

Renewable energy investment fell 18% in 2016: study

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Investment in renewable energies in Japan and China, the two key markets, fell significantly in 2016 on the previous year, the study found

Global investment in renewable energy dropped by 18 percent in 2016 due to sharp falls in equipment prices and a slowdown in China and Japan, a study found Thursday.

After reaching record levels in 2015, [investment](#) fell last year to \$287.5

billion, according to researchers at Bloomberg New Energy Finance (BNEF).

The fall was due in part to "further sharp falls in equipment prices, particularly in photovoltaics," it said.

But it also was down to a marked cooling in China and Japan, two key markets, where investment in renewable energies fell significantly on the previous year.

Following a record year in 2015, Chinese investment fell 26 percent to \$87.8 billion, down from \$119.1 billion, while in Japan it dropped 43 percent to \$22.8 billion.

After boosting spending on clean energies with some of the most generous subsidies in the world, both nations are now shifting their focus, "cutting back on building new large-scale projects and digesting the capacity they have already put in place," said BNEF's Asia head, Justin Wu.

"The government is now focused on investing in grids and reforming the power market so that the renewables in place can generate to their full potential."



The renewable energy sector is growing rapidly, with 2016 a record year for offshore wind power where investment pledges rose 40 percent to \$29.9 billion

Record year for wind

Despite falling oil prices, which tend to reduce investment in energy efficiency, the renewables sector is growing rapidly, with 2016 a record year for [offshore wind power](#) where investment pledges rose 40 percent to \$29.9 billion.

The growth was driven by developers taking advantage of "improved economics" resulting from the availability of bigger turbines and better construction knowhow, the study said.

In the United States, investment in [renewable energy](#) fell 7 percent to \$58.6 billion, while in Canada, it slipped 46 percent to \$2.4 billion.

Across the Asia-Pacific region, which accounts for 47 percent of the global figure, there was an overall fall of 26 percent to \$135 billion, although Indian investment remained at almost the same level as 2015, at \$9.6 billion

By contrast, Europe bucked the overall trend, with a slight increase of 3 percent to \$70.9 billion, with the UK leading the pack for the third year in a row with investment of \$25.9 billion, a rise of 2 percent.

Germany ploughed \$15.2 billion into the sector, representing a 16 percent fall on 2015, while France invested \$3.6 billion, down 5 percent on the previous year.

The picture was worse in developing countries where many projects did not secure funding before the year's end. South Africa saw investment fall 74 percent to \$914 million, while it was down 80 percent in Chile to \$821 million.

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