

# 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](http://www.lloyds.com)

## Buenos Aires, Argentina

Average GDP growth rate: 5.58%

Average annual GDP: \$532.45bn\*

Total GDP@Risk: \$50.31bn

Share of Average annual GDP: 9.45%

### GDP@Risk ranking

Global: 19 Regional: 4 National: 1

### GDP@Risk by threat type

Threat	GDP@Risk	Share of Total GDP@Risk
Sovereign default	\$12.44bn	24.72%
Human pandemic	\$10.52bn	20.91%
Flood	\$7.34bn	14.58%
Oil price shock	\$6.32bn	12.56%
Market crash	\$6.14bn	12.21%
Cyber attack	\$2.15bn	4.28%
Drought	\$2.08bn	4.14%
Power outage	\$1.64bn	3.27%
Solar storm	\$0.88bn	1.75%
Plant epidemic	\$0.39bn	0.78%
Terrorism	\$0.30bn	0.59%
Nuclear accident	\$0.11bn	0.21%
Earthquake	\$0.00bn	0.00%
Freeze	\$0.00bn	0.00%
Heatwave	\$0.00bn	0.00%
Tsunami	\$0.00bn	0.00%
Volcano	\$0.00bn	0.00%
Wind storm	\$0.00bn	0.00%

# 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](http://www.lloyds.com)

---

### Insight

With no material exposure to six natural shocks, Buenos Aires' potential financial losses are weighted towards Manmade threats (57.84%). The city ranks 13<sup>th</sup> globally on the basis of its GDP@Risk (\$29.10bn) for this threat category, owing to significant levels of exposure to Sovereign default (the world's highest), Market crash and Oil price shock - even though it has sizeable unconventional oil and gas deposits at its disposal.

The country has found it difficult to attract investors for its promising Vaca Muerta shale resources (as of 2015), in part because it expropriated the shares of Spain's Repsol in state oil company YPF.

The investment climate has also been significantly damaged by a long-running disagreement with a group of bondholders, dating back to a sovereign default in 2001. A smaller, related default occurred in 2014, but the impacts were far less severe than the 2001 crisis, when savers found their bank accounts frozen and violent street protests erupted in the city.

Human pandemic and Flood account for the majority of its exposure to Natural threats (\$21.21bn, 42.16%), although it also carries the 7<sup>th</sup> highest economic risk from drought. Buenos Aires ranks highly in terms of its exposure to the traditional infrastructure threats of Power outage (6<sup>th</sup> globally) and Solar Storm (12<sup>th</sup>) too. And It has the 15<sup>th</sup> highest GDP@Risk worldwide from Emerging threats (\$13.94bn, 27.71%), principally because of its high potential losses from Human pandemic (10<sup>th</sup>).

### Sources:

<http://www.economist.com/news/americas/21610296-argentina-has-defaulted-again-deal-its-creditors-not-out-question-no>