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Press release

Four years later: China's overseas coal ban falters without implementation oversight

HELSINKI / BEIJING, 3 November 2025 - More than four years after President Xi Jinping pledged to end China's financing of overseas coal projects, new research finds that implementation gaps and loopholes persist. While many coal plants have been cancelled, others continue to move forward especially privately funded, off-grid projects for industrial use.

Today, the Centre for Research on Energy and Clean Air (CREA) and the People of Asia for Climate Solutions (PACS) released their fourth annual report assessing the status of China-backed overseas coal projects. The report reveals that while some progress has been made, the rise of privately owned off-grid captive coal projects for industrial needs, particularly in Indonesia and Africa, remains a growing concern.

The assessment breaks down the projects into five categories — cancelled; pre-permitted; permitted; under construction; operational — and adds a new project category that has emerged this year for idle plants that could return to service at any time without entering a formal permitting process: mothballed.

As of July 2025, the total capacity of overseas coal projects in the pipeline has dropped to 31.4 gigawatts (GW), down from nearly 50 GW in 2024. Cancellations have also accelerated, after a slowdown in 2024, with 16.4 GW of new capacity cancelled in 2025. Since the 2021 pledge, a total of 59.3 GW of projects have been cancelled, which is equivalent to 6.1 billion tonnes of avoided lifetime carbon dioxide (CO_2) emissions.

Despite these positive trends, operational projects have grown by 4.1 GW in 2025. Most of these projects were under construction in 2024 or about to be commissioned, demonstrating that once a plant enters the construction stage, it is unlikely to be cancelled.

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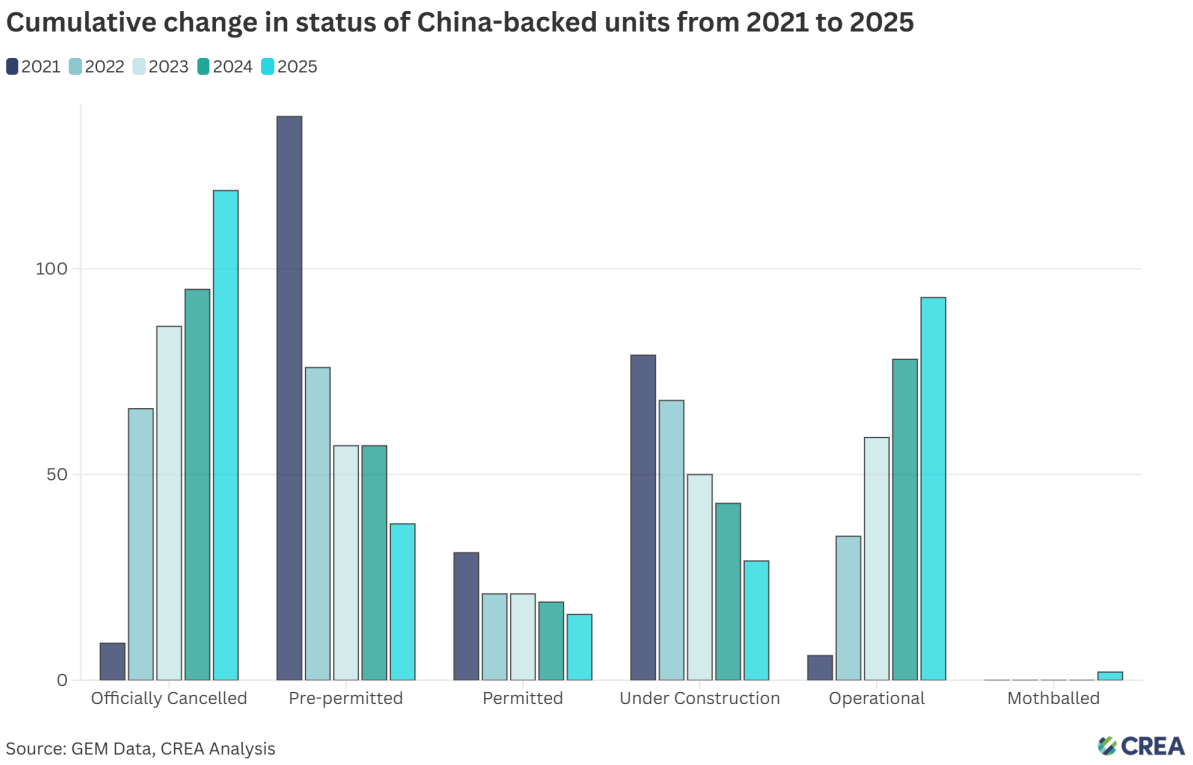

Trends in China-backed overseas coal power: 2021 to 2025 Q3

Although the pace of construction has slowed in 2025, 12.1 GW of capacity remains under construction across 14 projects. These consist largely of captive coal projects in Indonesia, India, Laos, Zimbabwe, and Zambia. These are off-grid facilities that serve industrial needs and are owned by private Chinese companies. This loophole casts a growing shadow over the progress made in ending China's overseas coal investments.

To-date, China's overseas captive coal projects have added an estimated 1.5 billion tonnes of lifetime CO_2, which comes to almost half of all emissions currently in operation. The current projects under construction could add a total of around 3.4 billion tonnes of potential lifetime CO_2 emissions upon completion.

Not only do these overseas coal projects contribute significantly to CO_2 emissions, coal power is also a major source of air pollution, releasing fine particulate matter ($PM_{2.5}$), sulfur dioxide (SO_2), and nitrogen oxides (NO_x) that harm human health and the economy, in many cases creating pollution hotspots with widespread negative impacts on the local environment and populations. In Indonesia alone, emissions from existing coal-fired power plants were responsible for approximately 10,500 deaths annually and USD 7.4 billion in health costs in 2022. Under current

policies, these figures could rise to 16,600 deaths per year and USD 11.8 billion in annual health costs by 2030.

CREA and PACS propose policy recommendations to expedite the implementation of President Xi's 2021 pledge to phase-out China-backed overseas coal projects, including but not limited to:

- **The pledge should explicitly cover captive coal**. Approvals and financing should require renewable or hybrid alternatives, best available technology (BAT), environmental standards, and time-bound retirement plans.
- **The prioritisation of financing redirected towards renewable energy investments: solar, wind, hydro, storage, and grid modernisation.** In host countries with pre-permit projects, targeted support for project preparation, land and transmission access, and power market reforms can accelerate renewable pipelines and reduce coal dependence.
- **Support for host country transition strategies.** China and international partners should expand technical and financial assistance for national transition plans, cooperating with local authorities to help ensure that the shift away from coal also supports economic resilience and local employment.
- **Establishing a dedicated coordinating agency.** Since the 2021 pledge, China has yet to designate a body responsible for its enforcement. A dedicated agency with strong coordination and regulatory powers is needed to guide implementation, ensure accountability, and intervene in irresponsible or illegal operations when necessary.

'*China is now positioned to be a leader in the global energy transition, but with an uptick in China's overseas coal projects going online, it becomes evident that an oversight mechanism must be established to ensure that President Xi's 2021 pledge of* no new overseas coal *is implemented. With clean energy growth starting to reduce coal power generation back home, China should now prioritise supporting host countries in their energy transition to prevent years of expensive, outdated carbon lock-in*,' said CREA Southeast Asia Analyst and lead author, Daniel Nesan.[1]

'*As China steps closer onto the centre stage as a global climate leader, the need for a designated government agency to play the executive coordinator role becomes even more urgent by the day*', said Tom Wang, co-author, founder and Executive Director of People of Asia for Climate Solutions. '*The planet simply cannot afford to burn more coal,*' he emphasised.

'*Every tonne of coal burned abroad undercuts not only global climate goals but also people's right to breathe clean air. Coal pollution chokes communities and harms health at every stage of life, from underweight babies to childhood asthma, to lung cancer and premature death. By continuing to support coal projects overseas, Chinese companies are locking in years of preventable disease and*

[1] China's energy and emission trends are available in CREA's monthly snapshots: https://energyandcleanair.org/category/monthly-snapshot-china/

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premature death in some of the world's most vulnerable regions', said CREA Health Impact Assessment Team Lead, Dr Jamie Kelly.

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Notes to editors

The report related to this press release can be found here.

All CREA publications can be found here:
energyandcleanair.org/publications

About CREA

The Centre for Research on Energy and Clean Air (CREA) is an independent research organisation focused on revealing the trends, causes, and health impacts, as well as the solutions, to air pollution. CREA was founded in December 2019 in Helsinki and has staff in several Asian and

European countries. The organisation's work is funded through philanthropic grants and revenue from commissioned research.

www.energyandcleanair.org

About People of Asia for Climate Solutions (PACS)

People of Asia for Climate Solutions (PACS) is dedicated to promoting people-centered climate solutions. We create narratives, build new networks, and establish innovative platforms where different puzzle pieces come together into the vision. Our organization operates through both a China-based team and a Philippines-based team, working to build bridges and strengthen communication between China and climate-vulnerable countries on climate change mitigation and adaptation.

www.paaacs.org

About the methodology

In this report, only the Scope 1 direct CO2 emissions associated with coal combustion for power generation were estimated. For each coal plant unit, carbon dioxide emissions were calculated using a modified version of the Global Energy Monitor (GEM) methodology.

The full methodology is available in the report.