

Macro Roundup Article

Headline: [Do We Have the Technologies Necessary to Reduce Global Emissions?](#)

Article Link: <https://www.bridgewater.com/research-and-insights/do-we-have-the-technologies-necessary-to-reduce-global-emissions>

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Tweet: Bridgewater argues that investment of \$3-5T annually between 2020-50, or 4% of global GDP, would be required to deploy mature emissions-reduction technologies, but this would yield only 40-50% of reductions required to achieve net zero goals.

Summary: We estimate that about 40-50% of global emissions reductions required to achieve net zero goals can come from scaling technologies that are already mature. There are large financing gaps. Roughly \$3-5 trillion a year (around 4% of global GDP) is needed to scale these technologies against the roughly \$1.5 trillion a year that is currently being deployed. The financing shortfall is largest in emerging markets. The technology is not yet there to address the remaining 50-60% of emissions, though innovation is happening rapidly. Here it is harder to estimate how much capital will be necessary to successfully operationalize these technologies, but it is unlikely that the roughly \$500 billion a year currently being invested to develop these earlier-stage technologies is sufficient to make the necessary progress. Unproven technologies are risky and thus require more risk-tolerant capital and project de-risking alongside in-house capex efforts of large corporate players. Related: Higher Interest Rates Are Here to Stay and If Markets Are Right About Long Real Rates, Public Debt Ratios Will Increase For Some Time. We Must Make Sure That They Do Not Explode and The Big Picture: Back to the Future

Primary Topic: Financial Markets

Topics: Database, Energy, Financial Markets, GDP, Global Warming, Investment, Other Source, Productivity, Science, Weekly

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