



Global Risk Digest

Potential Disruptors to
Global Organizations,
Markets and Wider
Society

2017

2017 Global Risk Digest

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I. Introduction

Effective organizational resilience relies on the use of the best available information to survey the risk landscape and keep abreast of threats that can lead to disruptions. The *2017 Global Risk Digest* provides a summary of the global risk landscape by synthesizing the findings of reports by leading organizations working in the field of global risk assessment.

This edition of the Global Risk Digest includes findings from various organizations. The methodologies used in these reports range from computer risk modeling to online surveys. In addition, the focus varies from general risks to more specific areas of risk, such as political or economic risks. Table 1 summarizes key aspects of the reports and sources used in this report.

Table 1. List of Reports and Sources Used in the 2017 Global Risk Digest.

Rank	Organization / Report	Area of Focus	Methodology
1	World Economic Forum - <i>The Global Risks Report 2017, 12th Edition</i>	Global Risks	International survey
2	Pew Research Center – <i>Globally, People Point to ISIS and Climate Change as Leading Security Threats</i>	Global Risks	International survey
3	Cambridge Centre for Risk Studies – <i>Cambridge Global Risk Outlook 2017</i>	Global Risks	Risk modeling
4	Aon Risk Solutions – <i>Global Risk Management Survey</i>	Global Risks	International survey
5	NC State Enterprise Risk Management Initiative – <i>Executive Perspectives on Top Risks for 2017</i>	Global Risks	International survey
6	Economist Intelligence Unit – <i>Global Risks</i>	Geopolitical and Economic Risks	Expert assessment
7	Eurasia Group – <i>Top Risks 2017: The Geopolitical Recession</i>	Geopolitical Risks	Expert assessment

8	Atlantic Council - <i>Our World Transformed: Geopolitical Shocks and Risks</i>	Global Risks Focused On Protectionism, Energy Crises, and Water and Food Scarcities	Risk modeling
9	International Center for Enterprise Preparedness (InterCEP) – <i>Web Forum Summaries</i>	Global and Regional Risks	Expert assessments and feedback from resilience, and emergency response and preparedness communities

Sections II-X each summarize one of these reports. Section X provides some concluding remarks and key take away points. Appendix I includes a comprehensive table for side-by-side comparisons of the risks considered by the different organizations in their assessments.

II. World Economic Forum: Global Risks

The World Economic Forum (WEF) is an independent, not-for-profit foundation that focuses on public-private cooperation. *The Global Risks Report 2017* is the 12th edition of an annual publication that focuses on perceptions of risks and threats, and the trends that shape them.¹ The WEF defines global risk as “an uncertain event or condition that, if it occurs, can cause significant negative impact for several countries or industries within the next 10 years.”²

The analyses on global risks in the report are based on the results of the Global Risks Perception Survey (GRPS), which was conducted between September and October of 2016. The respondents of the survey represent the business, government, academia, and non-governmental organizations communities. Participants were asked to assess both the likelihood and impact of 30 global risks over the next ten year period. 745 responses were included in the analyses presented in the report. Table 2 summarizes the top 10 global risks chosen by participants in terms of likelihood and impact.

¹ See World Economic Forum. 2017. *The Global Risks Report 2017*, 12th edition. Available at: <http://wef.ch/risks2017>

² See World Economic Forum. 2017. *The Global Risks Report 2017*, 12th edition. Page 65.

The WEF report also includes an analysis of trends, which are defined as, “a long-term pattern that is currently evolving and that could contribute to amplifying global risks and/or altering the relationship between them.”³ According to the report, the top 5 trends are:⁴

- Rising income and wealth disparity
- Changing climate
- Increasing polarization of society
- Rising cyber dependency
- Ageing population

Table 2. Top 10 Global Risks by Likelihood and Impact, World Economic Forum.

Rank	Top 10 risks in terms of likelihood	Top 10 risks in terms of impact
1	Extreme weather events	Weapons of mass destruction
2	Large-scale involuntary migration	Extreme weather events
3	Natural disasters	Water crises
4	Terrorist attacks	Natural disasters
5	Data fraud or theft	Failure of climate change mitigation and adaptation
6	Cyber-attacks	Large-scale involuntary migration
7	Illicit trade	Food crises
8	Man-made environmental disasters	Terrorist attacks
9	Interstate conflict	Interstate conflict

³ See World Economic Forum. 2017. The Global Risks Report 2017, 12th edition. Page 65.

⁴ See World Economic Forum. 2017. The Global Risks Report 2017, 12th edition. Page 11.

10	Failure of national governance	Unemployment and underemployment
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Source: World Economic Forum, *The Global Risks Report 2017*. Figure 3, inside cover. Available at: <https://www.weforum.org/reports/the-global-risks-report-2017>

Respondents to the survey were also asked about *interconnections*. Since global risks are not isolated, the WEF discusses interconnections or global risks that are strongly connected⁵. Table 3 shows the top global risk interconnections chosen by participants. In addition, the report describes the “The confluence of risks around water scarcity, climate change, extreme weather events and involuntary migration,” as a *risk multiplier*.⁶

Table 3. Top 5 Global Risk Interconnections

Rank	Risk Interconnections	
1	Unemployment and underemployment	Profound social instability
2	Large-scale involuntary migration	State collapse or crisis
3	Failure of climate change mitigation and adaptation	Water crises
4	Failure of national governance	Profound social instability
5	Interstate conflict with regional consequences	Large-scale involuntary migration

Source: World Economic Forum, *The Global Risks Report 2017*. Page 12. Available at: <https://www.weforum.org/reports/the-global-risks-report-2017>

⁵ See World Economic Forum. 2017. *The Global Risks Report 2017*, 12th edition. Page 66.

⁶ See World Economic Forum. 2017. *The Global Risks Report 2017*, 12th edition. Page 17.

III. Pew Research Center: Leading Security Threats

The Pew Research Center is a non-partisan think tank that conducts a number of opinion polls around the world, covering topics that range from demographics to science and technology to religion to global attitudes⁷. Among the topics included in their analyses is security threats.

In August 2017, the Pew Research Center published a report titled *Globally, People Point to ISIS and Climate Change as Leading Security Threats*.⁸ This report includes the results of an international survey that asked respondents to identify the leading threat to their country from a list of eight possible threats. The survey was conducted in 38 countries between February and May, 2017, and 41,953 people participated. Although there are important regional differences in what respondents identified as the leading threats, overall, ISIS and global climate change were the most commonly chosen threats. Table 4 summarizes the overall results of the survey and Table 5 includes the top 3 security threats by region, as chosen by respondents from the list of eight threats.

Table 4. Top Security Threats

Rank	Security Threat	Percent of Respondents
1	Islamic militant group known as ISIS	62
2	Global climate change	61
3	Cyberattacks from other countries	51
4	The condition of the global economy	51
5	Large number of refugees leaving countries such as Iraq and Syria	39
6	U.S. power and influence	35

⁷ See Pew Research Center: <http://www.pewresearch.org/>

⁸ See Pew Research Center. 2017. *Globally, People Point to ISIS and Climate Change as Leading Security Threats*. Available at: <http://www.pewglobal.org/2017/08/01/globally-people-point-to-isis-and-climate-change-as-leading-security-threats/>

7	Russia's power and influence	31
8	China's power and influence	31

Source: Pew Research Center. 2017. *Globally, People Point to ISIS and Climate Change as Leading Security Threats*. Page 2. Available at: <http://www.pewglobal.org/2017/08/01/globally-people-point-to-isis-and-climate-change-as-leading-security-threats/>

Table 5. Top 3 Threats by Region

Rank	Europe	USA	Asia-Pacific	Middle East and North Africa	Latin America	Sub-Saharan Africa
1	ISIS	ISIS	ISIS	The condition of the global economy	Global climate change	Global climate change
2	Global climate change	Cyberattacks from other countries	Global climate change	U.S. power and influence	The condition of the global economy	A large number of refugees leaving countries such as Iraq and Syria
3	Cyberattacks from other countries	Global climate change	Cyberattacks from other countries	A large number of refugees leaving countries such as Iraq and Syria	Cyberattacks from other countries	ISIS

Source: Pew Research Center. 2017. *Globally, People Point to ISIS and Climate Change as Leading Security Threats*. Available at: <http://www.pewglobal.org/2017/08/01/globally-people-point-to-isis-and-climate-change-as-leading-security-threats/>

IV. Cambridge Centre for Risk Studies: Global Risk Outlook for 2017

The Cambridge Centre for Risk Studies (CCRS) is part of the Judge Business School at the University of Cambridge. Its main focus is to provide: “frameworks for recognizing, assessing and managing the impacts of systemic threats.”⁹ The CCRS works with multiple stakeholders, including the private sector, government policy makers, regulators and industry organizations.

The CCRS conducts risk analyses for 300 leading cities around the world that together represent about half of the world’s gross domestic product (GDP). This includes modeling shocks to the major economies of the world by risk type, and estimating how likely they are to occur and what their economic consequences are likely to be. The results of these analyses are included in the report titled *Cambridge Global Risk Outlook 2017*. Table 6 summarizes the top 10 global risks included in the report, ranked by potential impacts to GDP output. All of the risks included in the table have an estimated potential consequence of over \$20 billion in reduced output.

Table 6. 2017 Top Global Risks

Rank	Top 10 risks in terms of potential GDP losses	Risk type	Change relative to 2015
1	Market crash	Finance, economics and trade	Decrease
2	Interstate conflict	Geopolitics and security	Increase
3	Tropical windstorm	Natural catastrophe and climate	Increase
4	Human pandemic	Health and humanity	Decrease
5	Earthquake	Natural catastrophe and climate	Decrease
6	Flood	Natural catastrophe and climate	Increase
7	Cyber-attack	Technology and space	Increase

⁹ See University of Cambridge, Centre for Risk Studies. <https://www.jbs.cam.ac.uk/faculty-research/centres/risk/>

8	Separatism conflict	Geopolitics and security	Increase
9	Sovereign default	Finance, economics and trade	Increase
10	Commodity price shock	Finance, economics and trade	Decrease

Source: University of Cambridge, Centre for Risk Studies. *Cambridge Global Risk Outlook for 2017*. Page 13. Available at: <http://cambridgeriskframework.com/page/20>

The report also provides a ranking of cities based on a composite of the threats and their possible consequences in terms of short-term GDP losses. The top 10 are listed in table 7 below.

Table 7. Top cities at risk from economic shocks in 2017

Rank	City	Short-term GDP risk (billion US\$)
1	Taipei	20.57
2	Tokyo	20.44
3	Seoul	13.76
4	Manila	13.10
5	Istanbul	12.06
6	Tehran	10.66
7	Osaka	10.02
8	Mumbai	9.72

9	New York	9.23
10	Delhi	9.22

Source: University of Cambridge, Centre for Risk Studies. *Cambridge Global Risk Outlook for 2017*. Page 14. Available at: <http://cambridgeriskframework.com/page/20>

V. Aon Risk Solutions: 2017 Global Risk Management Survey

Aon Risk Solutions is a leading global services firm providing a broad range of risk, retirement and health solutions.¹⁰ The findings in this section refer to the 2017 *Global Risk Management Survey* conducted by Aon. This is a web-based biennial survey conducted in the fourth quarter of 2016. The results are based on over 1,800 responses from representatives of 33 sectors of the economy, in both the private and public sectors, and across 60 countries.

The top 10 risks according to Aon’s 2017 *Global Risk Management Survey* are listed in Table 8 below. The report published by Aon includes 55 different risks.

Table 8. Aon Global Risk Management Survey risk ranking

Rank	Global Risk
1	Damage to reputation/brand
2	Economic slowdown/slow recovery
3	Increasing competition
4	Regulatory/legislative changes
5	Cyber-crime/hacking/viruses/malicious codes
6	Failure to innovate/meet customer needs

¹⁰ See Aon Risk Solutions – About Aon. Available at: <http://www.aon.com/about-aon/about-aon.jsp>

7	Failure to attract or retain top talent
8	Business interruption
9	Political risk/uncertainties
10	Third party liability

Source: Aon Risk Solutions, *2017 Global Risk Management Survey*. Page 10. Available at: <http://www.aon.com/2017-global-risk-management-survey/>

The report notes that there are some differences in terms of risk perception depending on the size of organizations. Companies with revenues above \$1 billion, for example, tend to list “damage to reputation/brand” as the top risk. But smaller companies rank other risks such as economic slowdown and increasing competition as their top concerns.

The report also notes that increasing concerns over cyber risks are prompting more companies to adopt cyber risk assessments but that relatively few companies conduct any kind of financial quantification of this process. This makes it difficult to prioritize investments in risk mitigation in this area.¹¹

VI. NC State Enterprise Risk Management Initiative: Executive Perspectives on Top Risks for 2017

Research conducted by North Carolina State University’s ERM Initiative and Protiviti also provides insights into perceptions about global risks. Their report, titled *Executive Perspectives on Top Risks for 2017*, is based on a survey conducted online in the fall of 2016. The respondents consisted of 735 board members and executives representing various industries around the world, with 55% of respondents from the United States and 45% from other countries.¹²

¹¹ See Aon Risk Solutions, *2017 Global Risk Management Survey*. Page 8. Available at: <http://www.aon.com/2017-global-risk-management-survey/>

¹² See NC State Enterprise Risk Management Initiative and Protiviti. 2017. *Executive Perspectives on Top Risks for 2017*. Page 2. Available at: <https://erm.ncsu.edu/library/article/2017-top-risks-report-executive-perspectives-on-top-risks-for-2017>

The respondents were asked to rate the potential impact of 30 risk factors to their organization over the following year using a ten-point scale. Impacts on this scale range from “no impact at all” to “extensive impact”. The results are summarized in Table 9 below.

Table 9. Top 10 Risks – Perspective of Board Members and Executives

Rank	Risks: <i>NC State Enterprise Risk Management Initiative</i>
1.	Economic conditions may restrict growth
2.	Regulatory changes and regulatory scrutiny may heighten
3.	Cyber threats
4.	Rapid speed of disruptive innovations and/or new technologies
5.	Resources needed for ensuring privacy/identity management and information security/system protection
6.	Succession challenges and ability to attract and retain top talent may limit our ability to achieve operational targets
7.	Volatility in global financial markets and currencies
8.	Our organization’s culture may not sufficiently encourage the timely identification and escalation of risk issues
9.	Resistance to change may restrict our organization from making necessary adjustments
10.	Sustaining customer loyalty and retention may be increasingly difficult

Source: North Carolina State University’s ERM Initiative and Protiviti. *Executive Perspectives on Top Risks for 2017*. Available at: <https://erm.ncsu.edu/library/article/2017-top-risks-report-executive-perspectives-on-top-risks-for-2017>

VII. The Economist Intelligence Unit (EIU): Global Risks

The Economist Intelligence Unit (EIU) is the research and analysis division of The Economist Group, which also includes The Economist newspaper. Some of the services provided by the EIU

include country, risk and industry analysis in countries around the world.¹³ The EIU updates its top global risks factors periodically. Table 10 summarizes the risks included in August, 2017.¹⁴

Various categories for risk and impact are included in the analyses. For risk, various ranges are used that characterize the probability that a scenario will occur in the next two years. The categories include the following:

- Very high risk = greater than 40%
- High = 31-40%
- Moderate = 21-30%
- Low = 11-20%
- Very low = 0-10%

Impact refers to both positive and negative scenarios. For positive scenarios, the interpretation is a positive change in annual global gross domestic product (GDP) relative to a baseline forecast. For negative scenarios, the change in global GDP would be negative. The following categories are used:

- Very high impact = 2% or more
- High = 1-1.9%
- Moderate = 0.5-0.9%
- Low = 0.2-0.5%
- Very low = 0-0.1%

Table 10. Global Risks

Rank	Global Risks: <i>The Economist Intelligence Unit</i>	Risk	Impact
1	China suffers a disorderly and prolonged economic slump	High	Very High
2	The rising threat of jihadi terrorism destabilizes the global economy	Moderate	High
3	Oil prices slump in 2018 after the OPEC deal to keep production down breaks apart	High	Moderate

¹³ See The Economist Intelligence Unit (EIU): <http://www.eiu.com/>

¹⁴ See The Economist Intelligence Unit (EIU), Global Forecasting Service: <http://gfs.eiu.com/Archive.aspx?archiveType=globalrisk>

4	There is a clash of arms in East Asia	Moderate	High
5	A global arms race gathers pace	Moderate	High
6	A major cyber-attack cripples corporate and government activities	Moderate	High
7	Global growth surges	Low	Very High
8	The US introduces a Border-Adjustment Tax	Low	Very High
9	Saudi Arabia launches a military invasion of Qatar	Very Low	Very High
10	Multiple countries withdraw from the euro zone	Very Low	Very High

Source: The Economist Intelligence Unit, *Global Risk Outlook*. Available at: <http://gfs.eiu.com/Archive.aspx?archiveType=globalrisk>

VIII. Eurasia Group: Top Political Risks

Eurasia Group is a political risk consultancy firm that provides services to help the private sector better understand the impact of political risks on markets¹⁵. As part of its activities, Eurasia Group publishes an annual report that forecasts the top political risks for that year. The latest report was published on January 3, 2017. Table 11 includes the top political risks discussed in the report.

Table 11. Top 10 Political Risks

Rank	Risk: <i>Eurasia Group</i>
1.	Independent America: unilateralism, mistrust of existing free trade agreements, and industrial policy
2.	China overreacts: foreign policy and stability

¹⁵ See Eurasia Group – Our Story. Available at: <https://www.eurasiagroup.net/our-story>

3.	A weaker Merkel: political risks in Europe
4.	No reform: developed and emerging economies avoid structural reform
5.	Technology and the Middle East: technology exacerbates political instability
6.	Central banks get political: politicians have taken to blaming independent central banks for political and economic woes
7.	The White House versus Silicon Valley: the valley’s entrepreneurs generally have fundamentally different world views from the White House
8.	Turkey: ever-fewer checks on executive power
9.	North Korea: making consistent progress on an intercontinental ballistic missile capability
10.	South Africa: intense political infighting

Source: Eurasia Group. 2017 *Top Risks*. Available at: <https://www.eurasiagroup.net/issues/top-risks-2017>

IX. Atlantic Council: Geopolitical Shocks and Risks

The Atlantic Council aims to promote “constructive leadership and engagement in international affairs”.¹⁶ In April 2017, the Atlantic Council, in association with Zurich Insurance Group, published a report titled *Our World Transformed: Geopolitical Shocks and Risks*.¹⁷ In this report, the authors examine three risks with geopolitical consequences and interconnections: protectionism, energy crisis, and water and food scarcities. These are summarized in Table 12.

In order to assess the potential impact of these global risks, the authors used an integrated assessment model titled the International Futures (Ifs) model. A number of scenarios are used to explore the potential consequences associated with these risks.

¹⁶ See Atlantic Council, *About The Council*. Available at: <http://www.atlanticcouncil.org/about>

¹⁷ See Atlantic Council. 2017. *Our World Transformed: Geopolitical Shocks and Risks*. Available at: <http://www.atlanticcouncil.org/publications/reports/our-world-transformed-geopolitical-shocks-and-risks>

Table 12. Risks with Geopolitical Consequences and Interconnections

Global Risk	Interconnections	Scenarios Considered
1. Protectionism ¹⁸	China – US tensions could increase risk of protectionism	<ul style="list-style-type: none"> • <i>Base Case</i>: continuation of flattening of global trade flows • <i>Global Resurgence</i>: rebound in trade in goods and services and foreign direct investment • <i>Protectionist Victory</i>: significant reduction in trade in goods and services
2. Energy crisis ¹⁹	Energy systems are often necessary to operate water systems	<ul style="list-style-type: none"> • <i>Base Case</i>: Current tensions in the Middle East do not escalate • <i>Constrained Energy</i>: Renewables and other sources are unable to make up for reduced supplies from the Middle East • <i>Accelerated Renewables</i>: energy price increases lead to increasing investment in renewables and these become more competitive
3. Water and food scarcities ²⁰	Increasing trade barriers can exacerbate energy and water shortages	<ul style="list-style-type: none"> • <i>Base Case</i>: already a geopolitical risk, economic growth in constrained and dependence of food

¹⁸ See Atlantic Council. 2017. *Our World Transformed: Geopolitical Shocks and Risks*, page 8. Available at: <http://www.atlanticcouncil.org/publications/reports/our-world-transformed-geopolitical-shocks-and-risks>

¹⁹ See Atlantic Council. 2017. *Our World Transformed: Geopolitical Shocks and Risks*, page 15. Available at: <http://www.atlanticcouncil.org/publications/reports/our-world-transformed-geopolitical-shocks-and-risks>

²⁰ See Atlantic Council. 2017. *Our World Transformed: Geopolitical Shocks and Risks*, page 23. Available at: <http://www.atlanticcouncil.org/publications/reports/our-world-transformed-geopolitical-shocks-and-risks>

		<p>increases in many of the most affected countries</p> <ul style="list-style-type: none"> • <i>Arid Earth</i>: reduced water supply and inadequate technology development increase the number of countries facing instability pressures • <i>Severe Weather</i>: more frequent extreme weather events can also increase the risk of political instability and economic downturns
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Source: Atlantic Council, *Our World Transformed*. Available at: <http://www.atlanticcouncil.org/publications/reports/our-world-transformed-geopolitical-shocks-and-risks>

Of the scenarios included in the report, Constrained Energy would have the greatest impact relative to the base scenario, with an estimated decrease in global gross domestic product (GDP) of \$54 trillion. The Protectionist Victory scenario also has very significant economic costs, its impact relative to the base scenario would be a reduction in global GDP of \$18 trillion. The Arid Earth and Severe Weather scenarios could result in increases in the number of people in poverty ranging between 6.8 and 21 million relative to the base case scenario.

X. International Center for Enterprise Preparedness (InterCEP): Global and Regional Risks

The International Center for Enterprise Preparedness (InterCEP) is a research center at New York University that focuses on resilience and emergency preparedness, and in particular on private-public sector collaboration in the areas of risk mitigation and risk management.²¹ As part of its activities, InterCEP holds a web forum every month on a risk or threat considered to be important.²² The topics are selected based on literature reviews, expert assessments and feedback from the multiple stakeholders that participate in these forums. The topics covered in a given year represent the risks and threats considered to be critical at the global and New York City regional scales. These risks and threats are included in table 13. The ordering of the risks/threats is not indicative of their relative importance, but rather of the sequence in which web forums were held over the period July 2016-June 2017. This represents the period

²¹ See International Center for Enterprise Preparedness (InterCEP) – About Us: <http://www.intercep.nyu.edu/>

²² See International Center for Enterprise Preparedness (InterCEP) – Resources : <http://www.intercep.nyu.edu/resources/>

between the annual Urgent Threats Forum, an event organized by InterCEP every summer where this report is presented to an audience of experts and practitioners in risk management, emergency preparedness and organizational resilience.

Table 13. InterCEP: Ongoing and Emerging Risks, 2015-2016

Risk	Category	Timeframe
Brexit and implications for business	Political economy	Ongoing
Large-Scale Involuntary Migration	Societal; Safety and Security	Ongoing
Lone Wolf Terrorism and Militant Extremists	Safety and security	Ongoing
Integrating Cyber-Security with Disaster Recovery and Business Continuity	Technology	Ongoing
Severe Winter Weather	Environment and Natural Hazards	Seasonal
Apple vs. the FBI: The Inevitable Clash and Its Global Ramifications	Societal; technology	Ongoing
The Next Four Years: Update on Syria	Safety and security	Ongoing
Water Scarcity	Environment; infrastructure	Ongoing
Active Shooter Preparedness	Safety and security	Ongoing
Infectious Diseases: Critical Developments and Global Forecast	Public health	Ongoing
Hurricane Season Outlook and Preparedness Strategies 2017	Environment and natural hazards	Seasonal
Food Security, Migration And Climate Change	Environment and natural hazards	Ongoing

Source: Summaries of the web forums included in this table are available at:
<http://www.intercep.nyu.edu/resources/>

XI. Concluding Remarks

Cyber-attacks and related threats constitute a cross-cutting theme among most of the reports and references included in this year's Global Risk Digest. Seven out of the nine reports and resources include this threat, and the two do not are focused on specific risks/threats that do not include cybersecurity.

Natural hazards and man-made environmental disruptions continue to rank high as global risks. In the area of natural hazards there is extensive concern over extreme weather events. In addition, climate change is included as a risk and also as a multiplier/interconnector that can exacerbate other risks, including water and food scarcity, and large-scale migration.

In the security area, terrorism, and particularly terrorism related to ISIS, continues to rank high among respondents of various global risk surveys, this is particularly true of respondents in Europe and the Middle East.

In the economic arena there is concern about the impact of a slowdown in China's economy, as well as the potential repercussions of more protectionism in U.S. policy. Other risks of concern for organizations include increased regulations/legislation, stock and currency market crashes, commodity price shocks.

In the political arena there is concern about political developments in the near future in Germany and China. In addition, the prospect of continued terrorist attacks and interstate conflict also constitute political risks that can affect international markets and organizations.

With regard to risks related to organizational management, there is concern about ability to attract and maintain top talent, ability to address and respond to emerging risks, and reputational risks associated with cyber and emerging technologies.

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Appendix I: Side by Side Comparison of the Risks Identified in the Reports

Table 14 summarizes the main risks discussed in the reports considered in the 2017 Global Risk Digest.

WEF – Top 10 Risks in Terms of Likelihood	Pew Research Center – Top Threats	Cambridge Center for Risk Studies - Top 10 risks in terms of potential GDP losses	Aon Risk Solutions – Top 10 Global Risk	NC State Enterprise Risk Management Initiative – Top 10 Risks	The Economist Intelligence Unit – Top 10 Global Risks	Eurasia Group – Top Risks	Atlantic Council – Geopolitical Shocks and Risks (not ranked)	InterCEP – Global and Regional Risks (not ranked)
1. Extreme weather events	1. Islamic militant group known as ISIS	1. Market crash	1. Damage to reputation/ brand	1. Economic conditions may restrict growth	1. China suffers a disorderly and prolonged economic slump	1. Independent America: unilateralism, mistrust of existing free trade agreements, and industrial policy	Protectionism	Brexit and implications for business
2. Large-scale involuntary migration	2. Global climate change	2. Interstate conflict	2. Economic slowdown/ slow recovery	2. Regulatory changes and regulatory scrutiny may heighten	2. The rising threat of jihadi terrorism destabilizes the global economy	2. China overreacts: foreign policy and stability	Energy crisis	Large-Scale Involuntary Migration
3. Natural disasters	3. Cyberattacks from other countries	3. Tropical windstorm	3. Increasing competition	3. Cyber threats	3. Oil prices slump in 2018 after the OPEC deal to keep production down breaks apart	3. A weaker Merkel: political risks in Europe	Water and food scarcities	Lone Wolf Terrorism and Militant Extremists
4. Terrorist attacks	4. The condition of the global economy	4. Human pandemic	4. Regulatory/ legislative changes	4. Rapid speed of disruptive innovations	4. There is a clash of arms in East Asia	4. No reform: developed and emerging		Integrating Cyber-Security with Disaster

				and/or new technologies		economies avoid structural reform		Recovery and Business Continuity
5. Data fraud or theft	5. Large number of refugees leaving countries such as Iraq and Syria	5. Earthquake	5. Cyber crime/ hacking/ viruses/ malicious codes	5. Resources needed for ensuring privacy/ identity management and information security/ system protection	5. A global arms race gathers pace	5. Technology and the Middle East: technology exacerbates political instability		Extreme Weather (severe winter weather and hurricanes)
6. Cyberattacks	6. U.S. power and influence	6. Flood	6. Failure to innovate/ meet customer needs	6. Succession challenges and ability to attract and retain top talent may limit our ability to achieve operational targets	6. A major cyber-attack cripples corporate and government activities	6. Central banks get political: politicians have taken to blaming independent central banks for political and economic woes		Cybersecurity and privacy
7. Illicit trade	7. Russia's power and influence	7. Cyber-attack	7. Failure to attract or retain top talent	7. Volatility in global financial markets and currencies	7. Global growth surges	7. The White House versus Silicon Valley: the valley's entrepreneurs generally have fundamentally different world views from the White House		Syria
8. Man-made environmental disasters	8. China's power and influence	8. Separatism conflict	8. Business interruption	8. Our organization's culture may not sufficiently	8. The US introduces a Border-Adjustment Tax	8. Turkey: ever-fewer checks on executive power		Water Scarcity

				encourage the timely identification and escalation of risk issues				
9. Interstate conflict		9. Sovereign default	9. Political risk/uncertainties	9. Resistance to change may restrict our organization from making necessary adjustments	9. Saudi Arabia launches a military invasion of Qatar	9. North Korea: making consistent progress on an intercontinental ballistic missile capability		Active Shooter Preparedness
10. Failure of national governance		10. Commodity price shock	10. Third party liability	10. Sustaining customer loyalty and retention may be increasingly difficult	10. Multiple countries withdraw from the euro zone	10. South Africa: intense political infighting		Infectious Diseases