



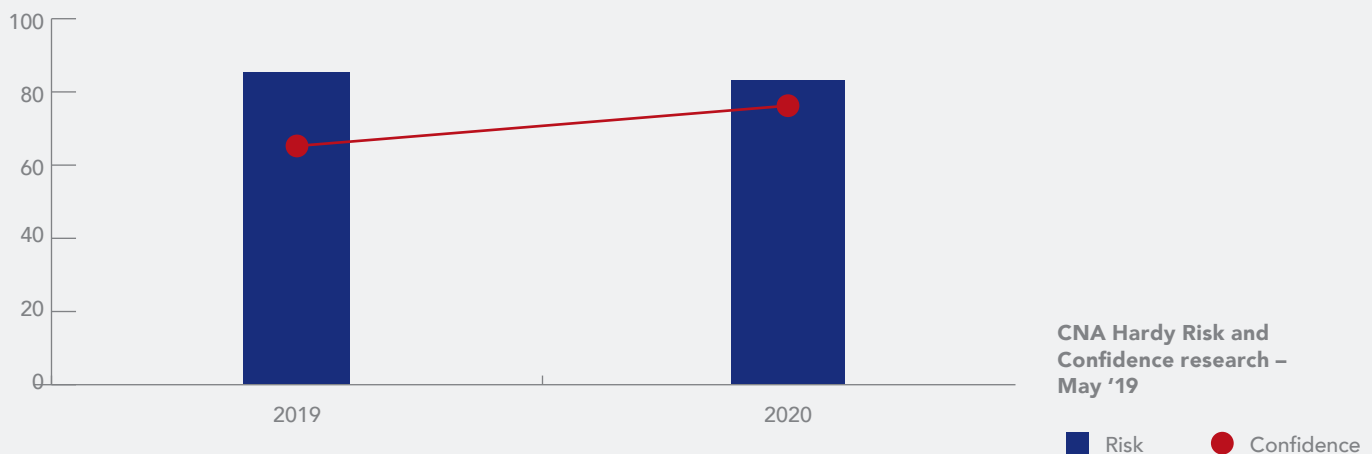
2020 Prediction:

Confidence and risk both set to rise sharply in Asia next year

Asian companies expect to see a sharp spike in business confidence as they enter 2020, with 76% of firms expecting to be confident by May 2020¹. However, leaders are also bracing for risky times ahead.

With political instability in Hong Kong and ongoing trade war rhetoric, it is unsurprising that 83% of firms believe 2020 will bring a high or moderately high-risk environment. Economic risk is the top concern, but there is also anxiety about a continually evolving business environment driven by new technology, and closely allied to that - cyber risk.

Asian firms' risk and confidence predictions



The pace of technological change is what concerns companies. The IMF has stated that in most of Asia, the share of information and communications technology in GDP has increased substantially faster than economic growth. Among the world's top 10 economies with the largest ICT to GDP ratio, seven are in Asia, including Malaysia, Thailand, and Singapore.

Against this backdrop, over 80% of firms say they plan to invest in next-generation technology to improve business efficiency as they enter 2020.

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In this competitive environment, firms will require a sure touch as they invest in technology upgrades. Close partnership with insurers will be essential if businesses are both to reap the reward of their investments, but also to guard against the enhanced cyber risk associated with greater technology dependence.

¹CNA Hardy Risk and Confidence research was undertaken between February and March '19, via an online survey of 1,500 business leaders of multinational firms with operations in Europe. Qualitative research was undertaken in May '19. In Asia 250 business leaders from 9 different business sectors, with a turnover ranging from US\$6.3m to US\$126m+ were surveyed.

²IMF - <https://www.imf.org/external/pubs/ft/fandd/2018/09/asia-digital-revolution-sedik.h>

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