

Daily Dose of Macro & Markets, 9th July 2025: “Energy Dominance – China or USA?”

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

NYT Article: China vs. the US

“In China, more wind turbines and solar panels were installed last year than in the rest of the world combined. And China’s clean energy boom is going global. Chinese companies are building electric vehicle and battery factories in Brazil, Thailand, Morocco, Hungary and beyond.

At the same time, in the United States, President Trump is pressing Japan and South Korea to invest “trillions of dollars” in a project to ship natural gas to Asia. And General Motors just killed plans to make electric motors at a factory near Buffalo, N.Y., and instead will put \$888 million into building V-8 gasoline engines there.

The race is on to define the future of energy.

Source: New York Times, 30th June 2025, <https://www.nytimes.com/interactive/2025/06/30/climate/china-clean-energy-power.html>

Cheap energy is one of the critical ingredients for a strong industrial base. Whoever can generate the cheapest energy in the world has a strong chance of dominating global industrial output and global exports.

Britain in the late 1800s, for example, generated almost 1/4 of the world’s global industrial output, in large part because of its access to cheap coal. America, in the 1900s, grew its industrial base off the back of its cheap oil & gas energy. China today holds a dominant share of world exports and global industrial production (chart 1). Furthermore, as chart 2 shows, it already has the cheapest electricity for industrial users (with Britain sadly having some of the most expensive).

However, the question is: **How is the future going to look? Who will win out in the race for global energy dominance?** It’s a subject and a goal much discussed and pursued by this current US Administration. It’s also a key focus for China and their policy makers. The approach of those two countries to achieving ‘energy dominance’, though, is strikingly different. The US, under Trump, is rolling back on clean energy support and encouraging more oil & gas drilling/energy production etc. China (while still investing significant amounts into coal) is pushing renewables (wind and solar) and dominating and driving costs down in those industries (chart 3).

“Not only does China already dominate global manufacturing of solar panels, wind turbines, batteries, E.V.s and many other clean energy industries, but with each passing month it is widening its technological lead.”

Source: New York Times, 30th June 2025, IBID.

So while China is a big pollutant (and carbon emitter), that’s not the point here. If China can produce the cheapest electricity (via renewables) and create a grid to effectively transport the electricity across the nation, with batteries to store it (i.e. to deal

with the intermittent problem of renewables), then it has the potential to generate the cheapest electricity on an ongoing basis.

Indeed, as Musk put it:

“You’ve got that big fusion reactor in the sky called the sun. It comes up every day,”

Source: CNBC July 2021 [LINK to article](#)

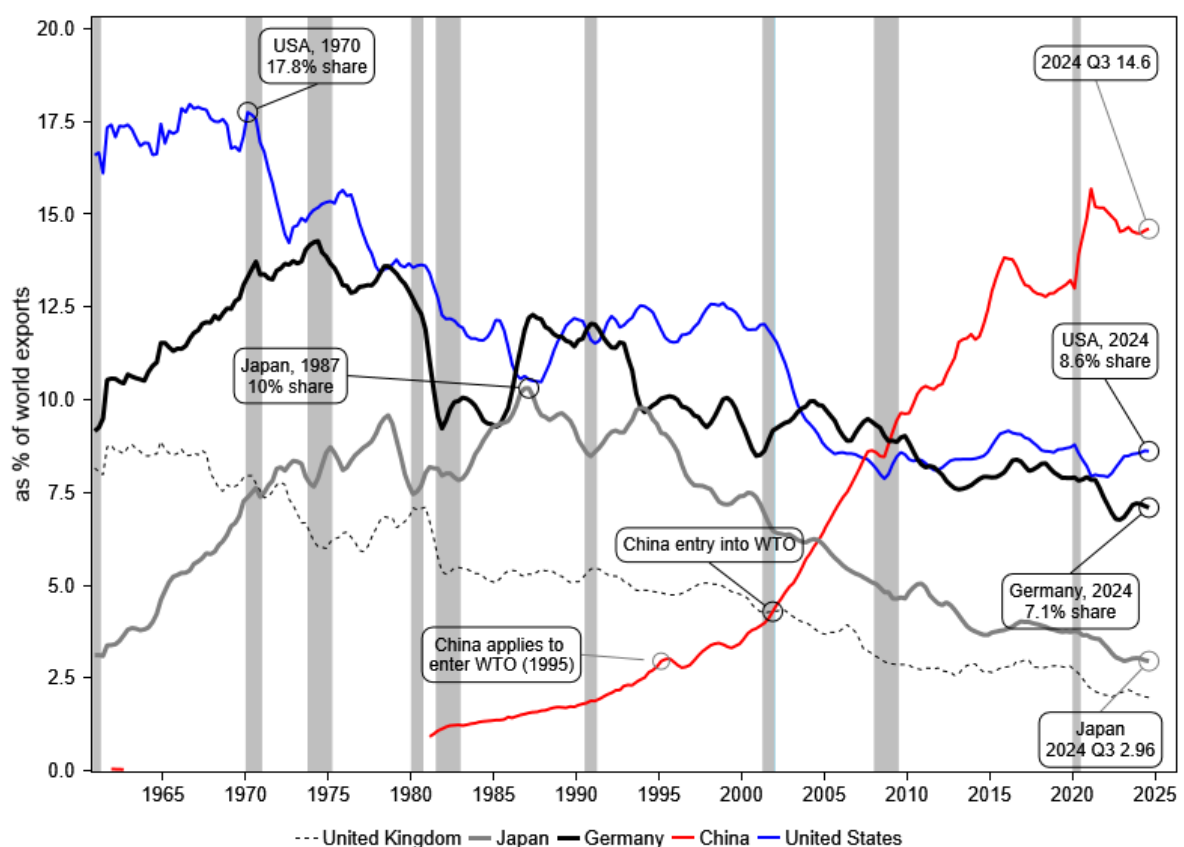
...and once the infrastructure is built out, its cost becomes very low.

In August, we’ll be exploring this topic further in a podcast with a world expert on China’s push for global energy dominance via renewables who expects China to eventually get to 2c per KWH electricity prices (i.e. approx. half of the projected US cost).

Who dominates energy is a key ingredient into which of the two countries will be globally economically dominant in future decades (and therefore, which of them will be the main global superpower).

We’ll flag up the podcast here (and in other publications) once recorded/published in late August.

Chart of the Day 1: Global Export Shares (%) → various countries (1965 to present)



Source: Longview Economics, Macrobond

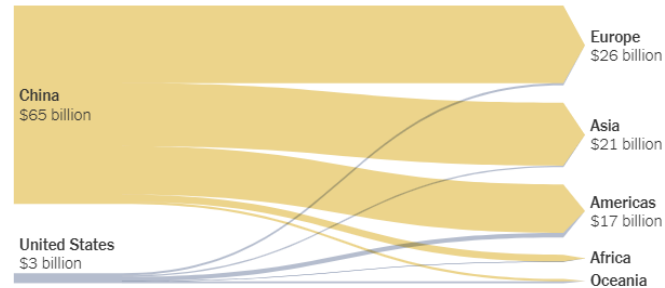
Chart of the Day 2: Average Electricity Prices for Industrial Users (2023)



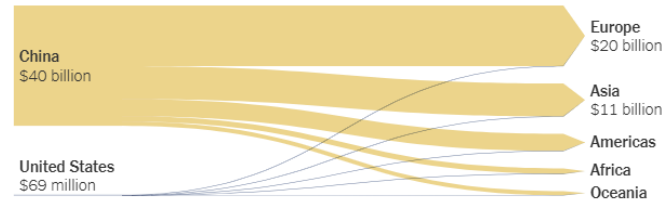
Chart of the Day 3: Exports of Clean Energy Technology (China vs. US)

Exports of clean energy technology

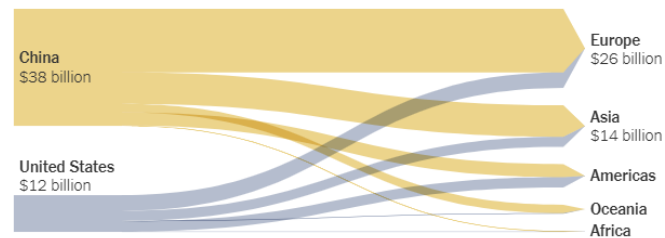
LITHIUM-ION BATTERIES



SOLAR PANELS AND MODULES



ELECTRIC CARS



Source: [UN Comtrade](#) · Note: Data is from 2023, the most recent year available · Harry Stevens/The New York Times