

# 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)

## Mexico City, Mexico

Average GDP growth rate: 2.54%

Average annual GDP: \$408.88bn\*

Total GDP@Risk: \$60.74bn

Share of Average annual GDP: 14.86%

### GDP@Risk ranking

Global: 14 Regional: 3 National: 1

### GDP@Risk by threat type

| Threat            | GDP@Risk  | Share of Total GDP@Risk |
|-------------------|-----------|-------------------------|
| Wind storm        | \$16.34bn | 26.90%                  |
| Volcano           | \$11.65bn | 19.18%                  |
| Human pandemic    | \$6.66bn  | 10.96%                  |
| Market crash      | \$6.37bn  | 10.48%                  |
| Earthquake        | \$5.93bn  | 9.76%                   |
| Flood             | \$5.60bn  | 9.21%                   |
| Cyber attack      | \$3.18bn  | 5.23%                   |
| Sovereign default | \$1.43bn  | 2.36%                   |
| Power outage      | \$1.26bn  | 2.08%                   |
| Solar storm       | \$0.63bn  | 1.03%                   |
| Plant epidemic    | \$0.59bn  | 0.97%                   |
| Terrorism         | \$0.56bn  | 0.93%                   |
| Freeze            | \$0.37bn  | 0.60%                   |
| Heatwave          | \$0.19bn  | 0.31%                   |
| Drought           | \$0.00bn  | 0.00%                   |
| Nuclear accident  | \$0.00bn  | 0.00%                   |
| Oil price shock   | \$0.00bn  | 0.00%                   |
| Tsunami           | \$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

Mexico City's GDP@Risk profile is dominated by Natural threats, which account for more than three-quarters of its economic exposure and are the 9<sup>th</sup> highest globally. Wind storm, responsible for more than a quarter of the city's Total GDP@Risk, dominates. The next biggest threat is Volcano, for which it has the highest exposure in the world as a result of its location just 70km from Popocatepetl - North America's second highest volcano. Having lain dormant for half a century, it erupted again in 1994 and has been producing powerful explosions ever since.

Mexico sits on three tectonic plates that make it one of the most seismically active countries in the world and thus susceptible to earthquakes - around 10% of its economic exposure is to this threat. Flooding is another problem, with the effects of heavy rains during the rainy season exaggerated by chronic subsidence as a result of extensive groundwater extraction. Some parts of the city have sunk by more than 12m, causing sewers to run backwards and further exacerbate the flooding. Other infrastructure is also affected and Mexico City has the 10<sup>th</sup> highest economic exposure to Power outage.

For both Freeze and Heatwave, the city is the Index's 17<sup>th</sup> most exposed, although in absolute terms the potential costs are relatively small.

One of the most densely populated cities in the world, Mexico City has a significant economic exposure to Human pandemic, but Cyber attack and Solar storm exposure are also relatively high.

### Sources:

<http://www.volcanodiscovery.com/popocatepetl.html>

<http://pubs.usgs.gov/of/2010/1083/f/>

<http://www.poyry.com/news/wastewater-tunnel-will-reduce-flood-risk-mexico-citys-20-million-inhabitants>