

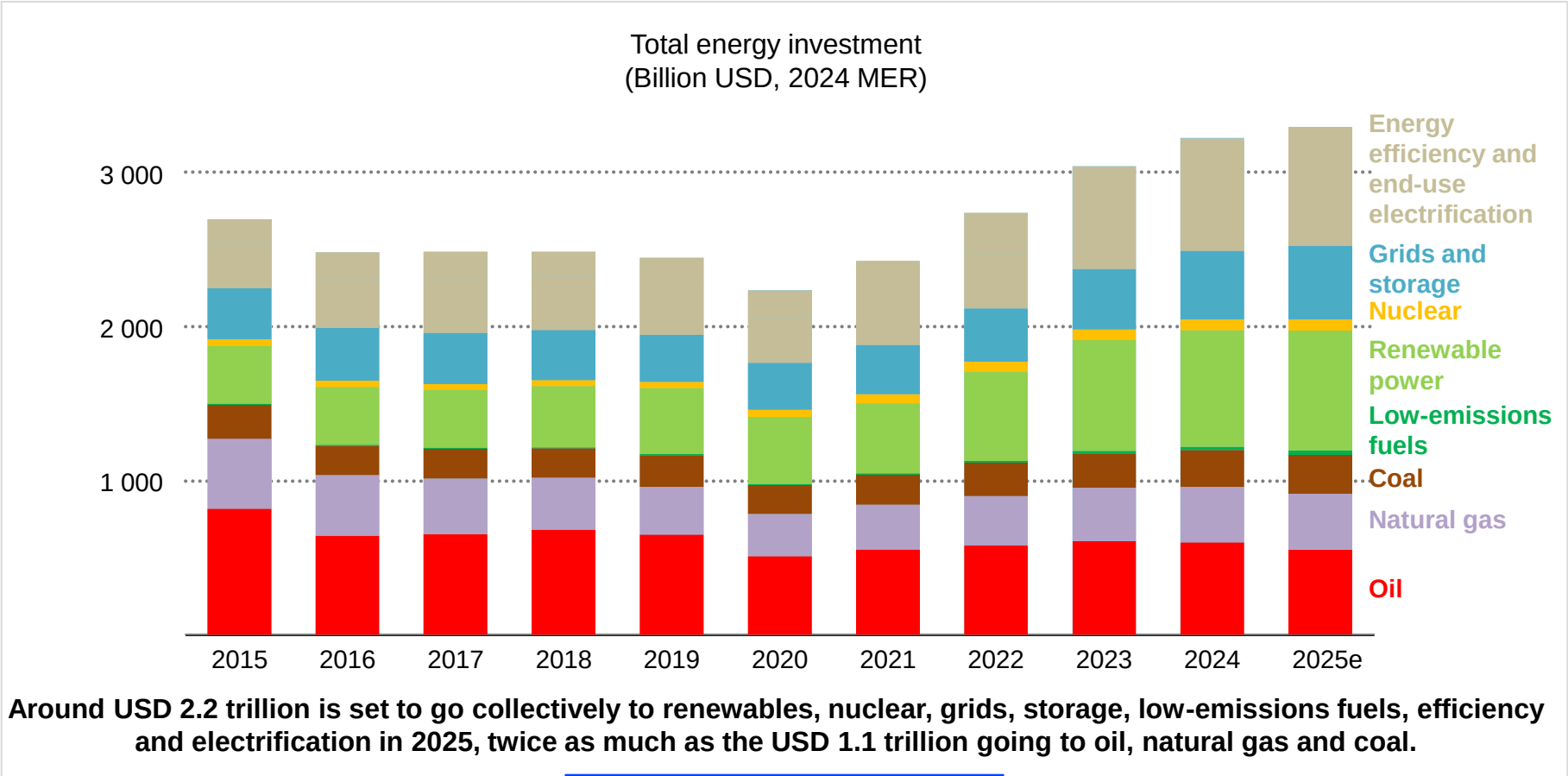


Energy Investments trends and fossil fuel subsidies update

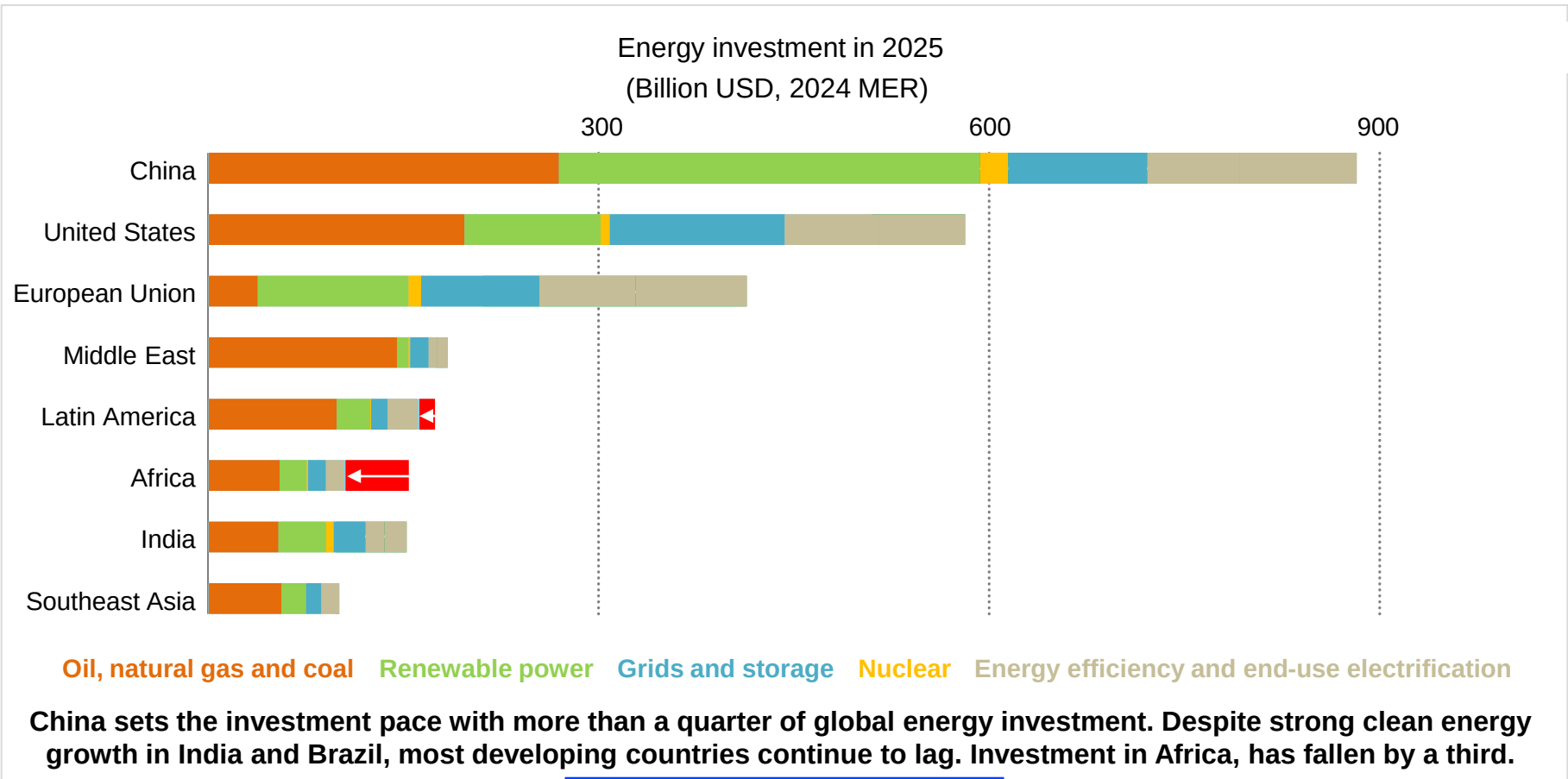
WTO 11 July 2025

Musa Erdogan

Energy investment continues to rise amid economic uncertainty

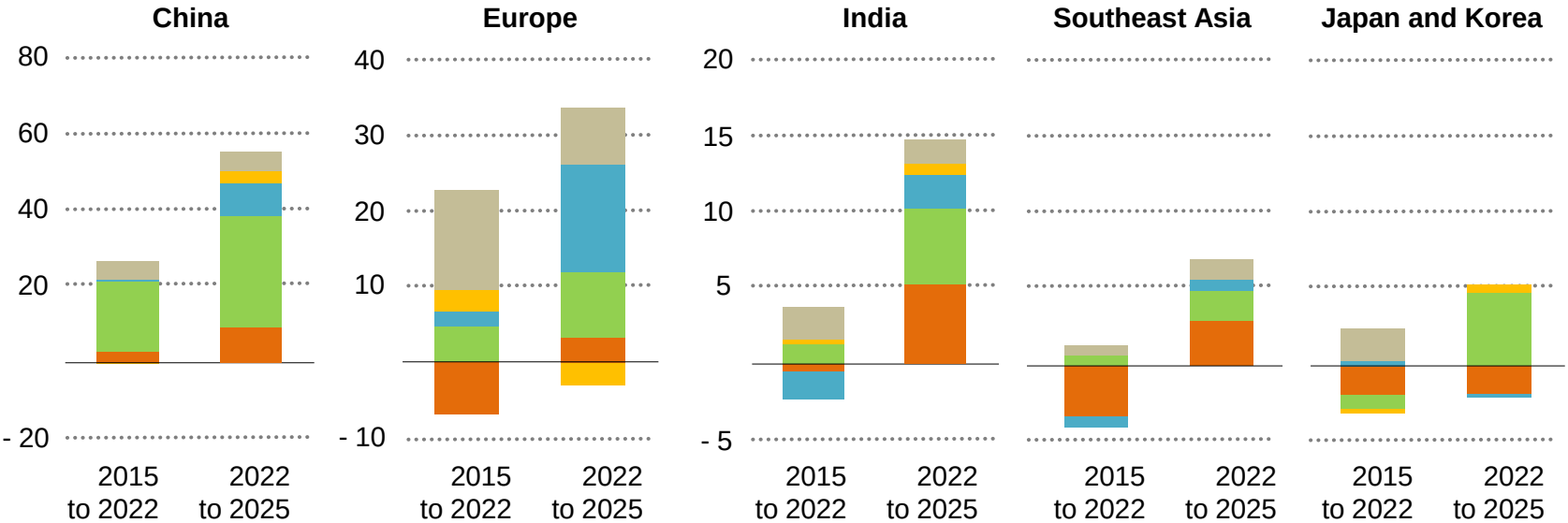


Clean energy investments have grown sharply over the last decade



Energy security worries have fast-tracked transitions

Average annual changes in investment in selected fuel-importing countries and regions
(Billion USD, 2024 MER)

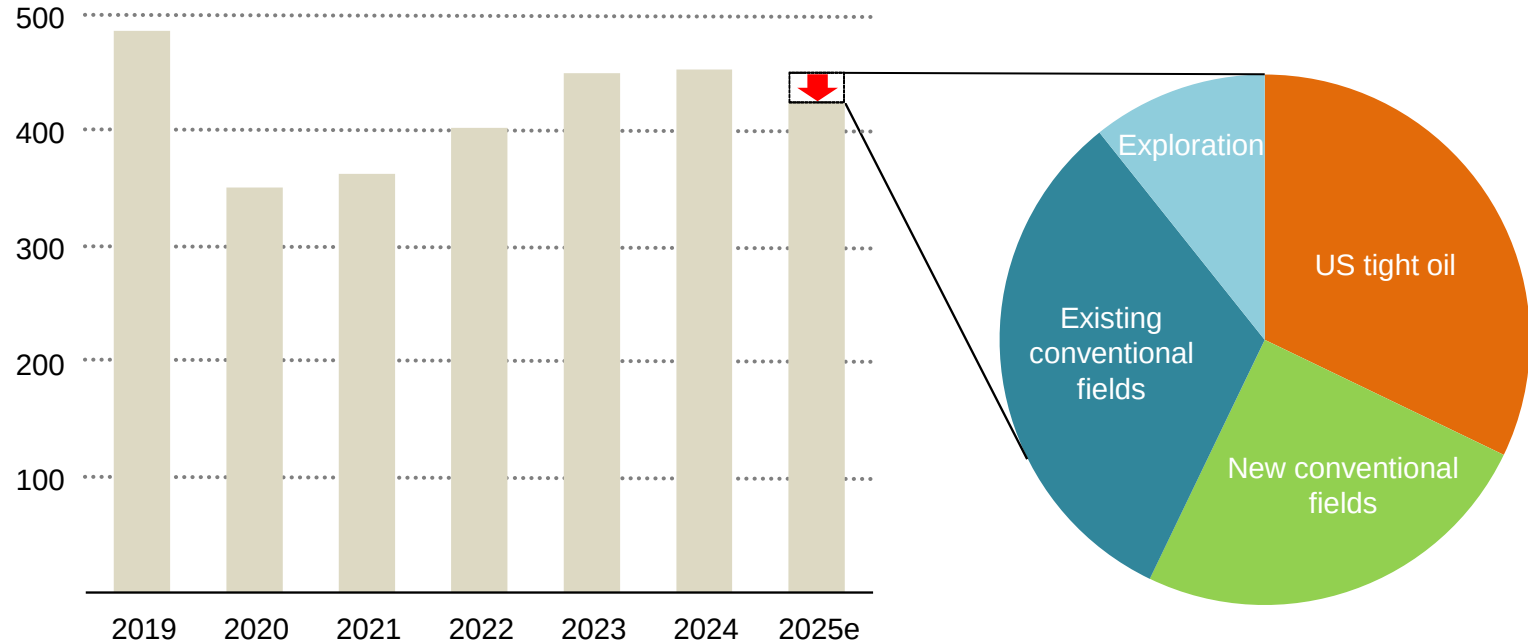


Oil, natural gas and coal Renewable power Grids and storage Nuclear Energy efficiency and end-use electrification

The strong focus on energy security in recent years in fuel-importing countries and regions has been accompanied by a rise in fossil fuel spending, but a much larger increase in clean energy investment

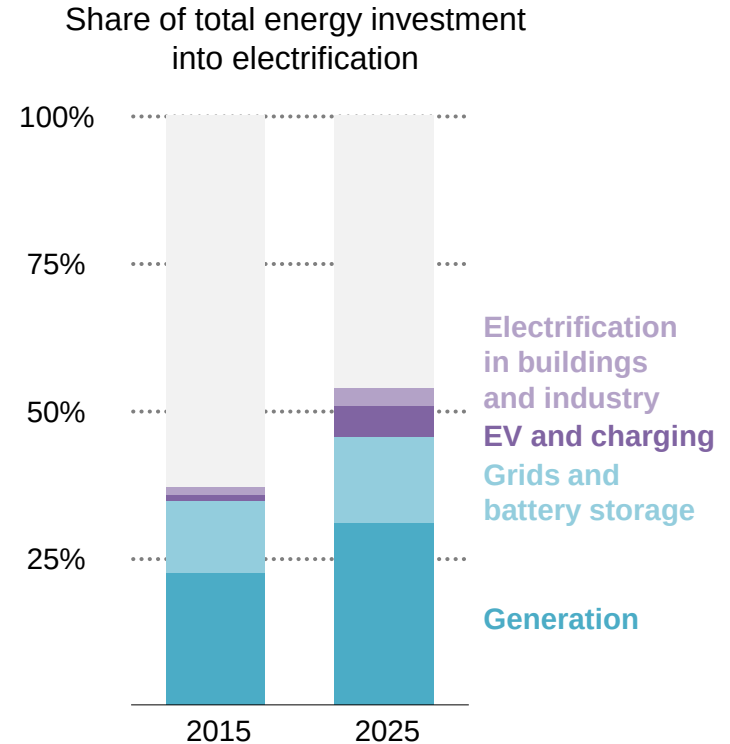
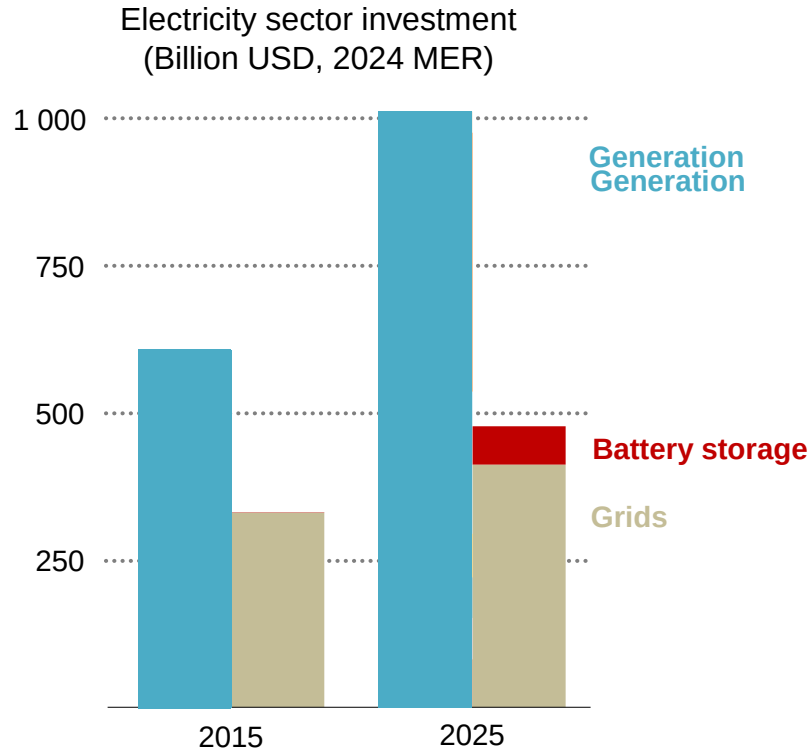
Upstream oil investment is set to fall for the first time since 2020

Upstream oil investment based on guidance from early 2025
(Billion USD, 2024 MER)



Investments in natural gas – especially in LNG – are robust, but spending on oil has been revised down in light of the new economic outlook and cost pressures

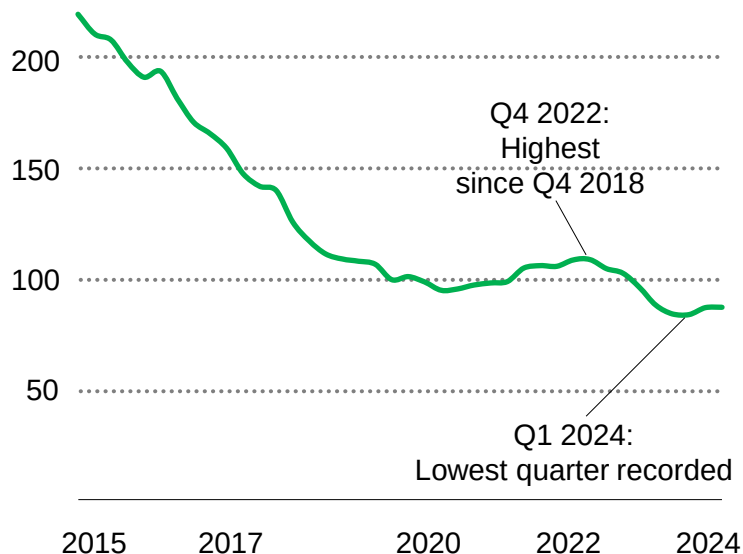
The Age of Electricity is shaping investment trends



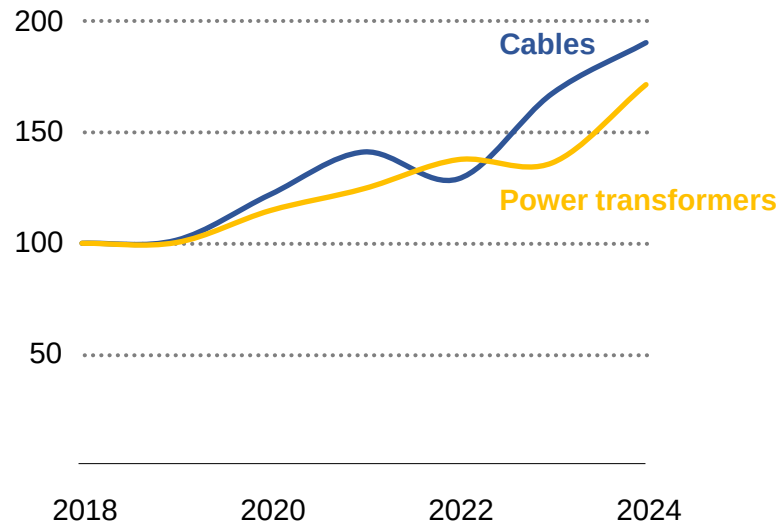
Solar PV and wind accounted for almost all the growth in investment in electricity generation over the past decade. Today, over half of all energy investment goes into the power sector and towards the electrification of end-uses.

Solar becomes cheaper, but electricity equipment prices rise

Clean Energy Equipment Price Index
(Q4 2019 = 100)

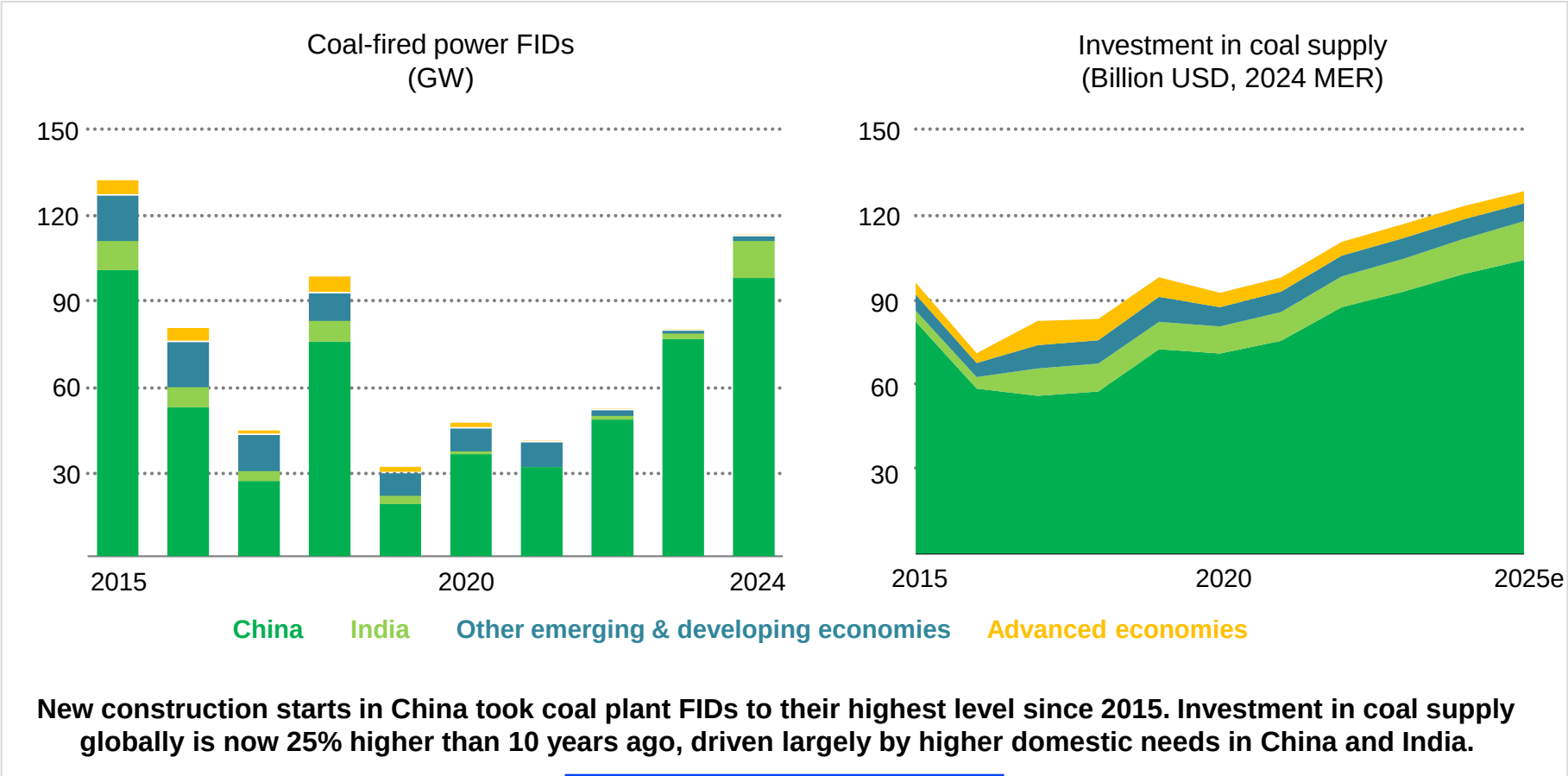


Cables and power transformer price indices
(2018 = 100)



**Fierce competition is driving down prices for solar PV & batteries,
but transformers, cables and gas turbines are in short supply.**

Investment in coal is pushing steadily higher



New construction starts in China took coal plant FIDs to their highest level since 2015. Investment in coal supply globally is now 25% higher than 10 years ago, driven largely by higher domestic needs in China and India.

The largest spenders on R&D are pivoting to electrification

The top 20 companies by R&D spending in energy-related areas

2024

New EV companies

Automotive



Automotive companies with an emerging EV focus

Industry



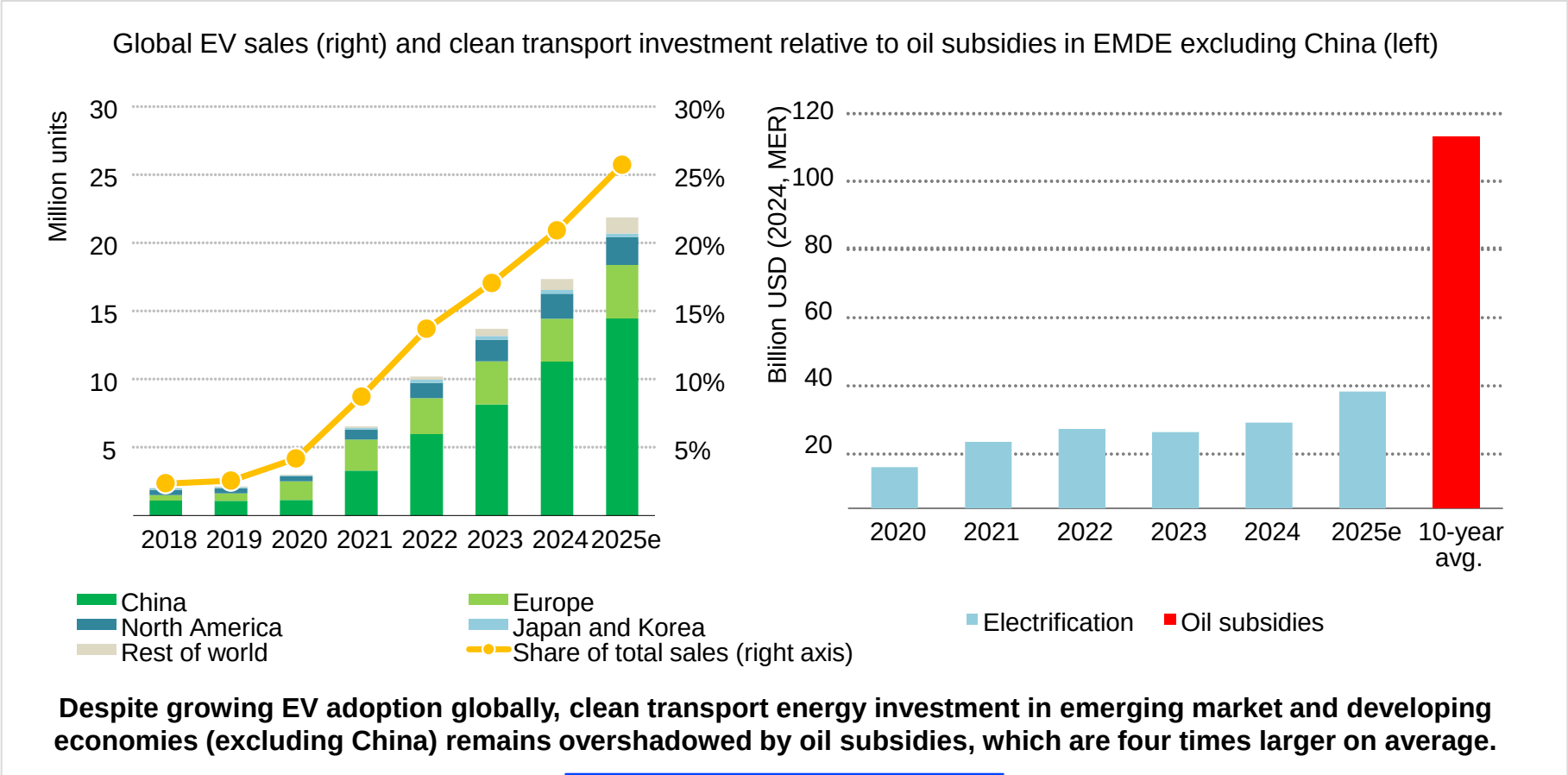
Companies focused on electrification

Energy sector

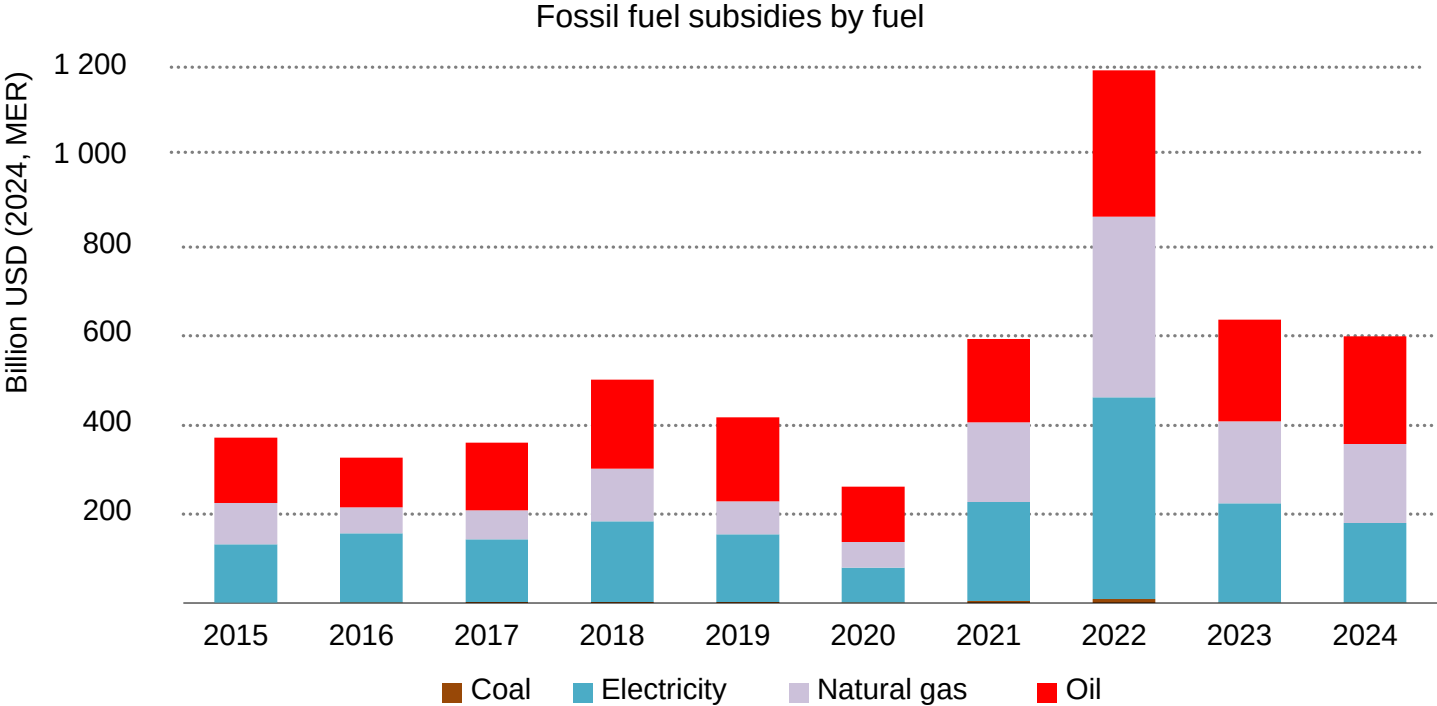


The list of the world's largest corporate investors in energy-related R&D is evolving. There are new entrants that are specialised on electric vehicles and batteries, while others are shifting their focus towards electrification.

Record EV sales, and the pace of electrification of transport is picking up

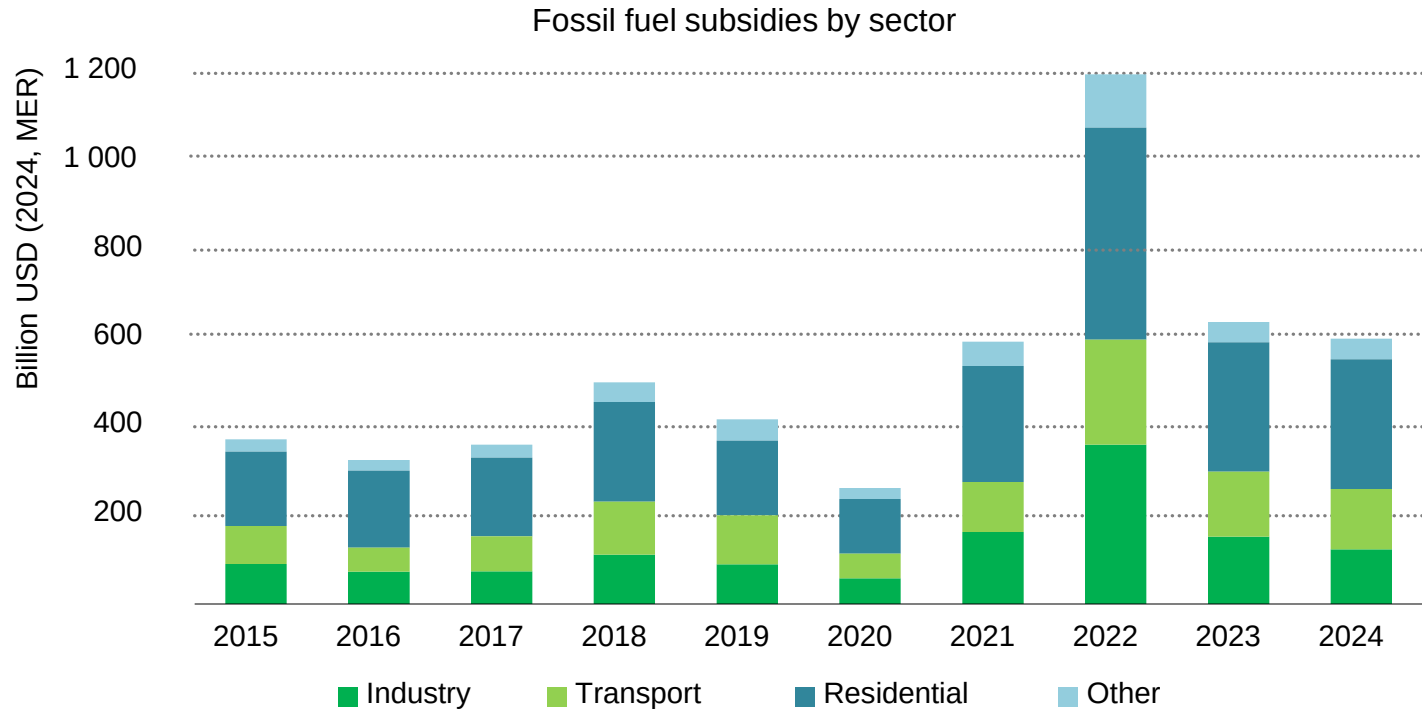


Fossil fuel subsidies hold steady in 2024 after 2022 peak



Declining subsidies in 2024 reflect easing international gas prices and the expiration of government support measures

One fifth of fossil fuel subsidies flow to industry



Unlike other sectors that saw dramatic swings—especially in 2022—industry fossil fuel subsidies remained steady, highlighting more predictable and sustained support.

