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Headline: PH growth rate faster if not for effects of disasters—UN exec

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MANILA—The Philippines better-than-expected 7.8 economic percent growth rate during the first quarter of the year could have been even better if losses from recent disasters were lessened, according to an official of the United Nations Office for Disaster Risk Reduction.

Jerry Velasquez, the UN agency's senior regional coordinator for Asia-Pacific, said "the opportunity for the Philippines is to make its economic growth more resilient to disasters and also reduce poverty as the poor are the worst hit by disasters."

"Many people may not know this, but the real cost of disasters like (Tropical Storm) Ondoy were borne by ordinary people like teachers, farmers and office workers," he noted.

The Bangkok-based Velasquez, a Philippine national, issued his remarks on Monday during the launch of the UN's 2013 Global Assessment Report on Disaster Risk Reduction.

The report, a copy of which was furnished the Inquirer, said that the Philippines could suffer losses of more than $9 billion if it gets hit by a strong quake, noting the losses were equivalent to about 27 percent of the country's public revenues.

The losses could easily exceed Philippine government revenues, potentially resulting in an increased debt burden, it said.

According to the same report, "in the medium or long term, countries that have experienced intensive disasters may never recover lost growth."

"Countries affected by tropical cyclones may experience lower GDP growth in the next 15 years. In countries with frequent severe cyclones, such as Madagascar and the Philippines, and those with large risk-financing gaps, growth will be lower over several decades," it said.

Andrew Maskey, lead author of the UN report, said Asia "will continue to bear the brunt of devastating economic losses unless the region's private sector makes disaster risk management a core part of their business investment strategies."

"With trillions of dollars in new business investment set to pour into the thriving but often hazard-exposed coasts and cities of Asia over the coming years, the private sector's investment decisions will determine how safe and resilient the region will be," he said.

In a statement, Maskey said, "We are saying that the worst is yet to come because in any given part of the world, most of the disasters that could possibly happen have not yet happened.

"In addition, our exposure, particularly here in Asia is increasing. More economic assets, more population in hazard-prone areas means more risks and bigger disasters."

According to Maskey, “the private sector, governments and business analysts continue to sidestep the issue of disaster risks.”

“It’s time for business to come in from the cold on this issue and as they become more risk-sensitive and choose places not only for the lower risks but because these locations can manage those risks very well, it will then encourage countries to start investing more in risk management,” he said.

For her part, Margareta Wahlstrom, UN Secretary General Ban Ki-moon’s special representative for disaster risk reduction, said, “encouragingly, there is growing evidence that businesses, particularly global corporations, are starting to pay more attention to disaster losses and to strengthen risk management in this regard.”

“Embedding disaster risk management in business processes is key to resilience, competitiveness and sustainability,” she said, adding this theme was featured in the UN Global Platform for Disaster Risk Reduction, held two weeks ago in Geneva.