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Future Trends Series - GR:REEN Project

Title of the report

Global Trends in Renewable Energy Investment 2013

Area

Energy and Environment

Reporter

The Frankfurt School – UNEP Collaborating Centre for Climate & Sustainable Energy Finance

Type of the Reporter

International Organisation/Private Organisation Collaboration

Periodically updated?

No

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Latest update

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Official website

<http://fs-unep-centre.org/>

Language available

English

Short summary

In this report, an attempt is made to comprehensively capture the full status and trends of renewable energy worldwide.

Key trends

- Investment in renewable power and fuels (including small hydro-electric projects) was \$244 billion in 2012, down 12 per cent from the previous year's record figure of \$279 billion. Despite the setback, 2012's total was still the second-highest ever and 8 per cent up on 2010.
- The total of \$244 billion was the second-highest ever, nearly one and a half times the 2009 figure and six times the 2004 number.
- In 2012, just 6.5 per cent of global electricity was produced using wind, solar, biomass and waste-to-power, geothermal, marine and small hydro technologies, up from 5.7 per cent in 2011.
- An important change that took place in 2012 was an acceleration in the geographical shift of renewable energy investment. In 2007, developed economies invested two and a half times as much in renewables (excluding large hydro) than developing economies. In 2012, the gap was just 18 per cent.

- Total investment in developed economies in 2012 was down 29 per cent at \$132 billion while that in developing economies was up 19 per cent at \$112 billion, the highest ever.
- After being neck-and-neck with the US in 2011, China was the dominant country in 2012 for investment in renewable energy, its commitments rising 22 per cent to \$67 billion, thanks to a jump in solar investment. But there were also sharp increases in investment for several other emerging economies, including South Africa, Morocco, Mexico, Chile and Kenya.
- Despite high levels of investment in renewable energy, generators are continuing to spend large sums on fossil-fuel assets. In 2012, gross investment on coal, gas and oil power (including replacement plant) was an estimated \$262 billion, some \$2 billion higher than the total investment in renewable power capacity including large hydro. Net investment in fossil-fuel technologies, at \$148 billion, was much less than that in renewables.
- There were contrasts in the trends seen among different categories of investment. Small-scale capacity (of less than 1MW) was the strongest area, rising 3 per cent to \$80 billion in 2012. Asset finance of large projects slipped 18 per cent to \$149 billion.
- Investment in specialist renewable energy companies by public market investors dropped 61 per cent to \$4 billion, while that by venture capital and private equity investors fell 30 per cent to \$4 billion, the lowest since 2005. Corporate and government research and development spending, however, edged up 1 per cent to \$10 billion.

Suggestions

- The main issue holding back investment over the last year has been instability in the policy regime for renewable energy in important developed-economy markets. Future investment is likely to coalesce in countries that can offer policies that command investor confidence, plus the need for extra generating capacity and strong renewable power resources.

Methodology

Research from primary and secondary sources

[Reference to other trends reports? If yes, which reports?](#)

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