

PROSEGUR RESEARCH

The world in 2024

This is an **interactive document**



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↘ AROUND THE WORLD

01



AROUND THE WORLD

There is no handbook for the future, because 2024 is not written. But at Prosegur Research we have written about the future: **what to expect on the other side of the river**, taking **advantage of waves of change**, identifying oceans of possibilities and setting anchor points such as courage and transparency. We have been publishing several editions since we started in 2022 as a space for reflection on the present and future of security, promoting the analysis of global trends from a broad perspective; but navigating in a complex world sometimes requires some basic notions of physics.

- Speed is an increasingly relevant physical magnitude in the analysis of time and space: galloping **financial and political uncertainty**, arms, space and energy races, agile commercial battles for minerals or electronic battles for chips, the growing **electoral and geopolitical tensions** in a complex context of multipolarity. In addition, 2024 will be a year of polls, with elections in more than 70 countries involving the participation of **51 % of the global population** (more than 4 billion people).

In 2024 we will have to activate our speedometers, navigators and sensors to also measure the **rhythms of conflict**. According to ACLED, one of six people in the world have been exposed to conflict by 2023. This is, in

large part because those contexts that harbor the bloodiest conflicts represent a large percentage of the world's demographic. Therefore it is likely that the ratio of people exposed to conflict gradually increase. From the evolution of **wars and humanitarian** crises in Ukraine, Gaza (Israel-Palestine), Nagorno-Karabakh (Azerbaijan-Armenia), Myanmar (especially in Rakhine), Darfur (Sudan), Democratic Republic of Congo (mainly North Kivu and Ituri) from the **labor and social conflicts and demands of various kinds**.

- Motion will be a fundamental concept in physics for the coming year, the result of complex safety contexts. According to **UNHCR**, more than 2.4 million refugees will need to be resettled, 20% more than in 2023, posing a real **border** and security challenge. In addition to armed conflict, persecution, and social, political and financial instability, another driving force is **the accelerating climate challenge** largely driven by water: increased flooding, more extreme droughts and constraints on freshwater and limitations in the availability of fresh water, as well as forest fires and high temperatures, among many others. The combination of natural phenomena and climatic challenges heighten these situations. For example, the drought season around the equator is expected in 2024 to be more intense due to the impact of El Niño, which will be negatively impacting everyday daily activities, such as the passage of merchant ships through the Panama Canal.





With movement in a multipolar geostrategic environment, we are seeing a **shift in roles** between north and south, just as with increasing global connectivity there is a greater social disconnection, where doubt stands as a central element in the consumption of information¹. On the other hand, on the industrial side, technological convergence continues to accelerate as a **competitive imperative**, where data and algorithms are driving the deployment of technologies in unprecedented ecosystems. In 2024, **the debate about technology and progress** will continue, possibly focused on the fight against Alstocracy² as a dystopian future in which Artificial Intelligence becomes a luxury item and the defense of technology for all, as a way to empower people in their dual role as a workforce and as a citizenry.

We must not forget Moravec's great paradox, which reminds us that machines are capable of doing things we consider difficult, such as playing chess, but incapable of learning perceptual skills that we all acquire at a young age and intuitively. And it is precisely this, **the human value of situational awareness**³ in any case empowered by any means - including technology -, of perceiving the world from our most human essence, which will open up a world of positive breakthroughs for 2024.

We invite you to read this publication on 2024, which, rather than predicting, aims **to build a safer future** from a broad perception, conscious analysis

and autonomous reflection so that each person and organization make decisions intelligently and strategically.

¹As CIDOB reports, more than half of social network users (56%) doubt their own ability to discern what is false from reality in Internet news.

²The translation of the play on words between Artificial Intelligence and Aristocracy could be in English as "IAstocracy".

³Situational Awareness: refers to the ongoing perception and understanding of a person's environment that surrounds a person at any given time. In other words, it involves being aware of what is happening around you, understanding the meaning of those events and being able to foresee possible developments in the near future.





↘ ANTICIPATING VS WORRYING

02

ANTICIPATING VS WORRYING

The constant change to which organizations are undergoing directly affects the perception of the world of their managers and boards of directors. In the document **A Twist on the World in 2023** from Prosegur Research we pointed out that the analysis of trends, the understanding the evolution of complex phenomena and anticipating risks is an ambitious objective, and it requires **a systemic perspective of all the variables** that, in one way or another, can impact organizations.

By analyzing surveys and studies conducted by public institutions and private organizations on the main concerns of Chief Executive Officers (CEOs), there is a tendency to overestimate the consequences of immediate threats and, on occasion, to underestimate future issues. In this regard, managers' understanding of global

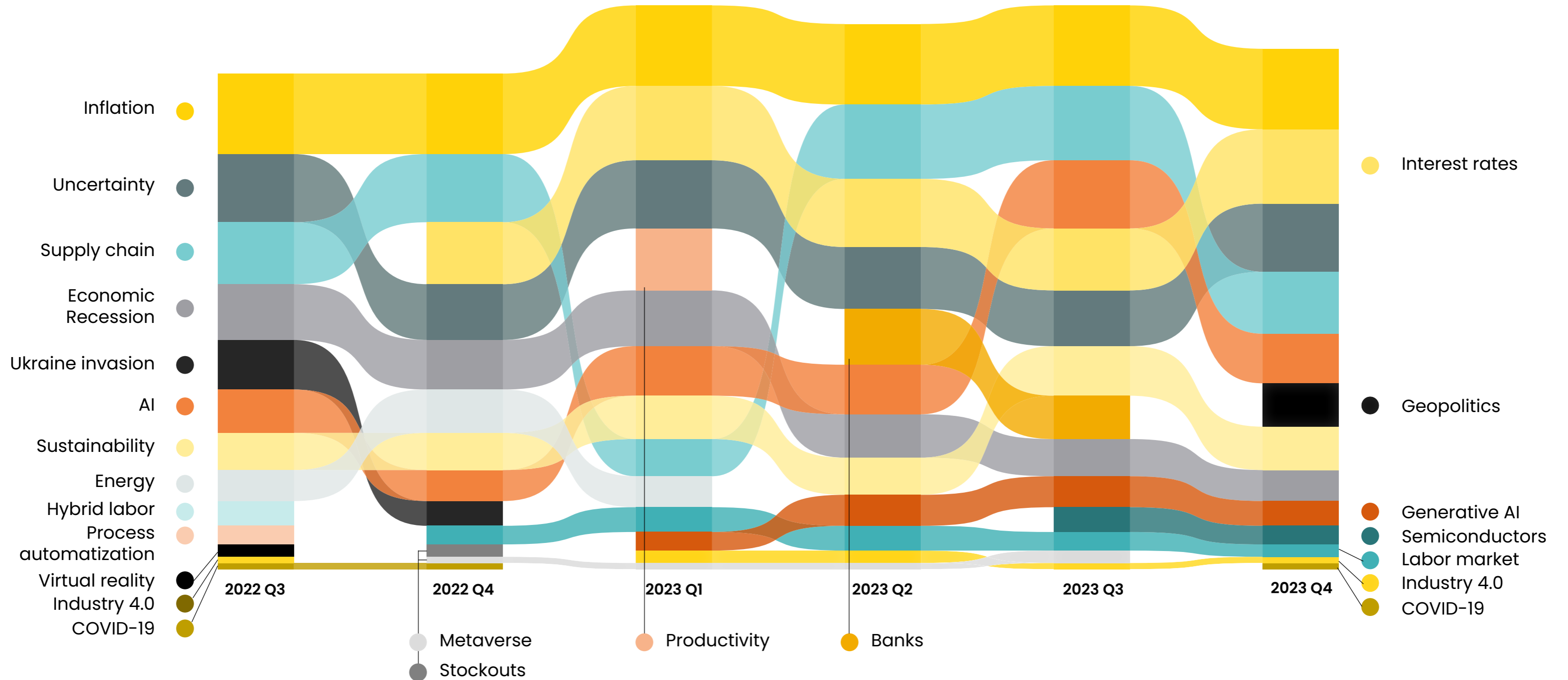
threats is influenced by a number of factors, such as a **preponderance of tangible, quantifiable threats** that have an immediate impact on financial results or business continuity. Thus, variables related to the geo-economy or political-legal instability are some of the most prominent in these reports, such as inflation or recession, uncertainty, regulatory changes or business competition.

This present-focused mindset often underestimates or ignores **threats of a more complex and systemic nature**, such as climate risks, accelerated digital transformation, demographic changes or geopolitical disruptions. This overestimation of present threats and underestimation of future challenges, often referred to as **presentism**, can lead to a **lack of strategic preparedness** in the face of social, political, and economic changes, with adverse consequences for the business continuity of organizations in the future.



Graph 1
Evolution of the main concerns of CEOs

Source: Prosegur Research 2024, based on the nomenclature of the IOT Analytics nomenclature, based on McKinsey studies.



The way in which managers interpret global threats is also influenced by cognitive biases and the constraints and requirements of day-to-day business activities, which **prioritizes the urgent over the important**. Thus, a possible overconfidence in the status quo or a lack of information about the global context contribute to this presentist phenomenon.

The year we have recently bid farewell to has been characterized by a significant financial component; words such as inflation or interest rates have predominated in talk shows, political analysis and newscasts around the world. In fact, **only inflation outstrips digital risks in different rankings of threats and concerns**. In addition, 2023 has been a year of significant advances in the technological field. Generative artificial intelligence (GenAI) and developments such as ChatGPT or Bing have gained enormous popularity which is why **data cybersecurity and digital transformation** are being the main challenges for CEOs in 2024: up to 60% of companies see **GenAI as an opportunity rather than a risk for this period**.

Additionally, and as we have pointed out in the previous global trends document, health-related issues have become more diffuse in recent years. Thus, while in 2020 and 2021, infectious diseases appeared in the ranking of the greatest

risks for companies, in recent months they have confirmed their virtual disappearance from these. At the same time, **the well-being of workers** has gained prominence over the past year, due to the increased demands of employees, and **talent retention continues to be a key risk area for 2024**.

For all these reasons, it is essential to adopt a more holistic and systemic approach, reflecting on and

observing the evolution of global trends both across the board and across the globe. Only in this way will organizations be able to meet the global challenges ahead and **thrive in an ever-changing business world**.

Below, we share the aspects that we at Prosegur Research consider most relevant in terms of the evolution of the keys to the future for 2024.



Security calendar

- Geopolitical and climatic events (elections, international summits, etc.)
- Sporting events
- Religious events or festivities

- 12** Beginning of Asian Cup (Qatar)
- 13** Presidential elections in People's Republic of China (Taiwán)
- 13** Beginning of Africa Cup of Nations (Côte d'Ivoire)
- 14-28** Australian Open (Melbourne, Australia)
- 15-19** World Economic Forum (Davos Switzerland)
- 15-20** Non- Aligned Movement Summit (Uganda)
- 20-23** Summit of G77 + China – Global South (Uganda)
- 27** International Holocaust Remembrance Day
- 28** Presidential elections in Finland

Jan

- 4** Presidential election in El Salvador
- 7** Presidential elections in Azerbaijan
- 7** Beginning of CONMEBOL Copa America Libertadores
- 8** General Elections in Pakistan
- 10** Chinese New Year
- 10** Asian Cup Final (Qatar)
- 11** Super Bowl (Las Vegas, United States)
- 11** Africa Cup of Nations Final (Côte d'Ivoire)
- 14** Presidential and Parliamentary Elections in Indonesia
- 16-18** 60th Munich Security Conference (Germany)
- 17-18** African Union Summit (Ethiopia)
- 19** Beginning of Winter Olympic Games (South Korea)
- 24** 2nd Anniversary Full Russian Invasion of Ukraine
- 25** Parliamentary elections in Belarus and presidential elections in Senegal
- 26-29** Mobile World Congress (Barcelona, Spain)

Feb

- 1** Beginning of Typhoon season
- 1** Parliamentary elections in Iran
- 8** International Women´s Day
- 8-23** African Games (Ghana)
- 10** Beginning of Ramadan
- 10** Parliamentary elections in Portugal
- 15** International Day to Combat Islamophobia
- 15-17** Presidential elections in Russia
- 20-23** Equinox
- 22** World Water Day
- 24-31** Holy Week
- 31** Presidential elections in Ukraine

Mar

- 9** End of Ramadan (Eid al- Fitr)
- 10** Parliamentary elections in South Korea
- 15-21** International Monetary Fund Spring Meeting (Washington, United States)
- 22** Earth Day
- 22-30** Passover (Pesach) (Jewish holiday)

Abr

- 1** International Workers' Day
- 5** Beginning of Orthodox Easter
- 5** Presidential elections in Panama
- 7-11** Eurovision Song Contest (Malmö, Sweden)
- 12** Presidential elections in Lithuania
- 15** Beginning of Monsoon season
- 19** General elections in Dominican Republic
- 20** Beginning of the French Open (Paris, France)
- 25-26** First World Children's Day (Rome, Italy)
- 27** Beginning of the 77th World Health Assembly (Geneva, Switzerland)

May

- 1** Beginning of cyclone and hurricane season
- 1** UEFA Champions League Final (London, United Kingdom)
- 1** Presidential elections in Iceland End of the 77th World
- 1** Health Assembly (Geneva, Switzerland)
- 2** Presidential and Federal elections in Mexico
- 5** World Environment Day
- 6-9** European Parliament elections
- 9** End of the French Open (Paris, France)
- 9** Parliamentary elections in Belgium
- 13-15** 50th G7 Summit (Apulia, Italy)
- 14-19** Pilgrimage to Mecca (Hajj)
- 14** Beginning of the Euro Cup (Germany)
- 16-20** Eid al- Adha or Feast of Sacrifice
- 22** Presidential elections in Mauritania
- 28** International LGBT Pride Day
- 28** Parliamentary elections in Mongolia

June

Presidential Elections in Venezuela (date to be determined in the 2nd half of the year)

The dates indicated here, which may undergo modifications - especially in relation to the celebration of international summits or different elections - refer to all those events or days likely to generate security impacts in a broad sense, including the occurrence of social protests, possible altercations or conflicts, increases in displacements, mass management, increases in polarization, hate speeches and social discontent, boycotts or counter-summits, among others.

DOWNLOAD this calendar!

Security calendar

- Geopolitical and climatic events (elections, international summits, etc.)
- Sporting events
- Religious events or festivities

1-14 Wimbledon (London, United Kingdom)

14 End of the Euro Cup (Berlin, Germany)

9-11 NATO Summit (Washington, United States)

15-16 General elections in Rwanda

26 Beginning of 2024 Olympic Games (Paris, France)

July

9 International Day of the World's Indigenous People

11 End of the 2024 Olympic Games (Paris, France)

21 International Day of Remembrance and Tribute to The Victims of Terrorism

26 Beginning of the S Open Tennis Championships (New York, United States)

28 Beginning of the 2024 Paralympic Games (Paris, France)

Aug

7 East Asia Summit (Laos)

8 End of the US Open Tennis Championships (New York, United States)

8 End of the 2024 Paralympic Games (Paris, France)

22-23 UN Summit of the Future (New York, United States)

Sept

BRICS Summit in Kazan (Russia)
Date to be determined

1 National Day of the People's Republic of China

11-12 Yom Kippur or Day of Atonement

9 General elections in Mozambique

25-27 Annual Meeting of the World Bank Group and International Monetary Fund (Washington D.C., United States)

27 Presidential elections in Uruguay

Oct

Ibero-American Summit in Ecuador (date to be determined)

5 Presidential elections in the United States

5 Presidential elections in Georgia

11-24 COP29 (Baku, Azerbaijan)

18-79 G20 Summit (Rio de Janeiro, Brasil)

29 Black Friday

30 End of the CONMEBOL Copa America Libertadores

Nov

Presidential elections in Argelia and South Sudan (date to be determined)

2 Cyber Monday

7 General elections in Ghana

25 Christmas

Dec

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↘ KEYS TO THE FUTURE

03



➤ **Diffused power**
The era of disorder



↘ New old forms of government

Over the past few years, polarization politics worldwide has reached extreme levels, being highly marked by a growing distrust to democratic institutions by a **paradox of pluralism**: On the one hand, democratic governments have been accused of reduction of plurality, while, on the other hand, plurality has been blamed for the atomization of ideas and the weakness of political systems- both democratic and authoritarian. As a result, the health of democracy worldwide has been in steady deterioration. According to the **Liberal Democracy Index** (LDI) developed by international IDEA, the quality of these systems declined from 0,52 in 2022, from 0,50 in 2023; maintaining the decline registered in the last decade.

As a result of the exceptional measures carried out during COVID-19, the health of democratic principles has seen a further deterioration while authoritarian governments have perceived an **opportunity to consolidate their power** by increasing the restriction of civil rights. In many cases, under the protection of legislative instruments reserved for



emergency situations, democratically elected governments have shown authoritarian inclinations by weakening, mainly, the separation of powers and citizen participation, there has been an increase in repression of social mobilizations and freedom of speech.

In this context, propaganda and disinformation have become one of the main **destabilizing** and erosive tool of the

democratic system from a double perspective. On one hand, its own nature is based on the undermining of access to truthful information, increasing polarization and distrust of institutions, while, on the other hand, it has favored the development of anti-disinformation legislation that poses a threat to **the freedom of the press**.

↘ Stakeholders' policy

In parallel to the evolution of the forms of authority, another noteworthy trend that represents the increase of diffusion on the sphere of power is the **expansion and consolidation of lobbies** as influential actors in **global decision-making**. In the current political scenario, marked by a high globalization and financial interconnectedness, lobbies have experienced an unprecedented expansion, expanding their presence and increasing their influence in different sectors and international scales. As an example, the annual report prepared by the transparency portal of the European Union (EU) Parliament highlights the notable increase in lobbying activity, with **the total number of registered lobbyists increasing by more than a 100% in the last decade**.

These lobbies, representative of particular or corporate interests have found fertile ground in a context of polarization and distrust of institutions, where decision-making is increasingly blurred and influenced by external factors outside the general interest. The influence of lobbies extends to a range of areas from policy formulation



to legislation, including various types of different actors, such as companies, NGOs, Think tanks and even religious institutions and public administrations.

Their ability to shape political and legislative agendas represent a significant **challenge** to the independence of governments and other decision-makers, as it is likely to reduce the level of representation of the individual will of the citizenry in decision-making. However, the participation of this type of actors can be configured as **a factor that strengthens democratic principles**, increasing the dialogue and participation of various sectors with the authorities, personalizing and focusing governmental action, and acting as a counterbalance to governmental power.

↘ Decolonization 3.0

Today, there is evidence of marked **reconfiguration of the world into regional blocs, or at least an impulse of dynamics and volatile alliances**, driven by the search for common interests, shared values and reliable relations between surrounding countries. This process is catalyzed by the rise of identity, especially in newly independent nations seeking to consolidate their autonomy and developing states seeking to strengthen their national identities. In the **Sahel**, for example, the rejection of European influence is manifesting itself in the shift from Western-aligned regimes to authoritarian systems that, taking advantage of the rise of national identity and the rejection of foreign influence, legitimize their takeover of power through irregular means. At the same time, powers such as **India and China** are strengthening their presence in Asia through strategic investments in infrastructure, trade and security. Similarly, other countries such as **Saudi Arabia and Russia** are strengthening their extra-regional position, expanding their presence and competing in other regions, mainly in Africa.

However, as a result of the changes in the balance of power, this process has also led to increased difficulties for some countries **that have seen their regional influence displaced**, as in the case of

South Africa, where high inequality, corruption and instability have led to the loss of power. The implications of this reconfiguration are considerable, potentially leading to **intensified competition and tension different actors and major powers**, as well as less international cooperation, strengthening an increasingly multipolar and less multilateral world.

↘ Criminality in our basics

The proliferation of liquidity crises in the world, with the consequent increase in prices, has led to an increase in the value of primary products, which are also considered as **safe haven assets** in the context of financial instability, such as food and minerals. As a result, the trade in this type of products has become increasingly attractive to organized crime groups dedicated to smuggling, who have increased their activity against farms and the mining industry. In the United

Kingdom, for example, losses from rural crime have **increased by 22%** by 2023, being closely related to **the shift of organized crime to the primary sector**. In Spain, for example, olive oil has been one of the main targets of organized crime.

Globally, this phenomenon is characterized by **the formation of international criminal networks seeking to profit from illegal exploitation and smuggling of essential natural resources**. Examples of this trend include the proliferation of criminal groups dedicated to the theft and smuggling of fruit, as has occurred in the case of avocados, whose imports have come to be restricted in the **United States** because of the relationships of drug cartels with shipments from Mexico. Illegal exploitation of mineral deposits has experienced a significant upturn in territories with less control by the authorities and where the various armed and criminal groups use it as a method of financing, as is the case mainly in **Sahel**.

The growing global demand from these primary products, combined with rising prices and the reduced protection of rural environments – where these goods are often produced- has provided these criminal organizations with an opportunity to infiltrate legitimate supply chains, generating a negative impact on both the economy and international security.



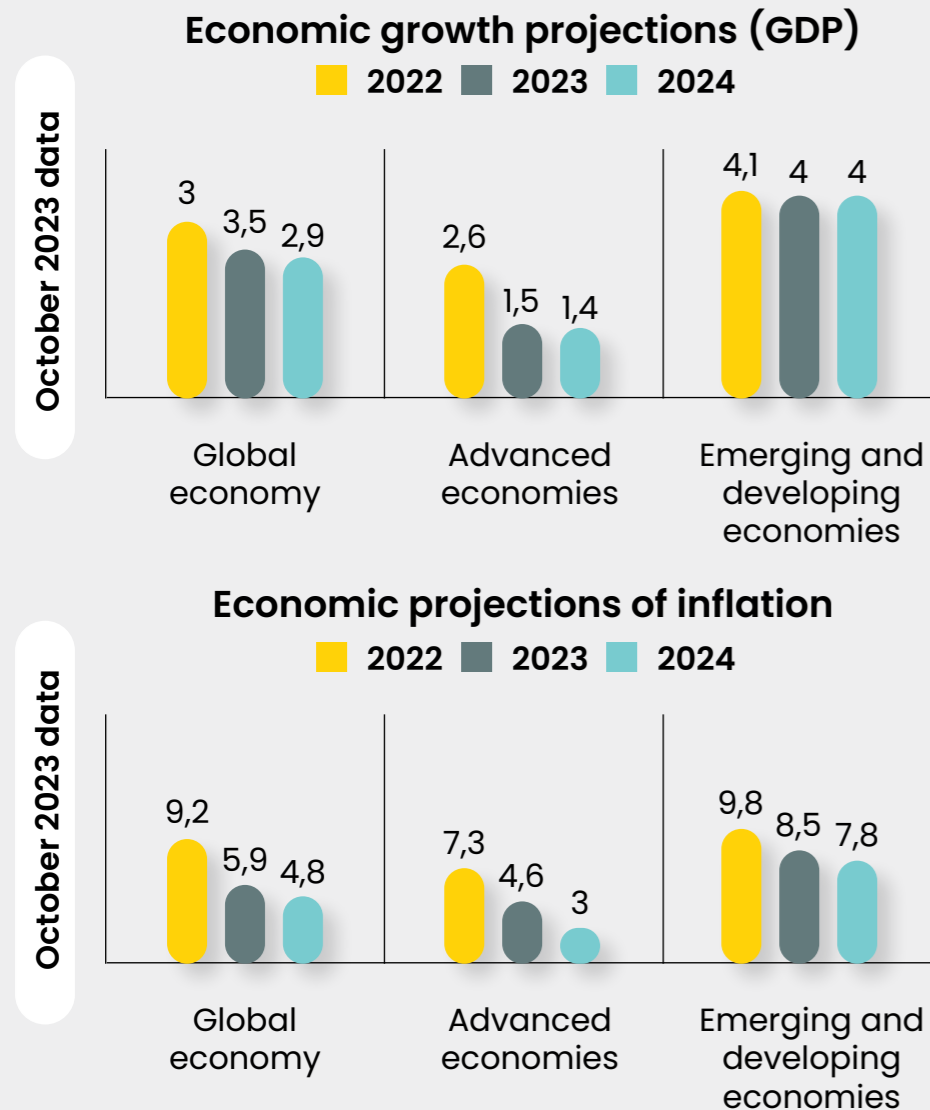
➤ Stakeholder economy

Reframing global dynamics



↙ Macroeconomics: a 2024 characterized by the growth debate

Graph 2
Main economic projections



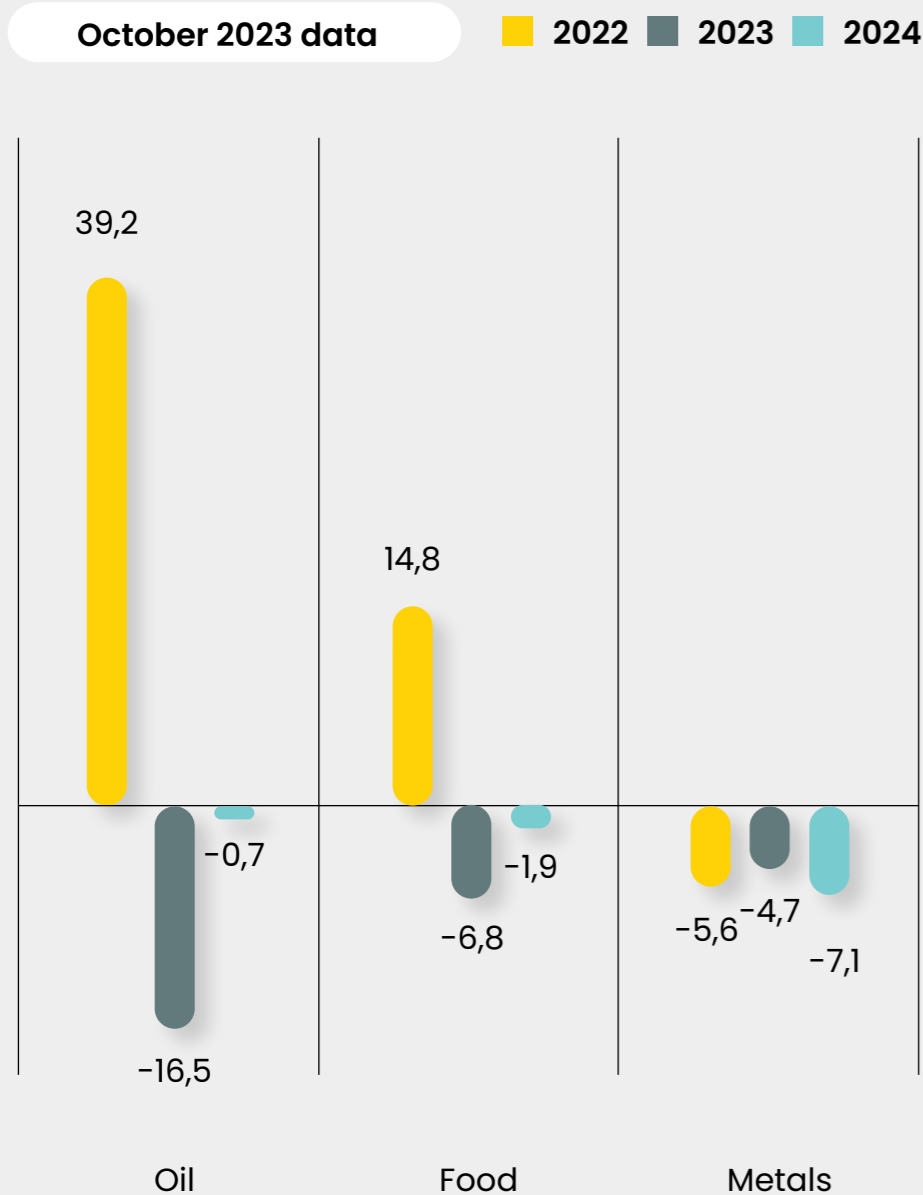
Source: Prosegur Research, 2024 based on IMF.

Macroeconomic data for 2024 reflects a **turbulent global context and the crisis in living costs worldwide**, especially in the wake of the conflict in Ukraine and more recently the escalation of hostilities between Hamas and Israel, with a multitude of impacts stemming from the situation in the Red Sea. In this regard, the **inflation** forecasted for this upcoming year continues to be high in emerging and developing economies with particular emphasis in countries such as Venezuela, Zimbabwe and Sudan, with inflation projections of 200%, 135% and 52% respectively. In fact, according to the International Monetary Fund (IMF), most countries **will not reach their inflation targets until 2025**. In addition, public debt continues to increase in a multitude of States: by way of example, while in 2019, in the 30 emerging and developing Asian countries, public debts accounted for 59% of Gross Domestic Product (GDP), in 2024 it will account for more than 80%, a generalized trend worldwide. All this leads to an **imbalance** between the needs faced by any State and the fiscal resources available to it, resulting in **a propensity for financial and political-social crises** that may be aggravated in the coming year. Among some of the weak signs highlighted to prevent financial disruptions, beyond traditional indicators besides inflation, it also includes the **IFO Business Climate Index**, based on the German economy, which is on a **downward trend** without reaching the levels of 2008 or 2020.

In addition, financial projections for world trade projections show a recovery in **oil** relative to the latest forecasts, although both food and metals will experience a **negative projection in 2024**. In this regard, the IMF notes that climate challenges and geopolitical disruptions may increase **volatility** in commodity prices in the coming months, as seen with the 25% increase in fuel prices between June and September 2023. **An escalation of the regional conflict between Israel and Palestine** could impact the world economy, affecting **trade relations** or energy prices. In addition, in recent years, **other materials of special interest** for international trade, such as nanocellulose or metal foam, have gained prominence. In fact, **the European Union depends on more than 90% of exports of critical raw materials from third countries**.

As a consequence, **adverse macro and microeconomic conditions** may increase social discontent, **leading to calls for protests and labor activism** in different sectors, as has been seen recently, for example, in the U.S. automobile industry, which may lead to a **total or partial stoppage of productivity in some industries**.

Graph 3
World Trade Economic Projections (US\$)



Source: Prosegur Research, 2024 based on IFM.

Financial blocs vs dynamic alliances

The high-impact geopolitical events of recent years, the financial crises in many countries and the fragility of global supply chains have placed the focus on the **reconfiguration of the global economy**, giving more value to local products and protectionist currents in order to increase the resilience of countries. In this regard, milestones such as **the relocation of the production chain - up to almost 50%** according to some data in 2023 - or **the financial transformation of countries as trading partners**, increasing or decreasing exports and imports of some products considered strategic and resulting in the current high geo-financial interdependence, stand out. For example, by 2024, spending on advanced chip manufacturing equipment is expected to be higher in South Korea than in China. Another sign of these financial changes lies in the inclusion of Iran, Ethiopia, Saudi Arabia, Egypt and the United Arab Emirates to the **BRICS** in January 2024, which do not form a consolidated bloc as they present

various political and/or financial hostilities, such as India and China, Ethiopia and Egypt, and yet seem to be moving forward on common fronts, including the empowerment of domestic currencies in transactions to reduce overdependence on the US dollar. It is important to highlight the announcement by the new President of Argentina to withdraw from the inclusion of this country in the BRICS bloc.

All this leads to the need to rethink, in some way, the prevailing financial model. There are various debates on the subject, such as the one proposed by Mazzucato: "the question is not how much to grow, but how to do it in a way that benefits everyone". In fact, he argues that **the social economy** and **cooperativism** are the way in which the economy should be done, since global problems (or at least those of a global nature) are not the only ones that need to be addressed. Thus, public-private collaboration, the vision of **consumers**, the support of partners or the requirements of **shareholders** are essential for any stakeholder financial model.



Graph 4
Characteristics of BRICS+

More than 45% of the world's population
More than 35% of the world's GDP

Brazil: a major exporter of iron ore and soybeans.

- Original States
- Incorporated in 2010
- Incorporation in 2024

Source: Prosegur Research, 2024.

Saudi Arabia, the United Arab Emirates and Iran: they are important trading partners for the region, with special emphasis on fuels, in addition to being key players in the control of maritime routes and other relevant points such as the Strait of Hormuz, the Gulf of Aden and the Red Sea.

Russia: one of the main exporters of oil and gas to various countries such as China and Germany, although after the conflict in Ukraine, the European Union has imposed a multitude of sanctions and limitations on Russian trade.

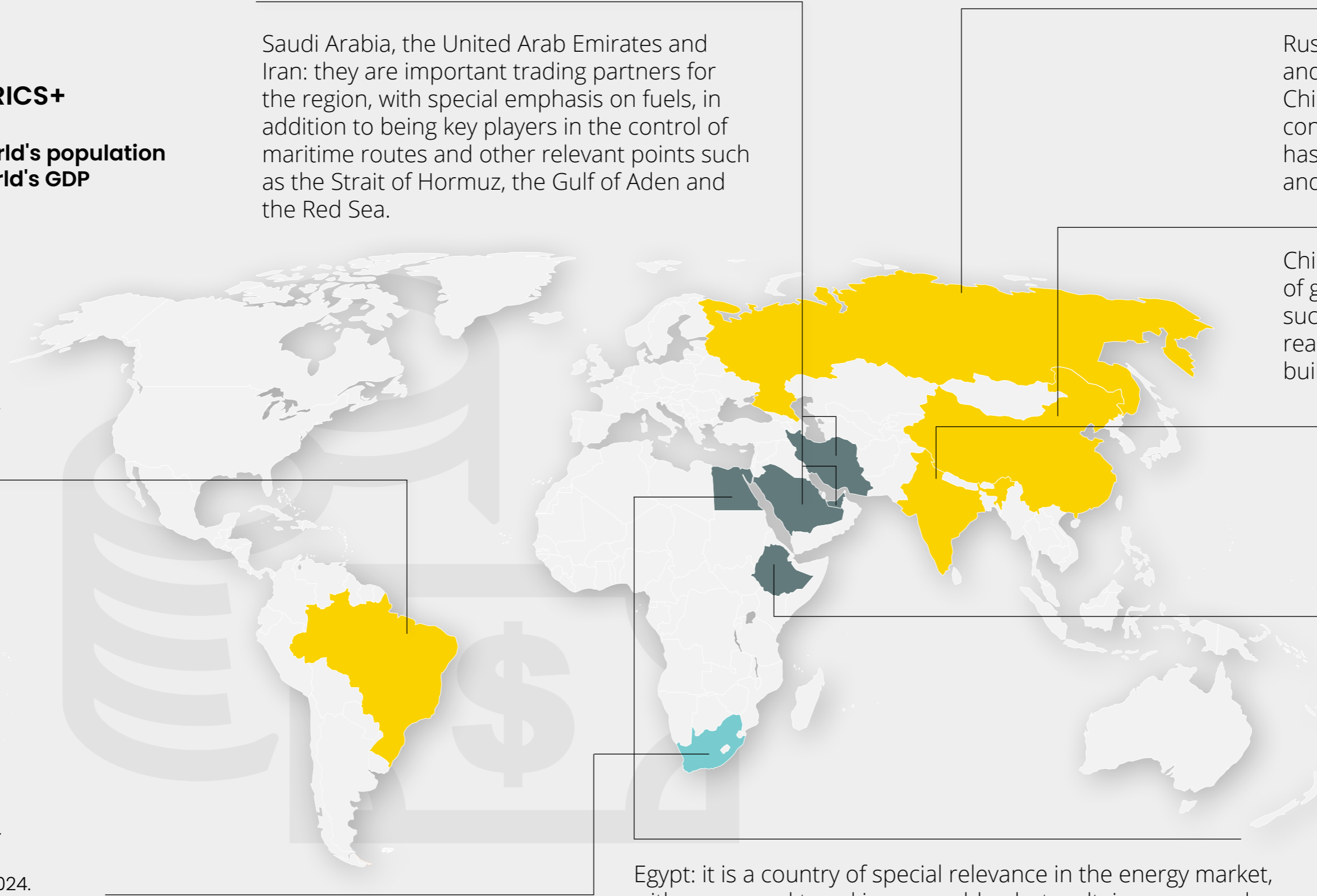
China: the world's leading exporter of goods, including various materials such as electronic equipment, nuclear reactors, machinery and prefabricated buildings.

India: characterized by being a technological power, having boosted its IT and Business Process Outsourcing (BPO) market.

Ethiopia: the second most populated country on the African continent and one of the countries that has experienced the greatest global financial growth in recent years, boosting sectors such as logistics. In addition, one of Ethiopia's distinguishing features is its resilience to internal crises.

South Africa: one of the most industrialized countries on the continent, with a large international market for exports such as platinum and gold.

Egypt: it is a country of special relevance in the energy market, with an upward trend in renewable photovoltaic energy and private investments for the coming years, following plans such as the Integrated Sustainable Energy Strategy 2035. It is also a key player in global trade due to its position around the Suez Canal.



↘ From crypto-winter to crypto-spring?

After the different crypto-winters suffered by some crypto assets such as **Bitcoin**, which in 2021 and 2022 suffered a **plunge** in its monetary value, projections seem to indicate a **recovery** and an **increase in its value**, giving rise to a positive period that has been called **crypto-spring**.

During 2023 the value of Bitcoin has experienced an **increasing trend**, having ended the **year above 38,000 euros**. In addition, around April and May 2024 there will be a new **halving** of this cryptocurrency (a period that occurs every four years in which the number of bitcoins that are mined to validate a transaction is halved), which could increase its value. However, the crypto asset market is **very sensitive to contextual changes**, especially **geopolitical and energy-related ones**, since it is estimated that by 2024 - after halving - producing a BTC could cost more than 40,000 dollars, so that only large miners (those with very low operating costs in terms of kilowatt hours) could continue their activity as it is economically profitable.

The crypto assets debate is expected to intensify in **2024** following some decisions such as the creation of a **digital euro** in the **European Union**, a regulatory framework for the same in **Turkey** or a digital currency in circulation in **Mexico**, among other political developments, as well as the adoption of cryptocurrencies by various **companies** in recent years such as Shopify or PayPal. In addition, there are debates such as doubts about cryptocurrencies backed by central banks (CBDCs) and their possible coexistence with decentralized crypto assets.

Main challenges and highlights for cryptocurrencies in 2024

- 
- A Bitcoin Halving
 - B Regulatory debates across the globe
 - C Inflationary and financial pressures
 - D Energy prices for mining farms
 - E Progress of other crypto assets such as Ethereum or Solana
 - F Technological advancement for application development and decentralized economy

➤ **Individual and
collective empowerment**

Identity as a transversal axis



↘ Demographics as a mold to be adapted to

The analysis of present and future demographic trends anticipates the social requirements that may impact the world. As anticipated in the document A Twist on the World in 2023, **demographics is emerging as the great reconfiguring key of the future.**

Several consulting firms have indicated that 2024 will be negatively affected by **youth unemployment and wide swings in inequality.** One of the challenges arising from demographics is the adaptation of the labor market to **new demands**, both in terms of consumption and labor. In more developed countries with a retirement system, the generational shift in employment provides an opportunity to incorporate young labor and modernize companies. However, the transition from traditional requirements to new demands is a challenge.

The adaptation of the profile of the population to employment also involves cultural issues: from the incorporation of vegan menus in company restaurants to the adaptation of spaces for religious practices, to the inclusion of pet needs



as opposed to the traditional family are examples of practices that will gradually be required in the business ecosystem.

Likewise, demography invites us to reflect on the **universal values** consolidated from the West, taking into account that they do not represent the majority of the population. In this prism, the voices of the North are growing, joining the claims of the South regarding the overthrow of Eurocentrism, opening the way to postcolonial postures such as the Global South.

In the short term, one of the most immediate effects of the emergence of new voices in the universal value system is the **language atomization** of the international community: although English remains the most widely spoken language in the world, languages such as Bengali, Urdu and Swahili are gaining importance at the transnational level and are considered

to be among the most demanded languages in the medium and long term in terms of volume of speakers on the planet.

On the other hand, the international community has witnessed throughout 2023 how, in the midst of **cultural decolonization**, countries such as Morocco and Tanzania have abandoned as official languages those belonging to the countries of which they were colonies in the past.

Moreover, as the **exacerbation of identities** grows and cultural and linguistic issues become more potent as a basis for the empowerment of resurgent collectivities, the West is likely to witness the rise of co-official languages in communion with the official languages that mark the boundaries of a nation state.



↘ The cross-border collectivity

Social atomization and individualism, enhanced by anomie and discontent generated largely by political issues, has facilitated the formation of **new subcultures**, as well as the strengthening of other traditional ones. Despite the individuality that characterizes social relations in the West today, the human being is a social being, as Aristotle anticipated, so his nature will lead him to seek that collectivity in which to develop his identity.

Today, social movements such as pacifism, environmentalism or feminism, for example, are the cornerstones of the subcultures most in demand by young people. This, far from being something new, revives movements that have been making headway since the 1960s, such as the hippies and punks. However, it is not only ideological issues that mark social collectivization. New demands and lifestyles adapted to the prioritization of health and the convergence of day-to-day life with technology also favor the emergence of social tribes or the consolidation or evolution of already existing ones, such as the muppies.

The novelty is about how technology has made it easier for adherence to subcultures to overlap borders, generating collectivities that have brought citizens who are members of the Aligned Countries Movement (AMM)⁴ closer to the West. The empowerment of

these citizens and the impact of their adherence to transnational movements has given voice to the concept of the Global South, which, although it emerged in 1969 in the context of the Vietnam War, has only gained international relevance in the second decade of the 21st century.

On this scale, the individual, embracing his beliefs, impacts on an international order under debate, giving way to **the era of constructivism in the face of a realist system**, based on States, which has deteriorated considerably. And it is precisely this realist system that, while prevailing, has encouraged the exacerbation of identities and beliefs to which individuals and subcultures adhere in rejection.

Throughout 2024, it is very likely that subcultures that bring together citizens from all over the world will strengthen, also impacting polarization and impacting the rise of the **Them vs. Us** that has been discussed in other Prosegur Research reports. This situation poses challenges in governance, as well as challenges in the value system that has governed the international system since the last century.

⁴The Non-Aligned Movement refers to those states that advocated neutrality during the Cold War.

↘ **Technological convergence**

Exponential global development



↘ Accelerating technology ecosystems

In 2024, the acceleration of computation will be driven by innovative computing architectures, including **neuromorphic, photonic** and **quantum computing**. These advanced technologies will be complemented by sensors, which will provide an **additional amount of data with extraordinary precision**, becoming real-time data sources to power artificial intelligence systems.

The **convergence** of these technologies will form an advanced computing ecosystem that will not only accelerate information processing, but also open up new possibilities and applications in a variety of fields, from scientific research to development.

However, it must be understood that technological progress is the result of a **sustained accumulation** of thousands of small incremental improvements, so advances do not appear all at once, even if they reach the non-expert public sometimes by surprise.



↘ Intelligence on demand

Following the popular deployment of **generative AIs**, 2024 will bring us closer to a **significant breakthrough** in artificial intelligence (AI), which requires overcoming three fundamental challenges. First, it will seek to address the **biases inherent in AI**, considered the **"original sin"**, by recognizing that AI learns from data that inevitably reflects our existing biases. It will work to detect and mitigate these biases in order to achieve a more ethical development of the technology, which will include working on the biases of the people who want to design, implement or use it correctly.

Another obstacle to overcome is the concept of **"catastrophic forgetting"** in AI, which implies the difficulty of teaching new skills without losing previously learned functions. Future versions of AI are expected to be more comprehensive and capable of overcoming this challenge, allowing more flexible adaptation to new tasks without losing previous knowledge.

The **"Moravec paradox"** will also be addressed, as it seeks to understand why machines can perform apparently complex tasks, such as playing chess, but find it difficult to **learn psychomotor or perceptual skills**, as a human being does. Research will focus on understanding how children easily acquire these skills in order to apply that knowledge to AI.

All these focuses will allow to project a path towards "**intelligence on demand**", where each service in any field (health, transportation or security) will be like a tailor-made suit, designed for each person, implemented by an expert and enjoyed thanks to data that allow an exact adaptability to each set of needs.

Moreover, the possible use of generative AI for illicit or malicious purposes cannot be ignored, resulting in the progressive sophistication of cyber-attacks.

↘ The imminent challenge of training

From automatization to authenticity

One of the great challenges in the technological advances that are evolving the world is undoubtedly **training**, and many organizations are already making

substantial investments to improve the skills of their workforces, reaching up to **1.5% of the total budgets** of these organizations. However, simply upgrading skills will not be enough: OECD estimates suggest that **in the coming decades, millions of workers may need comprehensive training**, a profoundly complex challenge that would require workers not only to acquire new skills, but to use them to change occupations, and for companies and employees to be ready for this major change. Unfortunately only **24% of companies** make a clear connection between corporate strategy and skills retraining efforts; and despite this, **68% of workers** are aware of impending disruptions in their fields and are willing to retrain to remain competitively employed.

40% of the key skills currently held by workers will need to be upgraded to meet the demands of future labor markets, and employers expect to offer retraining and skills upgrades to 70% of their employees by 2025. 2024 is the year that companies must understand the extraordinary potential of the **combination of technology and people** and seek to **grow from the evolution of their employees**.



Environment and health

The ecosystem as a priority



➤ Beyond climatic impacts: prioritizing resilience

Environmental convergence with other variables that impact political and social stability, such as insecurity, show the interrelation and complexity of the world in which we live. **The three regions facing the greatest ecological threat**, according to the **Ecological Threat Report (ETR)**, are North Africa and the Middle East (MENA region), Sub-Saharan Africa and South Asia. In fact, 27 countries located in these regions, which contain critical areas with "**catastrophic ecological threats**", are home to 768 million people. And it seems to be an **upward trend**: while in the last year more than two billion people lived in countries with catastrophic ecological threats, by 2050 there will be more than three billion. Moreover, all three regions are the least peaceful in the world, according to the **Global Peace Index**. Thus, the ETR points out that the prevalence of ecological threats increases as states experience **deterioration in areas such as security or conflict**.

In 2024, environmental action will continue to be at the center of the political debate to minimize the impacts of the climate challenge, highlighting some phenomena such as El Niño with impacts on global temperature. In this regard, the **convergence** of environmental, health, financial and governance issues is becoming more visible than ever, as we are seeing all the **problems that directly influence people's health**, such as malnutrition, food insecurity, disease, forced migration and internal conflicts over control of resources.

In this regard, **resilience is the main protection factor** for the economies of those countries most affected by adverse climatic effects. In Tunisia, for example, beach erosion could affect the fisheries sector, while in other countries such as Mauritania, according to IMF data, **economic growth could fall by up to one percentage point if the drought continues to worsen**. For all these reasons, priority should be given to building resilient infrastructures.

Graph 5
Main countries with catastrophic ecological threat areas



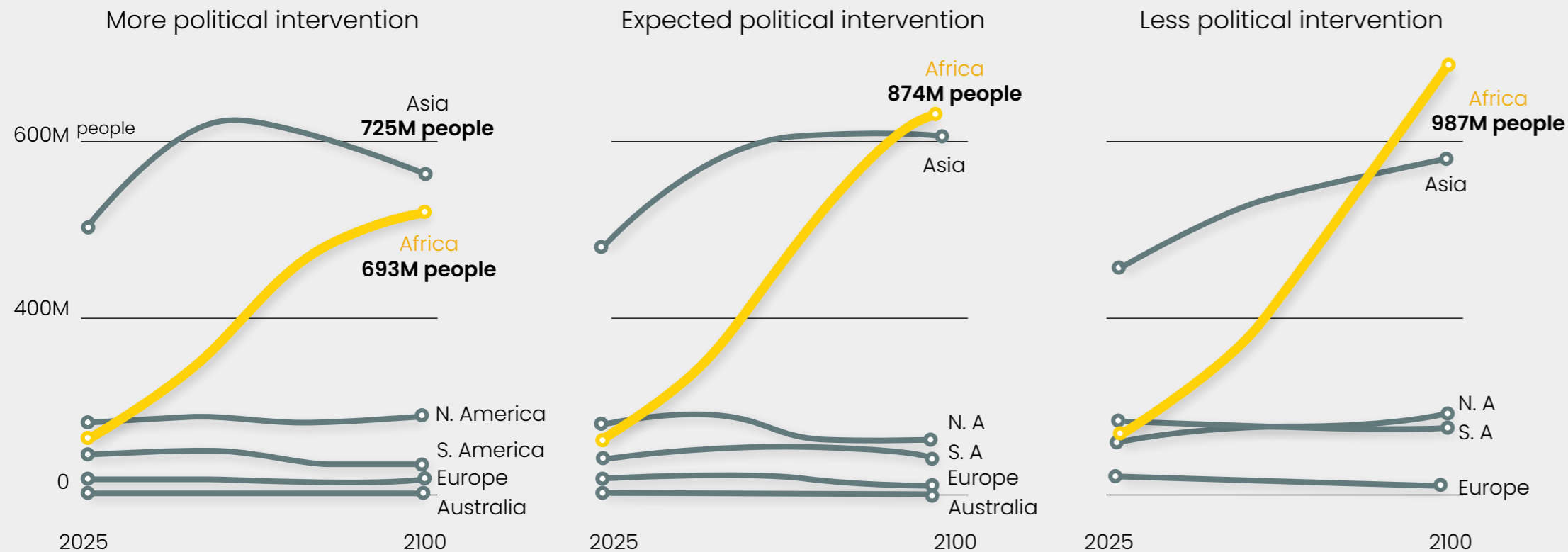
Source: Prosegur Research, 2024 based on ETR.

Urbanism and demography: interrelation of socio-political and environmental factors

The **reconfiguration of cities and current - and future** - needs in recent months has gained great prominence in the social debate, as already noted in previous reports on the 15-minute city. The disparity of data makes it difficult to conceptualize the city: while the United Nations states that 56% of the world's population lives in urban areas, the European Commission raises this percentage to 75%.

Demographic changes will continue to shift urban needs at different **geographic rates**. According to some data, by 2025 the world's largest cities, known as megacities when they are home to more than 10 million people, will be in Asia, while by **2100 they will be concentrated in Africa**. Indeed, by 2050, countries such as **Nigeria, Egypt, Angola and Sudan** will have some of the world's most densely populated megacities. However, the degree of **transformation in the political and urban planning patterns** of large cities will determine the population density of continents; as The Washington Post points out, less **political intervention** is expected to lead to a greater population explosion in Africa or Asia.

Graph 6
Population of the world's 100 most populous cities by continent, based on government policies and other factors



The **convergence of environmental issues with health or physical and psychological well-being** has become evident over the past decades: it is estimated that **9 out of 10 people now breathe dirty air**, leading to increases in disease and other indirect impacts on the economy. In addition, it has been pointed out that more densely populated cities are **more at risk of urban violence and struggle for control of resources**, increasing **insecurity for inhabitants** and sometimes **criminal governance**, as has been observed in places such as Ciudad Juarez (Mexico), Karachi (Pakistan) or more recently **Port-au-Prince (Haiti)** and which will continue to be a **hotspot of risk in 2024**.

Climate Migrants

The times of prevention are behind us, giving way to political, social and citizen action against the climate challenge. In fact, in a year, an average of **one natural climate or water disaster occurs every day**, resulting in approximately **115 deaths and financial losses of US\$202 million per day**. The main reports on the subject indicate that in the coming years, if no coordinated international action is taken,

the already existing levels of ecological degradation will worsen significantly: from the more than 1 billion people who currently live in severe conditions of ecological threats, by 2050 this could **increase to almost 3 billion**.

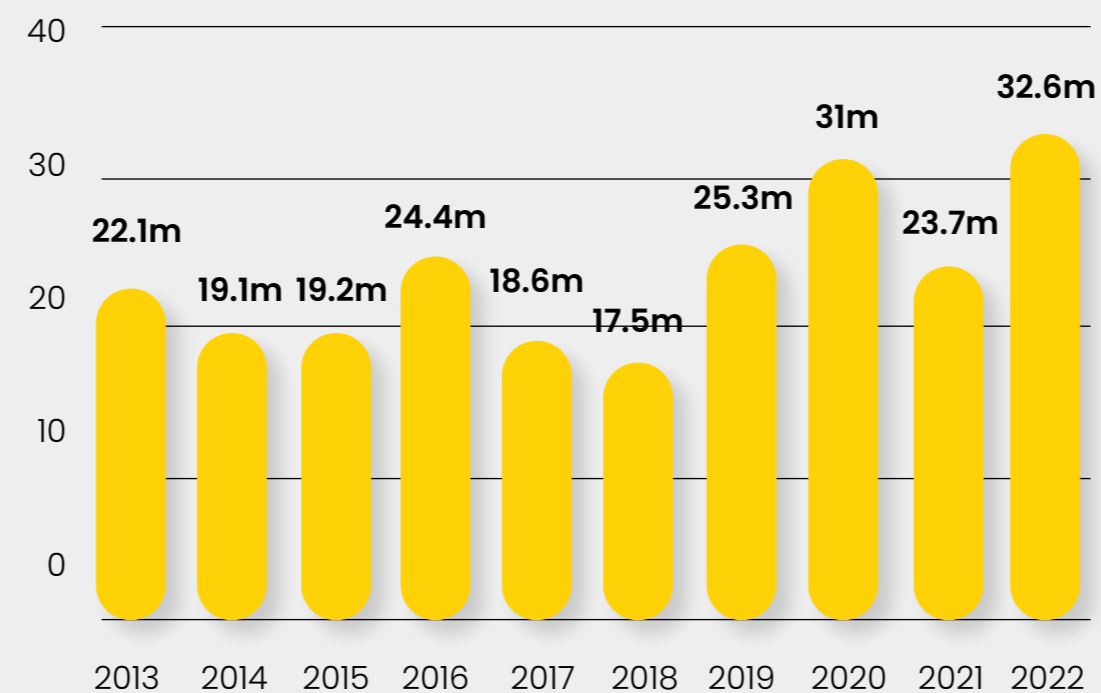
Therefore, the levels of so-called "climate migration" have recently been increasing: in 2022 alone, there were **more than 300 million internal displacements due to disasters worldwide**, 41% higher than the average of the previous decade. **Climate and environmental conditions are thus emerging as the main cause of displacement**. According to available data, this is a

global phenomenon: in 2022 the 5 countries with the highest number of internal displacement due to disasters were **Pakistan, the Philippines, China, India and Nigeria**.

Projections for 2024 indicate that **more than two million refugees will need resettlement**, an increase of 20% compared to 2023, with Asia emerging as the region with the greatest need in the world (up to 30% globally). In this regard, the countries that stand out as hotspots of risk in this area are **Syria, Afghanistan, South Sudan, Myanmar and the Democratic Republic of Congo**, to which are added, according to UNHCR, other additional hotspots such as **Turkey** in the European region or **Venezuela** in the Americas.

Graph 7
Evolution of the number of internal displaced persons at the global level due to natural disasters

Source: Prosegur Research, 2024 based on Migration Data Portal.



➤ SECURITY IMPACTS



04

SECURITY IMPACTS

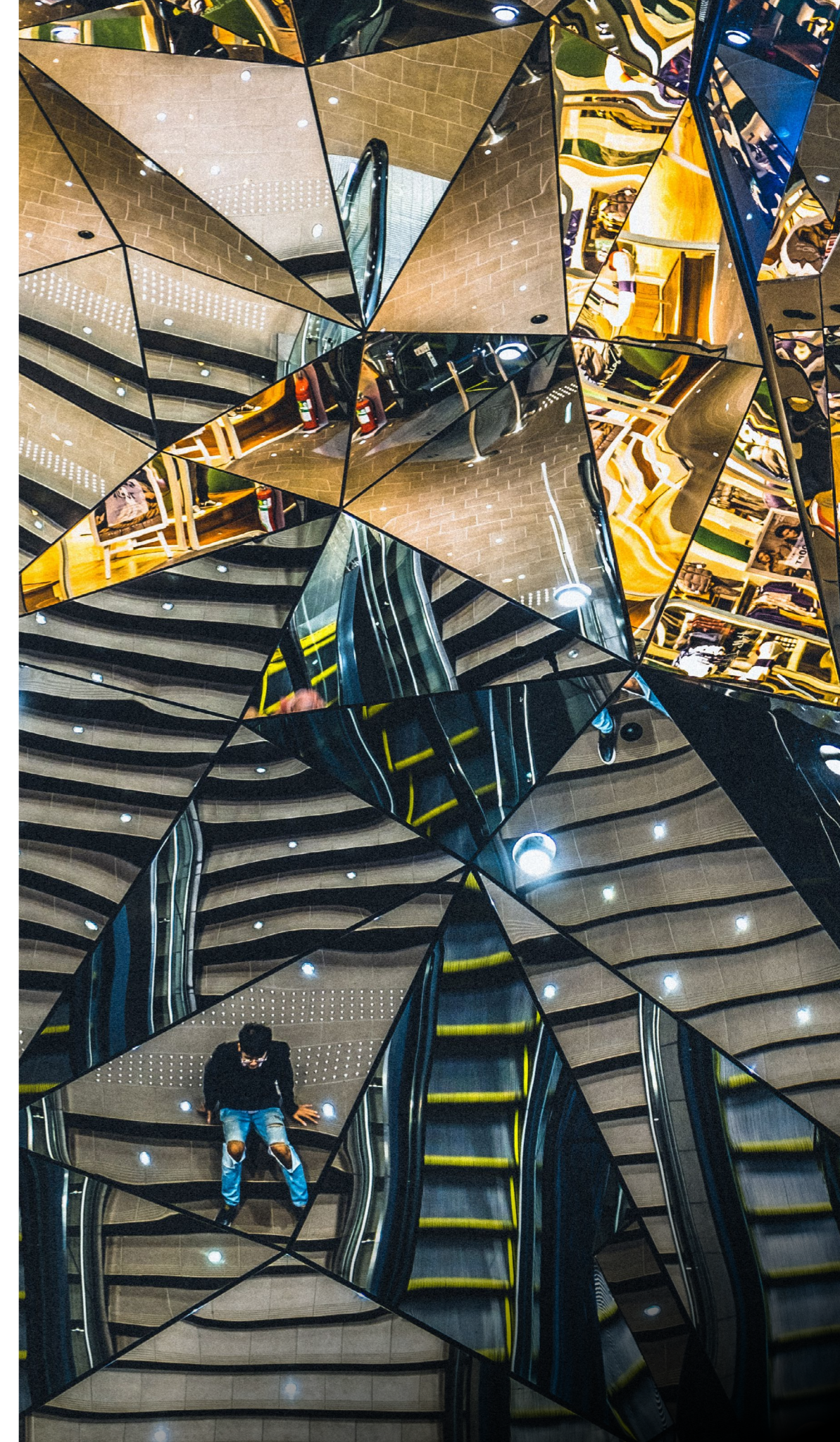
As we have already warned in previous studies, we anticipated an increase in social conflict and organized crime at a global level given the evolution of the **keys to the future identified** at the beginning of our work as a space for analysis and reflection in 2021 and publicly in 2022. At Prosegur Research we study and observe the development of the keys to the future and the trends under a basic premise: security is an evolving and contextual concept conditioned by the evolution of the future.

Thus, the present reality and the trends studied place us in complex and changing scenarios, and **security must be understood as a constantly evolving concept** whose objects of protection are constantly expanding. Thus, the post-COVID-19 economic crisis and the difficulties in the management of the pandemic by governments have generated an increase in uncertainty, leading to greater social conflict at the global level: in recent years **more than 132 countries around the world have experienced significant social**

protests. However, this is not a new trend, as protests and demonstrations have doubled in the last decade, while general strikes have increased fourfold worldwide.

A significant loss of social cohesion and, specifically, of trust in institutions has been progressively generated since 2020. So much that some reports such as the Edelman Trust Barometer in 2023 indicate that **NGOs and companies generate more trust in citizens than governments globally.** In this sense, the responsibility and the leading role that all types of entities and organizations will result in the expansion and evolution of the concept of security, as well as the different ways of approaching it.

Besides, **the return of geopolitics to the boards of directors** in such a globalized context also conditions the evolution of global trends and the very concept of security, since some conflicts, such as the outbreak of new or old wars like the ones currently taking place, have an impact throughout the world: availability, access, transportation and prices of raw materials, economic slowdown, inflation, recession, sanctions or tariffs are just some of the consequences that can be mentioned.





Due to this interdependence, **geopolitical confrontations** can impact a multitude of industries and sectors around the globe and are expected to affect consumption, price and availability of products, for example. Although since October 2023, following the reactivation of the conflict in Gaza, it has led to increased concern in Western countries regarding the terrorist threat, it also poses **significant systemic risks**: from increased social unrest on the part of citizens to effects on maritime safety and the transport of goods, as is being seen in the Red Sea.

We see, therefore, that threats are increasingly hybrid and that they combine very diverse actors, vectors and sectors. In this regard, **the growing strategic role of violent non-state actors** such as guerrillas or militias will be increasingly visible in the coming years, since it is worth remembering that most of the warfare at different levels continues to take place between governments and non-state actors (Myanmar, Sudan, Gaza, etc.). **The increase in global conflict**, mainly between governments and non-state actors and reflected in the increase in the number of internal armed conflicts worldwide, is accompanied by their prolongation in the absence of a military victory or the achievement of a negotiated and consensual agreement. Thus, more and more countries, mainly in Africa, the Middle East, Southeast Asia and Latin America, are joining the list of states with perennial conflicts between their governments and armed groups of a political or criminal nature that will be with us in 2024.

The ability of non-state actors to successfully challenge the governments they confront relies on **resources from illegal economies** based essentially on drug trafficking, illegal mining, human trafficking and other criminal industries that grant them a substantial and growing degree of financial autonomy. In addition, criminals, insurgents and militiamen are demonstrating an increasing willingness to deploy military means traditionally exclusive to governments. A good example of this trend is the use of drones by a wide variety of non-state groups in Africa, the Middle East and Latin America as a means of reconnaissance, transport or attack. It also highlights **the rise of cyber-dependent crime**, which will increasingly impact on economic crime and other sectors, as well as new commercial opportunities such as synthetic drugs, which now outstrip others such as cocaine or heroin.


All of this is taking place while we are witnessing an increasing trend of **fragmentation** and **global division** at all levels (financial, political, social, etc.). We are talking about situations and such as the **increase in global trade retention of more than 800% in the last ten years**, according to calculations by Global Trade Alert and the International Monetary Fund (IMF); the **balkanization of the Internet**, which is leading to a counter-revolution; or the **“technological decoupling”** between the United States and China, which could cause losses of 5% of global GDP, among others, and which can be interpreted as signals. It is precisely this trend towards fragmentation that is one of the major drivers for the growth of organized crime, which will pose one of the greatest transnational

challenges for practically all countries in the world in the coming years, taking advantage of conflict situations and **generalized disruptions based on systemic risks**. In fact, **during the last years, all criminal markets have increased globally**, with the largest increases in migrant smuggling, synthetic drugs trafficking, cocaine trafficking, and this trend is expected to rise.

In addition, the **Global Study on Homicide 2023** notes that **fragmentation of power among criminal organizations and the competition among them** for control of illicit activities leads to an increase in the number of intentional homicides, as has been seen in recent years in countries such as Ecuador and Haiti.

Therefore, in the current moment of global uncertainty and instability any state of corporation is affected by variables and megatrends that shape the socio-economic reality and the criminal actions of individuals and organized groups. **Security, therefore, is always contextual**: security cannot be understood as a separate element alien to a given cultural and historical context. In this sense, 2024 is a year of special interest for the analysis of trends and risks, since throughout the document different issues have been pointed out that will undoubtedly affect the day-to-day life of a multitude of companies, and ultimately, societies.





In short, organizations wishing to embrace the changes of 2024 must do so aware of their context, anticipated in the previous section by means of signals contained in the keys to the future, and which guide us towards areas in which to pay greater attention:

1 The **emergence of new actors and forms of government** will bring greater uncertainty and international instability, weakening the democratic model, and enhancing information disorder, polarization, social anomie and violent or non-violent conflictive.

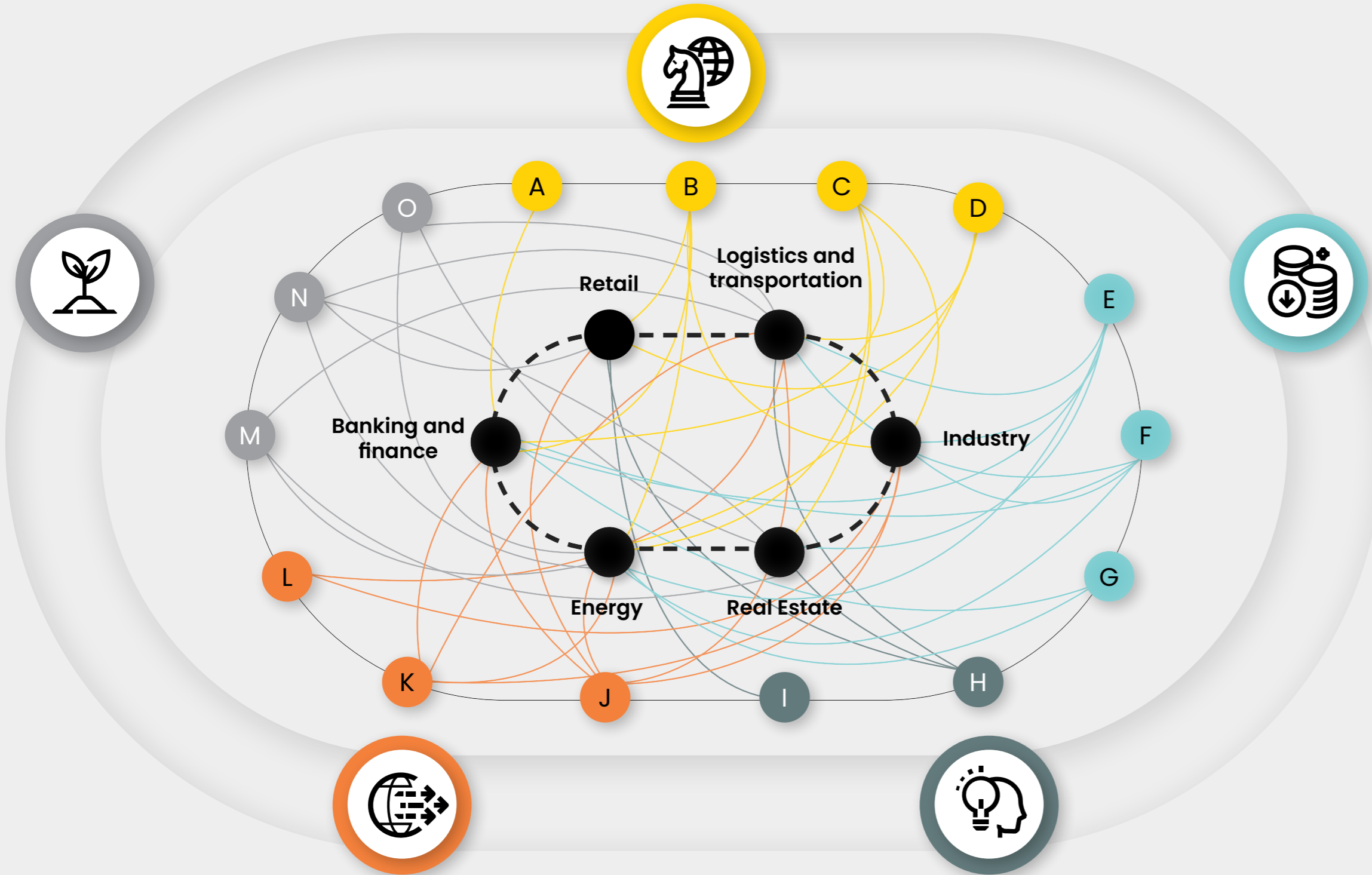
2 The **global economy** may face security risks, such as the rise of social disorder, the stagnation of sectors or services, the reconfiguration of trade blocs or alliances, technological inequality, and increased criminality in key sectors.

Projections of **urban growth and population density** place us in a context of legal insecurity, potential increase in urban violence, criminal governance, and control of resources by gangs.

4 The **acceleration of technological systems** will present security challenges such as the sophistication of cyber-attacks, infoxication of trends, technology convergence, regulation of emerging technologies, and the challenge of training and talent retention.

5 The **climate challenge** will pose major security challenges, such as the management of migratory flows or the increase of armed conflicts due to the scarcity of resources. In this regard, during 2024, climate phenomena such as El Niño will be particularly important, especially in the first half of the year, with diverse impacts at the global level.

Graph 8
The world in 2024 in sectorial key



Caption

- A** New old forms of government
- B** Stakeholders' policy
- C** Decolonization 3.0
- D** Criminality in our basics

- E** Macroeconomics: a 2024 characterized by the growth debate
- F** Economic blocks vs dynamic alliances
- G** From crypto-winter to crypto-spring?

- H** Demographics as a mold to be adapted to
- I** The cross-border collectivity

- J** Accelerating technology ecosystems
- K** Intelligence on demand
- L** The imminent challenge of training

- M** Beyond climatic impacts: prioritizing resilience
- N** Urbanism and demography: interrelation of socio-political and environmental factors
- O** Climate Migrants

All of the above implies a range of high-level impacts for organizations around the world. For this reason, the main implications for security 2024 for the main business sectors are outlined below.




Retail

In the current scenario of increasing fragmentation at the international level, retail companies are immersed in an environment characterized by **fluctuating commercial alliances and unpredictable economic policies**. Trade competition between states for market dominance and investment attraction has intensified and is expected to continue to increase through 2024, leading to greater complexity for retailers seeking to expand internationally.

Similarly, this growing fragmentation has led to an increase in inter-state tensions, increasing the risk associated with the emergence of armed conflicts. In today's financial system, where retailing is highly dependent on the global supply chain and the offshoring of production, the emergence of these events and their potential **disruption of the supply chain** is the threat with the greatest potential impact in 2024.

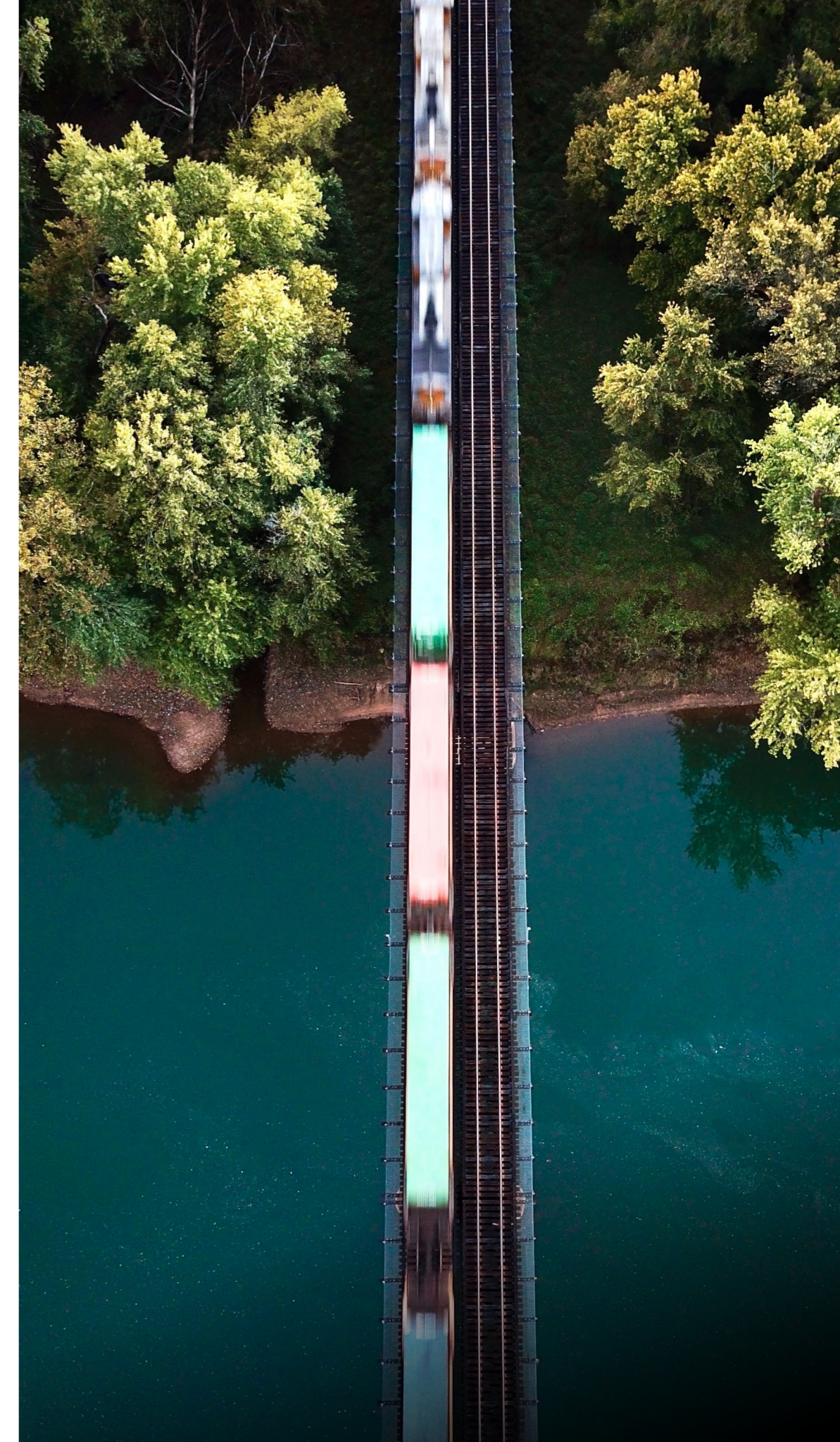
On the other hand, the rise of artificial intelligence and systems dedicated to predictive analytics offer

greater capabilities in the personalization of commercial strategies, which is mainly due to the greater sophistication in the processing of big data. Therefore, the short-term future of the retail sector is expected to continue the current trend of **hyper-personalization**, while at the same time the challenges arising from the growing concern of consumers about **privacy** will increase.



Logistics and transportation

2024 looks to be set a year in which the vulnerability of the supply chain becomes apparent as **inter-state conflicts** proliferate and the aforementioned fragmentation and trade competition becomes more pronounced. In this context, the logistics sector could be exposed to high risks threats at the same time as opportunities to increase their value in the economy and the industrial fabric. Thus, **flexibility and the ability to adapt** to possible disruptions arising from the global geopolitical situation are of great value for the sector's players, and this is reinforcing the importance of inventory management and the supplier diversification to avoid stock-outs. This also ultimately affects their position as highly reliable entities in the face of competitors who do not have these characteristics.



On the other hand, this situation has also meant that logistics has reinforced its nature as a strategic sector, increasing its attractiveness to hostile actors. It is noted that, accompanying digitalization, there is a gradual **shift of threats towards the digital level**, a domain that is booming in the vast majority of sectors. However, the main impact on the logistics sector in 2024 will continue to come from the physical domain, with **crime** and extreme **weather events** being the most prevalent threats. Examples include the introduction of restrictions on the Panama Canal as a result of drought and the disruption of the Red Sea shipping lane as a result of piracy in the region.



Industry

The convergence between the constant **digital transformation** and the growing commitment to **sustainability** promises to be the core on which the industrial sector will pivot during 2024. The adoption of advanced technologies, such as artificial intelligence, the internet of things, and the automatization, alongside optimization and increased operational efficiency, will also

open up new opportunities for process and product innovation. This increased focus on the digital sphere, however, results in greater exposure of entities to the proliferation of attacks in the IT domain, resulting in **greater vulnerability**. Another of the main threats arising from this aspect is the need for **skilled manpower trained** to carry out these technological innovation processes. Thus, in the event of a shortage of skilled workers, the impact on the business continuity of companies could be critical, whereas, if there were no such shortage, this variable would give them a significant competitive advantage over their rivals.

In turn, the emphasis on sustainability has led to a rethinking of industrial practices, driving the transition towards more environmentally friendly labor models and policies. **The implementation of eco-efficient practices, emission reductions and responsible resource management are emerging as key elements for competitiveness** both now and in the coming year. In this context, industrial companies that proactively embrace digital transformation and make a sustainable commitment will be able not only to meet emerging challenges, but also to increase their value and attractiveness in a market that is more aware of the importance of innovation and environmental responsibility.



Finally, international competition and the high degree of offshoring in the industry make the task of supplying raw materials an essential task for the operation of the sector. Therefore, in the current context of **geopolitical instability and scarcity of critical materials for digitalization** – such as microchips – makes the shortage of these materials a threat of the highest impact for companies.



Real Estate

Among the most significant threats likely to have a greater impact on this sector in 2024 is **the increase in the cost of housing and the reduction in the availability of bank mortgage loans**. This phenomenon, driven by financial and social factors, poses a significant challenge for this sector, as it has a direct impact on consumers' purchasing power, affecting purchasing decisions and generating greater price sensitivity on the part of customers. Furthermore, **the loss of purchasing power** in the current financial context and the low **supply of available housing** adds to this equation, exacerbating competition for financial resources and putting further pressure on consumers' spending margins and sellers' acquisition of assets.

Another aspect likely to have a significant impact on the sector is the acceleration of **digitalization**, accentuated by the lessons learned during the pandemic during the process of "home officeization". Increased demands around technology integration also result in increased exposure to technological risks and the need to accompany new products with greater security measures, which can lead to reduced profit margins and increased outsourcing in the sector.



Energy

The energy sector is immersed in a complex intersection of forces that are reshaping its operational and strategic landscape. By 2024, **global energy demand is expected to increase, reaching a record high for fossil fuels**. This increase in demand is a factor that places pressure on existing resources, triggering an urgent need to expand the capacity of the generation and distribution infrastructure. While this phenomenon represents growth opportunities for companies in the sector, it also poses considerable challenges in terms of efficiency and supply management.



In addition, **the growing environmental activism** suffered by the energy sector in recent years has been the main factor undermining its image and reputation. Thus, in a scenario of record demand for fossil fuels- the reduction of which is the main demand of this group- it is expected that their activity will continue to increase, especially in Europe and North America, increasing the risk associated with the threats derived from their disruptive activities against the sector's entities.

On the other hand, driven by increased environmental awareness and the search for cleaner alternatives, the expansion of renewables energies stands out as a key trend both in 2024 and in the long term. However, this transition is not without obstacles, **as limited access to materials needed for the manufacture of renewable technologies** - such as lithium or silicon, whose production is mainly held by China - adds a layer of complexity to the process. The lack of diversification in the supply of these critical materials could generate tensions in the supply chain, affecting the availability and costs of these technologies. Furthermore, the rapid expansion of renewables energies is leading to increased pressure on the infrastructure for their distribution and their effective integration into the electricity grid; one of the main areas where greater investment is expected in the short term, for example, is in the integration of hydrogen and the construction of vehicle charging facilities. The modernization of the

electricity infrastructure and the implementation of energy storage systems become imperative in order to take full advantage of the potential of these renewable sources and guarantee the stability of supply.



Banking and finance

The banking and finance sector faces a scenario characterized by continuity, marked by a series of factors that will impact positively and negatively, resulting in both opportunities and challenges. Persistently **high interest rates** continue to exert a positive effect on banking profitability and stability, while putting pressure on the capital market and funding tasks. This prolonged environment of higher interest rates in the banking sector, coupled with the resulting **reduction in cash flow and capital availability**, may increase the attractiveness of irregular financing methods, increasing financial practices outside of the central bank-dominated control system. In addition, this more restrictive environment for obtaining credit can slow financial growth by affecting both the business fabric and individuals.

Tighter regulations on financial instruments especially affect access to financing for emerging companies,



with the **Fintech** sector expected to be one of the most affected in this type of industry. Besides, competition with traditional financial institutions is intensifying as they incorporate innovative technologies, creating a more complex competitive environment for fintechs.

Finally, insurance companies stand out as being among the most exposed to negative impacts during 2024. The increasing complexity and frequency of catastrophic events related to extreme weather events present **additional challenges for insurers**, which must adapt and make their plans more flexible to effectively manage the diversity of high-impact risks.

↘ 2024: THE YEAR OF PEOPLE

05

2024: THE YEAR OF PEOPLE

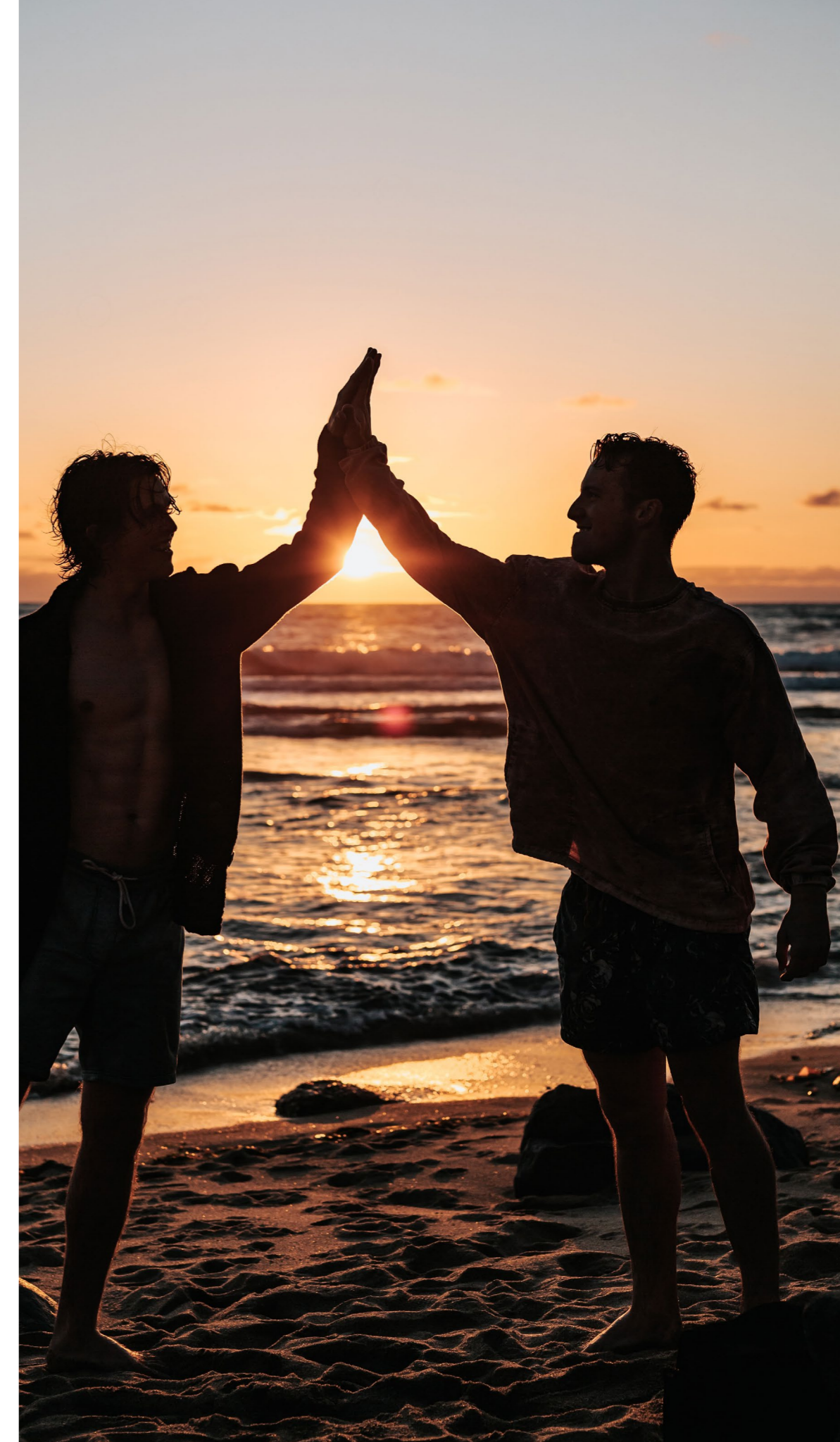


Things never go as expected and 2024 will be no exception. This analysis presents just a part of the countless variables, inexhaustible trends and unlimited actors that interrelate in a turbulent and confusing way every day, generating, in turn, infinite possible scenarios. This overwhelms any attempt to monitor the world in a full and automated way, it is simply not possible. **The important thing is to know what is important**, and that is only feasible with efficiency, far from the rush and obsession with over productivity and mega- management of the now. The future is unknown, but we have signs and trends that can help us to prepare adequately.

Finding the **balance between rigor and agility** can only be done with time, an essential physical magnitude to understand the world, and extraordinarily relevant to its security; and we will only have margin if we try to anticipate and prepare for the future, instead of worrying about the present. The most revolutionary

thing is to know how to look carefully and reflectively and make decisions based on opportunities that others do not know how to see. To take strategic steps in the next 2024 we must have **liquid organizations** that with agility and transparency let **ideas flow among people**, who are always the most important asset of the company.

Undoubtedly, **2024 will be the year of people** in paradoxical times: more connected and polarized, more empowered and vulnerable, more autonomous and interdependent, more agile and impatient, with more information and disinformation; let us work so that knowledge is not used for hoaxes and fake news, but for **the advancement of science and technology**, so that electoral processes are not destabilizing and generating power bubbles, but sanitizing political and social structures, and that ideas do not flow as prejudices, but as **proposals in favor of progress**.



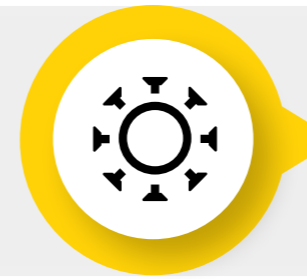
In fact, we have reasons to think positive as the data journalist **Kiko Llaneras** reminds us:



Life expectancy is once again increasing globally; it is now 73 years, more than 12 years longer than in 1980.



GDP per capita has doubled in this century, from \$10,000 in 1997 to \$17,500 in 2022.



The ozone layer is recovering, expected to be fully recovered between 2040 and 2066 and showing one of the greatest environmental achievements in history due to international agreements.



Tax evasion is declining, having fallen over the last ten years from 10% of global GDP to 3%.



University access has increased up to twice as much in the last century.



Infant mortality has declined exponentially; whereas in 1950 one in four children died before reaching adulthood, today more than 95% grow up in good physical health.

In short, we find ourselves in paradoxical, seeming contradictory times, which pose great challenges for humanity: climate challenge, financial crisis, social disconnection, etc. However, this crossroads on the road to the future represents an opportunity for innovation and progress. Let us all work together to build a 2024 that will be remembered for its progress and not for its setbacks.



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SECURITY**

We guarantee the safety of people,
companies, and society as a whole.