

# Global Volcano Proportional Economic Loss Risk Distribution



Like Total Economic Loss, Economic Loss as a Proportion of GDP Density is found by weighting the value of GDP exposure to volcanoes for each grid cell by a vulnerability coefficient to obtain an estimate of risk. The vulnerability weights are based on historical economic losses in previous disasters. The economic loss risks are applied to GDP per unit area exposure to obtain economic loss risks. The weights are an aggregate index relative to losses within each region and country wealth class (classifications based on 2000 GDP) over the 20-year period from 1981 – 2000. This index is then normalized by GDP.

Source:

Dilley, Maxx, Robert S. Chen, Uwe Deichmann, Arthur L. Lerner-Lam, and Margaret Arnold. 2005. *Natural Disaster Hotspots: A Global Risk Analysis*. Washington, D.C.: World Bank.

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