

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

Manila, Philippines

Average GDP growth rate: 3.46%

Average annual GDP: \$201.08bn*

Total GDP@Risk: \$101.09bn

Share of Average annual GDP: 50.28%

GDP@Risk ranking

Global: 4 Regional: 1 National: 1

GDP@Risk by threat type

Threat	GDP@Risk	Share of Total GDP@Risk
Wind storm	\$60.66bn	60.01%
Earthquake	\$13.29bn	13.15%
Volcano	\$5.81bn	5.74%
Flood	\$5.46bn	5.40%
Market crash	\$4.79bn	4.74%
Human pandemic	\$3.49bn	3.45%
Oil price shock	\$2.39bn	2.36%
Drought	\$1.86bn	1.84%
Terrorism	\$0.76bn	0.75%
Sovereign default	\$0.71bn	0.71%
Tsunami	\$0.51bn	0.51%
Power outage	\$0.47bn	0.46%
Solar storm	\$0.31bn	0.31%
Plant epidemic	\$0.29bn	0.29%
Cyber attack	\$0.29bn	0.29%
Freeze	\$0.00bn	0.00%
Heatwave	\$0.00bn	0.00%
Nuclear accident	\$0.00bn	0.00%

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Insight

Natural threats (3rd globally) account for more than 90% of Manila's economic exposure. Its Total GDP@Risk is the 4th highest in the Index and is dominated by Wind storm (\$60.66bn, 60.01%). Its economic exposure to the latter is the 2nd highest globally.

The impact of wind storms on the Philippines was starkly demonstrated in 2013, when Typhoon Haiyan killed more than 6,000 people and destroyed or damaged the homes of five million. The *Financial Times* subsequently reported losses of between \$12bn and \$15bn. But Haiyan was the twenty-fifth major storm to hit the country that year, so the cumulative effect of Wind storm is much greater.

Manila is also located on the edge of the Ring of Fire, a series of tectonic faults and other volcanic features that produces around 90% of the world's earthquakes. Consequently it has the world's 9th highest economic exposure to Earthquake, the 4th largest to Volcano and the 6th largest to Tsunami. It is ranked 10th globally by potential losses from Drought.

Although proportionally less significant (9.31%), its Manmade threats still account for \$9.41bn of risk to GDP, with Market crash and Oil price shock the most important. Human pandemic accounts for the majority of Manila's Emerging threats (\$4.38bn, 4.33%).

As a percentage of its Average annual GDP, Manila's economic exposure is the world's largest (50.28%). That of another Philippines city, Rosario, is the 2nd highest (48.95%).

Sources:

<http://www.dec.org.uk/facts-and-figures>

<http://blogs.ft.com/the-world/2013/11/the-economic-cost-of-typhoon-haiyan/>

<http://earthquake.usgs.gov/learn/glossary/?termID=150>