

Swine Flu - a personal view from Ignacio Perales the Concordia Associate in Mexico 29th April 2009

28 April 2009

Dear Paul,

I am writing this "report" more as a letter, as there is truly nothing to report. Everything is on the press. I will try to explain my feelings and views with regard to the present situation in Mexico City.

On September 11, 2001, I was walking in the plaza in the middle of the twin towers when the first plane hit. Then, all was chaos, running, and fear.

On 27 April 2009, for the first time in all these years, I had the same feeling. The news said that the WHO (World Health Organization) had declared a "significant increase in risk of a pandemic" originating in Mexico City, a strange city where 20 million people live. The WHO informed the following:

"The Emergency Committee, established in compliance with the International Health Regulations (2005), held its second meeting on 27 April 2009. The Committee considered available data on confirmed outbreaks of A/H1N1 swine influenza in the United States of America, Mexico, and Canada. The Committee also considered reports of possible spread to additional countries. On the advice of the Committee, the WHO Director-General has raised the level of influenza pandemic alert from the current phase 3 to phase 4.

Phase 4 is characterized by verified human-to-human transmission of an animal or human-animal influenza reassortant virus able to cause "community-level outbreaks." The ability to cause sustained disease outbreaks in a community marks a significant upwards shift in the risk for a pandemic. Any country that suspects or has verified such an event should urgently consult with WHO so that the situation can be jointly assessed and a decision made by the affected country if implementation of a rapid pandemic containment operation is warranted. Phase 4 indicates a significant increase in risk of a pandemic but does not necessarily mean that a pandemic is a forgone conclusion."

I refer to the news from the WHO as the official figures of the Mexican Government, with its long history of government corruption, inefficiency and negligence, are hardly to believe in cases like this. You might not remember, but in 1985 there was a horrible earthquake in Mexico City. The government officially said there were approximately 7,000 deaths. The Red Cross and other international organizations estimated the death toll at 40,000.

Yesterday after work I left the office and went to the supermarket. There were hundreds of people, most of them with masks, buying tuna fish cans, bottled water, milk, toilet paper, etc. Never in my life had I saw the supermarket like that, specially 3 days before payday, when everybody is struggling to make the maximum of a few pesos.

Then came the phone calls from my friends, who think I know something about this situation, as they know I am an adjuster involved always in disasters or losses or tragedies and that somehow I can foresee what will happen. I don't have a clue of what will happen.

Today various Insurers in Mexico activated a contingency plan and are not opening their offices. Today, the Government of Mexico City ordered that all restaurants be closed, with the exception of "take-out" food. Today the newspaper says that the impact on the economy should be of around 0.5 to 1% of the GDP. There is little traffic in the city.

During the past days, Canada, the USA and the European Union all issued travel warnings to Mexico.

My view is that, without consideration to the potential loss of human life that today remains at 152 people throughout the country, the economic impact of this pork flu or influenza will be very high for Mexico, considering the current conditions of the global economy (Mexico exports 90% of its industrial production to the USA; the tourist industry represents the third source of income (hard currency) to the country).

Sorry for the pessimistic tone, this is how it feels here.

Ignacio Perales