

Climate Change: Value at Risk to Investment

Report launch event: 24 July 2015- Aviva, London

Rt Hon Amber Rudd MP, Secretary of State for Energy and Climate Change, gave a speech to business leaders in response to the EIU-Aviva report.

Rudd summarized the 'Climate Change: Value at Risk to Investment' report in finding that climate change threatens lower growth, higher prices, lower quality of life as well as via more directly threats such as flooding. Thus responses that invest in combatting climate change represent the 'ultimate insurance policy' for society.

Rudd spoke on the role the government wants to play in helping businesses and individuals grasp the opportunities that climate change will present that decarbonisation supports the targets of increasing the energy supply and that better energy efficiency will feed through into lower prices for consumers. It's true that the relevant part of the budget has not yet been ring-fenced, so government will focus on areas that will have the greatest impact. Rudd indicated that she will be working with the Treasury and business on a review of business energy efficiency taxes, on order to simplify the currently overly complex system.

Addressing the controversial withdrawal of renewable energy subsidies Rudd claimed that the technology should be (and almost is) able to be self-supporting. With the current budget shortfall in mind, their aim is to make sure that energy bills are affordable, to reduce the burden on the public, to keep business competitive and the economy secure. With regards to the message this sends the international community, Rudd insisted that climate talks do not centre around subsidies as the key is financial support for developing countries and binding agreements on GHG emissions. The UK has some of the toughest targets, a reputation for speaking out on climate change issues and a policy of development aid.

The UK economy grew 2.6% in 2014 while CO₂ emissions fell 10%. This will help to show developing economies that decarbonisation need not hold them back, but can help them leap forward. For COP-21 they are looking for a rules-based agreement, an irreversible shift that will inspire the private sector and show they mean business.

Rudd concluded that COP-21 should get the right rules in places; that business is and should continue to be a leading voice against climate change; that the move to a low carbon economy is not an indulgence, it makes cold hard economic sense.

caroline.bentham@cisl.cam.ac.uk
[@ClimateWise](https://twitter.com/ClimateWise)