

**PROSEGUR RESEARCH**

# THE WORLD IN 2023





This is an **interactive document**



# ↘ A NEW HORIZON

01

# ↘ A NEW HORIZON

We live in exciting times. Its disruptive changes embark us on a fascinating journey of navigating among the volatile, the diffuse and the uncertain. Undoubtedly, this turbulent sea we are living in is generating waves of change that **are sweeping away what we thought existed and what we knew: health and environmental challenges** that have cost the lives and health of many, **technological, scientific and industrial advancements that are taking companies and sectors by storm, critical situations with constant geopolitical and economic tensions** throughout the world are emerging, and an endless number of components that are changing what we have known up to now.

As the 2022 **Safety Perception Index** points out, there **is a greater transversality in the security issues that concern people** around the world; we are recognizing that the world's threats are hybrid, that the risks we face are systemic, and that the enormous complexity in which we are immersed comes from a greater incidence of disruptive and increasingly volatile events.

This, in turn, is generating important spaces for reflection and dialogue, such as the creation in 2022 of our trend observatory Prosegur Research, the result of the effort of thought and receptiveness to society.

In this context, we join all those entities and individuals trying to **recognize the future that did not materialize, come to terms with a present that is not what we expected and to reconfigure a new horizon**, promoting strong exercises of reflection at all levels: personal, economic, business and even existential. It is a time of global tension with a **paradigmatic return to the traditional**, which no one has defined as the new normal: hyperconnection that disconnects us, globalization that generates protectionism, information that overloads and misinforms. It is a time of redefinition and search for a consensual and meaningful metamorphosis, where we learn to regenerate ourselves without changing our identity. As **Moisés Naím** warns, **the great challenge for societies lies within**, such as authoritarianism, polarization or criminal governance are examples of this, and we must be attentive to the major trends to detect and mitigate them but also to the weak signals and early warnings that allow us to anticipate these risks.

**Exploring this world with more information and more training than ever before is paradoxically much more difficult** because of its ambiguousness due to its growing complexity. Beyond the metrics, we need people who know how to decipher them from a perspective of pure curiosity. This genuine interest is the perspective from which we venture to read the present and anticipate, as far as possible, the future. **A broad vision** that includes the fine print that make up our ecosystem in full metamorphosis, and also an **in-depth vision**, which includes the strategic value of all elements taking advantage of their full potential with transparency, humility and courage, to put them at the service of people.

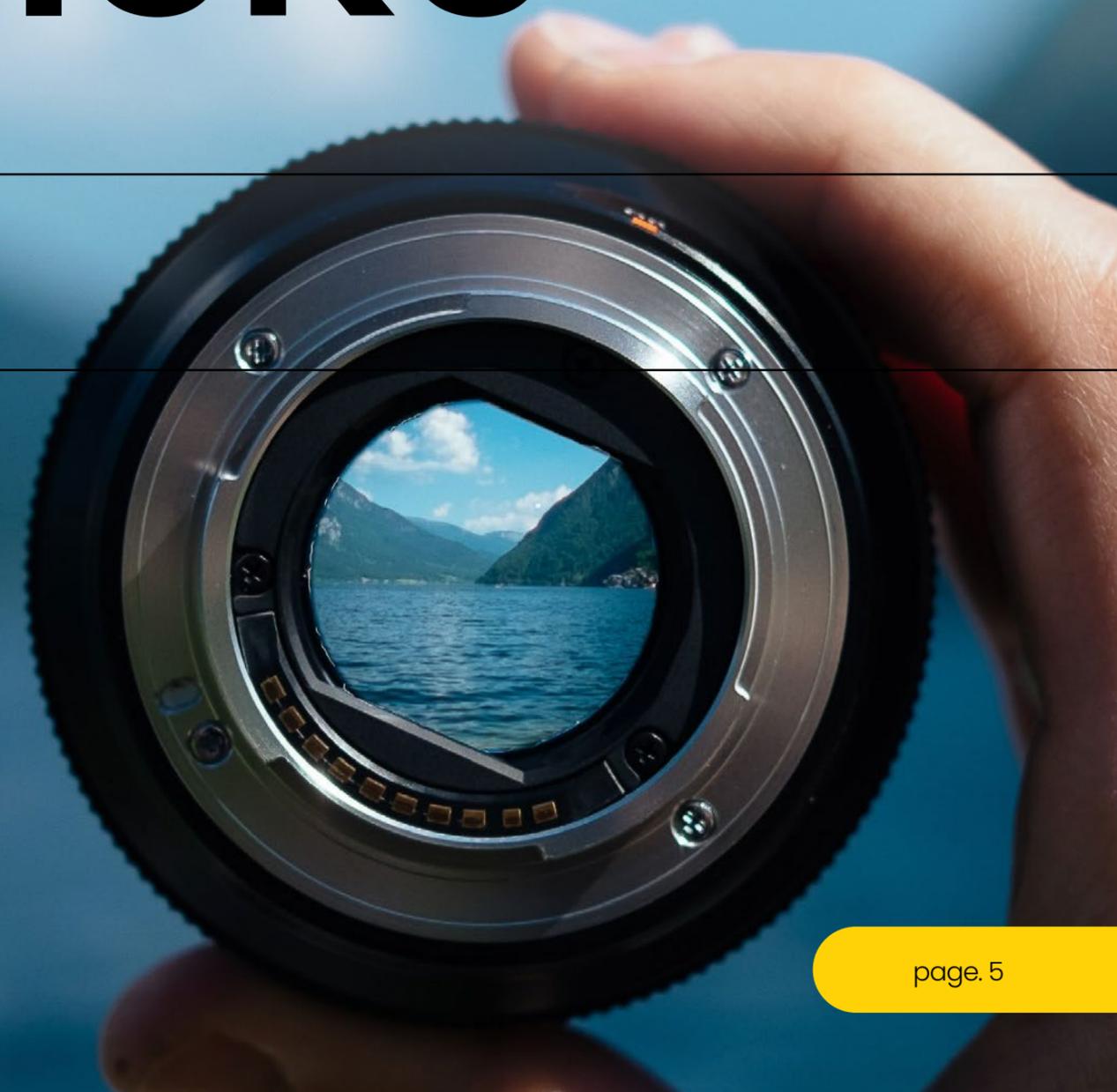
From Prosegur we share our view of 2023.

Let's explore together the world that awaits us in the coming year.



# ↘ SYSTEMIC RISKS

02



## How did we get here?

Some commemorative events:

↘ 185 years since **the coronation of Queen Victoria.**

## Where are we headed?

Systemic risks:

And 183 years later, the United Kingdom left the European Union through the process known as Brexit which has led to a **fragmentation of power** and various controversies and disputes in the territory such as the movement for independence of Scotland, although the British government is opposed of the new consultation process through a referendum which could increase the **instability of the Commonwealth.**

↘ 175 years since the death of **George Stephenson**, who designed the systems of today's **railroads.**

With the evolution of the globalization process, **logistics** has acquired enormous relevance for international markets: from the theft of goods, known as cargo theft, to possible insiders stealing or revealing critical information to competitors and/or criminal groups, **security** has become one of the most important elements for companies involved in the different stages of the **supply chain.**

↘ 160<sup>th</sup> anniversary of the birth of the French historian **Pierre de Coubertin**, founder of the modern **Olympic Games.**

Sport, beyond all its obvious benefits, is an instrument on the geopolitical stage and an environment in which hate speech and hate crimes can be **manifested and channeled.**



↘ 110

years since the creation of the **U.S. Federal Reserve**.

**Economic volatility and uncertainty** continue to be a major focus of attention for companies and countries; some with unfavorable economic outlook such as **Sri Lanka, Ukraine, Libya** other with a more stable and positive projections. The volatility of the macroeconomic and geopolitical scenario, such as **Taiwan**, may pose a **threat to business continuity for companies**.

↘ 105

years of the notification of **the 1918 influenza pandemic**, caused by an outbreak of influenza A virus.

COVID-19 has reminded us of this event. In parallel, the **disappearance of permafrost** may mean an increase in pollution and the release of pathogens into the atmosphere, reverting to the environment and **public health**. At the same time, new maritime routes and habitable spaces will be generated, which will modify key issues in geopolitics and logistics, among others.

↘ 100

years of the attempted coup d'état, known as the **Munich Putsch**, in present-day **Germany** by Adolf Hitler, among others, for which he was subsequently imprisoned; as well as 50 years of the **Pinochet coup d'état** in Chile.

There is currently evidence of an **upsurge in authoritarian political systems** to the detriment of democratic systems, with various **coups d'état** in countries such as **Mali** and **Burkina Faso**, with very varied social and political consequences in terms of stability and security. Other possible areas of conflict are highlighted, such as the instability being experienced in countries like **Peru** and **presidential elections** in others like Turkey, which could pose serious risks for the region due to a possible upsurge in social conflict and violence.

↘ 95

years of the discovery of **penicillin** by the scientist Alexander Fleming.

**Advances in medicine and healthcare** awareness continue to grow, such as telemedicine or artificial intelligence, and the development of applications and devices that monitor and manage different parameters. The **focus on wellbeing**, with issues such as **loneliness** or **anxiety**, and the **quality of healthcare systems** remain at the center of the political-media debate.

↘ **75** years anniversary of the assassination of Indian pacifist leader **Mahatma Gandhi**.

One of the topics with the greatest rise in recent years is activism, particularly in digital environments with the well-known hacktivism, enhanced by the **polarization** that occurs in ideological nuclei in social networks. **Activism** and **social conflict**, therefore, continue to increase, with **possible repercussions for the corporate reputation** of many companies for carrying out malpractice or considered unethical.

↘ **40** years of the launch of the **Mario Bros.** arcade game, and the release in **Japan** of the **Family Computer System (FC)**, known in the West as the **Nintendo Entertainment System (NES)**.

Since then, the **video game industry** has only grown. It is **expected that in 2027 its value will be of 141 billion dollars** worldwide. With **new technological developments** that exploit all the capabilities that this market can offer, in terms of virtual reality, augmented reality and **convergence of different technologies** in the **metaverse**, its growth is likely. Gaming, moreover, in immersive contexts facilitates tools for **manipulation, dissociation from reality** and e-learning spaces **for criminal groups**.



↘ 30

years since the first **attack on the World Trade Center** with an underground car bomb.

Violent extremism continues to gain prominence, conflating traditional extremism with new ideologies, blurring the boundary between the physical and the digital, with a worrying **increase in the use of violence** by some of these groups according to the latest TE-SAT report.

↘ 30

years of the **Josefina Disaster in Ecuador** when a landslide plugged several rivers and caused a major flood.

Future environmental expectations for the region are worrying if the **climate challenge** is not effectively combated, with an **increase of up to 300% of the population affected by floods** in Ecuador if the temperature rises by 1.5°C, according to the latest report of the Intergovernmental Panel on Climate Change (IPCC). At the same time, **water security** is becoming a destabilizing element in other geographical areas, such as in **Egypt, Ethiopia and Sudan** due to the Ethiopian Renaissance Dam, which could reduce water levels in Egypt, affecting the agricultural and energy sector, or in **China**, where the construction of numerous dams has led to a security problem.

↘ 25

years of the anniversary of the **Act of Brasilia**, which ratified the Protocol of Rio de Janeiro, border delimitation of Ecuador and Peru.

**Territorial and border disputes** continue in various countries, such as **India and China**, with recent **upsurges in violence** and alleged violations of the de facto border separating the two countries, the Line of Actual Control (LAC), or in the **Kurdish conflict** over the territories that partially comprise Turkey, Iran, Iraq and Syria.



# Security calendar

**1** Byzantine New Year  
**1** Inauguration of Lula da Silva  
**16-20** Davos Summit  
**16-29** Australian Open (Melbourne)  
**22** Chinese New Year

Jan

**5** Midterm elections in Ecuador  
**12** NFL Final  
**25** General elections in Nigeria

Febr

**1** Start of typhoon season  
**8** Internationall Women's Day  
**22** Beginning of the month of Ramadan

Mar

**2-9** Easter  
**5-13** Pesach (Jewish holiday)  
**16** Orthodox Passover  
**21-22** End of Ramadan / Eid al Fitr  
**30** General elections in Paraguay

Apr

**1** Labor Day  
**5-16** Southeast Asian Games (Phnom Penh, Cambodia)  
**13** Eurovision  
**15** Start of monsoon season  
**19-21** G7 summit (Hiroshima, Japan)  
**28 may - 11 jun** French Open (Paris)

May

**1** Start of hurricane and cyclone season  
**5** Environment Day  
**9-25** 3rd European Games (Krakow, Poland)  
**10** UEFA Champions League final  
**16jun - 16jul** AFC Asian Cup (Qatar)  
**18** Presidential and Parliamentary Elections in Turkey Turquía  
**24** Animism Day  
**25** General elections in Guatemala  
**26-28** Hajj (Pilgrimage to Meca)

Jun

**11 y 12** NATO Summit in Vilnius  
 Beginning of the Presidency of the Council of the European Union\*.

July

**1-6** World Youth Day de in Portugal  
**4-19** Pan-African Games (Accra, Ghana)  
**27** Second round of general elections in Guatemala

Aug

**21-23** Coreper II Summit in San Sebastian

Sept

**20 oct - 5 nov** Pan American Games (Santiago, Chile)  
**25** General elections in Argentina  
**29** General elections in Colombia  
 General elections in Pakistán  
 Parliamentary elections in Ucrania

Oct

**10-13** 17th East Asia Summit (Phnom Penh, Camboya)  
**11** Copa Libertadores Final  
**15-16** G20 leaders Summit (Bali, Indonesia)  
**24 y 27** Black Friday y Cybermonday  
**30** Start of COP28 (Dubai)

Nov

**6** Start of Christmas or December holiday season.  
 General elections in Democratic Republic of Congo  
 General elections in Bangladesh

Dec

\* During the second half of 2023, the rotating presidency will be assumed by the Prime Minister of Spain, Pedro Sánchez. During this period, the European Union summit will take place in Granada. The exact dates and specific locations are unknown.

The known dates of events and phenomena that may entail security risks in a broad sense have been selected.

**Download this calendar!**

# ↘ 2023 TRENDS

03



➤ **Diffused power**



## ↘ 2023: more risk and volatility

In 2022, companies and states have had to adapt to a **series of high-impact interrelated risks and events**, which have substantially threatened business **continuity and the economic, political and social stability of nations**. Some, such as the conflict in Ukraine, have intensified certain global problems such as **supply chain disruptions**, as well as enhancing other potential issues such as energy which will continue to gain prominence in the coming year.

For all these reasons, **data (cyber)security**, along with other challenges such as talent **management**, **macroeconomics**, **geopolitics** and **legal uncertainty** are **the biggest risks for 2023**.

Moreover, the 2022 trends report prepared by Prosegur Research already highlighted **misinformation as one of the main challenges**. As Moisés Naím points out, **gaslighting**, understood as the tactics used to make people doubt their reality with the aim of influencing their thoughts and actions, is closely related to disinformation and post-truth, resulting in a toxic nature of information through false narratives and various manipulations. In this sense, technological development is favoring **criminal technological innovation**, with the rise of the well-known **deepfakes**, such as the one suffered by Ukrainian President Zelenski<sup>1</sup>. In the coming

year, media ethics and the role of governments in the face of disinformation will continue to be at the center of the debate, as a result of regulations such as the **controversial Turkish proposal of the draft law against fake news** or the recent application of the **Digital Services Act (DSA)** in the European case.

## ↘ Geopolitical hot spots in the four corners of the globe

Analyzing the geopolitical and geoeconomics events that are taking place in 2022 and will continue to unfold in 2023 requires a broad and **peripheral vision of the risks and threats** we face as societies. The main events in geopolitical matters that have taken place in 2022, notably the invasion of Ukraine, the intensification of clashes in the Democratic Republic of Congo with the M23 or conflicts in countries such as Yemen or Ethiopia, are entailing a **reconfiguration of power alliances and trade alliances between nations**.

One of the main geopolitical risks in 2023 is the possible direct confrontation between China and Taiwan, with global economic effects due to a possible **semiconductor crisis** and an **escalation of the conflict at a global level** with other countries potentially involved, such as the United States or Japan.

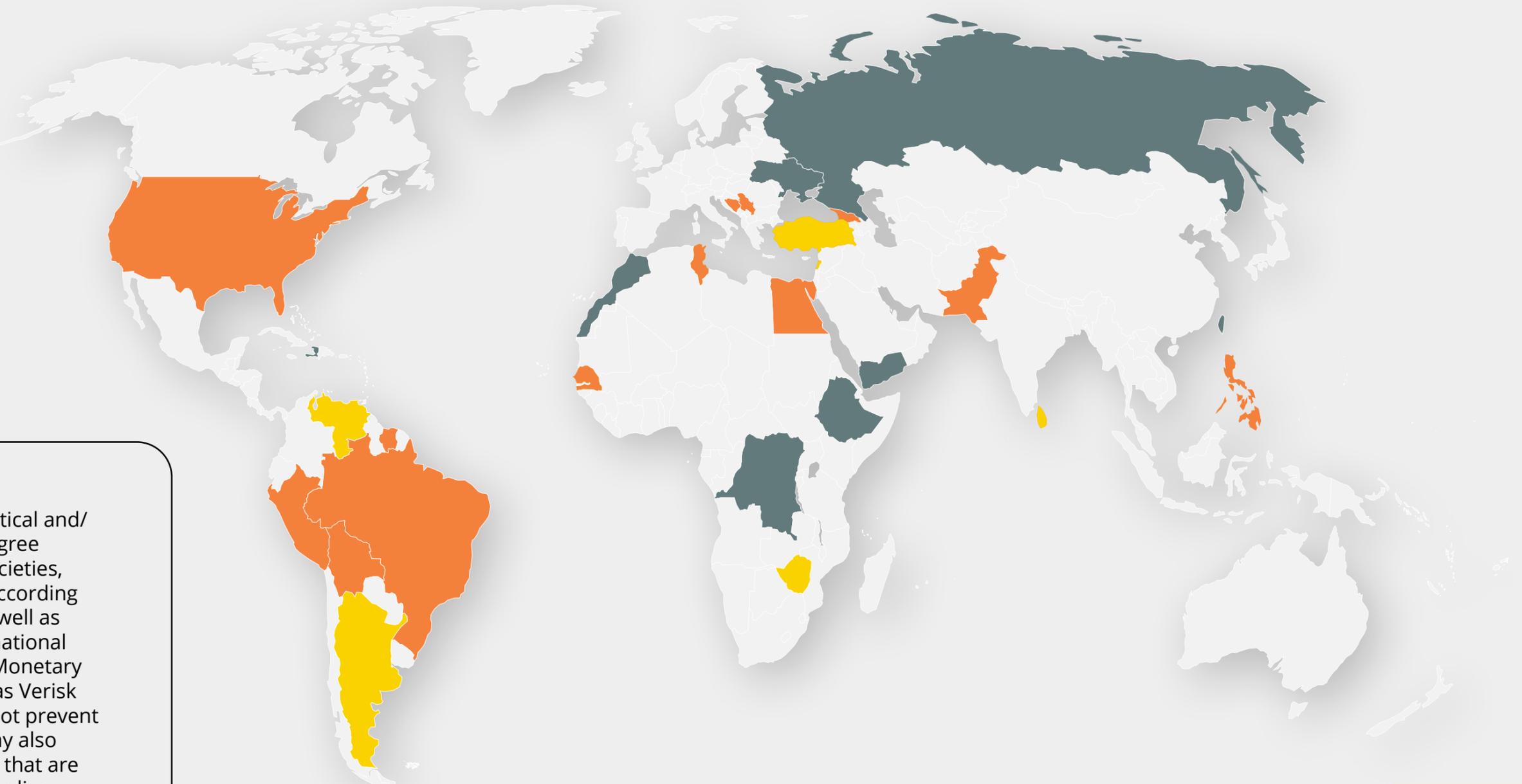
Additionally, these situations are occurring at a time when **global debt is at historic highs** as a result of COVID-19 which has resulted in the declaration of **default** of countries such as Sri Lanka, thus economic consequences of the aforementioned conflicts could intensify, ultimately harming the population.

<sup>1</sup> On March 16, 2022, Ukrainian President Volodymyr Zelensky suffered a deepfake in which he urged the army to surrender and lay down its arms to Russian forces.

**Countries with the highest economic, geopolitical and social risk in 2023**

■ Social risk ■ Economic risk ■ Geopolitical Risk

**Source:** Prosegur, 2022 based on own analysis, IMF and Verisk Maplecroft



The map shows some economic, geopolitical and/or social risk locations based on their degree of interest and/or systemic impact on societies, markets, companies and governments according to Prosegur Research's own analysis, as well as reports and studies by prestigious international organizations such as the International Monetary Fund (IMF) and private companies such as Verisk Maplecroft. Despite the map, this does not prevent us from considering that new threats may also emerge or materialize in other countries that are not mentioned above, which could jeopardize security in the broadest sense of the term.

## ↘ Further blurring the boundary of power

**Non-state actors** continue to gain prominence in various territories around the world, **competing with governments for political and social control**. This is not an insignificant phenomenon, **since almost 80% of the world's population lives in countries with high levels of crime**, which can sometimes lead to territorial control by criminal groups.

In recent months, some clashes have intensified, such as those experienced in August in **Mexico**<sup>2</sup>. Similar events are also being observed in other geographical areas, such as the clashes between **criminal groups in Ecuador**, the growing organized criminal conflict in **European countries by the Mocro Mafia** or the territorial control exercised by the **United Wa State Army (UWSA) in Myanmar or the gangs in Haiti**, among others, becoming one of the greatest **security** challenges for States and companies for 2023.

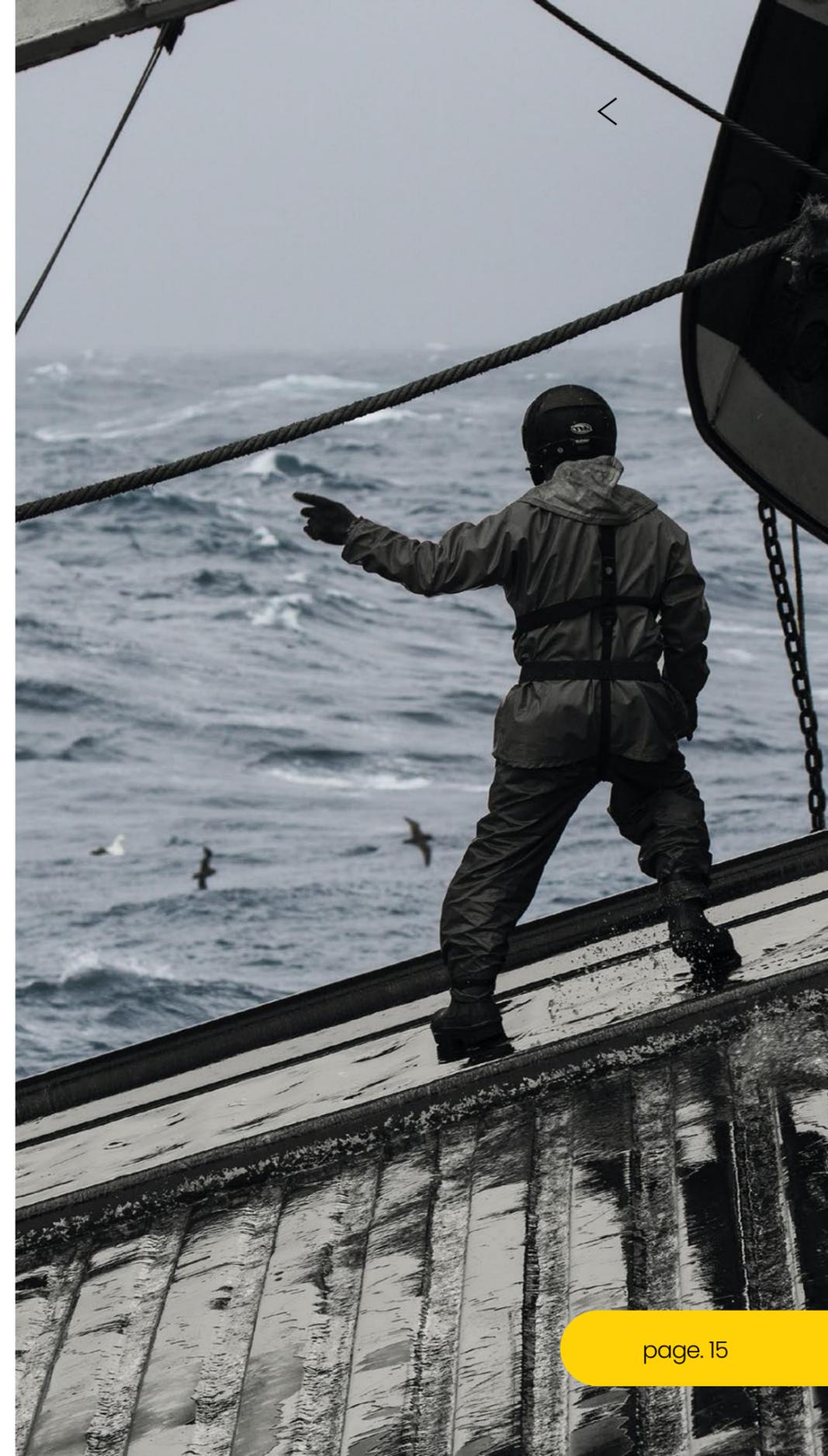
<sup>2</sup> In which different factions of the Jalisco Cartel - New Generation (CJNG) carried out numerous acts of vandalism and violence, temporarily paralyzing public transport and businesses, with the social, economic and psychological damage that these actions entail.

<sup>3</sup> In this process, companies try to distribute their production chain in countries where costs are lower, such as China, India or Vietnam, and then sell them in more economically profitable markets such as Europe and North America.

## ↘ Geographic pivot in the supply chain

**The turbulent international geo-economic and geopolitical context**, as well as the growing demands in terms of sustainability in numerous countries, mostly Western, **are partially reconfiguring the global supply chain** and production management for companies. In this regard, a recent World Bank report notes **that since 2010, 63% of the jobs that have been relocated to the United States, in a process known as reshoring, have come from the Asian continent**, with 44% from China. In addition, more than 60% of U.S. and European companies are currently considering **relocating at least part of their processes from the Asian continent**.

This phenomenon, which is not essentially new, is in contrast to traditional *offshoring*<sup>3</sup>. However, it has been substantially boosted since the **COVID-19 pandemic** and other events such as the Ukraine crisis or **logistical bottlenecks**, notably the Ever Given blockade in the Suez Canal, favoring other states such as Mexico because of its proximity to the U.S. market.



➤ **Social polarization**



## ↘ The strategy of hate: key to social polarization

Social polarization is one of the current global concerns because of the consequences it may have on democracies and the **stability of political regimes** in the coming years. The **gradual increase** it has experienced since the pandemic has begun to show its first signs in 2022 but it is expected that it will be in 2023 when its effects will explode.

A recent example is the United States, where polls conducted in the run-up to the mid-term elections in November showed a very palpable emotional polarization between opposing parties<sup>4</sup>.

But this is not the only example: the electoral campaign in Albania in April 2022 focused mainly on accusatory rhetoric, where the parties blamed each other for the lack of progress and vote buying, with one death even being recorded. The Colombian elections showed a similar scenario of polarization, where the elected president, Gustavo Petro, presented himself as anti-establishment against Rodolfo Hernandez, who conceived the management of the country as a business matter. Finally, in Kenya the situation has been no different, as from the beginning there were warnings of high polarization in the country's political elite<sup>5</sup>.

The **results and repetition of similar patterns of hatred in different countries** hint that this is a trend that is here to stay. This polarization has been imbued by **hate speech** that focuses its strategy on the existence of the enemy. It is this dynamic of exclusion that also underlies **violent extremism**<sup>6</sup>, one of the main risks for 2023. But this trend is **also found outside Western countries**: the Sahel was the major protagonist of the December 2022 Democracy Summit, which focused on the rise of violent extremism and possible responses to it in the coming years.



## ↘ Permacrisis: the year of social unrest

Permacrisis, a term defining a **prolonged period of instability and insecurity** and chosen as word of the year, is probably the best representative of 2023 in relation to social unrest. According to the **Social Unrest Index**, **the world faces an unprecedented increase in civil unrest in the coming year** as all countries grapple, to a greater or lesser extent, with the impact of inflation on the price of basic products and energy.

The last few months of 2022, with a very significant increase in protests in almost every continent, have been the prelude to a 2023 with more than 80% of the world's countries with inflation above 6%.

The International Monetary Fund (IMF) estimates that, although inflation has peaked, it will take at least two years for it to moderate, which places the society in an excessively long inflationary scenario. **Socio-economic risks are reaching critical levels** and will be a driver of the conditions necessary for civil unrest in the coming months.

<sup>4</sup> Antoine Yoshinaka, a professor at the State University of New York, notes that sentiments toward the opposing party were more focused on **attacking the character of the supporters than the approach** of the proposals.

<sup>5</sup> The confrontation between president Odinga, and the vice president Ruto, which has jeopardized long-standing alliances with offensive posters and accusations that were not real on social networks.

<sup>6</sup> As an example, it should be noted that the Spanish Ministry of the Interior has placed the fight against radicalization as a priority of the Spanish Presidency of the European Union in 2023.

## Control, populism and distrust: ingredients for business uncertainty

In times characterized by economic crises, **populisms** are used for political gain, using **social fissures and problems** and presenting simple solutions to complex problems. In this sense, some studies show that **perceptions of financial institutions and corporations are currently more negative than in recent years.**

This is why 2023 will be a year in which governments of different countries will choose to **tighten regulatory controls on business activities**, which could lead to an **increase in legal uncertainty and business uncertainty** for private corporations. In this regard, the European Union has recently agreed to a minimum corporate tax rate of 15% for all large companies with a turnover of more than 750 million euros per year, with the aim of eliminating 'tax havens' in the Member States. However, **not all sectors face the same risks**, so a **reassessment of the strategic objectives will be necessary in the coming months**<sup>7</sup>.

<sup>7</sup> By way of example, some reports point out that while the pharmaceutical sector may face price regulation, the mining sector may face increased resource nationalism, increasing **protectionism** and related political discourse.



➤ Stakeholder economy



## ↘ Recession: global trend for 2023

In economic matters, the two most talked-about terms in 2022, with particular emphasis from February onwards as a result of the Ukrainian crisis, and which will continue to occupy a central place in political and media debate are **inflation and recession**<sup>8</sup>. In this regard, the IMF's *global economic* outlook shows a **fall in Gross Domestic Product** (GDP) growth for many economies around the world.

### Economic Forecasts

█ Global Economy   
 █ Advanced Economies   
 █ Emerging and Developing Economies



Source: Prosegur, 2022 based in FMI

**Inflation has also risen in recent months** due to the generalized rise in prices, especially in commodities, energy and food, from 3.9% in January in advanced economies and 5.9% in emerging and developing economies, to 7.2% in October in advanced economies and 9.9% for emerging and developing economies. Globally, inflation in 2021 was 4.7% and **is expected to be 8.8% in 2022, although it is expected to stabilize in 2023 at around 6.5%**<sup>9</sup>. At the same time, according to the Misery Index, which combines inflation and unemployment data, the countries with the worst prospects for 2023 are Zimbabwe, Venezuela and Lebanon.

All this is leading to an increasing **risk of a recession in 2023**, a period characterized by a **generalized slowdown in economic growth**. The central banks of many countries have raised interest rates in recent months, under the argument of controlling inflation even if this may lead to a **generalized increase in debts and higher long-term costs**, causing asset market crashes in advanced economies and the possibility of debt default in some emerging and developing economies, with global economic effects. At the corporate level, 96% of North American and European Chief Financial Officers (CFOs) believe that the recession will affect them in 2023 in their respective businesses.

<sup>8</sup> In fact, in June and July of this year, the term "recession" was the most popular term on the Internet worldwide, according to Google Trends data.

<sup>9</sup> Some States stand out with substantially high figures, including Sri Lanka, Argentina and Turkey, with inflationary projections of 48.2%, 72.4% and 73.1%, respectively.

## ↘ Reconfiguration of the energy market: between threat and opportunity

The energy crisis caused in Europe as a result of the Ukrainian conflict is identified as one of the major challenges for the region for 2023, specially during the winter months with particularly low temperatures could **increase the demand for gas in European countries, depleting the energy reserves** of the Member States without the possibility of replacing them, increasing the **risk of recession** mentioned above.

For this reason, several countries are trying to **reconfigure the energy market**, as seen, for example, in the European Union's intention to ask the United States for **exemptions to trade Venezuelan oil** without violating the **sanctions** imposed by the United States<sup>10</sup>. Venezuela, for its part, continues to develop **commercial and energy diplomacy** with Iran by **announcing the development of an agreement** to improve and work together on various issues.

However, the current energy situation is not a crisis for all geographical areas of the world. On the contrary, **for some countries it is, in part, a reinforcement of their political and diplomatic demands**, as could be the case of **Algeria**; as well as an opportunity to increase energy production capacity and, consequently, their exports and commercial opportunities, where **Angola or Nigeria in Sub-Saharan Africa** stand out.

Finally, another of the elements that affect the state of the energy market are the developments in **green hydrogen** or the growing importance of **rare earths** in the electronics sector, in which countries such as **China** have a **privileged position** as market leader, although others such as Australia are postulated as one of the **game changers** in the coming years. The **Central Asian** region is also gaining importance, due to its high supplies of these materials<sup>11</sup>.

## ↘ Bioeconomy: now or never

The environmental and social challenges we face as societies require a mindset that incorporates these elements into the current economic model. It is in this context that the **bioeconomy**, understood as the **integration of innovation, sustainability and economic growth emerges**<sup>12</sup>.

For this reason, **the reconfiguration of the energy market is an opportunity** for States to incorporate this vision into their respective economic models and energy transitions, as recently pointed out by the **United Nations (UN)** in the light of the COP-27 Climate Conference.

As an example, Japan stands out as one of the paradigms of this transition and the **incorporation of the so-called circular economy** in its society, as explained by the World Economic Forum<sup>13</sup>. However, not all countries are aligned with this carbon neutral objective. In this regard, **Germany and Australia** stand out, which **have increased the operation of coal-fired power plants in the last year**. In fact, **Australia is the largest emitter of CO2 per capita in the world**, being four times higher than the world average with 4 tons per capita (t.p.c.).

<sup>10</sup> Although these exemptions are argued not only because of a "hypothetical need" for oil, but also because of the possibility of carrying out humanitarian and social activities in Venezuela.

<sup>11</sup> In this sense, countries such as Kazakhstan have indicated that they could become suppliers to the European Union of some **"critical raw materials"** that the European Commission published in 2020, such as tantalum or niobium. At the same time, this country is facing social challenges such as the protests that took place in January, for which it requested military assistance from Russia.

<sup>12</sup> Ultimately, the goal is to reduce dependence on fossil fuels and, consequently, the climate impacts they generate, for example in terms of pollution.

<sup>13</sup> In the last three years, the Asian country has made efforts to reduce its environmental impact with the aim of becoming carbon neutral by 2050, for example through **The Plastic Resource Circulation Act** that came into force in April 2022 to transform and improve the production cycle of plastics, including all related stakeholders, from companies to citizens.



➤ **Individual  
empowerment  
and shift of values**



## ↘ Collective clashes and atomization

Empowerment has facilitated citizen participation in political, social and economic affairs and has contributed to society's ability to adopt various causes.

In this context, many empowered individuals have joined a collectivity that embraces a specific cause, which has had an impact on the **atomization of protest movements**. For example, the environmental movement has ceased to be a monolithic entity and has split into different groups that embrace different ideas within the framework of environmental sustainability. As a result, in addition to generalist groups that join the global movement, there has been a proliferation of **specific movements framed around specific issues**, such as anti-natalism or animalism, as well as diverse modes of protest and vindication that, on occasions, have weakened these types of groups.

This situation facilitates **social polarization**, in many cases framed in **psychological reactance**, and enhances the perception of the world as an **us vs. you**. The confrontations that can occur between **different collectivities aggravate the global social crisis and lead to the rise of exacerbated positions**.

## ↘ Rise of the 'auto'

The adoption of technology by more and more individuals and day-to-day processes has endowed those who use it with **self-sufficiency**. The isolation brought about by COVID-19 and the increase in the cost of various services, in the context of current inflation, have facilitated the emergence of **individual autonomy**.

Self-sufficiency associated with individual empowerment has improved accessibility to different economic and cultural spheres for people from different social strata or backgrounds. In this sense, **individuality adopted in the face of the ease of performing tasks alone is on the rise**.

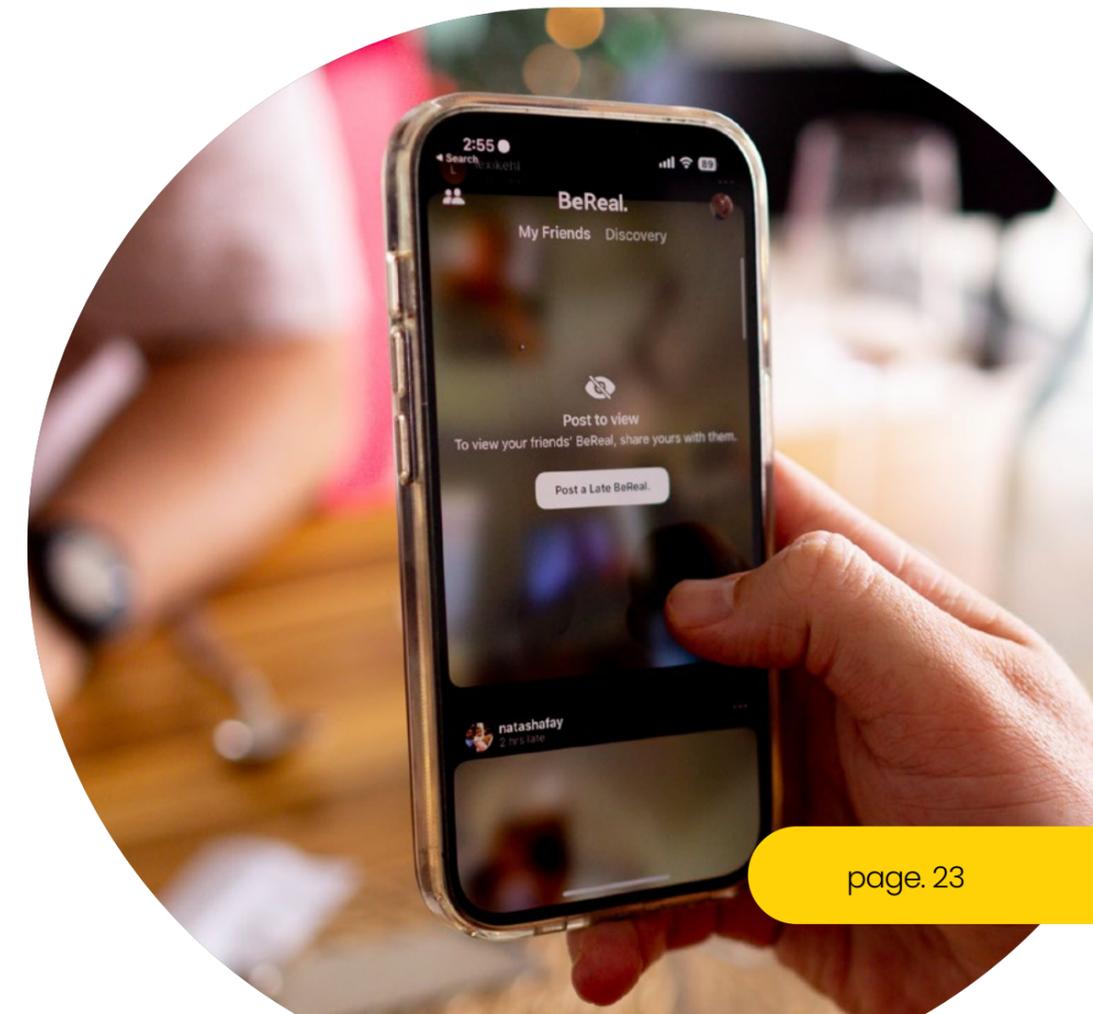
However, the growth of individualism associated with autonomy impacts on the collective, in many cases enhancing **social atomization** and, ultimately, polarization.

## ↘ Real vs. invention: anti-fabricated content

Individual empowerment facilitates the rejection of the unreal and empowers the vindication of one's true essence. The irruption of the BeReal app and the boom in its popularity in the last quarter of 2022 has highlighted the **growing social rejection of the fabricated content**. The growing trend of appearing real through social networks has

gained prominence as the **value of mental health** has been heightened and the psychological damage caused by comparing different lifestyles through the Internet has been highlighted.

It is very likely that over the course of 2023, apps aimed at showing reality and reducing physical and intellectual complexes will increase, and that this will carry over to other aspects beyond social networks.



➤ **Technological  
convergence**



## ↘ Reality check for big tech: renew or die

From hiring freezes to layoffs numbering in the thousands, technology giants such as **Meta, Microsoft** and **Amazon** are **reconfiguring their workforces and rethinking their services**, such as Amazon's heavy investment in the audiovisual industry. While this responds to a clear evolution of the market after the consumer turbulence resulting from the COVID-19 pandemic, it seems that 2023 will be the year of renewal: strategic investments are being made as new horizons such as the metaverse assures a promising **year of key technological development**.

The **storage of data and systems and exponential digitization**, with **Amazon, Microsoft and Google dominating the market**, has led to increased interest in **digital sovereignty** and **rivalry between powers**, especially in the European Union, China and the United States.

<sup>14</sup> **Dall-E 2**, an AI system capable of creating realistic images from a natural language description, and **Chat GPT**, a chat system for engaging in dialogue with AI, stand out.

<sup>15</sup> With great examples such as **Intel** and **IBM**.

## ↘ Artificial intelligence above all things

**The latest advances in artificial intelligence** (AI), with the recent popularization of **Open AI<sup>14</sup>**, a research project with the aim of making AI progress "benefit humanity", in the words of its creators, are examples of how, when generating images through previous ones, human biases and prejudices are maintained or how some risks are increased, such as **increasing the clutter of information** when having conversations with an AI.

In this regard, the growing relevance of edge computing and fog computing to increase efficiency in the storage, processing and analysis of data, which increases the speed of systems, security by storing data offline or cost savings by eliminating those considered unnecessary, among other business benefits, is highlighted.

## ↘ Digital training takeoff

**Quantum computing<sup>15</sup>, the cloud, the internet of things, and virtual and augmented reality** are areas where exponential and converging technology is reaching unprecedented levels of development.

In addition, the legal and illegal use of unmanned vehicles will be a growing trend. A good example of this are the so-called **vertiports**, which facilitate the transport of goods and the movement of people with respect to traditional infrastructures.

In 2023, these technological developments **will become game changers in sectors such as healthcare and industry**, enabling simulations to be carried out thanks to the extraordinary capacity for processing, storing and sharing data.





## ↘ Data: the real revolutionaries

The lower cost of computing and the technification of society<sup>16</sup> have facilitated an unprecedented **production of data from individuals and companies**. In 2023, the so-called **Internet of Behavior**<sup>17</sup> (IoB) will stand out, providing **valuable information** for companies and users. The interrelation of data makes it possible to develop **commercial strategies and predictive guidelines** to guide a given line of business, making it **one of the most important assets for any company today**.

However, its use is not exempt from issues of **privacy and data integrity**. Some examples of this are **ransomware and phishing cyberattack, data leaks or disinformation**. Behind the major cyberthreats of 2023 there are people improving their modus operandi: ransomware-as-a-service (RaaS) providers will modernize their software to focus on data exfiltration and **leak sites**.

In this regard, the growing importance of maintaining and securing passwords, which have traditionally been undersized in terms of **data protection**, is noted. According to Google, 2023 will see an increase in **attacks using reused passwords** and those targeting sensitive and personal information that can compromise passwords, such as date of birth or home address.

## ↘ People are at the center of major (cyber)threats

As **ENISA** (2022) notes 82% of data threats involve human action, thus once again people are the focus of the main cyberthreats.

In addition, the **crimes of computer scams and frauds** are increasing in recent years in countries such as Spain or the South and Central American region. Some reports point out that **the use of cryptocurrencies has increased at the same time as money laundering or extortion**, due to inconsistent regulatory frameworks or political-economic instability, among other factors.

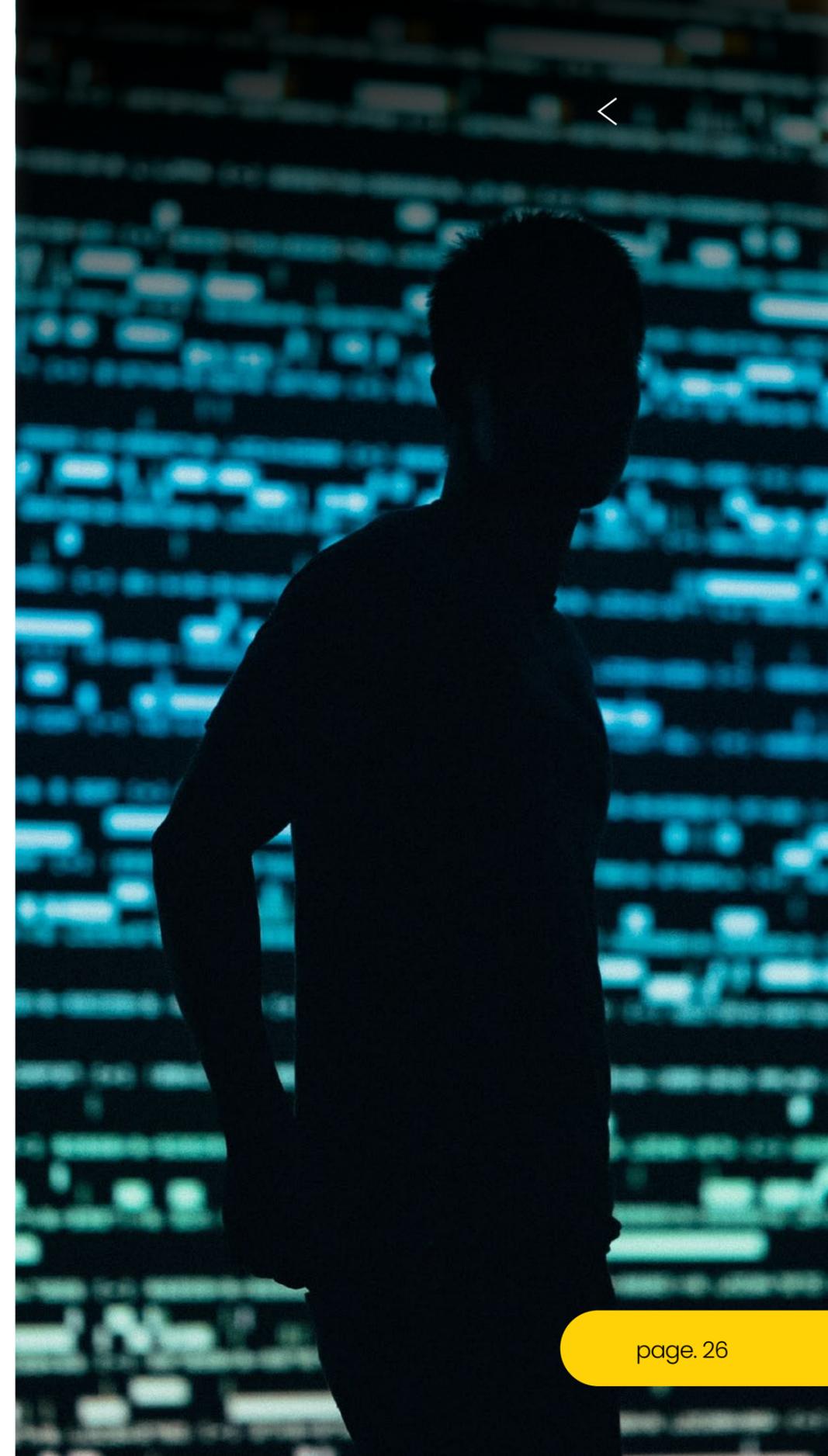
Finally, attention should be paid to the impact of **leadership**<sup>18</sup> **changes and digital consumption** trends such as **e-sports**.

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<sup>16</sup> We recommend reading about the **data economy** in Harvard-Deusto magazine.

<sup>17</sup> By combining technologies, data analytics and behavioral psychology, i.e., understanding and comprehending human behavior, they try to identify behavioral patterns to customize services and products to a given customer or user.

<sup>18</sup> Such as that recently adopted by Twitter, recognized as the most useful network for communicating in **catastrophes**, and the focus of attention due to the **decisions** of its new owner: Elon Musk.



➤ **Health and wellbeing**





## ↳ Technologized health

The digital transformation has changed the trends in the healthcare sector, making it revolve around **maintaining wellness rather than responding to disease**. The **incorporation of technology in the prevention, diagnosis and treatment** of a patient has led to the adhesion of technology companies to the health sector<sup>19</sup>.

The change in user behavior that has occurred since the impact of COVID-19, requiring, for example, quality primary care and has given greater importance to physical consultations with the family physician, poses a challenge when it comes to implementing mobile **applications framed within telemedicine**. In this sense, it is very likely that healthcare in small local centers will become more important than hospital care.

However, in addition to telemedicine, driven by virtual reality and connectivity, the **development of mobile apps** designed to connect patients with their doctors, as well as the implementation of **artificial intelligence** in the development of patterns that facilitate **self-diagnosis**, are set to become trends that will become particularly relevant among users in the coming years, coinciding with the adoption of new technologies by users who incorporate **smart devices into their daily lives**.

## ↳ Recipes for addiction

The increase in the number of drugs in circulation associated with the treatment of severe diseases that contain drugs included in the **Single Convention on Narcotic Drugs** has facilitated their access to the **black market** and their consumption among young people. The dependence generated by these drugs favors the growing trend of consumption and its configuration as a **public health problem** in many countries<sup>20</sup>.

Likewise, mental health, which has also been the subject of recent debates, often requires the use of drugs that, according to specialists, generate dependence and bring with them consequences that, in the event of **excessive and uncontrolled use, lead to addiction**.

In this sense, there is a growing tendency to incorporate the broad consumption of medicines and/or drugs in public health strategies in different parts of the world. In this regard, it is expected that by 2023, very **severe control mechanisms** will be implemented for the consumption of certain drugs<sup>21</sup>. However, drug legislation bodies are reducing the restrictions imposed on drugs derived, for example, from cannabis<sup>22</sup>.

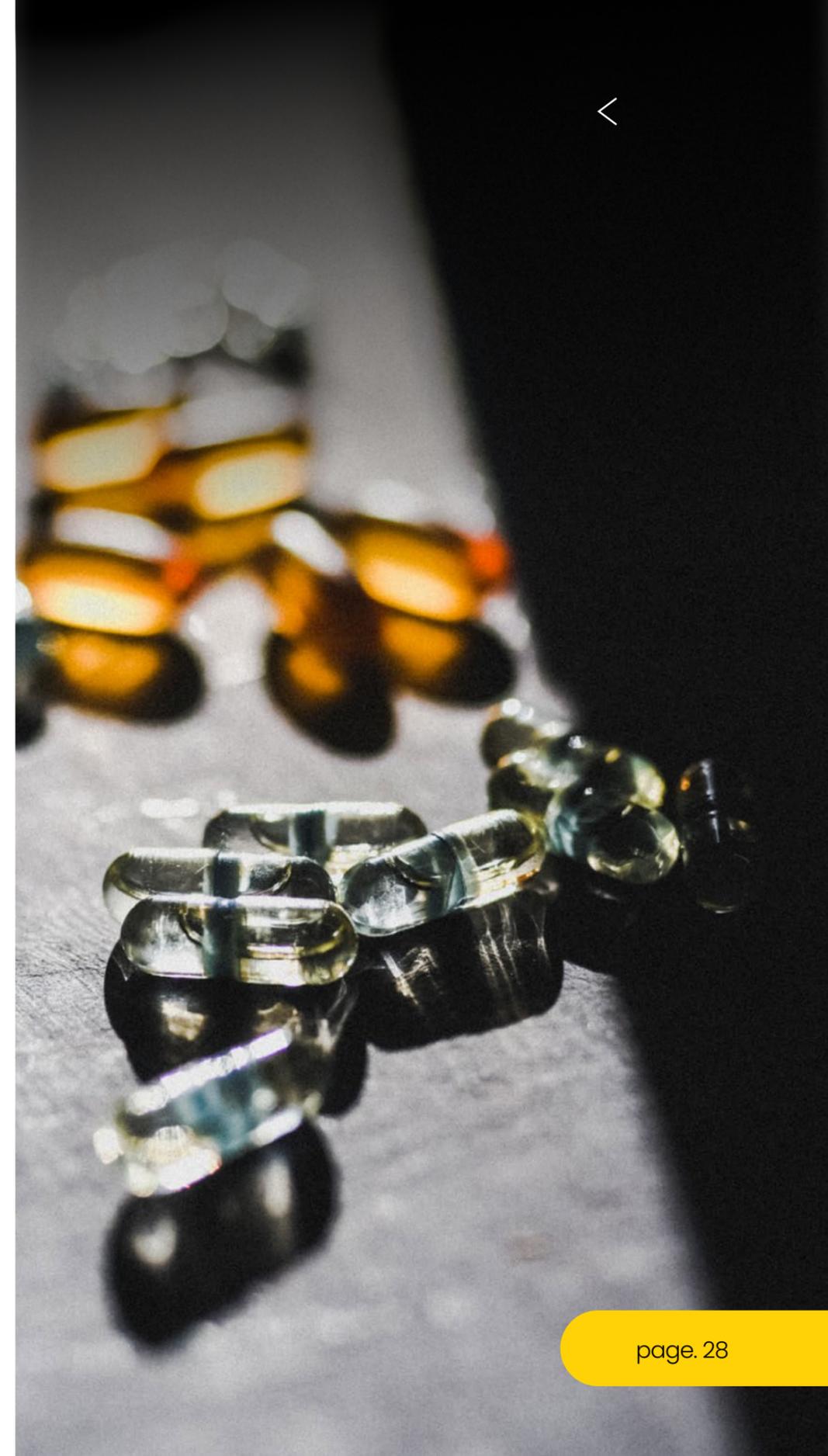
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<sup>19</sup> In this regard, **genomics**, centered on the study of DNA, is gaining importance.

<sup>20</sup> For example, in the United States, the number of deaths due to fentanyl consumption has reached very high levels: in October 2022 it was estimated that at least 200 adolescents die every day from overdoses due to ingestion of this substance.

<sup>21</sup> For example, Australia is developing a real-time prescription monitoring center to control the sale and purchase of opioid drugs and benzodiazepines.

<sup>22</sup> Morocco has been one of the last countries in the world to ease its legislation in this regard.



## ↘ Wellness fatigue

Wellness and healthcare philosophies have encouraged individuals to adopt healthy practices in their daily lives. Likewise, technology has adapted to these behaviors and **smart objects**, such as watches, have been developed to guide individuals to achieve their goals.

However, this requirement to maintain physical fitness and adapt diet to the parameters of health and wellbeing sometimes leads to **stress and anxiety**<sup>23</sup>. In addition, more and more users are accessing this type of device, which is a **new form of alienation**. In this context, the well-known **"goblin mode"** emerges, characterized by laziness and complacency with respect to social expectations and norms.

Likewise, the **parameterization of health issues** carried out by apps leads to a **misleading sense of security or insecurity**. Furthermore, according to studies carried out by Western universities, such as the University of North Carolina in the United States, **the credibility that users give to technological tools is higher than that given to experts or specialists in health and wellness**, thus in many cases the adoption of technologies is to the detriment of doctors, official trainers or nutritionists.

The growing adoption of these devices by users in regions around the world, including rural areas of **Asia y Africa**, which until now have had a smaller share of IoT consumption, anticipates the growth of social fatigue linked to wellness.



<sup>23</sup> In this regard, the Organization of Consumers and Users (OCU) has warned about the states of anxiety or hypochondria that can lead to a misinterpretation of the data issued by smartwatches or applications, for example, calculation of the nutritional value of food by image.



# Environment and sustainability





## ↘ Sustainability is fashionable

Companies have gradually adopted sustainability policies aimed at adapting their activities to the environment. To date, *greenwashing* techniques have proliferated. In this sense, the business perception of **sustainability derived from digital transformation** has grown. However, it should not be forgotten that technology requires high consumption of water and electricity. According to the United Nations, if the Internet were a country, it would be the sixth most polluting in the world<sup>24</sup>.

In this context, it is likely that the social demands developed in the near future in terms of environmentalism and sustainability will **increase the demands on companies and their digitalization**. Therefore, it is very likely that the trend of implementing policies framed in environmental, social and corporate (ESG) matters will gain strength, increasing legislation in this regard. The legal imperative in terms of sustainability implies changes in business practices, such as the mandatory **incorporation of a responsibility figure** in charge of ensuring ESG compliance, or the **proliferation of glocal** in small and medium-sized companies, as well as the increasingly demanding habits of consumers in this area.

<sup>24</sup> Half an hour of **watching a video** on the Internet leaves a **footprint of 1.6 kilos of carbon**.

<sup>25</sup> Moreover, this perception takes on a sociocultural character that differentiates different parts of the world: for example, in Europe, the presence of insects around food in a supermarket is seen as negative, while in other parts of the world their presence is interpreted as a guarantee of quality.

## ↘ Food paradoxes

Food insecurity has gained prominence in analyses that warn about the environment and climate change. However, beyond climatic premises, the large volume of food waste has shown that there is a **global imbalance that requires the reconfiguration of the international food system**. Globally, according to data issued by the **Food and Agriculture Organization of the United Nations** (FAO), **the highest waste rates range between 35 and 50%** of products such as tubercles, fruits, vegetables and cereals, among others.

Already in 2011, the European Union modified its legislation regarding the expiration of products in good condition, in view of the tons of products that were being discarded. However, it is not until today that there has been a **change in consumer behavior**, giving priority in many cases to sustainability and recycling. In this regard, in recent years there has been a proliferation of applications or **campaigns** that seek the consumption of perishable foods close to their expiration date and even after the expiration date, as long as health standards are guaranteed. This model, adopted by more and more food companies, is expected to become increasingly popular in the coming year, given the likely **increase in demand for this type of food recovery services**.

Awareness of waste is confronted with the public's **perception of product quality**<sup>25</sup>. In this context, it is likely that the world is getting closer and closer to balancing both concepts by combining quality, health and sustainability.



## Urban reconfiguration

Ever since the mayor of Paris, Anne Hidalgo, proposed the 15-minute city model in 2021, allusions to it have proliferated in various forums. However, urban development dedicated to this idea has yet to begin. Environmental awareness of population density in large urban centers, as well as the rise of rural areas to the detriment of cities, favors the idea of the **15-minute city** as the trend for the urban future<sup>26</sup>.

Likewise, there is evidence of new models aimed at **co-capitalization** in which the distinction between economic capital and political-administrative capital will be promoted, as is officially occurring in 16 countries around the world, such as Bolivia or Tanzania.

This trend is likely to be particularly strong in sub-Saharan African or Asian countries where capital cities are densely populated and have a high concentration of industrial zones, to the detriment of the sustainability of these countries. Likewise, it is in these areas where demographics are expected to grow exponentially, which will also influence the **configuration of space**. These considerations take on special relevance after the **focus** puesto en la COP-27 y previsiblemente en la COP-28 acerca de los modelos de desarrollo económico y social de estas zonas.

<sup>26</sup> In this regard, the efforts made to date by countries such as **Indonesia, Egipto** and **Burundi** which have worked on projects to transfer capital for reasons of sustainability, are highlighted.





# ↓ IMPACTS ON SECURITY

04

“ The role of society goes from important to critical ”

Society is the lever of change in the world and, at the same time, the one that suffers the greatest fallout in security. In view of the systemic risks and the main trends in the areas discussed above, the most relevant security impacts for 2023 are highlighted:

**A sense of growing insecurity**, in a broad sense, is noticeable. Beyond the serious physical effects of crime, economic, geopolitical, environmental, health and digital aspects, among others, are incorporated, giving rise to an awareness of increasingly diffuse threats and, consequently, **risks with a much greater disruptive potential** whose impacts are systemic, affecting an amplified set of areas.

**In 2023 we will witness the materialization of new hybrid threats:** attacks that have taken the life of Daria Dugina, daughter of the well-known Russian Alexander Dugin; attacks against the bridge over the Kerch Strait, also known as the Crimean bridge; sabotage against the Nord Stream gas pipeline; the increase in cyberattacks on a global scale; or the growing risk to nuclear power plants and critical infrastructures. In short, the combination of traditional types of attack with new modus operandi will result in the channeling of a multitude of very diverse hybrid threats.

**Social conflict** together with the combination of **growing economic crises and extreme climatic events** are promoting large-scale migrations that are forcing the redesign of urban spaces. In addition, protest actions, both peaceful and violent, are fueling traditional and new forms of terrorism of many different kinds. What is common is that all these actions, regardless of their nature, try to **seek high-impact actions**, especially in mass events and symbolic attacks on the reputation of all types of organizations, **both in the physical and digital environment.**

Increasing **social polarization** and **fragmentation of power** give rise to greater control that **non-state armed actors** can exert over societies, with more resources, becoming authentic states within states. This situation allows new criminal actors to emerge without a great need for power or preparation, empowering possible insiders to commit actions against the established order.

All this generates a **greater risk of disinformation**, which with the current data economy and the Internet is leading to **(dis) order of information.** An environment of social conflict, economic uncertainty and geopolitical tension, a breeding ground for fostering extreme social polarization. For this reason, curbing this situation requires **skills such as critical thinking and creativity**, as well **as a greater culture of legality and security.**

“ Criminal exploitation of change will be increasing. ”



Organized crime undoubtedly represents one of the greatest threats to the security of individuals and organizations. Criminal actors are aware of the evolution and progress of societies, and it is well known that they take advantage of it - as was observed, for example, in the adaptation to social and market conditions surrounding the COVID-19 crisis.

Organized crime is a **global problem**. In fact, according to the **Global Organized Crime Index**, more than three-quarters of the world's population lives in countries with high levels of crime, with the Democratic Republic of Congo, Colombia, Myanmar, Mexico and Nigeria topping the list.

**Criminal governance** stands out for its ability to **infiltrate and undermine the foundations of institutional and economic structures**, as well as to seek **citizen support** by exploiting social unrest and public support constraints. This is why these organizations provide assistance to those population groups in geographic areas where the State is unable to reach.

**The activities of these criminal groups are also diversifying** beyond the traditional and profitable drug markets, the most lucrative criminal activity worldwide, human trafficking and arms trafficking. Additionally, in 2023, **attacks on data, digital infrastructures, supply chains and environmental crimes** such as deforestation will be boosted, specially in areas of South America such as the Peruvian Amazon with the highest levels of deforestation in its entire history, up to **203,272 hectares of jungle** according to Insight Crime. At the same time, money laundering techniques are becoming **more sophisticated**, as Europol has pointed out, while **extortion** is gaining more relevance in the digital sphere, usually through ransomware that hijacks and encrypts critical information on individuals, institutions and private companies.

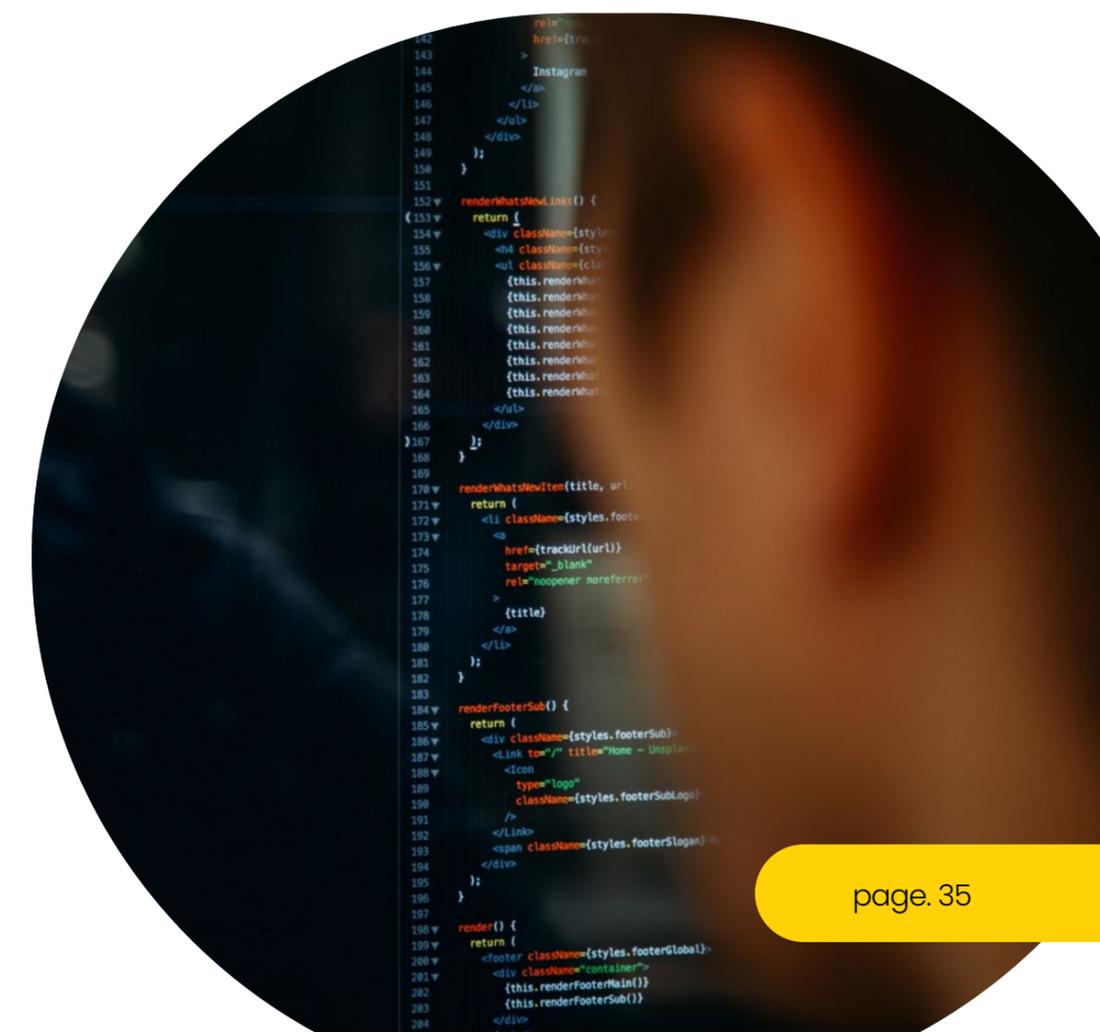
In the digital sphere, **Crime-as-a-Service continues to boom**. In a recent **report**, Interpol warned of the greatest cyber threats in the coming months, including **money laundering, information hijacking and cyber-scams**. Likewise, services and markets on the **Dark Web** have seen an **increase in recent years** of up to 300% since 2017, where password listings, scams, document forgery and credit card theft, among others, stand out.

In short, **criminal organizations adapt more quickly to carry out technological innovations and improvements**. In this regard, it is noted that the aforementioned criminal technological innovation is one of the major fields of development in criminal activities, since acting outside the law eases the implementation of new criminal actions, such as the use of **drones** to carry out a multitude of tasks (smuggling, tracking or homicide are some of them). Thus, these groups operate in both digital and physical environments, in a very varied and malleable way, exploiting all the illicit economic opportunities presented to them.

For all these reasons, **organizations will be increasingly collaborative and flexible**, with the aim of adapting with agility to change and increasing their business resilience, which has been identified as a **critical factor for business continuity in 2023**.

In 2023 we need special **protection for victims, both individuals and organizations**; their survival, their security in a broad sense: physical, digital, reputational, economic, etc. The best protection is preventive, we must prepare ourselves in the form of a resilient network: a society with a strong security culture, which supports organizations that operate in the legal sphere, where citizens increasingly place their trust, and that these companies in turn are

firm in corporate compliance. Behind all social and legal structures there are always people, perpetrators or victims, accomplices to crime or collaborators of justice. **We are all the protagonists** of this analysis. Let us challenge the impacts discussed here and take advantage of this 2023 to promote positive trends and changes.



# ↘ THE NEXT WAVE

05

Observing global trends from a genuine perspective, analyzing their security impacts with curiosity, and keeping an eye on global systemic risk hotspots are the exercises we propose in preparation for the coming year. As Heraclitus said, change is the only constant and anticipating the **next wave of change requires waxing our surfboards.** Surfing them will require great effort and hard training, **the determination to ride the crest of the wave when everything is vibrating and to take advantage of all its force when it breaks.** Preparing for the next wave involves analyzing the various tides, currents and sea bumps to make strategic decisions with courage and enthusiasm.

In organizations, embracing change is what makes people

vibrate, and with this energy, ideas never before imagined are set in motion. **Annie Duke** says that sometimes you have to reconsider the heroic vision of persistence and make a decision to change because it is a difficult and complex task that requires modification of group dynamics, of the company, of the culture, but sometimes it is the only way to successfully get out of a storm. To this end, he gives us two pieces of advice: **think ahead**, trying to anticipate risks, opportunities and impacts in each small change; and **look outside** the company, relying on experts of different ages, experiences, origins and gender, who can provide us with points of view outside our usual focus. Different from us so that they can see what we do not know how to see, and brave enough to tell us what we do not want to hear.

**Xavier Marcet** reminds us that there is no innovation without risk, but the great risk is not to innovate; standing still when the big wave arrives is not an option. We must aim high, says **Mariana Mazzucato**, when we imagine our future. And the real challenge, as **Nassim Taleb** explains, is to take risks: to overcome old beliefs and embrace change as an opportunity for growth.

Therefore, at Prosegur we believe that the mindset of change will require, more than ever, **courage and diversity** as key anchor points to navigate this uncertain but surely exciting 2023.



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