



THURSDAY 30 NOVEMBER 2023

New report: Chinese Energy Giants' Investment Flows Supercharge Renewables Revolution in Response to 14th "Five Year Plan"

The report is available at this link: [Decarbonising China & the World: Chinese Energy SOEs Supercharge Renewable Investment in Response to the 14th Five Year Plan](#)

A new report released today by independent public interest think tank [Climate Energy Finance](#) has found that China's massive energy-focussed State Owned Enterprises (SoEs) are shifting their huge capital expenditure (capex) in line with the central government's renewable energy and emissions reduction targets, dramatically accelerating decarbonisation of the world's second biggest economy. These targets are embodied in China's 14th "Five Year Plan" (2021-2025) and the directives of the state commission overseeing the SoEs.

China leads the world across all aspects of energy transition, and the scale of its decarbonisation and aggressive R&D, manufacturing and installation investments has global implications for hastening the transformation to a net zero world economy.

The report finds that, supported by SoEs' capital investments into renewables, China has already met its 2025 target requiring that 50% of installed capacity is renewable energy, and this target is likely to be exceeded by a significant margin. China's domestic CO₂ emissions could also well fall in 2024 with its record increase in installation of zero-emissions energy sources and a recovery in hydropower, combined with enormous gains in electrification of transport and electric vehicle (EV) adoption, foreshadowing a structural plateauing of China's emissions well before the formal target of a peak before 2030.

CEF's China energy policy analyst, report lead author Xuyang Dong, tracked investment trends of China's 5 top SoEs, reviewing reporting disclosures and corporate data in the original Chinese. **Xuyang Dong** said:

"China is decarbonising the world and the Chinese energy SOEs are playing a significant role in this process. China's ambition to lead the greening of the world is evident in its energy policies and climate goals, and reflected in energy SOEs' capital expenditure trends, which highlight the possibility of China exceeding its energy goals.

There is no other country in the world that is decarbonising its power sector as fast and efficiently as China, nor has any other country seen a dramatic increase in new investment into renewable energy comparable to what the Chinese energy SOEs have done to align with the

national energy policies. The energy targets in China's 14th Five Year Plan ought to be achieved if this investment trend continues.”

Tim Buckley, report co-author and CEF director said:

“It is staggering to see that in response to the US Inflation Reduction Act (IRA), China has doubled down on the speed of its own investment in all zero emissions sectors of the future, creating a brilliant ‘race to the top’ that is spurring a global response and driving deflation in all zero emission technologies of the future.”

Buckley added: “China’s SOEs are collectively leading the investment in a staggering 20 GW per month of new wind and solar installations, a growth rate of over 100% year-on-year. Combined with the expected structural shift in the Chinese economy towards less energy intensive service industries, this augurs very strongly that China will yet again deliver on its practice of ‘doing, then saying’. China will over-deliver on its decarbonisation objectives, giving the world clear hope of delivering on the collective investments at speed and scale needed to align with the climate science.”

The report finds that China’s progress underpins an acceleration of global decarbonisation, and that this energy transition dynamic is being replicated the world over, for example in the US, with the IRA turbocharging a green transformation of the US economy.

Further, it outlines the implications for Australia. China’s demand for Australian exports of thermal and coking coal is set to decline structurally over the longer term due to the greening of China’s power sector and economy. The report recommends that to minimise economic risk, Australia urgently comprehends and responds at speed to align with China's massive investment pivot.

CEF urges the Australian federal government to commit to an ambitious and coordinated national strategic-interest public capital investment package to diversify Australia’s exports. The country has a generational opportunity to become a value-adding zero-emissions export superpower, leveraging its abundance of sun and wind to process and manufacture its world-leading reserves of critical minerals and energy transition materials onshore, exporting “embodied decarbonisation”. There is massive scope for Australia-China partnerships and collaborations.

Anthony Coles, Chair, Australia-China Business Council (ACBC) Green Economy Working Group, said:

“Since the ACBC’s first Decarbonisation Forum in 2021 attended by some of the biggest emitters in Australia and China – SinoSteel, PetroChina, Shandong Energy, Woodside, et al – we have been acutely aware of the pressure on China’s SOEs to decarbonise in line with China’s Peak Carbon and Net Zero goals. The urgency extended to their Australian investments.

This report is a terrific foundation for Australian business and media to further understand the scale of that transition and the pace of China's industrial transformation. There are plenty of opportunities to achieve net zero faster, together. Transitioning the energy sector is an obvious first priority.

Over the last two years, ACBC has continued to strive to educate Australian businesses to the new opportunities (and challenges) presented by China's new "High Quality" growth agenda. In addition to the SOEs pivoting, there is now increasing support for SMEs and the "new champions" to drive the decarbonisation agenda. Innovation and entrepreneurship are encouraged. ACBC encourages all Australian businesses challenged by the transition to the green economy to consider joining ACBC tours into the China market to see for themselves what is happening and where Australia can contribute/collaborate.

Well done to the CEF team for this tremendous report, which notes the excellent scope for Australia-China partnerships."

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