

Chinese Firms Drive Record Energy Capacity Installations in Belt & Road Countries

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A new report from Wood Mackenzie reveals that Chinese companies achieved a record 24 gigawatts (GW) of energy capacity installations in Belt & Road (B&R) countries in 2024, a significant doubling from the previous year. This marks the highest level of investment since the initiative's launch in 2013.

Renewable energy dominated these installations, accounting for 52% of the total, with solar power leading the charge at 8 GW, followed by 5 GW of hydroelectric power. However, the report also notes that 19 GW of coal power projects remain in the pipeline, although the Chinese government's 2021 policy of "No new overseas coal power" is likely to impact these plans.

"As Chinese manufacturers drive down the costs of renewable power technology, Chinese companies are leading its deployment in many developing markets that could not previously afford it," said Alex Whitworth, Vice President, Head of Asia Pacific Power and Renewables Research at Wood Mackenzie.

Since its inception, the Belt & Road Initiative has seen Chinese companies install a total of 156 GW of power projects across participating countries, surpassing 1.5 times the total installed capacity of Australia. Developing countries remain the primary focus, with Asia accounting for 70% of the installed capacity. Pakistan, Indonesia, Vietnam, Saudi Arabia, and Malaysia are among the top markets for these investments.

"Chinese companies are increasingly involved in investing in renewable power in these top five B&R markets," said Yanqi Cao, Managing Consultant, Asia Pacific Power Research at Wood Mackenzie. "Five years ago, they accounted for only 7% of the wind and solar capacity in these markets. However, this

share has risen to over 60% in 2024, and it could reach 80% by 2030 if the current trend continues.”

The report highlights the significant impact of Chinese investment on the energy landscape of Belt & Road countries, driving the transition towards cleaner energy sources.