

Funding for clean energy in China

The United Nations Environment Programme official predicted a strong and fast growth of clean energy investment in China, with fund flows favoring the wind and solar sectors.

"China has a huge potential in market demand and in recourses, prerequisites of the rising inflow of international investment," said Zhang Shigang, coordinator of UNEP China office at the launching ceremony of the Global Trends in Substantial Energy Investment 2008.

The report, jointly published by the UNEP and UK-based New Energy Finance, said that globally, investment between now and 2030 is expected to reach \$450 billion a year by 2012, rising to more than \$600 billion a year from 2020.

Last year new investment in sustainable energy surpassed \$148 billion, a 60 percent rise from 2006, transactions mainly fuelled by the wind sector.

Although most money still flows to Europe and the US, China, India and Brazil are drawing increasing investor interest.

In China, investment in renewable capacity increased by 91 percent in 2007 to \$10.8 billion and wind capacity doubled to 6 gW.

Li Junfeng, secretary-general of Chinese Renewable Energy Industries Association said: "Most of these investments have gone to mini-hydro, solar water heating, and wind power projects. Around \$6 billion to \$10 billion has also been invested in large hydropower annually."

Currently, renewable energy accounts for 8.5 percent of China's primary energy supply and 16 percent of its electricity supply.

By 2020, these are expected to reach 15 percent and 21 percent respectively, or even higher.

Michael Liebreich, chairman and CEO of NEF, said: "It has been another year of impressive developments for the Chinese renewable energy industry.

"We should expect to see China take the lead in more and more sectors of the renewable energy industry in the next few years."

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