

Gartner®

4Q23

Emerging Risks Report

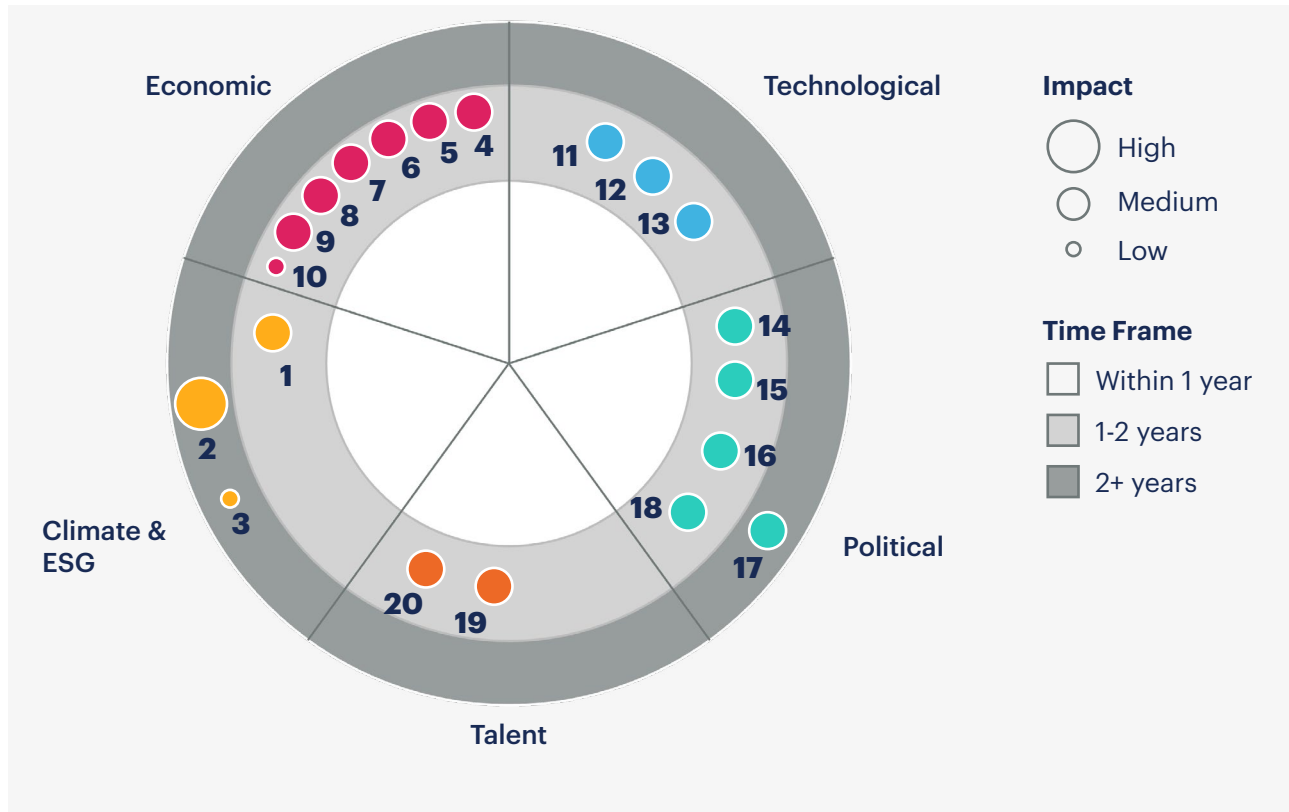


How We Create This Report

- **Emerging risks** are those whose effects have not yet been substantially realized in the enterprise.
- Their evolution is **highly uncertain** because it is rapid, nonlinear or both.
- Our Quarterly Emerging Risk Report **captures senior executives' and risk managers' views** on emerging risks and provides insight on identifying and mitigating them.



4Q23 Emerging Risk Universe Map



#	Risk category	Risk Name
1	Climate & ESG	Climate Activism
2	Climate & ESG	Extreme Heat Consequences
3	Climate & ESG	Whipsawing Sustainability Commitments
4	Economic	Bank Crisis-Driven Inflation
5	Economic	Credit Crunch Widens
6	Economic	Debt Pockets Aggregation
7	Economic	Market Effects From Higher Borrowing Costs
8	Economic	Overzealous Cost Cutting
9	Economic	Stagflation Expectations
10	Economic	Wage-Price Spiral

#	Risk category	Risk Name
11	Technological	Cloud Concentration Risk
12	Technological	Mass Generative AI Availability
13	Technological	Personal Data Regulatory Fragmentation
14	Political	China Trade Tensions
15	Political	Escalating Political Polarization
16	Political	Evolving Sociopolitical Expectations
17	Political	Increased Antitrust Scrutiny
18	Political	New Geopolitical Partnerships
19	Talent	Decline in Employee Productivity
20	Talent	Expectations of Faster Career Shifts

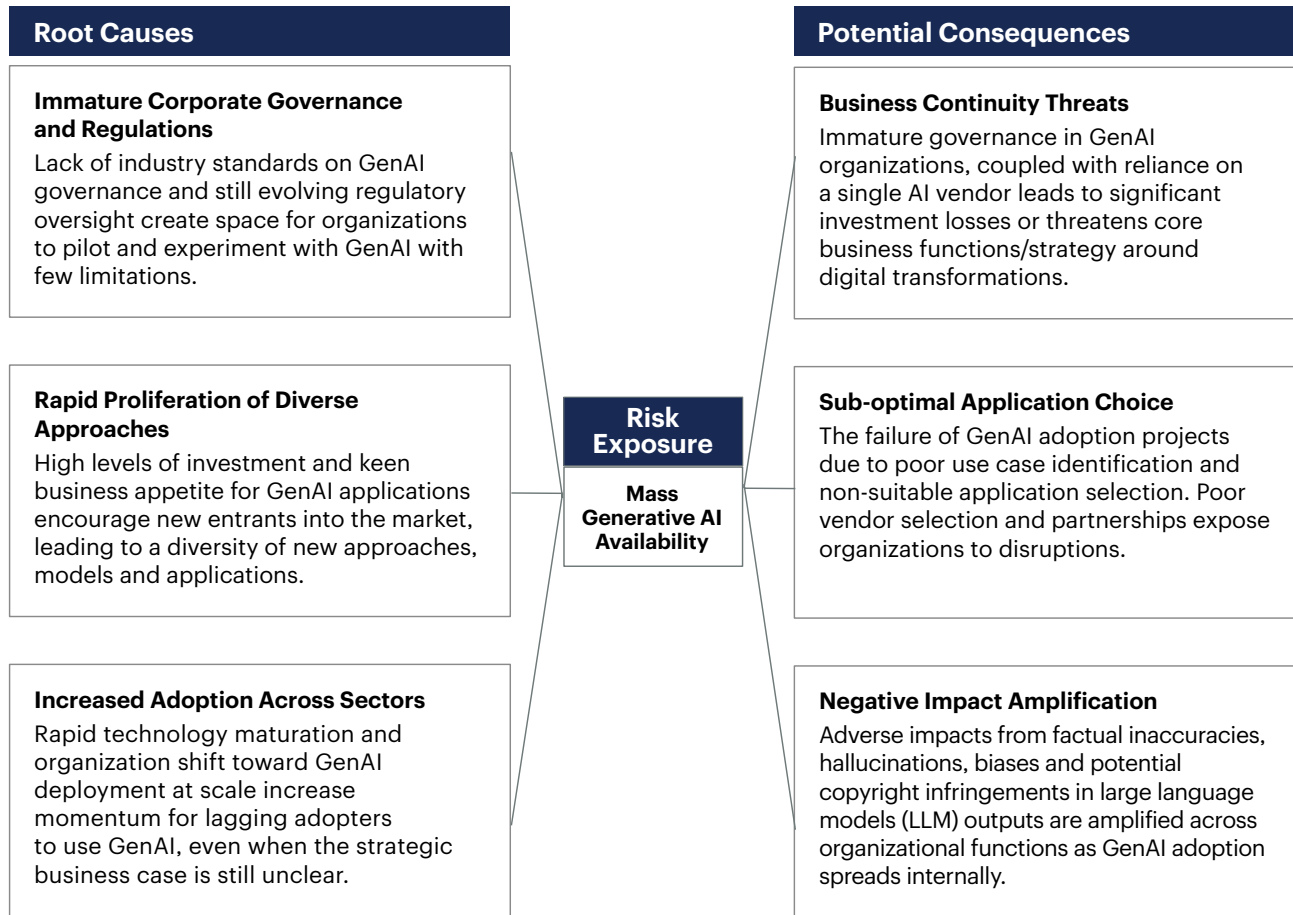
Source: 1Q23 Gartner Emerging Risks Survey, n = 321

4Q23 Top Risks



Mass Generative AI Availability

Impact Score: 2.91 / Time Frame: 2.05 / Frequency Selected: 76%



Risk Description: The risk that massively available, generative AI rapidly surpasses organizational ability to understand associated risks and opportunities.

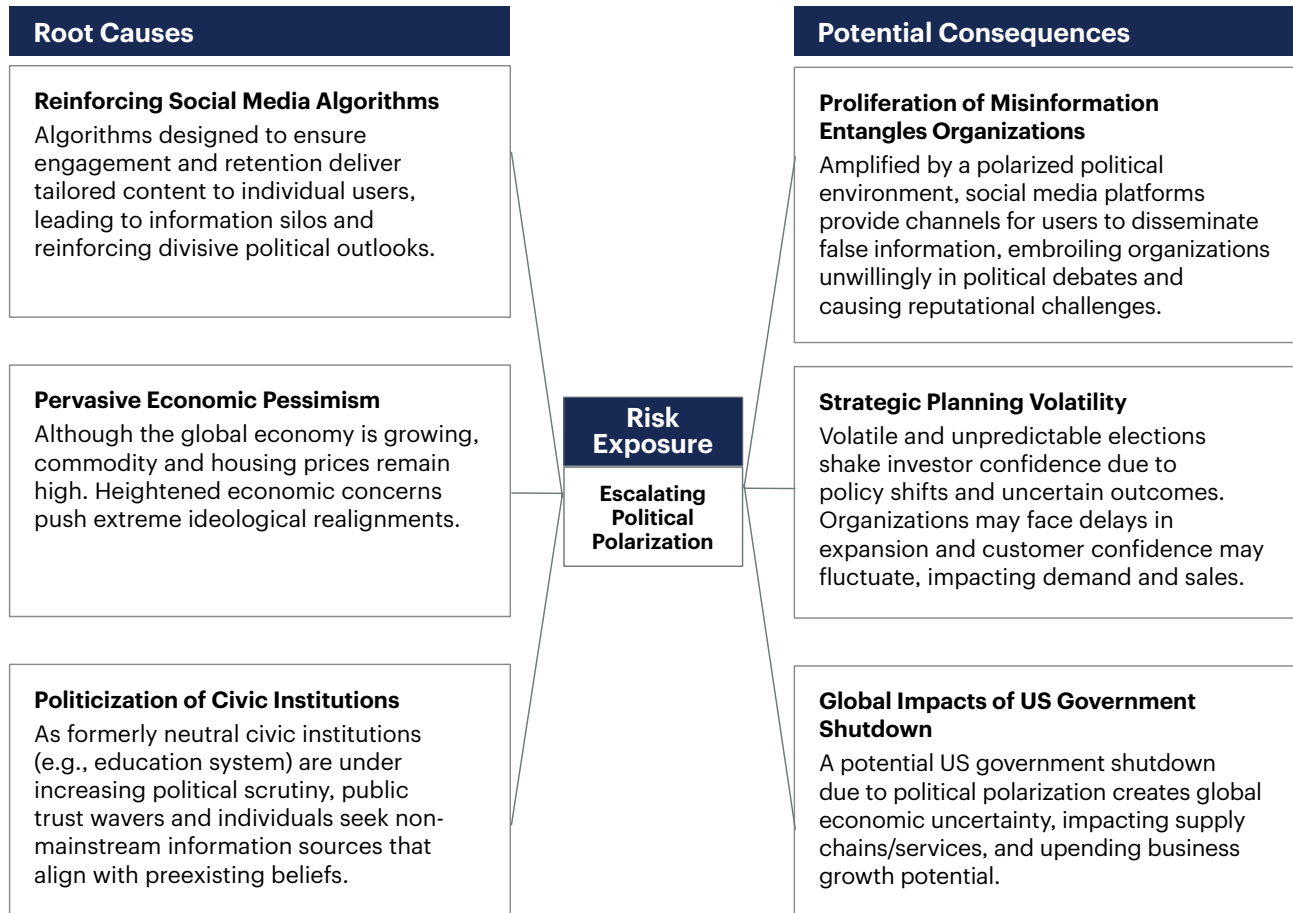
Source: 4Q23 Gartner Emerging Risks Survey, n = 347

4Q23 Top Risks



Escalating Political Polarization

Impact Score: 2.67 / Time Frame: 1.71 / Frequency Selected: 69%



Risk Description: The risk that political polarizations will increasingly impair basic government functions in major economies, causing geopolitical instability (e.g. Russia-Ukraine conflict), gridlock critical trade lanes (e.g. ports, airports), or cause volatility in equity markets.

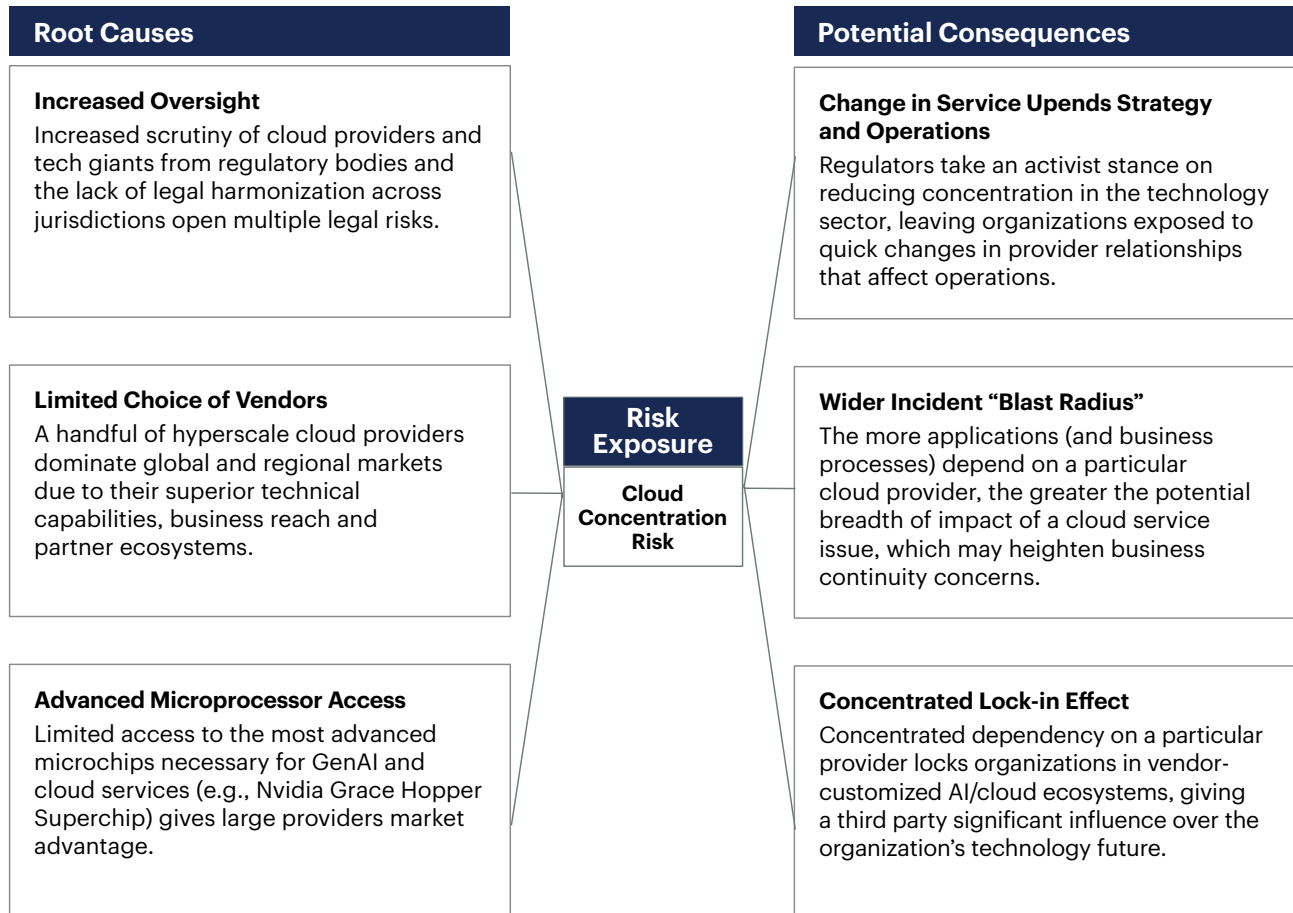
Source: 4Q23 Gartner Emerging Risks Survey, n = 347

4Q23 Top Risks



Cloud Concentration Risk

Impact Score: 2.95 / Time Frame: 2.12 / Frequency Selected: 64%



Risk Description: The risk associated with dependence on a particular cloud provider for multiple business capabilities, such as a failure that results in a disruption to multiple aspects of the business.

Source: 4Q23 Gartner Emerging Risks Survey, n = 347

4Q23 Risk Dashboards



Regional Emerging Risks

Top 5 Emerging Risks By Risk Score¹

Canada
1. Market Effects from Higher Borrowing Costs
2. Cloud Concentration Risk
3. Evolving Socio-Political Expectations
4. Stagflation Expectations
5. Personal Data Regulatory Fragmentation

United Kingdom
1. Mass Generative AI Availability
2. Stagflation Expectations
3. Escalating Political Polarization
4. Evolving Socio-Political Expectations
5. China Trade Tensions

Asia/Pacific (excl. Australia and NZ)
1. Mass Generative AI Availability
2. Overzealous Cost Cutting
3. Escalating Political Polarization
4. Personal Data Regulatory Fragmentation
5. China Trade Tensions

Middle East and Africa
1. Decline in Employee Productivity
2. Overzealous Cost Cutting
3. Escalating Political Polarization
4. Market Effects from Higher Borrowing Costs
5. Cloud Concentration Risk

United States
1. Mass Generative AI Availability
2. Escalating Political Polarization
3. Cloud Concentration Risk
4. Market Effects from Higher Borrowing Costs
5. Overzealous Cost Cutting

Europe (excl. U.K.)
1. Escalating Political Polarization
2. Mass Generative AI Availability
3. Evolving Socio-Political Expectations
4. Cloud Concentration Risk
5. China Trade Tensions

Australia and New Zealand
1. Evolving Socio-Political Expectations
2. Mass Generative AI Availability
3. Personal Data Regulatory Fragmentation
4. Cloud Concentration Risk
5. Decline in Employee Productivity

n = 25 (Canada); 193 (United States); 20 (United Kingdom); 40 (Europe, excl. U.K.); 19 (Asia/Pacific, excl. Australia and New Zealand); 31 (Australia and New Zealand); 13 (Middle East/Africa).

Note: Mexico, Central America/South America is not presented due to n size.

Source: 4Q23 Gartner Emerging Risks Survey

¹Risk Score: Risk Score = Cube Root (Impact x Inverse Time Frame x Frequency Selected as a Top 10 Emerging Risk Rescaled)

Emerging Risk Misalignment and Blind Spots

Emerging Risks by Level of Attention and Risk Score


◆ Top 5 Risk ● Other Risk



Source: 4Q23 Gartner Emerging Risks Survey, n = 347; quadrant alignment based on median scores (exact median scores rounded down)

Actionable, objective insight


Position your risk organization for success. Explore these additional complimentary resources and tools:



Template
Develop a Risk Strategic Plan You Can Use

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