

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

Paris, France

Average GDP growth rate: 1.94%

Average annual GDP: \$689.32bn*

Total GDP@Risk: \$54.94bn

Share of Average annual GDP: 7.97%

GDP@Risk ranking

Global: 16 Regional: 1 National: 1

GDP@Risk by threat type

Threat	GDP@Risk	Share of Total GDP@Risk
Market crash	\$15.94bn	29.02%
Oil price shock	\$10.04bn	18.27%
Cyber attack	\$8.93bn	16.25%
Flood	\$8.29bn	15.09%
Human pandemic	\$5.56bn	10.11%
Solar storm	\$1.24bn	2.26%
Power outage	\$1.06bn	1.94%
Wind storm	\$0.84bn	1.54%
Heatwave	\$0.76bn	1.38%
Terrorism	\$0.66bn	1.20%
Freeze	\$0.62bn	1.12%
Plant epidemic	\$0.51bn	0.92%
Sovereign default	\$0.35bn	0.64%
Nuclear accident	\$0.14bn	0.25%
Drought	\$0.00bn	0.00%
Earthquake	\$0.00bn	0.00%
Tsunami	\$0.00bn	0.00%
Volcano	\$0.00bn	0.00%

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Insight

Paris's economic exposure is the highest in Western Europe, and dominated by five threats: Market crash, Oil price shock and Cyber attack, plus Flood and Human pandemic. Together they represent almost 89% (\$48.75bn) of its Total GDP@Risk.

The largest potential loss comes from Market crash, reflecting its position as one of the biggest financial centres in the European Union and the euro zone - which is still feeling the effects of the global financial crisis.

The city's economic vulnerability to Manmade threats is the world's 5th highest at US\$37.12bn, and the biggest outside North America and East Asia.

Of these, Market crash, Cyber attack (ranked 4th globally) and Oil price shock (5th) represent almost 65% of exposure. The high Oil price shock ranking is despite it being the capital of the country with the highest proportion of nuclear power in its energy mix.

Relative to other cities, Paris also has high economic exposure to Heatwave, with the 2nd highest GDP@Risk globally. In very hot weather, nuclear power stations, which make up about three-quarters of France's electricity capacity, are unable to use water from rivers and lakes as a coolant because it is too warm, and so they have to shut down. In a 2003 heatwave, France was forced to cut 4,000MW of power just when the demand for air conditioning was highest.

The French capital also ranks highly by GDP@Risk from Freeze (8th), Flood (11th), Power outage (15th) and Nuclear accident (17th).

Sources:

<http://www.reuters.com/article/2011/05/04/idUS163919996420110504>