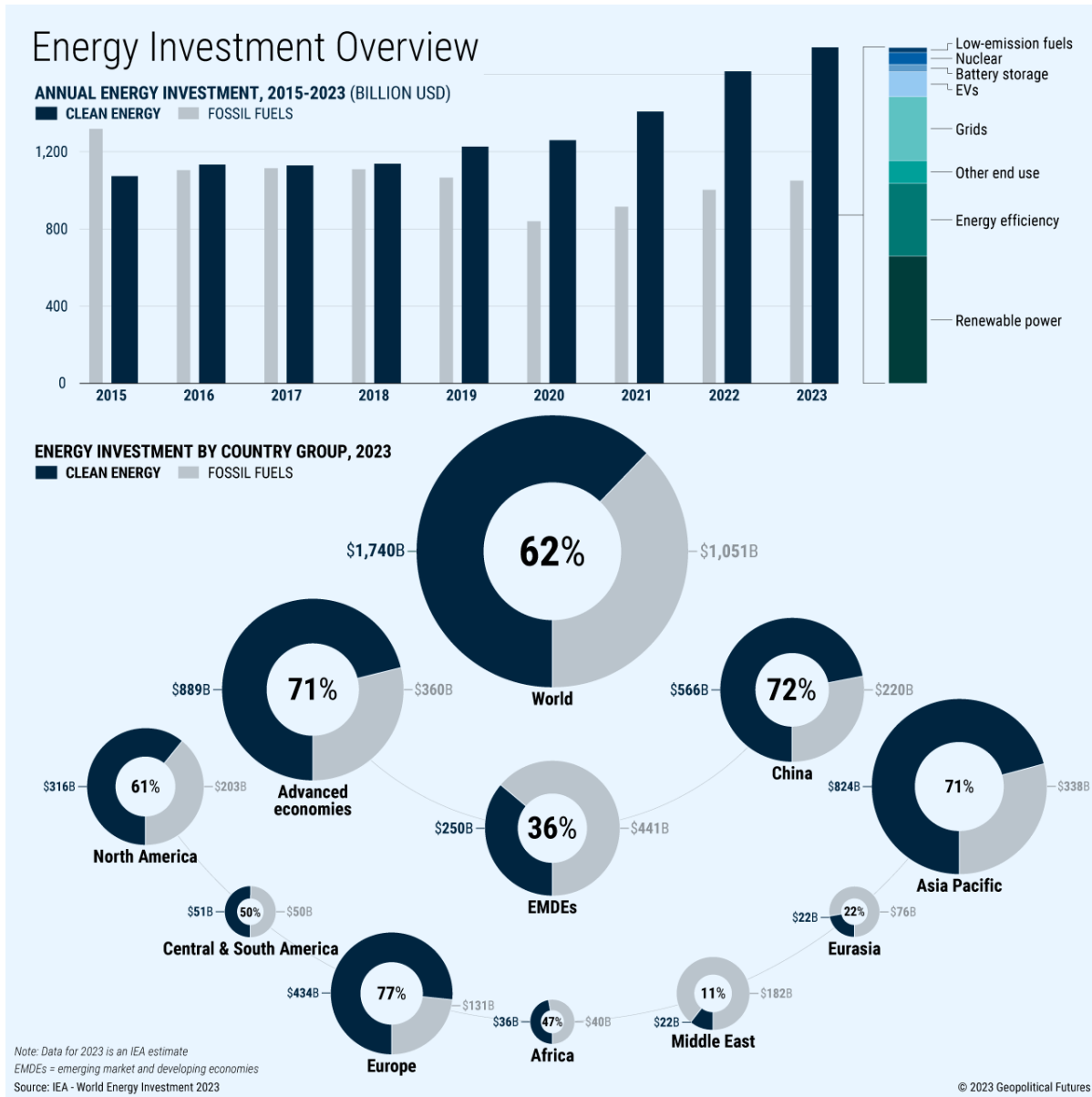


# Investment in Clean Energy Is Booming

by Geopolitical Futures - July 7, 2023



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The International Energy Agency expects \$2.8 trillion of investment in energy this year, with roughly 60 percent going toward clean energy. In the past two years, clean energy investment has risen 24

percent compared with just 15 percent for fossil fuels. Producers of fossil fuels reaped huge profits in 2022, but less than half their cash flow is going toward new supply. Unsurprisingly, Middle Eastern producers lead in terms of spending on new supply.

Why the sudden surge in clean energy investment? The main explanations include volatility in fossil fuel markets, renewed interest in energy security, rising appreciation of the disruption created by climate events and greater societal interest in slowing climate change. The largest increases in spending on clean energy by far have come from China, the European Union and the United States. Despite high interest in clean energy, however, the transition faces many challenges, chief among them the complexity and cost of developing and growing new energy supply chains.

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