

In order to reach 7 GW of renewable energy capacity by 2030 and 13 GW by 2040, as stipulated in the National Energy Strategy, investment worth 6.3 billion euros will be needed, according to a study published by The National Bank of Hungary (MNB). An increase in renewable energy production is expected to happen largely due to newly installed solar power plants. MNB estimates that the capacity expansion outlined in the National Energy Strategy will translate to 6.3 billion euros in investment needs and almost 4.5 billion euros in debt financing requirement by 2040. The study noted that this amount does not include the financing needed for the construction of energy storage capacities and the cost of network development, which also require significant investments adding up to 1.4 billion euros. Due to the transition risk related to climate change, MNB considers it desirable that commercial banks increase the share of environmentally sustainable industries, such as the renewable energy industry, in their balance sheets. MNB noted that it has introduced preferential capital requirements for green corporate financing, which will improve the financing environment for renewable energy production.