Earth

J. B. BODA

75 Years

1943 - 2018

WE BELIEVE

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The Flood Tore Apart Whole Roadways during Cyclone Mekunu in May 2018 | *Source: AP, abc.net.au*

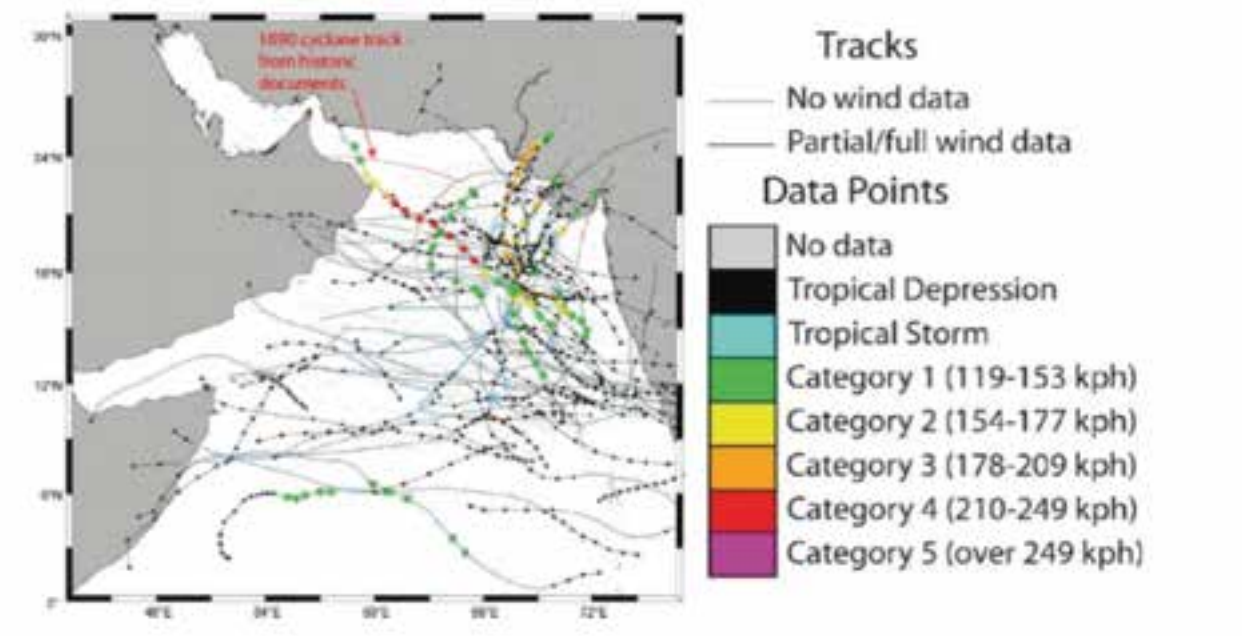
Cyclone Risk in Oman

The Sultanate of Oman is characterized by hyper-arid (<100 mm rainfall), through the arid (100 – 250 mm rainfall) and semi-arid (250 – 500 mm rainfall) environments that are experienced in different parts of the country.

Tropical Cyclones are one of the main meteorological phenomenon that cause rainfall in Oman. They develop in the north Indian Ocean from 55°E to 90°E and 5°N to 20°N. There are two cyclone seasons in the north Indian Ocean, namely, the pre-monsoon (May) and post-monsoon (October and November). Some cyclones form in the transitional months June and September.

Most storms originate over the south-eastern Arabian Sea in the vicinity of the Laccadive Islands of India; but some late season storms start over the south- eastern Bay of Bengal and move westwards across southern India re-generating as they cross over the warm waters of the Arabian Sea.

Figure 1 below show Storm track data for the Arabian Sea from 1945 to 2007 according to Joint Typhoon Warning Center (JTWC).



Once a storm/cyclone has formed over the south-eastern Arabian Sea, it moves north westerly towards the Arabian Peninsula, sometimes curving north-eastwards towards Gujarat and Pakistan and sometimes curving westwards towards the Gulf of Aden.

In general, the Arabian Coast of Oman is affected by a frequency of one cyclone in every 3 years; and when they occur, they can bring heavy rain to the Arabian Coast of Oman.

Table below shows list of cyclones occurring in Oman and damage caused

Name of Event	Date	Region(s) Affected	Impact	Total Damage (US$)	Insured Loss (US$)
Mekunu	May 21 - 27, 2018	Salalah, Oman	Heavy rainfall and flooding, damage to infrastructure. Shutdown of operations in industrial units	Under process	Under process
Keila	November 2 - 3, 2011	Salalah, Oman	Heavy rainfall and flooding. Damage to houses, hospitals, and infrastructure.	80 Million	Not Available
Phet	June 4 - 7, 2010	Oman, Pakistan	Heavy rainfall and flooding, damage to infrastructure	779 Million	150 Million
Gonu	June 6 - 8, 2007	Oman, Iran	Heavy rainfall and flooding, damage to roads and shipping, disruption to oil exports	3,900 Million	649 Million
Cyclonic Storm ARB 01	May 10 - 12, 2002	Salalah, Oman	Heavy rainfall	50 Million	Not Available
Severe Cyclonic Storm ARB 06	December 11 – 17, 1998	Ras Madraka (south of Masirah Island), Oman & surrounding areas	Heavy rainfall. A ship sank.	Not Available	Not Available
1996 Oman cyclone	June 11-12, 1996	Ras Madraka, Oman, Yemen	Heavy rainfall	Around 1.2 billion. Mostly in Yemen	Not Available
Not known	November, 1993	Oman	Heavy rainfall	Not Available	Not Available
Cyclonic Storm ARB 02	September 29 – October 4, 1992	Oman	Heavy rainfall	Not Available	Not Available
Tropical Storm One (1A)	August 9 – 10, 1983	Oman	Heavy rainfall	Not Available	Not Available

Name of Event	Date	Region(s) Affected	Impact	Total Damage (US$)	Insured Loss (US$)
1977 Oman cyclone	June, 1977	Masirah, Oman	Heavy rainfall in Hajar and Dhofar mountains. Total 430.6 mm of rain was recorded in 24 hours.	Not Available	Not Available
Not known	November, 1966	Salalah, Oman	Heavy rainfall	Not Available	Not Available
Not known	May, 1963	Salalah, Oman	Heavy rainfall	Not Available	Not Available
Not known	May, 1959	Salalah, Oman	Heavy rainfall	Not Available	Not Available
Not known	October, 1948	Salalah, Oman	Heavy rainfall	Not Available	Not Available
Not known	June 4, 1890	Batinah, Muscat	300 mm rainfall in Batinah coast in Muscat region. Severe flooding and widespread damage to property.	Not Available	Not Available
Not known	1889		Heavy rainfall	Not Available	Not Available

Note: The first rain gauge monitoring station in Oman was established in Muscat in 1884, followed by Salalah airport and Masirah Island in 1942 and 1943, respectively. Systematic rainfall monitoring stations in the whole country started after 1970.

A car makes its way through flood road in Salalah, Oman | Souce: *AP*

Non - Life Insurance in Oman

Oman's insurance industry comprises of 20 insurance companies, including a re- insurer and two Takaful companies (2017).

Five insurance companies (4 national and one foreign) control roughly 60 % of the gross written Premiums of the sector.

Non-Life insurance premium is Oman in last five years is shown in table as below

Year	Non- Life Premium (Million USD)
2016	1,017
2015	992
2014	940
2013	859
2012	752

Growth drivers of insurance industry in Oman are its favorable demographics. Oman population constitutes two key segments, a large expatriate base and a significant number of the young and the employed. Both of these are expected to considerably impact the demand for life and non - life insurance segments. Secondly, Oman is making rapid progress in implementing their strategy to diversify from the hydrocarbon sector, resulting in increased activity in other sectors such as manufacturing and services. Growth across such sectors is presenting significant opportunities for insurers. Lastly, the rapidly growing SME sector in Oman presents a key opportunity for the insurers as generally these firms are run by the younger, more entrepreneurial -minded generation that is more open towards insurance as a means to protect its newly created assets compared to their established counterparts.

Source: *Capital Market Authority, Oman, JTWC, Swiss Re, Research papers of International Journal of Climatology and Current Science*