Assessing the Economy-wide Impacts of Natural Disasters: The Economic Impact of the 2009 Fiji Floods

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ABSTRACT

The Pacific is recognised as one of the most disaster prone regions in the world. As such, it is important to accurately estimate the economic losses associated with these natural disasters. This research estimates the higher order economic costs to Fiji as a result of the 2009 floods. The paper uses damage estimates to re-calibrate the underlying structure of the Fiji economy and estimates total economic impacts of the flood as a result of economic losses attributed to the flood. This structural change results in larger losses than would otherwise have occurred as linkages among domestic industries are weakened. Further, rebuilding and reconstruction after the flood will involve more resources as the multiplier effects are smaller due to the need for relatively more imports.

Keywords: flood; disaster; economic impact; Fiji; South Pacific; input-output modeling