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## Clean technology in the downturn

# Gathering clouds

## The economic slowdown casts a shadow over the prospects for clean technology

EARLIER this year, with the oil price at record heights, T. Boone Pickens, a celebrated Texas oilman, seemed to confirm the unstoppable growth of the clean-technology industry when he announced plans not only to build the world's biggest wind farm, but also to spend \$58m of his personal fortune promoting the cause of wind power. On October 30th, with oil prices having fallen by more than half, he told a television reporter that the boom he had foreseen in wind would be "put off", due to the unexpected fall in the price of fossil fuels and the sudden difficulty of borrowing money.

Mr Pickens is not the only clean-tech investor caught out by the credit crunch. New Energy Finance, a research firm, calculates that the amount of project finance devoted to clean-energy projects around the world fell by almost 25% in the third quarter, to \$18 billion. The firm expects it to fall further before the end of the year. It also expects firms to raise less money on stockmarkets, due to the financial turmoil. NEX, an index that tracks clean-tech stocks globally, has tumbled even faster than the market as a whole (see chart).

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But Michael Liebreich, the boss of New Energy Finance, expects total investments in clean energy to fall only slightly in 2008, thanks to a strong performance in the first part of the year. Venture-capital and private-equity investments actually rose slightly in the third quarter. The price of oil aside, he says, the issues that stoked interest in clean tech, including global warming and energy security, are as prominent as ever.

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