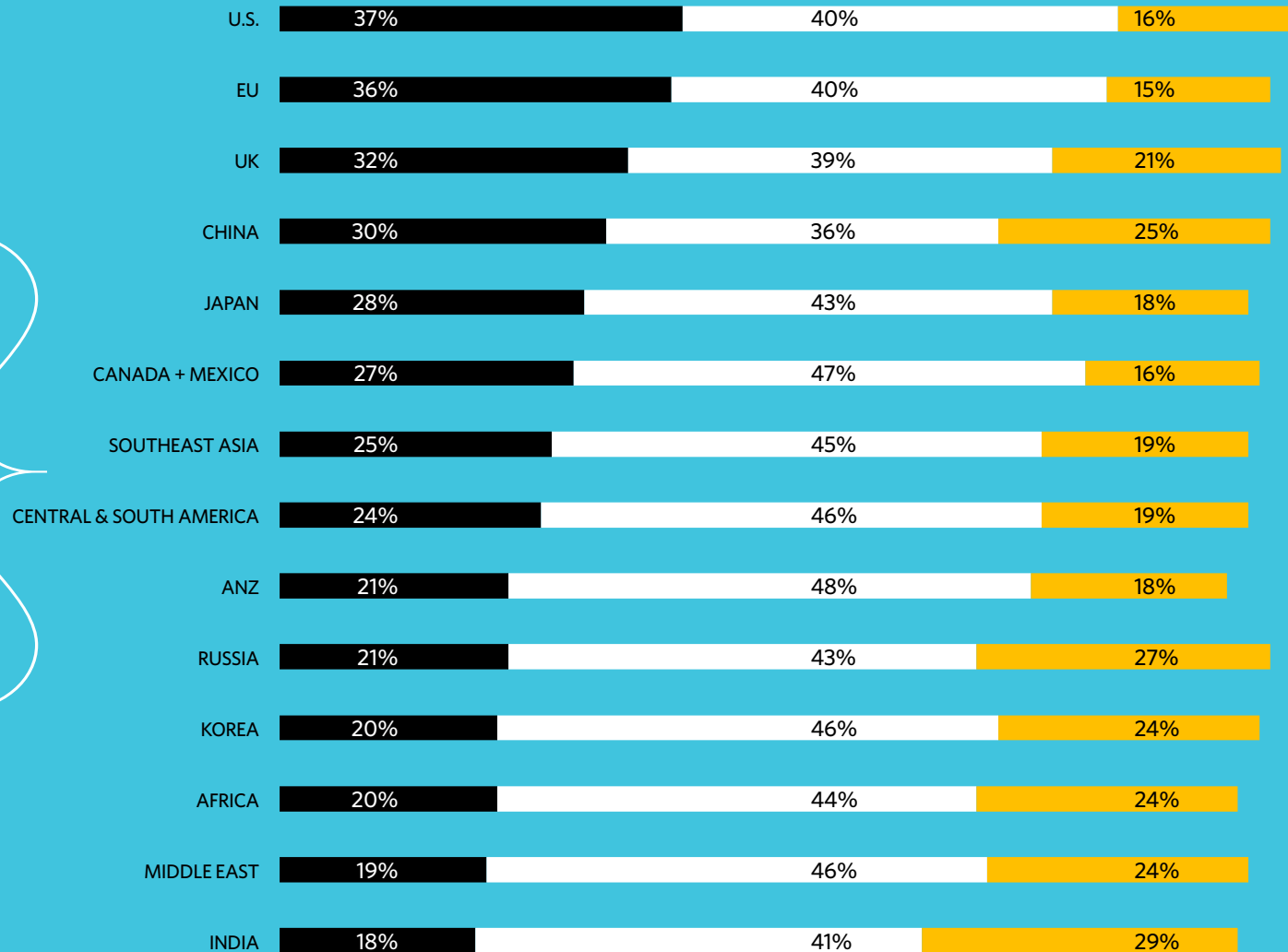


Source: TRUE Global Intelligence survey.

Global business leaders believe that the political, economic and/or business landscapes in the below regions will make them most likely to invest in the U.S., EU, UK and China in the next 12 months.

How will the political, economic and/or business landscapes in the following regions effect your **business' decision making and investing in the following regions in the next 12 months?**

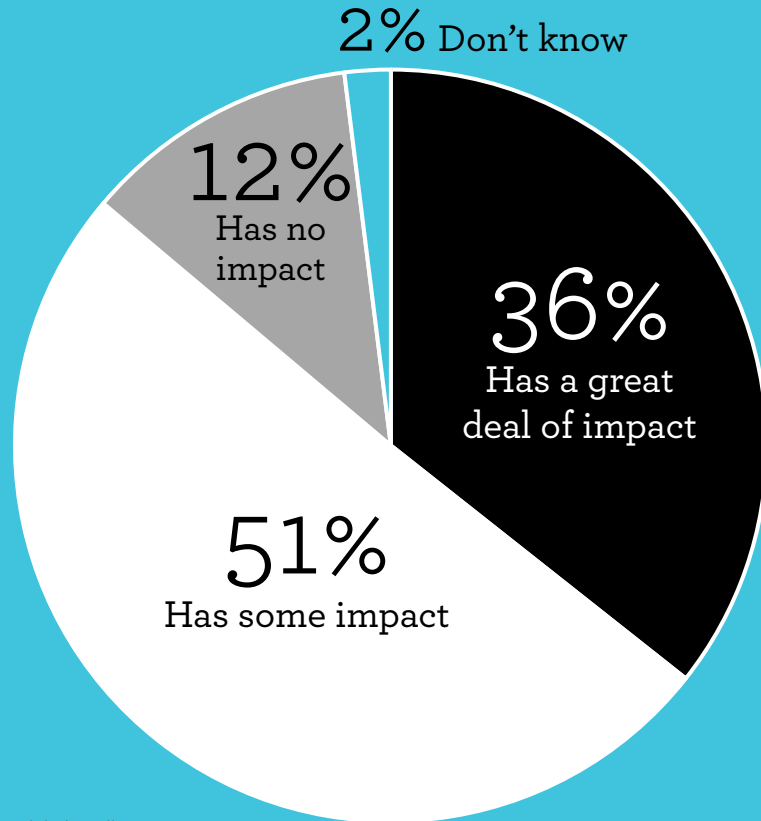
More likely to invest 
 No change in investment 
 Less likely to invest 



Source: TRUE Global Intelligence survey.

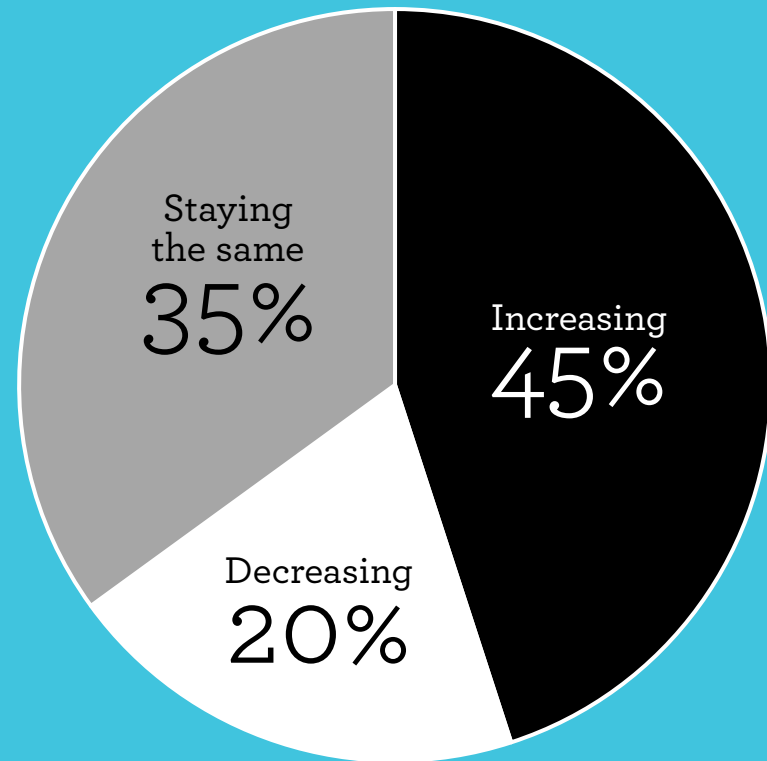
One-third of business leaders (36%) feel that factors such as the environment, social and governance (ESG) criteria make a great deal of impact on their business decision making.

How much do factors such as ESG criteria **currently impact your business decision making?**



Source: TRUE Global Intelligence survey.

In general, thinking about those that you indicated as contributing significantly or somewhat to business disruption, how do you see the **level of international disruption changing over the next 12 months?**



Confidence

Global executives also shared:

We also asked business leaders about their level of confidence in their own companies to navigate the policies and regulations of the countries where they operate. Exactly 80% of Chinese, EU and U.S. respondents said they were confident in their company's ability to navigate their market.



In the ability of international organizations like the G20 to manage the policies that directly impact your business' success in the marketplace



In government's ability to manage the policies that directly impact your business' success in the marketplace

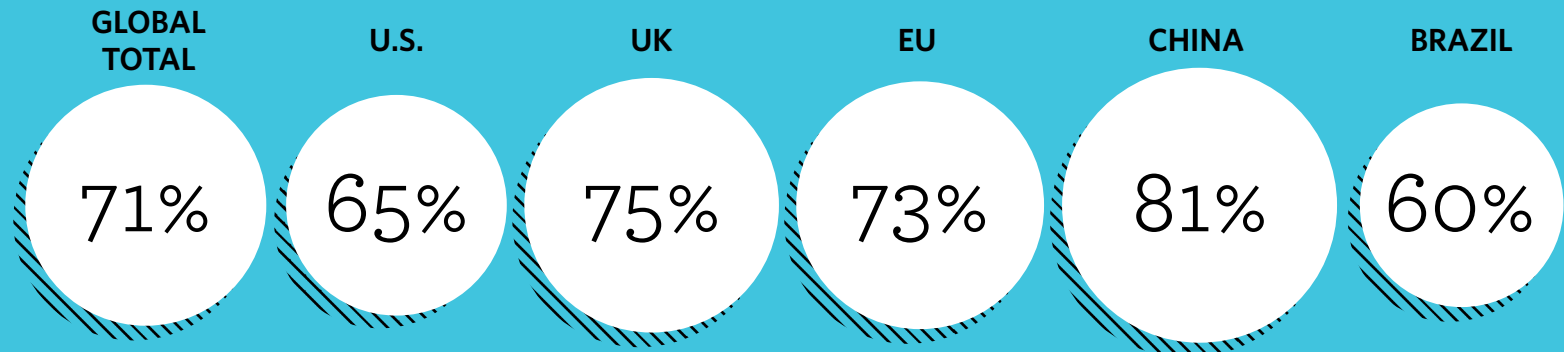


In the ability of your company to navigate the policies and regulations of the countries you operate in, or where your supply chain is, that impact your business success in that marketplace

Source: TRUE Global Intelligence survey.

The survey also found a mix of optimism and realism from business leaders. More than seven in 10 (73%) are confident there will be a global economic recovery over the next 24 months.

Direct government intervention is needed on issues like climate change for corporations to thrive



Source: TRUE Global Intelligence survey.

*Deep dive into the views of executives from
Brazil, China, the EU, UK and U.S. follows.*



BRAZIL

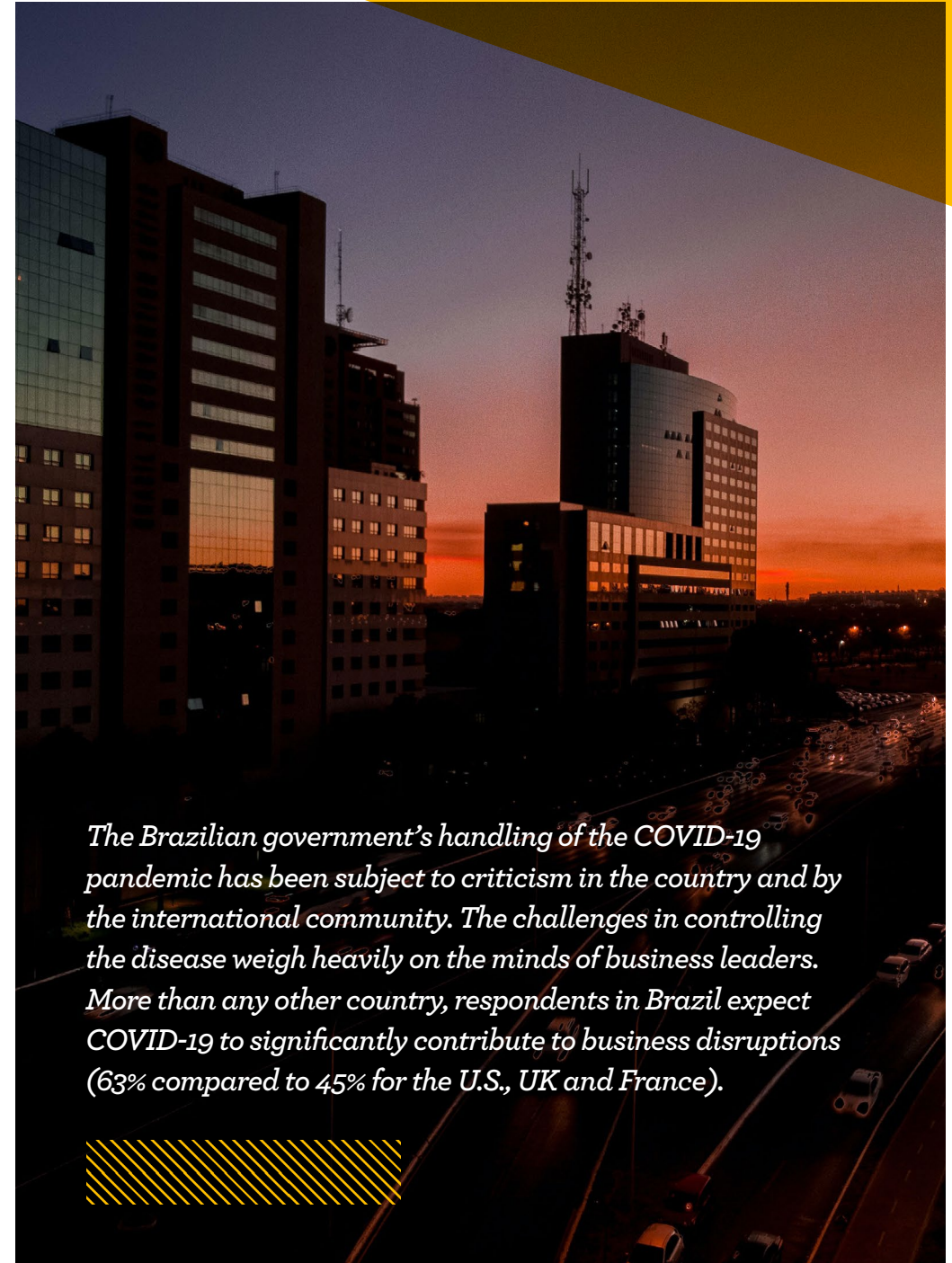
President Jair Bolsonaro's administration has openly criticized international organizations such as the United Nations and the World Economic Forum, and adopted what some consider a nationalistic agenda.

While their own government may be facing inward, Brazil's business community is decidedly looking outward.

Of the seven countries included in the survey, Brazilian business leaders demonstrated the most favorable attitudes towards multilateralism. Some 79% view multilateralism as very important compared to a seven-country average of 52%. In addition, 61% view multilateralism as effective in driving outcomes that are beneficial to their businesses, compared to the combined average of 38%.

This perception extends beyond the business arena, with 66% stating that multilateralism is very effective at driving outcomes that are beneficial to solving global challenges - 22% higher than any other country in the survey.

Brazilian business leaders also show greater confidence in international organizations. While only 49% of respondents are confident in their government's ability to manage the policies that directly impact their business' success in the marketplace - comparable to the response of European business leaders - 69% are



The Brazilian government's handling of the COVID-19 pandemic has been subject to criticism in the country and by the international community. The challenges in controlling the disease weigh heavily on the minds of business leaders. More than any other country, respondents in Brazil expect COVID-19 to significantly contribute to business disruptions (63% compared to 45% for the U.S., UK and France).

confident in the ability of international organizations like the G20 to manage such policies. That figure is second only to Chinese business leaders and 12 points higher than the seven-country average.

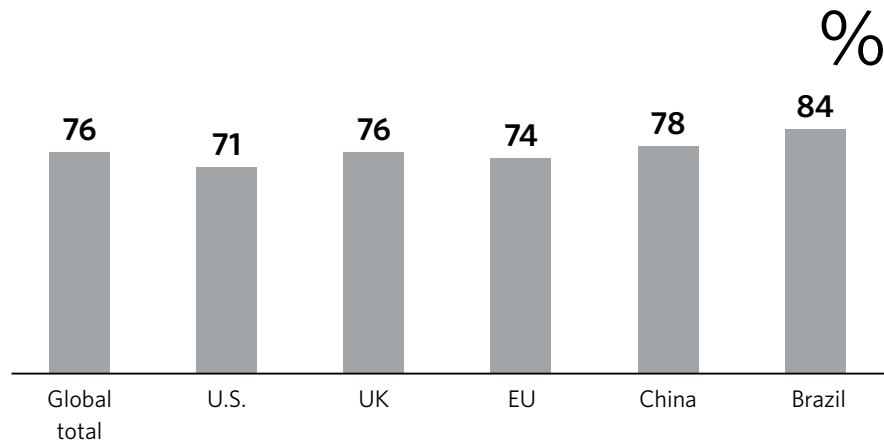
Yet, Brazilians have the highest levels of confidence in the ability of the multilateral system to contribute to ongoing growth and recovery from the pandemic within the next two years; 46% said they are very confident about recovery over the next 12 months and 62% said they are very confident that it will occur in the next 24 months.

Furthermore, in another sign that the confidence of Brazilian business leaders in government may be under strain, 84% agreed that democratic institutions need to be strengthened for corporations to successfully operate - the highest of all seven countries - while only 60% agreed that direct government intervention is needed on issues like climate change for corporations to thrive - the lowest of all countries.



Democratic institutions need to be strengthened for corporations to successfully operate

Showing those who strongly agreed / agreed with the statement



Source: TRUE Global Intelligence survey.



CHINA

Executives strongly favour multilateral efforts, direct government action on climate change

Of the business decision makers that FleishmanHillard surveyed in China, 56% view multilateralism as very important (compared to a seven-country average of 52%) and 49% view multilateralism as effective in driving outcomes that are beneficial to businesses such as theirs compared to the combined average of 38%.

That perception extends beyond the business arena, with 43% of Chinese executives stating that multilateralism is very effective at driving outcomes that are beneficial to solving global challenges. Only Brazil is higher at 66%.

Some 81% of the executives from China said direct government intervention is needed on issues like climate change for corporations to thrive – a number considerably higher than the UK and the U.S. at 75% and 65%, respectively.

Chinese executives were the most confident globally in the ability of their own government to manage the policies that directly impact their business in the marketplace. Forty-seven percent (47%) were confident, a full 22 points higher than the next highest country, the U.S., at 25%.

While global business leaders surveyed said political, economic and/or business landscapes will make them most likely to invest in the U.S. (37%), EU (36%) and the UK (32%), over the next 12 months, China followed closely at 30%.



How important do you view multilateralism?

	Global total	U.S.	UK	EU	China	Brazil
Important (NET)	91%	91%	92%	87%	100%	95%
Very important	52%	54%	52%	41%	56%	79%
Somewhat important	39%	37%	40%	46%	44%	17%
Not Important (NET)	9%	9%	8%	13%	0%	5%
Not very important	8%	8%	8%	12%	0%	2%
Not at all important	1%	1%	0%	1%	0%	3%

Internationally, how effective is multilateralism in driving outcomes that are beneficial to businesses such as yours?

	Global total	U.S.	UK	EU	China	Brazil
Effective (NET)	82%	82%	79%	76%	96%	90%
Very effective	38%	36%	29%	30%	49%	61%
Somewhat effective	44%	46%	50%	46%	48%	29%
Not Effective (NET)	18%	18%	21%	24%	4%	10%

96%

of Chinese executives believe that multilateralism drives outcomes that are beneficial to their business. Far more than other country executives polled.

Source: TRUE Global Intelligence survey.

EUROPE

EU business leaders look to shift focus and investments to Western democracies

In the wake of the COVID-19 pandemic, European business leaders are focusing on the West. While executives in the EU remain generally closely aligned with their peers from the U.S., UK, China and Brazil, their more pessimistic view of the post-COVID-19 economic recovery and their lower confidence in their company's ability to navigate global political disruptions led to a net negative investment outlook for China, India and Russia.

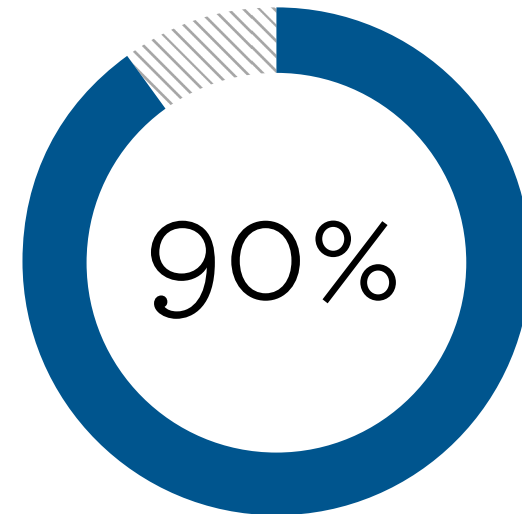
The survey found that European business leaders' investment outlook differs greatly by region. When asked how the political, economic or business landscapes worldwide effect businesses' decision making and investing intention in the next 12 months, European business leaders expressed

their intention to invest more in the EU (net +28), the U.S. (+14), Japan (+9) and Canada and Mexico (+5). They intend to invest less in China (-3), India (-5) and Russia (-7). The outlier in this focus on the Western-style democracies is the UK, which also sees a negative investment sentiment from European business leaders (-2), and is understandable following Brexit.

This European focus on the West is underpinned by a more skeptical outlook on the economic prospects after the pandemic. When asked about their confidence in the growth and recovery of the global economy, slightly more than half of European business leaders (52%) expressed confidence in a recovery within 12 months. Less than

Confidence of **post-COVID-19 economic recovery***

	Global total	U.S.	UK	EU	China	Brazil
Next 3 months	42%	52%	41%	32%	55%	47%
Next 6 months	51%	61%	50%	41%	69%	55%
Next 12 months	65%	71%	61%	52%	87%	76%
Next 24 months	73%	76%	72%	64%	90%	84%



The survey found that business executives from the EU are the least confident in short- to medium-term post-covid recovery compared to the executives from other countries polled

Source: TRUE Global Intelligence survey.



two-thirds (64%) are confident in a recovery within 24 months. This compares with a positive 12-month outlook of 71% for the U.S. and 87% for China, and a positive 24-month outlook of 76% and 90%, respectively.

The pessimism about the recovery corresponds with European business leaders' more pessimistic view about their company's ability to navigate geopolitical disruptions. While 64% of European business leaders express confidence in their ability to navigate the policies and regulations of the countries they operate in or rely on with their supply chain, this was far lower than the 77% in the U.S. and 95% in China who were confident.

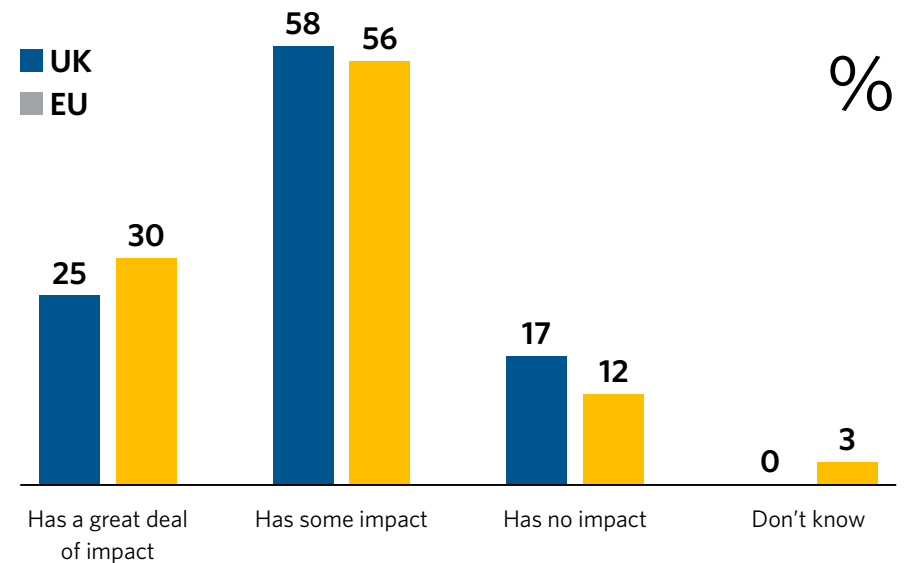
European executives rate infrastructure, energy and questions of sustainability as most important for their business decision making. Some 86% of respondents say that environmental, social and governance (ESG) concerns are factors in their decision making. A net positive of 29% (46% to 17%) say that ESG should have even more impact.

The survey found that human rights is the top personal international concern for EU business leaders.

The pessimism about the recovery corresponds with European business leaders' more pessimistic view about their company's ability to navigate geopolitical disruptions



How much do nonfinancial factors such as environment, social and governance (ESG) criteria currently **impact your business decision making?**



Source: TRUE Global Intelligence survey.

UNITED KINGDOM

Executives not as confident in multilateral system, want corporate leadership on global challenges

After a series of tumultuous years in business and politics, with Brexit and its wide-ranging impact, multiple elections in short succession, and the significant challenge of the COVID-19 pandemic, British business leaders can be forgiven for pessimism compared to peers in other countries. But as the UK grapples with its future role in the world, the lack of confidence in the multilateral system may raise concerns about the UK's efforts to maintain its position as a global economic and geopolitical leader.

FleishmanHillard's research showed that UK business decision makers have a lower level of confidence in international organizations like the G20 to manage policies that affect their businesses' success - with just 37% very or somewhat confident, compared to 53% in the U.S., 49% in EU countries, 69% in Brazil and

90% in China. And fewer British respondents feel multilateralism is effective at driving outcomes that are beneficial to solving global challenges, even though they believe multilateralism is as important as their peers do.

UK respondents also indicated lower confidence in their government's ability to manage policies that directly impact businesses' success compared to other countries, with only 17% very confident in the UK government and another 34% somewhat confident, compared to a combined seven-country average of 58%. They scored the UK government particularly low regarding the importance it puts on human rights, diversity, equity and inclusion and tech and social media regulation, compared to other countries' respondents. So, what solutions do they identify?



British business decision makers feel corporations must take a leadership role on international issues (71% strongly agree or agree), while they also back direct government intervention on pressing issues (75% strongly agree or agree).

And where does that leave the UK overall? Clearly there is a desire for stronger, more effective leadership in all corners. But there is a warning sign after an exhausting half decade in the UK: Based on the political, economic and business landscape, more global

business leaders plan to invest in the U.S. and EU countries than the UK in the next 12 months. But the UK also ranked lower than Australia, Canada, Central and South America, Japan, Mexico, New Zealand and Southeast Asia on this question about future investment. The uncertainty about the UK's role and effectiveness may not be exclusive to just UK business leaders.



UNITED

Majority of U.S. executives confident in Washington's ability to shape business-friendly policies, most concerned about taxes and cybersecurity

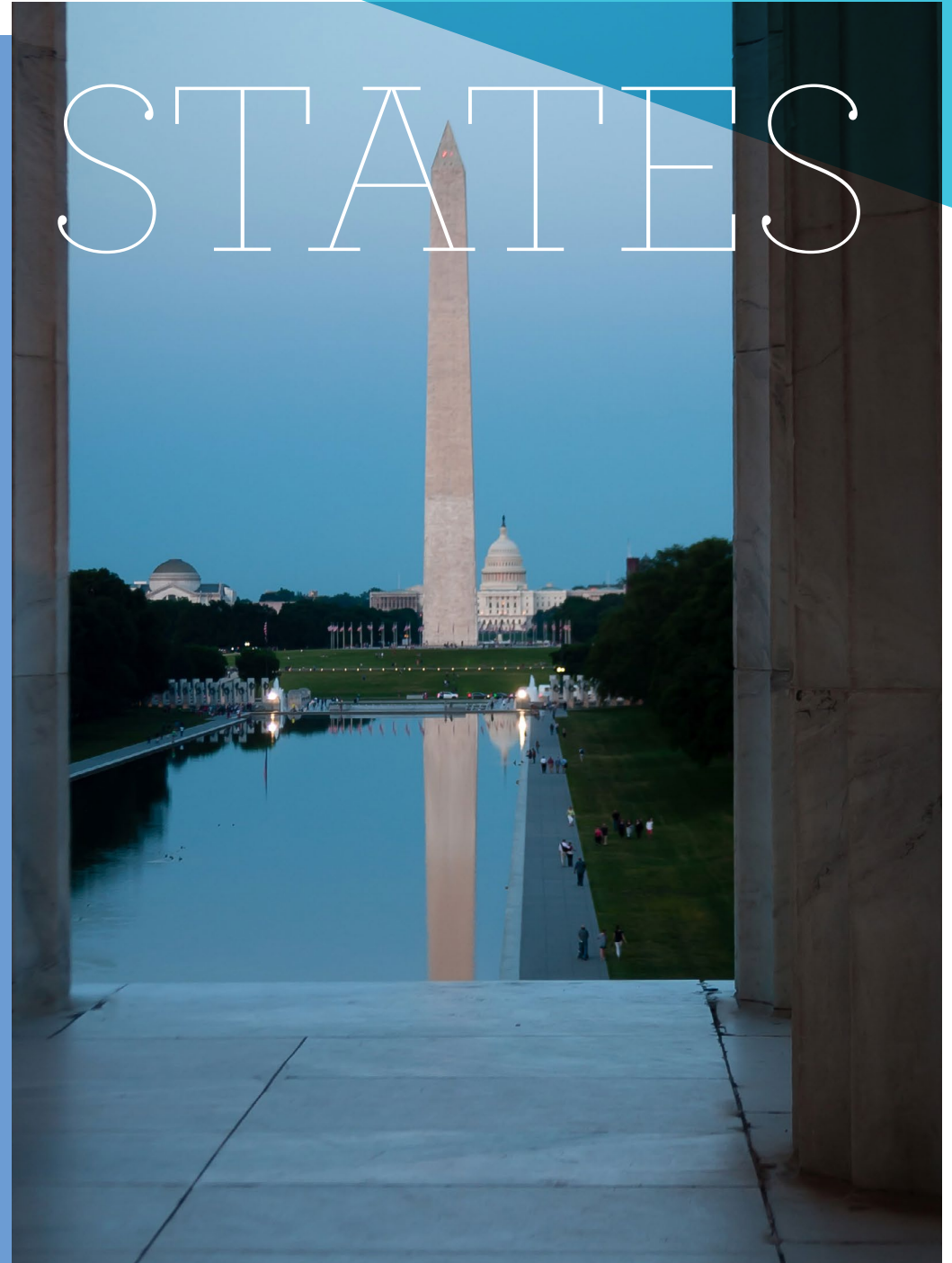
U.S. business decision makers were comparatively among the most confident in the ability of their own government to effectively manage policies that directly impact business success. Fifty-five percent of U.S. respondents expressed confidence in Washington to create business-friendly policies, higher than all other Western economies but short of China's near unanimous confidence in Beijing at 98%.

The American business community indicated strong support for multilateral efforts to solve the big issues of the day. Ninety-one of U.S. respondents said multilateralism was important.

American executives that participated in the survey said they personally viewed infrastructure and energy as the most important global issue (at 96%), followed closely by public health (93%), (human rights (92%), and trade and digital access & literacy (both 91%).



STATES



96%

of American executives that participated in the survey said they personally viewed infrastructure and energy as the most important global issue

How important are each of the following issues to you personally? Showing those who considered it very important/somewhat important

	Global total	U.S.	UK	EU	China	Brazil
Human Rights	92%	92%	93%	90%	96%	93%
Public Health	92%	93%	93%	89%	95%	96%
Infrastructure & Energy	91%	96%	90%	88%	94%	94%
Sustainable Development & Environment	91%	88%	91%	88%	96%	94%
International Trade/Economic Growth	90%	91%	87%	88%	94%	94%
Digital Access & Literacy	88%	91%	86%	82%	96%	96%
Climate Change	88%	79%	91%	87%	93%	91%
COVID	88%	81%	91%	85%	94%	92%
Diversity, Equity & Inclusion	84%	83%	85%	79%	92%	92%
Tech/Social Media Regulation	84%	87%	80%	79%	94%	88%

Source: TRUE Global Intelligence survey.

For their organizations, they said digital access and literacy was the pre-eminent issue, closely followed by infrastructure and energy (88%), trade and healthcare (both 85%).

American business executives saw those same issues as those most important to U.S. government leaders. The pandemic response and infrastructure were polled as the first and second most important issues for the U.S. government, which is consistent with the amount of attention paid to them by President Joe Biden's administration since he took office in late January. Also not surprisingly, U.S. business decision makers said that after the COVID-19 response, they were most concerned about tax policy and cyber security/misinformation, with nearly 80% concerned about those issues. Material and supply chain issues, and trade disputes, both of which have disrupted manufacturers' operations, were not far behind.



How important are each of the following issues to your business decision making?
Showing those who considered it very important/somewhat important*

	Global total	U.S.	UK	EU	China	Brazil
Infrastructure & Energy	89%	88%	82%	88%	95%	95%
Sustainability & Environment	89%	79%	85%	88%	98%	97%
International Trade/Economic Growth	88%	85%	87%	86%	91%	96%
Digital Access & Literacy	87%	89%	80%	83%	95%	94%
Human Rights	87%	83%	82%	85%	90%	95%
COVID-19	87%	78%	88%	83%	94%	95%
Healthcare	85%	85%	79%	79%	93%	97%
Diversity, Equity & Inclusion	84%	80%	83%	78%	93%	95%
Tech/Social Media Regulation	84%	78%	78%	80%	98%	91%
Climate Change	82%	74%	79%	80%	93%	88%



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*** ABOUT THE STUDY**

TRUE Global Intelligence fielded an online survey in May 2021 among 713 senior leaders of global companies responsible for making strategic decisions in the following markets: Brazil (n= 103), China (n= 103), France (n= 102), Germany (n= 100), Italy (n= 105), UK (n= 100) and U.S. (n=100). The margin of error is +/- 3.57%.