

Excerpt from Commodities Now, October 9, 2012

<http://www.commodities-now.com/news/environmental-markets/12747-2012-clean-energy-investment-to-fall-short-of-last-years-record-280-bn.html>

Clean Energy Investment Falls Short

Global investment in clean energy totalled \$56.6bn in the third quarter of 2012. This was down 5% on the second quarter and 20% lower than in Q3 2011, explained partly by weaker figures from the US and India, and a lull in wind farm financings. Today's figures, published by research company [Bloomberg New Energy Finance](#), suggest that the full-year 2012 figure for investment in clean energy is likely to fall short of last year's record \$280bn. If so, 2012 would be the first down-year for world investment in the sector for at least eight years.

The challenges facing clean energy in the third quarter continued to include policy uncertainty in key markets such as the US, the UK and Italy, and the dampening effect of low sector share prices on public market and venture capital investment. In addition, the recent sharp falls in the costs of wind and solar photovoltaic technologies have meant that the same megawatt capacity can now be purchased for significantly fewer dollars.

Michael Liebreich, chief executive of Bloomberg New Energy Finance, said: "The fact that 2012 looks like being a down-year is disappointing, but not surprising – indeed we predicted as much in January. The decline should not be exaggerated either. The third quarter figure was still well over \$50bn – roughly equivalent to investment in the whole of 2004."

The third quarter figures, drawing on the world's most comprehensive database of transactions in clean energy worldwide, show that asset finance of utility-scale projects such as wind farms, solar parks and biofuel plants fell 10% to \$32.3bn. There was a bigger reduction compared to the third quarter of last year, when asset finance reached \$49.5bn thanks in large part to the final throes of the US federal loan guarantee programme.

Liebreich said: "The location of some of the biggest projects financed in Q3 this year highlight the geographical shift that is taking place in clean energy, with established markets such as the US, Europe and China losing momentum while newer markets in South America, Asia and Africa pick up steam."

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Clean energy share prices bobbed around in Q3, but ended up almost where they started. The closing figure of 116.69 for the WilderHill New Energy Global Innovation Index, or NEX, which tracks 98 clean energy stocks worldwide, left it 8% down for the year as a whole.