

26 March 2010

China steams ahead on clean energy

By Richard Black

Environment correspondent, BBC News



Projects like Donghai Bridge wind farm in Shanghai have pushed China ahead

China overtook the US during 2009 to become the leading investor in renewable energy technologies, according to a new analysis.

Researchers with the Pew Charitable Trusts calculate that China invested \$34.6bn (£23.2bn) in clean energy over the year, almost double the US figure.

The UK emerges in third place among G20 nations, followed by Spain and Brazil.

The most spectacular growth has come in South Korea, which saw installed capacity rise by 250% in five years.

Globally, investment has more than doubled in the last five years, Pew finds, with the recent economic turmoil generating only a slight dip.

TOP FIVE INVESTORS 2009

China - \$34.6bn

US - \$18.6bn

UK - \$11.2bn

Spain - \$10.bn

Brazil - \$7.4bn

"Even in the midst of a global recession, the clean energy market has experienced impressive growth," said Phyllis Cuttino, director of Pew's campaign on climate change.

"Countries are jockeying for leadership.

"They know that investing in clean energy can renew manufacturing bases, and create export opportunities, jobs and businesses."

The US still holds a marginal lead in the total amount of installed capacity, but will be overtaken by China during the course of this year if existing trends continue.

Diversification nation

China's target of having 30GW of installed renewable capacity in place by 2020 will soon be exceeded through wind alone, and new targets are in the process of being set.

"The government has taken a strategic decision that diversifying its energy supply should be a national priority," commented Steve Sawyer, secretary-general of the Global Wind Energy Council (GWEC), who was not involved in the Pew report.

FASTEST GROWERS

South Korea - 249%

China - 79%

Australia - 40%

France - 31%

India - 31%

(growth in installed capacity over last five years)

"It is now the world's leading manufacturer of solar photovoltaic cells, and more wind turbines are made in China than anywhere else."

However, China's use of fossil fuels is also expanding fast.

So far, renewables account for a small share of its energy supply, although the overall target is a 15% share of total energy by 2020.

Wind was the dominant sector in most of the high-investing countries, the exceptions being Spain, Germany and Italy where solar technologies commanded a majority share.

US investment fell by 40% during from 2008 to 2009.

"The US's competitive position is at risk in the emerging clean energy economy," said Ms Cuttino.

Spain's investment also dropped due to the recession, following several years of rapid increases driven by the desire to cut greenhouse gas emissions very quickly in order to reach its Kyoto Protocol target.

Pew notes that the UK achieved its third place through "large offshore wind deals, backed by the government", and by being "at the forefront of marine energy investments."

Pew based its analysis on the database maintained by Bloomberg New Energy Finance, the international analysis and consultancy group.

Richard.Black-INTERNET@bbc.co.uk

