Cybercrime the biggest risk to businesses in 2023, ahead of supply issues and inflation

March 8, 2023. Jastra Kranjec.



For years, cybercrime has been one of the biggest risks to businesses, compromising sensitive data and causing brutal financial losses to companies worldwide. Despite many headwinds and challenges the business sector faces in 2023, cybercrime remains the number one threat.

According to data presented by TradingPlatforms.com, with a 34% share among respondents, cybercrime is the biggest risk to businesses in 2023, ahead of supply issues and inflation.

Cyber incidents and business interruption top two threats

Companies and organizations worldwide are losing billions due to cybercrime each year.

Although many significantly boosted cybersecurity budgets, data breaches, phishing, ransomware attacks, and cyber espionage are still a huge threat to their operations.

According to the Allianz Risk Barometer survey conducted among risk management experts worldwide, although cyber incidents have a smaller share among respondents than in 2022, they remain the leading risk to businesses globally. Last year, 44% of surveyed people named malware and ransomware attacks, IT failure or outages, and data breaches the biggest threat to their companies and organizations, or 10% more than in 2023.

Business interruption or supply chain disruption is the second- largest threat this year, with a 34% share among respondents. Macroeconomic development, including inflation, deflation and monetary policies, climbed five spots and became the third-largest risk for businesses with a 25% share, up from 11% a year ago.

Energy crisis and changes in legislation and regulation round the top five list, with a 22% and 19% share among respondents, respectively. The survey also revealed companies and organizations are the least worried about the loss of reputation, product recalls, and environmental risks.

Global cybercrime cost to jump 40% YoY and hit $11.5T in 2023

According to Statista data, companies and organizations have every right to be worried about cybercrime and its devastating effect on their operations.

In just three years, between 2016 and 2019, global cybercrime cost nearly doubled and hit $1.16trn. These costs include stolen money, damage and destruction of data, lost productivity, stealing of intellectual property, theft of personal or financial data, post- attack disruption to the ordinary course of business, restoration, and deletion of hacked data and systems, and reputational harm.

After Covid-19 hit the figures exploded. With companies and organizations worldwide speeding up digitalization, the annual cybercrime cost skyrocketed 155%

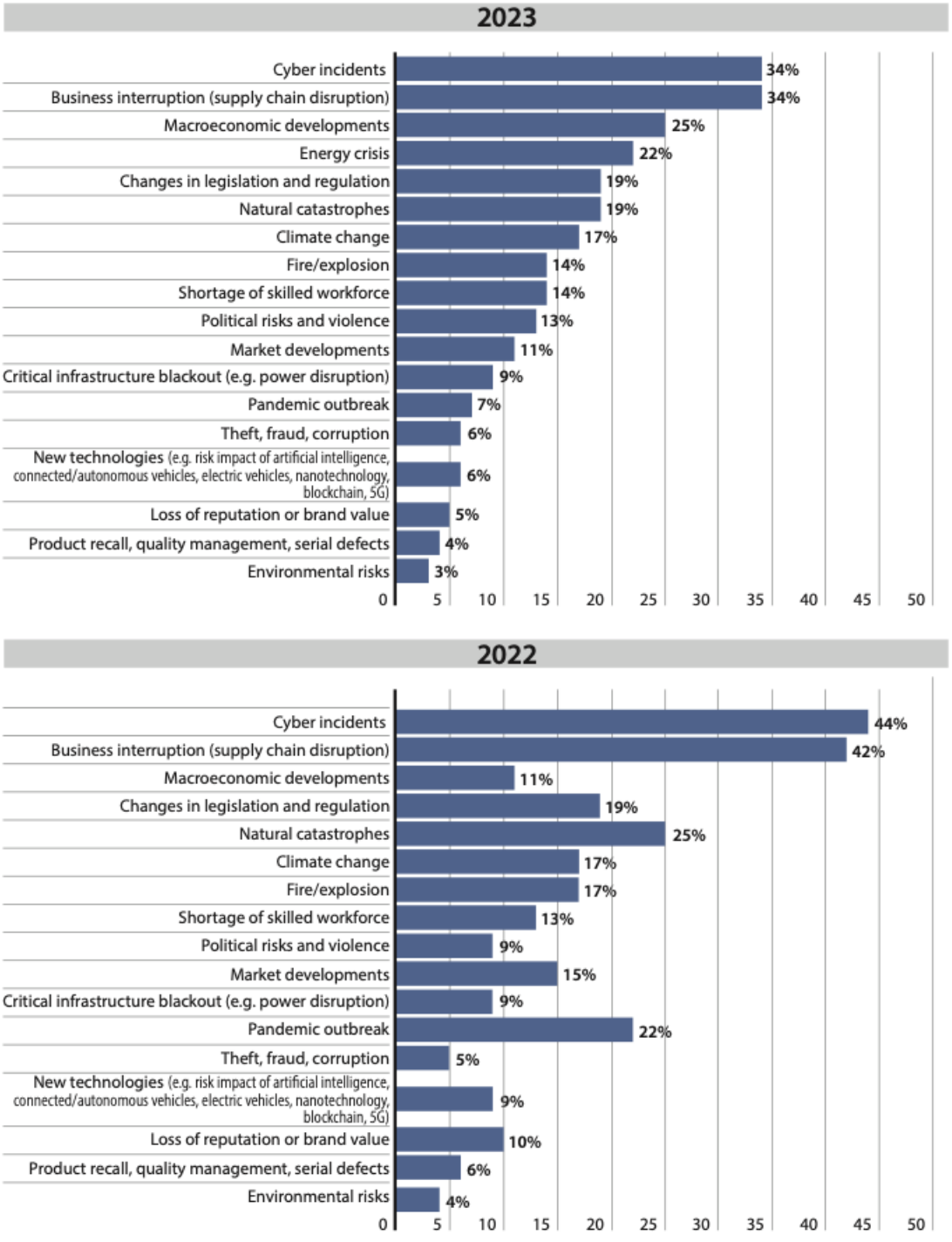
year-over-year to $2.95trn in 2020. A year later, this figure more than doubled and hit around $6trn.

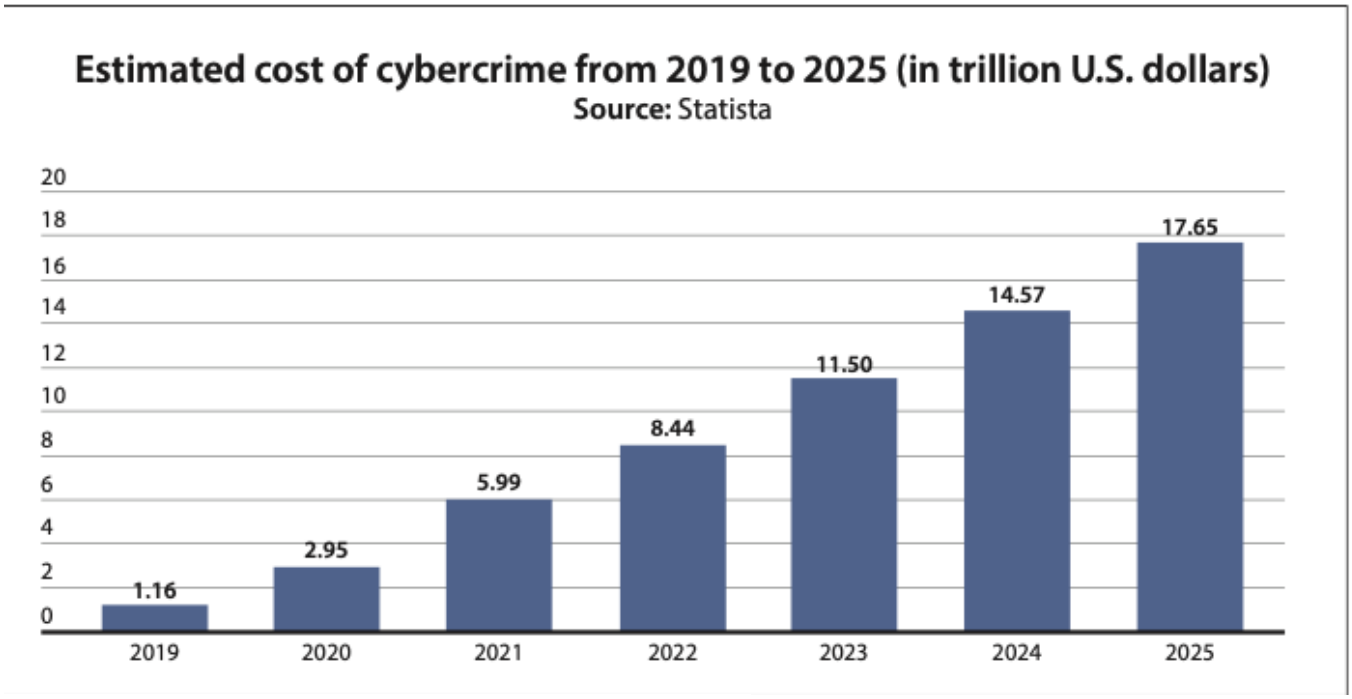
The Statista data show cybercrime inflicted damages totaling $8.44trn last year, or 630% more than in 2019. If measured as a country, cybercrime would be the world’s third-largest economy after the US and China. Statista expects global cybercrime cost to swell by another 40% year-over-year and hit $11.5trn in 2023.

Biggest risks to businesses in 2023

Leading risks to businesses worldwide in 2022 and 2023

Source: Statista; Allianz Risk Barometer







Jastra is an editor, writer, and PR specialist with years of experience in news, research, and report writing. Over the years, she has worked in different fields of journalism and public relations, including politics, economy, and financial markets. As well as TradingPlatforms. com, Jastra has written for Inside Business,The Business Mogul, Business Today, Startups Magazine, StockApps.com, and Buyshares.