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Headline: Pandemic downturn offers path to address climate change - IMF

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WASHINGTON, D.C.: The global downturn caused by the coronavirus pandemic offers an opportunity for governments to implement new policies that could simultaneously address climate change and boost the economy, the International Monetary Fund said on Wednesday.

The right mix of carbon taxes to dampen consumption, and subsidies to help consumers and boost green technology research could create jobs and soften the blow as countries transition to greener energy sources, the IMF said in its World Economic Outlook.

"Fiscal stimulus — which will likely be needed in the aftermath of the pandemic — can be an opportunity to boost green and resilient public infrastructure," the report said.

IMF research showed there is still time to achieve net zero emissions by 2050 but the window "is closing rapidly," and advanced economies alone cannot reach the goal.

"Joint action by the largest economies is critical to avoid the worst outcomes of climate change," the fund said, singling out fast-growing countries like India.

"An initial green investment push combined with initially moderate and gradually rising carbon prices would deliver the needed emission reductions" while rebates or subsidies to low income households would soften the blow from higher energy prices, according to the proposal.

Most of the costs are offset by the expected 120 percent growth in global GDP by 2050, and by the absence of negative impacts that climate change is likely to have, including on the health of populations due to worsening pollution. AFP