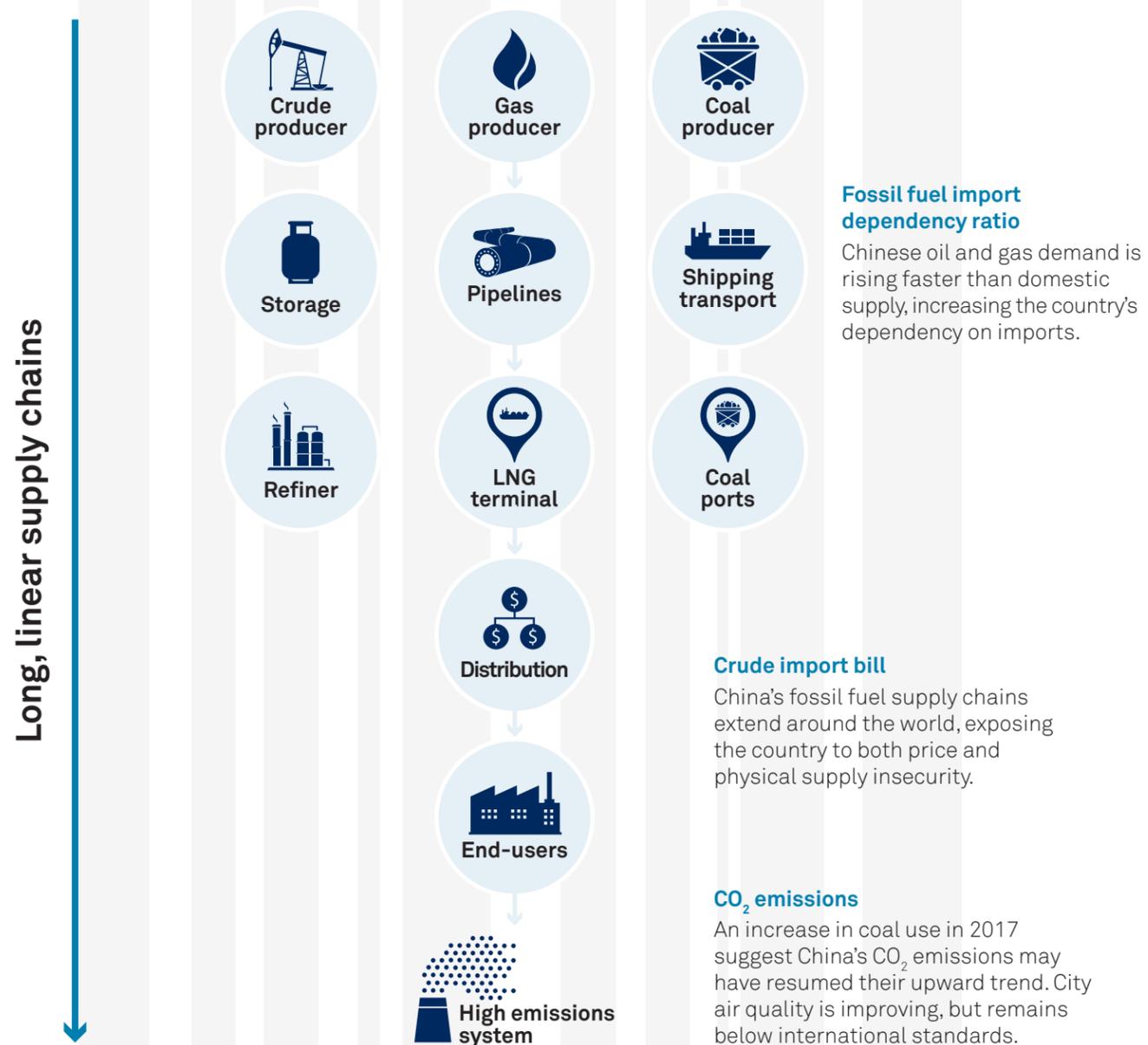


Hydrocarbons vs the New Energy Economy

This infographic contrasts the risks associated with China's current hydrocarbon-based economy with the opportunities offered by the New Energy Economy

The hydrocarbon economy: linear

China's fossil fuel economy is linear, depending on long, insecure supply chains based on bulk commodities which are expensive to store. Although strategic stocks have been built, these are essentially just-in-time supply chains, which involve huge and growing outflows of capital, exposed to price and physical supply risk. They are also emissions heavy, contributing to both global greenhouse emissions and local air pollution.



The New Energy Economy: circular

The New Energy Economy is low carbon and depends on capital equipment made by Original Equipment Manufacturers (OEMs) – i.e. low-cost manufacturing, where China is strong. Strategic stocks are cheap and easy to store. Renewables do not stop operating in the event of raw material supply disruptions. Value is kept within the economy, avoiding capital outflows, while OEMs can take advantage of domestic and export markets.

