FINANCIAL REVIEW

Solar for Cuba: How Xi is turning Trump’s war into a China win

The carnage unleashed by the US-Iran conflict has exposed the fragility – and concentration – of fossil fuel supply chains. One country is winning from the chaos.

China is weaponising its cleantech supremacy as the ultimate tool of green soft power. **Bethany Rae**

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Tokyo | As oil tankers idle in the world's most critical shipping lane and governments scramble to secure fuel, China is making an unambiguous pitch to the world: the future of energy is electric. And, ideally, built with Chinese technology.

Earlier this month in Cuba, where a US oil embargo and grid collapse left nearly 11 million people without power, Beijing stepped in with solar kits and promises of deeper renewable investment.

Thousands of kilometres from the bombs dropping on Iran, China's ambassador in Havana pledged to "intensify support" for new energy projects, casting Beijing as a reliable partner at a moment of acute crisis.

The carnage [unleashed by the US-Iran conflict] has exposed the fragility – and concentration – of global fossil fuel supply chains. As chaos reigns, China is sticking to its script; staying clear of the fray and branding itself as the steady alternative to an unpredictable America. In doing so, it is weaponising its cleantech supremacy as the ultimate tool of green soft power.

"I expect one of the responses to this crisis will be [an] acceleration of renewables," Fatih Birol, executive director of the International Energy Agency, told the National Press Club in Canberra this week. "Not only because they are helping to reduce the emissions but also, they are [a] homegrown domestic energy source."

China has spent years obsessively pursuing its "self-sufficiency" drive and electrifying its economy. It has spent more than $US220 billion ($316 million) building out cleantech manufacturing, grids and energy infrastructure overseas since 2023, and another $US120 billion securing critical minerals and upstream processing, according to Climate Energy Finance. This has laid the foundations of a fully integrated global supply chain stretching from mines to electric vehicles.

But China's quick aid to Cuba is emblematic of its broader strategy: deploy its vast cleantech manufacturing base and financial firepower across emerging markets at a time when they are battered and confused by soaring oil prices and an erratic, confrontational US.

"They are going everywhere where America is not strong," Climate Energy Finance director Tim Buckley said on the sidelines of the Boao Forum in China.

"They're using their capital, their technology, their supply chains as a competitive advantage. And at the moment, they are the good guys by comparison to Trump. America's just given them the rest of the world."

After four weeks of conflict, hundreds of vessels remain stranded or delayed around the Strait of Hormuz, a choke point that normally carries about a fifth of global oil and LNG flows.

Some ships linked to China, India and countries unaffiliated with the United States or Israel are being waved through in tightly controlled corridors – for a $US2 million fee preferably paid for in yuan – while others sit backed up across the Gulf and beyond, unable to reach markets.

Yet even as the crisis disrupts global oil and LNG flows, Iranian crude continues moving – largely to China, its biggest customer – illustrating Beijing's privileged position in the fractured system.

A cargo vessel on fire in the Strait of Hormuz reflects the danger of Iranian attacks. **AP**

"When you take a step back, the dust settles or the price of oil starts to come back down, whatever that may be ... countries now need to focus on energy security," Aaron Costello, head of Asia at Cambridge Associates, told a conference in Hong Kong on Monday.

"They need to further build out their renewables, build out their energy grids, maybe more nuclear power, more focus on defence. The US has become, if not unreliable, certainly more erratic."

But that's not to say China has escaped the shock. The world's second-largest economy still imports more than 70 per cent of its crude oil and is embedded in global trade, accounting for one in every six dollars of goods traded worldwide.

Chinese manufacturers – already grappling with tariffs on their exports – have decried the rising input costs for their businesses, dampened also by depressed consumer sentiment in China.

Compounding these stresses, is a [domestic Chinese economy in trouble](). China's growth has slowed from the breakneck pace of previous decades, weighed down by a prolonged property downturn, weak consumer demand and rising trade tensions with the West.

Officials are also grappling with deflationary pressures and a record trade surplus that has fuelled political backlash in Europe and the US, even as Beijing doubles down on its manufacturing-led growth model.

Even so, Beijing has leaned into a familiar diplomatic playbook: stay out of the conflict, call for dialogue and position itself as a steady counterweight to a more volatile US.

Chinese officials this week told a forum of global chief executives in Beijing including [Apple's Tim Cook](), UBS' Sergio Ermotti and HSBC's Georges Elhedery, that China was a "harbour of stability" and a "cornerstone of certainty".

The message landed as Washington lurched from crisis to crisis: escalating military strikes on Iran, scrambling to assemble a naval coalition to secure the Strait of Hormuz, easing sanctions on Russian oil to stabilise markets, and battling surging domestic fuel prices as crude jumped more than $10 a barrel.

Apple chief executive Tim Cook delivered a speech on opportunities in education and other areas in China at the opening of the China Development Forum 2026 in Beijing. **Getty Images**

The ripple effects – and frustration – are [already spreading across Asia]().

In response to tightening fuel supply, the Philippines has floated a four-day working week, Thailand has promoted remote working and limited air conditioning use, and Vietnam has urged citizens to curb travel.

Against that backdrop, China's long bet on electrification is beginning to look particularly welcoming.

"Helping Cuba could have a particular geopolitical dividend for China by strengthening its image as a pillar of global stability in the face of US retreat from global institutions," Alfredo Montufar-Helu, China-based managing director at Ankura Consulting, said.

The market is starting to catch on. Since the outbreak of the Iran war, investors have piled into Chinese renewable and clean-tech stocks, betting that the crisis will accelerate global demand for energy systems less exposed to geopolitical shocks.

Solar manufacturers, battery giants and nuclear developers have all rallied, even as broader Chinese equities have slumped amid war-driven volatility.

"With China's leadership in key industries such as electric vehicles, battery and power-generating equipment, Chinese exports and growth in 2027 and beyond may benefit from increased demand for these products," Goldman Sachs said in a note.

Clean energy in China generated an estimated 15.4 trillion yuan ($US2.2 trillion) in economic output last year after two decades of development, according to the Helsinki-based Centre for Research on Energy and Clean Air.

As fossil fuel supply chains fracture, Beijing is positioning itself as the primary supplier of the technologies that could replace them.

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