



# Climate change 'brings huge cost'

BBC News, 29 October 2006

**Climate change could end up costing the global economy up to £3.68 trillion (\$6.98 trillion) unless drastic action is taken, a key report is set to warn.**

Economist Sir Nicholas Stern will also warn that failure to act would turn 200 million people into refugees as their homes could be hit by drought or flood.

An international plan to tackle climate change is needed to prevent a global recession, the UK review will say.



Air travel taxes are one measure being considered to cut emissions

Newspaper reports say the study will spark fierce political debate.

Already Environment Secretary David Milliband is proposing green taxes designed to change people's behaviour to offset global warming.

Meanwhile, the Conservative Party has told the BBC it is examining the possibility of taxing air travel.

The government commissioned Sir Nicholas's 700-page report in 2005. It will be the first contribution to the debate by an economist, rather than a scientist.

## 'Tipping point'

"For 150 years, we've pumped carbon into the atmosphere - whether through energy or transport - as if it had no price," Mr Milliband told Sky News.

"But in fact, it has an environmental price. And as we're learning from Sir Nicholas Stern, it has an economic price as well. And for the future, we have to recognise that environmental and economic price of carbon emissions in the way we live and work."

According to reports, the Stern Review will forecast that 1% of global gross domestic product (GDP) - around £184bn - must be spent on tackling climate change immediately.

Failure to act early could end up costing between 5% and 20% of global GDP and render large parts of the planet uninhabitable with poor nations hit first and hardest.

Green taxes, carbon trading schemes and changing behaviour will help reduce the effect of climate change - but any schemes should encompass the globe, the report will add.

According to the Observer, Sir Nicholas will explain that unilateral moves will not be enough.

For example, if the UK shut down all of its power stations tomorrow, the reduction in global emissions would be wiped out in just over a year by increased emissions from China.

### **'Urgent deal needed'**

Reports say the review will urge the international community to sign a new pact on greenhouse emissions by next year rather than in 2010/11 when they had planned to agree a successor to the Kyoto agreement on cutting carbon dioxide emissions.

Even if immediate action is taken to cut pollution, slow acting greenhouse gases will continue to have an effect on the environment for another 30 years, the Stern Review will add.

Ahead of the reports publication, action groups and development agencies have urged the government to take action to protect poor countries from the effects of climate change.

"Poor communities, who have contributed least to climate change, are suffering the most from its effects. Current efforts to respond to climate change are simply not urgent enough," said Tearfund Advocacy Director Andy Atkins.

Christian Aid added it hoped the review would focus world leaders' attention on the need for urgent action to tackle climate change.

"This is an issue far more important than mere economics. People's lives are already being ruined by climate change and millions more are facing cataclysmic change for the worse," said the group's senior climate change analyst Andrew Pendleton.

***"This is an issue far more important than mere economics. People's lives are already being ruined by climate change "***

Andrew Pendleton,  
Christian Aid