

Azerbaijan

GDP \$54.6 billion*

Population 9.7 million*

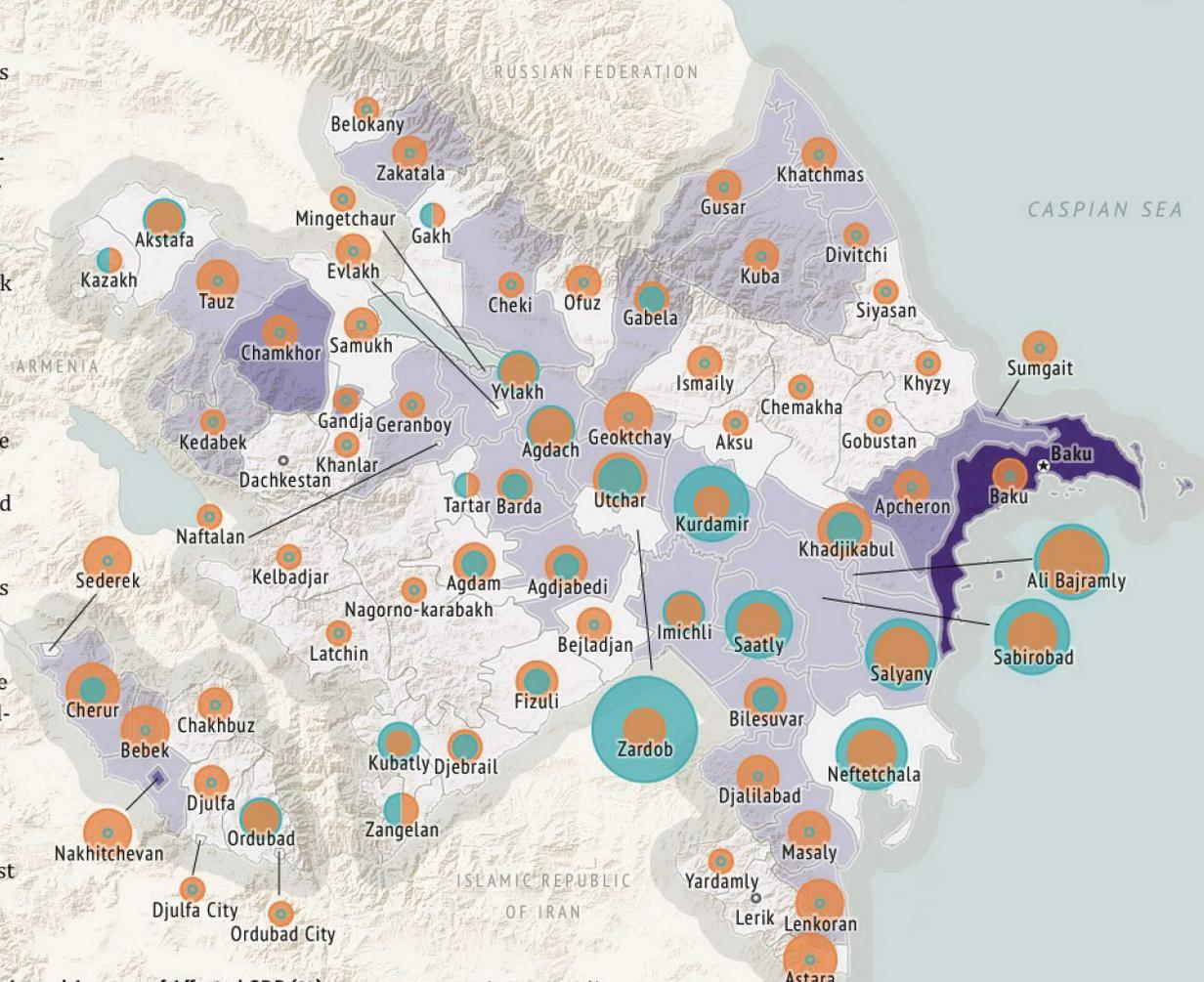
Azerbaijan's population and economy are exposed to earthquakes and floods, with earthquakes posing the greater risk of a high impact, lower probability event. The model results for present-day risk shown in this risk profile are based on population and gross domestic product (GDP) estimates for 2015. The estimated damage caused by historical events is inflated to 2015 US dollars.

Just over half of Azerbaijan's population lives in urban environments. The country's GDP was approximately US\$54.6 billion in 2015, with close to 60 percent derived from industry, most of the remainder generated by services, and agriculture making a small contribution.

Azerbaijan's per capita GDP was \$5,630.

This map displays GDP by province in Azerbaijan, with greater color saturation indicating greater GDP within a province. The blue circles indicate the risk of experiencing floods and the orange circles the risk of earthquakes in terms of normalized annual average of affected GDP. The largest circles represent the greatest normalized risk. The risk is estimated using flood and earthquake risk models.

The table displays the provinces at greatest normalized risk for each peril. In relative terms, as shown in the table, the province at greatest risk of floods is Zardob, and the one at greatest risk of earthquakes is Ali Bajramly. In absolute terms, the province at greatest risk of floods is Ali Bajramly, and the one at greatest risk of earthquakes is Baku.



TOP AFFECTED PROVINCES



FLOOD

ANNUAL AVERAGE OF AFFECTED GDP (%)

Zardob	24
Ali Bajramly	11
Sabirobad	10
Kurdamir	10
Neftetchala	9
Salyany	9
Saatly	8
Agdach	4
Ordubad	3
Akstafa	3



EARTHQUAKE

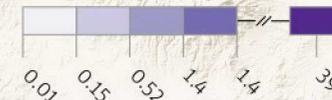
ANNUAL AVERAGE OF AFFECTED GDP (%)

Ali Bajramly	6
Astara	5
Salyany	5
Cherur	5
Utchar	5
Khadjikabul	5
Geoktchay	4
Neftetchala	4
Lenkoran	4
Sabirobad	4

Annual Average of Affected GDP (%)



GDP (billions of \$)



There is a high correlation (r=0.95) between the population and GDP of a province.

The most devastating floods in modern Azerbaijan since it gained its independence in 1991 occurred in 2003, affecting more than 30,000 people and causing over \$70 million in damage. Floods in 1995 affected over 1.5 million people and caused about \$30 million in damage.

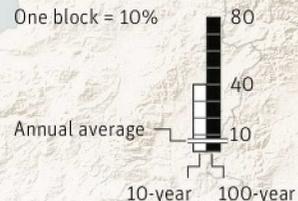
This map depicts the impact of flooding on provinces' GDPs, represented as percentages of their annual average GDPs affected, with greater color saturation indicating higher percentages. The bar graphs represent GDP affected by floods with return periods of 10 years (white) and 100 years (black). The horizontal line across the bars also shows the annual average of GDP affected by floods.

When a flood has a 10-year return period, it means the probability of occurrence of a flood of that magnitude or greater is 10 percent per year. A 100-year flood has a probability of occurrence of 1 percent per year. This means that over a long period of time, a flood of that magnitude will, on average, occur once every 100 years. It does not mean a 100-year flood will occur exactly once every 100 years. In fact, it is possible for a flood of any return period to occur more than once in the same year, or to appear in consecutive years, or not to happen at all over a long period of time.

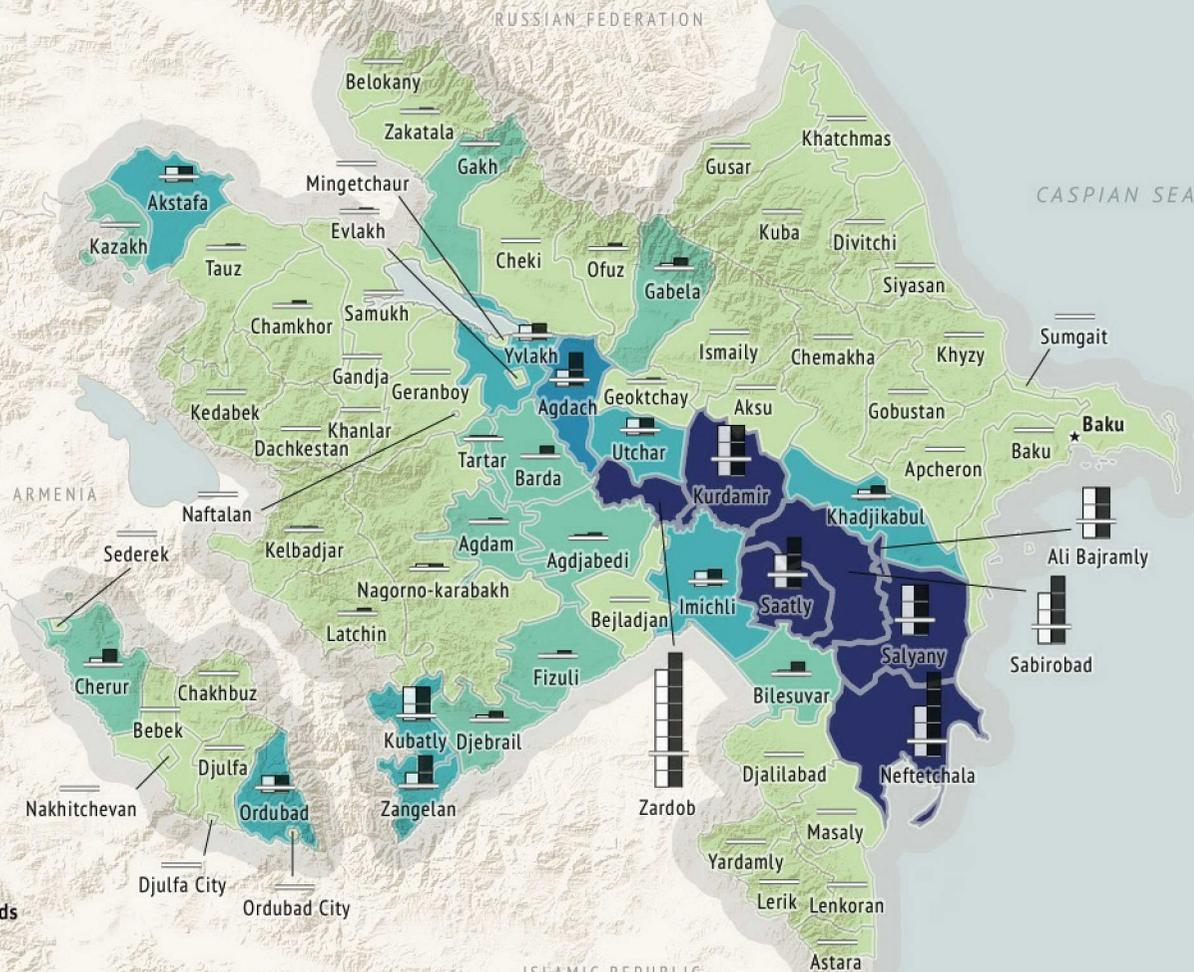
If the 10- and 100-year bars are the same height, then the impact of a 10-year event is as large as that of a 100-year event, and the annual average of affected GDP is dominated by events that happen relatively frequently. If the impact of a 100-year event is much greater than that of a 10-year event, then less frequent events make a larger contribution to the annual average of affected GDP. Thus, even if a province's annual affected GDP seems small, less frequent and more intense events can still have large impacts.

The annual average population affected by flooding in Azerbaijan is about 100,000 and the annual average affected GDP about \$300 million. Within the various provinces, the 10- and 100-year impacts do not differ much, so relatively frequent floods have large impacts on these averages.

Affected GDP (%) for 10 and 100-year return periods



Annual Average of Affected GDP (%)



Azerbaijan's worst earthquake in recent decades took place in 2000 in the capital city of Baku, with a magnitude of 6.8. It caused more than 30 fatalities and over \$10 million in damage. A 1999 earthquake caused one death and nearly \$7 million in damage. The most deadly known earthquake in Azerbaijan's history occurred in 1667 or 1668 and caused around 80,000 fatalities.

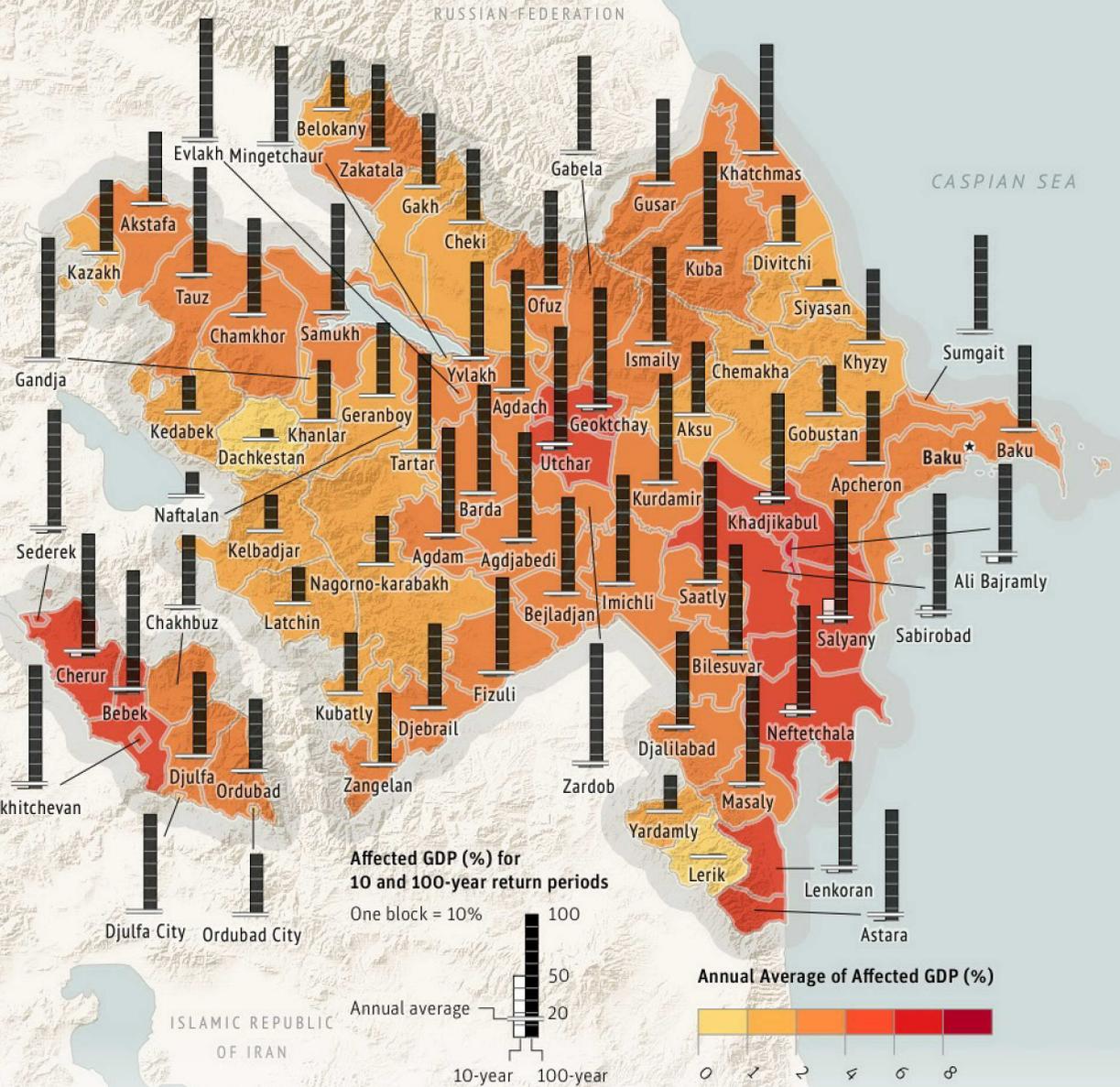
This map depicts the impact of earthquakes on provinces' GDPs, represented as percentages of their annual average GDPs affected, with greater color saturation indicating higher percentages. The bar graphs represent GDP affected by earthquakes with return periods of 10 years (white) and 100 years (black). The horizontal line across the bars also shows the annual average of GDP affected by earthquakes.

When an earthquake has a 10-year return period, it means the probability of occurrence of an earthquake of that magnitude or greater is 10 percent per year. A 100-year earthquake has a probability of occurrence of 1 percent per year. This means that over a long period of time, an earthquake of that magnitude will, on average, occur once every 100 years. It does not mean a 100-year earthquake will occur exactly once every 100 years. In fact, it is possible for an earthquake

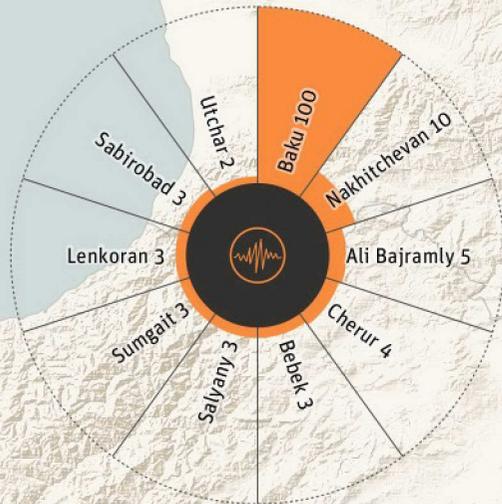
of any return period to occur more than once in the same year, or to appear in consecutive years, or not to happen at all over a long period of time.

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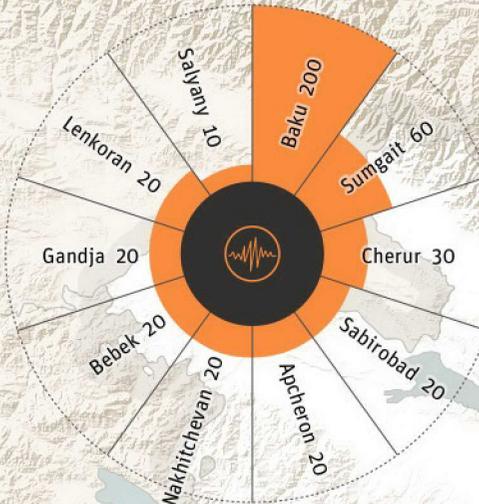
The annual average population affected by earthquakes in Azerbaijan is about 200,000 and the annual average affected GDP about \$1 billion. The annual averages of fatalities and capital losses caused by earthquakes are about 800 and about \$200 million, respectively. The fatalities and capital losses caused by more intense, less frequent events can be substantially larger than the annual averages. For example, an earthquake with a 0.4 percent annual probability of occurrence (a 250-year return period event) could cause nearly 40,000 fatalities and \$6 billion in capital loss (about 10 percent of GDP).



EARTHQUAKE
ANNUAL AVERAGE CAPITAL LOSS (MILLIONS \$)

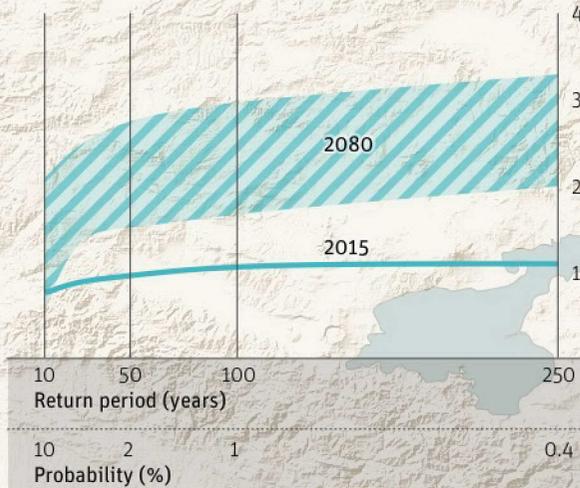


EARTHQUAKE
ANNUAL AVERAGE FATALITIES

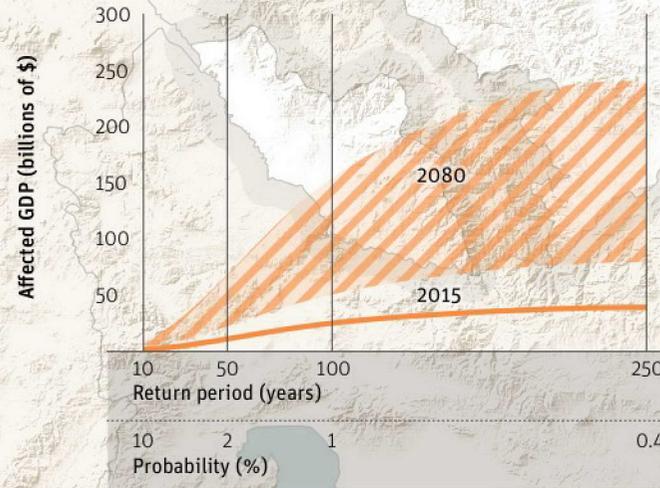


The rose diagrams show the provinces with the potential for greatest annual average capital losses and highest annual average numbers of fatalities, as determined using an earthquake risk model. The potential for greatest capital loss occurs in Baku, which is not surprising, given the economic importance of the province.

FLOOD
EXCEEDANCE PROBABILITY CURVE, 2015 AND 2080



EARTHQUAKE
EXCEEDANCE PROBABILITY CURVE, 2015 AND 2080



The exceedance probability curves display the GDP affected by, respectively, floods and earthquakes for varying probabilities of occurrence. Values for two different time periods are shown. A solid line depicts the affected GDP for 2015 conditions. A diagonally striped band depicts the range of affected GDP based on a selection of climate and socioeconomic scenarios for 2080. For example, if Azerbaijan had experienced a 100-year return period flood event in 2015, the affected GDP would have been an estimated \$1 billion. In 2080, however, the affected GDP from the same type of event would range from about \$2 billion to about \$3 billion. If Azerbaijan had experienced a 250-year earthquake event in 2015, the affected GDP would have been about \$40 billion. In 2080, the affected GDP from the same type of event would range from about \$80 billion to about \$240 billion, due to population growth, urbanization, and the increase in exposed assets.

All historical data on floods and earthquakes are from, respectively, D. Guha-Sapir, R. Below, and Ph. Hoyois, EM-DAT: International Disaster Database (Université Catholique de Louvain, Brussels, Belgium), www.emdat.be, and the National Geophysical Data Center/World Data Service (NGDC/WDS), Significant Earthquake Database (National Geophysical Data Center, NOAA), doi:10.7289/V5TD9V7K. Damage estimates for all historical events have been inflated to 2015 US\$.