

# UN reports big jump in 'green energy' investment

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**By JOHN HEILPRIN – July 2, 2008**

UNITED NATIONS (AP) — Global investors plowed \$148 billion into new wind, solar and other alternative energy assets last year, in what the United Nations describes as a "green energy gold rush" gaining speed the last several years. The spike in investment — 60 percent above the \$92.6 billion spent on such projects in 2006 — reflects sharply rising concerns over climate change and energy prices, U.N. officials said in a report Tuesday. In 2005, alternative energy drew \$58.5 billion in new money. An additional \$56 billion changed hands on mergers and acquisitions involving alternative energy last year — another sign the "clean energy" industry is maturing in the eyes of investors, U.N. Undersecretary-General Achim Steiner said. Steiner, who heads the U.N. Environment Program, said the agency's report on global trends in sustainable energy investment indicates a "green energy gold rush is attracting legions of modern-day prospectors in all parts of the globe." Yvo de Boer, the U.N.'s top climate change official, said the trend also bodes well for efforts to negotiate a new global-warming treaty by the end of 2009 to cut industrial emissions of carbon dioxide and other atmospheric heat-trapping gases.

Wind energy led last year, drawing \$50 billion in new investments, a more than 40 percent rise from 2006, according to the report. Solar power was the fastest-growing sector, rising almost 90 percent to \$28 billion. That doesn't mean the world is close to giving up oil. But Steiner said the pace of investment in renewable energy and efficiency is remarkable because it is occurring despite the broader turmoil in financial and credit markets. "With world temperatures and fossil fuel prices climbing higher, it is increasingly obvious to the public and investors alike that the transition to a low-carbon society is both a global imperative and an inevitability," he said. Most of the new money flowed into Europe, followed by the U.S., the report said. But it noted there is growing interest in green technologies in China, India and Brazil, emerging economies that have become major emitters of greenhouse gases. Chinese solar companies, for instance, raised \$2.5 billion last year from U.S. and European equity capital markets. Financing for India's new wind projects grew to \$2.5 billion. Brazil has become the world's largest renewable energy market, because of long-established hydropower and biofuel industries.

The U.S. Energy Information Administration said last week that worldwide energy demand is expected to grow 50 percent over the next two decades and oil prices could rise to \$186 a barrel. It predicted the steepest increases in energy use will come in China and other developing economies, including some in the Middle East and Africa, where energy demand is expected to be 85 percent greater in 2030 than today.

On the Net: U.N. report: <http://sefi.unep.org/english/globaltrends>