

Media Release: Allianz Risk Barometer: A cyber event is the top business risk for 2024 globally and in Asia

- **Data breaches, attacks on critical infrastructure or physical assets and increased ransomware attacks drive cyber concerns**
- **Top risks globally and in Asia are Cyber incidents, Business interruption and Natural catastrophes**

Singapore, 16 January 2024 – Cyber incidents such as ransomware attacks, data breaches, and IT disruptions are the biggest worry for companies globally in 2024, according to the **Allianz Risk Barometer**. The closely interlinked peril of **Business interruption** ranks second. **Natural catastrophes** (up from #6 to #3 year-on-year), **Fire, explosion** (up from #9 to #6), and **Political risks and violence** (up from #10 to #8) are the biggest risers in the latest compilation of the top global business risks, based on the insights of more than 3,000 risk management professionals.

In Asia, the top three risks are similarly **Cyber incidents** (up from #2 to #1), **Business interruption** (down from #1 to #2) and **Natural catastrophes** (remains at #3). Other major concerns of companies include **Fire, explosion** (up from #8 to #4) 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.”

Trends driving cyber activity in 2024

Globally, **Cyber incidents** (36%) ranks as the most important risk for the third year in a row – for the first time by a clear margin (5% points). It is the top peril in 17 countries, including Australia, France, Germany, India, Japan, the UK, and the USA.

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.

A data breach is seen as the most concerning cyber threat for **Allianz Risk Barometer** respondents (59%) followed by attacks on critical infrastructure and physical assets (53%). The recent increase in ransomware attacks – 2023 saw a worrying resurgence in activity, with insurance claims activity up by more than 50% compared with 2022 – ranks third (53%).

“Cyber criminals are exploring ways to use new technologies such as generative artificial intelligence (AI) to automate and accelerate attacks, creating more effective malware and phishing. The growing number of incidents caused by poor cyber security, in mobile devices in particular, a shortage of millions of cyber security professionals, and the threat facing smaller companies because of their reliance on IT outsourcing are also expected to drive cyber activity in 2024,” explains **Scott Sayce, Global Head of Cyber, Allianz Commercial**.

Business interruption and natural catastrophes

Despite an easing of post-pandemic supply chain disruption in 2023, **Business interruption** (31%) retains its position as the second biggest threat globally in the 2024 survey. 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.

Asia, 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. Improving business continuity management, identifying supply chain bottlenecks, and developing alternative suppliers continue to be key risk management priorities for companies in 2024.

Natural catastrophes (26%) is one of the biggest movers globally at #3, up three positions. 2023 was a record-breaking year on several fronts. 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.

In Asia, **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.

The top 10 business risks in Asia for 2024

The most important business risks in 2024: Asia

Rank		Percent	2023 rank	Trend
1	Cyber incidents (e.g., cyber crime, IT network and service disruptions, malware / ransomware, data breaches, fines, and penalties)	36%	2 (32%)	↑
2	Business interruption (incl. supply chain disruption)	35%	1 (35%)	↓
3	Natural catastrophes (e.g., storm, flood, earthquake, wildfire, extreme weather events)	31%	3 (27%)	→
4	Fire, explosion	21%	8 (15%)	↑
5	Climate change (e.g., physical, operational, and financial risks as a result of global warming)	18%	5 (22%)	→
6	Changes in legislation and regulation (e.g., tariffs, economic sanctions, protectionism, Euro-zone disintegration)	17%	4 (24%)	↓
7	Market developments (e.g., intensified competition / new entrants, M&A, market stagnation, market fluctuation)	15%	NEW	↑
8	Macroeconomic developments (e.g., inflation, deflation, monetary policies, austerity programs)	14%	6 (19%)	↓
9	Political risks and violence (e.g., political instability, war, terrorism, coup d'état, civil commotion, strikes, riots, looting)	12%	9 (12%)	→
10	New technologies (e.g., risk impact of artificial intelligence, connected / autonomous vehicles, lithium-ion batteries, electric vehicles, Metaverse)	11%	NEW	↑

Source: Allianz Commercial

Figures represent how often a risk was selected as a percentage of all responses for that region

Respondents: 611. Figures don't add up to 100% as up to three risks could be selected

NEW New entry in the top 10 risks

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

Media releases are also available for the following countries and territories in Allianz Commercial Asia: [Hong Kong](#), [India](#), [Japan](#), [Malaysia](#), [Singapore](#), [South Korea](#), and [Thailand](#).

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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Chairman of the Supervisory Board: Christopher Townsend.
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