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Europe 'falling behind' in green investment race

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Europe is in danger of falling behind in the green investment race, new research shows, after a bumper year for renewable energy around the world.

Last year, green investment surged by one-third to a record \$211bn (£132bn), with a huge boost coming from investment in China, particularly in windfarms.

Almost \$50bn of the total came from China, an increase of more than one-quarter on 2009, confirming the country as the world's green energy powerhouse.

Growth was also strong in other parts of the developing world, including India and Latin America.

In Europe, by contrast, financial sector investment dropped by one-fifth to \$35bn. However, the headline figure masks a brighter picture when it comes to small-scale renewables in Europe, particularly solar power in Germany.

Bloomberg New Energy Finance, the authors of the report that was commissioned by the United Nations Environment Programme, said: "One of the most striking features of 2010 was that in terms of financial new investment – incorporating asset finance, venture capital, private equity and investment through public stock markets – developing countries overtook developed economies for the first time."

Such investment amounted to \$72bn in developing countries and \$70bn in the industrialised world.

Connie Hedegaard, Europe's climate chief, has called for a much greater proportion of the EU's budget to be devoted to climate-related spending, which would help Europe retain some of its edge in the rapidly growing green economy.

Hedegaard called for at least 20% of the EU's budget to be spent on climate-related issues in future, to foster green technology, help cut emissions and help deal with the damaging effects of climate change.

She said: "This significant increase reflects that it is a key political priority for Europe to tackle climate change by transforming Europe into a clean, competitive low-carbon economy. But it also marks a paradigm shift."

Fiona Harvey for The Guardian

Links

Non-assigned links

- United Nations Environment Programme [Global Investments in Green Energy Up Nearly a Third to US\\$211 billion](#)

Press articles

- EurActiv Poland: [Energia odnawialna coraz popularniejsza poza Europa](#)