

## **The Four Signals That Broke Through at Davos**

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As always, the World Economic Forum’s Annual Meeting in Davos included a deluge of announcements, reports, and forecasts—this time overshadowed by President Trump’s inauguration and numerous presidential actions with global consequences. In a noisy week, four signals emerged.

**2025 is a year for leaders to focus on growth.** I understand the irony of a German talking about growth after two years of stagnation in my country. Certainly, the mood about Europe was somber—some spoke of “peak pessimism” about Europe, while leaders from the US, India, Southeast Asia, the Middle East, and other parts of the world were focused on growth. Their optimism is reflected in projections such as the IMF’s forecast of 3.3% global GDP growth for 2025.

**Global trade will continue to grow.** Many conversations in Davos were about potential tariffs and their likely implications. We will all see how trade barriers evolve over the near future, but fundamentally global trade will continue to grow. BCG’s [Global Trade Report](#), released right before Davos, projects a nearly 3% annual growth in trade over the next decade, with the Global South, powered by dynamos such as India and Southeast Asia, playing an important role.

There is still remarkable potential for companies to operate globally, but how they do so successfully will change. Companies must evaluate how geopolitical shifts will alter their supply chains, go-to-market strategies, and capital allocation—which will require high levels of adaptiveness.

**AI is more a business challenge than a technological**

**one.** Big numbers dominated the AI discussions at Davos, whether it was claims of massive productivity gains in small group conversations or discussion around the announcement of the \$500 billion Stargate project. But many leaders I spoke with feel the impact of AI so far falls short of their expectations—an impression in line with the [BCG AI Radar](#), based on the input of 1,800 executives from 19 markets.

What will it take to win? It will come down to one key question: How will we motivate our people to embrace AI and use it productively? We need to work on underlying processes, skills, incentives, leadership, and culture. The companies that succeed will be those that make the AI revolution a workforce revolution, too.

**Climate, sustainability, and energy transition remain on the corporate agenda.** Energy companies will continue to invest in their part of the energy transition. They navigate investment cycles of 20, 30, or more years and are unlikely to significantly change their long-term strategies based on political cycles. But they will invest with an even sharper focus on how to balance sustainability, affordability, and energy reliability, while also considering national interests.

2024 was the hottest year on record and the year with the most extreme weather events in recorded history. I spoke with CEOs of leading insurance companies who described the dramatic increase in damages from these extreme weather events. Managing climate risk is on the minds of insurance executives but also leaders of banks, private equity investors, and heads of industrial companies with significant exposure.

A key success factor for executives in 2025 will be to see the signals in the noise and to set the right long-term direction for growth, global footprint, technology (especially AI), sustainability, and, most important, for their people.

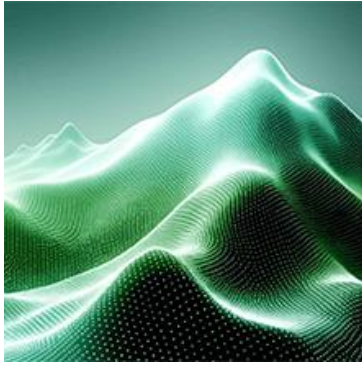
Until next time,



**Christoph Schweizer**  
Chief Executive Officer

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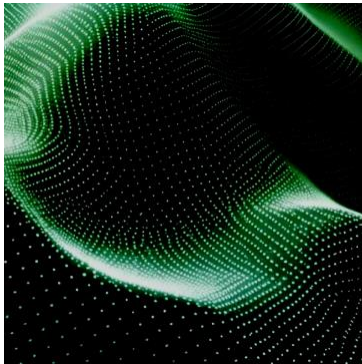
## Further Insights



### BCG at Davos

Christoph Schweizer led BCG's delegation to the World Economic Forum's Annual Meeting in Davos.

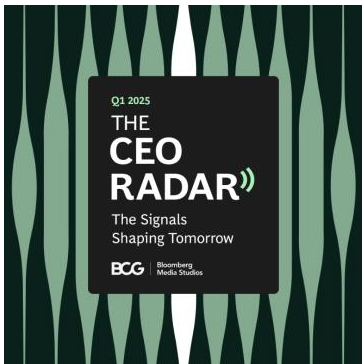
[KEY TAKEAWAYS FROM THE WEF](#)



### Live from Davos: The CEO Agenda 2025

BCG's Judith K. Wallenstein led an exciting session featuring BCG experts. They covered AI, trade, and the balance between climate goals and cost pressures.

[EXPLORE DAVOS INSIGHTS](#)



### The CEO Radar: The Signals Shaping Tomorrow

The CEO Radar analyzes earnings call transcripts to uncover the topics that leading executives are talking about.

[STAY ON THE CEO RADAR](#)