

## Media Release: Allianz Risk Barometer: Business interruption, Natural catastrophes and Cyber incidents are the top business risks in Thailand

- **Fire & explosion and New technologies emerge in the 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 – Business interruption** (#1 with 47%), **Natural catastrophes** (#1 with 47%) tie as the top business risks in Thailand, followed by **Cyber incidents** (#3 with 33%) such as ransomware attacks, data breaches, and IT disruptions. **Fire & explosion** and **New technologies** such as the risk impact of artificial intelligence and electric vehicles, are the 4<sup>th</sup> and 5<sup>th</sup> biggest worry for companies in Thailand in 2024, according to the **Allianz Risk Barometer** which is 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 Thailand

**Lars Heibutzki, President and CEO, Allianz Ayudhya General Insurance Public Company Limited**, said: “As extreme weather events are unfortunately becoming a new normal, supply chain resilience and business continuity plans must be prioritized so that businesses can bolster the impact of such disruptions.”

The Kingdom has not been spared from natural catastrophes. Floods in southern Thailand have killed a number of people and affected tens of thousands of households, since the floods which began on 22 December on hit more than 70,000 homes across the provinces of Satun, Songkhla, Pattani, Yala and Narathiwat. Some rail services in the Narathiwat province, which borders Malaysia, had resumed following days of closure due to track subsidence. The Kingdom’s rainy season typically brings months of daily deluges, but scientists say man-made climate change can make rainfall more intense.

Asian off-season rice production is poised to take a hit as dry planting conditions, shrinking reservoirs and forecasts for continued El Nino weather are set to reduce early 2024 yields, further tightening supplies and spurring food inflation. Thailand, the world’s No.2 supplier is expected to see production from its off-season crops decline in the first quarter and is expected to have lower surplus for exports, traders and analysts said.

Commenting on Artificial Intelligence (AI) Lars added, “The acceleration of AI development as seen in 2023 brings tremendous opportunity across many businesses and society in general. At the same time, there have always also been concerns about the consequences of these new technologies. Unfortunately, for the internet and social media, many of these fears have now materialized and will require stakeholders to work together to mitigate these risks. AI’s potential of disrupting businesses has reached a new dimension, as it has the ability to fundamentally change every industry and area of life as a general-purpose technology.”

**New technologies** such as the risk impact of AI is the 5<sup>th</sup> top risk for Thailand. The Bangkok Post reported that 72% of Thai graduates could lose their jobs to AI by 2030. Most at danger are administrative and office workers who lack all but routine skills. Besides paving the way for the enforcement of an AI law and regulation, a key prong of Thailand’s National AI Strategy and Action Plan - launched in 2022 - is to improve AI-related education and manpower capabilities. In a progress report in August 2023, the government said it had endorsed a plan to develop an AI-skilled workforce to support the industrial sector’s diverse needs.

## The top 10 business risks in Thailand 2024

### Top 10 risks in Thailand **NEW**

Source: Allianz Commercial. Figures represent how often a risk was selected as a percentage of all responses for that country. Respondents: 15. Figures don't add up to 100% as up to three risks could be selected

Rank		Percent
1	Business interruption (incl. supply chain disruption)	47%
1	Natural catastrophes (e.g., storm, flood, earthquake, wildfire, extreme weather events)	47%
3	Cyber incidents (e.g., cyber crime, IT network and service disruptions, malware / ransomware, data breaches, fines, and penalties)	33%
4	Fire, explosion	27%
5	New technologies (e.g., risk impact of artificial intelligence, connected / autonomous vehicles, lithium-ion batteries, electric vehicles, Metaverse)	20%
6	Climate change (e.g., physical, operational, and financial risks as a result of global warming)	13%
6	Environmental risks (e.g., pollution, biodiversity issues, water stress)	13%
6	Loss of reputation or brand value (e.g., public criticism)	13%
6	Macroeconomic developments (e.g., inflation, deflation, monetary policies, austerity programs)	13%
6	Product recall, quality management, serial defects	13%

[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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