

SEA LEVEL RISE TO IMPACT MORE POPULATION IN ASIA, INCLUDING INDIA: MOODY'S REPORT

Relevant for: Environment | Topic: Environmental Degradation - GHGs, Ozone Depletion and Climate Change

A Moody's sign at the company's corporate headquarters in New York. File | Photo Credit: [Reuters](#)

The rise in sea level due to global warming will impact more people in Asian countries than any other region, Moody's said in a report on the consequences of this inevitability and credit risk to such sovereign nations.

Stating that Sovereigns in Asia, Middle East and North Africa (MENA) and small islands were most exposed to rising sea levels, Moody's said " In absolute terms, the largest populations exposed are in Asia, including Bangladesh (Ba3 stable), China (A1 stable), Indonesia (Baa2 stable), and India (Baa2 negative)."

"Some high-income economies, such as Japan (A1 stable) and the Netherlands (Aaa stable), also feature," it added.

Moody's said the sea level rise posed long-term credit threat to the identified countries as the consequence of climate change was a steady increase in sea levels.

While there was a high degree of uncertainty about the magnitude, the direction of change was not in question — sea levels several decades from now would be largely determined by past greenhouse gas emissions and temperatures, it said.

"Sea level rise is gradual, but manifests abruptly, by intensifying the frequency and severity of storm surges, flooding and tropical cyclones, which have credit implications for sovereigns," the credit rating agency said.

It said countries, including Vietnam (Ba3 negative), the Bahamas (Baa3 stable), Egypt (B2 stable), Suriname (B2 stable) and some in the Gulf were highlighted, with up to 10%-25% of the population or GDP exposed.

"Island sovereigns are not always in scope, but analyses of "locked-in" sea level rise in particular highlight the Cayman Islands (Aa3 stable), Maldives (B2 negative) and Fiji (Ba3 stable), with 80% or more of the population exposed," it said.

According to Moody's the credit implications are wide-ranging, including economic and social repercussions of lost income, damage to assets, loss of life, health issues and forced migration from the sudden events related to sea level rise are immediate.

"The main credit channels for sovereigns are economic and fiscal strength. Vulnerability to extreme events related to sea level rise can also undermine investment and heighten susceptibility to event risk, by hindering the ability of governments to borrow to rebuild, increasing losses for banks, raising external pressures, and/or amplifying political risk as populations come under stress," Moody's said.

"While one isolated shock related to sea level rise is unlikely to materially weaken a sovereign's credit profile, repeated shocks could do," it said.

“Through our assessment of exposure and credit impact, we find that Vietnam, Egypt, Suriname and a number of small islands face material credit risk. The extent of risk will be determined by the pace of increase in the frequency and severity of natural disasters related to sea level rise, which is currently highly uncertain, and by the effectiveness of adaptation measures, so far largely untested,” it added.

You have reached your limit for free articles this month.

Register to The Hindu for free and get unlimited access for 30 days.

Already have an account ? [Sign in](#)

Sign up for a 30-day free trial. [Sign Up](#)

Find mobile-friendly version of articles from the day's newspaper in one easy-to-read list.

Enjoy reading as many articles as you wish without any limitations.

A select list of articles that match your interests and tastes.

Move smoothly between articles as our pages load instantly.

A one-stop-shop for seeing the latest updates, and managing your preferences.

We brief you on the latest and most important developments, three times a day.

*Our Digital Subscription plans do not currently include the e-paper ,crossword, iPhone, iPad mobile applications and print. Our plans enhance your reading experience.

Why you should pay for quality journalism - [Click to know more](#)

Please enter a valid email address.

Heatwaves and floods which used to be ‘once-in-a-century’ events are becoming more regular occurrences, says an annual assessment of the Earth’s climate by the World Meteorological Organization

Subscribe to The Hindu now and get unlimited access.

Already have an account? [Sign In](#)

Sign up for a 30-day free trial. [Sign Up](#)

To continue enjoying The Hindu, You can turn off your ad blocker or [Subscribe to The Hindu](#).

[Sign up for a 30 day free trial.](#)

END

Downloaded from [crackIAS.com](#)

© **Zuccess App** by [crackIAS.com](#)