

# Media Release



25 June 2020

## **New scenarios and analysis by the world's central banks show an early and orderly transition to net-zero emissions will significantly lessen the economic hit from climate change**

In response to the [release of climate change scenarios and an inquiry into the potential macroeconomic impacts of climate change by the world's central banks](#) working through the Network for Greening the Financial System, Rebecca Mikula-Wright, Director of the Asia Investor Group on Climate Change, said:

"These scenarios prepared by the world's central banks, including many from Asia, clearly demonstrate climate change is a systemic economic threat that will significantly undercut our prosperity and job security.

"Financial regulators are now responding to this economic risk, as are institutional investors who are increasingly wary of carbon-intensive assets and looking for opportunities that will accelerate the net-zero emissions transition.

"A transition is inevitable. Early action reduces the cost of the transition to net-zero emissions by 2050 substantially and helps avoid severe and irreversible impacts from climate change itself.

"Across Asia this will require markets to adopt stable, long-term policy frameworks and robust emissions reduction targets such as a commitment to net-zero emissions by 2050. Such policies will attract greater capital for decarbonisation efforts and enable the region to take full advantage of the opportunities that come with the transition to a modern and green digital economy.

"These scenarios will underpin efforts by the many central banks and financial supervisors in the region to provide a consistent basis for climate risk disclosure by Asian companies. Adoption of these scenarios by regulators would ensure companies make clear and consistent climate risk assessments that allow investors to determine their true value.

"Governments should also apply these climate scenarios to their own policy decisions, including COVID-19 economic recovery efforts, to ensure public expenditure is not put at risk by locking in support for carbon-intensive activities."

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