IB EconLens: Single 1 of 5

Free guide — this guide is free to all readers. The other four guides in Volume 02 are for subscribers. China, 14 November 2026 issue. Volume 02. Guide model: this file contains no original article text. Read the original first (school subscription), then use this guide.

How to use this single

Read the original first, then work through the guide. Read to analyse, not to retell. Ask three questions: (1) What is the author's argument or purpose? (2) How is it built (structure, evidence, language)? (3) What is the effect, and where is it weakest? Three rules: logic beats vocabulary; every claim needs evidence; watch the traps. Attempt the tasks before reading the model answers. A model is one strong answer, not the only answer.

China's exports of clean tech to South-East Asia are soaring

China, 14 November 2026 issue.

IB unit: The global economy: 4.1 Benefits of international trade, 4.2 Types of trade protection. **Also useful:** 4.3 Arguments for and against trade control / protection. **Best IB use:** IA commentary (global) or Paper 1 essay evidence.

What it argues. Chinese clean-technology exports are shifting rapidly from Europe to South-East Asia, where governments welcome rather than resist them. Europe is curbing the inflow while South-East Asian demand surges, sharpened by the war over the Strait of Hormuz and pressure on electricity prices. Both sides gain in the short run, but dependence and tariff evasion raise questions.

Before you read. Chinese producers of solar panels, batteries and electric vehicles once looked mainly to Europe, where demand grew as households and governments moved away from fossil fuels. European governments, worried about their own industries, have begun restricting the inflow, including EV quotas. Meanwhile, exports to South-East Asia have risen fast: in the first nine months of 2026, China's exports of solar technology to the region rose by almost 60% measured by output capacity, while exports to Europe fell by 11%. In May 2026 the Philippines became the world's second-largest buyer of Chinese solar panels. Some goods are repackaged and sold on to Western markets, helping China avoid American and European tariffs. Governments in the region are nevertheless keen buyers: Laos has suspended fossil-fuelled vehicle imports, and Indonesia's president has promised to raise solar capacity from about 1.5 GW to 100 GW by 2029.

Key vocabulary.

- **clean technology (clean tech):** equipment that produces energy with low or no carbon emissions, such as solar panels, batteries and electric vehicles.

- **tariff:** a tax imposed on imported goods, which raises their price in the domestic market.
- **quota:** a limit on the quantity of a good that may be imported over a given period.
- **energy security:** reliable access to affordable energy, without dependence on a single source that could be cut off.
- **gigawatt (GW):** a unit of power equal to one billion watts; used to measure the capacity of power plants.
- **repackaging (for re-export):** sending imported goods on to another market, sometimes after relabelling, so that their origin is less visible.

How to read it.

- The article contrasts two destinations for the same exports: Europe, where governments are anxious, and South-East Asia, where they are welcoming. For each region, ask what explains the difference — local industry, or urgent energy needs?
- The case rests on a mix of trade data and on-the-ground detail. List the numbers, and for each one ask: does it show demand, supply, or a policy decision?
- Notice the two different reasons the goods cross borders: to be used in South-East Asia, and to be passed on to the West. Keep those two flows separate.

> **Chinese clean-technology exports are shifting rapidly from Europe to South-East Asia, where governments welcome rather than resist them.**

Tasks.

- **A. Analysis.** Analyse the contrast between Europe and South-East Asia as a structural choice. Why does the author open with Europe before turning to South-East Asia? Support your answer with two details from the article.
- **B. Logic.** The article gives two different explanations for rising South-East Asian demand: the war shock and the region's own energy goals. What does that distinction do to a simple "the war caused it" reading? Name the two causes, and explain why each matters for how long the boom will last.
- **C. IA commentary (800 words).** Using this article as your extract, analyse the effects of European trade protection on the market for Chinese clean technology in Europe, with a supply-and-demand diagram. Evaluate whether South-East Asia gains or loses from the resulting redirection of Chinese exports.

Model answers (read after attempting the tasks)

Task A model. The author opens with Europe for a reason: it is the market readers expect, and the one where the story is about resistance. European demand for green technology has surged, yet governments there are becoming anxious about the effect on their own industries and are trying to curb the inflow, including through quotas on electric vehicles. South-East Asia is then introduced as the

contrast: the same exports, the same Chinese firms, but a reception that is welcoming rather than defensive. The contrast shows that the trade flow is not driven by the product alone, but by the policy and industrial context in each destination — the Philippines, for example, has little domestic industry that feels threatened, so its priority is building renewable capacity as fast as possible.

Task B model. Two causes must be kept separate. First, the war shock: fighting over the Strait of Hormuz has choked oil and gas supplies from the Gulf, on which many South-East Asian countries depend, pushing up electricity prices and prompting a scramble for cheaper power. Second, the region's own energy goals: governments want energy security and more renewable capacity, as the vehicle, tax and solar targets in Laos, Malaysia and Indonesia show. The distinction matters because the two causes imply different durations: a war shock may reverse when fighting ends, so demand driven only by high electricity prices could fall back, while demand driven by policy targets is more durable.

Task C model: IA commentary. European protection changes the market for Chinese clean technology in Europe by restricting supply. A quota on electric vehicles, or a tariff on solar panels, limits the quantity of Chinese goods that can enter, or raises their price. On a supply-and-demand diagram for the European market, the supply curve shifts left, from S1 to S2. The equilibrium price rises from P1 to P2 and the equilibrium quantity falls from Q1 to Q2. Demand is relatively price-elastic in the medium term, so the fall in quantity is likely to be significant.

The effects on European producers and consumers pull in opposite directions. Domestic producers gain: they face less competition, can sell more at higher prices, and may invest and hire. Consumers lose: they pay higher prices, and some are priced out of buying clean technology at all, slowing the shift away from fossil fuels. The net welfare effect is a loss: the consumer loss exceeds the producer gain plus any government revenue, leaving a deadweight loss.

For South-East Asia, the immediate gain is clear: cheap Chinese solar panels and batteries arrive in large volumes, electricity becomes cheaper, and governments can pursue energy security without paying European prices. But the gains are not without risks. Some of the flow is not for domestic use at all: goods are repackaged and sold on to Western markets, helping China avoid tariffs, which exposes the region to retaliation if Western governments extend restrictions to goods routed through South-East Asia. And if the war shock fades and Gulf energy becomes cheap again, the boom could slow as quickly as it arrived, while importing everything forgoes the chance to build a domestic industry.

The evaluation, then, is mixed but leans positive in the short run. European protection raises prices and slows adoption in Europe, at a net welfare cost, while South-East Asia gains cheaper energy and faster renewable growth. The risk is that the gain rests on fragile foundations — a war-driven price shock and a tariff-evasion route — neither of which the region controls.