

# WEF: Economic, climate crises raise global risks

January 8 2013

---



Waves crash against a pier before landfall of Hurricane Sandy on October 29, 2012 in Atlantic City, New Jersey. With rising economic strains on one side and ever more environmental concerns on the other, the world could soon find itself in "the perfect global storm", the World Economic Forum warns.

With rising economic strains on one side and ever more environmental concerns on the other, the world could soon find itself in "the perfect global storm", the World Economic Forum warned in a report on Tuesday.

"The world is more at risk as persistent economic weakness saps our ability to tackle [environmental challenges](#)," warned the WEF, which each year hosts a massive get-together of decision makers and activists at the Swiss mountain resort in Davos.

In its Global Risks 2013 report, based on a survey of more than 1,000 experts from industry, government, academia and civil society, WEF pointed out that crises and austerity measures were severely testing the global economic system.

At the same time, it stressed, the world faced rising [global temperatures](#) and more [extreme weather](#) like catastrophic flooding in China and Hurricane Sandy, which slammed into the East Coast of the United States in late October.

The acute social and economic difficulties are making the world more reluctant to address more long-term threats like climate change, while [natural disasters](#) wreak serious havoc on many economies, the report cautioned.

"Two storms—environmental and economic—are on a collision course," warned John Drzik, the head of Oliver Wyman Group and one of the experts surveyed for the report.

The experts, who were asked to rate 50 global risks, suggested the risk of growing wealth gaps was the most likely to materialise, followed by unsustainable government debt and rising [greenhouse gas emissions](#).

They deemed however that major systemic financial failure would have the biggest impact if it happened, followed by a major water supply crisis and chronic fiscal imbalances.

The list of global risks "are essentially a [health warning](#) regarding our

most critical systems," said WEF managing director Lee Howell, who edited the report.

"National resilience to global risks needs to be a priority so that critical systems continue to function despite a major disturbance, he added in the statement.

In addition to the economic and environmental risks, the WEF report also identified so-called "digital wildfires" as a top risk category.

"While in many ways a force for good, the democratisation of information can also have volatile and unpredictable consequences," it cautioned.

One example, it said, was the September riots provoked by the crudely made anti-Islam film "The Innocence of Muslims."

"As the media's traditional role as gatekeeper is eroded," the world needs to find ways to put out such blazes, WEF said.

The third and final risk category in the 2013 report was linked to what the WEF described as dangerous complacency towards health concerns like rising resistance to antibiotics.

The risks highlighted in the report will be the focus of a special session at the WEF's annual meeting in Davos at the end of January.

(c) 2013 AFP

Citation: WEF: Economic, climate crises raise global risks (2013, January 8) retrieved 17 July 2024 from <https://phys.org/news/2013-01-wef-economic-climate-crises-global.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private

study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.