



## **Press Release – for immediate use**

**30 January 2009**



### **World Economic Forum Report: \$515bn per year needed in clean energy investments**

**Clean energy opportunities have the potential to generate significant economic returns. Experts warn against complacency in combating climate change, urging the link of the economy and climate agendas in 2009.**

Davos-Klosters, Switzerland, 30 January 2009 - The World Economic Forum released the Green Investing: Towards a Clean Energy Infrastructure report. The report outlines the scale of the investments needed to develop a clean energy infrastructure and move to towards a low-carbon economy. The full report is available at [www.weforum.org/pdf/climate/Green.pdf](http://www.weforum.org/pdf/climate/Green.pdf).

New Energy Finance, which collaborated with the World Economic Forum on the report, warns that unless at least US\$ 515 billion per annum is invested in clean energy between now and 2030, carbon emissions will reach a level deemed unsustainable by scientists, causing temperatures to rise by two degrees globally.

The report identifies eight emerging, large-scale clean energy sectors that are expected to significantly contribute in the move to a clean energy infrastructure of the future: onshore wind, offshore wind, solar photovoltaic, solar thermal electricity generation, municipal waste-to-energy, sugar-based ethanol, cellulosic and next generation biofuels, and geothermal power.

The report's authors, Max von Bismarck and Anuradha Gurung from the World Economic Forum, and Chris Greenwood and Michael Liebreich from New Energy Finance, argue that "enormous investment in energy infrastructure is required to address the twin threats of energy insecurity and climate change. In light of the global financial crisis, it is crucial that every dollar is made to 'multi-task' to create a sustainable low-carbon economy."

Clean energy opportunities have the potential to generate significant economic returns. The report shows that even after a tumultuous 2008, an index of the world's 90 leading clean energy companies had a five-year compounded annualized return of almost 10%, unmatched by the world's major stock indices.

#### **Other highlights from the report include:**

Clean energy investments increased from around US\$ 30 billion in 2004 to over US\$ 140 billion by 2008. Investments in 2008 exceeded expectations at US\$ 155 billion (the report is based on preliminary estimates for 2008 - which suggests that US\$ 142 billion would be invested by year-end). Investment in clean energy has not only increased, but has also diversified geographically. Developing countries attracted 23% (US\$ 26 billion) of asset financing in 2007, compared to 13% (US\$ 1.8 billion) in 2004.

In addition, four key enablers for a shift to clean energy will be energy efficiency, smart grids, energy storage, and carbon capture and storage. Well-developed conditions for innovation, markets for clean energy through public procurement, energy efficiency standards and stable and simple policies are essential to meet the climate change challenge.

Earlier today, speaking at a press conference at the World Economic Forum Annual Meeting 2009, Yvo de Boer, Executive Secretary of the UNFCCC, Connie Hedegaard, Minister of Climate and Energy for Denmark, and Lord Nicholas Stern, among many others - including senior business and NGO representatives and Members of the World Economic Forum's Global Agenda

Council on Climate Change - issued a statement urging the link of the economy and climate agendas in 2009. They warn against complacency in the UN climate talks, due to conclude in December in Copenhagen to replace the Kyoto Protocol.

Their statement suggests using some of the money available from fiscal stimulus packages to invest in activities that can provide jobs as well as create low emission options. They say that linking the economy and climate discussions in this way can create a "diplomatic opportunity" in 2009. They urge business, governments, experts and civil society groups to come together to design "win-win" projects and collaborations - projects that are good for the economy in the short term and that help to tackle climate change in the longer term. The group calls for this "unprecedented collaboration" to be launched at the World Economic Forum Annual Meeting, and to use 2009 to build this set of projects. They say that this could also help the UN climate talks.

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**ABOUT NEW ENERGY FINANCE:**

New Energy Finance is the world's leading independent provider of research to investors in renewable energy, biofuels, low-carbon technologies and the carbon markets. The company's research staff of over 100 (based in London, Washington, New York, Palo Alto, Beijing, New Delhi, Hyderabad, Tel Aviv, Cape Town, São Paulo and Perth) tracks deal flow in venture capital, private equity, M&A, public markets, asset finance and carbon credits around the world.

The New Energy Finance Desktop is the world's most comprehensive subscription database of investors and investments in clean energy. New Energy Finance's Insight Services provide deep market analysis to investors in Wind, Solar, Biofuels, Biomass, China, VC/PE, Public Markets and the US. New Energy Finance is co-publisher of the world's first global stock-market index of quoted clean energy companies, the WilderHill New Energy Global Innovation Index (ticker symbol NEX). The company also undertakes bespoke research and consultancy, and runs senior-level networking events.

**ABOUT NEW CARBON FINANCE:**

New Carbon Finance, a division of New Energy Finance, is the world's leading independent provider of analysis, price forecasting, consultancy and risk management services relating to carbon. It has dedicated services for each of the major emerging carbon markets: European, global (Kyoto), Australia and the US, where it covers the planned regional markets as well as potential federal initiatives.

For more information on New Energy Finance: <http://www.newenergyfinance.com>  
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**ABOUT THE WORLD ECONOMIC FORUM**

The World Economic Forum is an independent international organization committed to improving the state of the world by engaging leaders in partnerships to shape global, regional and industry agendas. Incorporated as a foundation in 1971, and based in Geneva, Switzerland, the World Economic Forum is impartial and not-for-profit; it is tied to no political, partisan or national interests. <http://www.weforum.org>

For more information about the Meeting, please visit the Forum's website for the Annual Meeting 2009 at <http://www.weforum.org/annualmeeting>

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- Programme of the Annual Meeting at <http://www.weforum.org/annualmeeting/programme>
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- Summaries of key sessions at <http://www.weforum.org/annualmeeting/summaries2009>
- Press Conferences will be broadcast live on <http://qik.com/worldeconomicforum> and <http://www.mogulus.com/worldeconomicforum>
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