

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

New York, US

Average GDP growth rate: 1.15%

Average annual GDP: \$1.08trn*

Total GDP@Risk: \$90.36bn

Share of Average annual GDP: 8.37%

GDP@Risk ranking

Global: 5 Regional: 1 National: 1

GDP@Risk by threat type

| Threat | GDP@Risk | Share of Total GDP@Risk |
|-------------------|-----------|-------------------------|
| Market crash | \$25.14bn | 27.82% |
| Oil price shock | \$15.73bn | 17.40% |
| Cyber attack | \$14.08bn | 15.58% |
| Flood | \$13.07bn | 14.47% |
| Human pandemic | \$8.21bn | 9.09% |
| Wind storm | \$2.97bn | 3.29% |
| Freeze | \$2.34bn | 2.59% |
| Solar storm | \$2.27bn | 2.51% |
| Power outage | \$1.67bn | 1.84% |
| Nuclear accident | \$1.42bn | 1.57% |
| Heatwave | \$1.19bn | 1.32% |
| Plant epidemic | \$1.08bn | 1.20% |
| Terrorism | \$0.59bn | 0.66% |
| Sovereign default | \$0.55bn | 0.61% |
| Earthquake | \$0.04bn | 0.05% |
| Drought | \$0.00bn | 0.00% |
| Tsunami | \$0.00bn | 0.00% |
| Volcano | \$0.00bn | 0.00% |

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Insight

New York is one of the world's wealthiest cities and one of its biggest financial centres. Although as a proportion of its output its total GDP@Risk is relatively small, in absolute terms it has the 5th largest economic exposure, including the world's largest to Freeze, Heatwave, Nuclear accident and Cyber attack. It is ranked 2nd for exposure to Market crash and Oil price shock, and features in the top ten for potential losses from Flood (4th), Power outage (5th), and Human pandemic and Plant epidemic (both 14th).

It has the world's highest GDP@Risk for Manmade threats (\$59.18bn), largely because of its exposure to Market crash, Oil price shock and Cyber attack, which account for more than 60% of its total. It also has the highest level of exposure to Emerging threats (\$25.65bn, 28.38%), with Cyber attack and Human pandemic alone accounting for more than \$22bn of potential losses.

Although its GDP@Risk from Natural threats (\$31.19bn, 34.51%) is proportionally less significant, it is nevertheless the 17th highest globally. The city experienced its coldest February in 80 years in 2015 as a polar vortex struck for the second year running, while a 2013 study predicted that deaths in the city during heatwaves could rise 22% in the next decade as a result of climate change.

Superstorm Sandy in 2012 provided a costly reminder of the Flood risk facing the city, which is also prone to flash flooding caused by intense rainstorms. Much of New York's infrastructure - particularly low-lying and poor drainage areas - cannot cope with rainfall of more than 2.5cm per hour.

Sources:

<http://www.nbcnewyork.com/news/local/Warmer-Weather-Tri-State-Winter-Arctic-Chill-293990421.html>

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