

## Media Release: Allianz Risk Barometer: Cyber incidents, Business interruption, and Natural Catastrophes are top business risks in India

- **Climate change and Fire & explosion emerge in 4<sup>th</sup> and 5<sup>th</sup> place**
- **Top risks in Asia remain Cyber incidents, Business interruption and Natural catastrophes**
- **Data breaches, attacks on critical infrastructure or physical assets and increased ransomware attacks drive cyber concerns**

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**Singapore, 16 January 2024** – **Cyber incidents** is the top business risk in India for the seventh consecutive year according to the [Allianz Risk Barometer](#). **Business interruption** such as supply chain disruptions ranks second, while **Natural Catastrophes** such as floods and extreme weather remains the third highest risk. **Climate change** and **Fire & explosion** are the 4<sup>th</sup> and 5<sup>th</sup> biggest worries for India businesses in 2024, based on the insights of more than 3,000 risk management professionals.

Globally and in Asia, the top three risks are **Cyber incidents**, **Business interruption** and **Natural catastrophes**. Other major concerns of companies in Asia include **Fire, explosion** (up from #8 to #4 year-on-year) and **Climate change** (remains at #5).

**Allianz Commercial CEO Petros Papanikolaou** comments on the findings: “The top risks and major risers in this year’s **Allianz Risk Barometer** reflect the big issues facing companies around the world right now – digitalization, climate change and an uncertain geopolitical environment. Many of these risks are already hitting home, with extreme weather, ransomware attacks and regional conflicts expected to test the resilience of supply chains and business models further in 2024. Brokers and customers of insurance companies should be aware and adjust their insurance covers accordingly.”

Large corporates, mid-size, and smaller businesses are united by the same risk concerns – they are all mostly worried about cyber, business interruption and natural catastrophes. However, the resilience gap between large and smaller companies is widening, as risk awareness among larger organizations has grown since the pandemic with a notable drive to upgrade resilience, the report notes. Conversely, smaller businesses often lack the time and resources to identify and effectively prepare for a wider range of risk scenarios and, as a result, take longer to get the business back up and running after an unexpected incident.

**Christian Sandric, Regional Managing Director of Allianz Commercial Asia**, says, “Cyber incidents, business interruption, and natural catastrophes remain the most significant risks for companies in Asia, be it large corporates, mid-size, or smaller businesses. Companies need to navigate an increasingly volatile global business environment, and this reiterates the importance of a strong risk management culture, as well as robust response measures and insurance solutions. For example, companies are increasingly exploring multinational policies

that facilitate swift incident response and can help minimize loss and damage, and alternative risk transfer solutions to cover risks that are difficult to insure in the conventional market.”

## Top risks in Asia

**Cyber incidents** (36%) ranks as the most important risk globally and in Asia, where it is the top peril in India and Japan. Asia is seeing an increase in cyberattacks and there have been notable cyber incidents in the region, including a cyberattack on Japan’s space agency, data breach of details of citizens with the Indian Council of Medical Research, and outage suffered by South Korean government-run online services.

Despite an easing of post-pandemic supply chain disruption in 2023, **Business interruption** (35%) remains a significant concern and is the second biggest threat in Asia. The region, in particular South Korea, Japan, and China, plays an important role in the global upstream supply chain in several industries including active pharmaceutical ingredients and electronic vehicles. This result reflects the interconnectedness in an increasingly volatile global business environment, as well as a strong reliance on supply chains for critical products or services.

**Natural catastrophes** (31%) retains its position as the third biggest threat in the 2024 survey. It was the hottest year since records began, while insured losses exceeded US\$100bn for the fourth consecutive year, driven by the highest ever damage bill of US\$60bn from severe thunderstorms. **Natural catastrophes** ranks the top risk in Malaysia and Thailand, which experienced floods in different parts of 2023, and continues to affect Japan. The New Year’s Day earthquake which hit central Japan caused destruction and triggered mass evacuations and major tsunami warnings, with insured property losses estimated to be between US\$1.8bn and US\$3.3bn.

## Top risks in India

**CB Murali, CEO of Allianz Commercial India**, shares: “Companies in India have to view cybersecurity as a foundational wing of business operations and continuously adapt to adopt the best practices. Unfortunately, cyber perils are often underestimated by businesses, especially SMEs and startups. The trends of attacks we see are proof that these cyber incidents are happening at a greater frequency and severity, therefore calling for businesses to improve their cyber hygiene in an era of ever-deepening reliance on digital technology.

“Additionally, we foresee a clearer interplay between climate change, natural catastrophe, and business interruption risk triggers, and believe all these factors will be of significant focus for risk managers in India, as well as in the rest of the world.”

Businesses in India continue to be most concerned about **Cyber incidents** (#1 with 55%) which has claimed top spot for the last seven years. According to cybersecurity firm Cyfirma, India is the most targeted country globally, facing 13.7% of all cyberattacks. In 2023, The Indian Council of Medical Research (ICMR) suffered from an attack on its database, which left personal details of 81 crore Indians compromised and sold on the dark web.

**Business interruption** (38%) ranks the second top risk in India, behind the closely linked peril of cyber, which continues to be a top cause of business interruption feared by companies. Earlier

last year, paracetamol maker Granules India reported a 62.5% fall in profit following a cyberattack by a Russian ransomware group that had majorly impacted its IT assets and interrupted business operations.

**Natural catastrophes** (#3 with 33%) remains a top risk in India as the country experienced torrential rains, causing flooding and landslides that have killed hundreds. Late and uneven monsoon rains had also adversely impacted crop yields. In Himachal Pradesh alone, the agricultural sector has suffered a loss of at least 1.67 billion rupees (US\$20 million) resulting from heavy rainfall in July 2023, according to local reports.

Experts have not only drawn direct connections between these erratic weather patterns and **climate change** (#4 with 18%), but also warn of food supply challenges that entail. For instance, researchers found that unpredictable monsoon rain due to climate change have damaged crops or delayed the planting of crops, resulting in supply disruptions.

## The top 10 business risks in India 2024

### Top 10 risks in India

Source: Allianz Commercial. Figures represent how often a risk was selected as a percentage of all responses for that country. Respondents: 132. Figures don't add up to 100% as up to three risks could be selected

Rank		Percent	2023 rank	Trend
1	Cyber incidents (e.g., cyber crime, IT network and service disruptions, malware / ransomware, data breaches, fines, and penalties)	55%	1 (51%)	→
2	Business interruption (incl. supply chain disruption)	38%	2 (35%)	→
3	Natural catastrophes (e.g., storm, flood, earthquake, wildfire, extreme weather events)	33%	3 (25%)	→
4	Climate change (e.g., physical, operational, and financial risks as a result of global warming)	18%	3 (25%)	↓
5	Fire, explosion <sup>1</sup>	17%	9 (11%)	↑
6	Changes in legislation and regulation (e.g., tariffs, economic sanctions, protectionism, Euro-zone disintegration)	17%	3 (25%)	↓
7	New technologies (e.g., risk impact of artificial intelligence, connected / autonomous vehicles, lithium-ion batteries, electric vehicles, Metaverse)	16%	NEW	↑
8	Market developments (e.g., intensified competition / new entrants, M&A, market stagnation, market fluctuation)	15%	NEW	↑
9	Political risks and violence (e.g., political instability, war, terrorism, coup d'état, civil commotion, strikes, riots, looting)	14%	6 (16%)	↓
10	Loss of reputation or brand value (e.g., public criticism)	9%	NEW	↑

<sup>1</sup> Fire, explosion ranks higher than changes in legislation and regulation based on the actual number of responses

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

### About the Allianz Risk Barometer

**The Allianz Risk Barometer** is an annual business risk ranking compiled by Allianz Group's corporate insurer Allianz Commercial, together with other Allianz entities. It incorporates the views of 3,069 risk management experts in 92 countries and territories including CEOs, risk managers, brokers and insurance experts and is being published for the 13th time.

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Allianz Commercial is the center of expertise and global line of Allianz Group for insuring mid-sized businesses, large enterprises and specialist risks. Among our customers are the world's largest consumer brands, financial institutions and industry players, the global aviation and shipping industry as well as family-owned and medium enterprises which are the backbone of the economy. We also cover unique risks such as offshore wind parks, infrastructure projects or Hollywood film productions. Powered by the employees, financial strength, and network of the world's #1 insurance brand, [as ranked by Interbrand](#), we work together to help our customers prepare for what's ahead: They trust us to provide a wide range of traditional and alternative risk transfer solutions, outstanding risk consulting and Multinational services, as well as seamless claims handling. The trade name Allianz Commercial brings together the large corporate insurance business of Allianz Global Corporate & Specialty (AGCS) and the commercial insurance business of national Allianz Property & Casualty entities serving mid-sized companies. We are present in over 200 countries and territories either through our own teams or the Allianz Group network and partners. In 2022, the integrated business of Allianz Commercial generated more than €19 billion gross premium globally.

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