

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

Beijing, China

Average GDP growth rate: 8.35%

Average annual GDP: \$390.14bn*

Total GDP@Risk: \$46.45bn

Share of Average annual GDP: 11.91%

GDP@Risk ranking

Global: 23 Regional: 7 National: 3

GDP@Risk by threat type

Threat	GDP@Risk	Share of Total GDP@Risk
Human pandemic	\$11.99bn	25.81%
Market crash	\$8.90bn	19.17%
Earthquake	\$7.66bn	16.50%
Oil price shock	\$4.63bn	9.97%
Flood	\$4.10bn	8.82%
Plant epidemic	\$2.38bn	5.13%
Cyber attack	\$1.77bn	3.81%
Drought	\$1.53bn	3.29%
Power outage	\$0.90bn	1.94%
Freeze	\$0.85bn	1.82%
Wind storm	\$0.72bn	1.54%
Solar storm	\$0.64bn	1.39%
Sovereign default	\$0.28bn	0.60%
Terrorism	\$0.05bn	0.12%
Nuclear accident	\$0.04bn	0.09%
Heatwave	\$0.00bn	0.00%
Tsunami	\$0.00bn	0.00%
Volcano	\$0.00bn	0.00%

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Insight

Beijing is capital of the world's most populous nation, and one of the world's largest and most densely populated cities. It is the second largest economy in China. However, its economic exposure to catastrophes is only the country's 3rd biggest, after Shanghai and Hong Kong.

Its largest potential losses come from Human pandemic, which is responsible for more than a quarter of its Total GDP@Risk - making it the 6th most exposed city in the world. It also ranks 3rd by GDP@Risk from Plant epidemic.

Other significant Natural threats, which collectively make up almost two-thirds of its economic exposure, include Earthquake and Flood. Beijing is said to sit on three major fault lines, while it is vulnerable to heavy rains, despite not being located either on the coast or along the banks of a large river. Rather, the problem is with an inadequate drainage system. Climate change is expected to lead to more frequent severe weather events, such as the violent summer rainstorms that struck the city in 2012.

Perched on the edge of the Gobi desert, Beijing is also ranked 13th by potential losses from Drought - and is the 6th most exposed city to Freeze.

Despite a skew towards natural catastrophes, Beijing's economic vulnerability to Manmade threats is sizeable, at \$16bn - with Market crash and Oil price shock dominating. Meanwhile, more than a third of its total exposure is from Emerging risks, placing it 8th globally for this threat category. Human pandemic and Plant epidemic are the most significant of this new generation of perils, together accounting for almost one-third of the city's potential losses.

Sources:

<http://www.economist.com/blogs/analects/2012/07/floods-beijing>