AN FTI CONSULTING REPORT – NOVEMBER 2025

Risks and priorities in Public Affairs – 2025 versus 2023

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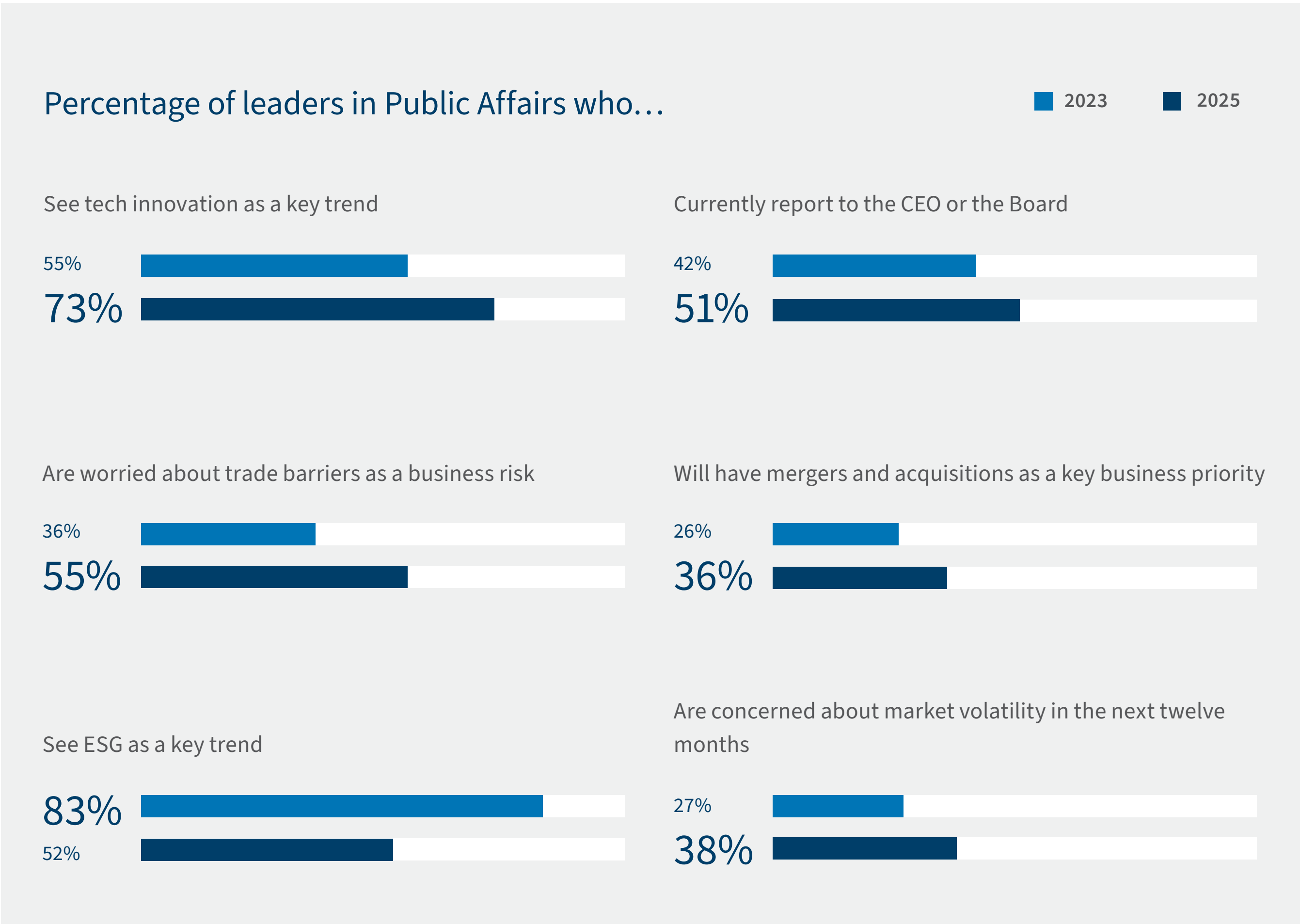
In 2023, when FTI Consulting asked leaders in Public Affairs what they considered their biggest external challenges, the picture they painted was one of economic headwinds, regulatory challenges, and macropolitical uncertainty. At the same time, leaders felt the value they added was, too often, not understood internally, with issues around visibility, collaboration, and reliably measuring their impact.

It would take a bold commentator to claim that the world of 2025 was a materially more straightforward one to navigate. Nevertheless, FTI Consulting's most recent survey of Public Affairs leaders has revealed some significant shifts in perception, not merely about what the principal risks are, but also about how companies are adapting to deal with them. Below, we set out ten key findings.



Key Stats

3/4

Of Public Affairs leaders will prioritise digitalisation in the year ahead

1 in 3

Want to improve their campaigning capabilities

84%

Find it difficult to track and quantify Public Affairs KPIs

68%

See regulatory and compliance as a major near-term business risk

10%

Use consultants to help measure the impact of Public Affairs activity

6 in 10

Want to increase collaboration with other functions in their organisation

"The central question confronting business and government alike is whether the current turbulence represents a significant but transitory disruption in the political order, or the onset of a generational and sustained realignment in the global economy and in the relationship among business, markets, and governments. In either case, companies must evaluate where vulnerabilities and opportunities lie. How can the private sector manage immediate political risks while also preparing for the long-term effects of seismic policy shifts? As economic nationalism reshapes trade frameworks and populism drives domestic policy, firms must remain vigilant—closely tracking political dynamics both at home and abroad to identify strategic options and anticipate potential unintended consequences."

Jackson Dunn, Senior Managing Director, Head of Americas Public Affairs

1. Policy and regulatory changes remain the key issue for respondents

Easily the biggest trend Public Affairs leaders saw for 2025 was policy and regulatory fragmentation across markets. This reflects that government regulation is still the dominant issue – potentially, all the more so given the increase in political volatility in recent years, and the willingness of politicians to propose disruptive policy solutions. Over **8 in 10 thought their company and/or industry would be affected by policy and regulatory change**, a slight increase on 2023, **and 68% saw regulatory and compliance issues as a major business risk**. For 87% of respondents, managing political and regulatory change would be a priority for the coming year – which is not a surprise given that this tends to be the principal function of a Public Affairs team. But the minority who saw this as not a priority, though still important, increased, from 3% in 2023 to 13% in 2025.

2. Macropolitical challenges continue to cast a long shadow…

Reflecting the trade disputes and tariffs that have been a feature of the last twelve months in politics, **the largest upward change in risk identified by Public Affairs leaders was trade barriers** – with 55% seeing it as a key challenge to manage, versus 36% in 2023. The potential for supply chain disruption, an obvious corollary to this, continues to be a significant sectoral risk. In addition, over four in ten leaders continue to see political change as a further risk for their companies. This is very much in line with our view of the geopolitical picture as a source for continued tensions, as global tensions show few signs of abating and leaders strive to manage the twin challenges of shifting diplomatic relations and increasingly fractious domestic electorates.

"UK Politics is becoming louder, faster, and angrier. As the traditional two-party system faces its greatest challenge in our lifetimes, our survey shows that PA leads are dealing with the economic headwinds and shifts in public discourse that are giving politicians and business leaders a host of new issues to think about. In this context, having the right advice becomes ever-more important, and companies that understand and engage with politics can still build productive relations across the political landscape."

Alex Deane, Senior Managing Director, Head of UK Public Affairs

3. …but ESG is markedly less of a priority

ESG was the area that received the starkest deprioritisation from 2023. Though just over half of respondents still saw it as continuing to be a key trend, two years ago that figure was 83%. **Climate change was viewed as a key business risk by only 20% of leaders, down from 36% in 2023**; while for ESG compliance, those figures were 23% and 41% respectively, and the number of leaders for whom it was a business priority also fell by 11%. Energy transition, cost and security remained a salient issue, but, again, was perceived as less of a risk and also less of a trend. This change is significant and is likely to reflect the changes in approach of new administrations in the US and elsewhere.

4. Leaders are increasingly conscious of the challenges posed by tech

Technological innovation, including AI, was the **second largest trend** identified by respondents, after policy and regulatory fragmentation; notably, this was **up by 18% on 2023**. Additionally, almost a third still identified "understanding data and digital" as a missing capability within in-house Public Affairs teams – a smaller number than in 2023 but one that indicates a skills gap within the industry. As new tech and AI products come onto the market, and as governments worldwide continue to work out the right regulatory response is to these developments, Public Affairs will need to get even more tech-savvy – both in understanding its implications for their businesses, and in deploying it internally. Indeed, **74% of respondents saw digitalisation as a priority** for the year ahead.

"With a highly volatile external political environment, public affairs insights and advice are more needed in the C-suite than ever. The research underlines that. Understanding the dynamics, not just locally but globally, and setting the right approach to deal with these dynamics, adds immense value to corporates that operate across different jurisdictions. As a company that itself operates across the world, we experience that every day and partner with our clients to navigate the uncertainty. In Brussels, the centre of the EU policymaking, there has never been more attention to geopolitics, security, strategic sovereignty and trade issues than today. And that doesn't only apply to the world outside the Union; there is great instability within the EU and in key member states due to anti-establishment and populist political movements. Businesses cannot afford not to pay close attention to the politics that drive the agenda."

Hans Hack, Senior Managing Director, Brussels Head of Public Affairs

"Public affairs leaders are operating in a fast-moving environment – geopolitics, trade issues, tech innovation and market volatility are changing the way they operate. We're also seeing more PA leaders getting a seat at the table and reporting directly to the CEO, reflecting the increasing importance of the public affairs function."

Ben Hamilton, Senior Managing Director, Australia Head of Public Affairs

5. …There are mixed views on the global economic outlook

Respondents' economic perceptions revealed a complicated picture. **The proportion of Public Affairs leaders who saw market volatility as a significant risk they are likely to face rose from 27% to 38%**. But **concerns about inflation, and government / financial institution responses to inflation, fell from 47% to 38%**, with a similar decline in those who saw inflation as a major trend of 2025. Perhaps most interestingly, the prospect of M&A activity is moving up the agenda. This was seen as a key business priority by 36% of respondents this year, up from 26% in 2023.

6. Public Affairs functions are increasing their internal visibility…

Since 2023 we have seen a **small but definite uptick in how Public Affairs teams have grown their senior colleagues' awareness of what they do** within their organisations. More (51% vs 42%) Public Affairs leaders are now reporting to their CEOs or boards; fewer (44% vs 56%) feel they will need to prioritise increasing their internal recognition over the coming year; and **the proportion of respondents who felt their senior colleagues do not fully understand what they do has fallen from 40% to 26%**.

"Energy and technology have become new national pillars; social confidence is part of the governance logic; and diplomacy now reinforces domestic stability. Public affairs means connecting global concerns with China's behind-thoughts and interpreting stability between politics and markets, between China and the world. Those who can read the intent behind policy will find their footing earlier and move faster in uncertain times. FTI aims to turn this rhythm into strategy and this transition into direction."

Rachel Hsueh, Senior Managing Director, China Head of Public Affairs

7. …but real challenges remain about demonstrating value add…

The traditional difficulties Public Affairs teams face within their organisation remain. Specifically, leaders recognised there is more to do in terms of driving a strategic approach, collaborating with other teams, and measuring the impact of the Public Affairs function. Demonstrating that value add remains difficult. Public Affairs impact is notoriously hard to track and quantify (a sentiment with which 84% of leaders agreed), and **fewer numbers of respondents this year thought they had clear KPIs (57% vs 75%) or that that those KPIs were consistently measured (50% vs 60%)**. However, fewer than one in ten respondents were using consultants to help measure impact, highlighting a potential gap in the market.

8. … controlling costs …

In addition, Public Affairs practitioners increasingly have to manage commercial realities in a world of doing more with less. This year, **lack of resources and budget was once again identified as the biggest internal risk**. In addition, **Public Affairs leaders felt a bigger push to drive revenue than they did in 2023**, and are also allocating a greater priority to controlling costs. Implicitly, for a Public Affairs practitioner, being able to demonstrate bang for buck and the value you add has seldom been more important.

“France is experiencing unprecedented political uncertainty—the likes of which haven't been seen since 1958—with parliamentary deadlock making policy outcomes difficult to predict. The upcoming electoral cycle, including local elections in March 2026 and presidential and legislative elections in May 2027, will intensify political fragmentation as parties seek to differentiate themselves and explore new ideological positions. This volatile environment creates serious challenges for business leaders making investment decisions. Our research “What keeps PA leaders up at night – volume 2”, and our development in France of a mapping of the 175 political and regulatory risk factors important for PA leaders, demonstrate that companies must understand these risks before committing. PA leaders navigating France's unstable domestic political landscape while managing broader European regulatory changes need robust strategies. Companies that invest time in understanding these risks and building strong relationships with policymakers are better positioned to anticipate shifts, spot opportunities, and avoid costly missteps. In today's environment, rigorous political and regulatory due diligence isn't optional—it's essential for protecting your business and creating long-term value.”

Gregory Grellet, Senior Managing Director,
France Head of Public Affairs

9. … and collaborating across the business

Working closely with affiliated teams within your business is an integral part of in-house Public Affairs, and vital to improving visibility and securing buy-in. Communications, marketing and legal are teams traditionally close to the Public Affairs function, but increasingly collaboration with functions such as investor relations, product development, sustainability and corporate strategy find fruitful points of alignment. Although, as noted above, leaders in Public Affairs do feel they are growing understanding of their function within the wider business, cross-function collaboration remains patchy. For **six out of ten respondents, improving that collaboration will be a priority over the next year**, a slight increase on 2023.

10. Gaps in team capabilities continue to create opportunities for external consultants

The largest internal gap leaders identified for 2025 is the ability to design and implement effective multi-stakeholder campaigns. Consistency in monitoring political, policy, and regulatory developments was also highlighted as an area where in-house teams struggled, relying instead on external consultants (with 61% of respondents outsourcing this function). Consultants also helped with mapping stakeholders, engagement, events, and, to lesser degrees, analysing political risk and designing strategies. However, **fewer than 15% of respondents used consultants for data analytics and evidence building, under 10% used consultants to help them measure the impact of Public Affairs activities**, and 8% did not use consultants at all.

"As a Public Affairs leader in Spain, I see these findings vividly reflected in our European context. Rapid regulatory changes – both from Brussels and our national legislature – demand unprecedented vigilance and agility from Public Affairs teams. Trade tensions and shifting geopolitical currents are just as real in Madrid as in any capital, reinforcing the need for strategic foresight. Meanwhile, we're challenged to prove our value internally by embracing digitalisation, strengthening cross-functional collaboration, and using clear impact metrics to earn our seat at the table. For leaders in Spain and across the EU, one message is clear: in today's complex environment, effective Public Affairs engagement isn't just important – it's indispensable for guiding our companies through uncertainty."

Carlos Ochoa Alonso, Senior Managing Director, Spain Head of Public Affairs

Conclusion

The spectres of 2025 may be different in nature from those of 2023, but they are no less daunting. Even if inflation and climate change have fallen a little from the top of politicians' list of priorities, they have not necessarily gone away as problems. Meanwhile, other threats have risen up the agenda, notably in the form of trade disputes, while an increasingly combative approach to how politics is carried out has further driven social fragmentation and polarisation. This creates a febrile environment for companies and adds to the list of issues Public Affairs leaders, whether in-house or consultants, have to be experts on.

Volatile political circumstances are, in some ways, helpful for Public Affairs practitioners in terms of gaining the attention of their most senior executives and showcasing the impact of smart political analysis and strategic relationship building. It is doubtful that the discussion about how this impact can best be quantified will be resolved any time soon. But the need for Public Affairs expertise and activity – helping business leaders keep an eye on the horizon, identify and mitigate risks and opportunities, build allies and influence decisionmakers – remains critical, and looks set only to grow in importance over the coming months and years.

About this Survey

FTI Consulting's Strategy Consulting & Research team designed the methodology for the research and ran the survey. Respondents were sourced using contacts from FTI Consulting's global network of PA professionals, and the survey was in field from 21 July-26 August 2025. This survey was conducted anonymously to minimize bias and promote transparency in respondents' answers.

The survey asked respondents about subject matters including their company, their company's business priorities, external factors affecting their organization, and their perceived position of Public Affairs within the organization.

Participants responded to questions on topics including their companies, priorities, external environments, and perceived position within their organizations. Our report is based upon the survey responses of 73 Public Affairs leaders.

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