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Headline: Asean also urged to act on effects of global warming

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The Philippines and other Association of Southeast Asian Nations (Asean) countries must take immediate action against climate change to avoid economic risks in the long run, according to banking giant HSBC.

In a webinar held on Thursday, HSBC chief Asean economist Joseph Incalcaterra said the risks for climate change and the risks to growth are very present today, despite being overshadowed by the coronavirus disease 2019 pandemic last year.

"You know the most tangible area in which Asean is sensitive is in terms of rising sea levels globally, and this is one of the most persistent trends, one of the most persistent side effects of the global warming and climate change," he emphasized.

Citing new elevation data from nonprofit news organization Climate Central, Incalcaterra said larger share of populations in the region will be vulnerable to rising sea levels.

"It's a very present risk and policymakers actually have to take immediate action really to prevent this from materializing and really jeopardizing growth."

Incalcaterra said actions will involve not just long-term planning but also about preventing a significant economic damage as this trend continues.

"The threat really is too large to ignore. And, you know, action will have to be taken . . . in terms of protecting these populations, there is quite a bit of infrastructure that can be built, be it dike, seawalls, palliative infrastructure, but it doesn't come cheap, and the planning will have to happen now," he added.

Acknowledging the huge cost it entails for countries, the HSBC economist said it can be manageable if the private sector gets involved.

"It's not possible to delay this anymore. And indeed, if we do look at financing programs or infrastructure plans in places like Indonesia and Philippines, actually policymakers have already incorporated quite a bit of antiflooding infrastructure so it is in the pipeline. We just need to see a further acceleration of this," he added.

Incalcaterra also raised concerns about the implications on food security of global warming and climate change, which is also a very present risk for Southeast Asian economies.

Since these countries have very large food weightings in the consumer price baskets, increase in prices or food disruptions would have a big impact on development.

In terms of food security, he tagged the Philippines and Indonesia as relatively vulnerable, partly because of their reliance on imports to meet domestic food supply.

“So, this is another reason why policymakers in the region have to take relatively immediate action to prevent the negative side effects [of climate change],” Incalcaterra reiterated.