

RESILIENCE INDEX EXECUTIVE SUMMARY

2019 KEY RESULTS

Norway leads the rankings of the 2019 FM Global Resilience Index. Driven by top 10 ratings in economic productivity, political stability, control of corruption and corporate governance, Norway boasts low natural hazard exposure and has decreased its economic reliance on oil.

Corporate Governance represents a new driver for the 2019 Resilience Index. As a more targeted replacement for Local Supplier Quality, corporate governance better targets the enabling environment for business resilience and focuses on an effective framework for local business practices. The new driver includes the strength of auditing and accounting standards, conflict of interest regulation and shareholder governance. The top three countries for corporate governance are Singapore (ranked 21), New Zealand (ranked 12) and Canada (ranked 13). Singapore is ranked in the top 10 for a strong economy, low political risk, excellent infrastructure, low corruption and natural hazard risk, making it an attractive choice for companies interested in creating a stronger Asian presence.

I. INDEX	THE FM GLOBAL RESILIENCE INDEX		
II. FACTORS	ECONOMIC	RISK QUALITY	SUPPLY CHAIN
III. DRIVERS	Productivity	Exposure to Natural Hazard	Control of Corruption
	Political Risk	Natural Hazard Risk Quality	Quality of Infrastructure
	Oil Intensity	Fire Risk Quality	Corporate Governance
	Urbanization Rate	Inherent Cyber Risk	Supply Chain Visibility

■ Indicates newly added drivers for 2019

■ Indicates enriched data for 2019

Denmark takes second place in the 2019 FM Global Resilience Index, rising from seventh in 2018, and propelled by an impressive improvement in supply chain visibility. Guided by a strong government with low corruption, Denmark ranks in the top 10 for having low natural hazard exposure and high natural hazard risk quality. Switzerland remains in the top three countries due to the quality of its infrastructure and corporate governance, its stable political situation and low corruption levels, and its economic productivity.

Haiti (ranked 130) remains the lowest-ranked country in the index, below Venezuela (ranked 129) and Ethiopia (ranked 128). Haiti, still recovering from Hurricane Matthew, has been grappling with a fuel supply shortage and remains among the poorest countries in the world. **Venezuela** suffers from its exposure to natural hazards, high levels of corruption and an economic dependency on oil. Hyperinflation remains a problem in Venezuela. Although Ethiopia's government has placed emphasis on political liberalization and reached a peace agreement with neighboring country, Eritrea, it remains in the bottom three for 2019.

Cybersecurity remains on the forefront of daily news highlights worldwide with 2018 uncovering several notable breaches, including one of the largest known-to-date. Spanning a period of four years, the theft of sensitive customer information from Marriott International's Starwood guest database remained undetected, affecting as many as 500 million people. One of Asia's top airlines, Cathay Pacific Airways is facing a compliance investigation by the Hong Kong privacy commissioner after failing to report stolen passenger information until seven months after the breach occurred. These prominent data hacks underline the necessity of ensuring corporate diligence regarding the prioritization of cyber risk mitigation efforts. One such effort is emerging through advancements in Intelligent Automation that is becoming a powerful and effective tool in combating cyber risk.

The biggest riser in the 2019 index is **Rwanda** (ranked 77), which rose 35 places. Largely due to a decrease in urbanization rate and an impressive improvement in corporate governance, Rwanda shows increased resilience, coupled with steady economic growth and reductions in poverty. Rising 16 spots in the index this year is **Thailand** (ranked 73). Thailand, an Asian supply chain hub, showed significant improvement in supply chain visibility and corporate governance. However, Thailand remains heavily exposed to extreme weather and would see an additional rise in the index ranking by improving the quality of its natural hazard risk management.

The Republic of North Macedonia (ranked 100) was the biggest faller in the index, dropping 22 places. The deterioration in resilience is due primarily to lower economic productivity, an increase in reliance on oil and an increase in urbanization rate. Having recently resolved a long-standing country-naming dispute with Greece, the country, formerly known as the Republic of Macedonia, is seeking membership of both the European Union (EU) and NATO.

Conclusion

Every country is unique, with its own interdependencies and vulnerabilities. The 2019 FM Global Resilience Index is a comprehensive single tool that combines the core drivers of enterprise resilience, highlighting weaknesses, and offering resources for companies to evaluate and mitigate risk. To ensure that business remains resilient, it is important that managers understand and measure their companies' capacity to endure and respond to disruption. Cyber, hurricane and earthquake events dominated the headlines in 2018. The incidence of extreme weather events also grew in the form of coastal flooding and wildfires that ravaged parts of the United States, Canada and Australia. The tariff war between China and the United States continues to make headlines, while in Europe, the political debate around the European Union and Brexit has yet to settle. The FM Global Resilience Index is a resource designed to help senior executives conduct vulnerability assessments and build their companies' resilience around the world.

