

## THE LINK BETWEEN CLIMATE CHANGE AND ECONOMICS EXHIBITED AROUND THE WORLD

Ongoing debate about the relationship between demographics, GDP, and emissions heats up

In a New York Times op-ed, Babatunde Osotimehin, the Executive Director of the United Nations Population Fund, notes that a decrease in population will not necessarily be the most efficient way to [curb climate change](#). As fertility declines—due to factors such as gender equality and education—economic stability increases, which often leads to increased emissions.

In Germany, World Cup celebrations have died down and revealed a gradually slowing economy. One of the reasons behind the downturn may be Chancellor Angela Merkel's aggressive [push into renewables](#). According to recent reports,

some energy-intensive industries have lost confidence in the business environment of Germany.

Meanwhile, South Asian economies are expected to be squeezed by climate change over the next few decades unless action is taken. The Asian Development Bank published a report this week which outlined how the GDP of six South Asian nations would be [negatively impacted](#) under a global carbon emissions “business as usual” scenario. The six countries studied – India, Bangladesh, Nepal, Sri Lanka, Bhutan and the Maldives – would “on average lose 1.8 per cent of their gross domestic product by 2050 and 8.8 per cent by the end of the century” the report finds.

### MIXED MESSAGE ON THE HEALTH OF OCEANS

Ocean acidification is increasingly threatening [commercial fisheries in Alaska](#). The National Oceanic and Atmospheric Administration (NOAA) notes that some studies show that red king crab and tanner crab, two important staples of Alaskan fisheries, grow more slowly and don't survive as well in more acidic waters.

But a success story recently made headlines in Europe. The EU has lifted a ban on fishing herring and mackerel from areas of the North Atlantic. This was a previously highly contested issue, because that area has been wrought by over-fishing. Proponents of lifting the ban say that the sustainability of the stock is no longer in jeopardy.

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## CALPERS CEO SUPPORTS NON-FINANCIAL REPORTING TO HELP MANAGE SUSTAINABILITY RISKS

Climate risks and opportunities critical to investment decisions, says CalPERS' Anne Stausboll

The California Public Employees' Retirement System (CalPERS) considers rising temperatures and severe weather events to pose a significant risk to its USD 300bn portfolio. CEO Anne Stausboll notes that CalPERS has long included these risks and other sustainability issues into [investment decision making](#).

For this reason, CalPERS and dozens of other institutional investors supported the SEC's 2010 decision to issue “formal interpretive guidance” on climate disclosure. Stausboll argues that “just as companies need to step up their disclosure efforts, more investors should be scrutinizing material climate risk data that are being provided in corporate 10-K filings”. Moreover, she points to tools such as Ceres' new web-based climate search tool that are helping institutional investors analyze significant climate risks.

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## SOME AGRICULTURAL PRODUCTS COME UNDER SCRUTINY FOR GLOBAL IMPACTS

Agriculture is getting more attention in the mainstream media around increasingly controversial issues such as meat and sugar

In some areas, meat is coming under intense scrutiny as a livestock production is shown to be a primary [contributor to global climate change](#). The Environmental Protection Agency estimates that U.S. agriculture, including livestock production, accounts for only about 8% of total greenhouse-gas emissions in the country. However, some note that future improvements in feed and animal

genetics could reduce animal-agriculture's impact.

There is evidence that Americans may be turning against another [staple of the American diet](#): sugar. Given new information on the economic, environmental, societal, and health impacts, including obesity, sugar's reputation has taken a recent beating. Are we becoming anti sugar?

However, it is not all grim. Scientists are using [mathematical models](#) to speed up the process of identifying genetic traits that could help crops become more resilient to climate change.

### TERM OF THE WEEK

Sustainability buzzword(s) of the week: [Sharing Economy](#). The Sharing Economy places an emphasis on resource efficiency and peer-to-peer business and is poised to hit USD 14 billion by 2025.

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## CHINA'S CARBON MARKETS HIT SPEED BUMP

Carbon markets face challenges, but thermal coal demand down

Reuters sources report that China's pilot [carbon markets \(Insights 35\)](#) are riddled with over-allocation of permits, among other issues. One of the markets reportedly has a surplus of approximately 10 percent and may be canceled. "If the pilots fail it would be a blow to the credibility of carbon markets as a tool to cut emissions and could cast doubts over Beijing's plans to launch a national market later in the decade, the centerpiece of China's climate change policy" Reuters reports.

Meanwhile, structural change—i.e. decarbonisation—may impact the commodity market in China. The price of thermal coal has dropped almost 50 percent. In 2009 China began importing large quantities of the combustible rock to meet growing domestic demand. Thermal coal faces oversupply challenges and a structural decline in demand. This is believed to be brought on by decarbonisation and competition from greener sources of energy, such as renewables.

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### BELIEVE IT OR NOT

Can eating meat save the world? Or is this a case of only hearing what we want to hear?

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