WELCOME

In a frequently cited 2009 McKinsey survey of 1,200 global executives, government was found to be likelier to affect a company's economic value than any other stakeholder except for customers. A follow-up survey by McKinsey in 2011 underscored this trend and also found companies were seeking more ways to engage and collaborate with government. But what about the myriad of other stakeholders?

While consumers and regulators can be seen as the ultimate stakeholders with whom the proverbial buck stops, they are part of a large and increasingly complex ecosystem of stakeholders that can have a direct or indirect impact on an organization's economic value. Taken on a global scale, these interconnected relationships can be tricky to navigate — but also an important asset, if they're managed with a well-thought-out stakeholder strategy.

This month, we'll be exploring aspects of global stakeholder engagement and what international public affairs professionals should consider as they seek to manage the world in which their organizations operate — from the local level to the global level, online and everywhere in between.

Jason C. Jarrell
Head of international programs
Public Affairs Council

UPCOMING EVENTS

JULY STAKEHOLDER SERIES
Join the Council this month to gather tools and strategies for creating an effective international stakeholder management system for your organization.

Global Stakeholder Management
July 11 | 2-3 p.m. EDT
Washington (or via teleconference)
Register
Consumers, NGOs, government agencies, community groups, labor unions, multilateral organizations — these are only part of an organization's stakeholder constellation. Multiply these relationships across borders, and managing your stakeholder universe can be downright overwhelming. Learn how to create an effective approach to stakeholder engagement that works locally and globally to support your organization's license to operate and its business goals. Hear from **Rio Tinto, Mars Inc., SIGWATCH** and **RESOLVE**.

Webinar: Global Social Media
July 18 | 2-3 p.m. EDT
Register
You thought keeping up with social media trends and best practices in the States was hard. But Sina Weibo, China's largest social network, has 220 million users. And Orkut, highly popular in Brazil and India, has more than 33 million users. How can you tap into these rising markets to build your reputation and reach a new group of stakeholders?

Webinar: Stakeholder Mapping
July 25 | 2-3 p.m. EDT
Register
Public affairs is the art of crisis avoidance, but it's also the art of relationship building. Yet before you can create proactive plans for avoiding crises and building relationships, you must find your key stakeholders. Join our speakers from **Vox Global** and **Shell Oil Co.** to learn how to create effective processes for identifying and mapping your organization's stakeholders.

Public Affairs in Asia Institute
September 9-12
Hong Kong
Register
Join your public affairs peers for an unparalleled executive-level conference on corporate public affairs in Asia. This intensive four-day residential program provides timely insights and best practices for effective public affairs strategies and tactics in the region.

Public Affairs Management in Asia: Roundtable for Senior Practitioners
September 13
Hong Kong
Register
Stay an additional day after the Institute for this senior-level, full-day roundtable with regional heads of function and senior corporate public affairs/external relations practitioners from around the world.

Webinar: Lessons in Lobbying From the U.S.
September 26 | 2-3 p.m. EDT
Register
Designed specifically for the international community, this webinar will provide insights into how lobbying works in the United States.

IN CASE YOU MISSED IT …

… Here are some key takeaways from recent events and new webinar recordings:

Public Affairs in Latin America
This full-day conference on May 23 examined public affairs trends in Latin America, with a specific focus on Brazil and Mexico. Speaking at the event were heads of Latin American public affairs for **The Clorox Co.**, **BlackBerry** and **Reed Elsevier**, as well as expert speakers from the **Eurasia Group** and Mexico-based **Grupo Estrategia Política**. **Minister Ernesto Henrique Fraga Araújo** of the **Embassy of Brazil** was our featured guest speaker.

Key takeaways include:

1. The "era of abundance" is over in Latin American markets, creating new incentives for economic reforms.
2. Growing middle-class demands on governments are presenting more opportunities for alignment and partnerships with business.
3. The political environment in Mexico is becoming much more dynamic and fast-moving, requiring companies to be proactive in order to be a part of the decision-making process.

Webinar recordings:

- Setting Up and Managing an International Public Affairs Office (*Original date: June 13, 2013*)
  Establishing regional public affairs representation is vital for building more effective global capabilities and strengthening your company's local reputation. Hear case studies from organizations that have successfully set up public affairs offices in Europe and Asia. Speakers: *John Phipps, senior director, global government relations*, **Visa Inc.;** *Vicky Voulgaraki, director, government relations and public affairs*, **Europe Thermo Fisher Scientific Inc**.

- Public Affairs in Canada (*Original date: April 25, 2013*)
  With a booming energy sector, rising foreign direct investment and expanding free trade agreements, more and more companies in the U.S., Europe and Asia are looking to

increase their engagement with the Canadian market. Gain insights into navigating the evolving Canadian public affairs landscape to fully tap into the country's potential. Speakers: *Peter F. Wilkinson, senior vice president for industry, regulatory and government relations*, **Manulife Financial**; *Nicole Foster Woollatt, vice president*, **Global Public Affairs**

MEMBER CORNER

Making Stakeholder Engagement Core to the Business — Locally and Globally

As an organization grows, so does the number and diversity of its stakeholders. Global businesses are finding that good stakeholder management practices are fundamental to business operations and future sustainability, and building those critical relationships begins at the local level. **Judy Brown,** chief adviser of stakeholder engagement at the **Rio Tinto Group,** shared her insights with the *International Insider* on how her company — one of the world's largest metal and mining companies — creates business value from good stakeholder management:

Rio Tinto tries to improve the way all of its employees interact with stakeholders rather than just seeing it as the work of specialists. Major projects often hinge more on stakeholder issues than technical issues, and we need to ensure our internal capacity is built up to meet the challenge.

When Rio Tinto begins a project, the company expects to be in the project's location for the long haul, sometimes 100 to 150 years. Within this framework, there are countless ways the company touches its stakeholders and countless ways those individuals can affect a project.

Stakeholder engagement must be core to a business like Rio Tinto in order to ensure full integration with our projects and those it impacts. Although it begins at the individual level, it leads to greater value for the company and better prepares us for the challenging operating context.

If you have tips and insights you would like to share with the IN community in a future newsletter, please contact us.

New International Public Affairs Videos Online!

Click the images below for short interviews with IN members — including IN Chairwoman Mary Catherine Toker of General Mills —
on topics from the growth of the profession, talent and training to the current state of public affairs in the European Union.

The Council is online for members to share tips and hear how others deal with the same issues they face.

LinkedIn | Facebook | Twitter: @PACouncil | YouTube

IN THE NEWS

GLOBAL

G-8 Countries to Fight Tax Evasion

One of the main focuses of the recent meeting of the Group of 8 leading industrial countries was the 3 T's: transparency, trade and taxes. The agreement among the group aimed to increase information-sharing on banking around the world to combat tax avoidance. But as *The Economist* reports, it remains to be seen how cooperative tax havens will be.

LATIN AMERICA

Beyond the Protests, a Balancing Act in Brazil

As Brazil prepares for the FIFA World Cup next year and the summer Olympics in 2016 with enormous state investments, tears have begun to appear in the country's social fabric as more than a million protesters have taken to the streets in recent weeks. While the mass protests were triggered by increased bus fares, they represent a wider movement across Brazil and Latin America in which a growing middle class is demanding better public services and "cleaner" politicians.

ASIA

China's Self-Made Credit Crunch

The era of "cheap cash" is over in China, as evidenced by recent decisions by the People's Bank of China that will impose more credit discipline in the market and reduce reliance on debt. This has caused Chinese stocks and manufacturing to fall and has boosted the strength of the dollar relative to the yuan, yet it signals the Chinese government's seriousness about economic reform.

EUROPE

EU and U.S. Advance Free Trade Deal

The Transatlantic Trade and Investment Partnership (TTIP) — an ambitious free trade agreement between the U.S. and the EU seeking to harmonize regulations and remove other barriers to trade — continues to gain momentum on both sides of the Atlantic. If passed, the trade deal could lead to the creation of 2 million jobs in both regions, as well as economic expansion of $80 million in the United States and $120 million in the EU. Negotiations kick off this month in Washington.

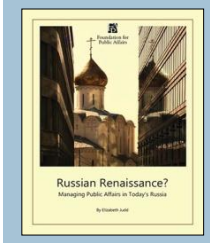
WATCH LIST: INTERNATIONAL MEETINGS ON THE HORIZON

G-20: Leaders Summit
Sept. 5-6 | St. Petersburg, Russia

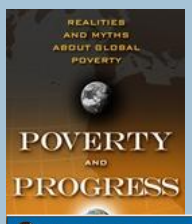
World Economic Forum: Annual Meeting of the New Champions
Sept. 11-13 | Dalian, China

Sochi Economic Forum
Sept. 26-29 | Sochi, Russia

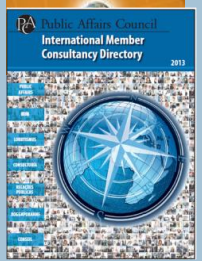
PUBLICATIONS AND NEW BOOKS OF NOTE



Russian Renaissance? Managing Public Affairs in Today's Russia
Completing the Foundation for Public Affairs' series on government relations in the BRIC markets, this new report on Russia comes at a pivotal time, following the country's recent accession to the WTO. Gain in-depth insights from case studies on member companies such as Citi, Kraft, Medtronic and Microsoft, and gather effective strategies for public affairs in this high-risk, high-reward market. For a free PDF of the report, click here. To order a hard copy, click here.



Poverty and Progress: Realities and Myths about Global Poverty
In his new book, economist Deepak Lal examines the reality of development in third-world countries and asserts that the current era of globalization is the greatest reducer of poverty in human history and will continue to be a source of progress around the world.



International Consultancy Directory
This unique, one-of-a-kind directory was developed as a member-exclusive

service to better link corporate members seeking public affairs support with member consultancies in markets around the world.

The directory is currently being revised, and we are reaching out to IN member consultancies for updated information. If you work for a member consultancy, have a significant international public affairs practice and would like to be included, please contact us if we have not already reached out to you.

WELCOME, NEW IN MEMBERS!

William Austin, director of government affairs, LORD Corp.

Dan Beattie, government markets, The Dow Chemical Co.

Ed Bird, associate director, APCO Worldwide

Charles Borden, partner, Allen & Overy

Samuel Brown, associate, Allen & Overy

Kevin Davis, public affairs specialist, State Farm Insurance Companies

Jordan Doria, manager, stakeholder engagement, Ingersoll-Rand Co.

Eve Efron, account manager, Goddard Gunster

Nikhil Khosla, manager, global affairs, Target Corp.

Ashley Michael, account supervisor, Fleish

Adam Miller, director, health care reform a Pharma US Inc.

Michael Minney, director of operations, glo Celgene Corp.

Eric Raby, vice president, global marketing development, AGCO Corp.

Scott Ratzan, vice president, global public Busch InBev

Gordon Reel, assistant vice president, gov affairs, Enterprise Holdings Inc.

Mark Smith, director, international governm Co.

David Verbraska, vice president, Pfizer Inc

If you have any questions, suggestions for future newsletter topics
or know someone who would benefit from reading this newsletter, please contact us.

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