

Emergency Management and Resilience/Business Continuity and Crisis Management/Business Continuity and Crisis Management: An Introduction/What are the main threats facing a modern organisation

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Global Risks Landscape

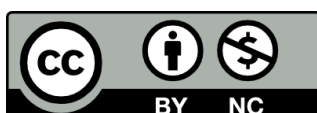
Starting in 2010 the highest risks in terms of impact and likelihood are asset price collapse, and failure of financial mechanisms or institutions. Slightly lower in terms of likelihood is fiscal crisis. All three of these are economic risks. Lower in terms of impact is failure of regional governance a geopolitical risk. A second economic risk is energy price shock but whilst high on the impact scale it is far lower in terms of likelihood.

By 2011 asset price collapse and failure of financial mechanisms have both reduced in likelihood significantly and now failure of climate change mitigation, an environmental risk, has risen to the highest likelihood risk and second highest impact second to financial crisis.

Clustered below these are 2 economic risks severe income disparity and energy price shock which now appears far more likely. Below this in likelihood but of higher impact is also Interstate conflict, another Geopolitical risk.

By 2012, the risk of climate change mitigation has dropped in terms of both impact and likelihood and now severe income disparity has the highest likelihood followed by financial crisis with a higher impact. Water crisis, food crisis and failure of financial mechanisms have higher impacts but sequentially lower likelihoods.

In 2013, there is little movement of the top risks though the likelihood of both the financial risks have increased.



2014 shows a larger change in risk with failure of climate change mitigation and adaptation and extreme weather events becoming two of four risks with both high likelihood and impact. The others are under and unemployment as well as severe income disparity. Of similar or higher impact but lower likelihood are water crises, a societal risk, and fiscal crises. Of lower likelihood and impact but still in the top right quadrant of the figure we also see cyber-attacks, a technological risk.

In 2015 we see another shift with extreme weather events having a similar likelihood but far lower impact. The other three highest risks also show significant drops in terms of both likelihood and impact. The highest risk in terms of impact and likelihood together is now interstate conflict but there are also risks with higher impacts and lower likelihoods such as water crises, infectious diseases and weapons of mass destruction each having sequentially lower likelihoods.

In 2016, interstate conflict now also drops significantly in impact as does infectious disease. The others from last year remain in similar positions but now they are over taken by the societal risk of large scale involuntary migration and a return of a failure of climate change mitigation and adaptation. The latter is now the risk with highest impact.

In 2017 all the risks mentioned drop back slightly and are replaced by extreme weather events and natural disaster, environmental risks, both these are now calculated to have higher impacts. Weapons of mass destruction remains the top impact but has the lowest likelihood.

This remains the same in 2018 though the top two are joined by failure of climate change mitigation and adaptation.

Again this is true in 2019 but these risks are now closely followed by an arc of risks from water crises with higher impact through biodiversity loss another environmental risk, cyber-attacks, man-made environmental disasters and large scale involuntary migration which has higher likelihood than the other four

