

Macro Roundup Article

Headline: Public Finance Resilience in the Transition Towards Carbon Neutrality: Modelling Policy Instruments in a Global Net-Zero Emissions

Article Link: <https://www.oecd-ilibrary.org/docserver/7f3275e0-en.pdf?expires=1694184098&id=id&accname=guest&checksum=B28DA477EC034FB534966BACD1AAA4BD>

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Tweet: OECD analysis projects that achieving net zero carbon emissions by 2050 will reduce global GDP by 5.6% relative to the current baseline.

Summary: While the global economy keeps growing over time, the NZE Ambition [net zero emissions] scenario results in a slowdown of GDP growth, both between 2019 and 2030 and between 2030 and 2050. The average global GDP growth rate goes from 2.3% per annum in the Baseline between 2019 and 2030 to 2.0% and decreases from 2.1% between 2030 and 2050 in the Baseline scenario to 1.9% in the NZE Ambition scenario. This leads to a reduction of global GDP compared to Baseline by 2.6% in 2030 and 5.6% in 2050. Related: Growing Pains: The Renewable Transition in Adolescence and What Have We Learned About the Neutral Rate?

Primary Topic: Energy

Topics: Energy, GDP, Government/NGO, Growth, Investment, Productivity

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