

Developing countries investing more in renewable energy

For only the second time since 2006, global investments in renewable energy in 2012 failed to top the year before, falling 12 per cent, mainly due to dramatically lower solar prices and weakened US and EU markets. However, 2012 was the second highest year ever for renewable energy investments, which total US\$1.3 trillion since 2006.



Credit: [Stephen Buss](#)

And there was a continuing upward trend in developing countries in 2012, with investments in those countries topping US\$112 billion, compared to US\$132 billion by developed countries.

This is a dramatic change from 2007, when developed economies invested 2.5 times more in renewables (excluding large hydro) than developing countries, a gap that has closed to just 18 per cent.

Renewable energies have rapidly become a vital part of the global energy mix and account for an ever-growing share of electric capacity added worldwide.

Total renewable power capacity worldwide exceeded 1470 gigawatts (GW) in 2012, up 8.5 per cent from 2011. Wind power accounted for about 39 per cent of renewable power capacity added, followed by hydropower and solar PV, which each accounted for approximately 26 per cent.

Solar PV capacity reached the 100 GW milestone, surpassing bio-power to become the third largest renewable technology in terms of capacity in operation, after hydro and wind.

The main issue holding back investment last year was ongoing renewable energy policy instability in important developed-economy markets, according to two recent reports:

1. [Global Trends in Renewable Energy Investment 2013](#). The report has become the standard reference for global renewable energy investment figures.
2. The [REN21 Renewables 2013 Global Status Report](#), the most frequently-referenced report on renewable energy market, industry and policy developments.

Achim Steiner, UN Under-Secretary-General and UNEP Executive Director, commented:, ‘The uptake of renewable energies continues world-wide as countries, companies and communities seize the linkages between low carbon Green Economies and a future of energy access and security, sustainable livelihoods and a stabilized climate.

‘There has been a dramatic increase in number and size of projects. There have also been sharp falls in manufacturing costs and in the selling prices of wind turbines and photovoltaic panels, contributing to a shake-out in the industry in 2012.

‘This is not only normal in a rapidly growing, high tech industry but is likely to lead to even more competition, with even bigger gains for consumers, the climate and wider sustainability opportunities.

‘More and more countries are set to take the renewable energy stage. Only last week, the global host of World Environment Day, Mongolia, invited me to tour its first 50 MW wind farm, which is the start of its ambitious plan to harness the wind and the sun to power its future and supply clean energy to China and the region.

‘Like many other nations it has seen the logic and the rationale of embracing a green development path and is seizing this with both hands.’

Source: UNEP

From ECOS online <http://www.ecosmagazine.com/?paper=EC13141>