



UNITED NATIONS  
UNIVERSITY  
CRIS

Institute on Comparative Regional Integration Studies



## Future Trends Series - GR:REEN Project

### Title of the report

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**Global Trends in Renewable Energy Investment 2013**

### Area

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Energy and Environment

### Reporter

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

### Type of the Reporter

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International Organisation/Private Organisation Collaboration

### Periodically updated?

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No

### First issued year

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2013

### Latest update

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### Official website

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

### Language available

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English

### Short summary

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

### Key trends

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- 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

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- 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

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Research from primary and secondary sources

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

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