



New research by consultancy giant PwC finds an unprecedented 5.1 per cent annual cut in global emissions per unit of GDP, known as carbon intensity, is needed through to 2050 if the world is to avoid the worst effects of climate change and meet an internationally agreed target of limiting average temperature increases to just two degrees above pre-industrial levels.

Such deep reductions in carbon intensity would be over six times greater than the 0.8 per cent average annual cuts achieved since 2000.

The report also confirms that greatest rises in greenhouse gas emissions came from the emerging E7 economies of China, India, Brazil, Mexico, Russia, Indonesia and Turkey, whose cumulative 7.4 per cent annual increase in emissions swamped record levels of reductions in the UK, France, and Germany.

PwC warns sustained economic growth in these countries could "lock in" high carbon assets that will make it significantly harder for them to decarbonise over the coming decades, a point likely to be raised at the UN-backed Doha Climate Summit when it kicks off later this month.

It also warns that industrialised countries must accelerate their partially successful efforts to reduce carbon emissions. PwC calculates the UK still needs to reduce carbon emissions intensity 5.2 per cent each year to honour its international commitments, adding that staying within the UK's pledge of 34 per cent reduction against 1990 emissions levels by 2020 would require emissions cuts equivalent to shutting down all the UK's coal-fired power plants

The report concludes that "governments and businesses can no longer assume that a

two-degree warming world is the default scenario", and urges greater planning to cope with the disruptive effects that more unpredictable and extreme weather will have on supply chains, long-term assets, and infrastructure, particularly in coastal or low-lying regions.

Meanwhile, businesses in carbon-intensive sectors must also anticipate "invasive regulation" and the possibility of stranded assets, said Jonathan Grant, director of sustainability and climate change at PwC.

"Resilience will become a watchword in the boardroom – to policy responses as well as to the climate," he said. "More radical and disruptive policy reactions in the medium term could lead to high-carbon assets being stranded.

"The new reality is a much more challenging future in terms of planning, financing and predictability," Grant added. "The challenge now is to implement gigatonne-scale reductions across the economy, in power generation, energy-efficiency, transport and industry, as well as REDD+ in forested nations."