

Institute of Catastrophe Risk Management

Welcome Greeting by

Professor PAN Tso-Chien

Executive Director, Institute of Catastrophe Risk Management, NTU

**Fifth International Symposium on Catastrophe Risk Management – Financing of
Natural Catastrophes in Asia**

Thursday, 24 April 2014

9:00 a.m. @ Nanyang Executive Centre, NTU, Singapore

Good morning,

Guest of Honour, Ms Jacqueline Loh, Deputy Managing Director (Monetary Policy & Investment / Development & International), Monetary Authority Singapore (MAS)

Professor Bertil Andersson, President, Nanyang Technological University (NTU)

Professor Su Guanng, President Emeritus, NTU

Professor Haresh Shah, Chairman, Advisory Board of the Institute of Catastrophe Risk Management (ICRM), and Member of the NTU Board of Trustees,

Distinguished Speakers, Delegates and Guests

Colleagues

Ladies and Gentlemen

On behalf of ICRM at NTU, I would like to extend our warmest greetings to everyone to the Fifth International Symposium on Catastrophe Risk Management, **Financing of Natural Catastrophes in Asia**. We have overseas participants from Australia, China, India, Indonesia, Japan, Philippines, Taiwan, UK and USA. To our guests from overseas, welcome to Singapore!

ICRM Development

In January 2010, ICRM was launched by Mr Heng Swee Keat who was Managing Director of MAS then and is Minister for Education now, together with NTU President and President of General Insurance Association of Singapore. Since then, ICRM has received very encouraging support from the government as well as the finance industry in its R&D activities in catastrophe risk management.

Since August 2011, ICRM has been working on two pilot R&D projects which are co-funded by MAS and NTU to create a prototype of analytical platforms for flood risk and earthquake risk assessments of major cities in the Southeast Asia region. We are pleased to announce that as part this Symposium, we are going to hold an **Industry Seminar** to share with the insurance and reinsurance industry the progress of the analytical platforms for flood risk and earthquake risk assessments.

In addition to the university and the government supports to ICRM, Aon Benfield has provided a gift to establish PhD Research Awards, while Willis Research Network has funded Post-doctoral Fellowships at ICRM. Over the years, we have also received generous supports from Asia Capital Re, Guy Carpenter, Munich Re, RMS Inc, RMSI, and Swiss Re.

These public and private financial supports are in parallel to **NTU's strategic funding** support for ICRM to collaborate with our academic partner, Centre for Risk Studies at Judge Business School of the University of Cambridge in UK. Our collaboration is on System Shocks Research Programme, which focuses on Urban-Based Risks of Asian MegaCities as well as Financial Risks resulting from interruption of Supply Chains.

We have been in active discussion with the Association of Southeast Asian Nations (ASEAN) Secretariat towards **capacity building** of the ASEAN community for regional disaster management. We are expecting a pilot project - the ASEAN Earthquake Model, to get going in 2014. We have also started discussions on collaboration with

international lender and aid agencies, such as the Australian Aid and the Asian Development Bank (ADB).

ICRM Symposia

ICRM has held five international symposia on catastrophe risk management since January 2010. The five symposium themes are: “Public-Private Partnership in Understanding, Communicating and Managing Catastrophe Risk” in 2010, “Climate Change – Implications on Food & Water Security” in 2011, “Black Swan Events” in 2012, “Evolving Risks due to Extreme Events in Asia-Pacific” in 2013, and today “Financing of Natural Catastrophes in Asia”.

Disaster Risk Financing

At every ICRM annual symposium, we take a hard look at what natural catastrophes that have happened in the prior year. We now know that the Great Tohoku Earthquake and Tsunami of Japan in 2011 weighed heavily on the automotive production in the Philippines, Thailand and Indonesia. It also lowered the electronic component production in Malaysia and the Philippines. The Thai floods in late 2011 disrupted exports, which in turn hurt Japan's manufacturing production.

While 2013 is a relatively “quiet” year in terms of the total economic loss from natural catastrophes, **an ADB report** released on Tuesday noted that natural disasters eat up a chunk of economic growth in the ASEAN region. In fact, the cost of disaster in some cases is exceeding the increase in economic growth. The report further suggests that it is a good option for ASEAN to establish a disaster risk management fund that can strengthen financial resilience when calamities strike. Therefore, the findings of the ADB report on Asian economic integration echo the main theme of this year's Symposium on **Financing of Natural Catastrophes in Asia**.

One of the goals of the Symposium today is to provide us a platform where we can learn from the world's leading experts and from one another. This will hopefully help us develop insurance and capital market solutions, which enable workable risk transfer markets that serve the governments, businesses, and societies. We can thus manage better the catastrophe risks in Asia.

In closing, I would like to thank our Guest of Honour, Ms Jacqueline Loh, Deputy Managing Director of MAS, and all of you for joining us at the Fifth Symposium on

Financing of Natural Catastrophes in Asia. I wish all of you a fruitful time at the Symposium.

Thank you.