



Damage and Loss Assessment

The Commerce Sector

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Disaster Effects in Commerce Sector

Effects of Disasters on Commerce Sector



In cases of disasters the Commerce sector sustains damage to its assets

- Buildings**
- Furnishings and equipment**
- Stocks of merchandise**

In addition, it sustains losses in its economic flows due to

- Decline in sales**
- Higher operational costs**
- Loss in sales due to decline in overall consumer demand**

Typical Losses in Commerce



- **Losses in sales due to:**
 - Damage to premises and furniture
 - Lack or scarcity of goods to sell
 - Decline in overall public demand of goods caused by post-disaster economic situation
- **Higher operational costs due to**
 - Rental of alternative premises
 - Acquisition of goods from alternative, higher unit cost, sources (domestic or foreign)
 - Higher electricity costs
 - Payment of overtime to employees



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Procedures for Assessment in Commerce Sector

Step-Wise Procedure for Assessment in Commerce Sector



- 1. Breakdown sector in categories for analysis**
 - Large public markets
 - Shopping centers
 - Large commercial establishments
 - Small to medium shops
 - Micro-sized neighborhood shops
- 2. Obtain pre-disaster (baseline) information**
 - Type, size, number of assets
 - Volume of sales for each commercial category, per year and month
- 3. Field survey of disaster effects**
- 4. Develop post-disaster forecast**
 - Calendar for repair or replacement of premises
 - Schedule for sales recovery
- 5. Estimate damage and losses**
- 6. Estimate impact on balance of payments and on fiscal sector**

Field Survey and Interviews



- The field survey is essential to commerce sector specialists in order to obtain a good feeling on**
- Disaster damage and losses affecting sector**
 - Develop categories of commercial establishments for analysis**
 - Learn of possible problems in recovery, including *inter alia* shortages of goods for sale, depressed public demand for merchandise acquisition, etc**

Visits to chambers of commerce and trade associations would allow to enlist their assistance to secure summarized information from their associates on:

- Pre-disaster volume of sales**
- Damage and losses sustained**
- Financing expectations for recovery and reconstruction**

Example of Assessment Results: 2008 Cyclone Season in Madagascar



Component	Million Ariary	
	Damage	Losses
Micro-shops	10,945.0	16,062.0
Small and medium sized shops	497.4	21,623.5
Large commerce shops	84.2	7,129.1
Future food sales		6,055.2
Total	11,526.6	50,869.7



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Typical Sources of Information

Sources of Information



Sources

Ministry of Commerce and Trade

Ministry of Planning

Statistical Office

Trade Associations

Chambers of Commerce

Central Banks

Information Required

Most recent commerce census or survey

Time series of commerce and trade volume and prices

Information on small and medium enterprises

Gross domestic product, by commerce categories

Thank You !!



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