



CLIMATE ENERGY FINANCE

RAW POWER: CHINA LOCKS IN GLOBAL DOMINANCE OF CRITICAL MINERALS WITH US\$120bn OUTBOUND INVESTMENT SURGE

New CEF report maps China's vertically integrated green industrial strategy, and finds resource-rich nations increasingly forming win-win partnerships with Beijing

A major new report released today by independent think tank Climate Energy Finance (CEF) – [Raw Power: China locks-in global dominance of critical minerals and metals with \\$120bn outbound investment surge](#) – finds that **China has committed more than US\$120bn in outbound foreign direct investment (OFDI) into resource mining and processing since 2023** – spanning lithium, rare earths, nickel, copper, high-grade iron ore, bauxite, precious metals and other materials.

These are critical inputs for cleantech (batteries, solar, wind, EVs) and industrial decarbonisation in the emerging zero-emissions world economy.

The *Raw Power* report is the companion to CEF's 2025 report, [Rising Tide: China's Outbound Cleantech Capital Surge Drives Global Collaboration Toward Net Zero](#), which tracked more than US\$220bn in Chinese cleantech investment around the world over the same period.

China's resources and cleantech OFDI together form a vertically integrated global green industrial strategy of unprecedented scale and ambition that now reaches into every resource-rich region on earth, and is helping to drive global energy transition.

As this new report tracks:

- China's processing dominance is extraordinary and deepening: 90% of global rare earth refining, approximately 60% of lithium processing, more than 70% of cobalt refining, 60% of aluminium smelting, 54% of global steelmaking, and over 90% of battery cathode and anode active materials production. The IEA projects these shares will increase further to 2030, and CEF's analysis supports that conclusion.
- A defining feature of China's OFDI surge is its departure from the extractive Belt and Road Initiative win-lose model of last decade. Chinese firms are starting to partner with resource-rich host governments and companies on in-country processing, technology transfer, skilled employment and enabling infrastructure – ports, rail, clean energy – in

exchange for long-term resource access. This approach increasingly aligns Chinese strategic interests with the development and energy transition goals of partner nations.

- China's Going Global strategy is unfolding in a deeply contested geopolitical landscape. As the US retreats from multilateral engagement, undermines the climate science and escalates trade barriers, the centre of gravity of global resource and cleantech investment is shifting decisively towards a more multipolar world. There are growing opportunities for collaboration with the sizable and growing markets in the Global South, as China is doing.
- The growth in China's control over cleantech resources extraction and processing creates significant risks for supply chain security, geopolitical stability and the economic viability and energy independence of competitors, even as it provides game-changing opportunities for resource-rich nations to engage with China to mutual benefit.
- CEF notes the [geopolitical move](#) by Japan's JOGMEC in March 2026 to collaborate with Australia's Lynas Rare Earths to secure rare earth supply long term at an agreed and mutually beneficial price. This is the sort of strategic investment required to enhance global supply chain resilience and underwrite surety of supply. Far more effective and lasting than blunt import tariffs on everyone and threats.

Report lead author Tim Buckley, CEF Director and former MD of global investment bank Citigroup said:

"What this report documents is not merely investment flows, but the architecture of a new global green industrial order. China has built a vertically integrated green supply chain spanning every continent, combining state-directed capital with private enterprise execution at a speed and scale no competitor country comes close to matching. From Zimbabwe lithium projects to Indonesian nickel smelters to Guinea iron ore mining and infrastructure, China is systematically securing the resources that underpin the global zero-emissions economy as it derisks its strategic goals, consolidating its position as the world's overwhelming decarbonisation leader.

The Trump Administration's trade barriers, attacks on Iran and retreat from energy transition have ramped up rather than arrested this momentum. China's trajectory is one of adaptation and acceleration, not retreat. The West and other regions can either engage strategically with this reality or risk being locked out of the supply chains that will define twenty-first century industrial competitiveness, energy security and economic prosperity in a decarbonised world."

Associate Professor Marina Yue Zhang of the Australia–China Relations Institute at the University of Technology Sydney said:

"The race to net zero is not only a race for technological innovation, but also for minerals, metals, processing capacity, and industrial control. As the report finds, China's outbound investment strategy has moved well beyond simple resource extraction towards a more

integrated model linking resource acquisition with processing, infrastructure, manufacturing, and long-term industrial partnerships.

For resource-rich countries like Australia, the report's policy implication is clear: the challenge is not blanket exclusion, but the development of clearer policy settings and national objectives so that foreign investment, including from China, can be assessed according to whether it supports domestic value-adding, industrial capability, and long-term national interests."

Report co-author Matt Pollard, CEF Net Zero Transformation Analyst, said:

"A key distinction of China's global resource investment strategy from previous global waves of extractive foreign capital is the partnership model it has built with host nations. Across the Global South, Chinese firms are negotiating domestic processing and value-add investments, deploying capital into enabling infrastructure, skilled employment and facilitating technology transfer in exchange for long-term access to critical and strategic value chains.

"What this report identifies is that these are not just mining deals, but blueprints for green industrialisation, offering genuine pathways to boost emerging and developing economies. Nations that fail to offer compelling or mutually beneficial alternatives to this model risk watching the supply chains of the net zero economy take shape entirely without them."

MEDIA:

Tim Buckley is available for interview on +61 408 102 127 or tim@climateenergyfinance.org AEDT (Sydney)

Matt Pollard is available for comment at matt@climateenergyfinance.org AEST (Brisbane)

Or contact the spokespeople via Annemarie Jonson on +61 428 278 880

annemarie@climateenergyfinance.org AEDT (Sydney)

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