

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

Seoul, South Korea

Average GDP growth rate: 2.79%

Average annual GDP: \$656.48bn*

Total GDP@Risk: \$103.50bn

Share of Average annual GDP: 15.77%

GDP@Risk ranking

Global: 3 Regional: 3 National: 1

GDP@Risk by threat type

Threat	GDP@Risk	Share of Total GDP@Risk
Wind storm	\$44.68bn	43.17%
Oil price shock	\$12.72bn	12.29%
Market crash	\$12.63bn	12.20%
Flood	\$9.83bn	9.50%
Human pandemic	\$7.61bn	7.35%
Drought	\$6.08bn	5.88%
Cyber attack	\$2.71bn	2.62%
Sovereign default	\$2.02bn	1.95%
Freeze	\$1.42bn	1.38%
Solar storm	\$1.08bn	1.05%
Power outage	\$1.01bn	0.98%
Volcano	\$0.85bn	0.82%
Plant epidemic	\$0.66bn	0.64%
Terrorism	\$0.19bn	0.18%
Earthquake	\$0.00bn	0.00%
Heatwave	\$0.00bn	0.00%
Nuclear accident	\$0.00bn	0.00%
Tsunami	\$0.00bn	0.00%

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Insight

Seoul has the 3rd highest Total GDP@Risk and is one of four Asian cities with strong economies that top the Index's Total GDP@Risk rankings - the others being Taipei, Tokyo and Manila.

Like these three cities, the South Korean capital's biggest risk is Wind storm, owing to its location in the North West Pacific typhoon belt. Wind storm accounts for almost half of its total economic exposure and Flood around 10% - and the city is the 3rd most exposed in the world by potential losses for both of these threats.

At the same time, Seoul has the world's highest exposure to Drought, and in 2012 the Korean peninsula suffered its worst event of this type for a century. Its GDP@Risk from Natural threats is the 4th highest figure globally.

It also ranks 11th in the Index for Manmade threats. The majority of Seoul's vulnerability in this category comes from Market crash and Oil price shock, although the balance of threats nevertheless represent almost \$6bn of risk. South Korea has no oil and gas resources, meanwhile, and its exposure to Oil price shock is the world's 3rd highest.

Although less than one-third of Seoul's total economic exposure derives from Emerging threats, its GDP@Risk from this category ranks 19th globally - with Human pandemic, Cyber attack and Solar storm each generating significant values.

The city also makes the top ten for Solar storm and Flood, and the top 20 for Power outage, Human pandemic and Market crash.

Sources:

http://www.huffingtonpost.com/2012/06/26/korean-drought-worst-in-century_n_1626932.html