



The rising power of Green Investments

Across the globe, countries are making strong movements towards a greener future



In 2015, The United Nations Environment Program (UNEP) compiled a report on Global Trends in Renewable Technology and marked a near 17% rise in global investment in green technology during 2014 alone. In total, these assets have reached a sum of astonishing \$270 billion and are expected to reach an even higher peak in the up-coming years. The investments in solar power accounted for an outstanding \$150 billion of the total sum, whilst investments in wind power accumulated a remarkable \$99.5 billion. One of the most economically thriving countries in the world today China last year made an investment of more than \$83 billion towards renewable energy, followed by US and Japan respectfully.

Due to the recent and somewhat sudden solar boom in China and Japan, green technology investments everywhere had had a marked surge. In 2015, the Chinese manufacturers were expecting to produce and install an astonishing 55 gigawatts of solar power, which is enough energy to supply approximately 11 million average households. Similarly, Japan has been advocating a greater use of renewables since the Fukushima nuclear disaster in 2011 and their production of solar power was set to reach an impressive 12.7 gigawatts last year.

In 2014 the Chinese President Xi Jinping signed a deal with the the US government to boost the non-fossil fuel share of energy production to roughly 20% by year 2030. Not only have these world forces agreed upon attempting a major carbon capture, but they also combined their energies to expanding the Joint Clean Energy Research and Development Centre, followed shortly after with launching a Climate-Smart/Low-Carbon Cities initiatives.

In the UK, the Department of Energy and Climate Change, the Engineering and Physical Sciences Research Council and Innovate UK have established the Energy Catalyst funding initiative. Supported with £24.5 million by the government, this fund is open to researches and businesses from any field that are able to address energy challenges related to energy cost savings and reduction of carbon emissions. In the first round of funding, 40 different technologies were awarded, including the largest battery in Europe and windows that have the strength to function as solar panels, amongst many others.

Speaking of solar panels, the cost of manufacturing these photovoltaic modules has since 2010 decreased by a remarkable 66%, causing a massive increase in demand. For the first time in history last year, solar technology was able to compete on price with the fossil fuels. Moreover, a plethora of high-profile deals came from some of the biggest technology and investment banking firms in the sector. Tech giants such as Google Inc. and Apple Inc. have both been reported to invest large amounts of money with SolarCity and First Solar, Inc. In fact, solar energy has unquestionably become the most popular green technology with the prediction of \$345 billion for the global market by the year 2020.

Despite its considerable oil reserves, the Middle East has joined the move towards global change, marking a steady increase in green technology investment during the recent years. The award-winning environmental international non-profit organisation The Climate Group has gone so far in suggesting that the UAE could possibly become the very centre of the energy revolution. Chief executive Mark



Kenber's has stated: "I think that the UAE in particular is being globally recognised for its low carbon leadership both in the projects in place in Abu Dhabi and Dubai alike, and, increasingly, the companies that are also coming on board."

The UAE's Minister of Energy Suhail Al Mazroui has said in Abu Dhabi that the country's investments in green energy are

expected to reach an outstanding \$35 billion (Dh128.5 billion) by 2021 as the government aims to reduce its dependency on natural gas. Out of that amount, some investments are said to have been put in nuclear, solar and other forms of green energy, while the rest of the budget is saved for investments during the next 5-6 years. Al Mazroui also stated that energy demand in GCC countries went up by 9% in 2014,

which was a "worrying growth rate" and one more reason for the government and individual firms to go as green.

Elsewhere in the UAE, Dubai Electricity and Water Authority's 200 megawatt solar plant is expected to start manufacturing green electricity at the lowest global price as soon as year 2017. Similarly, the Mohammed bin Rashid Al Maktoum Solar

Park is predicted to start generating energy at a remarkably low cost of 21 fils per kilowatt hour, as well as producing 30,000 megawatts by 2030. An additional plan is for Dubai to invest Dh11 billion in order to triple energy generation capacity. In addition to all that, the UAE's green economy is said to provide 160,000 new jobs by the year 2030 and improve the country's overall GDP by 5%.

Green investments are slowly becoming a world-wide phenomenon, as corporations everywhere are likely to continue to expand their use of green technologies.

Similarly, investors all over the world are looking to distinguish companies that are in-efficient and stuck in the past polluting ways from those that are sustainable and looking towards the future. It also helps the trend that the companies nowadays do not have to fear a sub-par financial performance, as the recent increase in market demand for technological innovations has generated many positive investment returns too.

A steady profit can be achieved throughout the coming years if this trend continues, whilst helping to preserve the environment.

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