

# China extends lead in clean energy investment

Germany outpaces US as No. 2 player

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**WASHINGTON:** Germany has outpaced the United States as the number two player in clean energy while China keeps racing ahead as the world's green investment leader, according to a study released yesterday.

The survey by the Pew Charitable Trusts found strong growth on a global scale for solar, wind and other renewable energy, although one major exception was Britain, which saw a sharp decline after a new government took charge.

"What we believe it all comes down to, frankly, is policy," said Phyllis Cuttino, director of the Pew Clean Energy Programme.

"Germany and China have ambitious renewable energy standards and, certainly in the case of Germany, they also have a feed-in tariff that's really helped them," she said, referring to incentive payments to produce green power.

China, which a year earlier topped the United States as the green leader, saw no stop to its growth. Clean energy investment reached \$54.4 billion in 2010, up 39% from the previous year, the Pew report said.

The study estimated that China — which is fighting severe pollution and its dubious distinction as the top pro-

ducer of carbon emissions blamed for climate change — now produces nearly half of the world's wind and solar modules.

Germany's clean energy investment doubled to \$41.2 billion, bringing the country to second place, the study said. Germany ramped up both solar and wind power — especially small solar projects that added up when viewed together.

Despite slipping to third, the United States still enjoyed 51% growth in clean energy investment, the study said.

"The United States plays a leading role in innovation and capital for green energy, but lags behind in manufacturing," it said.

The survey also reported a more than doubling of investment in clean energy

both in Italy, which came in fourth overall, and Australia, which ranked 12th.

But Britain witnessed a 70% decline in clean energy investment, slipping out of the top 10, as businesses hesitated at offshore wind projects after Prime Minister David Cameron took over with a mission to trim spending.

"Certainly the coalition government has given investors a signal that things are uncertain and that's the way investors reacted," Cuttino said.

Indonesia and South Korea also experienced declines in clean energy investment, although the study's authors said that it was possible the two countries would rebound due to their policy directions.

In Japan, whose clean energy industry

consists almost exclusively of solar, investment rose a modest 10% but Cuttino predicted future growth as the world's third-largest economy has set ambitious goals over the next decade.

The research was conducted before Japan's devastating March 11 earthquake, which set off a crisis at a nuclear plant that has brought new scrutiny worldwide to atomic energy.

The United States experienced growth in clean energy even though efforts led by President Barack Obama's Democratic Party to mandate cuts in carbon emissions died last year in Congress.

The Obama administration has hoped to find common ground with the rival Republican Party to encourage clean energy without focusing on climate

change itself — an issue that is deeply controversial in Congress.

US Energy Secretary Steven Chu said last week that he expected wind and solar energy to become cost competitive with new oil and gas projects by the end of the decade.

Former governor Jennifer Granholm, a Democrat of Michigan, said companies that invested in her economically hard-hit state in the 18 months to December were projected to create 63,000 green jobs.

"That's not chump change," she said at a Pew event. "We have a choice as Americans — we can decide that we're going to take advantage and get into the game of this huge growth, or we can do what we've been doing." *AP*