

Solar power due to overtake oil production investment for first time - IEA

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Investment in clean energy will extend its lead over spending on fossil fuels in 2023, the International Energy Agency said on Thursday, 25 May, with solar projects expected to outpace outlays on oil production for the first time.



Source: Gallo/Getty

Annual investment in renewable energy is up by nearly a quarter since 2021 compared to a 15% rise for fossil fuels, the Paris-based energy watchdog said in its *World Energy Investment* report.

Around 90% of that clean energy spending comes from advanced economies and China, highlighting the global divide between rich and poor countries as fossil fuel investment is still double the levels needed to reach net-zero emissions by mid-century.

"Clean energy is moving fast – faster than many people realise," said IEA executive director Fatih Birol.

"For every dollar invested in fossil fuels, about 1.7 dollars are now going into clean energy. Five years ago, this ratio was one-to-one."

Around \$2.8tn is set to be invested in energy worldwide in 2023, of which more than \$1.7tn is expected to go to renewables, nuclear power, electric vehicles, and efficiency improvements.

The rest, or around \$1tn, will go to oil, gas and coal, demand for the last of which will reach an all-time high or six times the level needed in 2030 to reach net zero by 2050.

Current fossil fuel spending is significantly higher than what it should be to reach the goal of net zero by mid-century, the agency said.



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In 2023, solar power spending is due to hit more than \$1bn a day or around \$380bn on a yearly basis.

"This crowns solar as a true energy superpower. It is emerging as the biggest tool we have for rapid decarbonisation of the entire economy," energy think tank Ember's head of data insights, Dave Jones, said in a statement.

"The irony remains that some of the sunniest places in the world have the lowest levels of solar investment."

Investment in new fossil fuel supply will rise by 6% in 2023 to \$950bn, the IEA added.

The agency did not expressly reiterate its blockbuster projection from 2021 that investors should not fund new oil, gas and coal supply projects if the world wants to reach net-zero emissions by mid-century.

Producer group OPEC has said calls by the IEA to stop investing in oil undermine global energy security and growth. Scientists and international climate activists have warned the fossil fuel industry exacerbates the catastrophic impacts of climate change.

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