



UNITED NATIONS  
UNIVERSITY  
CRIS

Institute on Comparative Regional Integration Studies



## Future Trends Series - GR:REEN Project

### Title of the report

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**Expect the Unexpected: Building business value in a changing world**

### Area

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Energy and environment

### Reporter

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KPMG International

### Type of the Reporter

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Private Organisation

### Periodically updated?

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No

### First issued year

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2012

### Latest update

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### Official website

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<http://www.kpmg.com>

### Language available

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English

### Short summary

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In this report, a system of ten sustainability megaforges that will impact all businesses over the next 20 years are analyzed. Hundreds of environmental and social changes will bring both risks and opportunities in the search for sustainable growth. Dozens of forecasts have been analyzed in this report to identify the changes that will have the greatest effects on business.

The global sustainability 'megaforges' identified as key drivers of future change in this report are: Climate Change; Energy & Fuel; Material Resource Scarcity; Water Scarcity; Population Growth; Urbanization; Wealth; Food Security; Ecosystem Decline; Deforestation.

KPMG developed three nexuses (the footprint, the erosion and the innovation nexus) which together represent the challenges of sustainable growth. They believe companies will benefit from exploring these nexuses in their own organizational context.

## Key trends

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- Predictions of annual output losses from **climate change** range between one percent per year, to at least five percent a year if policymakers fail to act
- **Fossil fuel** markets are likely to become more volatile and unpredictable
- Global demand for **material resources** is predicted to increase dramatically, business is likely to face increasing trade restrictions and intense global competition
- Global demand for **freshwater** is expected to exceed supply by 40 percent by 2030, growth could be compromised and conflicts over water supplies may create security risks
- Global **population** is expected to reach 8.4 billion by 2032, which will place pressure on ecosystems and create supply challenges and price volatility for businesses
- The global **middle class** is expected to grow 172 percent between 2010 and 2030
- They predict all developing regions to have the majority of their inhabitants living in **urban areas** by 2030
- Global **food prices** are expected to rise 70 to 90 percent by 2030
- A continuing decline of global **ecosystems** can be expected, as they show increasing signs of breakdown and stress
- **Forest areas** are expected to decline by 13 percent from 2005 to 2030, mostly in Africa and South Asia

## Suggestions

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### For businesses:

Understand and assess the risks; use integrated strategic planning and strategy development; turn strategic plans into ambitious targets and actions; measure and report on sustainability; seek collaboration with business partners on sustainability issues; and build strategic partnerships.

### For governments:

Continuity and coherence in policy; reducing complexity in policy; coordinated international collaboration; creation of enabling 'green' investment environment; and increased collaboration with private sector through Public Private Partnerships (PPPs).

## Methodology

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Research from secondary sources, surveys and modelling

## Reference to other trends reports? If yes, which reports?

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