

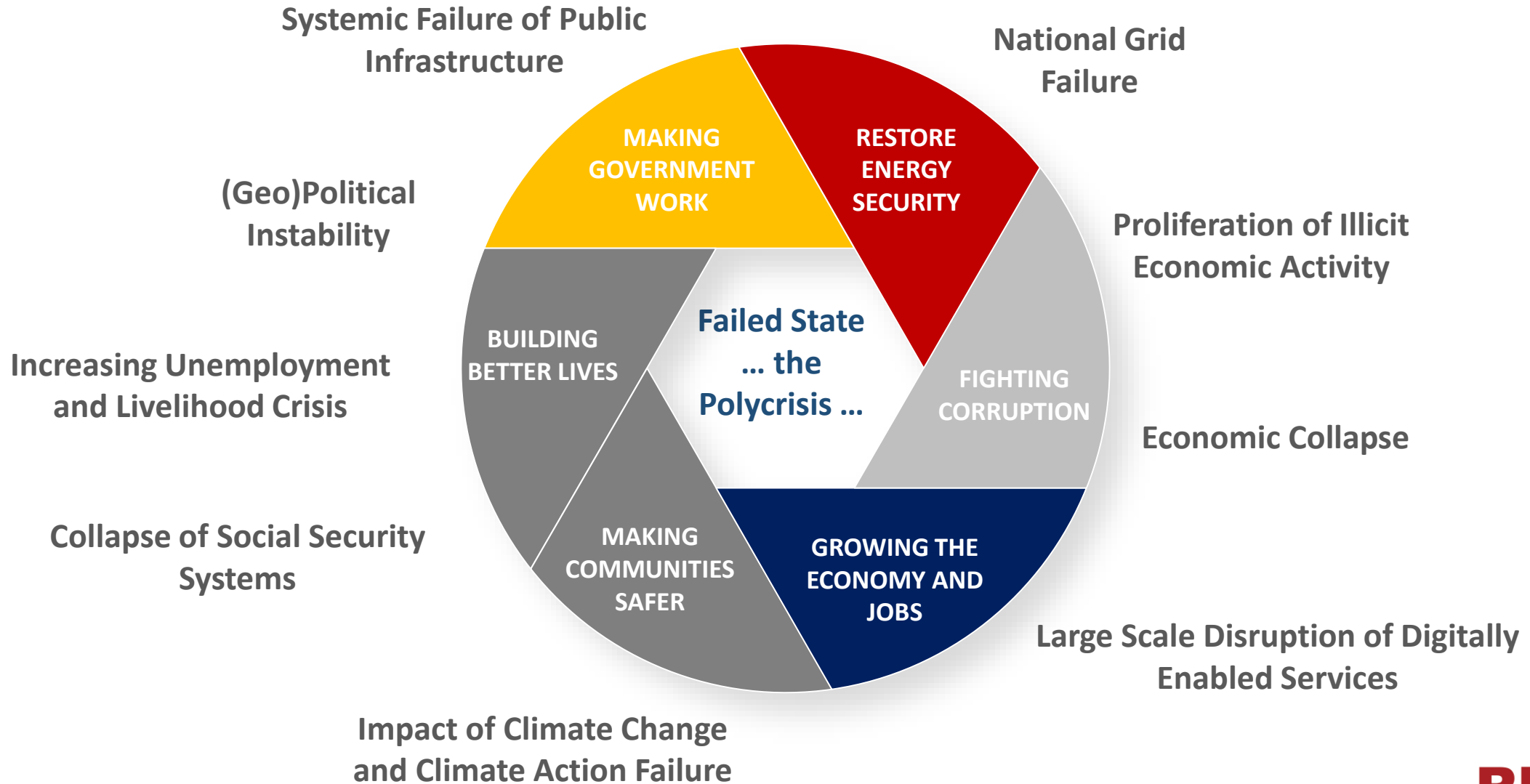


IRMSA Risk Report 2023/24

9th Edition

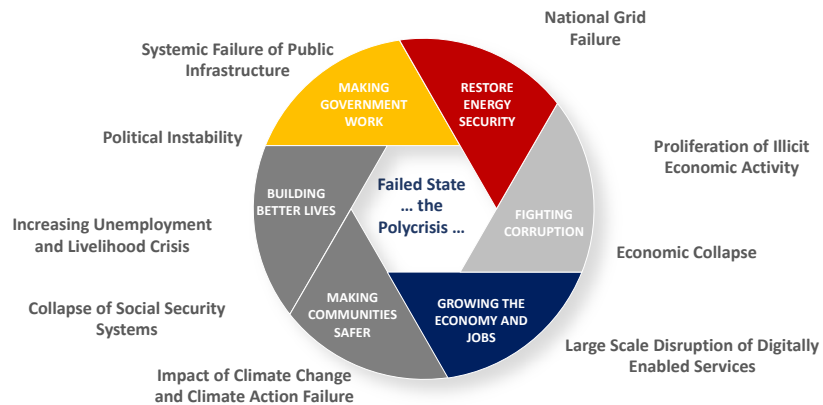
Recording of this session can be find [here](#).

South Africa Top Risks

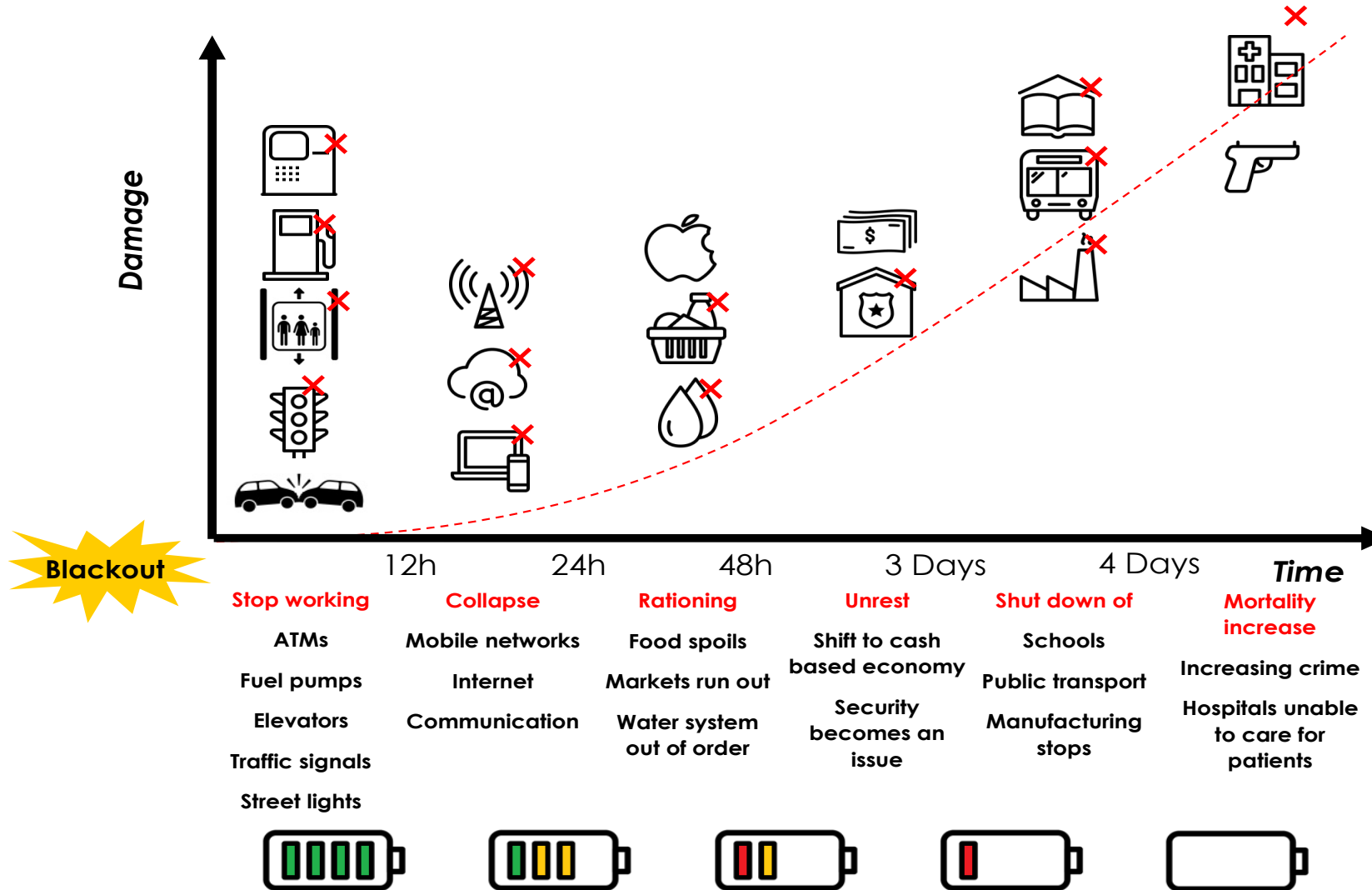


South Africa Top Risks

- Multiple crises occur simultaneously or in quick succession
- creating a complex and interconnected web of crises for governments, organisations and societies
- Across all types of risks
- Occur at different levels, locally, regionally, and globally.



National Grid Failure Scenario



- Stage 8?
- 12 hours on and 12 hours off
- So Yellow moves!

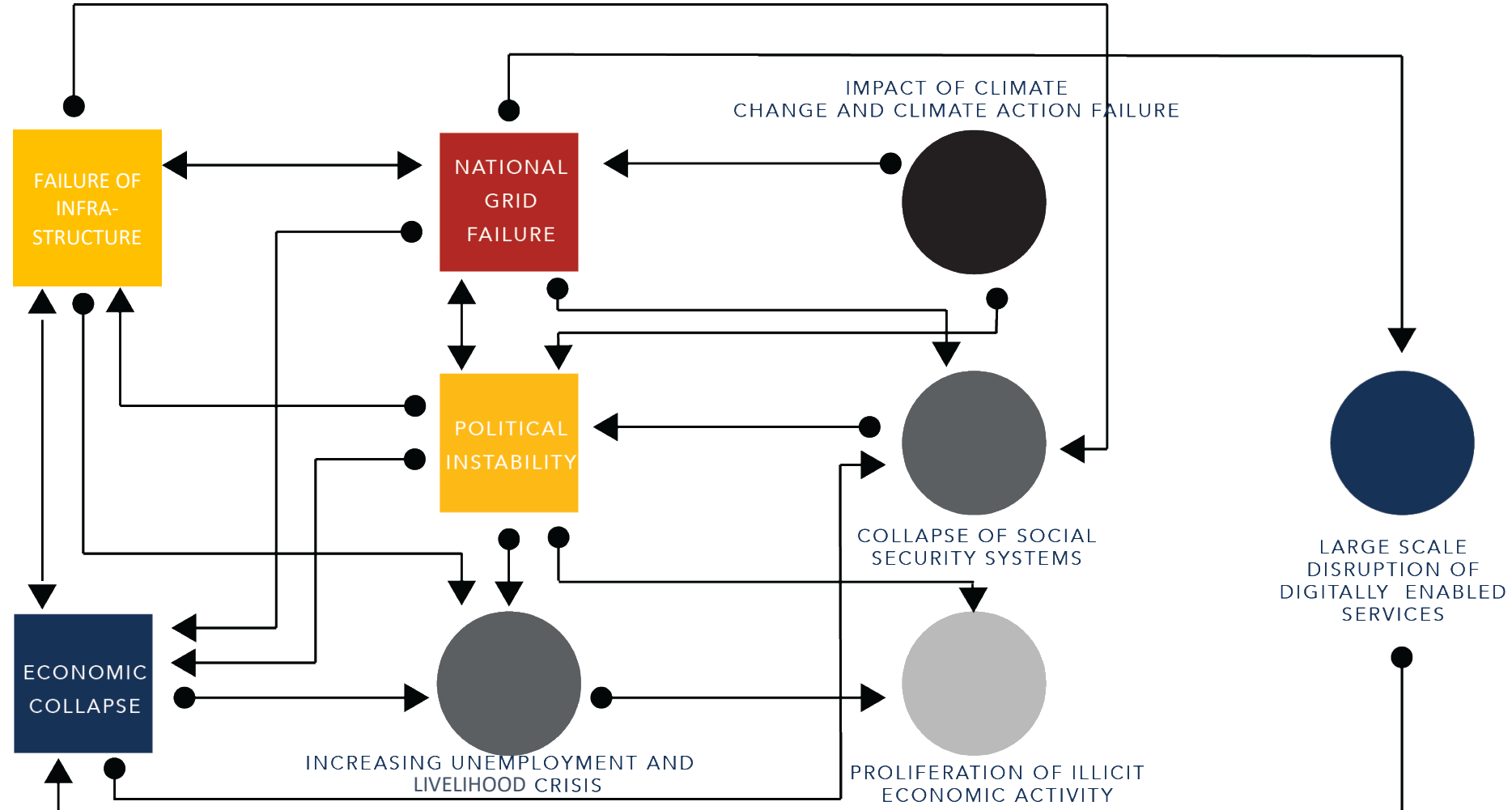
Risks with the biggest impact on Government Priorities



Priorities most sensitive/most impacted by the risk profile



Drivers, pivots and outcomes



Call to Action

1. Prioritise policies and investments that promote economic growth.
2. Implementing policies that promote greater social and economic equity.
3. Invest in education and skills development to improve the quality of the workforce and promote innovation.
4. Support entrepreneurship and SMMEs by simplifying bureaucratic processes.
5. Promote transparency, accountability and strengthening the rule of law.
6. Invest in public infrastructure – particularly in digitising basic public services.

Call to Action

7. Build skills and jobs around addressing climate change and biodiversity.
8. Promote innovation, as well as research and development, to increase the country's competitiveness.
9. Investing in law enforcement and improve the criminal justice system.
10. Develop a comprehensive and integrated approach to risk management – be able to predict.
11. Strengthen international partnerships to promote trade, investment and collaborate on key challenges such as climate change and poverty reduction.









Thank you

World Economic Forum – Emerging Risk Trends 2023

#	Risk Name
1	Cost of living crisis
2	Natural disasters and extreme weather events
3	Geoeconomics confrontation
4	Failure to mitigate climate change
5	Erosion of social cohesion and societal polarization
6	Large-scale environmental damage incidents
7	Failure of climate-change adaption
8	Widespread cybercrime and cyber insecurity
9	Natural resource crisis
10	Large-scale involuntary migration

Changes in the global risk landscape: Q3 for 2023/24

	Key risks identified in Q3 2023/2024	Key risks identified in Q4 2023/2024
 Macro	<ul style="list-style-type: none"> Regulatory Uncertainty Geopolitical Risk (WAR, High interest & High inflation) Commodity Volatility Spiraling Global Debt 	<ul style="list-style-type: none"> Economic Inflation/Recession Changes in Legislation and Regulations (Regulatory Compliance) Cybercrime and Escalating Ransomware Threats
 Business	<ul style="list-style-type: none"> Governance (Data Privacy, AI and cybersecurity of blockchain decentralization etc.) Inflation and Supply Chain Security Workforce Challenges and Management 	<ul style="list-style-type: none"> Talent Scarcity/Skills Gap/employee retention Currency, including crypto and digital assets Weak Corporate Governance (“Know Your Business” - KYB) Transformational Response to Risks impeding on Corporate Strategy (Interpretation and Contextual Understanding of Data) Fraud Risk / Cyber Crime
 Technology	<ul style="list-style-type: none"> Speed of technological change Adaptive AI systems 	<ul style="list-style-type: none"> Digital Transformation Cybersecurity Risks (Open AI Risks)
 Data	<ul style="list-style-type: none"> Global Increase in Cyber threats 	<ul style="list-style-type: none"> Data Privacy and Security Concerns (Big Data Handling Sensitive Information Data Breaches, Potential Misuse etc.) Cybersecurity/Cyber Incidents
 Environmental	<ul style="list-style-type: none"> Global Energy and Water Crisis Climate change/ sustainability 	<ul style="list-style-type: none"> Climate change and its social and economic implications ESG disclosure and reporting
 Social & Political	<ul style="list-style-type: none"> Interstate Conflict NATO European revival Decline in Social Cohesion Social unrest 	<ul style="list-style-type: none"> Social unrest Rich-World social instability European Crisis/European Rules Geopolitical Risks – China and Growing SCM Issues (Microchips Shortage) Expand Feedstock Availability and Sustainable Aviation Fuels

Emerging Industry Risk Landscape

Updated for Q2 2023/24

- **Navigating Cybersecurity under Open AI**

- **AI-Powered Cyberattacks:** Cybercriminals could potentially use AI Chat GPT to craft more sophisticated and convincing phishing emails, social engineering attacks, and other forms of cyber deception.
- **Evasion of Detection Mechanisms:** AI-generated cyberattacks may be designed to evade traditional security measures, making them harder to detect and mitigate.
- **Misuse of AI-generated Content:** AI Chat GPT can be exploited to create and spread disinformation, fake news, or fraudulent content, affecting public trust and cybersecurity.
- **Privacy Concerns:** The use of AI Chat GPT may raise privacy concerns, as it can potentially process and store sensitive information during interactions.

- **Political Polarisation**

- Opposing political supporters become divided and uncompromising leading to protests, social unrest, and challenges in effective governance.

Emerging Industry Risk Landscape

Updated for Q2 2023/24

- **Technological Disruption**

- Rapid technological advancements may lead to job displacement, and debates over the ethical implications of new technologies can create social divisions.

- **Education and Access to Opportunities**

- Access to quality education and limited opportunities for social mobility can create frustration and disengagement among the youth.

- **Healthcare and Social Services**

- Access to healthcare and social services can lead to public dissatisfaction and calls for reform.

- **Media and Disinformation**

- Spread of misinformation and divisive narratives through social media and other platforms can exacerbate existing social tensions.

Summary Top 20 Global Risk Trends

Top 20 Trends Across All Sources

1	Political instability, interstate conflict, increased political polarisation, geopolitical conflict (war)		11	Mental health deterioration	✓
2	Macroeconomic instability including the future of cryptocurrencies		12	Organisational change (change management or is it “sizing”)	✓
3	Environmental, social and governance compliance and integrated reporting	✓	13	Food security, energy and water crisis	
4	Social disobedience and collapse of social cohesion		14	Commodity shocks/volatility	
5	Cyber security failure		15	Accelerated digital transformation e.g., adaptive AI, disruptive innovation	
6	Microeconomic instability, increased cost of living, inflation, governance, fraud, corruption and failing public sector services	✓	16	Terrorist attacks/sabotage/wilful destruction of assets/services	
7	Supply chain disruption including third party dependencies and vulnerabilities		17	Information and telecommunication infrastructure breakdown	✓
8	Public infrastructure failure (road, rail and ports)		18	Climate action failure/speed of adaptation (e.g. renewable energy solutions)	✓
9	Legislative and regulatory uncertainty	✓	19	Loss and/or lack of talent/skills and talent retention	
10	Increased insurance spend on technology (cyber, cloud storage etc.)		20	Immersive Customer Experience – want everything (coverage) for less and it must be “green”	✓



Trend appears as a risk in the strategic risk profile