Indonesia snapshot: Costs of climate change in 2050

Projected costs ~ 1.4% of GDP
In the year 2050, the annual costs of climate change in Indonesia could total as much as 132 trillion Indonesian rupiah (US$14.8 billion).

Projected climate change impacts in Indonesia

- More droughts
- Temperature increases
- More forest/brush fires
- Loss of reefs, wetlands, mangroves
- Higher sea levels and more flooding
- More rain in some areas, less elsewhere

Provinces will be affected differently

- Provinces with likely financial losses
- Provinces with potential financial gains*
  *In areas with more rainfall, agricultural gains may offset costs of health and sea level rise.

Breakdown of projected costs across three areas studied

- Health: 53%
- Agriculture: 34%
- Sea level rise: 13%

Provinces with likely financial losses

- Jawa Timur 19%
- Jawa Tengah 15%
- Jawa Barat 9.5%

Other provinces with a high share of costs:

- 20,155,714
- 7,261,520
- 4,070,699
- 2,512,518
- 405,543

Incomes decline:
Most smallholder farmers will see decreases in productivity.

Agricultural impact negative in most provinces.
However, output is expected to rise where rainfall increases.

Jakarta province hit hard:
25% of projected national climate change costs, or 34 trillion Rp (US $3.7 billion).

WHAT WE CAN DO

- Step up planning
  Increase cooperation between national and provincial governments on response, adaptation and budgeting.
- Expand government and private sector collaboration, especially on leveraging potential agricultural gains.
- Prioritize responses to sea level rise and health impacts in urban areas, especially Jakarta.
- Gather more evidence
  Invest in research on: policy responses; future agricultural yields and alternative crops; changing disease patterns; the probability of extreme storms and macroeconomic implications of impacts on Jakarta.

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Learn more
Based on Indonesia: Costs of Climate Change 2050, a 2016 study of all provinces. Funded by the USAID ATLAS activity, the study, a policy brief and the underlying excel sheets are available on the ATLAS Climatelinks page: https://www.climatelinks.org/projects/atlas. This document does not necessarily reflect the views of USAID or the US government. July 2017.