Summary

The Iran War has sharply increased sales of clean tech such as solar panels and EVs outside the U.S. Trump's efforts to squelch clean tech in the U.S. has also freed up supply for other countries.

One of the winners from Trump’s presidency has been the clean energy industry. He’s had some success in his U.S. campaign to slow clean tech, but the global picture is quite different. If anything, Trump is boosting the energy transition outside the United States. We are still the world’s largest economy, but we’re only 15% of global GDP (measured by purchasing power parity). The rest of the world no longer dances to our tune.

The Iran War has been Trump’s most notable contribution to the global energy transition. Chinese solar exports doubled in a single month, an incredible surge. The war has been a sobering lessen to many countries about the dangers of relying on fossil fuels. With escalating prices and sharp limits on supply, countries relying on fossil fuels have been caught short.

This has been building on prior trends. Last year — Trump’s first year back in office — wind and solar accounted for almost all new generation globally, with global fossil fuel use declining. The war is going to push countries to move more decisively away from fossil fuels. According to the executive vice president of the European Commission, the “economic and security rationale … is even more obvious after this great crisis.”

This makes sense. Europe is not an oil and gas producer. It already went through an energy crisis when Russia attacked Ukraine and Europe stopped using Russian natural gas. It responded in part by substituting liquified natural gas from the U.S., but we’re obviously no longer a reliable trading partner. And Europe is now in trouble because of reliance on Persian Gulf sources for oil and gas. The best way Europe can insulate itself from these geopolitical shocks is to embrace clean energy and electric vehicles. The same thinking is influencing consumers as well as policy makers. Last month, EV sales in the UK went up 60%, accounting for more than half of the car market.

Something similar seems to be happening in Asia. In China, the war has prompted the leadership to double down on wind power. In 2025, China installed about three

times as much wind power as the rest of the world combined. Due to the war, it is now racing to build offshore wind, which Trump is trying to kill in the U.S. Wind supplied 10% of China's power last year, a share that's been growing by about 1% a year, a trend that will now accelerate.

It's not just China, however. According to the NY Times, "Global wind turbine orders surged this spring, building on a 40 percent increase last year. Vietnam, for example, canceled plans for a major gas plant to focus instead on wind and solar."

Apart from the war, there is a more subtle way that Trump's U.S. policies have encouraged clean energy growth elsewhere. Energy policy experts have long been familiar with the phenomenon of carbon leakage. When one country cuts its use of fossil fuels, the reduced demand causes a price drop, which can increase demand elsewhere. Trump is creating the same phenomenon in reverse: When one country cuts its use of clean energy, the result is to lower global prices for clean tech and increase demand elsewhere. We could call this reverse carbon leakage. You can see this, for example, when firms hit by U.S. restrictions on offshore wind switch their investments to other countries. Reverse leakage, like carbon leakage, is unlikely to be 100%, but at least some of Trump's cuts to clean tech are probably being offset because they induce higher demand outside the U.S.

There's been a feeling of doom and gloom about Trump's impact on the U.S. energy transition. It's some consolation to know that Trump is boosting clean tech globally, much against his will of course.