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World economy faces ruin from climate change

Climate change could tilt the world's economy into the worst global recession in recent history

The report, written by the former World Bank chief economist Sir Nicholas Stern and commissioned by the British Treasury, seeks to overturn conventional wisdom by insisting that fighting climate change will save - not cost - governments money.

It says that establishing a carbon price, through tax, trading or regulation, was "an essential foundation" for tackling global warming. Therefore the development of an international market in carbon trading to slash greenhouse gas emissions is presented as a key recommendation.
Sir Nicholas said that achieving deep cuts in carbon dioxide emissions would cost about 1 per cent of world economic output by 2050, a level that was "significant but manageable". He adds also that policies are required to support a range of low carbon and energy efficient technologies.
The report also advocates a doubling in global research and development spending on energy to $20bn.

Commenting on the Stern report, **Finnish Green MEP and environment spokesperson Satu Hassi said:**

"The Stern report has driven home the extent of the crisis we are facing if climate change is left to progress unchecked. His chilling prediction on the economic cost of climate change, which could create 200 million environmental refugees, adds to the long-existing body of scientific evidence. **Climate change has to be the top priority for global leaders, be they politicians or business leaders**.

"The EU must continue to give global leadership in responding to this challenge, as part of a comprehensive approach to climate change. At the forthcoming UN conference on climate change in Nairobi, the **EU must drive for an agreement between all nations, particularly those currently outside the Kyoto framework, with binding international targets**. The EU's Emissions Trading Scheme must be tightened up and more sectors need to be covered by emissions trading schemes - notably aviation."

Commenting on the energy response needed to combat climate change and the Commission's energy package, **Green energy spokesman Claude Turmes added:**

"Commission President Barroso has rightly acknowledged that the findings of the Stern report make clear that urgent action is needed to combat climate change and that the EU's energy package, foreseen for next year, will be a key element of this. However, his announcement that the Commission intends to plug coal and nuclear power demonstrate that although it is asking the right questions, the Commission is coming up with the wrong answers.

"**Stern has highlighted the massive economic opportunities that can be gained by the EU in taking the lead in combating climate change.** However, focusing on trying to clean up dirty energy sources like coal and nuclear, diverts attention and funding from **renewables and energy efficiency technologies (both in buildings and in the transport sector), which provide the real answers** to the challenges of climate change and sustainable energy."

For the full report:
"Stern report"

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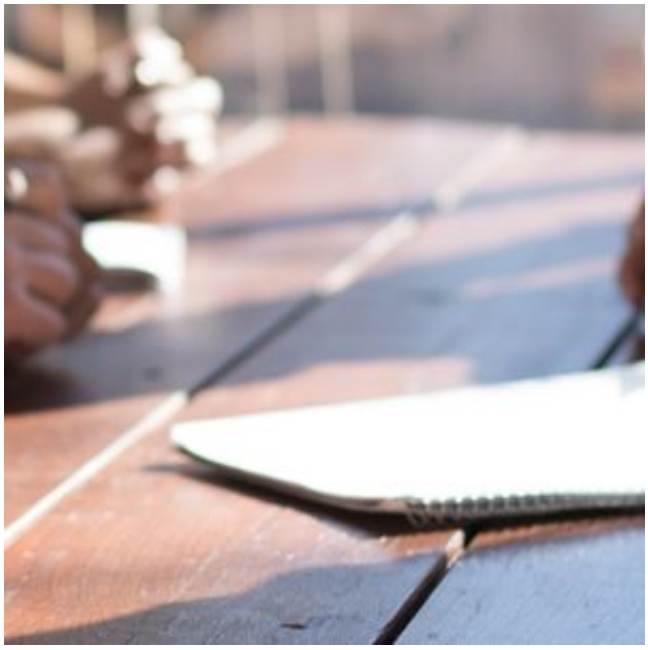
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