

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

Hong Kong, China

Average GDP growth rate: 7.71%

Average annual GDP: \$627.46bn*

Total GDP@Risk: \$74.51bn

Share of Average annual GDP: 11.87%

GDP@Risk ranking

Global: 10 Regional: 6 National: 2

GDP@Risk by threat type

Threat	GDP@Risk	Share of Total GDP@Risk
Human pandemic	\$18.96bn	25.44%
Wind storm	\$15.57bn	20.90%
Market crash	\$14.35bn	19.26%
Oil price shock	\$7.45bn	10.00%
Flood	\$6.56bn	8.80%
Plant epidemic	\$3.83bn	5.14%
Drought	\$2.46bn	3.30%
Cyber attack	\$1.51bn	2.02%
Power outage	\$1.45bn	1.95%
Solar storm	\$0.96bn	1.29%
Nuclear accident	\$0.83bn	1.11%
Sovereign default	\$0.45bn	0.60%
Terrorism	\$0.09bn	0.12%
Tsunami	\$0.05bn	0.06%
Earthquake	\$0.00bn	0.00%
Freeze	\$0.00bn	0.00%
Heatwave	\$0.00bn	0.00%
Volcano	\$0.00bn	0.00%

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Insight

Hong Kong has a combination of high economic value and high economic exposure to both Natural and Manmade threats. It is ranked 7th globally for its exposure to Natural threats (\$48.39bn), which make up almost two-thirds of its Total GDP@Risk.

The city has the world's highest potential losses from Human pandemic and Plant epidemic, which together account for almost one third of its overall exposure - and most of its economic vulnerability to Emerging threats, for which it is ranked 2nd globally.

Total GDP@Risk from Manmade threats (\$26.12bn, 35.06%) is the world's 18th highest, largely due to its potential losses from Market crash (17th) and Oil price shock (13th).

Hong Kong is one of the world's biggest financial centres and the former British colony - returned to Chinese rule in 1997 - is the gateway to investment in the country, as well as being a global trading centre in its own right. As such, it is affected by both global market shifts and developments within China.

Although Hong Kong does not have any nuclear power stations itself, its risk from nearby plants places it 2nd in the Index by GDP@Risk. The city imports about 70% of its energy from the Daya Bay nuclear power station in Guangdong and is due to import electricity from the new Taishan power station. Just 130km from the city, Taishan will use new EPR technology, which has been plagued by delays and cost over-runs.

The city's economic exposure to Drought (6th), Power outage (8th), Solar storm (11th), Wind storm (13th) and Flood (15th) is also globally significant.

Sources:

<http://www.scmp.com/news/hong-kong/article/1303433/green-groups-fear-most-dangerous-nuclear-power-plant-hong-kongs>