

ECONOMY AND VALUES RESEARCH CENTER

Press release

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The large-scale involuntary migration as the major global risk of concern according to the Global Risks report 2016, World Economic Forum

The 11th edition of Global Risks Report 2016 focuses on the evaluation of the global risks, the way they could evolve and the possible consequences. The report draws its analysis from the Global Risks Perception Survey, which included almost 750 experts from around the world. The survey asked respondents to consider 29 global risks over a ten year time horizon and rate each according to their perceived likelihood of it occurring and impact. The risks are categorized in five groups – social, technological, economic, environmental and geographical.

The top five global risks in terms of impact and likelihood

	In Terms of Impact	In Terms of Likelihood
1 st	Failure of climate-change mitigation and adaptation	Large-scale involuntary migration
2 nd	Weapons of mass destruction	Extreme weather events
3 rd	Water crises	Failure of climate-change mitigation and adaptation
4 th	Large-scale involuntary migration	Interstate conflict with regional consequences
5 th	Severe energy price shock	Major natural catastrophes

After its presence in the top five most impactful risks for the past three years, the failure of climate change mitigation and adaptation has risen to the top and is perceived in 2016 as the most impactful risk for the years to come, ahead of weapons of mass destruction, ranking 2nd, and water crises, ranking 3rd.

According to Manuk Hergnyan, the chairman of Economy and Values Research Center, – “On the global scale two economic risks – **unemployment/underemployment** and **energy prices shocks** – are the top risks for doing business”. These are followed by the failure of national, governance, fiscal crises, asset bubbles and cyberattacks. The business people in Central Asia and Russia worry about fiscal crises and unemployment, along with the risks of unmanageable inflation and interstate conflict. Executives in the United States are most concerned about cyber-related risks and attacks, while in Europe – fiscal crises, unemployment, asset bubbles and energy prices.

As Manuk Hergnyan mentioned, the key risks for doing business in Armenia are those of fiscal crisis, exchange rate fluctuations, natural resources price shocks, as well as the risk of escalation of military conflict, in the long run – demographical and security imbalance risk.

Russian businessmen are more concerned about fiscal risks and unmanageable inflation, as well as the risks associated with the fluctuation in energy prices. The major concern of Russian executives is the threat of economic recession. In such a situation the importance of the anti-crisis policy and measures to facilitate the doing business is crucial.

Economy and Values Research Center

Economy and Values Research Center (EV) - research arm of EV Consulting specialized in comprehensive study of competitiveness. EV Consulting is a business, research and financial advisory firm that serves companies and industries aspiring to move to the next level of competitiveness and innovativeness.

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