

2019 outlook & trends



wbcSD



WBCSD's 2019 Outlook & Trends

“The future depends on what you do today” Mahatma Gandhi (1869-1948)

We're pleased to share our 2019 Outlook and Trends report. As in past years, we have reviewed a wide range of publications issued by respected institutions, analyzing them to understand the signals, trends and stories that are likely to be most relevant to companies' ability to advance sustainability agendas and business strategies. In parallel, a group of Liaison Delegates (LDs) and Global Network partners took part in our Outlook calls on 13 February, sharing insights from their sectors and their regions. Finally, we collected feedback from WBCSD colleagues to incorporate the key trends impacting each of our six programs in this analysis. Thanks to all for their valuable contributions.

This report is a high-level synthesis of these inputs: we are happy to provide deeper insights upon request (and links to our main sources are provided). We begin by looking at the three macro-themes that we believe will define the year ahead for business: **stability, technology and leadership**. We've explored these in more detail as the business response will play a role in determining the progress of the sustainability agenda. We then identify the “hot” sustainability topics, those that are emerging, and the risks and opportunities related to WBCSD's six systems transformations. Finally, we summarize the regional insights provided by LDs and Global Network partners.

We hope you will find information, insights and ideas that can inform your strategy and drive forward your company's progress on sustainability challenges in 2019. We see this as part of our work to help you understand and seize tomorrow's transformation opportunities, ensuring that more sustainable companies are more successful.

This work is being built into the Vision 2050 refresh announced in Singapore: further detail will be presented at our LD Meeting in Montreux.

Where we gathered our insights



We also drew on forecasts from Deloitte, Fitch, Ford, McKinsey, MSCI, WIRED, the WEF's regional reports, Bloomberg's Quick Takes, and Larry Fink's and Bill & Melinda Gates' 2019 Letters, as well as the daily social, political and business news stories from around the world.

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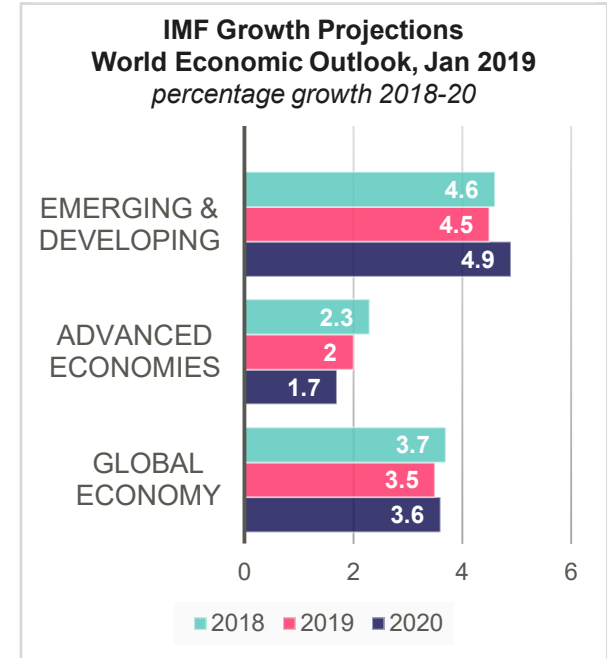
- 1 **Shifting (in)stability:** ongoing volatility and shifts within social, political and economic spheres
- 2 **Digital awakening:** growing demand for greater control of the tech in our lives
- 3 **Challenging leadership:** expectations are changing, faster than we think
- 4 **Sustainability hot topics:** where your focus will be expected in 2019
- 5 **Sustainability emerging topics:** what you need to keep an eye on
- 6 **WBCSD systems transformation:** risks and opportunities across WBCSD's programs
- 7 **Regional highlights:** key 2019 themes in different parts of the world
- 8 **References:** high level overview of our sources, mapped against the themes above

① Shifting (in)stability

Despite undeniable indications of economic troubles ahead, we expect relative stability in 2019 and the global economy to grow. Certain indicators show a cooling within the Chinese economy, but it will still outpace all the developed nations of the world. India's economy will grow at 7.6% (and drive 6% of all global emissions). Car sales, retail spending, energy demand, bank deposits and pharma spending are all likely to grow. Many sectors, e.g. entertainment, tourism and defense, can expect good times ahead.

But the mood has changed: if 2018 began with hope, 2019 has started with grim acceptance. Trade is flowing less freely, data breaches are commonplace, Brexit is happening, electorates in the developed world are grumbling, climate change is real and having serious impacts. Every day, people accept and work around these facts.

However, some concern is needed. Many long-standing coalitions are weakening. Vital institutions find themselves under strain and suspicion. Norms are eroding. In Eurasia Group's opinion, *"the overwhelming majority of geopolitical dynamics that matter... are now headed in the wrong direction."* Their number one risk: "The Bad Seeds" – the future destabilizing effect of the shifts in geopolitical dynamics and the weakening of institutions and alliances, that people are accepting. These shifts are being championed by a new *"coalition of the unwilling"* of world leaders who will not uphold the current order and who thrive on growing polarization and nationalism.



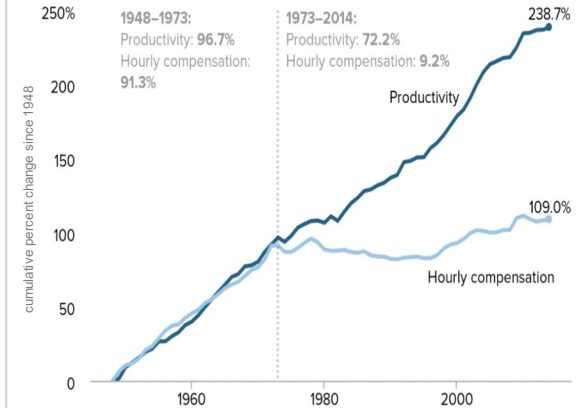
① Shifting (in)stability

There are different factors fueling this unwilling coalition in different parts of the world. Migration crises in particular, from Venezuela (economic collapse and authoritarianism), Central America (drugs and crime), Africa (conflict and economic opportunity), Syria and the Middle East (conflict), continue to drive fears in the USA and Europe. Migration might not be such an issue if everything else were going well, but there are a growing number of people, particularly in advanced economies, who don't think things are going very well at all: they no longer feel the future will improve for, or around, them.

Wage stagnation might be a better indicator of trouble than unemployment, along with quality and quantity of public services, particularly health and education. In developed economies these require further investment; developing and emerging markets are not yet positioned to pay for the basics. People need to feel safe and valued in the societies they live and work in: when they don't, it's harder to make the world more sustainable.

There is a common thread to the social drivers of today's societal instability: discontent at globalization's unevenly distributed costs (and profits). People want a stable climate and biosphere, but they need jobs, schools and public services first. From Greta to the Gilets Jaunes, society is getting more vocal across a wide range of social, environmental and economic issues. Companies need to better understand how their business is impacted by, and also how corporate actions affect, these challenges.

Disconnect between productivity and a typical worker's compensation, 1948-2014



Note: Data are for average hourly compensation of production/nonsupervisory workers in the private sector and net productivity of the total economy. 'Net productivity' is the growth of output of goods and services minus depreciation per hour worked.

Source: Economic Policy Institute analysis of data from the US Bureau of Economic Analysis and US Bureau of Labor Statistics

① Shifting (in)stability

Socio-economic instability is not completely undermining progress. We reached a phenomenal landmark in 2018: 50% of the world's population is now middle class or wealthier. We are also seeing the early signs of significant shifts in consumer behavior: there are parts of society that are taking increasingly positive and pro-active steps towards more sustainable living, particularly amongst generations Y and Z. Arguably, plastics have acted as a fuse, engaging many more consumers and awakening (and linking) interest in personal as well as planetary well-being. People's interest in sustainable living choices is growing, particularly in areas such as nutrition, health, fashion, beauty-care and mobility.

These social changes, which go beyond the anecdotal, can be linked to a "Taking Back Control" trend. Middle classes around the world are looking to simplify everyday life, access personalized services, and even partially retreat from the online world. Look out for ideas including *slow social*, *digital detox*, *JOMO*, *digital vegans* (& actual vegans) this year.

Consumption patterns are signs of deeper shifts. Whether it's angry anti-austerity protests or student climate-action movements of hope, people are moving from being aware to being active; from social media to the streets. This new engagement is vital to the advance of public policy discourse e.g. polls show general support for the core principles (climate action, infrastructure and jobs) of the US Green New Deal. In 2019, business will need to be increasingly in tune with social trends *and* their cultural, political and economic drivers.



The image shows a screenshot of a Brookings article. At the top, the word "BROOKINGS" is displayed in a serif font, followed by a search icon and a menu icon. Below this is a photograph of a large audience seated in a theater with red seats. The seats have "PVR" and numbers like "7" and "6" printed on them. A bright light source is visible at the top of the theater. Below the photo, the text "FUTURE DEVELOPMENT" is written in white on a red background. The main title of the article is "A global tipping point: Half the world is now middle class or wealthier" in a large, bold, white font. Below the title, the authors "Homi Kharas and Kristofer Hamel" and the date "Thursday, September 27, 2018" are listed in a smaller white font.

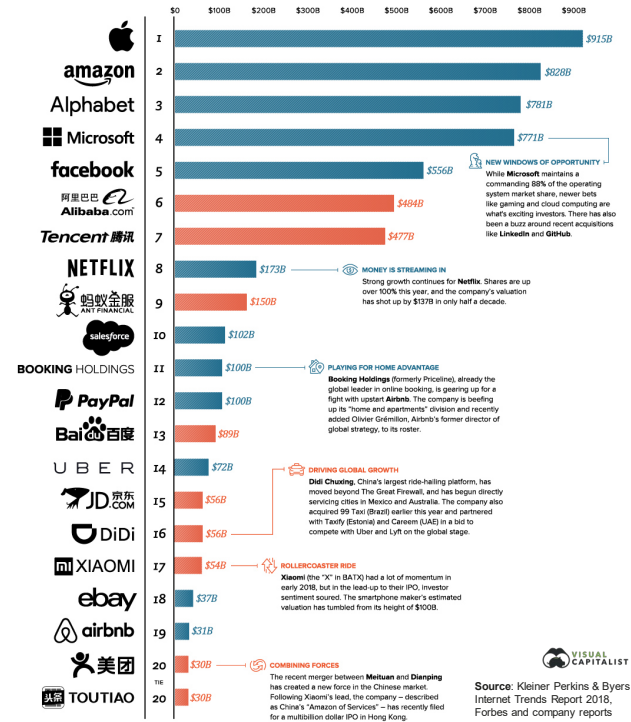
② Digital awakening

The shift in attitudes towards technology cannot be ignored. *Teclash* made the shortlist for 2018's Oxford English Dictionary word of the year and the term "surveillance economy" has entered common usage. People are making the link that artificial intelligence (AI) and automation could be threats to *their* jobs. Even among companies and governments, there is rising concern about the unintended consequences of widespread use and acceptance of certain technologies. Technology advances will dominate public and policy debate.

Different approaches, particularly around privacy, are emerging between the USA, China and Europe, but it is clear that the technology industry will face increasing levels of scrutiny in all markets. The debate extends from privacy to competition and democracy itself. The extent and reach of AI already deployed will become better known. AI-bias will be investigated. Facial recognition technologies will cause concern. We expect interest in monopoly and anti-trust laws to increase, and social media business models to be further investigated (e.g. recent cases in France and Germany). The most immediate risks come from ongoing cyberattacks targeting state, infrastructure and corporate networks.

Companies and governments *are* acting. Japan has called for global data governance rules. "Our Shared Digital Future" was launched at WEF's Davos meeting, setting out the need for inclusive, trustworthy and sustainable digital societies. Constructive debate on how best to harness the power of new technologies in society will deepen in 2019.

Top 20 Internet Leaders (Valuation, 2018)



Source: Kleiner Perkins & Byers Internet Trends Report 2018, Forbes and company reports

② Digital awakening

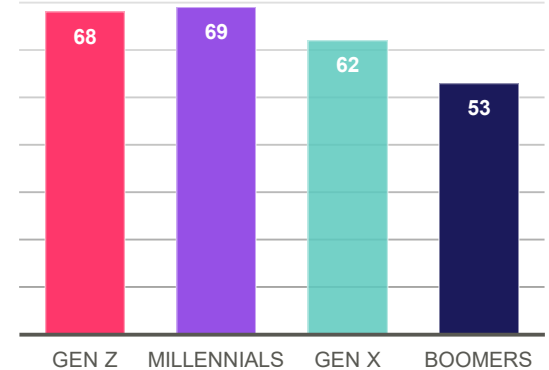
It's not just the public and politicians waking up to the power of digitalization. 2019 is set to be the year in which companies begin to truly understand the power of data, AI and machine learning. Information and communication technologies (ICT) have already disrupted and transformed whole industries and parts of people's lives: retail, music, media, news, watches, banking, mobility, tourism, health – this list will continue to grow.

There is much to learn from the disruption that technology has made possible and new business models have already demonstrated their potential in many sectors. In 2019, even as public and policy positions on ICT shift, we expect to see advances in mobility services, buildings, healthcare, energy and personalization. ICT will also continue to disrupt manufacturing and the workplace: responsible transition requires the creation of strategies that enable an equitable, diverse, inclusive and empowering future of work.

ICT is central to all systems transformations. Business has the opportunity to pursue a responsible and transformative leadership agenda, driving progress in three areas:

- protecting company operations, staff and customer data from cyberattacks;
- ensuring that employees are empowered with digital skills and that technology is used to improve their ability to thrive in their jobs, and;
- serving customers' best interests through the responsible use of their data and the transformative, human-centric technologies placed into their communities.

“I would like to undo some behavioral changes that have occurred because of technology”
percentage who agree:



Source: Looking Further with Ford: The 2019 Trend Report

③ Challenging leadership

The 2019 WEF Global Risks Report places “extreme weather events”, “failure of climate-change mitigation and adaptation” and “natural disasters” as the top three risks in terms of impact and likelihood. Such risks, as demonstrated by Californian utility PG&E, can be existential. Yet the PwC Annual CEO Survey shows that the risks CEOs have in mind are related more to the ease of doing business: over-regulation and availability of skills are priorities, climate change and environmental damage, less so (13th in fact).

This is understandable: doing business globally isn’t getting easier. Costs are harder to keep down, global operations are expensive to manage, and tariffs and regulations are being used to patriotic ends thus driving deeper ties between regional blocks. The Economist has called this “Slowbalization”. In addition, business leaders are having to contend with disruptive competitors, profit-hungry investors, and customers with high expectations of products and corporate behavior.

In this environment, it’s not surprising that CEOs are focusing on steadiness, stability and reducing perceived barriers to business. But neither decreasing regulation, nor removing tariffs will address the root underlying tensions that are powering the social, political and economic headwinds contributing to the unstable operating environment. Bold leadership is needed to explore these factors, as they are holding up progress on other critical challenges, such as AI-regulation, migration and climate change.

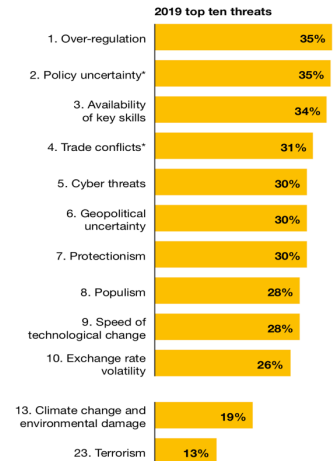
PwC 22nd Annual Global CEO Survey

Threats that are top-of-mind are less existential and more related to the ease of doing business

Question:

How concerned are you, if at all, about each of these potential economic, policy, social, environmental and business threats to your organization’s growth prospects?

(showing only ‘extremely concerned’)

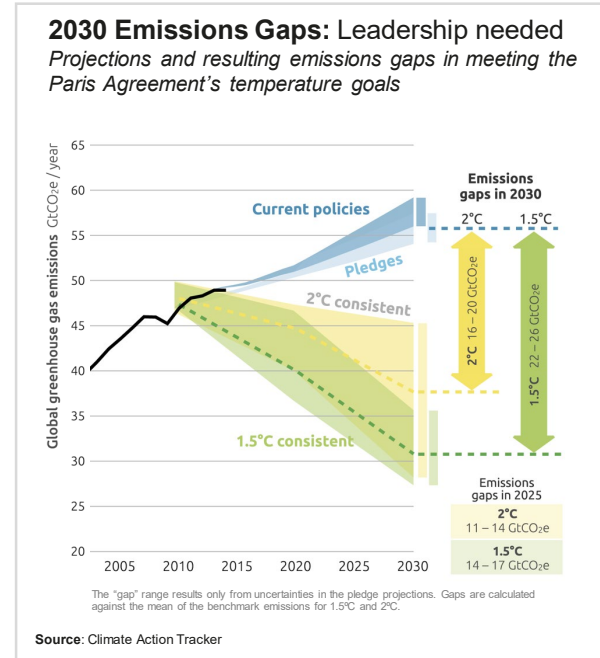


③ Challenging leadership

Reduced global integration (e.g. of technology and labor) is making innovation harder. At the same time, business leaders are having to focus resources on “steadying the ship”. We risk an “Innovation Winter” at a moment when innovation is needed most and at an unprecedented scale, for instance: the world will build a new New York City *every month for the next 40 years*; more than 75% of land areas are substantially degraded, impacting more than 3.2 billion people’s well-being, and; significant gaps between current, pledged and required emissions reductions need to be closed (for both 2°C and 1.5°C pathways).

Business has a fundamental role to play in addressing global challenges. Seizing the opportunities stemming from transformation will demand tough decisions, about the products made, services offered, infrastructure required, regulations sought, workplaces created, taxes paid, and societal progress supported. These, and many other decisions, will likely be taken within our current global political leadership vacuum. Leadership is increasingly expected by citizens and by employees too, as demonstrated by high-profile civic movements and employee actions at Amazon and Google last year.

Leadership will be defined by companies that act now to shape the future: that succeed in the eyes of shareholders *and* society in an era in which public perception and well-being greatly affects economic, environmental and social progress, and therefore business success, around the world. As Gandhi said: ***The future depends on what you do today.***



4 Sustainability hot topics

Collectively, we work on a wide range of sustainability challenges. All are important, and progress must be achieved in areas such as cities and mobility, science-based targets and human rights. But each year some topics receive more focus than others: we believe the following will be elevated in 2019.

Plastics & waste



- Plastic waste challenge now mainstream due to the 'Blue Planet effect'.
- Attention is extending to other waste streams (e.g. e-Waste, microfibers) and circular economy is perceived as the solution.
- Alliance to End Plastic Waste will advance.
- Packaging and e-Waste regulations will tighten driving new solutions.
- New waste-treatment markets developing.

Biodiversity



- 2011-2020 UN Decade of Biodiversity: 20 targets across 5 strategic goals. 2020's CBD COP15 in Beijing will review the (lack of) progress and set new targets for 2030.
- New Deal for Nature launched at WEF 2019.
- Focus on natural carbon sinks and infrastructure.
- Spotlight on commodity-driven deforestation.
- Interest in bioeconomy will affect all industries.

Food & health



- Business will step up its response to consumer interest in food & health.
- Healthy people, healthy planet will become part of mainstream dialogue.
- Demand-, climate- and trade-related risks will drive increased focus on agricultural supply chains.
- Innovation & disruption of production, supply and retail must be pursued.
- Ongoing focus on food waste (12.3 Champions).

Adaptation



- Climate change and impact adaptation will rise on the agenda.
- Global Commission on Adaptation convened in 2018 by 16 countries.
- 2017-2018 costliest back-to-back years for weather disasters.
- Finance/credit-rating/insurance recognizing climate impacts & risks.
- Focus: urban resilience, food systems risks & full supply chains adaptation.

Energy transition



- The emerging success story! Transformation is irreversibly under way.
- Renewables now the most competitive form of Gulf power generation.
- The pace of transition varies: China shuts its coal plants, but invests in coal power elsewhere. Bhutan is carbon neutral.
- Electrification challenges e.g. resources, mining, water, digitalization & stable energy supply.

5 Sustainability emerging topics

Attention on certain topics grows every year. “Low frequency signals” suggest growing interest and areas of potentially increasing pressure for companies. In addition to the below, we saw renewed interest in important issues such as soil quality and geo-engineering research & policy.

Inequality



- Migration pressures, both between countries and from rural to urban areas, remain high.
- Persistent, rising within-country inequality is an underlying amplifier of a number of other risks.
- As a result, corporate and UHNI tax strategies and behaviors will be increasingly scrutinized.
- Effects of globalization & technology will be further interrogated.

Water



- By 2030, global demand for fresh water projected to exceed supply by 40%.
- Beyond Cape Town, 10 further global cities are already at risk of their own “water day zero”.
- Droughts affected many places in 2018 e.g. 90% of Germany, disrupting even Rhein logistics.
- Rising sea levels are impacting coastal cities more regularly requiring adaptation investments.

Air quality



- Extreme pollution periods (e.g. Delhi, June 2018) and new WHO figures on both outdoor and indoor air pollution, will focus attention on air quality.
- Linked to around 7m deaths p/a (increases risks of stroke, heart disease, lung cancer and chronic & acute respiratory diseases).
- Air quality is 4th highest threat to human life.

Mental health



- Societal, technological and economic shifts are driving mental health concerns, including loneliness and anxiety.
- Mental health problems now affect an estimated 700 million people with WHO estimating that 4 out of every 15 people in Europe affected by anxiety and depression.
- Celebrity supporters are bringing mental health into public debate.

Fashion



- Fashion, long monitored for labor challenges, is increasingly on show for environmental impacts.
- Microfibers and ocean pollution are coming under scrutiny as well as general pollution from textiles production, and also the huge quantities of clothing waste created.
- Fast fashion models, and their globally dispersed supply chains, may face new regulations.

⑥ WBCSD system transformation

WBCSD works with member companies to drive sustainable development progress within the systems where transformation is most required and where business can have the most significant impact. In 2019, our programs expect to see the following risks and opportunities:

Climate & Energy



- Energy system transformation is accelerating at the global level, boosted by ever-decreasing costs of renewables.
- Emissions are still on the rise: policies lag behind pledges, which would still lead to warming of 3.3°C.
- The rise of populism is threatening political momentum on climate ambition and action.

Cities & Mobility



- Cities must adapt to climate change and protect neighborhoods already being affected by extreme weather.
- Can China lead on making smart cities a reality at scale?
- Regulations, battery costs & capital flows to EV infrastructure are driving system shift.
- Emerging opportunities from new mobility services.

Circular Economy



- The scale of waste & resources challenges requires entire value chains to cooperate. Action will be driven by global alliances.
- Consumers embrace takeback schemes at increasing scale made possible by ICT and new consumer goods sector focus.
- The bioeconomy will grow in importance & impact all industries.

Food & Nature



- EAT Lancet report will maintain focus on diets, SDGs & Climate Goals.
- Alliances such as GAA and 12.3 Champions will push for advances in technology and best practices to close yield gaps, improve food quality & reduce waste.
- Food and the City – consumer preferences & the circular economy will speed up disruption in urban food systems.

People



- Increasing pressure on business to play a role in stabilizing societies & economies as costs of globalization grow.
- Equality, of all types, to remain high on agenda driving human rights progress backed by legislation, e.g. EU.
- Millennials overtake the boomers: preference changes to accelerate.
- Business action shapes thriving Future of Work.

Redefining Value



- Socially Responsible Investment (SRI) assets under management in USA up 38% on 2016.
- Sustainability reporting mandated in Vietnam, Malaysia & Singapore.
- “Black Swans” happen every year: investors will demand ESG risk management, from asset managers as well as companies.
- ESG starts to be linked to intangible value.

⑦ Regional highlights

Japan

- Japan will host G20 with a special focus on data flows and disruptive innovations for tackling climate change.
- New economic partnership negotiated with the EU.
- Focus on human-centered digital transformation for inclusive, sustainable and trusting digital societies.
- National Action Plan on Business and Human Rights to be further developed in 2019.
- Preparation continues for 2019 Rugby World Cup and 2020 Olympics.

Latin America

- Venezuela: implications of ongoing political & economic crisis (esp. migration).
- Argentina: huge economic, currency & political volatility.
- Strong dollar a risk to growth.
- As energy transition scales up, LATAM's lithium & copper reserves will be in demand (but extraction is water and energy intensive).
- Next year's CBD COP15 will be important for LATAM.
- New partnerships for reverse logistics being developed in Argentina, Chile & Colombia.
- Climate change adaptation a priority for Colombia.

Brazil

- Policy uncertainty due to new government, e.g. around climate change and nature, but societal pressure halted the merging of Environment & Agriculture Ministries.
- Economic (particularly tax and pension) reform will be pushed through.
- Central bank opening up digital banking to support entry to financial system.
- The recent dam collapse will affect the relationship between administration and heavy industries.
- BRICS summit in Nov.

North America

- Political uncertainty is weakening institutions (e.g. EPA enforcement has hit 30-year low) and eroding US-led alliances.
- Markets volatile despite strong stable economy.
- Economy needs pipeline of people empowered with inclusive new skills.
- Cities, states & business leading on climate action and creating localized action plans. Acceptance of climate change is high.
- Increased appetite for recycling, adaptation and clean energy purchases.

South Africa

- National elections will take place during May.
- Water security remains a high risk. Population still feeling the effects and significant infrastructure funding deficit exists.
- Eskom battles serious financial and energy supply issues & has to resort to load shedding.
- Energy transition is vital.
- Huge unemployment; almost a third of the population without work.
- Economy is vulnerable to climate change & reliant on extractive industries.

⑦ Regional highlights

Europe

- Potential Brexit disruptions ?
- European Parliament elections, with populist and anti-Europe parties likely to gain seats.
- The integration of recent migrants into society and business remains a challenge in many states.
- EU will advance its Action Plan for Circular Economy, bringing regulations aimed at reducing waste and encouraging renewed focus on industrial symbiosis and materials.
- Climate activism will renew debate on just transition.

India

- One of 2019's highest growing economies (7.6%).
- 2019 is an election year. Security flashes will impact.
- On top of ongoing poverty reduction, employment must be created for 45% of the population that is below 26, soon to enter the workforce. 76% of women remain outside workforce.
- Cities can't accommodate the huge influx of people arriving – India intends to build two USA's worth of infrastructure by 2050.
- Energy demand expected to more than double by 2040.

SE Asia

- Elections in Indonesia, Thailand and Philippines.
- Growth remains positive. A slowdown is a concern given the number of jobs needed.
- Population, middle class and consumption all increasing.
- Food & health is of interest, but focus remains providing access to sufficient nutrition.
- Urbanization continues to occur. ASEAN has deployed 26 smart cities pilot projects.
- Regulations need aligning. But, progress on sustainability reporting, rubber & palm oil (often driven by EU grants and regulations).

China

- Growth of 6-6.5% predicted.
- Inward-looking trends for 2019: sustainable green urbanization, start of phasing out of renewable energy and e-mobility subsidies, government support for ICT (5G, AI, robotics), ecological systems restoration while still driving food security and safety improvements.
- Outward-looking efforts: preparing for success at CBD COP15, the "Coalition on Green Development for Belt & Road Initiative" and more involvement in climate and ocean governance.

Australia

- Economic growth tepid due to US/China uncertainties.
- Election in May could bring a change of government.
- Signed Indonesia FTA and finalizing EU FTA which may reference the SDGs.
- National frustration re limbo in energy & climate policy.
- Calls from corporate, accounting & financial authorities for business to accelerate TCFD uptake.
- Circularity principles put in National Waste Strategy.
- Modern Slavery law roll out.
- New public company corp. reporting laws start in 2020.

8 References

Shifting (in)stability

[Eurasia Group: Top Risks 2019](#). A geopolitics focused forecast of the top 10 risks. The authors claim that while '2019 is poised to be a reasonably good year', we are also planting the seeds of political disruption in the near future. These, so called bad seeds are: weakening US political institutions, the slowdown of European integration, the erosion of global alliances, and growing populism.

[World Economic Forum: Global Risks Report 2019](#). 'Power and Values' focusing on geopolitical and geo-economics risks. It identifies three trends with the potential to trigger disruptive change: (1) shared goals amid divergent values; (2) multilateralism under threat; and (3) worsening trade relations

[The Economist Intelligence Unit: Industries in 2019](#). The report highlights five major risks: the US-China trade war, a global slowdown, Brexit, sanctions on Iran, and cybersecurity and technology risks. It provides analysis for six industry sectors: automotive, consumer goods and retail, energy, financial services, healthcare, and telecoms. Each industry sector analysis is supplemented with key dates and events to watch out for.

[Goldman Sachs: Global Economic Outlook 2019: Landing the Plane](#). Offers evidence for the increased risk of a recession in the long-term (not expected in short-term) and provides a region-by-region economic forecast for US, China, Europe, and Japan.

[Blackrock: Megatrends in action](#). 'Shifting economic power': the profound economic & demographic changes being unleashed as China and India's populations and markets grow.

[The Economist. Slowbalisation](#). A new pattern of world commerce with increased barriers for cross-border investments, trade, bank loans, and global supply chains

Digital awakening

[Euromonitor International: Top 10 Global Consumer Trends for 2019](#). 'Finding my JOMO': The Joy Of Missing Out – consumers try to spend more time away from the online world.

[Eurasia Group: Top Risks 2019](#). 'Cyber gloves off': how nations, particularly the US, will embark on a much more aggressive cyber policy.

[CB Insights: 14 Trends Shaping Technology](#). Data is at the heart of everything. Some of trends identified include: **hyper-personalization of everything** made possible with the immense amount of data collected from individuals – examples range from make-up to comfort in an autonomous vehicle; **smart-home based healthcare technology** enters the senior citizen market; the promise of autonomous driving hasn't arrived yet, but **last-mile delivery may bring about fully autonomous fleets**; **data is becoming a hot-button geopolitical issue**; **smart buildings are maximizing comfort, wellness, and efficiency** with the use of occupancy metrics, and; **at-home kits are the new way to overcome the lack of affordable medical care**.

[Eurasia Group: Top Risks 2019](#). 'Innovation winter': technology advance is increasingly critical to national security, leading to barriers to flow of people & data comprising the innovation pipeline.

[Looking Further with Ford: The 2019 Trend Report](#). Explores some of the technological advances expected in 2019 and how those will both improve and negatively affect human lives.

[Deloitte Global: Technology, Media, and Telecommunications Predictions for 2019](#). Predicts that **machine learning will be the biggest and fastest-growing trend** in technology in 2019; **artificial intelligence** will be democratized, whereby an increasing number of companies will be able to integrate AI into their business operations thanks to cloud-based AI software and services; **smart speakers** will become the **fastest-growing connected device** category, and; we will see the **first installations of 5G compatible devices**, however a wider-scale roll out of this significantly faster network will take more time.

[Blackrock: Megatrends in action](#). Are we on the cusp of ground-breaking developments as we truly unleash the power of data? Technological breakthrough is a catalyst for all other trends: what are the implications of the increasing amount of data we generate as a society: data security, Internet of Things, healthcare technology, and artificial intelligence?

[WEF: Our Shared Digital Futures](#). Business, government, academia & civil society acknowledge the need for shared goals & coordinated action to shape an inclusive, sustainable, digital future.

8 References

Digital awakening (cont.)

[The Economist. The World in 2019.](#) ‘The giants everyone loves to hate’: public perception of “Big Tech” becomes increasingly negative, potentially catalyzing regulation.

[The WIRED World in 2019.](#) ‘We will resist tech determinism’: rejection of the biggest technology companies is becoming recognized as a mainstream political stance.

Challenging leadership

[Oxfam: Walking the talk. Assessing companies' progress from SDG rhetoric to action.](#) How companies need to be consistent when integrating SDGs into their business strategy.

[BlackRock CEO, Larry Fink's 2019 Letter to CEOs: Purpose & Profit.](#) Larry Fink warns profit should always come with purpose and that business should step up its leadership in retirement management, infrastructure investments & training people for the future of work.

[FTI Consulting: Resilience Barometer.](#) 18 scenarios which can negatively impact company turnover, value and reputation. Finds that there is a surprisingly low level of resilience among G20 based companies against threats such as cyber-attacks

[PwC 22nd Annual Global CEO Survey.](#) CEOs show lower confidence in economic growth this year (more pessimistic than the IMF) and fear a big gap in information and talent to effectively exploit technological advancements (AI).

[SustainAbility 2019 Trends: What's next for sustainable business? 'New Leadership':](#) more action from cities and companies expected since trust in governments remains low. Companies will be expected to increase transparency to gain more trust from consumers.

[Edelman Trust Barometer 2019](#) half the mass population think the system is failing them.

[Eurasia Group: Top Risks 2019.](#) ‘Innovation Winter’: politically driven reduction in the financial and human capital available to drive the next generation of emerging technologies.

Sustainability hot topics

Plastics & waste

[MSCI 2019 ESG Trends to Watch.](#) Companies will be exposed to more plastic-related regulation with implications for revenue streams across the packaging industry.

[Euromonitor International: Top 10 Global Consumer Trends for 2019.](#) ‘I Want a Plastic Free World’: people are taking direct action to eliminate plastic waste through their everyday life – they are willing to pay more for eco-friendly and recyclable products, but there is a lack of consumer understanding about recycling and little standardization in packaging across borders.

[SustainAbility 2019 Trends: What's next for sustainable business? 'Saving Ecosystems':](#) with a special focus on waste and plastic hitting headlines in 2019.

Biodiversity

[SustainAbility 2019 Trends: What's next for sustainable business? 'Saving Ecosystems'](#) chapter shows how biodiversity is at its breaking point with massive sheer losses and species disappearing at an alarming rate. It calls on companies to consider biodiversity as a material issue.

Food & health

[WRI Stories to Watch: Will commodity supply chains rise to the challenge?](#) Connects commodities supply chains with tropical forest loss and carbon emissions.

[World Economic Forum: Global Risks Report 2019.](#) pp78-79, analyzes food systems security and requirements for increased food production, reduced food waste and secure water supplies.

Adaptation

[WRI Stories to Watch: Will climate adaptation rise on the agenda?](#) Adaptation is still not high enough on the global policymaking agenda: global leadership is scarce as are metrics, benefits are largely long-term, and insufficient adaptation finance exists. Cities will champion adaptation.

8 References

Adaptation (cont.)

[SustainAbility 2019 Trends: What's next for sustainable business? 'Climate Crisis'](#): explores urgent need to invest in adaptation and creation of more resilient supply chains.

[World Economic Forum: Global Risks Report 2019. 'Fight or flight'](#): explores the urgent need for cities to prepare for rising sea levels, focusing on 3 strategies: hard engineering, nature-based defenses, and relocation and resilience building at the individual level.

Energy transition

[SustainAbility 2019 Trends: What's next for sustainable business? Energy and Utilities sector focus](#) highlights the increased pace of electrification, and predicts more energy companies will invest in renewable energy and EV charging infrastructure.

[GreenBiz State of Green Business 2019. 'Companies Double Down on Energy Productivity'](#): companies are increasingly finding ways to achieve higher sales and better productivity via low-carbon energy management.

Sustainability emerging topics

Inequality

[World Inequality Report](#) on macroeconomic phenomena – e.g. nationalization, privatization policies, capital accumulation, & the evolution of public debt – to micro-economic trends in inequality focused government transfers, personal earnings and wealth and debt.

[Klaus Schwab's letter](#) to participants following the WEF 2019 Annual Meeting in Davos.

Water

[Blackrock: Megatrends in action. 'Climate change and resource scarcity'](#)

[The Economist. Special report: Water. Thirsty planet](#): the catastrophes that mismanagement – due to economic, cultural, and political pressures – of water resources could lead to.

Air quality

[WHO Global Urban Ambient Air Quality Database](#). Over 7 million deaths linked to air pollution.

Mental health

[World Economic Forum: Global Risks Report 2019. 'Heads and Hearts'](#): special focus on the human side of global risks. Estimates that mental health problems now affect 700 million: sources include, e.g. psychological stress related to a feeling of lack of control in the face of uncertainty.

Fashion

[WRI Stories to Watch: Will fast fashion slow down?](#) Describes the possibilities of a more sustainable apparel industry and its linkages with circular economy and plastics recycling.

[McKinsey. The State of Fashion 2019: 'Getting Woke' and 'End of Ownership'](#) describes consumer shifts towards increased demands for sustainability that is ranked as the fourth most important challenge for the industry.

Soil

[GreenBiz State of Green Business 2019. 'Soil Becomes Fertile Ground for Climate Action'](#) – a 2017 UN-backed study reminds us that fertile soil is being lost at the rate of 24 billion tons a year. Section explores essential climate and biodiversity services performed by soil.

Geo-engineering

[SustainAbility 2019 Trends: What's next for sustainable business?](#) The 'Climate Crisis' chapter lists the growing debate about geoengineering as a signal to watch in policymaking.

2019 Outlook & Trends **team**



Julian Hill-Landolt

hill-landolt@wbcسد.org



Daniel Fule

fule@wbcسد.org



Maria Mendiluce

mendiluce@wbcسد.org



WBCSD (Geneva)

Maison de la Paix
Chemin Eugène-Rigot 2B
CP 2075 1211 Geneva 1
Switzerland

WBCSD (Delhi)

WBCSD India 4th Floor
Worldmark 2
Aerocity New Delhi 110 037
India

WBCSD (London)

WeWork Mansion House
33 Queen Street
London EC4R 1BR
UK

WBCSD (New York)

747 Third Avenue
Suite M205 New York
NY 10017 United States
USA

WBCSD (Singapore)

WBCSD Asia Pacific Ltd.
2 Science Park Drive
#01-03 Ascent
Singapore 118222