

## Global Risks 2019

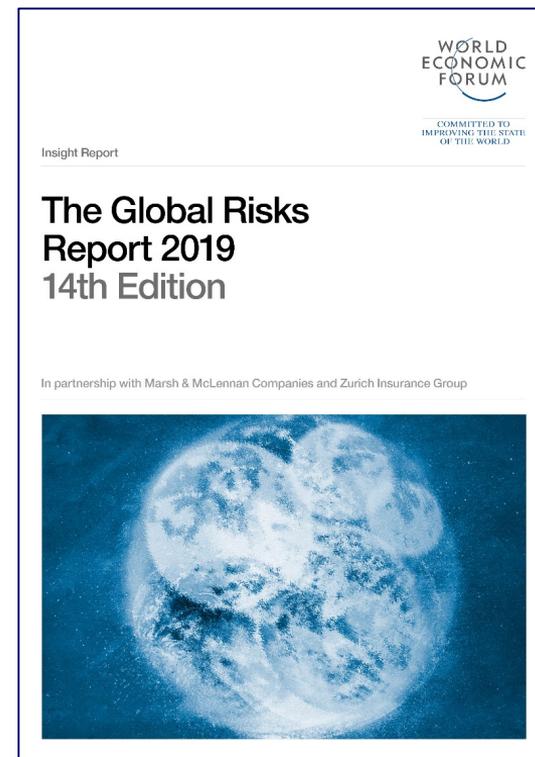
Is the world sleep-walking into a crisis?

Eugenie Molyneux

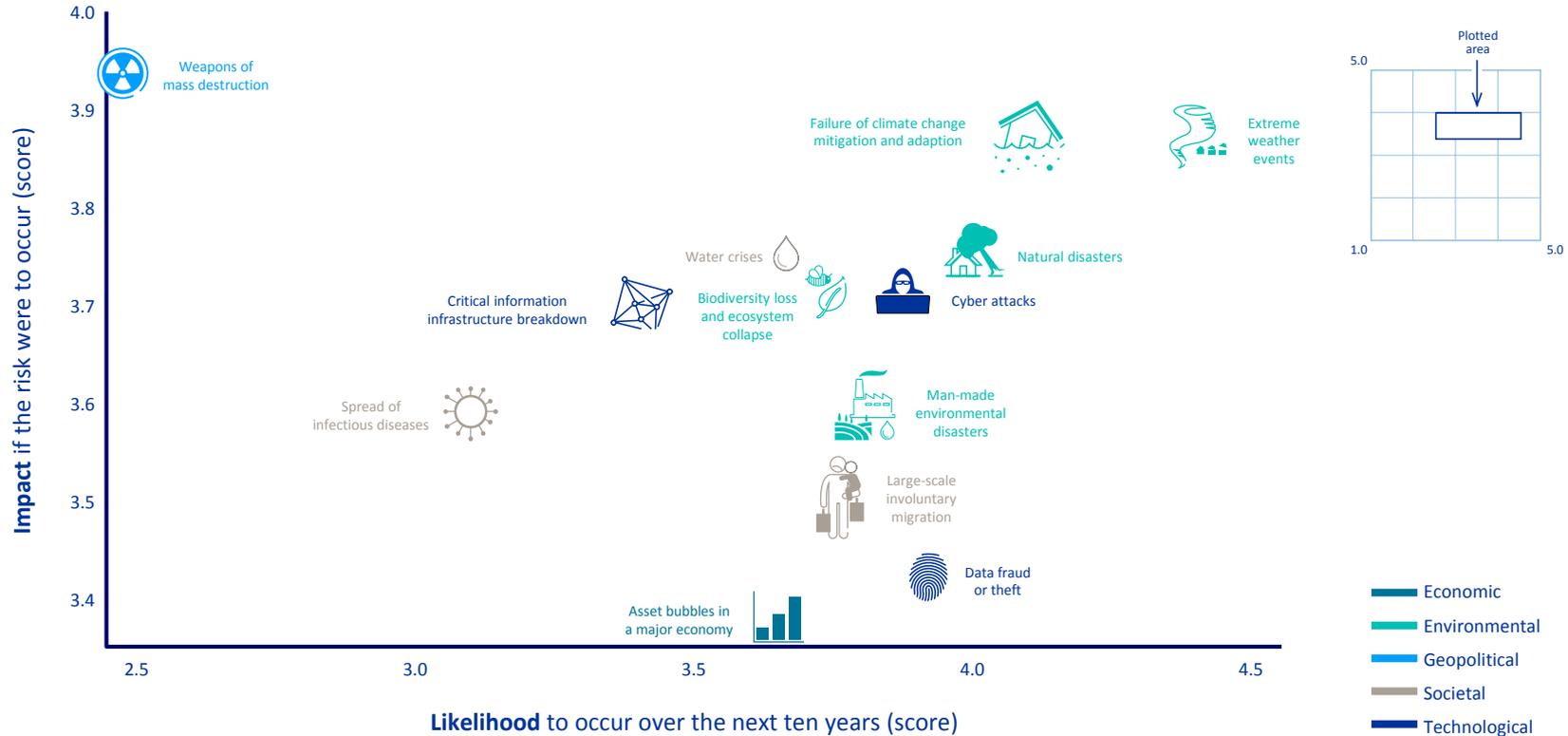
“  
The **Global Risks Report** points out that there are a number of **challenges in the world** out there, and indeed very great challenges if we just look at **climate change** and **natural disasters**, but also **cyber-attacks** and the challenges and **terror attacks** that entails.  
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ANGELA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

*January 23, 2019, Davos, Switzerland*



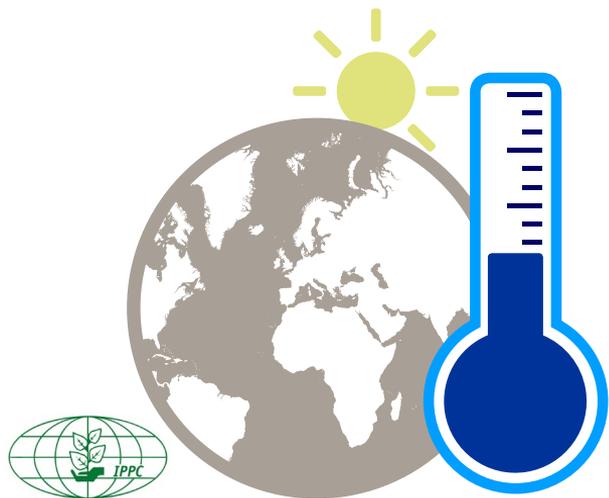
# 1. Environmental risks dominate for the third year in a row



# Sleep-walking into catastrophe

Alarm bells are ringing...

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

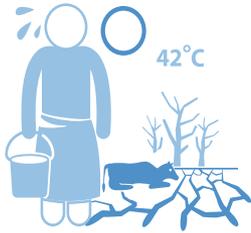


...but a lack of political will and unity

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

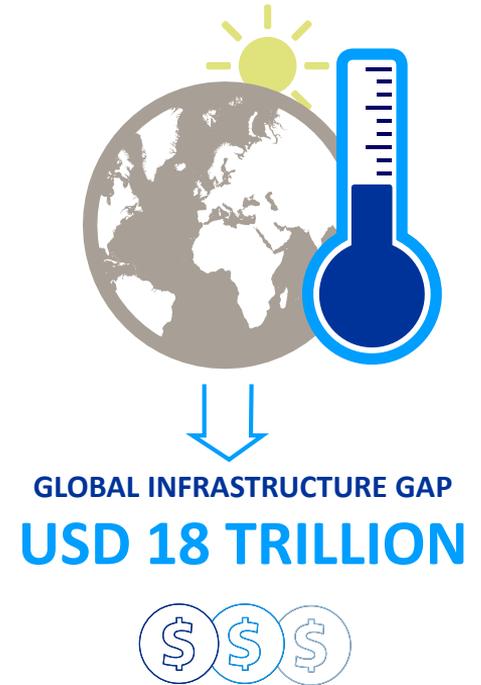


Heat waves



Storms

# Infrastructure and economic activity are at significant risks



# Future shocks...will fiction become fact?

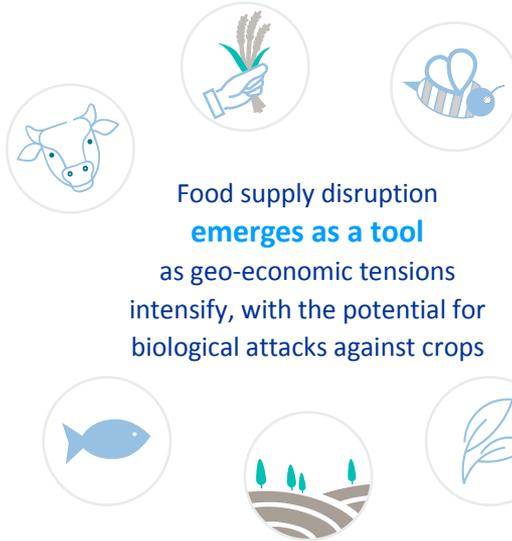
## WEATHER WARS



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

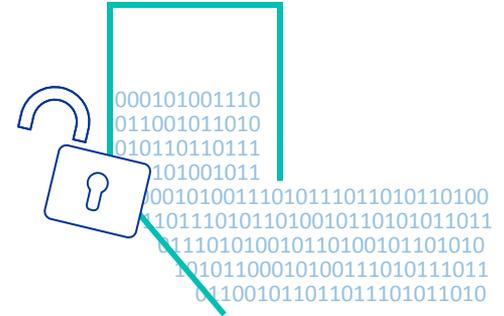


## AGAINST THE GRAIN



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 likelihood<sup>1</sup>

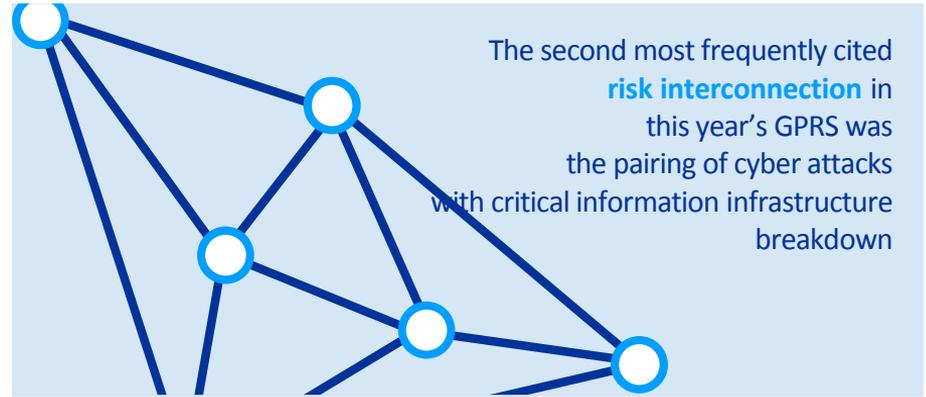
#4  Massive data fraud and theft

#5  'Cyber attacks', also the risk of highest concern for businesses<sup>2</sup> in...

 East Asia and the Pacific

 Europe

 North America



A study of 126,000 tweets found that those containing fake news consistently outperformed those containing true information<sup>1</sup>

### 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

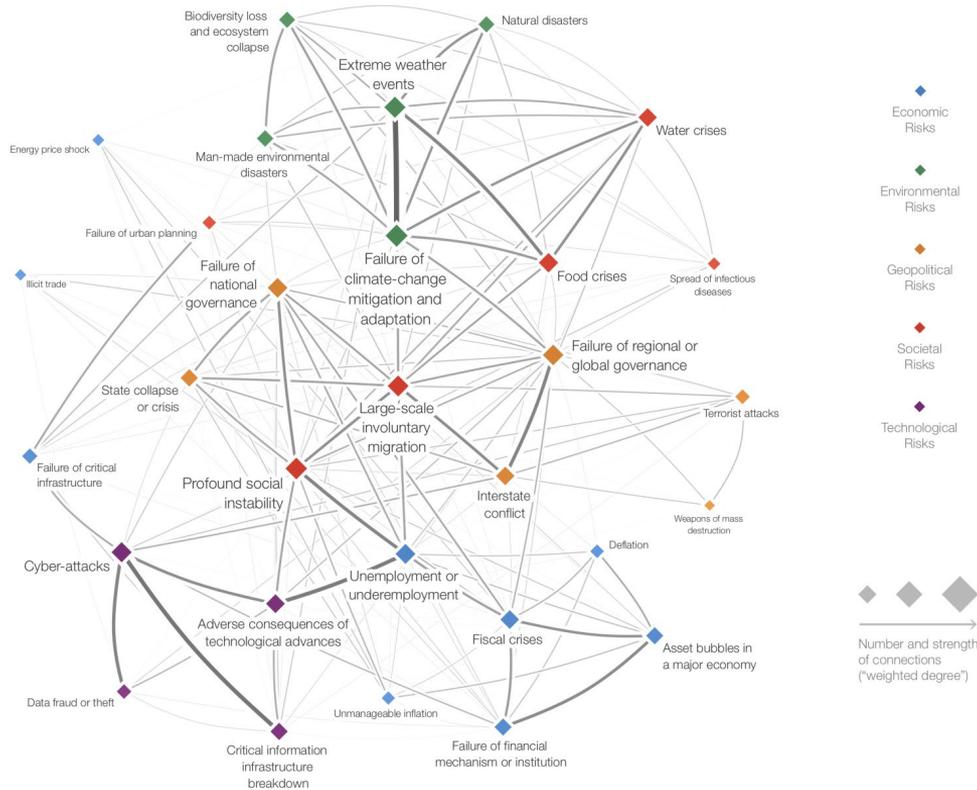


**Anger is increasing** and **Empathy** appears to be in **decline**

Survey respondents expecting to live a worse life than their parents



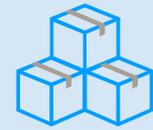
# 5. An urgent need for holistic risk management



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



CONNECTED DEVICES



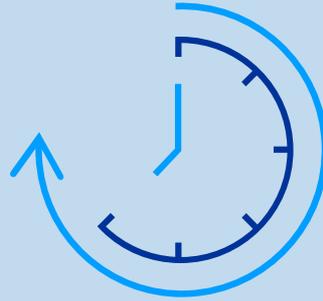
GLOBAL SUPPLY CHAINS



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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