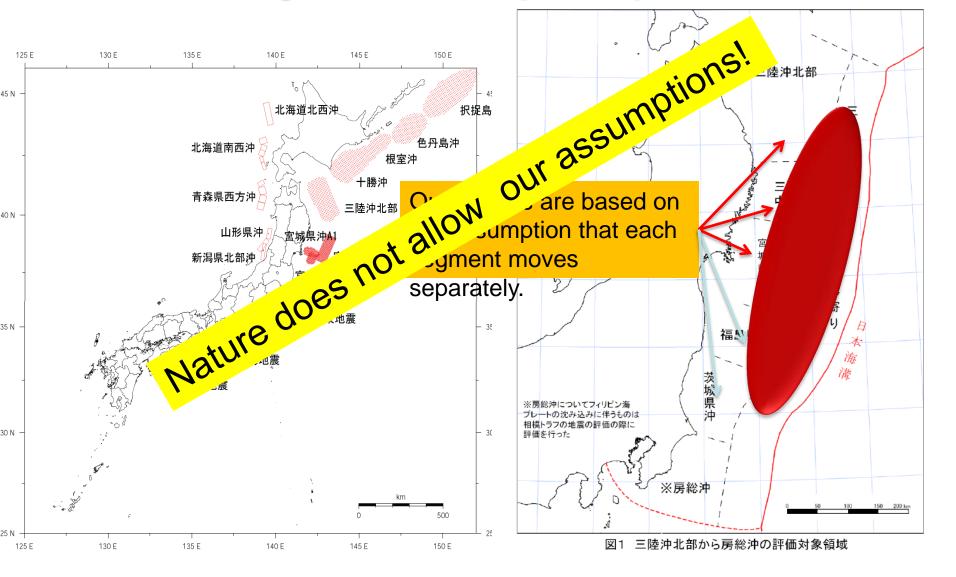
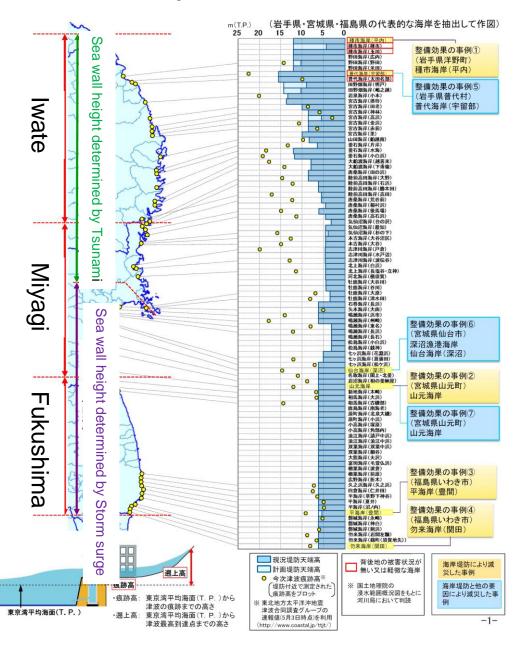
DEALING WITH THE BIG ONE IN THE DISASTER RISK REDUCTION PLANNING: ISSUES AND CHALLENGES

Disaster Prevention Research Institute (DPRI), Kyoto University

Expected inter-plate earthquake sources for long term earthquake prediction



Development of sea walls and their damages



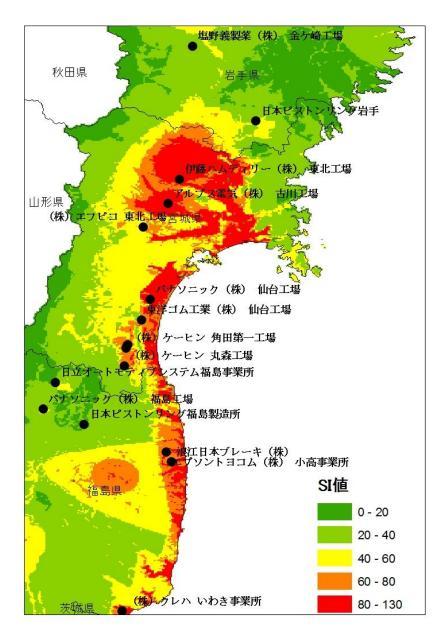
農林水産省・国土交通省

Otsuchi Town





Distribution of SI and Location of affected Firms



Impacts

- Dead and Missing: 16,019 and 3,805
- Housing: 118,821 (collapsed) , 181,801(half-collapsed)
- Tsunami Inundated Area: 507 km²
- Direct Damage: USD about 200 billion (16.9 trillion JPYen)(without Nuclear Power plant failure)
- Total Economic Loss may exceeds USD 500~600 billion

Economic Impact of Tsunami

- Direct losses
 - Agriculture, Fisheries and Forestry:
 - USD 17 Billon (USD 9 billion, USD 7 billion, USD 1 billion)
 - Industries:

USD 60-110 Billion by Tsunami

[production capital USD 900 billion (Iwate, Miyagi, Fukushima)]

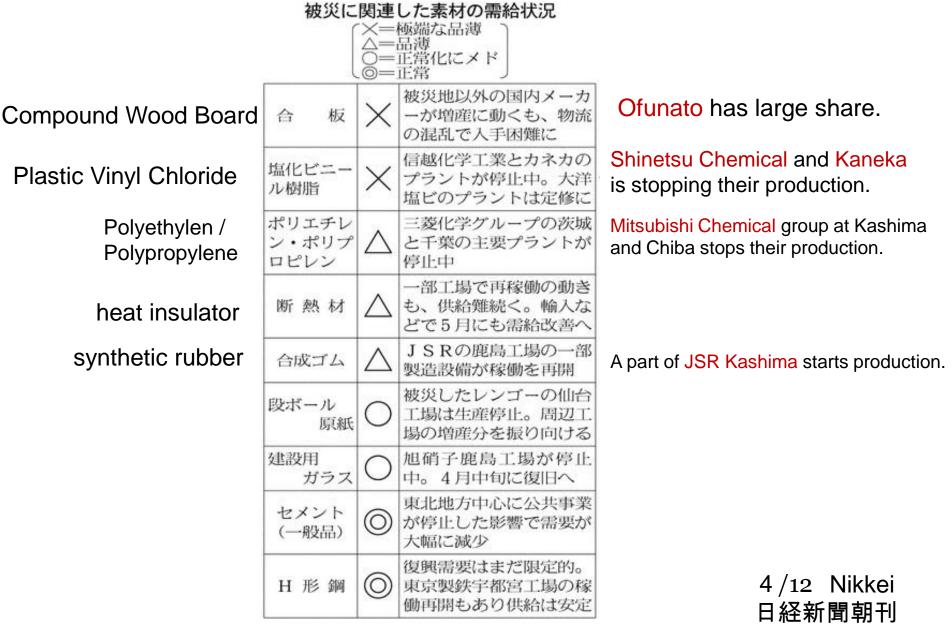
- Cascading Effect through supply chain, e.g., Automobile, IT industries, even for Construction Industries
- Electric Power Shortage: TEPCO: 6000->3400MW (5500to be increased by summer)

Insurance Payout:

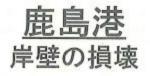
1.163 trillion JPN (Households Earthquake Insurance, as of Oct. 12) 529 billion JPN (JA Kyosai (Zenkyoren) as of July 19)

→Muteki bond (sponsored by Munich Re) can reduce \$300 million losses. (insurance insider April 4 2011)

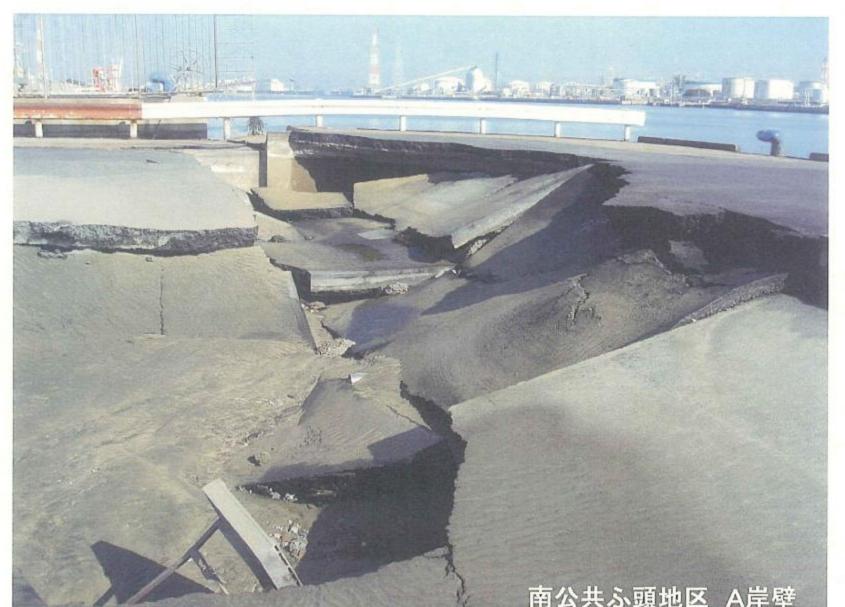
Shortage of Material Supply



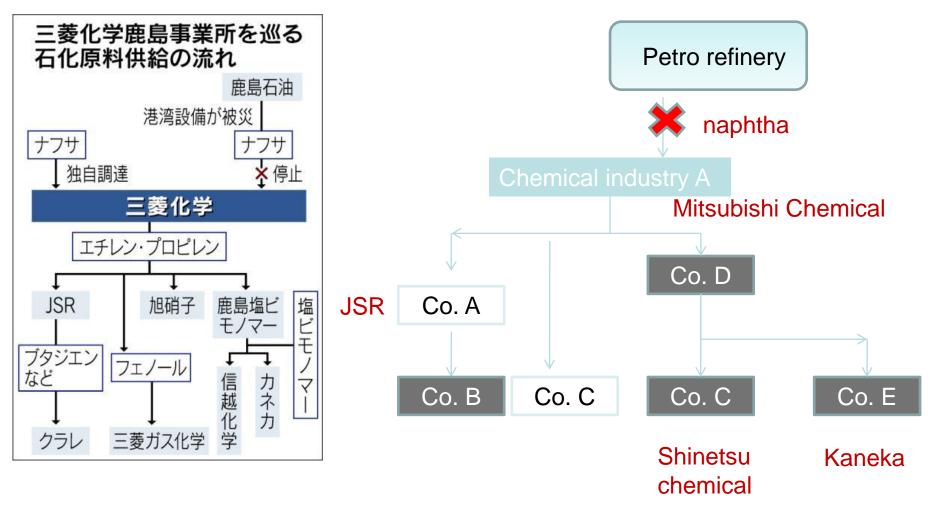




提供:国交省港湾局



What happened in Kashima Port Area?



Liquefaction, ground motion and Tsunami affects production facility heavily at Kashima Port area. Cascading impact of stoppage of naphtha was critical and affected to many companies located at the port area.

Kashima port area

- Industrial complex (above 170 companies)
- Interdependent
 - pipelines
 - Petro chemical materials
- 1.8 triilion
 JPYen/year

| 鹿島臨海工業 | 差地帯の主な立地1 | 2業(鹿島臨海工業地帯企業連絡協議会会員会社) | |
|--------|-----------|-------------------------|-------|
| | | (甲級20年9月1日現在)※- | BERES |

| 地区 | 企業名 | 地区 | 企業名 | | |
|----------------------|-----------------|---------------|----------------|--|--|
| 高松地区 (4社) | 住金ブラント(株) | | 昭和産業(株) | | |
| | 住友金属工業(株) | | 全国農業協同組合連合会 | | |
| | 中央電気工業(株) | | 全国酪農業協同組合連合会 | | |
| | 住友鋼管(株) | | 全農サイロ(株) | | |
| - | 旭碩子(株) | | DIC(株) | | |
| | (株)ADEKA | | 中部飼料(株) | | |
| | (株)ユボ・コーポレーション | | 日本乳化剤(株) | | |
| | 鹿島液化ガス共同儲蓄(株) | 神之池 | 日本配合飼料(株) | | |
| | 鹿島塩ビモノマー(株) | 西部地区 (26社) | JA東日本くみあい飼料(株) | | |
| | 鹿島北共同発電(株) | (LOIL) | 平成飼料(株) | | |
| | 鹿島ケミカル(株) | | 日清丸紅飼料(株) | | |
| | (株)ティーエムエアー | | (株) ジェムコ | | |
| 神之池 東部地区 - | 鹿島石油(株) | | 明治飼糧(株) | | |
| | 鹿島電鮮(株) | | 雪印種苗(株) | | |
| | 鹿島南共同発電(株) | | 住金大径鋼管(株) | | |
| (24社) | (株)力ネカ | | 中国木材(株) | | |
| | 関東珪曹硝子(株) | | 日本水産(株) | | |
| | (株)クラレ | | フレキシス(株) | | |
| | 信越化学工業(株) | | 石津建材(株) | | |
| | 三井化学(株) | | エーザイ(株) | | |
| | 東京電力(株) | | 鹿島動力(株) | | |
| | JSR(株) | | クボタ松下電工外装(株) | | |
| | 三輩化学(株) | | (株)サン・ペトロケミカル | | |
| | 三菱ガス化学(株) | | 三洋化成工業(株) | | |
| | ライオンケミカル(株) | | 太陽肥料(株) | | |
| | 鹿島共同再資源化センター(株) | 波崎地区 | ダイキン工業(株) | | |
| | 鹿島共同施設(株) | (19社) | 高砂香料工業(株) | | |
| | GTFグリーンパワー(株) | | タカラスタンダード(株) | | |
| 神之池 西部地区 (26社) | 花王(株) | | 碧見化学工業(株) | | |
| | 日本アルコール産業(株) | | (株)トクヤマ | | |
| | 鹿島サイロ(株) | | 日本化薬(株) | | |
| | 鹿島飼料(株) | | (株)ニチノーサービス | | |
| | 関東グレーンターミナル(株) | | 日立化成工業(株) | | |
| | 協同飼料(株) | | 三菱化工機(株) | | |
| | (株)ジェイ エス ビー | | シー・エフ・ケイ(株) | | |
| | 清水港飼料(株) | | (株)大湘技研 | | |
| | (株)ジャパンフィード | 南海浜地区 | JFE条鋼(株) | | |

Supply Chains are affected.

- Micro Computer tips, critical parts production are affected.
- An automobile uses 30-100 microcomputer tips.
- Large share occupied by a Japanese Firm in the affected area.
- Automobile production dropped to 50% for two months.

Preliminary Summary

- Structural Damage by the strong ground motion is small (??).
- Tsunami impact is remarkably large:
 - Senario, exposure and fragility should be reconsidered
- Affected Area: enormous
 - Recovery of logistic system
- Economic Impact:

- Cascading effect: Resilient Supply Chain

Major Lessons : Planning and Management Aspect

- Reduce "expected surprise," by taking account of all the possible consequences for designing DRM Plans and contingency plans.
- Integrated Disaster Risk Management is needed:
 - Structural + Nonstructural Measures taking account of "Excess Design Forces."
 - Eg. Tsunami protection walls reduced impact when they are not destroyed even Tsunami exceeds
- Implementation of IDRM is a big challenge:
 - Governance Issues: multiple authorities, governments, NGOs, Citizens
 - Eg. Raising elevation of highways: who covers the cost, who decide the elevation of the road.

Four Nuclear power plants are affected



Nuclear Power Plant Fukushima No.1

TEPCO assumed to have a maximum Tsunami height at 5.7m. TEPCO made a internal research draft which reported Maximum Tsunami height can reach at 15.7m in 2008 but they reported Nuclear Power Authority on March 7th 2011.



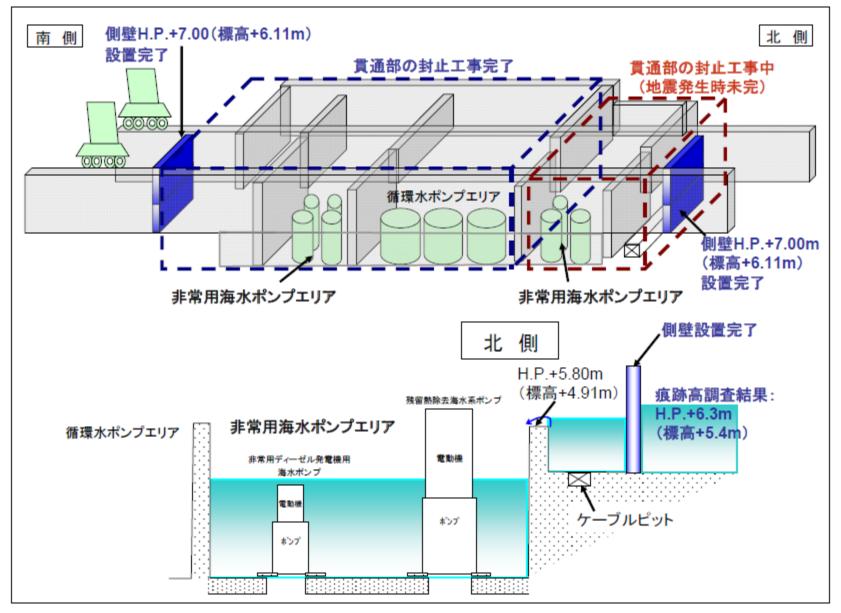
Unfortunately, TEPCO loose the chance for installing additional Tsunami Countermeasures and the Tsunami on March 11th run-up height reached to 15m and Tsunami washed away functionality of the emergency diesel power generator.

Tokai Dai Ni Nuclear Power plant

In 2009.9, they modified the design tsunami height $(4.86m \rightarrow 5.7m)$ based on revised Tsunami hazard assessment by the Ibaragi Pref. (2008.9) and had start constructing of Tsunami protection wall for emergency diesel building (6.1m).



At march 11th, two of the emergency diesel power generator was saved and kept functionality. 【東海第二発電所 海水ポンプ室概要図】



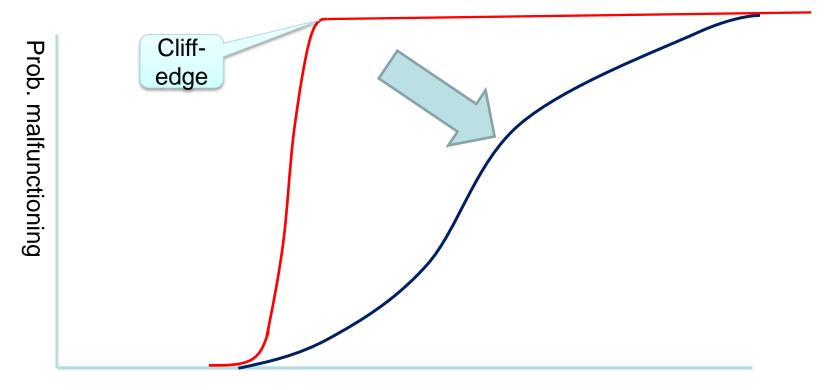
Why we have "expected surprise"?

- Design external force is used for facility design.
- If the actual external force exceeds the design force, it is not a responsibility of the authority.

No authority don't want to take risk by considering force exceeding the design force.

→ This leads to "cliff-edge fragility" problem (Kameda 2011).

From Cliff-edge to Smooth Fragility (Kameda, 2011)



Hazard level

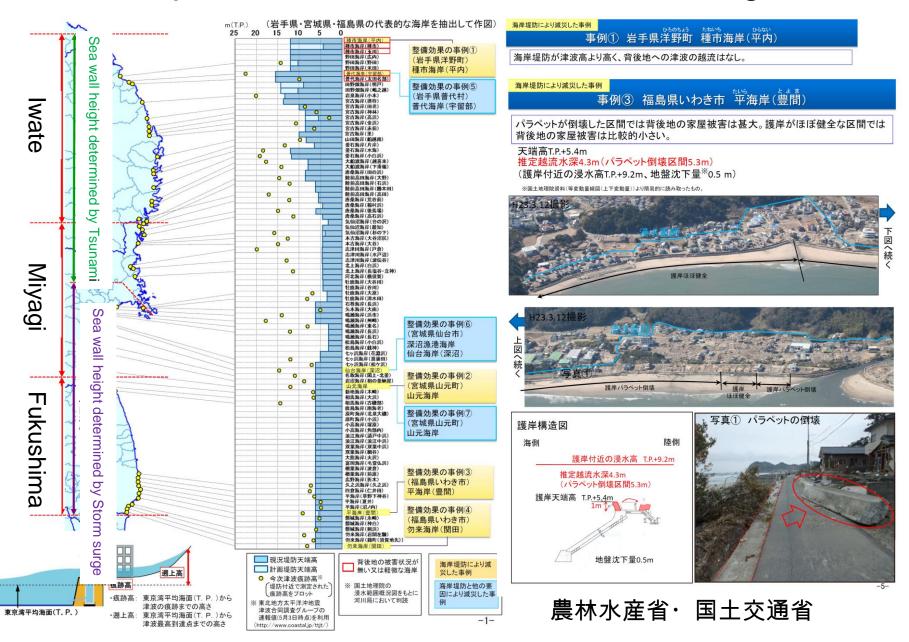
Allowing uncertainty of functionality of countermeasures for excess external forces, we should increase the coping capacity of the facility against natural hazards.

Exceeding external forces

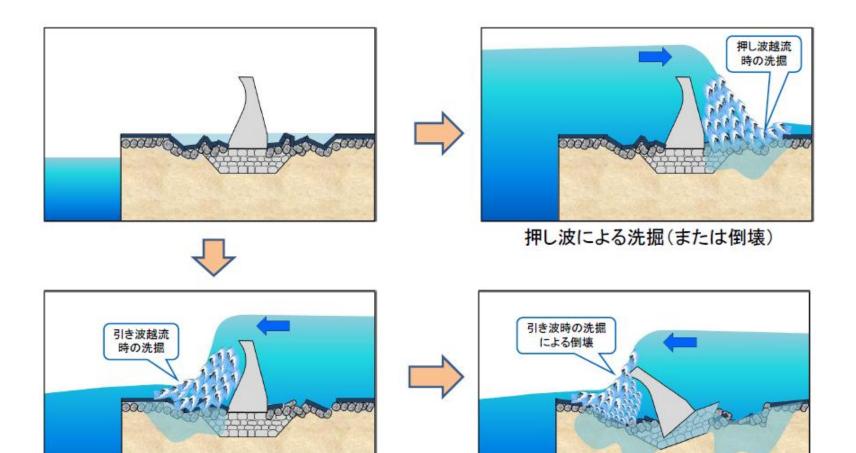
- Safety is a fundamental needs of citizen.
- Design and evaluation standard gradually were getting considering "exceeding external forces."
 - Robust river dykes
 - Seismic design: economic efficiency investigation

Safety margin should be determined based on the variability of the external forces and facility performances.

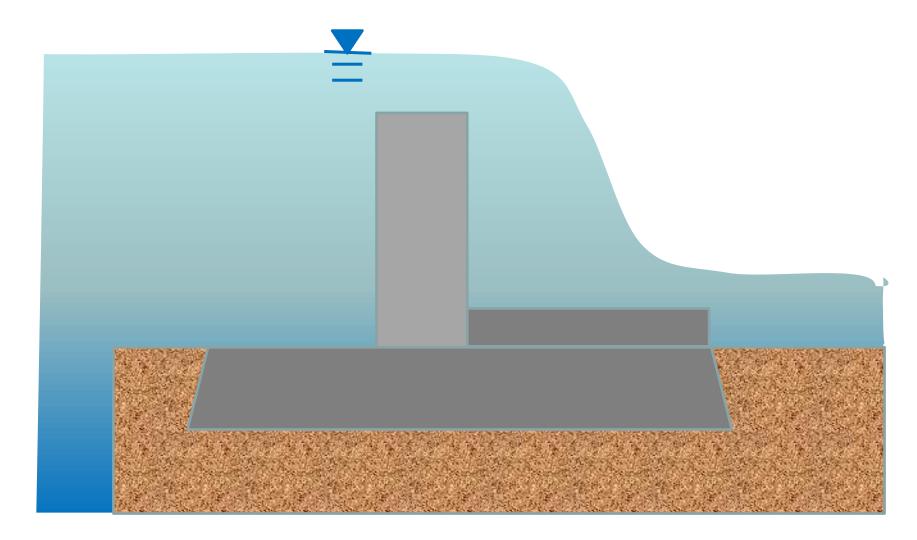
Development of sea walls and their damages



How sea wall collapsed?



Improvement of sea walls' resiliency

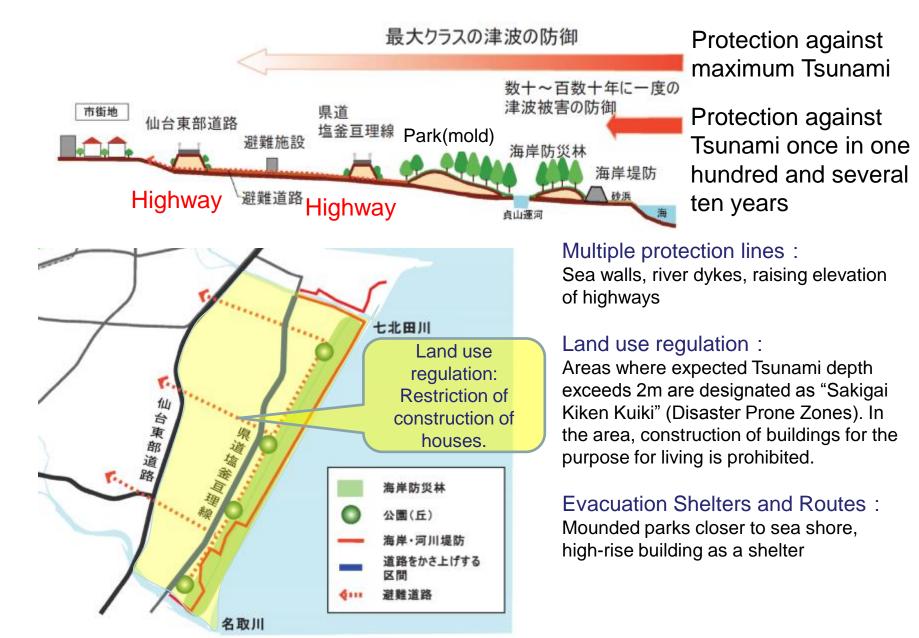


Think "unthinkable"

- Change scope of design: not only a facility but also non-structural measures
- Evaluate the functionality of the integrated countermeasures at all the possible consequences.
- Recognize and prepare for the worst consequences

Need for Low cost measures: Disaster education and Evacuation Plans

Renovation Plan of Sendai City(仙台市)



Challenge

- Establish the methodology to evaluate integrated countermeasures:
 - Maximizing Net Benefit subject to social safety requirement (Live-safety)
 - Benefit should cover reduction of business interruption losses (economic impacts)
- Establishing Better Risk Governance
 - Who takes responsibility for the safety against natural hazards?
 - Can we achieve it by enhancing public private partnership?

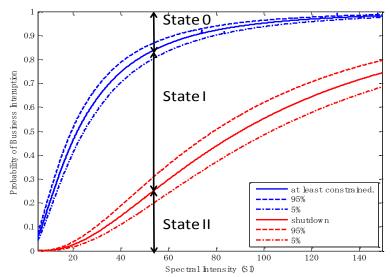
Challenges of Modeling Economic Impact

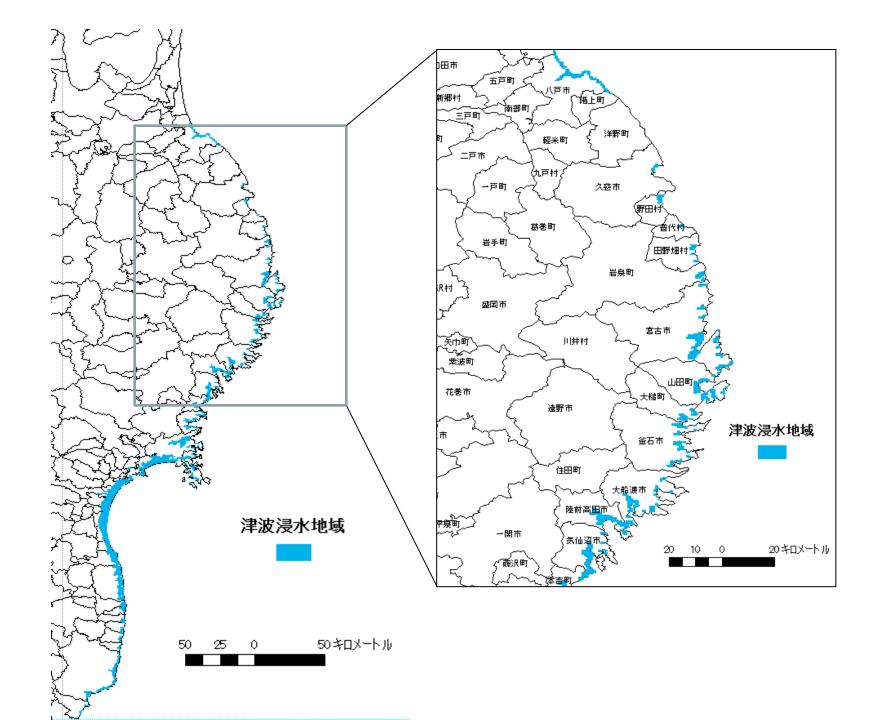
- Human Lives :
 - Value of human lives: about 3 million US\$
 - 3mil. × 20,000 = 600 bil. US\$
- Business interruption losses:
 - Fragility curves of "functionality" is needed.
 - Cascading impacts through supply chains should be considered.
 - Low substitutability (high share of a few firms) propagates the impact.=>Post event survey?

Estimation of Economic Impacts (to be conducted)

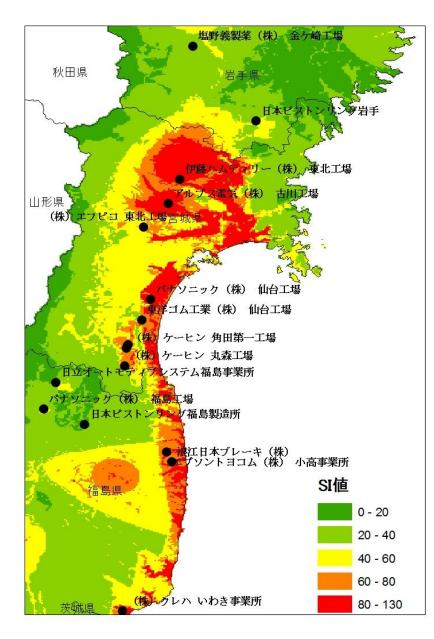
- Earthquake & Tsunami
 - Ground motion distribution/Tsunami affected area
 - Industrial activities
 - Lifelines & Transportation networks availability
 - Resiliency of the industry
 - Substitutability of goods?
 - Spatial computable general equilibrium (SCGE) model
 - Economic impact of the event

Functionality of firm in industrial sector and ground motion intensity (SI)

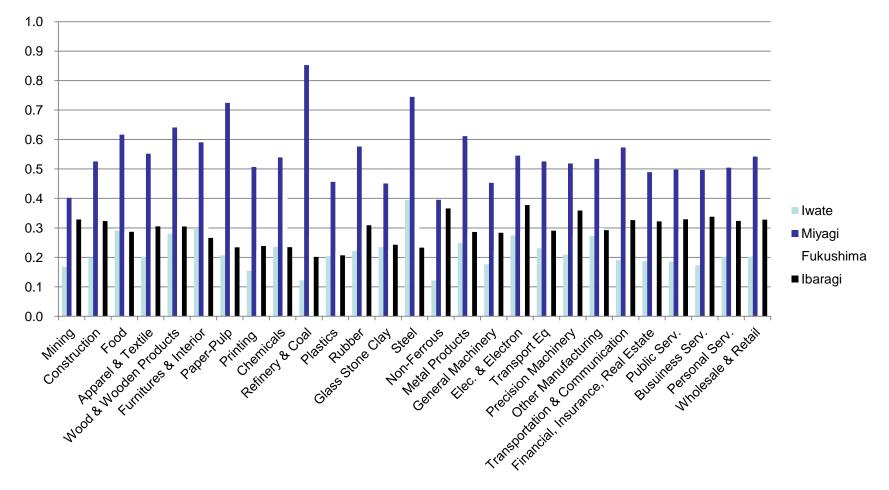




Distribution of SI and Location of affected Firms

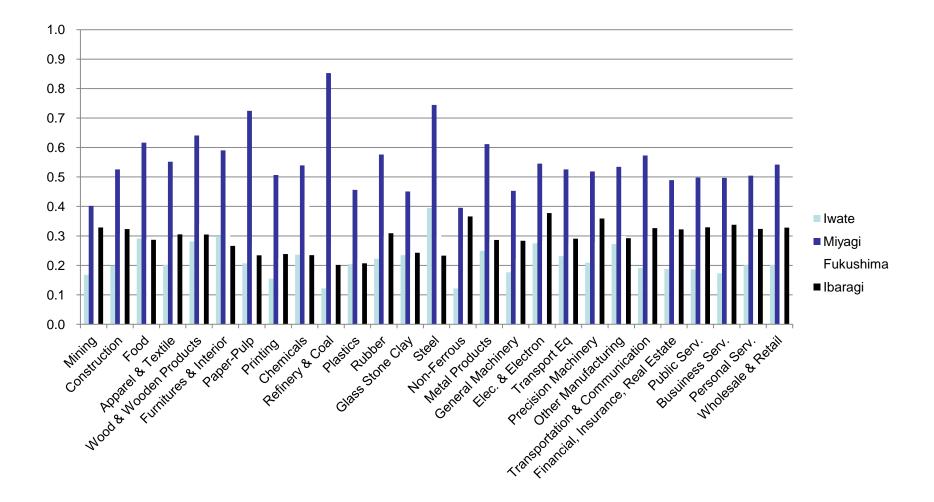


Impact of Earthquake and Tsunami: Production Capacity



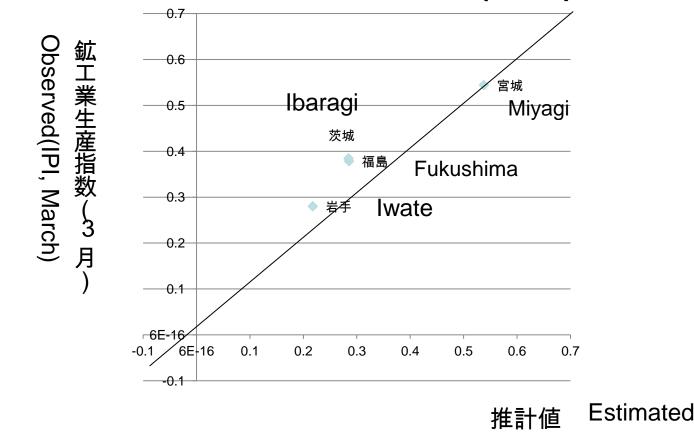
34% of Production Capacity has been lost for a few weeks.

Impact of Tsunami

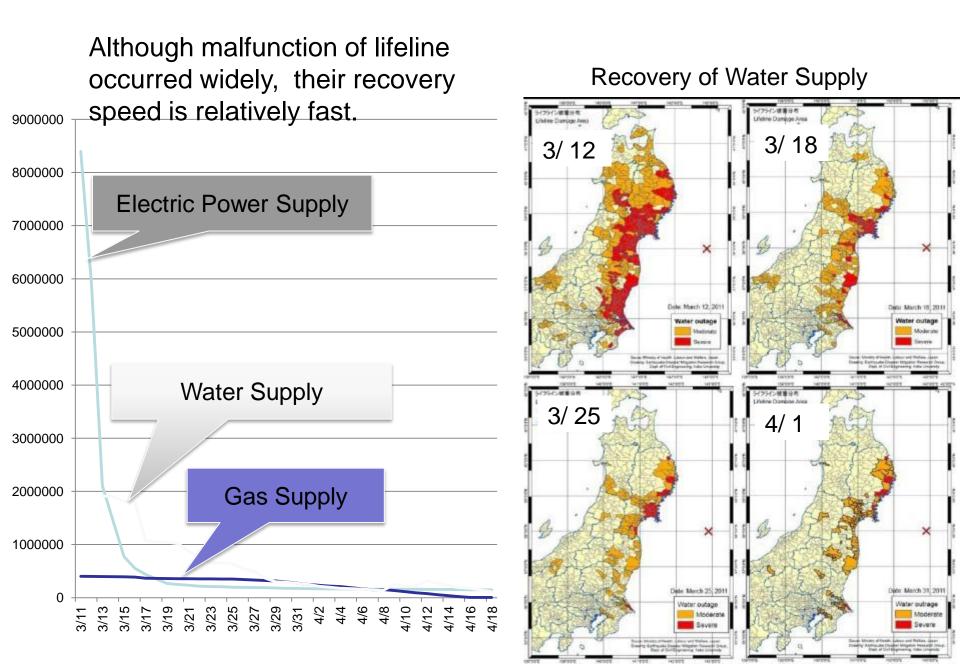


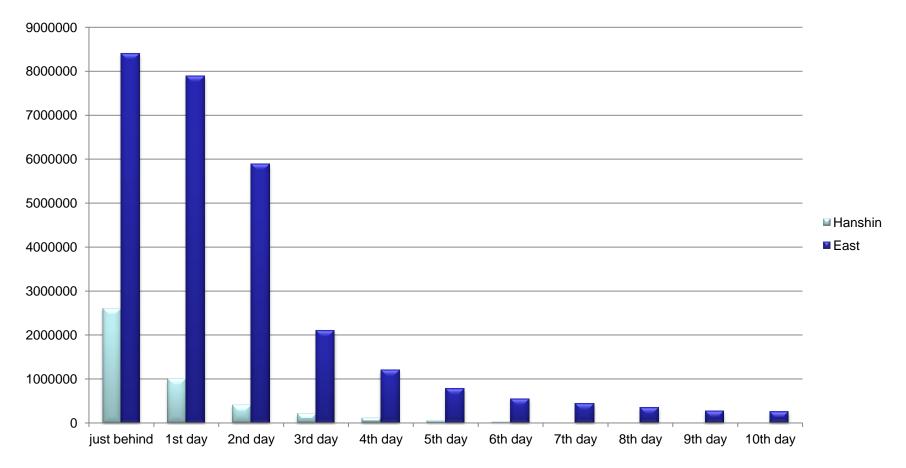
6% of capacity has been lost. Capital Loss could be 40-50 Billion US \$.

Comparing with Industry Production Index(IPI)



Functional fragility curves appropriately fit to IPI in all the industrial production. Investigation of fitting in each industry sectors is needed.





Comparison with the Great Hanshin Earthquake(Electric Power Supply)

Resiliency Factor

$$r_{ui} = \frac{f(\mathbf{x}^1 \mid \mathbf{u}^1)}{f(\mathbf{x}^0 \mid \mathbf{u}^0)}$$

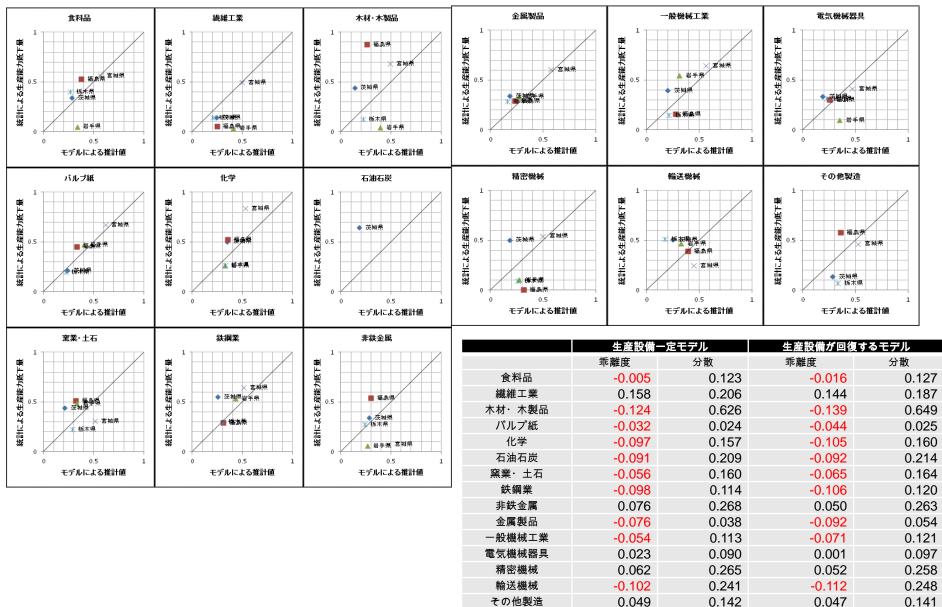
Resiliency factors (shut down in power, water and Gas)

| | E× Wº Gº | E∘ ₩× G∘ | E○ W○ G× | E○ ₩× G× | E× W° G× | E× ₩× G○ | E× W× G× | Sample # |
|---------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| Food | 0.0429 | 0.4323 | 0.6302 | 0.3883 | 0.0372 | 0.0106 | 0.0000 | 51 |
| Aparrel & Textile | 0.0776 | 0.7241 | 0.8276 | 0.7328 | 0.1121 | 0.0776 | 0.0690 | 29 |
| Wood & Wooden Produ | 0.0625 | 0.9063 | 1.0000 | 0.9063 | 0.0625 | 0.0625 | 0.0625 | 11 |
| Glass Stone Clay | 0.0345 | 0.4196 | 0.5862 | 0.3534 | 0.0862 | 0.0259 | 0.0172 | 30 |
| Paper-Pulp | 0.0313 | 0.5938 | 0.7969 | 0.5938 | 0.0167 | 0.0156 | 0.0156 | 17 |
| Chemicals | 0.0786 | 0.3571 | 0.7353 | 0.3286 | 0.0571 | 0.0588 | 0.0500 | 35 |
| Refinary-Coal | 0.1818 | 0.7045 | 1.0000 | 0.7045 | 0.1818 | 0.0000 | 0.0000 | 11 |
| Metal Product | 0.0381 | 0.6519 | 0.7219 | 0.6088 | 0.0424 | 0.0216 | 0.0212 | 61 |
| Steel | 0.0000 | 0.5000 | 0.6964 | 0.4107 | 0.0000 | 0.0000 | 0.0000 | 15 |
| Non-Ferrous | 0.0500 | 0.4211 | 0.6947 | 0.3684 | 0.0526 | 0.1053 | 0.0526 | 21 |
| General Machinery | 0.0417 | 0.6067 | 0.8636 | 0.6113 | 0.0109 | 0.0000 | 0.0000 | 25 |
| Precision Machinery | 0.0417 | 0.6875 | 0.9167 | 0.6667 | 0.0625 | 0.0208 | 0.0083 | 12 |
| Elec. & Electron | 0.0662 | 0.7353 | 0.8897 | 0.7059 | 0.0303 | 0.0441 | 0.0368 | 34 |
| Transport Eq | 0.0313 | 0.5426 | 0.5573 | 0.4427 | 0.0208 | 0.0213 | 0.0104 | 49 |
| Misc. Manufact | 0.0708 | 0.4750 | 0.6653 | 0.4083 | 0.0833 | 0.0805 | 0.0410 | 62 |
| Total | 0.0533 | 0.5533 | 0.7235 | 0.5093 | 0.0537 | 0.0387 | 0.0260 | 469 |

(kajitani, et. al, 2005)

Goodness of Fit: Functional fragility, lifeline recovery and recovery of facility

Comparison between manufacture production index and estimated results

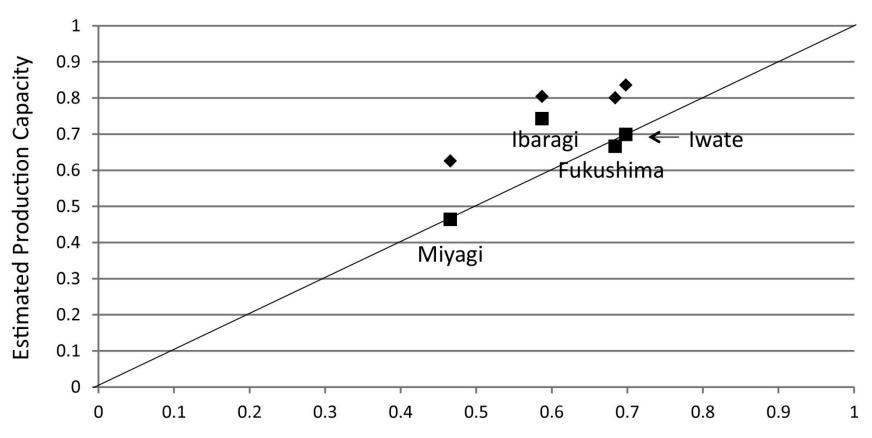


0.142

Estimated capacity loss v. Index of Industrial Production, by prefecture

Estimated (Facility Damage)

Estimated (Facility Damage and Lifeline Impacts)

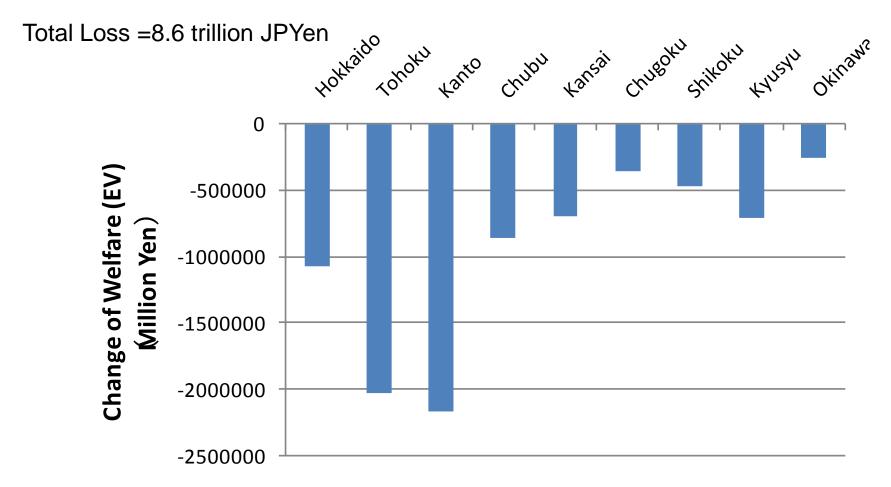


Index of Industrial Production (Ratio: March/February)

SCGE Analysis (Elasticity of Substitution for Intermediates among regions =2.0) Total Loss = 3.0 trillion JPYen 500000 0 -Chripin TOHOKU -500000 (12) Fauto tansai Huboku Shikoku Kushu Okinawa Change of Welfare (EV) (Million Yen) -1000000 -1500000 -2000000 -2500000 -3000000 12 regions, 9 sectors IO Table(2005), Operational rate in

Tohoku = -20%, no capital and labor movements among regions and industries, etc.

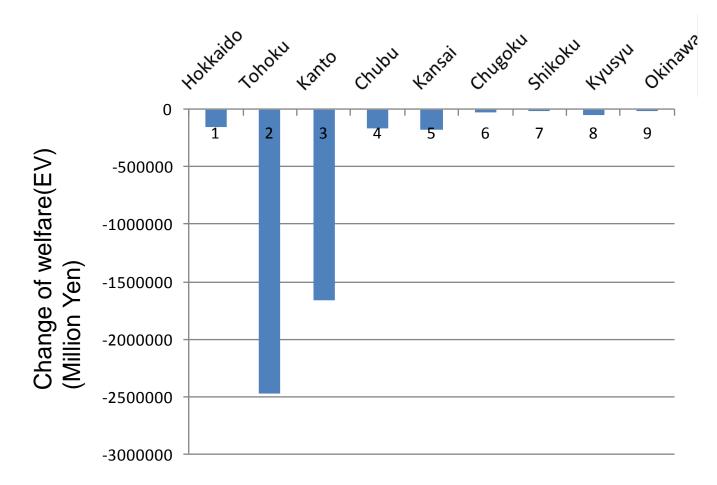
SCGE Analysis (Elasticity of Substitution for Intermediates among regions =0 (Leontieff))



SCGE Analysis

(Elasticity of Substitution for Intermediates among regions =0.5-1.0 (Koike et.al., 2011))

Total Loss =4.5 trillion JPYen



Final comments

- To evaluate the functionality of the integrated countermeasures at all the possible consequences, we need to develop more sophisticated tools for loss estimation and cost-benefit analysis.
- Based on such understanding, we should built up a robust and flexible system of countermeasures to cope with these events.

Thank you for your attention!

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