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## NEWS: Low Carbon Index Report finds decarbonisation of global economy is picking up

[Translate]

Lit Ping Low of PwC introduces the latest Low Carbon Index report, which assesses some positive new trends in the way countries are separating **economic growth** from 'carbon intensity'.

As ministers and leaders meet at the **INDC Forum** in Morocco this week, and 8 weeks before the UNFCCC's **21st Conference of the Parties** (COP21) begins, PwC launches our seventh Low Carbon Economy Index, which looks at the extent to which the world is decarbonising.

For the first year in seven since I have worked on the Index, we found what looks like a possible uncoupling of growth and **emissions** in 2014: GDP grew by 3.3%, but energy emissions up by only 0.5%. So **carbon intensity fell by 2.7%**. But this rate of decarbonisation is still too slow, as we need 6.3% to keep to a 2 degrees target suggested by the Intergovernmental Panel on Climate Change (IPCC).

The Intended Nationally Determined Contributions (INDCs) submitted by countries so far – in advance of the United Nations climate summit in Paris this December – could help us move closer to this goal. We think they are **'ambitious' in that they represent a step change in decarbonisation rate**. National regulations introduced to achieve these targets will have big impacts on business. **Coal is being targeted and low carbon infrastructure is being supported**. A low carbon revolution will also be capital intensive, so the **financial services will need to play a part** to help channel \$700bn annual investment needed in the European Union and China alone.

If the INDC targets are achieved, the world would decarbonise at 3% a year, compared to the current average of 1.3%. But this is only half of 6.3%, so there is still lots to do in Paris, including agreeing a mechanism to review progress on meeting emissions pledges – and to raise ambition collectively. The global story masks country level variations, and the impact on each sector varies. To find out more about how the Paris deal and INDCs could affect businesses, and to see each country's actual and

