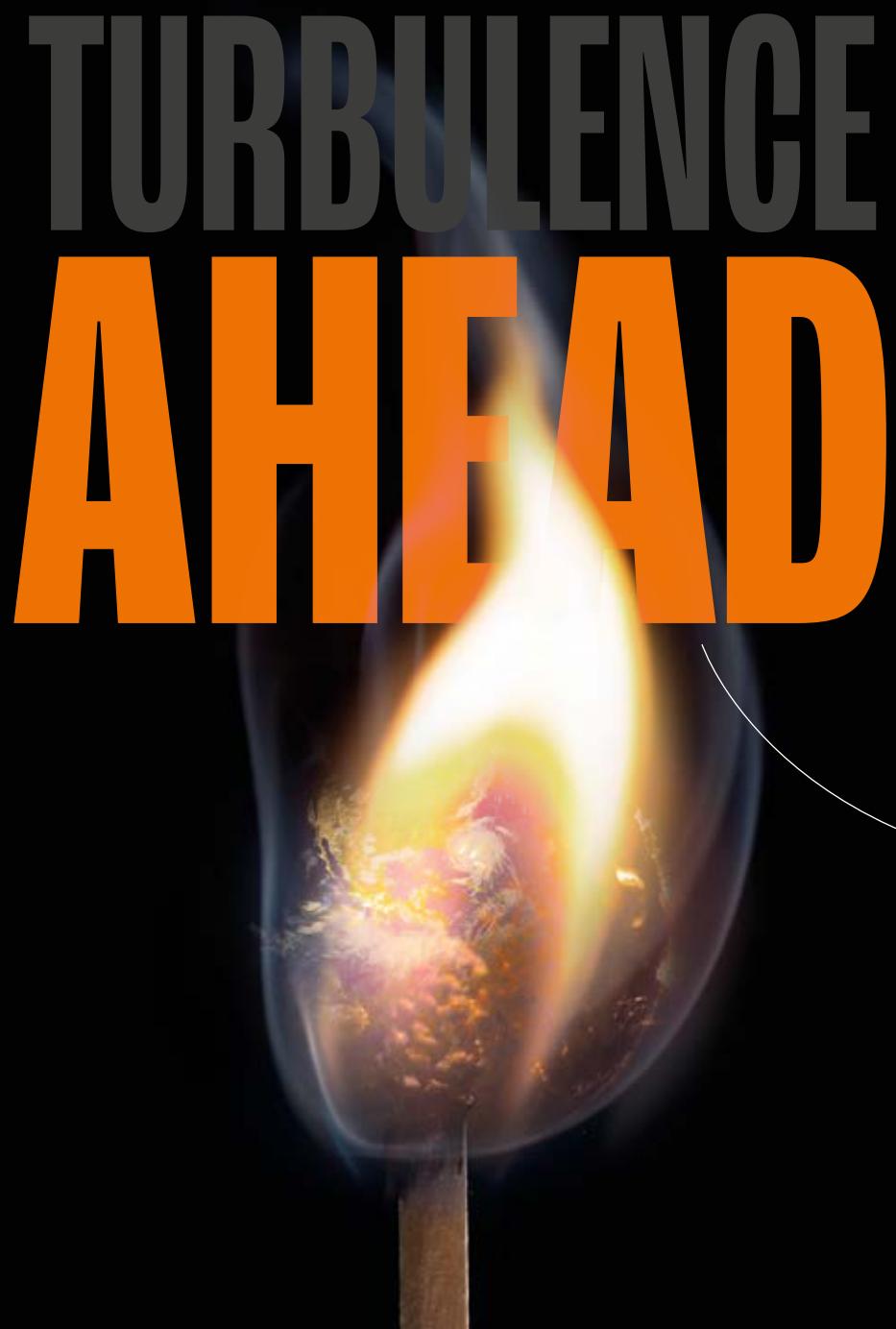


Uncertainty is the defining theme of the global risks outlook in 2026, according to the World Economic Forum's *Global Risks Report*, with the world marked by fragmentation and confrontation

TURBULENCE AHEAD



“

he *Global Risks Report* offers an early warning system as the age of competition compounds global risks – from geoeconomic confrontation to unchecked technology to rising debt – and changes our collective capacity to address them. But none of these risks are a foregone conclusion,” says Saadia Zahidi, Managing Director, World Economic Forum.

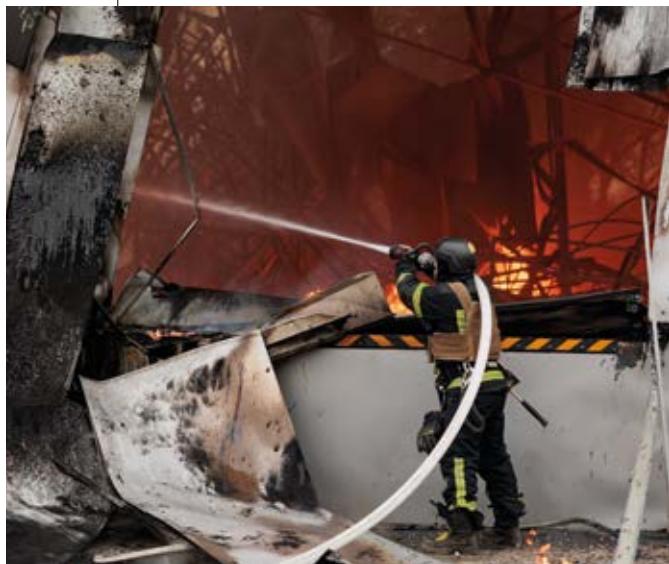
“The challenges highlighted in the report underscore both the scale of the potential perils we face and our shared responsibility to shape what comes next.”

The World Economic Forum’s *Global Risks Report* 2026, published last month, found geoeconomic confrontation to be the top risk for the year, followed by interstate conflict, extreme weather, societal polarisation and misinformation and disinformation.

The 21st edition of this annual report marks the second half of a turbulent decade and presents the findings of this year’s Global Risks Perception Survey (GRPS), which captures insights from more than 1,300 experts worldwide.

The report analyses global risks through three timeframes to support decision-makers in balancing current crises and longer-term priorities: the current or immediate term (in 2026), the short-to-medium term (to 2028) and in the long term (to 2036). It categorises risks into five areas: economic, environmental, geopolitical, societal and technological.

The annual *Global Risks Report* offers a view of global risks at the start of each year, focusing global leaders on addressing emerging challenges and their potential knock-on effects. It does not offer predictions but provides a range of potential futures “with a view to prevention and management”.



The report documents a distinct shift to an “age of competition” and set the agenda for discussions at the WEF’s Annual Meeting in Davos, which this year focused on the theme of ‘A Spirit of Dialogue’.

The outlook from leaders and experts shows deep concern. Half of those surveyed anticipate a turbulent or stormy world over the next two years, up 14 percentage points from last year.

A further 40 per cent expect the two-year outlook to be unsettled at the very least, while nine per cent expect stability and only one per cent predict calm. When it comes to the outlook for the next 10 years, 57 per cent expect a turbulent or stormy world, 32 per cent expect things to be unsettled, 10 per cent predict stability and one per cent anticipate calm.

The WEF summary states: “As global risks continue to spiral in scale, interconnectivity and velocity, 2026 marks an age of competition. As cooperative mechanisms crumble, with governments retreating from multilateral frameworks, stability is under siege. A contested multipolar landscape is emerging where confrontation is replacing collaboration, and trust – the currency of cooperation – is losing its value.”

“The multilateral system is under pressure. Declining trust, diminishing transparency and respect for the rule of law, along with heightened protectionism, are threatening longstanding international relations, trade and investment and increasing the propensity for conflict.”

Geoeconomic confrontation is top of mind for respondents and was selected as the top risk most likely to trigger a material global crisis in 2026 by 18 per cent of respondents, increasing two positions from last year. This is followed by state-based armed conflict, extreme weather events, societal polarisation and misinformation and disinformation, then economic downturn.

The WEF says there is a risk for geoeconomic confrontation to turn into “full-scale economic war with port blockades, export restrictions for key goods, cancelled contracts and capital controls, to name just a few”.

The report states: “In a world already weakened by rising rivalries, unstable supply chains and prolonged conflicts at risk of regional spillover, such confrontation carries systemic, deliberate and far-reaching global consequences, increasing state fragility.”

“

DECLINING TRUST, DIMINISHING TRANSPARENCY AND RESPECT FOR THE RULE OF LAW, ALONG WITH HEIGHTENED PROTECTIONISM, ARE THREATENING LONGSTANDING INTERNATIONAL RELATIONS, TRADE AND INVESTMENT AND INCREASING THE PROPENSITY FOR CONFLICT

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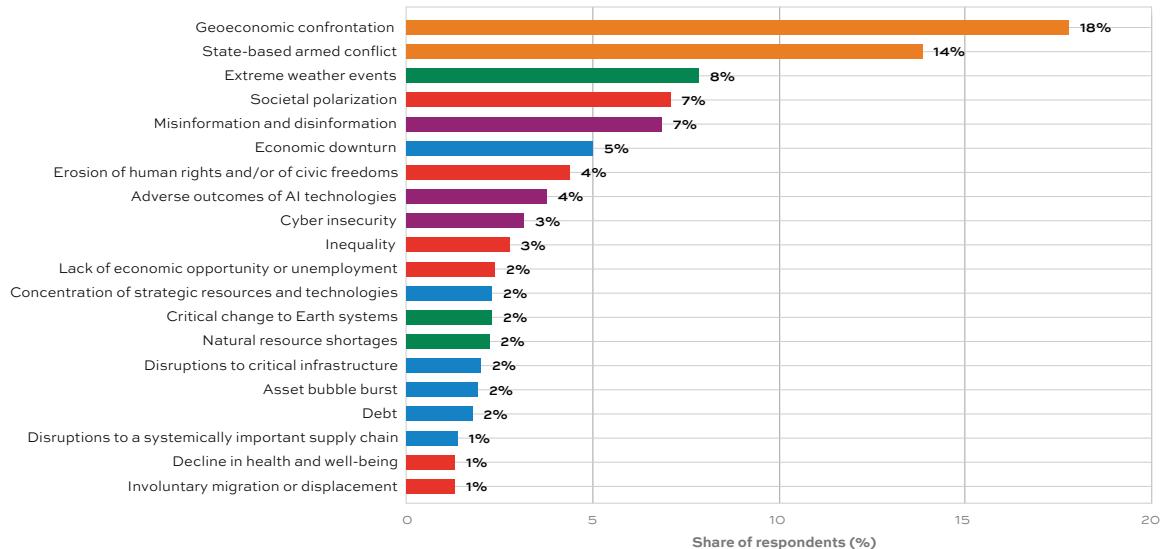
Current global risk landscape

Please select one risk that you believe is most likely to present a material crisis on a global scale in 2026.

Risk categories:

- █ Economic
- █ Environmental
- █ Geopolitical
- █ Societal
- █ Technological

SOURCE: World Economic Forum
Global Risks Perception Survey
2025-2026



The centrality of geoeconomic confrontation in the global risks landscape is not restricted to 2026, with respondents also selecting it as the top risk over the two-year time horizon to 2028, up eight positions from last year.

Commentary from Sunny Mann and Jannan Crozier at law firm Baker McKenzie suggests that there is an unprecedented level of disruption in the global economy stemming from the fallout from Brexit and the Covid pandemic to current widespread geopolitical tension, armed conflicts and global tariff wars.

They write: "The current environment lends itself to risk mitigation strategies: companies are friendshoring and restructuring supply chains to reduce exposure to hostile jurisdictions; deal insurance is rising in volatile regions; political and economic turbulence is being priced into deal strategies. But the world is rife with opportunity for those who can boldly rise above the risk and see the horizon – providing they have both the global perspective and the in-market expertise, preparation and agility to capitalise in 2026."

Meanwhile, Aparna Bharadwaj and Nikolaus Lang of Boston Consulting Group warn that many organisations are unprepared for one of our largest generational challenges – the outsized impact of geopolitics. "Leaders must act swiftly to prepare their organisations for this new reality by developing their own geopolitical muscle."

According to the WEF, rising societal and political polarisation is believed to be "intensifying pressures on democratic systems, as extremist social, cultural and political movements challenge institutional resilience and public trust".

It highlights inequality as the most interconnected risk, intensifying pressures on societal systems and amplifying threats ranging from political polarisation to organisational

WHAT ARE GEOECONOMICS AND GEOPOLITICS?

WEF thought leadership and analysis on the world's biggest challenges:
bit.ly/wef-geo



Read more from experts in the WEF's Expert Network, curated with the Finnish Institute of International Affairs:
bit.ly/wef-intelligence



S&P Global on how geopolitical risks can impact on the global economic outlook:
bit.ly/spg-geo



legitimacy challenges. The WEF warns that inequality is "fuelling other global risks as the social contract between citizens and government falters under pressure".

ECONOMIC, TECHNOLOGICAL AND ENVIRONMENTAL RISKS

Economic risks, taken collectively, show the largest increases in ranking over the next two years, albeit from relatively low rankings last year. Along with geoeconomic confrontation, the risks of an economic downturn and inflation saw the largest increases in severity and climbed eight positions.

Another fast riser was the risk of the asset bubble bursting, which jumped up seven places. This highlights the volatile combination that might result from the interplay between mounting debts, economic downturn and uncertain returns on investments in frontier technologies (artificial intelligence (AI), quantum). Add geoeconomic confrontation into this mix, and the impact could destabilise not only businesses but entire societies, the report warns.

According to the report, technological developments and new innovations are driving opportunities, with vast potential benefits from health and education to agriculture and infrastructure, but are also leading to new risks, from labour markets to information integrity to autonomous weapons systems.

Misinformation and disinformation and cyber insecurity ranked number two and six, respectively, on the two-year outlook. Adverse outcomes of AI is the risk with the largest rise in ranking over time, moving from number 30 on the two-year outlook to number five on the 10-year outlook.



Although over the next decade, environmental risks were perceived with the most pessimism out of all risk categories surveyed, with close to three-quarters of respondents selecting either a turbulent or stormy outlook, environmental concerns are being deprioritised in the short term.

The findings suggest heightened prioritisation of non-environmental risks. In the outlook for the next two years, most environmental risks experienced declines in ranking, with extreme weather events moving from second to fourth and pollution from number six to number nine.

Environmental risks also declined in severity score for the two-year time horizon compared with last year's findings. In other words, not only do their rankings decline relative to other

risk categories, but there has also been an absolute shift away from concerns about the environment.

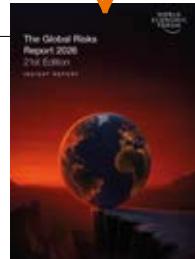
Although environmental risks recede in the short horizon, the WEF notes they remain the most severe over the next decade, reinforcing the need to balance immediate operational risks with long-run strategic exposures.

According to a recent McKinsey and Company report, *The future of risk: How global trends are reshaping risk management*, geopolitical flux is the "new normal" and the report insists that "as the world changes, so too must risk management".

McKinsey and Company points out that the World Uncertainty Index is nearly nine times higher than it was 20 years ago, reflecting the geopolitical disruptions of the past few years as well as the increasing geopolitical uncertainty. "Global supply

chains, capital and trade flows, cyberattack patterns and shifting domestic policies are feeling the effects of this uncertainty.

"In response, risk leaders will require more dynamic and forward-looking planning and forecasting frameworks flexible enough for rapidly changing environments. Activities



Read the full *Global Risks Report 2026* at bit.ly/wef-grr26



SHARE
WITH YOUR
NETWORK



“

**THE WORLD IS RIFE WITH OPPORTUNITY
FOR THOSE WHO CAN BOLDLY RISE
ABOVE THE RISK AND SEE THE HORIZON**

”

THE IIRSM ORGANISATIONAL RISK MAP

The *Global Risks Report* underscores the need for multi-horizon risk planning and scenario testing rather than focusing solely on the next 12 months.

The IIRSM Organisational Risk Map was developed by the IIRSM Ambassadors Network and shows how risk in one part of an organisation impacts another, either positively or negatively, and how

risks external to the organisation (in the macro-environment) also impact those risks.

The ORM provides the IIRSM community with awareness of risk areas and prompts to help them evolve and inspire others across their organisation.

As we know, the overall risk picture and the individual elements are in constant flux. The ORM is a representation of the types of risk that

will be present in an organisation and the way that one risk may impact another, creating new risks or opportunities.

Find out more at bit.ly/iirsm-risk-map



Organisational Risk Map



Global Risks Report

such as stress-testing will also need to be more dynamic and consider a broader set of possible scenarios."

SHAPING WHAT COMES NEXT

The WEF's *Global Risks Report* suggests that, in 2026, the world is "balancing on a precipice".

Around 68 per cent of respondents believe that over the next decade, the global political environment will become more fragmented and multipolar. Only six per cent expect the post-war international order and its multilateral institutions to be revived as national interests are put ahead of collective action.

"The turmoil caused by kinetic wars alongside deployment of economic weapons for strategic advantage is continuing to fragment societies. Rules and institutions that have long underpinned stability are under siege in a new era in which trade, finance and technology are wielded as weapons of influence."

Saadia Zahidi, WEF Managing Director, concludes that one lesson endures: "Cooperation is indispensable for global risk management. In a world with greater competition, this may be harder to achieve, but only by rebuilding trust and new forms of collaborative mechanisms can leaders steer us towards greater resilience and help shape a more stable future."

"The future is not a single, fixed path but a range of possible trajectories, each dependent on the decisions we make today as a global community," she explains. "The challenges highlighted in this report – spanning geopolitical shocks, rapid technological change, climate instability, societal strife and economic risks – underscore both the scale of the potential perils we face and our shared responsibility to shape what comes next."



Read the McKinsey and Company report, *The future of risk: How global trends are reshaping risk management* at mck.co/4jGpgZv



THE WEF DISCUSSES THE DETAIL

World Economic Forum President and CEO Børge Brende tells CNN how countries are moving away from traditional multilateralism towards more selective partnerships amid intense geopolitical competition.

Watch the interview: bit.ly/wef-cna



WEF Managing Director Saadia Zahidi discusses the results of the *Global Risks Report* and why geo-economic confrontation is the new top concern with CNN.

Watch the interview: cnn.it/4b2SK1E



Global risks ranked by severity

Please estimate the likely impact (severity) of the following risks over a two-year and 10-year period.

Risk categories:

Economic
Environmental
Geopolitical

Societal
Technological

SOURCE: World Economic Forum Global Risks Perception Survey 2025-2026

Short term (2 years)

1. Geoeconomic confrontation
2. Misinformation and disinformation
3. Societal polarization
4. Extreme weather events
5. State-based armed conflict
6. Cyber insecurity
7. Inequality
8. Erosion of human rights and/or of civic freedoms
9. Pollution
10. Involuntary migration or displacement

Long term (10 years)

1. Extreme weather events
2. Biodiversity loss and ecosystem collapse
3. Critical change to Earth systems
4. Misinformation and disinformation
5. Adverse outcomes of AI technologies
6. Natural resource shortages
7. Inequality
8. Cyber insecurity
9. Societal polarization
10. Pollution

GLOBAL CYBERSECURITY OUTLOOK

A

rtificial intelligence (AI), geopolitical fragmentation and a surge in cyber-enabled fraud are redefining the global cyber risk landscape at unprecedented speed, according to the WEF's *Global Cybersecurity Outlook 2026*.

The report, developed in collaboration with Accenture, highlights that cyber-enabled fraud has become a pervasive threat and has overtaken ransomware as CEOs' top concern.

This shift underscores the growing societal and economic impact of fraud as it spreads across regions and sectors.

The report also showcases how AI is supercharging both offensive and defensive capabilities. Geopolitical fragmentation further compounds these risks, reshaping cybersecurity strategies and widening preparedness gaps across regions.

The new findings point to a cyber landscape undergoing profound structural shifts, where cyber resilience can no longer be approached as a technical function alone but as a strategic requirement that underpins economic stability, national resilience and public trust.

"As cyber risks become more interconnected and consequential, cyber-enabled fraud has emerged as one of the most disruptive forces in the digital economy, undermining trust, distorting markets and directly affecting people's lives," said Jeremy Jurgens, Managing Director, World Economic Forum.

"The challenge for leaders is no longer just understanding the threat but acting collectively to stay ahead of it. Building meaningful cyber resilience will require coordinated action across governments, businesses and technology providers



to protect trust and stability in an increasingly AI-driven world."

The gap between highly resilient organisations and those falling behind remains stark, with skills shortages and resource constraints amplifying systemic risk. Meanwhile, global supply chains have become more interconnected and opaque, turning third-party dependencies into systemic vulnerabilities. These dynamics are converging at a moment when inequalities in cyber capabilities are widening, leaving smaller organisations and emerging economies disproportionately exposed.

"The weaponisation of AI, persistent geopolitical friction and systemic supply chain risks are upending traditional cyber defences. For C-suite leaders, the imperative is clear; they must pivot from traditional cyber protection to cyber defence powered by advanced and agentic AI to be resilient against AI-driven threat actors," said Paolo Dal Cin, global lead, Accenture Cybersecurity.

"True business resilience is built by fusing cyber strategy, operational continuity and foundational trust – enabling organisations to swiftly adapt to the dynamic threat landscape." ♦

THE KEY FACTORS SHAPING THE EVOLVING CYBER LANDSCAPE OF 2026:



AI is accelerating cybersecurity risks at unprecedented speed

AI-related vulnerabilities rose faster than any other category, with 87 per cent of respondents reporting an increase. Data leaks linked to generative AI (34%) and advancing adversarial capabilities (29%) are among the leading concerns for 2026. Meanwhile, 94 per cent of leaders expect AI to be the most consequential force shaping cybersecurity in 2026.



Geopolitics is redefining the global cybersecurity threat landscape

64 per cent of organisations are now factoring geopolitically motivated attacks into their risk strategies, while 31 per cent of respondents expressed low confidence in their country's ability to manage major cyber incidents.



Cyber-enabled fraud has become a pervasive global threat

A striking 73 per cent of respondents were or knew someone directly affected in 2025 and CEOs now rank fraud and phishing ahead of ransomware as their top concerns.



Supply chains remain a major systemic vulnerability

Among large companies, 65 per cent cite third-party and supply chain risks as their greatest cyber resilience barrier, up from 54 per cent last year.



Cyber inequity is widening across regions and sectors

Smaller organisations are twice as likely to report insufficient resilience compared to large firms. Regionally, the shortage of cybersecurity talent is most pronounced in Latin America and the Caribbean.

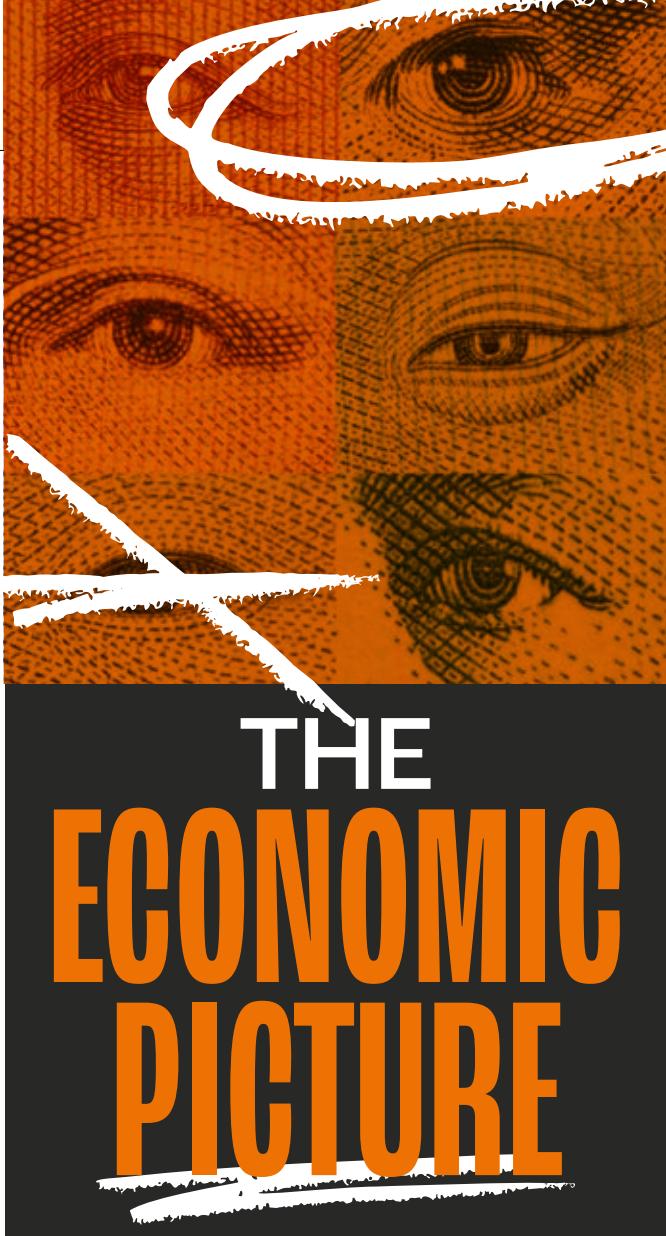
According to the United Nations' report *World Economic Situation and Prospects 2026*, global growth remains subdued amid high macroeconomic uncertainty and structural headwinds.

The global economy remains fragile, with high uncertainty, trade tensions, fiscal constraints and geopolitical risks. While a sharp rise in US tariffs in 2025 created new frictions, global activity proved relatively resilient, supported by strong consumer spending, monetary easing and stable labour markets. However, trade and growth are expected to slow.

Global growth is estimated at 2.8 per cent in 2025, easing to 2.7 per cent in 2026 before a modest recovery to 2.9 per cent in 2027 – well below pre-pandemic averages. Advanced economies are projected to grow steadily but modestly, while large developing economies such as China, India and Indonesia continue to show solid domestic demand. In contrast, many low-income and vulnerable countries face weak prospects, constrained by high debt, limited fiscal space and slower income convergence.

Disinflation and easing monetary policy support demand, but policy uncertainty, financial vulnerabilities and uneven access to new technologies weigh on confidence and longer-term growth. Investment linked to AI, clean energy and digital infrastructure is rising but remains concentrated in a small number of economies, widening global disparities.

According to the report, in the UK, growth is projected to be 1.1 per cent in 2026 and 1.3 per cent in 2027, down from an estimated 1.4 per cent in 2025, with tighter fiscal policy and trade frictions expected to weigh on economic activity while



THE ECONOMIC PICTURE

“sticky inflation keeps monetary policy restrictive”.

Labour market conditions have cooled noticeably, with unemployment in the UK rising to 4.8 per cent in August 2025 – up from four per cent a year earlier – and projected to hover around five per cent in 2026.

At a global level, progress towards the Sustainable Development Goals (SDGs) remains slow. Extreme poverty has declined only marginally, cost-of-living pressures persist and climate-related risks are intensifying, with record emissions and more frequent extreme weather events disrupting economies and livelihoods. Growth in

major economies is expected to remain broadly stable, underpinned by policy support, but subject to downside risks from trade tensions, financial market corrections and structural challenges.

Global investment remained subdued in 2025, constrained by economic uncertainty, geopolitical tensions and limited fiscal space. Monetary easing and targeted fiscal measures supported investment activity in some economies, while AI provided pockets of strength – particularly in the US and parts of Europe – as businesses expanded investment in digital infrastructure and advanced technologies.

Global labour markets were broadly stable in 2025, with the global unemployment rate holding at an estimated five per cent during the year and projected to edge down to 4.9 per cent in 2026. While announcements of higher US tariffs and heightened trade policy uncertainty initially raised concerns about rising unemployment, the partial rollback later in the year helped ease such pressures.

However, gender gaps remain wide and unemployment among youth, at more than twice the global average, continues to be a major concern. An estimated 257 million – or one in five – young people worldwide are not in employment, education or training. People with disabilities continue to face significant barriers to employment, underscoring the need for more inclusive labour policies and greater investment in skills and accessibility.

The report suggests that AI is emerging as a potential driver of productivity growth but is dependent on “how quickly firms, workers and institutions adapt”. At the same time, significant country divergences are likely to emerge, reflecting differences in technological readiness, digital infrastructure and investment capacity. AI may also reshape labour markets, with effects “more pervasive across the skill spectrum than in previous rounds of rapid technological change”.

These rapid developments present both opportunities and challenges. “They underscore the importance of complementary policies – to strengthen workforce skills, expand digital infrastructure and maintain open and competitive markets – as well as the need for international cooperation to ensure that productivity gains are realised, innovation remains inclusive and existing economic and technological gaps between countries do not widen further.”