

IMF World Economic Outlook Discusses Climate Change Impacts

By Don Sutherland

In a reflection that the issue of climate change is gaining broader attention despite political headwinds in the United States, the International Monetary Fund's October 2017 *World Economic Outlook* devoted an entire [chapter](#) to the impact of climate change. Although its primary focus was largely the world's low-income countries, its chapter covered all parts of the world.

Select findings included:

- The macroeconomic effects of temperature shocks are unevenly distributed across the globe
- Rising temperatures lower per capita output in countries with relatively high annual mean temperatures
- The adverse effect from temperature shocks is long-lasting
- Adaption strategies can mitigate the adverse impact from temperature shocks

When it comes to strategic management issues, the IMF report's findings suggest that some consideration be given to climate change when making long-term decisions. This report will very likely be part of a growing body of research and empirical evidence that top-level executives will have to consider as it relates to climate change.