

Global Risks 2019

Is the world sleep-walking into a crisis?

Eugenie Molyneux

“The **Global Risks Report** points out that there are a number of **challenges in the world** out there, and indeed very great challenges if we just look at **climate change** and **natural disasters**, but also **cyber-attacks** and the challenges and **terror attacks** that entails.”

ANGELA MERKEL, CHANCELLOR OF GERMANY

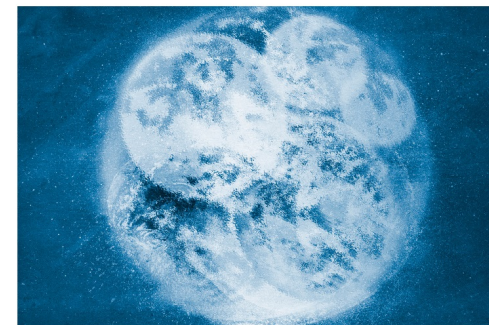
January 23, 2019, Davos, Switzerland

WORLD
ECONOMIC
FORUM
COMMITTED TO
IMPROVING THE STATE
OF THE WORLD

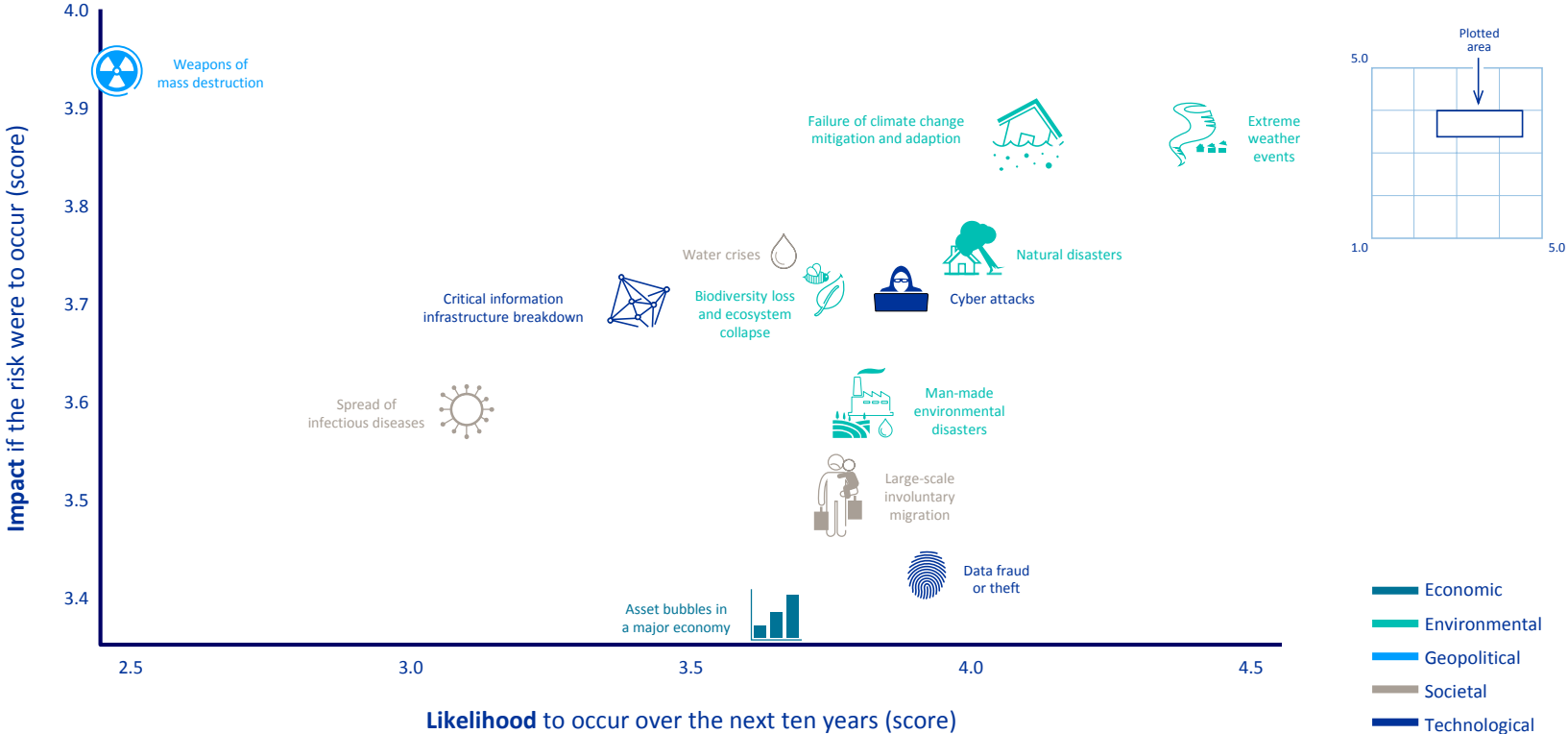
Insight Report

The Global Risks Report 2019 14th Edition

In partnership with Marsh & McLennan Companies and Zurich Insurance Group



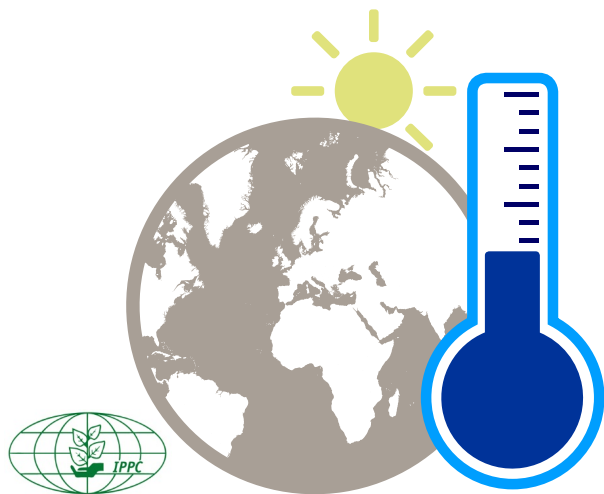
1. Environmental risks dominate for the third year in a row



Sleep-walking into catastrophe

Alarm bells are ringing...

12 years to limit the most substantial impacts of climate change to **1.5°C**

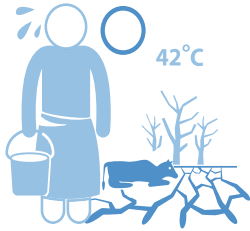


...but a lack of political will and unity

Delays in decisions. No discussion of how to step up targets on **cutting emissions**



Increased impact of extreme weather events



Severe drought



Coastal flooding



Accelerating pace of biodiversity loss



Disruptions to the production and delivery of goods and services



Upheavals in the global waste disposal and recycling supply chain



Heat waves



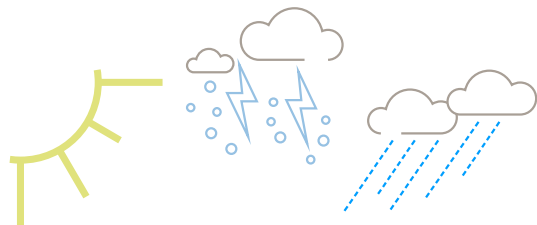
Storms

Infrastructure and economic activity are at significant risks



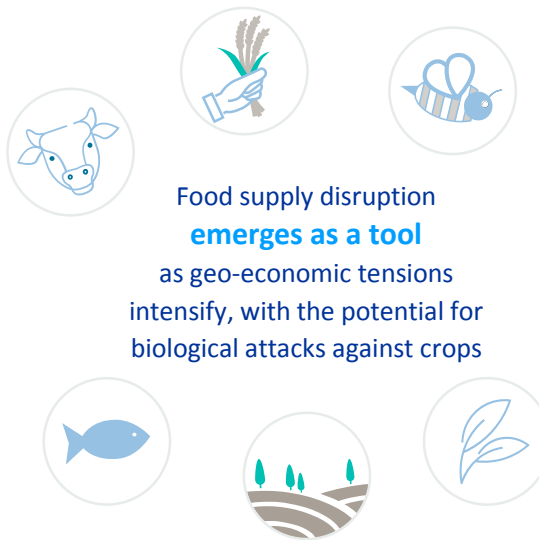
Future shocks...will fiction become fact?

WEATHER WARS



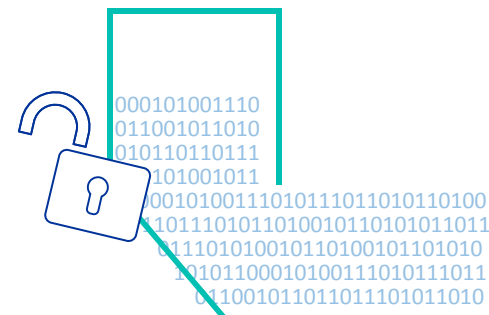
The use of **weather manipulation tools** stokes geopolitical tensions

AGAINST THE GRAIN



Food supply disruption **emerges as a tool** as geo-economic tensions intensify, with the potential for biological attacks against crops

OPEN SECRETS



Quantum computing renders current **cryptography obsolete**

2. Technology plays a key role in shaping global risks

Global risks by likelihood¹

| #4



Massive data fraud and theft

| #5



'Cyber attacks', also the risk of highest concern for businesses² in...



East Asia and the Pacific



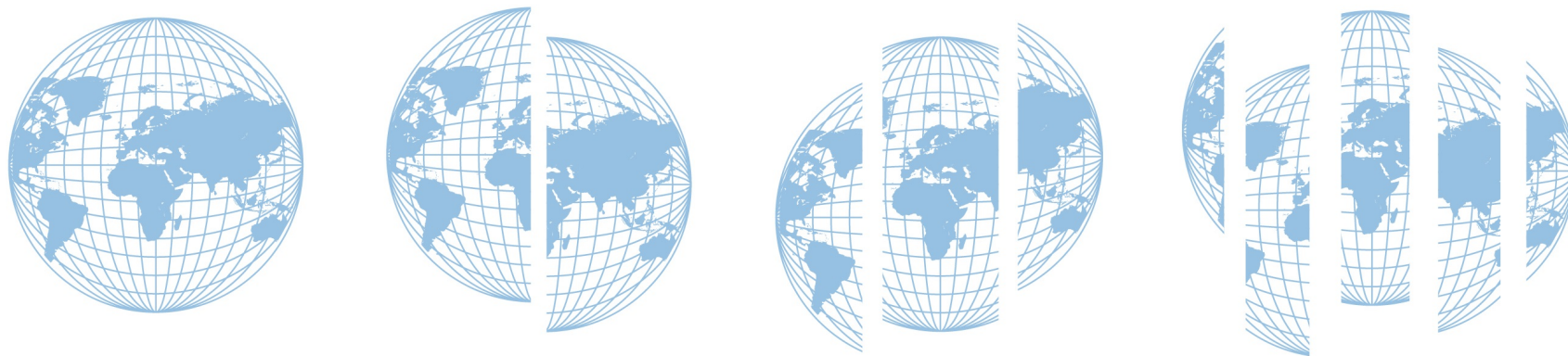
Europe



North America



3. Geopolitical tensions are rising among the world's major powers



The world is evolving into a period of **divergence** following a period of **globalization**

TOP
TEN

risks to
increase in
2019



#1

Erosion of multilateral trading rules
and agreements

88%
somewhat or significant increase

#2

Political confrontations/frictions
between major powers

85%
somewhat or significant increase

4. Structural changes underway should not distract us from the human side of global risks

Complex societal, technological, work-related areas transformations

- **Anxious, unhappy** and **lonely** world
- Negative experiences = **rise on mental health**
- Mental health problems now affect **700 million people** worldwide

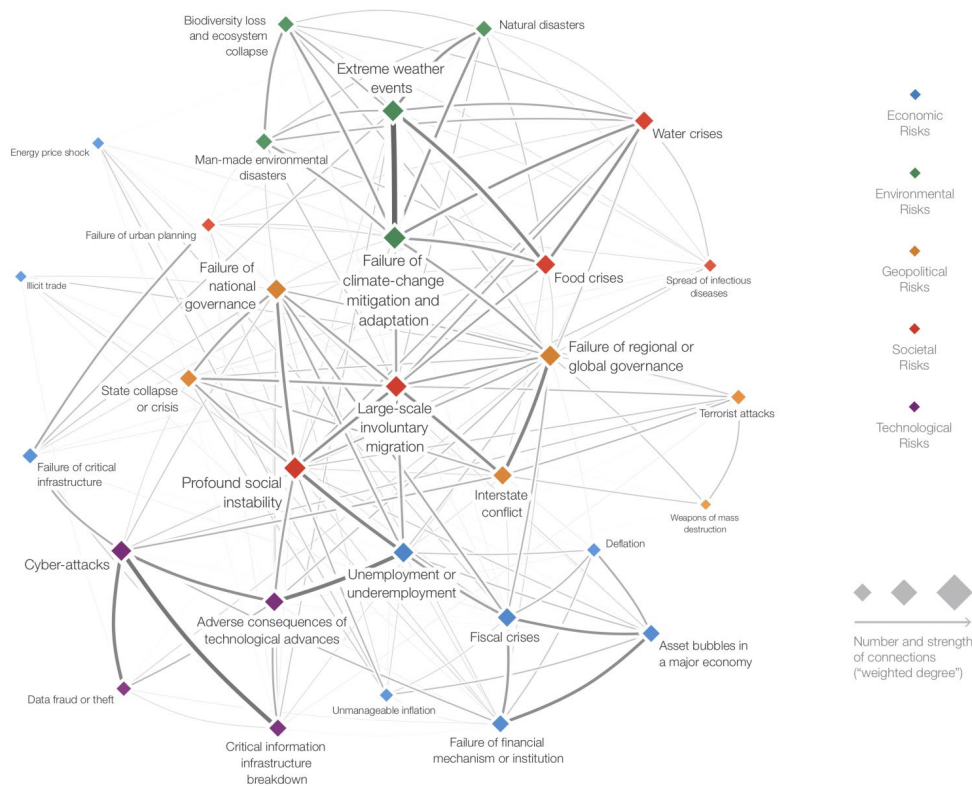


Anger is increasing and **Empathy** appears to be in **decline**

Survey respondents expecting to live a worse life than their parents



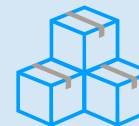
5. An urgent need for holistic risk management



The potential for **small problems** to trigger unexpected **cascading failures** is now all around us



CONNECTED DEVICES



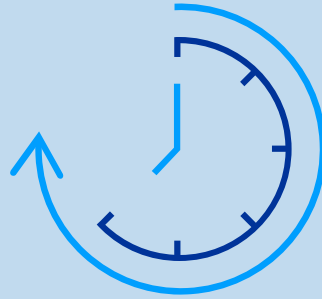
GLOBAL SUPPLY CHAINS



FINANCIAL SYSTEM



INTRICATE ORGANIZATIONAL STRUCTURES



**When are we
going to wake up?**

BREXIT AND THE NEW POLITICAL RISK

HOW DID WE GET HERE AND WHAT DOES IT MEAN?



DISRUPTION AND VOLATILITY



BRITAIN AND THE EU



RESHAPING POLITICS



BREXIT AND OUR INDUSTRY



CONCLUSION





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