



## Weekly Brief

December 18, 2023

# A Business Case for Bold Action in 2024

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2023 did not produce the doomsday recession, runaway inflation, or high unemployment that were predicted a year ago. We avoided a global recession, and inflation is coming down in the US and Europe. But 2023 has still been a year filled with challenges—with additional conflicts, macroeconomic complexities in Europe and China, and high interest rates. And we're facing plenty of global uncertainty in the year ahead, with an incredible 4 billion people expected to vote across 76 countries—the highest number ever.

Even so, 2024 looks to be a year with [macroeconomic upside potential](#), and not just in the US. Interest rates are likely to come down. And though the growth outlook is uneven across the eurozone, an acceleration for the area as a whole is probable. China's economy seems likely to plateau and may even begin to rebound. And growth will continue to surge in South Asia, especially in India.

In that context, the needs and opportunities for business leaders to drive bold change have only increased. The opportunities will vary by sector and geography, but four in particular stand out to us:

- **GenAI is changing business from top to bottom.** The coming year is when we will start to see the vast business potential from AI come to life. There will be a proliferation of GenAI-powered tools, including call center support, software writing, HR, legal, and personal assistants. Some companies will dramatically step-change productivity and customer experiences by reshaping key functions, such as customer

service, marketing, field operations, and R&D. And some will launch new business models, like personal agents and information services, which will drive new revenue streams. Now is the time to figure out where you want to go after new business outcomes at scale and gear up your investments and your team accordingly.

#### [Turning GenAI Magic into Business Impact](#)

- **On climate and sustainability, business must take on some heavy lifting.** COP28 produced many meaningful commitments and the boldest consensus agreement yet on accelerating the energy transition. The EU and others are forcing much greater transparency across supply chains. Climate investments in the US will exceed initial projections. And China is outpacing its own national commitments. Of course, the US elections create uncertainty. But even if the US government steps back, the rest of the world will expect businesses to move forward boldly. Integrating sustainability into the core business strategy will only grow in importance.

#### [COP28: Strong Progress from Dubai and the Road Ahead](#)

- **Talent strategy becomes even more critical for companies' success.** Competitiveness in an AI-driven world will depend on transforming the workforce, faster than ever before. Training employees for new capabilities, processes, roles, and responsibilities will be the mark of tomorrow's leading companies, as will more forward-looking workforce planning. The coming year is a critical time to get that right, and rapidly so.

#### [Set the Right People Priorities for Challenging Times](#)

- **The M&A market is likely to return.** It is hard to predict precisely when M&A will bounce back, but with imminent transformations driven by margin pressures, AI, and the energy transition—along with potential interest rate declines on the horizon—it's bound to happen. And those that are ready to act will find real advantage.

#### [M&A Is Looking Up After Bottoming Out](#)

With the combination of these four opportunities, we believe 2024 will require bold and ambitious leadership, despite some lingering

pressures from 2023. We very much look forward to engaging with you on that in the new year.

With best wishes for a joyous holiday season and a great 2024,



**Christoph  
Schweizer**

Chief Executive Officer



**Rich  
Lesser**

Global Chair

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## Further Reading



### [COP28 Executive Perspective](#)

This Executive Perspective explores what was accomplished at COP28, the challenges that remain, and the important momentum that must be sustained to achieve a more sustainable future.

[READ MORE](#)



### [Turning GenAI Magic into Business Impact](#)

The technology is a marvel, but leaders are ready to see results. Here are three value plays organizations should make now.

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### [BCG's Impact in 60](#)

As we reflect on 60 years of contributing to the world and how we're living up to our values, BCGers share their impact through client stories and the ways in which they are driving positive change within the firm, with our clients, and for society.

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