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

Istanbul, Turkey

Average GDP growth rate: 6.46%
Average annual GDP: $492.51bn*
Total GDP@Risk: $82.50bn
Share of Average annual GDP: 16.75%

GDP@Risk ranking

Global: 7 Regional: 1 National: 1

GDP@Risk by threat type

Threat	GDP@Risk	Share of Total GDP@Risk
Earthquake	$30.04bn	36.41%
Sovereign default	$10.80bn	13.09%
Oil price shock	$9.54bn	11.57%
Human pandemic	$9.17bn	11.12%
Market crash	$8.53bn	10.34%
Flood	$5.46bn	6.62%
Cyber attack	$2.31bn	2.80%
Terrorism	$2.05bn	2.49%
Drought	$1.93bn	2.34%
Power outage	$1.14bn	1.38%
Solar storm	$0.81bn	0.99%
Plant epidemic	$0.49bn	0.60%
Heatwave	$0.22bn	0.27%
Freeze	$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

Istanbul has the world's 7th highest level of Total GDP@Risk and faces significant threats from both Manmade (8th) and Natural (8th) shocks. The latter dominates the city's exposure profile, with Earthquake its single highest risk.

Located on the North Anatolian Fault, the city has experienced 120 quakes during the past 2,000 years. There is reportedly a 65% chance of a 7.0 magnitude or higher earthquake in the city in the next 30 years – a similar probability to San Francisco and Tokyo. The city ranks 3rd in terms of global exposure to Earthquake, which accounts for more than a third of its Total GDP@Risk.

Its other globally significant Natural threats include Drought (8th) and Heatwave (14th).

A number of Istanbul's Manmade threats rank highly in the Index, including its exposure to Sovereign default, the world's 2nd highest. Indeed, all of the Turkish cities included in the report are unusual in having higher vulnerability to Sovereign default than Market crash.

The rating agency Moody's highlighted the country's risk in this area when it scored Turkey's sovereign debt at the lowest investment grade in 2015. This rating was vulnerable to a downgrade because of Turkey's reliance on foreign capital to cover its large current account deficit. Moody's also cited increased political instability and intensified pressures on the country's external finances that could heighten the risk of a sudden and sustained halt in foreign capital flows.

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