



MEDIA RELEASE

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CHINA'S RISING TIDE OF \$180bn IN OVERSEAS CLEANTECH INVESTMENT SINCE 2023 DRIVES GLOBAL ENERGY TRANSITION; AUS MISSES OUT

CHINESE CLEANTECH INVESTMENT INTO AUSTRALIA HAS COLLAPSED, PUTTING AT RISK THE COUNTRY'S NET ZERO & INDUSTRIAL DECARBONISATION GOALS

A new report released today by independent think tank Climate Energy Finance (CEF), [Rising Tide: China's Outbound Cleantech Capital Surge Drives Global Collaboration Toward Net Zero](#), finds that Chinese firms have committed more than US\$180bn of outbound foreign direct investment (OFDI) in cleantech since the start of 2023 – up 80% since CEF's [Green Capital Tsunami](#) report a year ago.

China's investment into cleantech manufacturing and clean energy infrastructure spanned batteries, battery materials, solar PV, wind, EVs, hydro-electricity and green hydrogen industrial precincts in countries as diverse as Vietnam, Indonesia, Malaysia, Thailand, Türkiye, Brazil, Hungary, Spain, France, Portugal, Azerbaijan, Zambia, Egypt, Morocco, Oman and Saudi Arabia.

The sheer scale and depth of Chinese cleantech firms' green energy statecraft push over the last three years is bringing about a profound shift in the global energy, economic and geopolitical landscape, extending China's leadership and influence as the US withdraws from the net zero playing field since the re-election of President Trump in 2024, and initiates a trade war.

For China and its partners, investment and technology cooperation on green manufacturing and clean energy infrastructure is a win-win-win. It aligns with delivery of host countries' net zero targets and green industrialisation priorities, with a focus on building domestic capabilities through learning and technology transfer, as China deploys its cleantech capital and overwhelming global decarbonisation leadership as a diplomatic instrument of its green energy statecraft. And a win in relation to climate.

The picture is different in Australia. Caution continues to define the federal government's approach to Australia's #1 trade partner, maintaining a chilling effect on investment engagement. Chinese OFDI into Australia has collapsed by 85% since 2018, now making up only 1.5% of the total OFDI from all countries, a decline from the already exceptionally weak 1.87% in 2024. 2024 recorded the third lowest value and number of transactions since 2006 at just US\$882m, a fraction of the peak of US\$16bn in 2008.

Foreign capital, technology and knowhow are key to achievement of Australia's decarbonisation goals. Around 70% of investment in Australian clean energy projects comes from overseas. The decline in engagement with China's capital and expertise puts at risk Australia's net zero and green re-industrialisation ambitions set out in its Future Made in Australia and Net Zero Plans. The report recommends reforms to enable carefully-managed strategic partnership with the world's cleantech leader to support Australia's energy transition, competitiveness and long-term prosperity.

Report lead author Caroline Wang, CEF's China Analyst said:

“As this report shows, a new geoeconomic order is emerging as the primary engine of the energy transition, China, commits multibillions in foreign cleantech capital investment in renewables and green manufacturing projects. This is accelerating economic and technological integration between emerging economies and China across renewables and green industrial ecosystems. South-South cooperation is increasingly diversified and de-risked amid global trade and geopolitical uncertainties, through a mix of cross-border, public-private finance and project partnerships. At the same time, formalised knowledge sharing and capacity building initiatives such as training and R&D partnerships are rising.

In 2025, US tariffs, unilateralism and regression on renewables have further accelerated the shift in the centre of gravity of global commerce towards China and emerging economies, as countries seek to diversify their economic and political partnerships away from an unstable US and achieve their sustainable development goals.

Australia stands at a critical juncture. Chinese investment in Australia remains at historic lows. A multipolar world – no longer centred on the US, Australia's traditional security ally – necessitates an urgent overhaul of its economic, foreign investment, and foreign policy settings. This means strategically working with China, or being left behind in the new world order. Australia has an opportunity to selectively partner with global Chinese cleantech firms, which bring not only capital, but world-class technology and expertise in areas of Australia's national priority, particularly the Net Zero plan and Future Made in Australia plans, and to learn from some of the partnerships referenced in this report.

Not engaging with China's capital and expertise will delay Australia's net zero transition, putting at risk its decarbonisation goals and future prosperity in a net-zero global economy.”

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

“China leads the world in almost all cleantech research, development and deployment. China leads the world in all cleantech manufacturing supply chains. China leads the world in cleantech domestic deployments and cleantech exports. Now, consistent with the Paris Agreement for economically developed countries to help the Global South deploy zero-emissions domestic energy solutions to overcome their addiction to imported fossil fuels, China leads the world in cleantech OFDI.

It is brilliant to record over US\$180bn of OFDI from China since the start of 2023, up from US\$100bn just one year earlier, as China develops partnerships and manufacturing capacities around the world to leverage their supply chains, technology leadership, capital and EPC (engineering, procurement and construction) capacities to accelerate cleantech deployments globally.”

Dr Muiyi Yang, Senior Energy Analyst at global think tank Ember, said:

“China's cleantech makers are now looking much more to overseas markets, as demand at home stabilises and the global energy transition speeds up. And that's where the dilemma kicks in. Almost everyone agrees you can't hit climate goals without working with China. But once cooperation moves to actually making clean products together, worries about over-reliance and 'de-risking' suddenly grow louder. The real challenge isn't to cut China out, it's to build more diversified, resilient supply chains that

still tap into China’s know-how while helping other countries grow their own clean industries. If they don’t, by the time their local industries finally get going, Chinese companies may have already pulled even further ahead.”

Also see commentary from David Olsson AM, National President of the Australia China Business Council in the [Foreword](#):

“Australia has an opportunity to align economic ambition with geopolitical reality. Preserving our security relationship with the United States should not preclude deeper collaboration with China in areas of shared economic and climate interest. A more nuanced and strategic approach to green energy statecraft – one that attracts investment while safeguarding national security – is essential to building economic resilience, securing our sovereign capabilities, and ensuring our competitiveness in a decarbonising world.”

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