

Top economists urge 'strong carbon price' in climate fight

Leading economists called on Monday, 29 May, on the international community to price carbon at up to \$100 a tonne by 2030, saying this was "indispensable" in the fight to slash emissions.



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"A strong and predictable carbon price trajectory provides a powerful signal to individuals and firms that the future is low carbon, inducing the changes needed in global investment, production and consumption patterns," said the commission of leading economists headed by Joseph Stiglitz and Nicholas Stern.

Countries should set a target of reaching \$40 to \$80 per tonne of CO₂ by 2020, and of \$50 to \$100 per tonne by 2030, the commission said.

The idea is that the cost will force companies and individuals to turn to more climate friendly options, while at the same time raising funds for states to invest in cleaner infrastructure.

"The revenue can build up to something substantial," noted Stern.

Carbon trading mechanisms are in place in a handful of countries and in the European Union.

The EU fixes emissions reduction obligations and allows companies or countries to trade quotas, buying or selling depending on whether they have surpassed or remain inside set limits.

Canada has also announced a minimum price of Can\$10 (\$7.63) per tonne of carbon pollution in 2018 and China, after provincial experiments, is set to launch a national market next year.

But the implementation of the landmark 2015 Paris deal to curb global warming has hit a major roadblock as US President Donald Trump said he would only decide this week whether the US would abide by the deal.

Nevertheless, as Stiglitz noted: "The global community has to recognise that it is a global problem."

Source: AFP

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