



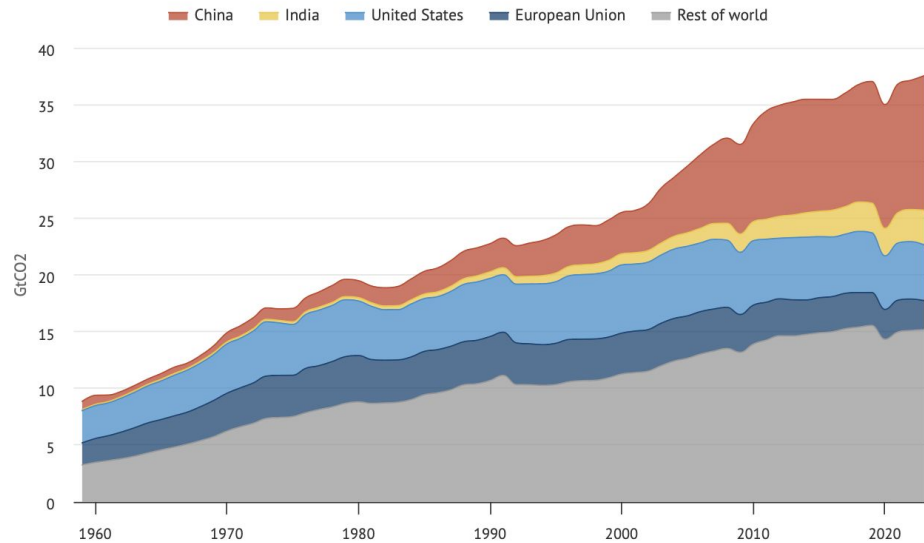
EESI China Climate Briefing

By Wanyuan Song from Carbon Brief



China is the world's biggest emitter

Global CO2 emissions from fossil fuels by region, 1959-2023



Source: Global Carbon Project

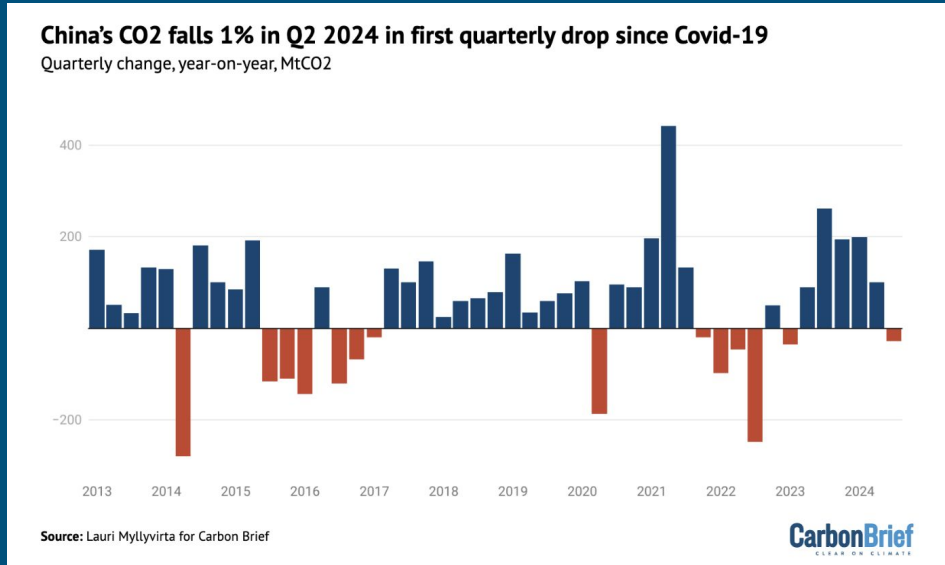
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Annual fossil CO2 emissions by major countries and the rest of the world from 1959-2023, excluding the cement carbonation sink as national-level values are not available. Data from the [Global Carbon Project](#); chart by Carbon Brief.

China represents 31% of global CO2 emissions.

The world cannot stay below 1.5C without rapid action from China.

China's emission may have peaked in 2023



Three factors:

Power: wind and solar capacity over 1,200GW

Industry: decrease in steel and cement demand

Transport: the rise of NEV

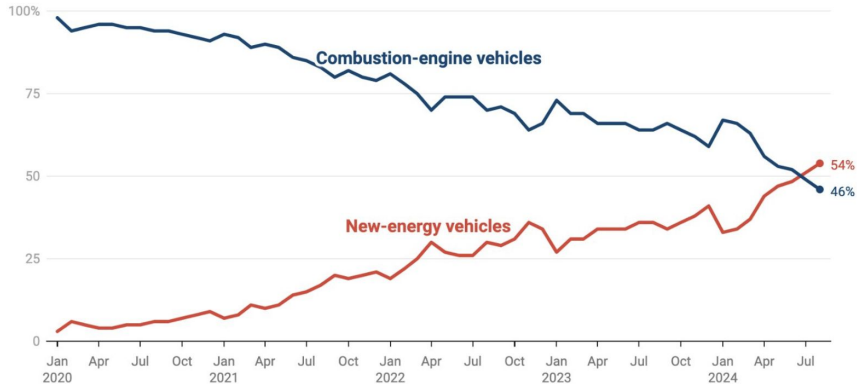
In March 2024, CO2 emissions fell 3%, ending a 14-month surge.

In Q2 2024, CO2 emissions fell by 1%.

The rise of EV and renewable energy

Combustion-engine car sales in China just fell 28% year-on-year, driving their share of the world's top market to a record-low 46%

Share of passenger car retail sales, %

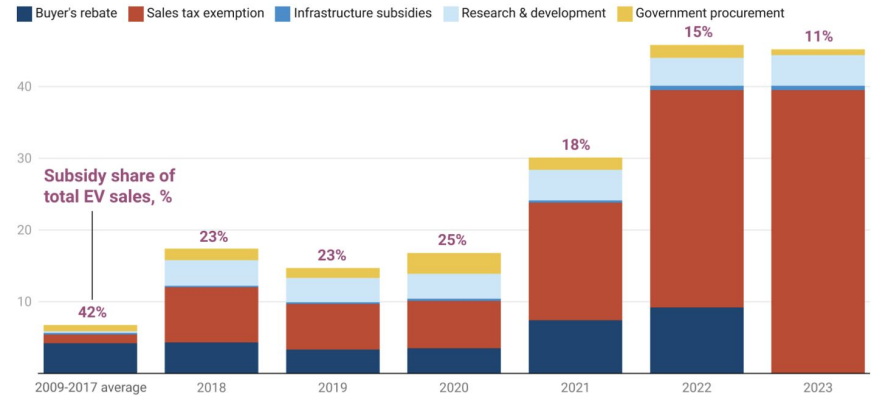


Source: China Passenger Car Association

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Government subsidies for NEVs nearly tripled between 2018-23, but halved relative to total NEV sales in that same period

Chinese government subsidies towards new-energy vehicle (NEV) sector, \$bn



NEV subsidies have grown but at a much lower rate than NEV sales



Source: Center for Strategic & International Studies, China Association of Automobile Manufacturers

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“Policy pendulum” back to climate change

- Xi calls for green growth
- “Two sessions” reiterating climate goals
- Third plenum mentions carbon emissions for first time
- “New quality productive forces” and “New three” (EV, lithium-ion batteries, and solar cells)

“Policy pendulum” back to climate change

- “Dual control’ of **carbon intensity**” to “dual control’ of **carbon emissions**”
- ETS expansion; Relaunched CCER; CCER and GEC linked
- Ecological and Environmental Code & Energy Law may come into force.
- Steel permit freeze and emissions reduction plan
- Low-carbon coal plan and new guideline; coal plant approvals drop

China could do more

Investment:

- NEA data: investment in the energy transition reached **\$676bn** in 2023.
- \$51bn to Africa – to “move away” from infrastructures and focus on selling “advanced and green technologies”

What next?

- CREA, IEA, : China could cut CO2 emissions to **at least 30%** below 2023 levels by 2035 and its non-CO2 emissions by 35%.
- COP29
- China’s next NDC