

El Niño's Economic Fury: Southeast Asia Faces Crop Collapse, Soaring Prices

Environmental Economics · Answer Key · 14 Questions

1. What is a primary economic consequence for Southeast Asian nations highly dependent on agriculture, such as Indonesia and the Philippines, during an El Niño event characterized by reduced rainfall?

- A) Increased yields in rice and palm oil crops due to higher temperatures.
- B) A significant slowdown in export revenues from agricultural commodities like palm oil and rice.**
- C) Reduced demand for fertilizers leading to lower production costs.
- D) A surge in local food production due to less competition from international markets.

2. In the context of El Niño's impact on Southeast Asia, how do rising sea temperatures exacerbate existing economic vulnerabilities?

- A) They lead to increased fish catch, boosting the coastal economy.
- B) They alter fish migratory patterns, potentially reducing catch and impacting the livelihoods of fishermen.**
- C) They promote coral reef growth, enhancing tourism revenue.
- D) They decrease the salinity of coastal waters, benefiting certain aquaculture industries.

3. Vietnam's renewable energy sector is experiencing rapid growth, but what key challenge has arisen from the rapid, subsidy-driven expansion, impacting investor confidence?

- A) The phasing out of all fossil fuels ahead of schedule.
- B) Retroactive revision of purchase prices for solar and wind projects, reducing revenues.**
- C) A significant decrease in global demand for renewable energy technologies.
- D) The imposition of heavy import tariffs on solar panels and wind turbines.

4. Which major commodity, pivotal for Indonesia's foreign exchange earnings, has seen significant export value growth and is a key trade partner for countries like India, Pakistan, and China?

- A) Natural Rubber
- B) Palm Oil**
- C) Copra
- D) Timber

5. The Philippines' Blue Economy Act of 2024 aims to revitalize its ocean economy. What is a primary threat to this sector, impacting both ecological and economic resilience?

- A) Increased international fishing quotas
- B) Overfishing, marine pollution, and the effects of extreme weather changes**
- C) A decline in global demand for seafood products
- D) The reduction of government subsidies for marine research

6. Malaysia is developing a carbon pricing strategy. Which sectors are initially targeted for a potential carbon tax implementation by 2026, as announced in Budget 2025?

- A) Agriculture and palm oil
- B) Iron, steel, and energy**
- C) Tourism and hospitality
- D) Textiles and manufacturing

7. What is a significant consequence of climate change, particularly extreme weather events like floods and landslides, on Southeast Asia's economies, according to reports from 2025?

- A) Increased agricultural productivity due to more rainfall.
- B) Destabilization of economies, erosion of government legitimacy, and disruption of supply chains.**
- C) A decrease in infrastructure damage, as natural buffers have been restored.
- D) Enhanced food security due to more predictable weather patterns.

8. The Mekong River basin is crucial for millions in Southeast Asia. What are the primary human-induced threats exacerbating environmental damage to the river's ecosystem and livelihoods?

- A) Strictly regulated fishing practices and sustainable tourism.
- B) Large-scale hydropower development and sand mining.**
- C) The widespread adoption of renewable energy sources.
- D) International agreements promoting fish stock conservation.

9. Singapore is increasing its carbon tax. What is the projected trajectory for its carbon tax rate per tonne of CO2 equivalent (tCO2e) by 2026?

- A) Remaining at S\$5/tCO2e
- B) Increasing to S\$45/tCO2e**
- C) Decreasing to S\$2/tCO2e
- D) Stabilizing at S\$25/tCO2e

10. In Southeast Asia, a 1% increase in average temperature is estimated to raise food producer prices by 1-2% across several ASEAN countries. Which country is identified as the most vulnerable to temperature changes due to its geographical vulnerability and weaker food production system response?

- A) Malaysia
- B) Thailand
- C) The Philippines**
- D) Indonesia

11. What significant environmental and economic challenge does Malaysia face due to its reliance on oil palm and forestry, particularly in the context of global climate commitments?

- A) A surplus of timber exports leading to unsustainable logging.
- B) A lack of potential for generating carbon credits due to deforestation.
- C) Balancing economic interests with nature and biodiversity conservation, with palm oil as a driver for deforestation.**
- D) A global boycott of palm oil due to its environmental impact.

12. The shift towards sustainable tourism in Thailand is gaining momentum. What percentage of Thailand's tourism revenue did eco-tourism account for in 2024, and what is its projected growth rate?

- A) 5% of revenue, with a 10% annual growth rate.
- B) 10% of revenue, with a 15.8% annual growth rate.**
- C) 15% of revenue, with a 5.8% annual growth rate.
- D) 20% of revenue, with a 12.5% annual growth rate.

13. What is a major concern regarding Vietnam's commitment to renewable energy integration and a coal phase-out, despite ambitious targets for solar and wind power?

- A) An over-reliance on nuclear power and LNG, and the persistence of coal generation beyond 2030.**
- B) A complete cessation of all fossil fuel investments by 2025.
- C) A decrease in foreign investment in renewable energy projects.
- D) The privatization of all state-owned energy companies.

14. Southeast Asia contributes a significant portion of global greenhouse gas emissions. What percentage is estimated, and what is the projected rise in energy-related emissions between 2017 and 2040?

- A) 20% of global emissions, projected to rise by 10-30%.
- B) 40% of global emissions, projected to rise by 34-147%.**
- C) 60% of global emissions, projected to rise by 50-200%.
- D) 80% of global emissions, projected to rise by 70-300%.