

Confronting worldwide disaster losses

November 5 2007

In the current edition of leading journal *Science*, an international team of experts argues that governments and policymakers worldwide need to take swift action now to minimise mounting losses due to future natural disasters - regardless of the effect of climate change on our global weather patterns.

Australian Ryan Crompton of Risk Frontiers, a natural hazards research centre at Macquarie University, worked with colleagues from the Netherlands, Germany and the US on the paper, which offers three recommendations to decision makers: improve disaster data collection; expand the role of disaster risk reduction in adaptation; and develop and apply innovative finance mechanisms to protect against losses.

"According to data collected by Munich Re, global inflation adjusted economic costs of weather-related disasters have increased from an annual average of US\$8.9 billion between 1977 and 1986, to US\$45.1 billion between 1997 and 2006," Crompton says. "Even if extreme weather doesn't increase - and the IPCC says it likely will - in coming decades we will see losses skyrocketing due to societal change and economic development.

"As an example, if the July 2005 floods in Mumbai were repeated in 2015, they could cause 80 per cent higher losses and affect 20 per cent more people, independent of climate change."

The research team argues that although greenhouse gas emission reductions are of central importance, they cannot decrease hazard risk

for decades, and so must be complemented by other policy changes if staggering losses are to be avoided.

"One of the pressing needs is for better data collection," Crompton says. "An open-source, peer-reviewed database would enable the scientific community to study worldwide disasters - and potentially even offer the prospect of an early-warning system for changes in the earth-climate system.

"The role of disaster risk reduction could also be expanded, particularly in the developing world," he says. "Finally, some innovative insurance products have been developed and expanded recently, such as catastrophe bonds which cover flood risk in the UK, and there is a real need for more of this as risk becomes increasingly more concentrated."

Source: Macquarie University

Citation: Confronting worldwide disaster losses (2007, November 5) retrieved 20 September 2024 from <https://phys.org/news/2007-11-worldwide-disaster-losses.html>

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