

**Business Forum 2016: Risk Reduction and Resilience Building**  
**April 2016**

**Panel Session: Remarks by Mr. Peter Prügel, German Ambassador**

His Excellency Minister Anupong (*Interior Minister*)

His Excellency Minister Dr. Pichet (*Science and Technology Minister*)

Philip (*Philip Calvert, Canadian Ambassador*)

Dr. Krasae Chanawongse (*Chairman, ADPC Foundation*)

Ms. Sara (*Thai Board of Trade*)

Mr. Tetsushi Negishi (*Country Director, Asian Development Bank*)

Distinguished Delegates, Business Leaders, Ladies and Gentlemen,

From my side, a very warm welcome to all of you.

This event wouldn't have been possible without the engagement and support of a number of institutions. So let me start by expressing my sincere gratitude to all the organizers and sponsors

Asian Development Bank

Government of Canada,

Asian Disaster Preparedness Center,

Global Disaster Preparedness Center,

Asia Foundation

is no doubt that Asia is the most disaster-prone region in the world. In recent years the region had to bear the biggest share of human and economic losses caused by disasters that can be very often directly linked to global warming and climate change.

Not only in Asia but as well as worldwide, governments and private businesses have been suffering from increasing losses and damages and are constantly challenged by new risks. Increasing unknown risks can severely jeopardise the competitiveness of 'emerging markets' and countries' investment profiles.

We therefore highly welcome a dialogue between the public and private sectors to share expertise and experiences on how to properly assess risks and integrate risk management into business models and practices.

For both public and private sector stakeholders alike, it is of utmost importance to ensure that:

1. Investments are risk-sensitive,

2. Infrastructure is resilient

3. And that risk governance systems are in place to secure sustainable economic development.

Business resilience is the key to drive economic growth, to protect livelihoods and secure jobs, particularly in at-risk countries and cities.

Tomorrow I would like to share with you some of our own experience. My country has been particularly affected by floods in recent years. The

ted damages in the affected Federal States amounted to 7 billion included, in particular, damages to private households, public infra- private businesses as well as to agricultural, forestal and cultural fa of the 16 German Federal States.

business operations and supply chains have been disrupted.

olic infrastructures including major highways and parts of the Gerr lway network were damaged causing logistical processes to fail. I ployees were unable to commute and get to work.

construction and tourism industry were among the most affected ustries. Construction works were already falling behind due to a lc sh winter that year. Hotel and restaurant owners reported high cellation rates and losses even in regions that had not been impa floods or had already recovered.

theless, despite the magnitude of the disaster, private and public : any were not hit completely unprepared.

contrary: A number of preparation measures initiated beforehand taken after the floods hit the country, proved to be rather successf

st of all, the Federal States coordinated their response efforts which ossible to support the most affected areas across Federal State b

brigades, police forces, and aid organisations worked closely wit ergency services of the Federal Government including the Federa Civil Protection and Disaster Assistance (BBK), the Federal Agen hnical Relief (THW). the Federal Police and Federal Armed Force

his point I would like to emphasise that the German civil protection system owes its strength and effectiveness primarily to its 1,7 million professionally trained volunteers that are organised in voluntary fire brigades, fire organisations and the Federal Agency for Technical Relief (THW), a unique asset of the German civil protection system.

In addition to this coordinated approach, it also proved valuable that, following the flood in 2002, politicians had worked out a bundle of new legislation to improve flood prevention in Germany, which induced changes in the Federal Water Act, the Code of Building Law, the Law for the Civil Protection Service and the Regional Planning Act.

And finally, it also helped in the aftermath of the flood of 2013 that Germany provides a market-based natural hazard insurance system through private insurance companies as a supplement to building or contents insurance. From 2002 to 2013 the Ministry of Interior in Germany recorded a significant increase in this kind of insurance. Today, 32% of all buildings in Germany are covered under this scheme. And this coverage certainly is one key element in mitigating the financial consequences when it comes to damage, despite all precautions taken.

Floods in Germany as well as in Thailand or the Great East Japan earthquake in 2011 demonstrate to what extent also highly developed and emerging economies are at-risk.

If we take a look at the private sector in these countries, it looks like

, on the contrary, are generally less protected and often hit hardest in the event of disasters;

they are particularly vulnerable and often unaware of the risk they are facing.

They lack knowledge and have limited resources to reduce and transfer disaster risks or prepare adequately as they usually have weaker financial structures and are heavily dependent on credit. So access to financing is a major challenge for their efforts in disaster preparedness.

They tend to have a lower product width and fewer opportunities to diversify or expand the product range. As they are already small it is also more difficult for them to downsize in recovery.

Enterprises that have been affected by a disaster often ceased their operations.

On the other hand SMEs are the backbone of many of our economies:

Enterprises play a significant role in all economies and are the key generators of employment and income.

They account for 97% of all enterprises in the Asia Pacific region and for 80% of the employment.

Enterprises are also the engine of the German economy. In 2013, German enterprises classified as SMEs accounted for 99.3% of the total number of enterprises.

Due to their small size SMEs are also able to adapt quickly. They develop innovative products and their specialisation allows them to claim a

if we aim to strengthen the disaster resilience of businesses, appropriate solutions for SMEs will be most critical for achieving this.

Therefore SME resilience is one of the key elements of Germany's Global Initiative on Disaster Risk Management (GIDRM), which is coordinated

This initiative not only embeds the perspectives of all relevant ministries and authorities in Germany, but also brings together a wide range of stakeholders from developing, emerging and industrialised nations working in government, civil society and the private sector.

It provides a forum for new and innovative ways of collaboration in disaster risk management.

This Initiative Germany does not only aim to contribute to the successful implementation of the Sendai Framework for Disaster Risk Reduction but also to mobilize public and private sectors to take risk-informed management decisions and to promote resilient, sustainable growth and security.

The Global Initiative on Disaster Risk Management looks particularly into the private sector.

On the one hand, it is an exposed actor that might unknowingly contribute to the creation of new risks.

On the other hand, the private sector can also be a potential pion

with its strategy, the Global Initiative on Disaster Risk Management has undertaken two undertakings in Asia to improve disaster risk management and the resilience of businesses:

In a joint partnership with the Asian Development Bank and the Asian Disaster Preparedness Center, the Global Initiative has closely cooperated with national government agencies for the promotion of SMEs, as well as chambers of commerce and respective national stakeholders in disaster risk management in Indonesia, the Philippines, Thailand and Vietnam. To develop specific solutions and technical support and to compile practical guidelines and operational factors, surveys have been conducted in the target countries.

At the forefront is the establishment of 'one-stop-solution' centres by respective government agencies and business associations that will provide disaster risk management related support needed by SMEs.

The Global Initiative also works together with the United Nations Office for Disaster Risk Reduction and the Pacific Asia Travel Association to further their efforts particularly on the tourism sector in the Asia Pacific region.

The so called Hotel Resilient Initiative aims at supporting the management of hotels and resorts in order to increase their understanding of disaster risk impacts, to reduce their business risks and to improve the protection of their staff and guests.

develop a risk management standard addressing natural and technological hazards.

These standards help hotels and resorts to improve their disaster risk emergency management capacities. Thereby, it also increases their competitiveness and provides them a marketing advantage.

and is one of Germany's most important partners in the Southeast. It is in the interest of both our countries to boost further business cooperation between our companies and drive economic development in

Therefore, we aim at making climate and disaster resilience a business strength, strengthening the resilience of society at large.

The Asian Business Forum is an important step to emphasise the need for public and private sector to work together to strengthen business resilience, economic stability across regions and to highlight the integral role that the private sector can and needs to play for a risk-informed, sustainable development.

In this regard, I wish you all a fruitful discussion over the next two days and thank you very much for your attention.