

Global energy investment and the transition to clean energy

Next week sees the beginning of the 28th session of the Conference of the Parties (COP 28) taking place in Dubai. As the focus on countries transitioning away from fossil fuels becomes increasingly under the spotlight, we explore the area of clean energy and the future of clean energy from an investment's perspective. The first insight below is from the Economist Intelligence Unit, specifically their energy outlook for 2024. What this chart highlights is the cumulative installed capacity in Gigawatts for wind and solar energy across the major continents. What is clear visible is the growth in capacity for both will continue to increase drastically over the next seven years, with EIU projecting upwards of 1,000 gigawatts of solar energy capacity installed in Asia alone by 2030. To put into perspective a 1000 gigawatts is equivalent in terms of energy capacity as 2.46 million solar panels.

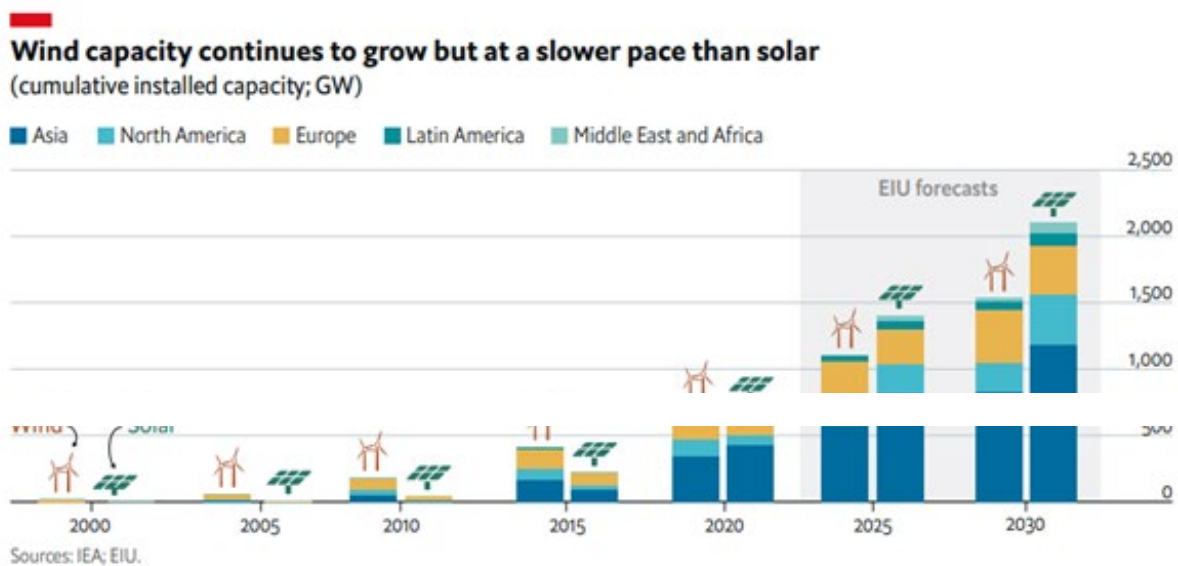
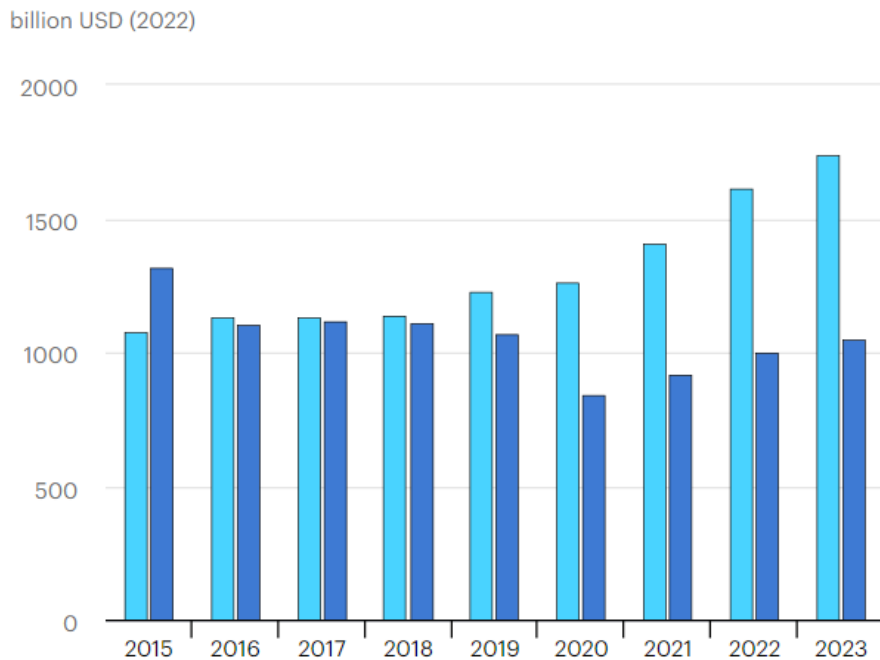


Figure 1- EIU (2024)

The following data insight comes from the IEA's Global Energy Transitions Stocktake for 2024 and illustrates the global investment in clean energy from 2015 to 2023, as well as the investment in fossil fuels. To put it into perspective, in 2015, just over \$1 trillion was invested in clean energy, while \$1.3 trillion was invested in fossil fuels. In 2023, investment in clean energy worldwide totalled \$1.74 trillion, compared to \$1.05 trillion invested in fossil fuels. In the past 7 years, clean energy investments have increased by over \$660bn, while investment in fossil fuels have fallen by over \$250bn. The growth in clean energy investment in 2023 has been attributed to solar and EV investments around the world.

Global energy investment in clean energy and in fossil fuels, 2015-2023




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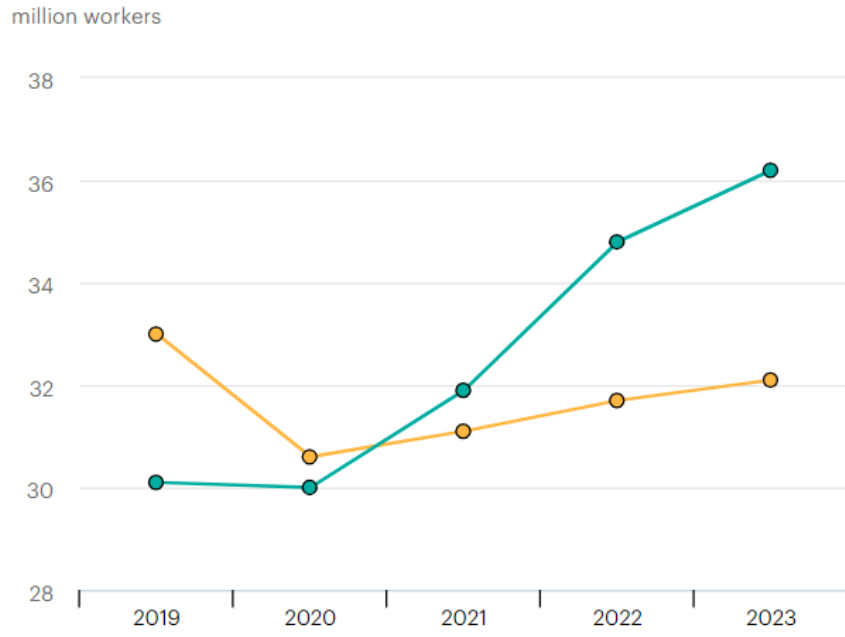
● Clean energy ● Fossil fuels

Figure 2 IEA (2023) - Global Energy Transitions Stocktake – Topics – IEA

One area that is not mentioned regularly is the level of employment that the clean energy sector accommodates for. In our final data insight we can see that Globally, in 2023 the clean energy sector employed 36.2 million people, while the fossil fuel sector employed 32.1 million people. Since 2019, 6.1 million people have been employed in the global clean energy sector compared to the fossil fuel sector that has seen 800,000 less people employed in 2023 than in 2019.

Total employment by sector, 2019-2023

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Figure 3 IEA (2023) - Global Energy Transitions Stocktake – Topics - IEA