



ALLIANZ COMMERCIAL

# Allianz Risk Barometer

Identifying the major business risks for 2024

The most important corporate concerns for the year ahead, ranked by 3,069 risk management experts from 92 countries and territories

**Executive Summary**

# Methodology

The 13th **Allianz Risk Barometer** incorporates the views of 3,069 respondents from 92 countries and territories. The annual corporate risk survey was conducted among Allianz customers (businesses around the globe), brokers and industry trade organizations. It also surveyed risk consultants, underwriters, senior managers, claims experts, as well as other risk management professionals in the corporate insurance segment of Allianz Commercial and other Allianz entities.

Respondents were questioned during October and November 2023. The survey focused on large, smaller and mid-size companies. Respondents were asked to select the industry about which they were particularly knowledgeable and to name up to three risks they believed to be most important.

Most answers were for large-size companies (>US\$500mn annual revenue) [1,340 respondents, 44%]. Mid-size companies (\$100mn+ to \$500mn revenue) contributed 792 respondents (26%), while smaller enterprises (<\$100mn revenue) produced 937 respondents (30%). Risk experts from 24 industry sectors were featured.

Ranking changes in the **Allianz Risk Barometer** are determined by positions year-on-year, not percentages.

All currencies listed in the report are in US\$ unless stated.

[➤ View the full regional, country and industry risk data](#)

3,069

respondents

92

countries and territories

24

industry sectors

Countries and industry sectors need at least 15 respondents to feature in the [Allianz Risk Barometer Appendix](#) results document



**1**  
36%  
→  
2023:  
1 (34%)

## Cyber incidents

(e.g., cyber crime, IT network and service disruptions, malware / ransomware, data breaches, fines, and penalties)

# The most important global business risks for 2024



**2**  
31%  
→  
2023:  
2 (34%)

## Business interruption (incl. supply chain disruption)



**3**  
26%  
↑  
2023:  
6 (19%)

## Natural catastrophes (e.g., storm, flood, earthquake, wildfire, extreme weather events)



**4**  
19%  
↑  
2023:  
5 (19%)

## Changes in legislation and regulation<sup>1</sup> (e.g., tariffs, economic sanctions, protectionism, Euro-zone disintegration)



**5**  
19%  
↓  
2023:  
3 (25%)

## Macroeconomic developments<sup>2</sup> (e.g., inflation, deflation, monetary policies, austerity programs)



**6**  
19%  
↑  
2023:  
9 (14%)

## Fire, explosion



**7**  
18%  
→  
2023:  
7 (17%)

## Climate change (e.g., physical, operational, and financial risks as a result of global warming)



**8**  
14%  
↑  
2023:  
10 (13%)

## Political risks and violence (e.g., political instability, war, terrorism, coup d'état, civil commotion, strikes, riots, looting)



**9**  
13%  
↑  
**NEW**

## Market developments (e.g., intensified competition / new entrants, M&A, market stagnation, market fluctuation)



**10**  
12%  
↓  
2023:  
8 (14%)

## Shortage of skilled workforce

### Key

- ↑ Risk higher than in 2023
- ↓ Risk lower than in 2023
- No change from 2023
- (5%) 2023 risk ranking %

Source: Allianz Commercial

Figures represent how often a risk was selected as a percentage of all survey responses  
Respondents: 3,069. Figures don't add up to 100% as up to three risks could be selected

**NEW** New entry in the top 10 risks

- <sup>1</sup> Changes in legislation and regulation ranks higher than macroeconomic developments based on the actual number of responses
- <sup>2</sup> Macroeconomic developments ranks higher than fire, explosion based on the actual number of responses

[Watch our short film about the top 10 risks for 2024](#)

[View the full Allianz Risk Barometer 2024 rankings here](#)

# Allianz Risk Barometer 2024: Top concerns around the world

[View all country, regional and industry risk data here](#)

The graphics show the top three risks in **selected countries** and whether each risk is considered to be more or less important than 12 months ago or is in the same position.



## Australia

- 1 Cyber ↑
- 2 Natural catastrophes ↓
- 3 Shortage of skilled workforce ↑

Cyber incidents replaces natural catastrophes as this year's top business concern, while shortage of skilled workforce becomes a top three ranked peril.



## Brazil

- 1 Climate change ↑
- 2 Business interruption ↓
- 2 Cyber →

Climate change soars from #8 in 2023 to become this year's top risk for the first time.



## Canada

- 1 Business interruption ↑
- 2 Cyber ↓
- 3 Natural catastrophes ↑

Companies are worried about the increasing number of disruptive scenarios they face.



## China

- 1 Changes in legislation →
- 2 Macroeconomic developments ↑
- 3 Market developments ↑

Changes in legislation and regulation ranks as the top risk for the second year in succession.



## France

- 1 Cyber →
- 2 Business interruption →
- 3 Fire ↑

Fire and explosion moves up four positions year-on-year to become a top three risk, while political risks is a new peril in the top 10.



## Germany

- 1 Cyber ↑
- 2 Business interruption ↓
- 3 Changes in legislation ↑

Cyber incidents is the new top peril for businesses and changes in legislation and regulation is a new top three risk.



## India

- 1 Cyber →
- 2 Business interruption →
- 3 Natural catastrophes →

The top three risks are unchanged year-on-year, with cyber incidents ranking as the top peril for the seventh year in a row.



## Italy

- 1 Business interruption ↑
- 1 Cyber →
- 3 Climate change ↑

Climate change moves in to the top three risk threats with a third of responses.



## Japan

- 1 Cyber →
- 2 Natural catastrophes →
- 3 Business interruption →

Cyber incidents ranks as the top risk for the fourth year in succession.



## Nigeria

- 1 Changes in legislation ↑
- 1 Cyber ↑
- 1 Macroeconomic developments →

Macroeconomic developments ranks as the top risk for the second year in a row, alongside changes in legislation and regulation and cyber incidents.



## Singapore

- 1 Business interruption →
- 2 Cyber →
- 3 Natural catastrophes →

While the top three perils remain unchanged year-on-year, climate change climbs to become a top five risk.



## South Africa

- 1 Critical infrastructure blackouts →
- 2 Cyber →
- 3 Business interruption →

Fear of power disruption or failure ranks as the top risk for the second year in a row.



## Spain

- 1 Business interruption ↑
- 2 Cyber ↓
- 2 Fire ↑

Business interruption including supply chain disruption is the new top risk, up from #2 in 2023.



## Switzerland

- 1 Cyber →
- 2 Business interruption ↑
- 2 Changes in legislation ↑

Business interruption and legislative or regulatory change rank as higher concerns for companies than in 2023.



## UK

- 1 Cyber →
- 2 Business interruption →
- 3 Natural catastrophes ↑

Natural catastrophes is a new entry in the top 10 business risks after a number of storm and flood events during 2023.



## USA

- 1 Cyber ↑
- 2 Business interruption ↓
- 3 Natural catastrophes ↑

Cyber incidents is the new top risk for US businesses, while a record loss total from severe thunderstorms sees natural catastrophes rise to #3.

# Top global risks overview

The top risks in this year's **Allianz Risk Barometer** reflect the big issues facing companies 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 testing the resilience of supply chains and business models. The fast pace of change, and the growing interconnected nature of risk, likely necessitates a shift up in gear for many companies when it comes to risk management.

Against this backdrop, cyber and the closely interlinked peril of business interruption continue to rank as the business risks of most concern for companies around the globe. Meanwhile, the more traditional threats posed by natural catastrophes and fire and explosion climb back up the rankings. At the same time, those issues that have become more prominent in recent years, such as the energy crisis, pandemic outbreak, and economic risks, fall down the list of company concerns as some Covid-19-related issues have abated, although challenges still loom.



## Cyber fears widen

**Cyber incidents** is the top global risk in the **Allianz Risk Barometer** – for the first time by a clear margin (36% of responses, 5 percentage points ahead). It ranks as the risk of most concern in the Americas, Africa and Middle East, Asia Pacific, and Europe regions, and across all company sizes, large (>US\$500mn annual revenue), mid-size (\$100mn+ to \$500mn), and smaller (<\$100mn), for the first time as well. Cyber is the cause of business interruption that companies fear most, while cyber security resilience is their most concerning environmental, social, and governance (ESG) risk issue. It is also the top company concern across a wide range of industries including consumer goods, financial services, government, public services, healthcare, leisure and tourism, media, professional services, technology, and telecommunications.

Cyber threats are constantly evolving as hackers and criminals gain access to new technologies or find new ways to exploit old vulnerabilities. Hackers are beginning to use artificial intelligence (AI) powered language models to increase the speed and scope of ransomware attacks, as well as create new malware and produce highly convincing phishing emails and deep fakes. Such attacks are likely to proliferate during 2024.

*“It’s no surprise that cyber is the top concern for businesses globally. Businesses and the wider economy are now reliant on digital services and infrastructure for both critical and everyday activities. Almost everything is now linked to technology. But once you are connected it opens the door to hackers to steal data or threaten disruption for extortion,”* says **Michael Bruch, Global Head of Risk Advisory Services at Allianz Commercial**.

Data breach is the cyber exposure of most concern, according to the **Allianz Risk Barometer**, followed by cyber-attacks on critical infrastructure and physical assets and an increase in ransomware attacks. In the context of turbulent geopolitics and this ever-deepening reliance on digital devices, the potential shutdown of critical infrastructure is likely to become a much more significant and concerning risk for businesses in the future, respondents believe.

| [Find out more about cyber risk trends](#)



### Allianz Risk Barometer risers and fallers at a glance

- #1** **Cyber incidents** is the top global business risk – for the first time by a clear margin – and across all company sizes
- ↑** After another record-breaking year, **natural catastrophes** rises to #3 from #6
- ↑** The most frequent driver of business interruption losses, **fire and explosion**, rises to #6 from #9
- ↑** **Political risks and violence** rises again to #8 from #10 with more volatility and unrest expected in 2024
- ↓** Energy crisis is the biggest faller from #4 to #11, although long-term concerns remain
- ↓** Pandemic risk has plummeted to the bottom of the risk rankings

[View the full global business risk rankings for 2024](#)



## Extreme weather drives nat cat concerns

One of the biggest movers in this year's survey is **natural catastrophes** (26%). In a sign that companies are feeling the impact of extreme weather and climate events, it ranks #3, up three positions on last year.

2023 was again a record-breaking year on several fronts. It was the hottest year since records began, according to the World Meteorological Organization<sup>1</sup>, while insured losses in 2023 exceeded \$100bn for the fourth consecutive year. Losses from severe thunderstorms reached a new all-time high of \$60bn<sup>2</sup>.

The shattering of climate records<sup>3</sup> in 2023 included sea surface temperatures, sea level rise, and low Antarctic sea ice. **Climate change** (18%) may be a non-mover year-on-year in the **Allianz Risk Barometer** at #7, but this risk's importance is clearly also reflected in natural catastrophes' rise in the rankings. It is seen as a top risk priority for large companies (ranking #4, its highest ever position), is the top risk in Brazil and Turkey, and ranks higher year-on-year in many countries such as France, Germany, Italy, Nigeria, Singapore, Spain, UK, and the US.

Physical damage and business interruption are the two direct impacts of climate change businesses fear most. When it comes to mitigation actions, the major company implementations are: transitioning to low-carbon business models, and improving planning and response to climate events, including adopting measures to improve the ability of sites to cope with extreme weather. Businesses are also seeking protection and financing mechanisms to address the growing climate insurance protection gap, while boosting supply chain resilience is expected to be a key area of focus in 2024, the **Allianz Risk Barometer** results show.

[➔ Find out more about natural catastrophe and climate change risk trends](#)

## Regulatory and political risks rise

Despite vows to reduce bureaucracy, companies will still face new rules and regulations in 2024 that will not only require a high administrative burden but could also impose restrictions on their business activities, ensuring **changes in legislation and regulation** (19%) rises one place to #4 in the 2024 survey. Increasing intervention by policymakers, a trend that first began out of economic necessity during the Covid-19 pandemic, continues, driven by factors such as the energy crisis, green transformation, or in the interests of national security or economic self-sufficiency. Emerging regulations and legal developments in areas like artificial intelligence (AI) are also on companies' risk radars, as is the growing number of environmental, social, and governance (ESG) disclosure and reporting requirements, such as the Corporate Sustainability Reporting Directive in the European Union.

*“ESG issues are of increasing importance for companies, as they should be. However, ESG is also becoming a systemic risk that impacts almost all aspects of operations, including climate change, biodiversity, human rights, workers' wellbeing, and supply chains,” says Bruch. “The effort involved in obtaining the required data to comply with the growing number of reporting mandates is enormous and can be almost impossible for smaller companies.”*

Organizations communicating a strong sustainability agenda can find themselves in a bind – they can be litigation targets for groups who believe they are not doing enough to meet their climate or societal commitments, as well as those who claim they are making commitments they can't meet. This is leading to cases of 'green hushing', whereby companies deliberately under-report or hide their ESG credentials from public view to avoid scrutiny. The lack of transparency makes it harder to understand the true impact of sustainability strategies and investments, which could inhibit the adoption of ESG activities by other companies.

| [Find out more about regulation and ESG risk trends](#)



Unsurprisingly, given ongoing conflicts in the Middle East and Ukraine, and tensions between China and the US, **political risks and violence** (14%) rises up the survey year-on-year to #8 from #10. The geopolitical environment continues to be uncertain and volatile, and an increasingly relevant source of risk for supply chains and international trade. The recent disruption in the Red Sea – a vital trade route between Europe and Asia – due to Houthi rebel attacks on vessels is the latest risk to supply chains. Cargo-carrying ships have had to reroute via the Cape of Good Hope around the southern tip of Africa, prolonging journeys.

2024 is also a record-breaking election year, when as much as 50% of the world's population could go to the polls. In addition to the increased risk of election related civil unrest, there is also an increased risk of terrorism in Western Europe and North America. This is primarily driven by the Israel and Gaza war leading to a radicalization of certain parts of the population in these regions. The risk of pre-emptive cross-border wars is also expected to grow.

| [Find out more about political risks and violence trends](#)





## Complexity and interconnectivity drive business interruption fears

Despite an easing of post-pandemic supply chain disruption in 2023, and risk management actions taken by companies, **business interruption** (31%) retains its position as the second biggest threat in the 2024 survey. The **Allianz Risk Barometer** results show that the most common actions businesses are taking to de-risk their supply chains are: developing alternative suppliers; improving business continuity management; and identifying and remediating supply chain bottlenecks.

However, business interruption (BI) is closely linked to many of this year's highly ranked risks, such as cyber, natural catastrophes, and fire, and remains a key concern in a rapidly changing world.

| [Find out more about business interruption risk trends](#)

Ranking #6 overall, **fire, explosion** (19%), up from #9 in 2023, is a significant peril for companies and global supply chains, particularly where critical components are concentrated geographically and among a small number of suppliers. Disruption from fire can be very high, as it can take longer to recover from than many other perils, and the impact on suppliers can often be great. For sectors such as pharmaceuticals and chemicals, which deal with highly flammable and explosive materials, damaged facilities can sometimes take years to rebuild and get production back up and running to full capacity.

Fire has also become an elevated risk with electrification and the growing prevalence of lithium-ion batteries. Inadequate handling and transportation of these batteries has been linked to several large fire incidents at sea and on land in recent years. Allianz Commercial analysis of more than 1,000 business interruption insurance claims over the past five years, worth more than US\$1.3bn, shows fire is the most frequent driver of these claims and ranks second in terms of loss value.

| [Find out more about fire risk trends](#)



## Economic and energy crisis concerns ease but market fears rise

Despite the ongoing uncertain global economic outlook, rising insolvency levels (global insolvencies are forecast to increase by +8% in 2024) and still-high interest rates, **macroeconomic developments** (19%), which ranked #3 last year, falls to #5 in 2024. Growth outlooks remain weak, although there is some hope among respondents that 2024 could see the wild economic ups and downs experienced since the Covid-19 shock settle down and pivot to more usual levels. However, the record-breaking number of elections<sup>4</sup> brings the risk of further upheavals to business, with the potential for more protectionism a concern.

[Find out more about macroeconomic developments and insolvency risk trends](#)

Protectionism is one of three paradigm shifts identified as being behind **market developments** (13%) rising to #9 in the top global risk rankings in 2024 (#11 in 2023). The perceived end of the steady expansion of access to production factors, especially labor, and uncertainty around the extent of AI's anticipated transformative impact on every industry sector are the others.

[Find out more about market developments](#)

Several other risks linked to the fallout of Covid-19 are also down in this year's rankings. For example, **shortage of skilled workforce** (12%) falls from #8 to #10, although demographic change still means a shortage of skilled labor in many sectors worldwide. It ranks #8 in Europe and #10 in the Americas, as well as being a top four risk in countries such as Australia, Germany, Switzerland, and the UK. Meanwhile, **pandemic outbreak** itself, ranked second in 2021, now ranks #19 (only 4% of responses), following the successful roll-out of immunization programs around the world.

[Find out more about the shortage of skilled workforce](#)

The **energy crisis** (12%) is the biggest faller in this year's **Allianz Risk Barometer**, down to #11 from #4. However, although the immediate threat appears to have receded, the risk has far from gone away.

*"The energy crisis is now seen as less of a looming threat with steps taken over the past 12 months to reduce reliance on Russian gas and reduce energy consumption," says **Daniel Muller, Emerging Risks and Trends Manager at Allianz Commercial**. "However, longer term, energy security is strongly linked to geopolitical risks, climate change and critical infrastructure failure. The transition from fossil fuels to green energy will be difficult for carbon-intensive industries and a major challenge for the mobility sector and associated infrastructure."*



## Risks continue to converge

Compared with pre-Covid-19 times, many companies are now much better prepared for business interruption or supply chain events. However, since the pandemic, the pace of technological, societal, and geopolitical change has also quickened, often faster than companies, regulators and legislators can keep up with. Increasingly the related risks overlap, and developments in one area can trigger a chain of events or causal effects in others.

Many of the top risks in this year's **Allianz Risk Barometer** are closely interconnected. For example, the development of cyber risk is linked to the evolution of technologies like AI, and, in the near-future, quantum computing. But cyber is also tied to political instability and war, with numerous hacking groups supported by states to develop cyber weapons and target foreign supply chains, businesses, and critical infrastructure.

Environmental, technological and political risks are also converging.

*"Business interruption is also closely linked to natural catastrophes, which are becoming more extreme with climate change and inadequate infrastructure," says Muller. "At the same time, climate change is driving decarbonization and the energy transition, which creates new opportunities but also risks from new usage of technologies, like electric vehicles with lithium-ion batteries, hydrogen and the need for new supply chains. Rare earth minerals and metals, for batteries, for example, are often found in the most underdeveloped and politically volatile areas, potentially leading to future political and environmental issues."*

## Shift up a gear

Given the fast pace of change, and the growing interconnected nature of risk, businesses will need to up their game when it comes to risk management, increasing their prediction and prevention capabilities across risk types, and using advanced analytics and data to better understand their exposures.

*"In this new world of more interconnected and complex risks, companies will need proactive and holistic risk management if they are to get a complete overview of the risks they face and the effects of evolving technology and regulations. Analytics tools and data can help companies get much higher levels of transparency of the future risk landscape and how they can best protect their business," says Bruch.*

*"Risk management must be integrated into the entire value chain of a company across all stakeholders, and needs to be even more closely interlinked and take on a more strategic role within an organization so that it is anchored in its DNA."*

*"In times of rapid change, it is hard for executives to separate fact from fiction; it is easy to be seduced by the latest trend, and tempting to be drawn into blindly copying what the competition is doing," adds Deniz Güney Akkor, a Senior Risk Analyst at Allianz Commercial. "Following the crowd is not the answer, however. The most successful companies understand that they have to build a strong and distinctive identity which allows them to carve out their own market position, rather than reacting to a market created by others."*

Yet global collaboration will also be crucial to mitigating future risks and avoiding unintended consequences.

*"Risk management can transform risks into opportunities," Muller explains. "At Allianz, we collaborate with our internal expert teams to develop technical standards and guidance aimed at facilitating the faster adoption of new green technologies by enhancing our understanding of the associated risks."*

## Resilience gap widening between large and small

The **Allianz Risk Barometer** results also show that the resilience gap between large and smaller companies is widening, as bigger firms take on lessons learned from the pandemic and apply them to risks like cyber and natural catastrophes.

Among large companies, risk awareness has grown since the pandemic, and there has been a notable drive to bolster resilience. Typically, big companies have more resources and expertise to invest in loss prevention and mitigation than smaller companies, which often lack resilience expertise. Smaller companies are more vulnerable in the event of a cyber-attack or natural catastrophe and can easily end up paralyzed or even out of business.

As the resilience gap widens, mid-size and smaller companies will increasingly rely on tailored insurance solutions to protect themselves. However, in a world of complex and changing risks they will also need more risk management support, including loss prevention and resilience advice, to mitigate the business impact of surprise events.

Insurers can help to create awareness, educate, train, partner with, and proactively support these companies with insights and risk management services, in addition to insurance products. Helping these companies prepare for risks, whether that be a cyber-attack or climate change, directly results in the lower likelihood of potential long-term business interruptions.

[➤ Find out more about the top risk trends for mid-size and smaller companies](#)



# References

- 1 World Meteorological Organization, 2023 shatters climate records, with major impacts, November 30, 2023
- 2 Swiss Re, Insured losses from severe thunderstorms reach new all-time high of USD 60 billion in 2023, Swiss Re Institute estimates, December 7, 2023
- 3 World Meteorological Organization, 2023 shatters climate records, with major impacts, November 30, 2023
- 4 The Observer, How 40-plus elections in 2024 could reshape global politics, December 17, 2023

## About Allianz Commercial

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.

For more information contact [az.commercial.communications@allianz.com](mailto:az.commercial.communications@allianz.com)

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Allianz Global Corporate & Specialty SE

Dieselstr. 8, 85774 Unterfoehring, Munich, Germany

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