

Economic Impact of Climate change in Iran- SAM Approach

Topic: Impact Analysis: Multipliers

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Iran has a highly diverse climate and environment which is due to its unique geography and ecosystem. Iran is also heavily dependent on rain-fed agriculture, and its geographical location and topography in combination with low adaptive capacity entail a high vulnerability to adverse impacts of climate change. Such condition may increase mean temperatures and decrease rainfall in the region as a result cause agriculture production reduction. The main aim of this paper is to study the impact of such climate change on Iranian economy using SAM approach with output constrained. This study has three steps: first, output production function for agriculture sector in which one of its input is climate factor will be estimated. The second, by defining different scenarios for climate change until 2025 the production changes will be estimated. Third, a link between production changes in agriculture sector and other sectors and institutions are will be defined through SAM Model.