Insurance Marine News

Cyber-attack on Asia ports could cost more than $100bn, says Lloyd’s

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A cyber attack on Asian ports could cost as much as $110bn a Lloyd’s of London-report released this week has claimed, leaving an insurance gap of $101bn.

Shen Attack: Cyber risk in Asia Pacific Ports explores a hypothetical cyber-attack on major ports across the Asia-Pacific. It depicts a plausible scenario in which an attack is launched via a computer virus carried by ships, which then scrambles the cargo database records at major ports and leads to severe disruption. An attack of this scale would cause substantial economic damage to a wide range of business sectors globally due to the inter-connectivity of the maritime supply chain.

The report estimated that losses of up to $110bn would occur in an extreme scenario, where 15 ports in Japan, Malaysia, Singapore, South Korea and China were infected. Transportation, aviation and aerospace sectors would be the most affected ($28.2bn), followed by manufacturing ($23.6bn) and retail ($18.5bn). Asia would lose up to $27bn in indirect economic losses, followed by $623m in Europe and $266m in North America.

The report is the second publication from the Cyber Risk Management (CyRiM) project, the Singapore-based public-private initiative that assesses cyber risks, of which Lloyd’s is one of the founding members.

The report was produced by the University of Cambridge Centre for Risk Studies, on behalf of the Cyber Risk Management (CyRiM) project, in partnership with Lloyd’s.

Lloyd’s CEO John Neal said that “we know that the biggest assets for companies are not physical, they are intangible. With the increasing application of technology and automation, these risks will become even more acute.”