

ENVIRONMENT

Coronavirus could weaken climate change action and hit clean energy investment, researchers warn

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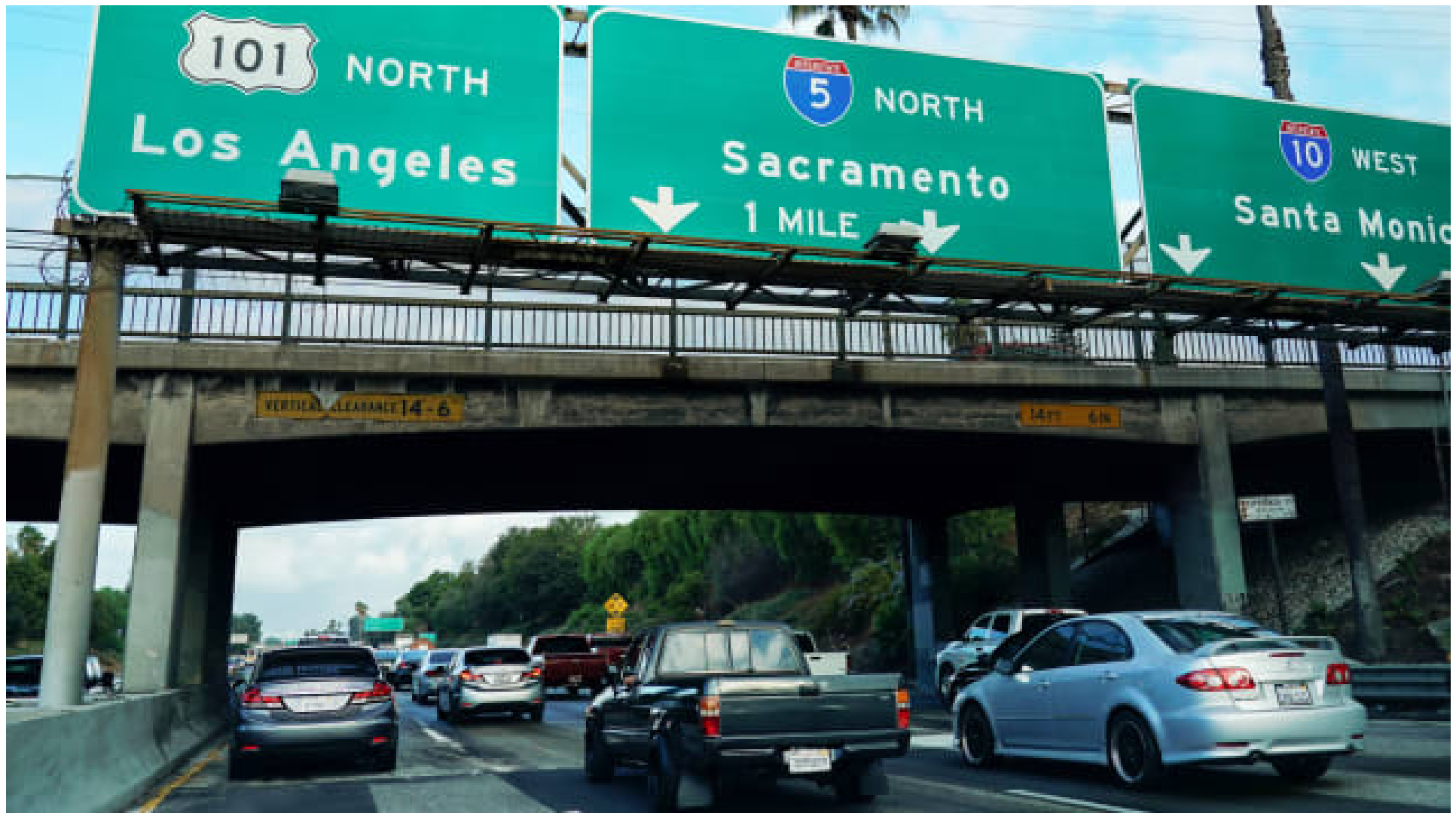
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KEY POINTS

- The coronavirus poses a serious threat to long-term climate change action by compromising global investments in clean energy and weakening industry environmental goals to reduce emissions.
- The International Energy Agency is urging governments to offer economic stimulus packages that invest in clean energy technologies.

- “If the lesson learned is, let’s get back to the status quo ante, then [the virus] probably will slow down the energy transition,” author and climate activist Bill McKibben told CNBC.



Morning traffic makes its way along a freeway in Los Angeles, California, September 10, 2010.

The coronavirus pandemic has stoked concerns of a global economic recession as it [spreads across the world](#), igniting one of the sharpest oil price plunges in the last 30 years and causing the [biggest stock plunge](#) on Wall Street since the stock market crash in 1987.

While the crisis has led to a temporary decline in global carbon dioxide emissions, experts are warning it poses a serious threat to long-term climate change action by compromising global investments in clean energy and weakening industry environmental goals to reduce emissions.

The International Energy Agency, or IEA, has warned the virus outbreak will likely undermine clean energy investment and is urging governments to offer economic stimulus packages that invest in clean energy technologies.

“If the lesson learned is, let’s get back to the status quo ante, then [the virus] probably will slow down the energy transition,” author and climate activist Bill McKibben told CNBC.

“If the lesson learned is, you have to take the physical world and its risks seriously, it could make governments more likely to move fast — especially since interest rates in much of the world are now effectively zero,” he said.

Leading clean-energy analyst BloombergNEF has already cut its forecast for global solar demand this year as policymakers and corporations focus on short-term economic stimulus measures instead of long-term clean technology.

Solar manufacturers across the world are citing production and project delay, and analysts are warning of higher costs for green manufacturers and a hit to global operations as the virus spreads.

Rob Jackson, a professor of Earth system science at Stanford University and chair of the [Global Carbon Project](#), said the virus will hinder climate change action from corporations and countries despite the short-term drop in carbon emissions from the outbreak.

“If the global economy crashes, emissions will drop short term as we produce fewer goods, but climate action will slow. Employment trumps environment in politics,” Jackson said. “If companies are hurting, they may delay or even cancel climate-friendly policies that require investments up front.”

Airlines, for example, have seen a dramatic decline in air travel and emissions in the short term as the virus spreads.

While demand will likely bounce back after the worst of the pandemic is over and people return to flying, the industry has cited financial turmoil from the virus as a reason to weaken or delay environmental programs in place to reduce emissions. Aviation accounts for 2% to 3% of global carbon emissions.

“For companies, the outbreak is already introducing doubt into renewable-energy global supply chains and challenging company balance sheets,” said Dr. Melissa Lott, a researcher at the Center of Global Energy Policy at Columbia University.

As major economies across the world begin to prepare economic stimulus packages, the IEA has called for governments to focus on driving climate action and building out low carbon infrastructure in those plans.

In the U.S., the Trump administration has considered providing assistance for hard-hit industries such as the cruise ships and airlines, as well as offering low-interest loans to oil and gas producers that have seen declines in oil prices — a move that would further lock in carbon-intensive investments.

“We have not yet seen similar offers for clean energy companies,” Lott said.

“If economic stimulus packages drive money away from clean energy investments by infusing fossil fuels industries with short-term capital while ignoring clean energy supply chains ... we could see a domino effect that would push us further away from our clean energy goals,” she added.

VIDEO 08:12

Cleveland Clinic CEO on coronavirus testing and screening process

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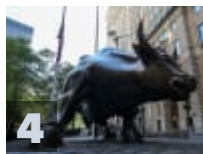
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