



World Energy Investment Report 2025

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Why in News?

The [International Energy Agency \(IEA\)](#) released the **10th edition of its World Energy Investment Report**, revealing critical insights into worldwide energy investment trends.

What are the Key Highlights of the World Energy Investment Report 2025?

- **Energy Investment Trends:** Global energy investment is projected to reach a **record USD 3.3 trillion**. Of this, **clean energy technologies** will attract **USD 2.2 trillion, twice the investment** in fossil fuels (**USD 1.1 trillion**).
 - This surge reflects efforts to **cut emissions**, enhance **energy security**, and leverage the **cost competitiveness** of **electricity-based solutions**.
- **Clean Energy Investment:** Global spending on low-emissions power generation has nearly **doubled in five years**, led by [solar PV](#), with **solar investment** expected to reach **USD 450 billion in 2025**. [Battery storage](#) is also rising sharply, surpassing **USD 65 billion** this year.
 - [Nuclear power](#) investment has grown by **50%**, projected to reach **USD 75 billion** in 2025.
- **India Stand in Global Energy Investment:** India's **renewable power investment** rose from **USD 13 billion (2015) to USD 37 billion (2025)**.
 - **Fossil fuel investments** also increased, from **USD 41 billion to USD 49 billion**, while **nuclear and other clean sources** grew from **USD 1 billion to USD 6 billion**.
 - However, **grid and storage investments** declined from **USD 31 billion to USD 25 billion** over the same period.
- **Regional Investment Patterns:**
 - **China:** China is set to **account for over 25% of global energy investments in 2025**, surpassing all other countries.
 - Overall, **China's total energy spending** equals that of the **US and EU** combined.
 - **Africa:** **Fossil fuel investments** fell while **clean energy investment** grew marginally.
 - Despite having **20% of the world's population**, **Africa accounts for only 2% of global clean energy investment**.
- **Fossil Fuel Investments:** Investment in **oil exploration and production** is expected to **drop by 6% in 2025**, while **LNG investments** are rising sharply, driven by **major projects in the US, Qatar, and Canada**.
 - **Coal investment** stays strong, with **China starting 100 GW** of new coal power in **2024**, pushing **global approvals** to the **highest since 2015**.
- **Grid Infrastructure Investment:** While **generation investment** is set to hit **USD 1 trillion in 2025**, **grid spending lags behind** at just **USD 400 billion**.
 - This gap is widening as **material costs** for grid infrastructure have **nearly doubled** in five years due to **soaring demand**.

International Energy Agency (IEA)

- **About:** IEA is a **Paris-based intergovernmental organization** established in **1974** by the [Organisation for Economic Co-operation and Development \(OECD\)](#) countries in response to the 1973 **oil crisis**.
 - It serves as a **key global energy policy advisor**, providing **data, analysis, and recommendations** to ensure **affordable, secure, and sustainable energy** for its **member countries and beyond**.
- **Focus:** It has four main areas of focus: **energy security, economic development, environmental awareness, and engagement worldwide**.
- **Members:** The IEA is made up of **32 Member countries** and **13 Association countries** including **India**. 4 countries are currently seeking IEA membership: **Chile, Colombia, Israel and Costa Rica**.
 - A candidate country to the IEA **must be a member country of the OECD**.
- **Major Publications:** [World Energy Outlook Report](#), [India Energy Outlook Report](#), [World Energy Investment Report](#).

UPSC Civil Services Examination, Previous Year Questions (PYQs)

Prelims

Q. Consider the following statements:

1. "The Climate Group" is an international non-profit organization that drives climate action by building large networks and runs them.
2. The International Energy Agency in partnership with the Climate Group launched a global initiative "EP100".
3. EP100 brings together leading companies committed to driving innovation in energy efficiency and increasing competitiveness while delivering on emission reduction goals.
4. Some Indian companies are members of EP100.
5. The International Energy Agency is the Secretariat to the 'Under2 Coalition'.

Which of the statements given above are correct?

- (a) 1, 2, 4 and 5
- (b) 1, 3 and 4 only
- (c) 2, 3 and 5 only
- (d) 1, 2, 3, 4 and 5

Ans: (b)

Q. Consider the following statements: (2019)

1. Coal sector was nationalised by the Government of India under Indira Gandhi.
2. Now, coal blocks are allocated on lottery basis.
3. Till recently, India imported coal to meet the shortages of domestic supply, but now India is self-sufficient in coal production.

Which of the statements given above is/are correct?

- (a) 1 only

(b) 2 and 3 only

(c) 3 only

(d) 1, 2 and 3

Ans: (a)

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