

Lloyd's City Risk Index 2015-2025

Analysing the economic exposure from 18 threats over ten years from 2015

Understand the risks: www.lloyds.com

Ankara, Turkey

Average GDP growth rate: 6.61%

Average annual GDP: \$167.41bn*

Total GDP@Risk: \$21.22bn

Share of Average annual GDP: 12.68%

GDP@Risk ranking

Global: 57 Regional: 4 National: 3

GDP@Risk by threat type

Threat	GDP@Risk	Share of Total GDP@Risk
Sovereign default	\$3.68bn	17.32%
Flood	\$3.66bn	17.25%
Oil price shock	\$3.24bn	15.29%
Human pandemic	\$3.13bn	14.76%
Market crash	\$2.89bn	13.64%
Earthquake	\$2.30bn	10.82%
Cyber attack	\$0.78bn	3.69%
Terrorism	\$0.70bn	3.30%
Power outage	\$0.39bn	1.83%
Solar storm	\$0.28bn	1.30%
Plant epidemic	\$0.17bn	0.79%
Drought	\$0.00bn	0.00%
Freeze	\$0.00bn	0.00%
Heatwave	\$0.00bn	0.00%
Nuclear accident	\$0.00bn	0.00%
Tsunami	\$0.00bn	0.00%
Volcano	\$0.00bn	0.00%
Wind storm	\$0.00bn	0.00%

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Insight

Ankara's threat profile is weighted towards Manmade threats (\$11.69bn, 55.08%), with Sovereign default (7th globally) contributing the biggest potential losses. Indeed, along with Istanbul, Ankara is one of the few cities in the report whose exposure to Sovereign default is higher than its risk from Market crash.

In 2015, Moody's scored Turkey's sovereign debt at the lowest investment grade rating, with vulnerability to a downgrade because of its reliance on foreign capital to cover its large current account deficit. It also cited increased political instability and intensified pressures on the country's external finances as heightening the risk of a sudden and sustained halt in foreign capital flows.

The journal *Foreign Policy*, meanwhile, added: "The current list of problems is daunting: rising inflation, slowing growth, foreign exchange pressure, rising fiscal expenditures, increased unemployment, overall debt, and loss of export competitiveness."

Flood, usually in the form of flash flooding caused by heavy rainfall, is Ankara's biggest Natural threat, followed by Human pandemic and Earthquake. The city is located between four fault lines, although its economic exposure to Earthquake is notably less than that of other cities in Turkey, such as Istanbul - which has the 3rd highest GDP@Risk from the threat globally.

Sources:

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