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Season's Greetings!

A Christmas Message from AP Co-Chairmen

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For those of us who thought that 2016 had been quite a year, we hadn't reckoned on 2017 being quite so disruptive across the world – so who knows what 2018 may bring! The world is not a happy or optimistic place as we put aside our cares for a couple of weeks to enjoy Christmas and the New Year.

Politics in the UK has, of course, continued to be dominated by Brexit – to the exclusion of many other pressing issues. As 2017 comes to an end, we are a bit clearer about the stages and timetable of Brexit, but not a lot clearer about the main substance. Theresa May's failed gamble of an Election in mid-year left her severely weakened, and without a Parliamentary majority to push through a hard or a soft Brexit – once she had decided which way she was going to jump. It has left her hostage to the hard Brexiteers on the Conservative benches; to the Ulster unionists - as we saw over money for Northern Ireland and the farce of negotiating a text to ensure that the divorce issues could be parked, and negotiation begin on interim arrangements and the final EU/UK Brexit deal; and also, as we saw with the Government's defeat on the role of Parliament in approving the final deal, to the staunch Remainers on the Conservative side.

The reality is that the form of words put together to get the UK over the line with the EU in December fudged the main issues, and papered over the continuing inconsistencies in the British position. It is mind-boggling that the Cabinet is only now about to have its first discussion on the UK's future relationship with the EU, when this is what Brexit is supposed to be about. Such discussion could fatally fracture the Government – a Government which is only hanging together for fear of another Election which, they suppose, would allow into power a left-wing Corbyn Labour Government. This fear, though deeply felt, may not be enough to carry the Government through to this time next year, by which time the inconsistencies between a soft Irish border and leaving the Customs Union and Single Market will have had to be sorted out; and the realities of the EU's tough line on no "cherry-picking" in future trade relations will have been brought home. The sad fact is that Government weakness and negotiating incompetence means that business is unlikely to get the clarity they desire. 2018 could be a very uncertain and bumpy ride indeed.

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Meanwhile, the rest of the World, including the rest of the EU, is getting on with its business, and continuing to wonder what kind of madness has gripped the UK – and where the UK is on almost any foreign policy issue.

The global economy has performed much better in 2017 than anticipated, despite the uncertainties. There appears to be simultaneous and sustainable growth underway in the US, Asia and continental Europe – with Brexit Britain now bucking the trend.

In the US, Trump's first year of Presidency is coming to an end. He has not changed, and we are getting used to government by Twitter, U-turn and bluster. The situation with North Korea has not exploded, but is becoming more complex; and the long-term effects of Trump's policies – if they can be called that – may only be felt later. In the meantime, the Russia investigation is creeping ever closer to the White House, and could cause huge ructions in 2018.

The situation in the Middle East continues to get worse. IS has finally been effectively driven from the battlefield, but continues to pose a serious threat through terrorism, directly or as an inspiration for others. Putin, and Assad, are emerging victorious in Syria, bringing Russia back into prominence in the Middle East as US influence wanes – not least because of Trump's decision to recognise Jerusalem as Israel's capital. The Iranians have used the chaos in Iraq and Syria to their advantage. In reaction we have seen Prince Mohammed bin Sultan intensify his devastating war in Yemen, and launch a major confrontation with Qatar – while at the same time massively consolidating his power in Saudi, and pushing ahead with modernisation. Whether he will succeed in any of these ventures is up for grabs – as is the peaceful evolution of the whole region.

Instability elsewhere has allowed President Xi Jinping to become the most powerful and assertive Chinese leader for a generation. China's political hegemony in its region is creeping forward, and beginning to be accepted; and its economic hegemony is spreading rapidly in Asia and Africa, helped massively by the One Belt One Road initiative. The West has little answer.

The tectonic plates of global power are thus continuing to shift, often in unexpected ways. However, most of the shifts are not to the West's advantage. A large part of the reason for this is the inability or unwillingness of polities and governments to address the fundamental issue which globalisation has thrown up – of yawning inequalities within countries, leading to anger and populism, and to the undermining of the liberal economic and political order – domestically and internationally. We will not resolve this in one year, but we do need to start doing so in 2018.

We hope that you have found AP Insights engaging and informative over the past year. We will be continuing to publish further Insights in the New Year, after a break for Christmas cheer and Janus-like contemplation. In this rumbustious world, we never find ourselves short of subjects to discuss.

In the meantime, we wish you a Very Merry Christmas, and a New Year full of interest and opportunities!

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