

Glossary of Risks

Initially 23 core risks were defined in Global Risks 2007: A Global Risk Network Report. They can be found at www.weforum.org/pdf/CSI/Long_Global_Risk_Report_2007.pdf. What follows is an updated version for the 2011 survey with a description of the risks.

23 risks

Economic Risks

- Oil price shock/energy supply interruptions – Oil prices rise steeply due to major supply disruption.
- Fall in value of US dollar - US current account deficit triggers a major fall in the dollar.
- Chinese economic hard landing – China’s economic growth slows, potentially as a result of protectionism, internal political or economic difficulties.
- Blow up in asset prices – The value of personal assets such as housing and equities collapse, fueling a recession.
- Financial volatility – price instability of core products such as commodities, energy or currency

Environmental Risks

- Climate change – Climate change generates both extreme events and gradual changes, impacting infrastructure, agricultural yields and human lives.
- Loss of freshwater services – Water shortages impact agriculture, businesses and human lives.
- Natural Catastrophe: Tropical Storms – Hurricane or typhoon passes over heavily populated areas, leading to catastrophic economic losses and/or high human death tolls.
- Natural Catastrophe: Earthquakes – Strong earthquake(s) occur in heavily populated areas.
- Natural Catastrophe: Inland Flooding – Flooding associated with rivers causes significant economic losses, fatalities and disruption.

Geopolitical Risks

- International Terrorism – Attacks disrupt economic activity, causing major human and economic losses.
- Proliferation of Weapons of Mass Destruction –nuclear Non-Proliferation Treaty no longer effective, leading to spread of nuclear technologies.
- Interstate and civil wars – Major interstate or civil wars erupt.
- Failed and failing states – Trend of widening gap between order and disorder.
- Trans-national crime and corruption – Corruption continues to be endemic and organized crime successfully penetrates the global economy.
- Retrenchment from globalization – Rising concerns about cheap imports and immigration sharpen protectionism in developed countries. Emerging economies become more nationalist and state-oriented.
- Regional instability – Certain unstable areas may cause widespread political and other crises. These include, but are not limited to, the Middle East and the Korean peninsula.

Societal Risks

- Pandemics/Infectious disease – A pandemic emerges with high mortality/Incidence of diseases such as HIV/AIDS spreads geographically.
- Chronic diseases – Obesity, diabetes and cardiovascular diseases become widespread.
- Demographic shift – Aging populations in developed economies drive economic stagnation by forcing governments to raise taxes or borrow.
- Liability Regimes – Liability costs rise by multiples of GDP growth, with spread of litigiousness.

Technological Risks

- Cyber security/Interconnectedness of infrastructure – A major disruption of the availability, reliability and resilience of critical information infrastructure caused by cyber-crime, terrorist attack or technical failure. Results are felt in major infrastructure: power distribution, water supply, transportation, telecommunication, emergency services and finance.
- Technology/Space weather – health impairment due to exposure to nanoparticles, unintended consequences of technology, or disruptions caused by geomagnetic storms, meteorites and other phenomena originating from beyond the earth.