

Press release: Allianz Risk Barometer 2023: Cyber incidents remain the top business risk in India for the 6th consecutive year

- **12th annual Allianz survey: Cyber incidents rank the highest, chosen by almost half of respondents as the top three risks in the country**
- **Business interruption (#2), Changes in legislation & regulation (#3), Climate change (#3) and Natural catastrophes (#3), all tied in the third spot remain key business risks in India.**
- **Globally, cyber incidents, business interruption, and macroeconomic developments are the top three risks in 2023**

Singapore – January 17, 2023. **Cyber incidents** (#1 with 51% of respondents) rank the highest for the sixth consecutive year according to the **Allianz Risk Barometer** compiled by Allianz Group's corporate insurer Allianz Global Corporate & Specialty (AGCS). **Business interruption** (#2 with 35%), **Changes in legislation & regulation** (#3 with 25%), **Climate change** (#3 with 25%) and **Natural catastrophes** (#3 with 25%), all tied in the third spot remain key business risks in India. **Macroeconomic developments** (#6 with 16%) pose a rising risk to businesses, as a new entrant.

In its 12th edition, the [2023 Allianz Risk Barometer](#) incorporates the views of 2,712 risk management experts in 94 countries and territories including CEOs, risk managers, brokers and insurance experts.

According to the survey, **Cyber incidents** and **Business interruption** rank as the biggest company concerns globally (both with 34% of all responses), and for the second year in succession. **Macroeconomic developments** such as inflation, financial market volatility and a looming recession (up from #10 to #3 year-on-year), is a notable top riser in this year's list of global business risks, as the economic and political consequences of the world in the aftermath of Covid-19 and the Ukraine war take hold.

AGCS' CEO Joachim Mueller comments on the findings: "For the second year in a row the **Allianz Risk Barometer** shows that companies are most concerned about mounting cyber risks and business interruption. At the same time, they see inflation, an impending recession and the energy crisis as immediate threats to their business. Companies – in Europe and in the US in particular – worry about the current 'permacrisis' resulting from the consequences of the pandemic and the economic and political impact from ongoing war in Ukraine. It's a stress test for every company's resilience.

"The positive news is that as an insurer we see continuous improvement in this area among many of our clients, particularly around making supply chains more failure-proof, improving business

continuity planning and strengthening cyber controls. Taking action to build resilience and de-risk is now front and center for companies, given the events of recent years.”

Top Asia Pacific Risks

Business interruption (#1 with 35% of responses) is the top risk in Asia Pacific, surpassing **cyber incidents** (#2 with 32%) which ranked top for the previous three years. This comes as little surprise as companies need to navigate supply chain disruption, uncertain geopolitical, economic and climate risks, as well as long-term transformations such as digitalization and decarbonization. The threat of recession is another likely source of disruption in 2023, with potential for supplier failure and insolvency, which is a particular concern for companies with single or limited critical suppliers. According to [Allianz Trade](#), global business insolvencies are likely to rise by 19% in 2023.

Natural catastrophes (#3 with 27%), **Changes in legislation and regulation** (#4 with 24%), and **Climate change** (#5 with 22%) make up the other top five risks in the region.

Top India Risks



Top 10 risks in India

Source: Allianz Global Corporate & Specialty

Figures represent how often a risk was selected as a percentage of all responses for that country
Respondents: 57. Figures don't add up to 100% as up to three risks could be selected

Rank		Percent	2022 rank	Trend
1	Cyber incidents (e.g. cyber crime, malware/ransomware causing system downtime, data breaches, fines and penalties)	51%	1 (51%)	→
2	Business interruption (incl. supply chain disruption)	35%	3 (33%)	↑
3	Changes in legislation and regulation (e.g. trade wars and tariffs, economic sanctions, protectionism, Euro-zone disintegration)	25%	7 (15%)	↑
3	Climate change (e.g. physical, operational and financial risks as a result of global warming)	25%	5 (22%)	↑
3	Natural catastrophes (e.g. storm, flood, earthquake, wildfire, extreme weather events)	25%	4 (28%)	↑
6	Macroeconomic developments (e.g. inflation, deflation, monetary policies, austerity programs)	16%	NEW	↑
6	Political risks and violence (e.g. political instability, war, terrorism, civil commotion, strikes, riots, looting)	16%	NEW	↑
8	Pandemic outbreak (e.g. health and workforce issues, restrictions on movement)	14%	2 (39%)	↓
9	Fire, explosion	11%	NEW	↑
10	Environmental risks (e.g. pollution)	9%	NEW	↑

In India, businesses are most concerned about **Cyber Incidents**, which has claimed top spot for the last six years. Around five million people globally have had their data stolen and sold on the bot market, of which 600,000 are from India, making it the worst affected country, according to one of the world's largest VPN service providers NordVPN. India has been dealing with cyber security concerns for a while. In November 2022, multiple servers of the All India Institute of Medical Sciences (AIIMS), a federal government hospital that caters to ministers, politicians and the general public, were infected. A week

after the ransomware attack on AIIMS, the Indian Council of Medical Research (ICMR) faced around 6,000 hacking attempts within 24 hours.

According to the Allianz Cyber Center of Competence, the frequency of ransomware attacks remains elevated in 2023, while the average cost of a data breach is at an all-time high at \$4.35mn and expected to surpass \$5mn in 2023. The conflict in Ukraine and wider geopolitical tensions are heightening the risk of a large-scale cyber-attack by state-sponsored actors. In addition, there is also a growing shortage of cyber security professionals, which brings challenges when it comes to improving security.

For businesses in many countries, 2023 is likely to be another year of heightened risks for **Business interruption** (BI) because many business models are vulnerable to sudden shocks and change, which in turn impact profits and revenues. Ranking #2 globally and in India, the scope of disruptive sources is wide. Cyber is the cause of BI companies fear most (45% of responses); the second most important cause is the energy crisis (35%), followed by natural catastrophes (31%).

Natural catastrophes and **Climate change** tie at the third spot as floods and landslides triggered by intense monsoon rains killed thousands of people in India. The rains overwhelmed hundreds of villages, sweeping away houses, disrupting electricity and water supply, damaging road infrastructure and leaving residents stranded.

March 2022 was the hottest month on record, with temperatures in Delhi crossing 40 degrees Celsius in April and touching 49 degrees Celsius in May. Heatwaves are becoming the new normal across the region. A study by the UK Met Office found that chances of a record-breaking heatwave in India are 100 times more likely due to climate change.

CB Murali, CEO AGCS India said: "It is no surprise that Cyber remains as the top India risk for the sixth consecutive year in light of the high-profile cyber attacks, combined with challenges caused by accelerating digitalization and remote working.

India has always faced extreme weather conditions but there is still a significant protection gap and we need to come together as an industry through private-public-partnerships and a more proactive approach to risk management, to increase our resilience against these risks."

[View the full global and country risk rankings](#)

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About Allianz Global Corporate & Specialty

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Our customers are as diverse as business can be, ranging from Fortune Global 500 companies to small businesses. Among them are not only the world's largest consumer brands, financial institutions, tech companies and the global aviation and shipping industry, but also floating wind farms or Hollywood film productions. They all look to AGCS for smart solutions to, and global programs for, their largest and most complex risks in a dynamic, multinational business environment and trust us to deliver an outstanding claims experience.

Worldwide, AGCS operates with its own teams in more than 30 countries and through the Allianz Group network and partners in over 200 countries and territories, employing around 4,250 people. As one of the largest Property-Casualty units of Allianz Group, we are backed by strong and stable financial ratings. In 2021, AGCS generated a total of €9.5 billion gross premium globally.

For more information please visit our website www.agcs.allianz.com

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