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IMPACTS OF CLIMATE CHANGE ON DIFFERENT ECONOMIC SECTORS IN AFRICA

The humanitarian consequences of climate change are at least as obvious in Africa as elsewhere. Thousands in these regions are regularly affected by devastating droughts and, as a result, famine will worsen as climate change progresses. Africa will also be severely hit by floods brought about by climate change. As it obviously affects the physical sphere, climate change also impacts different economic sectors which are of relevance for the insurance and finance industry. The most relevant socioeconomic impacts are the following:

- Water: Shortage of water is an evident problem in Africa, it affects a quarter of the continent's population. Unless wide-scale adaptation measures are implemented, the situation will be further exacerbated by declining precipitation, particularly in northern and southern Africa. Shortage of water, often a direct consequence of agricultural use, impair agricultural development and food availability. In North Africa, socio-economic development also puts pressure on water supplies.

- Coastal and marine systems and fisheries: Ongoing sea-level rise threatens a large number of low-lying coastal areas, affecting groundwater levels and leading to reduced availability of fresh water.

- Industry, infrastructure and settlement: Apart from social conflicts and pollution, the greater frequency and intensity of weather catastrophes already observed and expected to continue in the future will pose problems. Flood events will cause loss and damage to property, whilst droughts and other weather-induced catastrophes will trigger refugee flows. In addition, Africa's urban population is relatively low but rising and will pose further problems.

- Agriculture and forestry: Climate change will bring about a deterioration in agricultural conditions throughout most of Africa. This is a crucial issue just as Africa's population is notably dependent on agriculture: 70% make their living from agriculture and 40% of Africa's total exports are agriculture-based. More and more regions are expected to become arid or semi-arid, whilst crop yields will be hit by droughts and other weather catastrophes. Technological progress tends to be much slower than that observed in many developed countries. Growing periods will shorten due to shifts in vegetation zones and water scarcity. Production in some parts of Africa could decline by more than 50% by 2020, small-scale farmers being worst hit.

- Human health: The geographical distribution of dangerous tropical diseases seems to be changing. One well-known example is malaria, which will become more prevalent in certain regions. However, malaria will be checked in other regions, as climate conditions become less favourable. In regions where tropical diseases are spreading, the situation is further aggravated by poor sanitary conditions.Ordinary pathogens thrive in flood conditions, which are likely to be more prevalent as a result of climate change.

- Energy: Many countries in Africa have considerable fossil energy resources. As extraction becomes less attractive due to climate change and dwindling fossil fuel reserves there will be a gradual shift to renewable energies and new technologies, providing opportunities for countries quick to exploit their potential and invest in the necessary expertise and infrastructure. Many less developed parts of Africa, such as rural areas in southern Africa, have no electricity supply, biomass being the most important primary source of energy.

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