Ladies and gentlemen, I am very happy to be here with you today, particularly to be addressing this business forum. Renewables deployment will be a joint effort between industry and policy makers, and an effective dialogue is essential.

The energy world is currently undergoing radical changes - creating opportunities for investment, jobs, and innovation.

I would like to spend my brief time this morning covering four main topics:

1) First, how is the global energy system changing, and how do we see the role of renewables in the future?

2) Second, what are the current market trends and what role will the Pacific region play in developments over the next five or so years?

3) Third, what are the main lessons learned from our analysis of policies which could be applied in this region?

4) And finally, what are the business opportunities opened by creating and expanding markets from which you all could benefit?
Renewables will play a major and steadily increasing role in the global energy mix, particularly the power sector – and now constitute a significant share.

*CLICK*

We expect renewables will overtake gas and become the world’s second-largest source of power generation by 2015 – and by 2035 they account for almost one-third of total electricity output.

Renewables growth is led by wind, followed by hydro, bioenergy and solar (the latter shows the fastest growth in relative percentage terms).
The trends are already apparent, with renewables having grown 5% annually since 2005. Take out hydro, and annual growth rates jump to double digits.

These trends will continue and even accelerate over the next five years.

Hydro remains the largest source and continues to grow at 3% per year. But non-hydro technologies increase at 14% per year.

But what is interesting is where that growth is happening. Non-OECD countries account for two-thirds of the overall projected growth in the next five years. This is no longer a rich-country sector.

In 2005 the Pacific region (the yellow and green on this slide) accounted for 17% of global generation from renewables. In 2017 this share will increase up to 28%.

China alone accounts for 40% of global growth to 2017, with large contributions from hydro, wind, bioenergy and solar PV.

Other OECD Asia-Oceania countries including Japan, Korea, Australia and New Zealand add another 5% of that global growth.
If we look more closely at the OECD countries within Asia Pacific region the we can expect:

- **Japan** (mostly in solar PV) led by generous feed-in tariffs and an uncertain nuclear situation

- **Korea** grows under a new renewable portfolio standard, with wind, solar PV and ocean power making important contributions

- **Australia**’s growth is centered on wind and solar PV, supported by long term targets and state-level feed-in tariffs

- **New Zealand**’s mix is underpinned by hydro, wind and geothermal, which are fully competitive with fossil alternatives. New Zealand’s renewable endowments are so good that state support is simply unnecessary.
One important consequence of the rapid expansion of renewable power generation has been the effect on **declining generation costs**

**Renewable technologies are competing better in a wider range of circumstances**, for example where resources are good (like wind in New Zealand), or where summer cost peaks coincide with good solar performance.

**The Pacific Region offers some specific opportunities**
I mentioned New Zealand’s rich resources.

In Australia excellent resources combine with falling technology costs, rising fossil-fuel prices, and carbon pricing mean wind and bioenergy are economically attractive versus new fossil-fuel generation.

Falling costs mean distributed solar PV is becoming more attractive, even as feed-in tariffs are reduced.

And expensive oil-based generation in some Pacific Islands offer unique opportunities for renewables.
So to sum up, the Asia-Pacific region offers special opportunities for renewable energy in the rapidly changing global energy context, thanks to:

- Dynamic energy markets,
- a good general investment climate in the region
- low capital costs
- high energy demand and fossil fuel costs
- and excellent renewable energy resources.

Let me close by saying that taking advantage of those opportunities will require improved dialogue between the public and private sectors.

Our Renewable Energy Working Party has established a **Renewable Industry Advisory Board** which helps to facilitate that dialogue. It brings together IEA experts, government representatives, and leading global renewable industry players at senior executive level.

We have representatives from Asia, but not presently from **New Zealand or Australia. We would very much welcome** representation from this dynamic region – so I’m also here to recruit!

Thank you very much.

*N.B: Mr. Steve Sawyer is member of RIAB, representing the Global Wind Energy Council*