

NEWS  
ANALYSIS

By Alicia Dimas



## Trump: The big question mark

President Donald Trump's actions and speeches are bringing discomfort and uncertainty to the Middle East. Relations between the US and the region are being reviewed, while the sanctions relief on Iran are being probed by Trump's administration. This raises many questions for (re)insurance professionals in the area, who have found themselves operating in a more volatile international environment.

Anna Boyd, director for FTI Consulting global risk and investigations practice in Mena, says that the main concern is the lack of clarity and the contradictions between Trump's speeches and actions.

She adds that incidents such as the controversial travel ban targeting predominantly Muslim countries have already drawn anger in countries such as Iraq, potentially



placing US companies operating there at greater risk.

"Trump has also expressed admiration for Tayyip Erdoğan's government in Turkey, which might make it more difficult for the opposition to push towards liberal reforms, as the president's conservative views will not be challenged by one of the main global players," Boyd says.

However, she adds that not everything will change regarding the US strategy towards the region as, like the previous administration, Trump also supports a withdrawal from the region.

"This is creating a vacuum that countries such as the UAE, Saudi Arabia and Russia are starting to fill," she says.

"The US has often looked at the Middle East only in terms of terrorism risk, which is just a symptom of many local issues, such as economic underdevelopment and youth unemployment. I think this will not change under Trump's administration."

Boyd says that US policy towards the Israel-Palestine conflict will also bring little change in real terms given lack of progress on the peace process in recent years. "However, ramifications of symbolic moves like moving the US embassy to Jerusalem might increase domestic risks inside Israel. Israel will be worried about security after such actions."

Iran is also a delicate subject with Trump's former national security advisor Michael Flynn having expressed the opinion that the regime should change. A hardline stance from the US could weaken the Iranian president Hassan Rouhani's political position.

Boyd says this brings more uncertainty for businesses operating or looking into operating in the country, as increasing hostility from America towards Rouhani's government creates additional pressures on Iran.

Amar Shah, CEO at Risk Exchange (DIFC) Limited, tells *Mena Insurance Review* that although there are concerns on the political side of things, the business community in the region does not share the same apprehensions.

"Trump sees himself more as a CEO than a president and here in the Middle East we are waiting to see how that will play out," he says. "His vision on fossil fuels is also positive for the region, so he has a willing audience here."

"He is a pragmatic businessman and the region's business and political community is realising that, contrary to previous beliefs, they can work with him."

Nir Kossovsky, CEO of Steel City Re, tells *Mena Insurance Review* that the Trump administration is more a sign of the times than a driver of change.

"Regarding the global risk environment, I think the level of emotional based decisions is on the rise and this increases volatility."

During the World Economic Forum press conference to announce the *Global Risks Report's* findings, Cecilia Reyes, chief risk officer of Zurich Insurance Group, said: "Governments can no longer provide historical levels of social protection and an anti-establishment narrative has gained traction, with new political leaders blaming globalisation for society's challenges, creating a vicious cycle in which lower economic growth will only amplify inequality. Cooperation is essential to avoid the further deterioration of government finances and the exacerbation of social unrest."

There are more questions than certainties regarding Trump's strategy for the Middle East, but one thing is certain: his speeches have expressed radical concepts that concern many in the region and jeopardise global cooperation and understanding. ■