

CORREN TROEN

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Scan Magazine | Column | The Clean Tech Sprint



The Clean Tech Sprint

By Paul Corren, Corren Troen's Clean Tech Team

Watching the speed skating over the weekend in Vancouver reminded me of Cleantech's fast moving and dynamic emergence. Like all emerging markets they tend to be understood by few but move at some pace.

The Cleantech boom is no exception, and if you feel that the players are simply a blur on the ice it's probably because the two main drivers of this economy are the US and China. Cleantech to these economies is a real dynamic and the race is on! Looking at the split times to date you would be brave to bet against Team China winning the race.

In order for emerging markets to be taken really seriously there needs to be an appetite for public exits [Initial Public Offerings]. According to Ernst & Young, 53 domestic and international companies in the Cleantech market filed paperwork to hold IPOs in the US in Q4 2009. That's the highest number of new registrants in a

single quarter since 2007. Only last week China Huaneng Group, the company's largest power producer, announced its plans to float shares of its wind power unit aiming to raise \$1 billion.

However it is not all plain skating!

China-based Jinkosolar has postponed plans to go public in the US, blaming poor market conditions. This comes less than a week after Chinese Polysilicon maker, Dago New Energy, also halted plans to IPO in the US. Jinko and Dago blame their failure to enter the US market on an American financial sector that's still rehabilitating and perhaps not quite as recovered as some might suggest.

This, though, will not 'Knock Over' Team China, which accounted for 72% of the global IPO proceeds raised in 2009. Nearly half the companies that went public in Cleantech last year were in China, with 11 IPOs in the Q4 alone raising a combined 3.1 billion.

This drive towards raising capital from the public markets can only be a good thing for Scandi Companies. Scandinavian expertise remains sought after world-wide, particularly in the wind power sector. There are lucrative opportunities for Scandinavian Companies in the Far East, US and Asia with Nordic cleantech exports growing at one of the highest rates in the world. Corren Troen are advising a number of Nordic Cleantech companies not only in relation to their legal requirements but also with regard to the positioning of these companies in the global market.

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