

Macro Roundup Article

Headline: [War and Subsidies Have Turbocharged the Green Transition](#)

Article Link: <https://www.economist.com/finance-and-economics/2023/02/13/war-and-subsidies-have-turbocharged-the-green-transition>

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Tweet: [@TheEconomist](#) argues that “The crunch caused by the war in Ukraine may, in fact, have fast-tracked the green transition by an astonishing five to ten years” via increased subsidies.

Summary: The crunch caused by the war in Ukraine may, in fact, have fast-tracked the green transition by an astonishing five to ten years. Last year global capital expenditure on wind and solar assets grew from \$357bn to \$490bn, surpassing investment in new and existing oil and gas wells for the first time. America’s Inflation Reduction Act earmarks \$369bn of subsidies for green tech; the European Commission has unveiled a “Net-Zero Industry Act”, which will provide at least €250bn (\$270bn) to clean-tech companies. China’s 14th five-year plan for energy, released in June, for the first time sets a goal for the share of renewables in power generation (of 33% by 2025). All told, the IEA expects global renewable-energy capacity to rise by 2,400gw between 2022 and 2027, an amount equivalent to China’s entire installed power capacity today. That is almost 30% higher than the agency’s forecast in 2021, released before the war. Renewables are set to account for 90% of the increase in global generation capacity over the period. Carbon-dioxide emissions look set to fall considerably faster than expected just 12 months ago. S&P Global, a data firm, thinks emissions from energy combustion will peak in 2027, at a level the world would still be producing in 2028 had the war not happened.

Primary Topic: Investment

Topics: Database, Energy, Factoid, Global Warming, Investment, News article, Productivity, Science, Sell-by Date

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