

Alternative energy sector to reach \$600bn by 2030: analyst

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The current global investment in energy infrastructure is estimated at \$800 billion (Dh2.9 trillion) with the alternative energy sector stake is fast growing to reach \$600bn by 2030, said a senior analyst at the Swiss-based Credit Suisse. Talking to **Emirates Business** on the sideline of the ongoing World Future Energy Summit, Dr Miroslav Durana, Director and Head of Alternative Energy at Credit Suisse, said the renewable energy sector market share will be growing at the rate of 25 per cent a year by 2030.

"Today, the global investment in all different energy infrastructure is estimated at \$800bn with the alternative energy sector having a share of \$150bn, which is expected to grow to \$600bn in a time frame between 2020 and 2030. This will be equivalent to two-third of the entire energy market share in 2030 and beyond," he said.

Durana said after stronger growth of 25 to 30 per cent in the past three to five years, it is expected to witness a very slow growth this year due to credit crunch and the weaker demand for energy.

He said the demand for the alternative energy is also slowing down, "which means the alternative energy industry will grow very slow – say from a single digit to 10 per cent level on the revenue side this year".

However, he said, on the generation capacity side, the wind and solar power growth will be in double digit. "The solar energy sector, we expect, growth to be about 20 per cent year-over-year in 2009."

"In 2010, we expect the solar energy generation capacity growth to be at about 25 per cent annually and the wind energy sector to be at about 15 per cent."

Referring to the Middle East, he said weaker demand is expected this year, which means lower prices and the margins are also expected to be down with top line revenue growth lowering. "The solar and wind power sector revenues are expected to be between zero and 10 per cent this year. In 2010, it will be at 10 per cent.

At global level, he said, on longer term, from 2012 and 2020, the alternative energy is expected to grow at 7.5 per cent annually. "It means the market share of the alternative energy sources is set to increase from the current around eight per cent to over 20 per cent by 2030."

Durana said the key drivers for the renewable energy sector growth are the declining oil reserves, global warming issues, energy security risk due to sensitive geopolitical stability and the increasing demand with growth of population.

He said "today, 1.5 billion people are without energy among the 6.3 billion inhabitants in the world. The population is expected to cross eight billion by 2030."

To a question, Durana said basically energy is in elastic to economic cycle, which means energy demand is nearly and always the same.

"It has been the same for the last 50 years at two per cent per annum independent of the economic cycles. The percentage is to remain at the level with minor changes over the next 50 years."

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