

**Abstract of ESCAP Presentation on
'Economic Impacts of Climate Change: Asia-Pacific Perspective'**

The economic success story of Asia and the Pacific comes at a high environmental price. Greenhouse gas emissions from the region are growing. Four of the eight largest CO₂ emitting countries are in Asia. Ten of the twelve largest cities in the world with economic assets vulnerable to coastal flooding are in Asia. Industrialization-driven economic growth, increase in personal vehicle ownership and urbanization are largely responsible for the rise in emissions from the region. The region's fossil fuel consumption has increased at a pace faster than the world average over the past decade. During 2000-2005 alone, energy consumption grew by nearly 10%, resulting in a 8% rise in greenhouse gas emissions. Yet, lack of modern energy remains a critical issue for the developing countries, with nearly a billion people without electricity and 1.7 billion dependent on traditional biomass fuels.

Climate change will lead to water scarcity, flooding in densely populated coastal and delta areas, submergence of small islands, and a rise in the frequency and intensity of extreme weather phenomena and natural disasters. The economic and social impacts on the region will be severe. Food production will be affected by reduced agricultural yields in warmer areas, by soil erosion and crop damage due to more frequent heavy precipitation, and by salinization of irrigation water systems from rising sea levels. Water-borne diseases will trigger a rise in endemic morbidity and mortality.

While these impacts will affect all countries, some regions will be affected more severely than others. These include the drylands of the Himalayas, Central and West Asia, and Southern India; and the low-lying islands of the Pacific, South-East Asia and the Indian Ocean. Cumulative economic losses in the region as a result of natural disasters alone are estimated at nearly \$20 billion over the past decade. Countries in South-East Asia may lose 6-7% of their GDP by the turn of the century.

By 2030, the region is expected to require more than half of the world's primary energy resources and be responsible for more than half the world's greenhouse gas emissions. The region's rising demand for oil and gas has already triggered convulsions in world energy markets since 2003, interrupted only by the economic slump of the past year. With Asia-Pacific countries likely to take the lead in global economic recovery, a resumption of the uptrend in energy demand and prices is on the cards.

Energy security is, thus, a central issue for Asia and the Pacific to sustain high growth rates that are essential to eradicate poverty and to help pull the world economy out of recession. However, this need not be equated with securing sources of fossil fuel supply. A more sustainable path to energy security can be achieved by reducing the fossil fuel intensity of economic growth, shifting to more efficient energy production and consumption patterns, and bringing renewable energy options into the mainstream. At the same time, existing energy inequities in the developing countries — the mass energy deprivation of the poor contrasting against high energy consumption by the affluent — require raising fossil fuel consumption among those currently without access to modern energy for thermal applications and motive power. Creating the space for this by curbing excessive consumption is a challenge. ESCAP, with UN partners, is launching an Asia-Pacific Energy Security Cooperation Initiative in response.