Natural disasters and trade

3rd Symposium
Natural Disasters and Trade
10 May 2019
Presentation overview

1. Hazards and macro-economic effects

2. Trade and Disaster Response

3. Trade and Disaster Recovery

4. Trade and Disaster Resilience
### 1. Hazards and macro-economic effects

<table>
<thead>
<tr>
<th>WTO Member</th>
<th>Event</th>
<th>Damage as % GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dominica</td>
<td>Tropical Storm Erika (2015)</td>
<td>90%</td>
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<tr>
<td></td>
<td>Hurricane Maria (2017)</td>
<td>225%</td>
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<tr>
<td>Fiji</td>
<td>Tropical Cyclone Evan (2012)</td>
<td>2.6%</td>
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<tr>
<td></td>
<td>Tropical Cyclone Winston (2016)</td>
<td>31%</td>
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<tr>
<td>Nepal</td>
<td>Earthquakes (2015)</td>
<td>33%</td>
</tr>
<tr>
<td></td>
<td>Monsoon trough (2017)</td>
<td>3%</td>
</tr>
<tr>
<td>Saint Lucia</td>
<td>Hurricane Tomas (2010)</td>
<td>43%</td>
</tr>
<tr>
<td>Tonga</td>
<td>Tropical Cyclone Ian (2014)</td>
<td>11%</td>
</tr>
<tr>
<td></td>
<td>Tropical Cyclone Gita (2018)</td>
<td>38%</td>
</tr>
<tr>
<td>Vanuatu</td>
<td>Tropical Cyclone Vania (2011)</td>
<td>6.3%</td>
</tr>
<tr>
<td></td>
<td>Tropical Cyclone Pam (2015)</td>
<td>64%</td>
</tr>
</tbody>
</table>

In any given year, it is likely that the five island states surveyed will be either hit by, or recovering from, a major natural disaster, most commonly hydro-meteorological in origin. Nepal must also contend with seasonal rains, flooding, and seismic risk.
1. Hazards and macro-economic effects

Focus on geophysical and meteorological hazards

Poster in Saint Lucia

Tsunami evacuation map
Nuku Alofa - Tonga

Monument to the “awful visitation of the hurricane”
11 August 1831 - Bridgetown, Barbados
1. Hazards and macro-economic effects

Reconstruction activity risks placing upward pressure on public debt and creating a significant risk of debt distress - IMF
2. Trade Issues in Disaster Response

Customs and other border clearance issues arising in natural disasters

- Delays in triggering emergency legislation;
- Uncertainty about the exemption of relief organizations and relief goods from customs duties;
- Restrictive customs release policies requiring payment in full of customs duties and other duties prior to release from customs control;
- Concern at relief actors working outside official channels and coordination mechanisms;
- Quarantine restrictions on the entry of search and rescue dogs;
- Cumbersome import license requirements, including for telecommunications equipment;
- Problems with the storage and disposal of unsolicited bilateral donations
3. Trade Issues in Disaster Recovery

**Merchandise exports, imports and trade balance of Vanuatu**

Sluggish exports have been outpaced by imports as the merchandise trade balance widens.
3. Trade Issues in Disaster Recovery

Dominica Coconut Products shuts down operations
By TDN Wire Staff
November 19 1:31 P.M.

Adds to pressure on the manufacturing sector
Fisheries takes a hit
3. Trade Issues in Disaster Recovery

Environmental services

Imports of parts and equipment

Tariffs and access to finance
Agriculture sector – still recovering when the next storm hits?

Coconut products

• Fresh coconut juice
• Processed coconut juices and drinks
• Coconut chips, milks and other
• Flavourings
• Cosmetics and oils

3. Trade Issues in Disaster Recovery
Trade issues in disaster resilience

- Build Back Better
- Standards of building materials
- Tariffs on construction materials
- Operation of service markets
- Risk transparency
- Weather enterprise
- Operation of agricultural markets
- Food aid
- Control of SPS / TBT issues
- Renewable energy sources – greening the BOP

All documentation here:
http://www.wto.org/english/tratop_e/devel_e/sympnaturaldisaster10052019_e.htm
In a Sendai State of Mind

• Ex post reaction → Ex ante action

• Role of standards

• Trade connectivity and disaster resilience