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## Renewable Energy Investments Shift to Developing Nations

By Alex Morales

Renewable energy investments are shifting to developing nations as countries from Morocco to Chile pursue power sources that wean them off fossil fuel imports, two studies promoted by the United Nations said.

China's \$67 billion of investment in wind, solar and other renewable projects led developing nations to \$112 billion of spending in 2012, according to an e-mailed statement today from the UN and other groups involved in the studies. That compares with \$132 billion of expenditure in the industrialized world.

The gap on renewables spending between richer and developing countries shrank to 18 percent last year from 250 percent in 2007, marking a "dramatic change" in investment patterns, the statement said. Two-thirds of the 138 nations that now have clean-energy targets are in the developing world.

"The uptake of renewable energies continues worldwide as countries, companies and communities seize the linkages between low-carbon green

economies and a future of energy access and security," UN Environment Program Executive Director Achim Steiner said in the statement. "More and more countries are set to take the renewable energy stage," he said, citing "the logic and the rationale of embracing a green development path."

UNEP and the Frankfurt School of Finance and Management worked with Bloomberg New Energy Finance to produce one of today's reports, while REN21, an association of scientists, governments and international organizations, wrote the other.

### Global Trend

Total global investment in renewables fell to \$244 billion in 2012 from \$279 billion in 2011, due in part to a drop in the cost of solar and wind technologies, according to the reports. Solar photovoltaic installations rose to a record 30.5 gigawatts. Wind also hit a new annual record, with 48.4 gigawatts put in place.

The biggest regional surge in investment was in the Middle East and Africa, where spending grew 228 percent to \$12 billion in

2012, according to the statement. The U.S., which led the world in 2011, fell behind China, with investment dipping 34 percent to \$36 billion.

In Germany, spending fell 35 percent to \$20 billion. In Japan it surged 73 percent to \$16 billion as the government introduced subsidies for wind, solar and geothermal power following the earthquake in 2011 that closed most of the nation's nuclear reactors.

"It is encouraging that renewable energy investment has exceeded \$200 billion for the third successive year, that emerging economies are playing a larger and larger part, and that the cost-competitiveness of solar and wind power is improving all the time," said New Energy Finance Chief Executive Officer Michael Liebreich. "What remains daunting is that the world has hardly scratched the surface. CO2 emissions are still on a firm upward."