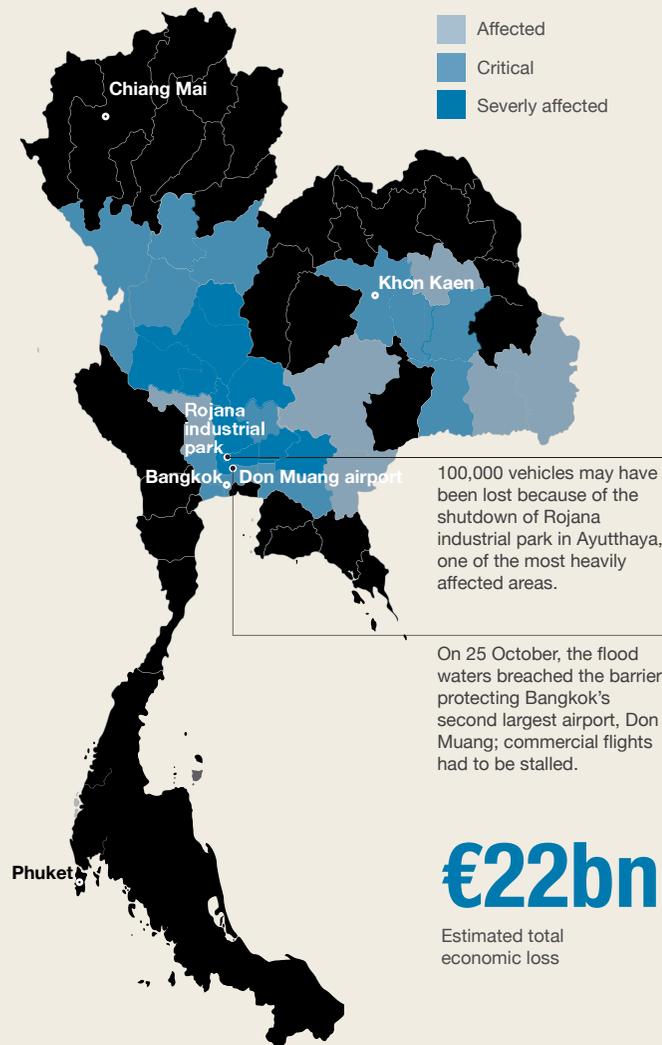


Thai floods

Thailand's outsized importance in global supply chains was exposed when devastating floods in the country hit several key industrial sites. The worst flooding to hit Thailand in five decades began in July and at the time of going to press one-third of the country's provinces had been declared disaster zones and around one-fifth of the capital Bangkok was under water.

Flood affected regions



Affected industries

Transport
Thailand's Department of Highways reported:

535 highways were flooded

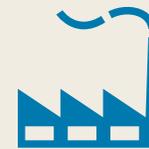
67 roads

listed as destroyed in 16 northern provinces. The economic cost to highways alone was listed at around \$163m.



Car manufacturing

The automotive industry is one of the most heavily affected industries. The floods in Thailand have had a major effect on local automotive production and supply chain, causing a large number of disturbances.



Electronics

Flooding affected the production of several key electronic components, most notably car components, cameras, semiconductors and hard disk drives.



The floods are predicted to decrease sales of hard disk drives by 20 million, leading to a 25% hike as demand outstrips supply.

Economic impact

Thailand's Finance Minister expects a negative growth of 1.1% for the fourth quarter GDP. The full-year GDP growth estimate was cut from 3.7% to 2%.

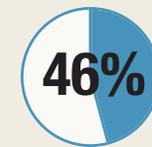


Insured losses

Thailand's Office of Insurance Commission said that insurance claims from the floods are already in excess of \$3.3bn. Japan's casualty insurers may face around \$2.5bn in payouts to cover damages, according to Deutsche Bank.

\$3.3bn total claims
\$2.5bn covered by Japanese insurers

By the numbers



North Thailand saw this much more rainfall than average from January to September



2.8m
Number of homes that sustained various levels of flood inundation

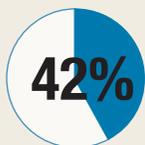


14,800

Industrial and manufacturing plants damaged



20
Provinces affected



of factories damaged in Ayutthaya province, one of the most heavily affected areas, damaged (900 out of 2,150 factories)



602
Fatalities, according to government figures. Around half a million people are living in temporary shelters

Double blow for Japan

This is the second major natural catastrophe to affect Japan this year, after the March earthquake and tsunami. Thailand plays a key role in the supply chain of Japanese companies.

450

Japanese businesses are located in seven flood-hit industrial parks

1,800

Japanese manufacturers have operations in Thailand

On 11 March a magnitude nine earthquake hit Japan (the most powerful ever recorded). It triggered tsunami waves up to 40m high that travelled 10km inland, causing immeasurable damage and sparking a nuclear crisis.

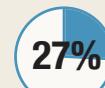


Exports to US hit

It's not just the hi-tech world that will be affected by the floods in Thailand. Intelligence provider Pamjiva studied vessel shipments coming out of Thailand into one of its main markets, the USA. The pie charts on the right give a snapshot of the number of different products affected. The impact of the floods in Thailand will be felt by companies who sell or use these products — because they will have to scramble for supply and likely pay higher prices — and also by consumers.



Rice (52,891 shipments)



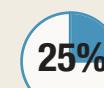
Shrimp (46,097 shipments)



Coconut (31,431 shipments)



Furniture (24,580 shipments)



Pineapple (23,209 shipments)

NB: Figures are a percentage of total shipments going into the USA.