

Daily Dose of Macro & Markets 24th September 2025: “Chinese Energy Dominance and the ‘Green Energy Scam’”

The ‘Daily Dose of Macro & Markets’ is our new publication designed to speak to the key global macro debates that matter for markets (with 1 - 3 charts and two paragraphs). This product will be published every Tuesday, Wednesday and Thursday morning (early London time).

Key Quote

“And I'm telling you that if you don't get away from the **green energy scam**, your country is going to fail.”;

“European electricity bills are now four to five times more expensive than those in China, and two to three times higher than the United States, and our bills are coming way down.”

Source: President Trump, UN speech yesterday, 19th September 2025

“the trip has already led his firm to halt investments in Western battery cell manufacturers.”; another chap “before the trip he'd suspected China was way ahead; but after going there, those sectors are now “strictly off the list.””

Source: Bloomberg, 21st September 2025 “China Road Trip Exposes List of Uninvestable Assets in the West”; <https://www.bloomberg.com/news/articles/2025-09-21/china-road-trip-exposes-list-of-uninvestable-assets-in-the-west>

Chinese Energy Dominance and the ‘Green Energy Scam’

Trump certainly has a point (quote above). Electricity prices in Europe are way too high and are one of the reasons Europe has been struggling for so long. The decline in Germany's industrial output is in part due to high electricity prices. It's also, in part, due to the rise of China and increasingly due to their embrace of the new ‘green energy’ industries.

Indeed, by now, it's well known that China dominates the new global industries (which sit at the heart of the generation of renewable energy). China's share of the ‘Three News’ (as President Xi has labelled them) is dominant.

In 2024, China produced over 70% of the world's **electric vehicles** (‘EV’s), i.e. 12.4 million out of 17.3 million, according to the International Energy Agency Outlook.

In 2023, China produced 92% of **global solar cells**, alongside 98% of solar wafers and 85% of solar panels (according to the IEA). According to their report: “**This dominance extends to the entire solar supply chain, from raw materials like polysilicon to the final modules, where China's share in all manufacturing stages exceeds 80%.**” **Source:** <https://www.iea.org/reports/solar-pv-global-supply-chains/executive-summary>

Whilst in terms of **batteries**: “China produces over three-quarters of batteries sold globally, and in 2024 average prices dropped faster there than anywhere else in the world, falling by nearly 30%. Batteries in China were reported to be cheaper than in Europe and North America by over 30% and 20%, respectively.”

A recent Bloomberg article emphasises the point (see quote above).

The pursuit of these new industries, driven by Chinese government policies, is creating a growing energy self sufficiency in China. According to my podcast guest (Chris Rathke, CEO, Arcane Capital Advisors Pte Ltd, recorded yesterday), Chinese electricity generation is forecast to be dominated by solar energy (and wind) by 2040 (FIG 1). Solar, as he put it “has reached tipping point”.

For America this is an issue, whether or not ‘green energy is a scam’ (as President Trump stated yesterday). China’s adoption of these new technologies has driven down their cost of electricity such that some of it is now produced at as low as 1 – 2 US cents per Kwh. With the US abandoning its green polices and subsidies under Trump (and reverting to the ‘Petrostate’ push), at best it’s expected to get to 4 – 5 cents per Kwh. Whilst considerably better than Europe’s current position, that would be double the Chinese cost of electricity. Added to which, Europe now has much of the infrastructure for renewables in place so there should be an expectation that, in time, Europe’s electricity costs will also eventually fall dramatically.

The story of how this has come about (& how it’s likely to evolve) is the topic of the podcast Chris & I recorded yesterday. It should ‘drop’ (as they say) over the course of the next week. We’ll make sure we flag it up in this (and other publications) – equally it’ll be available on our YouTube channel (search for ‘Longview Economics’ on YT). Many thanks to Chris for coming on.

FIG 1: Chinese electricity generation by type (historical and forecast to 2040)

