



Section 15

Global Risks 2020

"This year's report highlights important threads across the global risk landscape. Intensifying confrontations, both between and within countries, as well as a heightened sense of urgency and emergency around some critical global problems"

John Drzik, Chairman, Marsh & McLennan Insights

The emerging risks landscape

Geopolitical Instability

National politics in many countries has evidenced intense divisiveness and 'pushbacks', coupled with increasingly fractious international relations. These volatilities will likely persist, challenging cooperation on key priorities.

Economic Concerns

As economic confrontations between major powers grow, the global economy shows greater signs of a concerted slowdown.

Climate Response Shortcomings

Weak international agreements belie rising investor and popular pressure for action, against a backdrop of a multitude of natural catastrophes and indicators of longer-term disruptions. 2020 is a critical year for nations to accelerate progress towards major emissions reductions and boosting adaptation investments.

For the future of climate change mitigation, 2020 is a critical year: it presents the first opportunity for nations to revise their national plans to tackle climate change as set out under the 2015 Paris Climate Agreement, and to close the gap between what they have pledged and what is needed.

An increasing number of governments are announcing long-term net-zero emissions goals and showing more interest in tackling outstanding challenges in developing potential low carbon solutions.

To avoid the worst consequences, global emissions need to peak almost immediately and decline precipitously – by 7.6% each year

[The Global Risks Report](#), published by the World Economic Forum with support from Marsh & McLennan, provides a rich perspective on the major threats that may impact global prosperity in 2020 and over the next decade. The 15th edition of the report draws on feedback from nearly 800 global experts and decision-makers who were asked to rank their concerns in terms of likelihood and impact.

between 2020 and 2030. This implies an additional US \$460 billion a year of clean energy investment over the next decade.

Food and water crises

Crop yields will likely drop in many regions, undermining the ability to double food production by 2050 to meet rising demand. Because agriculture, livestock and deforestation produce nearly a quarter of global emissions, more efficient use of land is critical; it's also one of the best potential carbon sequestration options. Water scarcity will increase as well – it already affects a quarter of the world's population.

Biodiversity Loss Impacts

Many ecosystems are in decline or at risk of distinction. Biodiversity loss poses irreversible consequences to societies, economies, and the health of the planet.

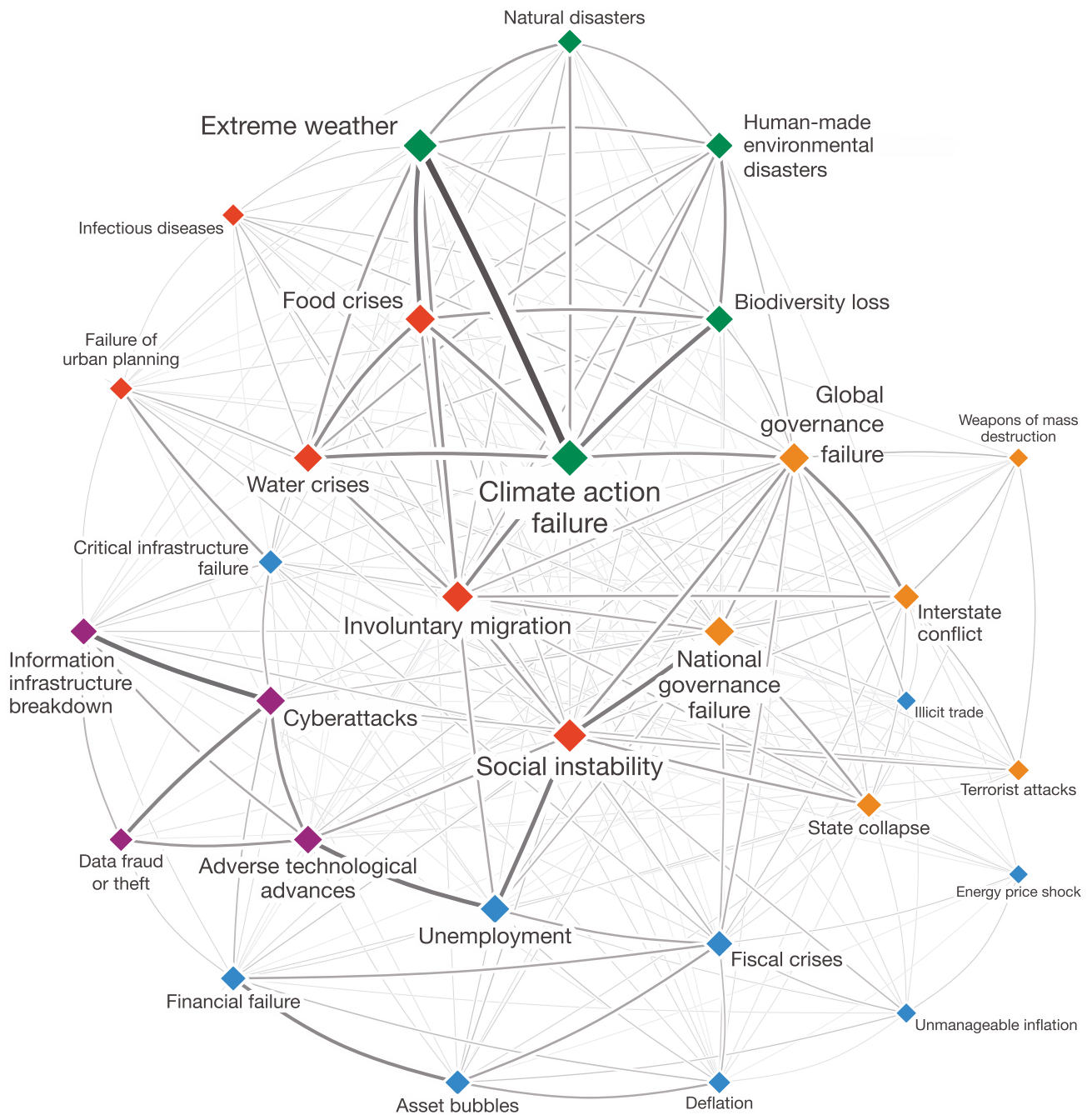
Technological Governance Deficits

Emerging technology risks can erode social discourse, threaten economic stability, exacerbate geostrategic competition, and pressure national and international security. Getting a better handle on systemic risks will require a significant technology governance refresh at all levels

Creaking Health Systems

Changing societal, environmental, demographic, and technological trends are straining health systems globally. While transformative technology, medicines, and insurance can improve healthcare, they also introduce new risks and trade-offs.

2020 Global Risks Interconnections



Source: [World Economic Forum – Global Risks Report 2020](#)

Risk outlook: the world in 2020

The Global Risks Report forecasts a year of increased domestic and international divisions with the added risk of economic slowdown. 78% of survey respondents said they expect “economic confrontations” and “domestic political polarization” to rise in 2020. Global experts also see the risk of extreme heat waves and destruction of natural ecosystems increasing, as well as a rise in cyber-attacks targeting operations and infrastructure and data/money theft.











Short-Term Risk Outlook

Percentage of respondents expecting risks to increase in 2020

Multistakeholders

	Economic confrontations	78.5%
	Domestic political polarization	78.4%
	Extreme heat waves	77.1%
	Destruction of natural ecosystems	76.2%
	Cyberattacks: infrastructure	76.1%
	Protectionism on trade/investment	76.0%
	Populist and nativist agendas	75.7%
	Cyberattacks: theft of money/data	75.0%
	Recession in a major economy	72.8%
	Uncontrolled fires	70.7%

Global Shapers

	Extreme heat waves	88.8%
	Destruction of ecosystems	87.9%
	Health impacted by pollution	87.0%
	Water crises	86.0%
	Uncontrolled fires	79.8%
	Economic confrontations	78.4%
	Loss of trust in media sources	77.1%
	Loss of privacy (to companies)	76.2%
	Loss of privacy (to governments)	76.1%
	Domestic political polarization	75.3%


























 Economic  Environmental  Geopolitical  Societal  Technological

Note: The Global Shapers Community is the World Economic Forum’s network of young people driving dialogue, action and change.

Source: [World Economic Forum – Global Risks Report 2020](#)

Risk outlook: a sharper focus on environmental threats over the next 10 years

Concerns about environmental risks have been rising over the last decade. For the first time in the history of the survey’s 10-year outlook, environmental threats dominate the top five long term risks by likelihood and occupy three of the top five spots by impact.

Top 10 risks in terms of Likelihood	Top 10 risks in terms of Impact	Categories
 Extreme weather	 Climate action failure	 Economic
 Climate action failure	 Weapons of mass destruction	 Environmental
 Natural disasters	 Biodiversity loss	 Geopolitical
 Biodiversity loss	 Extreme weather	 Societal
 Human-made environmental disasters	 Water crises	 Technological
 Data fraud or theft	 Information infrastructure breakdown	
 Cyberattacks	 Natural disasters	
 Water crises	 Cyberattacks	
 Global governance failure	 Human-made environmental disasters	
 Asset bubbles	 Infectious diseases	

Source: [World Economic Forum – Global Risks Report 2020](#)

The Evolving Risks Landscape, 2007-2020

Top 5 Global Risks in Terms of Likelihood

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
1 st	Infrastructure breakdown	Blow up in asset prices	Asset price collapse	Asset price collapse	Storms and cyclones	Income disparity	Income disparity	Income disparity	Interstate conflict	Involuntary migration	Extreme weather	Extreme weather	Extreme weather	Extreme weather
2 nd	Chronic diseases	Middle East instability	China economic slowdown	China economic slowdown	Flooding	Fiscal imbalances	Fiscal imbalances	Extreme weather	Extreme weather	Extreme weather	Involuntary migration	Natural disasters	Climate action failure	Climate action failure
3 rd	Oil price shock	Fallen and falling states	Chronic diseases	Chronic disease	Corruption	Greenhouse gas emissions	Greenhouse gas emissions	Unemployment	Failure of national governance	Climate action failure	Natural disasters	Cyberattacks	Natural disasters	Natural disasters
4 th	China hard landing	Oil price shock	Global governance gaps	Fiscal crises	Biodiversity loss	Cyberattacks	Water crises	Climate action failure	State collapse or crisis	Interstate conflict	Terrorist attacks	Data fraud or theft	Data fraud or theft	Biodiversity loss
5 th	Blow up in asset prices	Chronic diseases	Deglobalization (emerging)	Global governance gaps	Climate change	Water crises	Population ageing	Cyberattacks	Unemployment	Natural catastrophes	Data fraud or theft	Climate action failure	Cyberattacks	Human-made environmental disasters

Top 5 Global Risks in Terms of Impact

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
1 st	Blow up in asset prices	Blow up in asset prices	Asset price collapse	Asset price collapse	Fiscal crises	Financial failure	Financial failure	Fiscal crises	Water crises	Climate action failure	Weapons of mass destruction	Weapons of mass destruction	Weapons of mass destruction	Climate action failure
2 nd	Deglobalization (developed)	Deglobalization (developed)	Deglobalization (developed)	Deglobalization (developed)	Climate change	Water crises	Water crises	Climate action failure	Infectious diseases	Weapons of mass destruction	Extreme weather	Extreme weather	Climate action failure	Weapons of mass destruction
3 rd	Interstate and civil wars	China hard landing	Oil and gas price spike	Oil price spikes	Geopolitical conflict	Food crises	Fiscal imbalances	Water crises	Weapons of mass destruction	Water crises	Water crises	Natural disasters	Extreme weather	Biodiversity loss
4 th	Pandemics	Oil price shock	Chronic diseases	Chronic disease	Asset price collapse	Fiscal imbalances	Weapons of mass destruction	Unemployment	Interstate conflict	Involuntary migration	Natural disasters	Climate action failure	Water crises	Extreme weather
5 th	Oil price shock	Pandemics	Fiscal crises	Fiscal crises	Energy price volatility	Energy price volatility	Climate action failure	Infrastructure breakdown	Climate action failure	Energy price shock	Climate action failure	Water crises	Natural disasters	Water crises

■ Economic
 ■ Environmental
 ■ Geopolitical
 ■ Societal
 ■ Technological

Source: World Economic Forum – Global Risks Report 2020

The Global Risks Report 2020 is available on: <https://www.weforum.org/reports/the-global-risks-report-2020>

