



Press release

Global economic losses from disasters up to \$300 billion every year, warns UN report, calling for higher investment in risk reduction strategies

Climate change already increasing risk of disasters and impacting low and middle-income countries

03 March (New York) – The cost of disasters worldwide has reached an average of \$250 billion to \$300 billion every year, according to the [Global Assessment Report on Disaster Risk Reduction](#) released today by the United Nations, which urges countries to increase their commitments to strengthen their population’s resilience.

The report, produced by the UN Office for Disaster Risk Reduction, stresses that the economic losses caused by disasters are also hindering countries’ paths to achieve sustainable development, making risk reduction central to social, economic and environmental progress.

“If we do not address risk reduction, future losses from disaster will increase and this will impact countries’ capacity to invest money in other areas such as health and education. If we do not take the necessary measures now, it will be difficult to achieve development, let alone sustainable development,” said the UN Secretary-General’s Special Representative on Disaster Risk Reduction, Margareta Wahlström.

“The report is a wake-up call for countries to increase their commitment to invest in smart solutions to strengthen resilience to disasters,” Ms. Wahlström said, adding that they will have an opportunity to do so at the Third Conference on Disaster Risk Reduction taking place in less than two weeks in Sendai, Japan.

At the Conference, countries will adopt a framework to success the Hyogo Framework for Action. Born in 2005 out of the World Conference on Disaster Reduction, the Framework is a 10 year plan, the first to detail the work that is required from all different sectors and actors to reduce disaster losses.

Climate change increasing risks in many regions around the world

In many countries, climate change is magnifying risks and increasing the cost of disasters. In the Caribbean, for example, the average annual losses associated with tropical cyclone winds alone are projected to increase by as much as US\$1.4 billion by 2050.

For small island developing states, expected future disaster losses are not just disproportionately high; they represent an existential threat. These countries are expected to lose 20 times more of their capital stock each year compared to Europe and Central Asia.

Meanwhile, droughts caused by climate change are affecting maize production in countries such as Kenya, Malawi and Niger, whose gross domestic product largely depends on agriculture.



Reducing those risks is therefore essential to protect those countries from the impact of climate change, the report says.

Investing in disaster risk reduction makes financial sense

According to the report, an annual global investment of \$6 billion in disaster risk management strategies would generate total benefits in terms of risk reduction of \$360 billion. This is equivalent to a 20 per cent reduction of new and additional annual economic losses.

This investment represents only 0.1 per cent of the \$6 trillion per year that will have to be invested in infrastructure over the next 15 years.

“For many countries, that small additional investment could make a crucial difference in achieving the national and international goals of ending poverty, improving health and education, and ensuring sustainable and equitable growth,” the report says.

While countries are devoting resources to disaster management, the report stresses that more needs to be done to foster a culture of prevention, and incorporate disaster risk reduction into the post-2015 development agenda.

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