

Case 4: Political Risks in Emerging Markets

Scenario: An energy company, PowerGen Ltd., is considering investing in a power generation plant in the Middle East. The region is known for its political instability, corruption, and regulatory challenges.

Analysis Focus:

Identify and assess the political risks in the target market.

Develop a risk mitigation strategy.

Evaluate potential partnerships with local companies or governments.

Guidelines:

Use a PESTEL analysis to assess the macro-environment.

Create a contingency plan for risk management.

Suggest entry strategies considering political risks.