



**Asia-Pacific  
Economic Cooperation**

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Session 2

## **The Business Case for Disaster Risk Reduction**

Purpose: Information  
Submitted by: UNISDR



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Forum  
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**UNISDR**

The United Nations Office for Disaster Risk Reduction

7<sup>th</sup> SDMOF APEC MEETING

## The Business Case for Disaster Risk Reduction

[www.unisdr.org](http://www.unisdr.org)

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- *“A global programme for disaster risk reduction -- it’s not just a question for the UN, it’s a question for governments, businesses and every day people working in concert.”*

**Margareta Wahlström**, *Special Representative of the UN Secretary-General on Disaster Risk Reduction*

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## WHY TWO REASONS TO WORK TOGETHER

- **50% to 90%** of disaster losses are borne by the private sector
- 80% of the world's investments are made by the private sector.

## DISASTER RISK: THE NEW MULTI – TRILLION DOLLAR TOXIC ASSET CLASS

- Recent events have shown that disasters pose a serious threat to economies and GDPs
- The interconnectivity of economies made every business vulnerable. Supply chains can be disrupted far away from the location of events ( Japan, Thailand)
- Millions of assets are exposed to disasters. **Private investment largely determines disaster risk**

One business survey now lists disaster risk as the **16th most important out of the top 50 risks, and as the 6th most important driver strengthening risk management (GAR 2013).**

### **SMEs ARE PARTICULARLY AT RISK**

A total of 240,000 small businesses in 32 provinces in Thailand were affected by the 2011 floods (The Office of Small and Medium Enterprises Promotion (OSMEP))

The 2011 Thailand floods cost THB 1.43 trillion (USD 46.5 billion).

UNISDR Asia Pacific is working with its partners:

- To strengthen SMEs resilience to natural disaster risks and adaptation to climate change
- To develop practical guidelines for Business Continuity Plans (BCPs)
- To exchange knowledge on best practices on BCPs
- To promote Disaster Risk Management in all APEC region

### **CREATING SHARED VALUE THROUGH DISASTER RISK MANAGEMENT**

- **Business continuity planning is only one part** of building resilient investments.
- Important further steps are integrating **disaster risk information into investment decisions**; building **public-private** risk governance and **disclosing disaster risks and costs** on business balance sheets

***JOIN US  
WORK WITH US Thank  
you***

The United Nations Office for Disaster Risk Reduction

[isdr@un.org](mailto:isdr@un.org)

[www.unisdr.org](http://www.unisdr.org)