

China takes global lead in clean energy: report

January 7 2017, by Marlowe Hood



On Thursday, China announced that it would sink at least \$361 billion into renewables by 2020, key to the country's transition away from polluting coal power

China's overseas investment in renewable energy projects jumped last year by 60 percent to a record \$32 billion (30 billion euros), marking its leadership in the global market for clean energy, a report said Friday.

In 2016, China finalised 11 foreign deals worth more than a billion dollars each, and is expected to pick up the pace this year, according to the Institute for Energy Economics and Financial Analysis (IEEFA).

On Thursday, China announced that it would sink at least \$361 billion into renewables by 2020, key to the country's transition away from polluting coal power.

"Renewable energy will be the pillar for China's energy structure transition," said Li Yangzhe, deputy head of the National Energy Administration, the official Xinhua news agency reported.

Overseas investments last year ranged from lithium battery makers in Australia and Chile to an electricity distribution deal in Brazil and the building of a solar cell factory in Vietnam.

China now owns five of the six largest solar module manufacturing firms in the world, according to the report.

On the domestic front, the world's second largest economy had already emerged as a renewables powerhouse, outstripping the United States.

China poured more than \$100 billion in domestic renewable energy—wind, solar, hydro—and related sectors in 2015, more than double the US investment, according Bloomberg New Energy Finance.

"The US is already slipping well behind China in the race to secure a larger share of the booming clean energy market," said IEEFA director Tim Buckley.

"With the incoming (US) administration talking up coal and gas, prospective domestic policy changes don't bode well," he said in a statement.

'Hard to compete'

US President-elect Donald Trump has vowed to restore America's flagging coal industry, and has appointed several fossil fuel executives and lobbyists to key posts in his administration.

China's emerging dominance of the clean energy sector also extends to jobs.

The International Renewable Energy Agency (IRENA) estimates that China holds 3.5 million of the 8.1 million renewable energy jobs globally, compared to less than 800,000 in the United States.

China's National Energy Administration said the nation's renewables sector would generate at least 13 million jobs by 2020.

Ulf Moslener, a professor at the Frankfurt School of Finance and Management, agreed that China has emerged as "the world leader on renewable energy," with clear advantages over rich-nation competitors such as the United States and Germany.

"Standard solar modules are no long rocket science," he told AFP. "It will be really hard to compete with China on the cost side."

The same applies to wind energy.

But US and European entrepreneurs "should still have an advantage" when it comes to high tech, he added, pointing to thin-film solar, and cutting-edge engineering services as examples.

In 2016, China boosted its overseas influence by establishing the Asia Infrastructure Investment Bank.

It is also funnelling billions into the New Development Bank, set up by the BRICS nations Brazil, Russia, India, China and South Africa.

All the bank's initial loans were for renewable energy projects.

Add in its established overseas investment banks, and "China is clearly building the financial capacity to drive global mergers and acquisitions," the IEEFA report concluded.

In 2015, China overtook the United States as the largest market for electric vehicles, and today two Chinese firms—BYD Auto and battery maker CATL—are challenging US firm Tesla for leadership of the sector.

© 2017 AFP

Citation: China takes global lead in clean energy: report (2017, January 7) retrieved 30 September 2023 from <https://phys.org/news/2017-01-china-global-energy.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.