Energy Transition Investment Trends

Tracking global investment in the low-carbon transition

2026

Abridged version

BloombergNEF

This is a free summary version of Energy Transition Investment Trends 2026.

BNEF clients can access the full report, accompanying countries annex report, Renewable Energy Investment Tracker report, and interactive dataset on the BNEF web platform and on the Bloomberg Terminal.

Executive summary

Global energy transition investment hit a record $2.3 trillion in 2025, up 8% from a year earlier. Investment in the clean energy supply chain rose to $127 billion. Climate-tech equity finance returned to growth after three years of decline with a 53% jump, while energy transition debt issuance climbed to $1.2 trillion. All four of these indicators moved upward in a year marked by trade disruptions and heightened geopolitical tension, underscoring the resilience of the energy transition.

- This report is BloombergNEF's annual review of energy transition investment (spending to deploy clean technologies), investment in the clean energy supply chain, equity investment in climate-tech companies, and debt issuance for energy transition purposes.

Energy transition investment

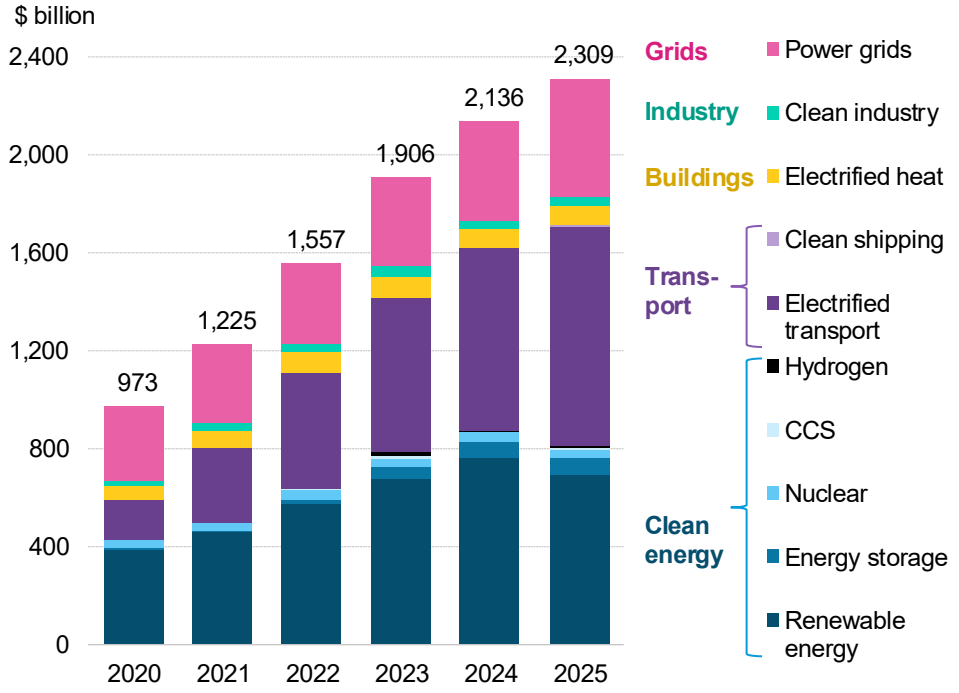
- Electrified transport is now clearly the largest sector of the transition, with $893 billion spent to purchase electric vehicles (EVs) and develop charging infrastructure in 2025, up 21%. Renewable energy, the second-largest sector, secured $690 billion in new investments, led by solar. But renewables funding dropped 9.5% as market reform in China dampened activity. Grid investment jumped 17% to $483 billion as grid operators race to strengthen networks.
- Hydrogen ($7.3 billon) and nuclear ($36 billion) saw investment drop in 2025. All other sectors grew: energy storage ($71 billion), CCS ($6.6 billion), clean shipping ($4.2 billion), electrified heat ($84 billion) and clean industry ($34 billion).
- The regional story has changed again, with the largest market, China ($800 billion), posting its first decline in investment since 2013. The EU shrugged off headwinds to grow 18% to $455 billion, contributing the most to the global uptick. US investment also moved up 3.5% to $378 billion, despite the Trump administration's moves to slow the energy transition.
- Energy transition investment is at an all-time high and exceeds fossil fuel capex – but growth has slowed steadily, from 27% in 2021 to 8% in 2025. Our base-case scenario sees investment 25% higher than last year, on average, over 2026-2030.
- We estimate that data center investment was around half a trillion dollars in 2025, putting it ahead of solar but behind the electrified transport sector.

$2.3 trillion Global energy transition investment, 2025

8.1% Growth in energy transition investment, 2025

$2.9 trillion Average annual investment under Economic Transition Scenario, 2026-2030

Global energy transition investment, by sector



Source: BloombergNEF. Note: CCS refers to carbon capture and storage.

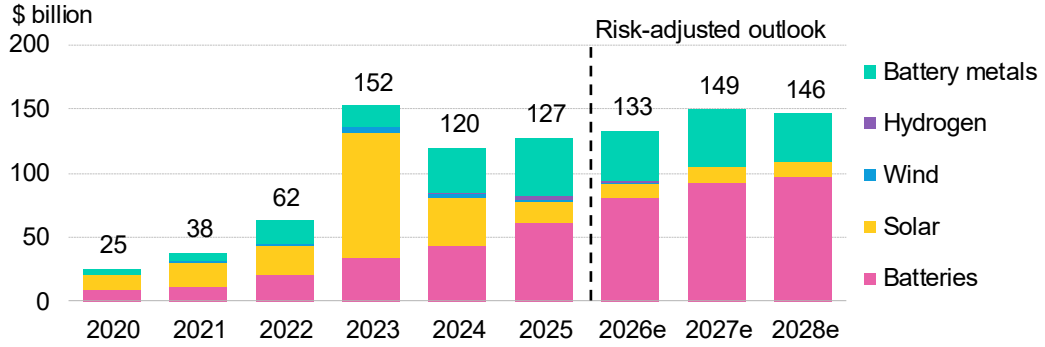
Executive summary

Supply chain investment

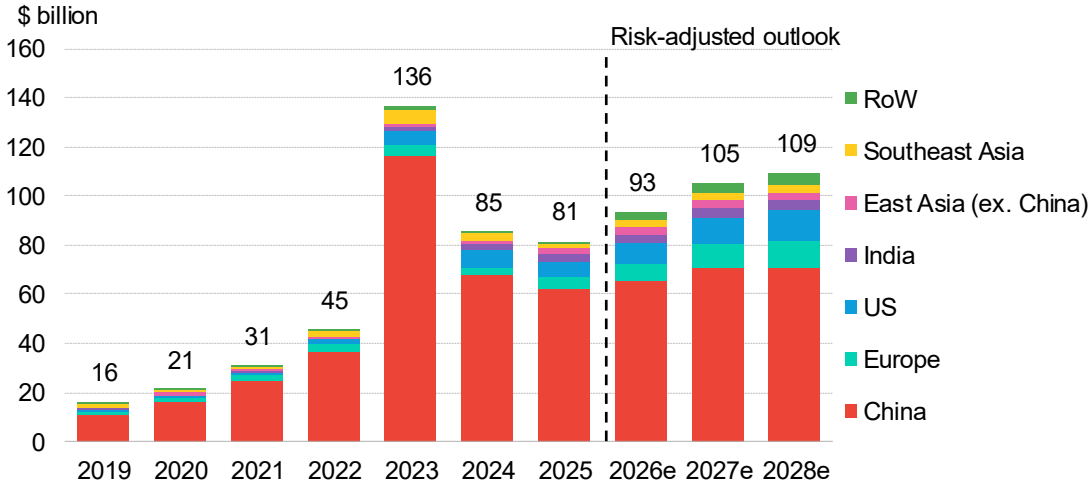
Clean energy supply chain investment

- Clean energy supply chain investment, which includes spending toward new clean-tech product factories as well as battery metal production assets, grew 6% to $127 billion in 2025. Factory investment dipped slightly, while spending on battery metals inched up. The total reflects the value of factories commissioned in 2025 producing solar, battery, electrolyzer and wind equipment, as well as mines and processing facilities for battery metals.
- Overcapacity continues to weigh on all clean energy supply chain sectors, with market dynamics varying by technology. Solar investment has fallen sharply since 2023, while battery manufacturing continues to expand. With overall investment still rising, downward pressure on clean-tech product prices is expected to persist.
- China has long attracted the largest share of clean-tech manufacturing investment. While that dominance is unlikely to be challenged any time soon, its share of annual investment is gradually declining. Geographies including the US, EU and India are continuing to onshore clean-tech supply chains despite challenges in getting production online. At the same time, Chinese manufacturers are increasingly investing in overseas capacity to offset compressed margins at home.
- Across all sectors, supply chain investment is expected to continue growing at a pace far beyond the spending required by BNEF's Economic Transition Scenario, though wind is at risk of lagging slightly behind. Meanwhile, staying aligned with net-zero pathways would require a significant increase in wind manufacturing investment, alongside faster growth in spending on lithium mining and cobalt refining.

Global clean energy supply chain investment, by sector – clean tech and battery metals



Global clean-tech factory investment, by geography



Source: BloombergNEF. Note: Clean tech includes factory investment across the manufacture of solar (polysilicon, wafers, cells and modules), batteries (separators, electrolytes, cathodes, anodes and cells), wind turbines (nacelles only), and hydrogen electrolyzer manufacturing (stack assembly only). Battery metal includes lithium, cobalt and nickel mines and the refineries required to process them for battery making. RoW refers to the rest of the world.

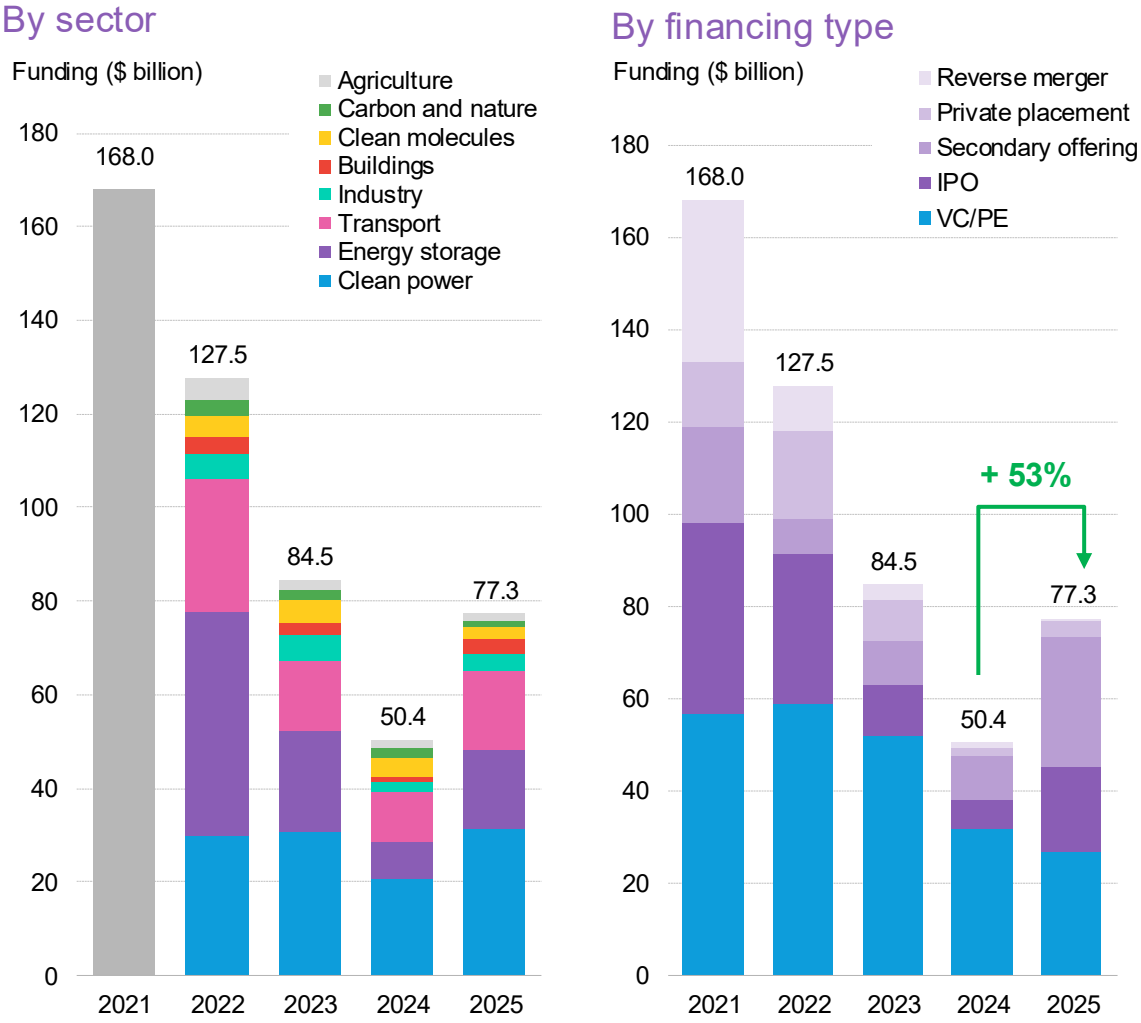
Executive summary

Equity finance

Climate-tech equity finance

- Climate-tech companies raised $77.3 billion in private and public equity in 2025, up 53% year-on-year and marking the first year of growth after three consecutive years of decline. Clean power, energy storage and low-carbon transport companies led the fundraising, bringing in $64.9 billion.
- While activity in public markets recovered, driven by multibillion dollar deals from Asia, venture funding for startups fell for the third year in a row. Secondary offerings from already-listed firms were a bright spot, making up 36% of totals. Initial public offerings (IPO) tripled year-on-year after an unusually low 2024.
- China became the top market for climate-tech equity funding with $24.5 billion raised by companies there. Highlights included the secondary offering of electric-vehicle maker BYD and IPO of battery manufacturer CATL in Hong Kong. The US followed in second place with $21.9 billion, increasing 24% from 2024. The EU as a bloc remained in third place.
- Mergers and acquisitions activity remained strong, ending 2025 with $99.1 billion closed – a 37% increase from the year prior. More than half of the transaction volume came from acquisitions of companies in the clean power and buildings sectors, both gaining traction from data center buildout.
- Bloomberg clean-energy and transport equity indexes outperformed the wider market in 2025, driven by stock price increases from power generation firms like Iberdrola, equipment providers like Siemens Energy, and minerals and mining companies like MP Materials.

Climate-tech equity financing, by sector and financing type



Source: BloombergNEF, Bloomberg Terminal MA<GO> and IPO<GO>, Pitchbook. Note: VC/PE refers to venture capital and private equity. IPO is initial public offering.

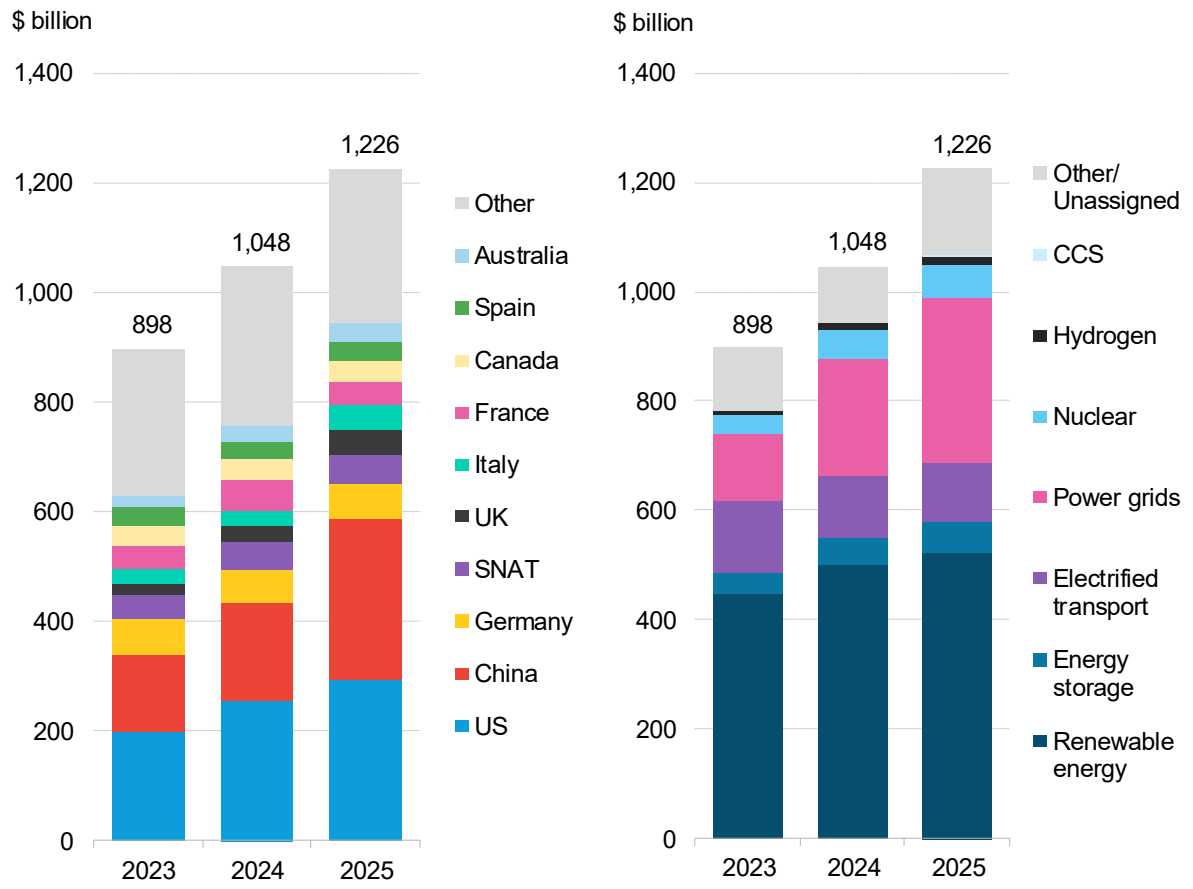
Executive summary

Debt issuance

Energy transition debt issuance

- Energy transition debt issuance totaled $1.2 trillion in 2025, up 17% from a year earlier. Growth in corporate and project finance flows, both at 20%, offset a dip in government debt sales as they scaled back labeled issuances earmarked for mature transition sectors.
- Debt issuances from US and Chinese energy transition companies reached similar absolute levels in 2025, both at around $295 billion. Despite a leap in volume driven by State Grid Corp. of China, debt data remains less available in China and therefore could be an underestimate. Europe's total debt issuance rose by 11%, to $359 billion, led by increases in the UK, Italy, Spain and the Netherlands.
- Companies with revenue exposure to mature energy transition sectors raised $989 billion in 2025, while those with exposure to emerging sectors including nuclear and hydrogen raised $77 billion. The power grid sector saw the biggest growth in debt issuance, up 41% from 2024.
- Labeled sustainable debt represented just 47% of energy transition debt financing in 2025, down from 58% in 2023. Dwindling pricing benefits associated with sustainable labels may have pushed issuers away from the market.
- These issuances include: labeled corporate and government loans and bonds with use of proceeds relevant to transition sectors; clean energy project debt; and general purpose corporate debt, which we discount according to issuers' revenue exposure to clean energy sectors. Many companies are active in multiple sectors and therefore may deploy capital differently compared to existing revenue.

Energy transition debt issuance, by market and sector



Source: BloombergNEF, Bloomberg Terminal. Note: Markets based on country or territory of risk. SNAT is supranationals. Funding destination estimated based on issuer-announced use of proceeds or company revenue exposure. CCS stands for carbon capture and storage. Unassigned represents deals attributable to clean energy but could not be assigned to a specific sector due to insufficient information.

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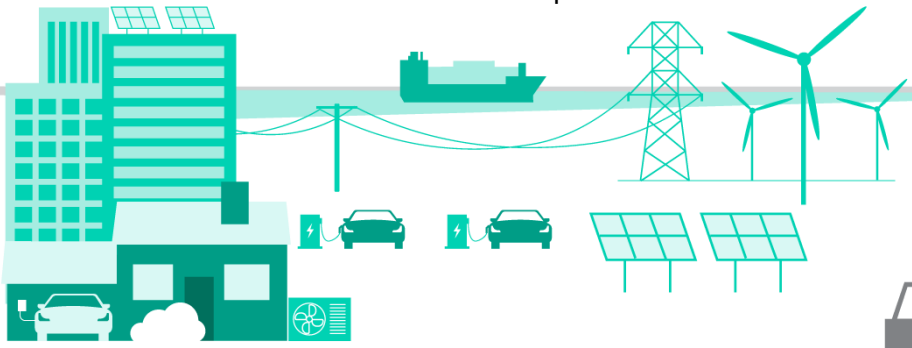
Types of funding covered in this report

This report is BNEF's annual assessment of funding flows relating to the energy transition, covering four distinct types of financial flows.

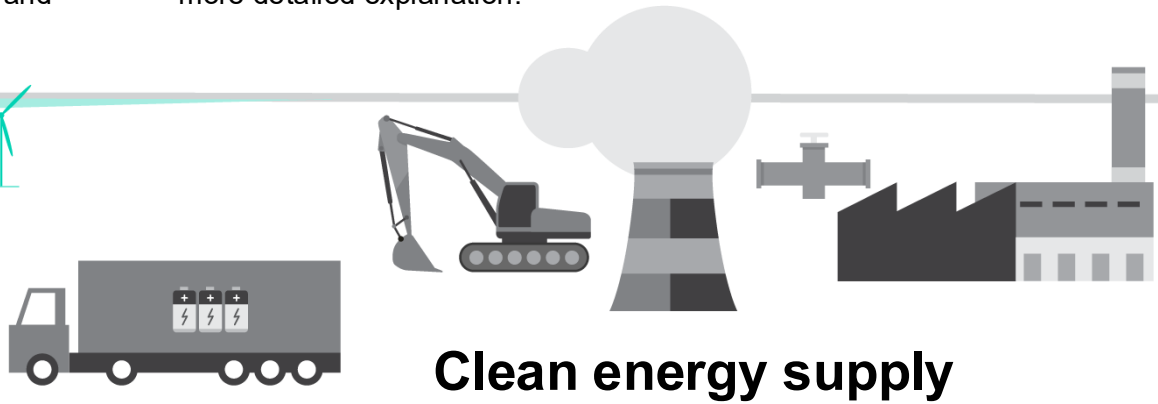
Energy transition investment denotes real-economy investment commitments and spending to deploy clean-energy technology and infrastructure that is aligned to net zero, while **clean energy supply chain investment** covers investments to develop and construct factories and materials production facilities to supply technology for the energy transition.

In contrast, **climate-tech equity finance** and **energy transition debt issuance** cover the raising of funds by companies, governments and projects from investors – the proceeds of which can be deployed into energy transition investment or supply chain investment. The next slides provide more detailed explanation.



Energy transition investment

Deployment of net-zero-aligned technology and infrastructure



Clean energy supply chain investment

Construction of manufacturing facilities and development of mines for producing clean energy technologies

Climate-tech equity finance

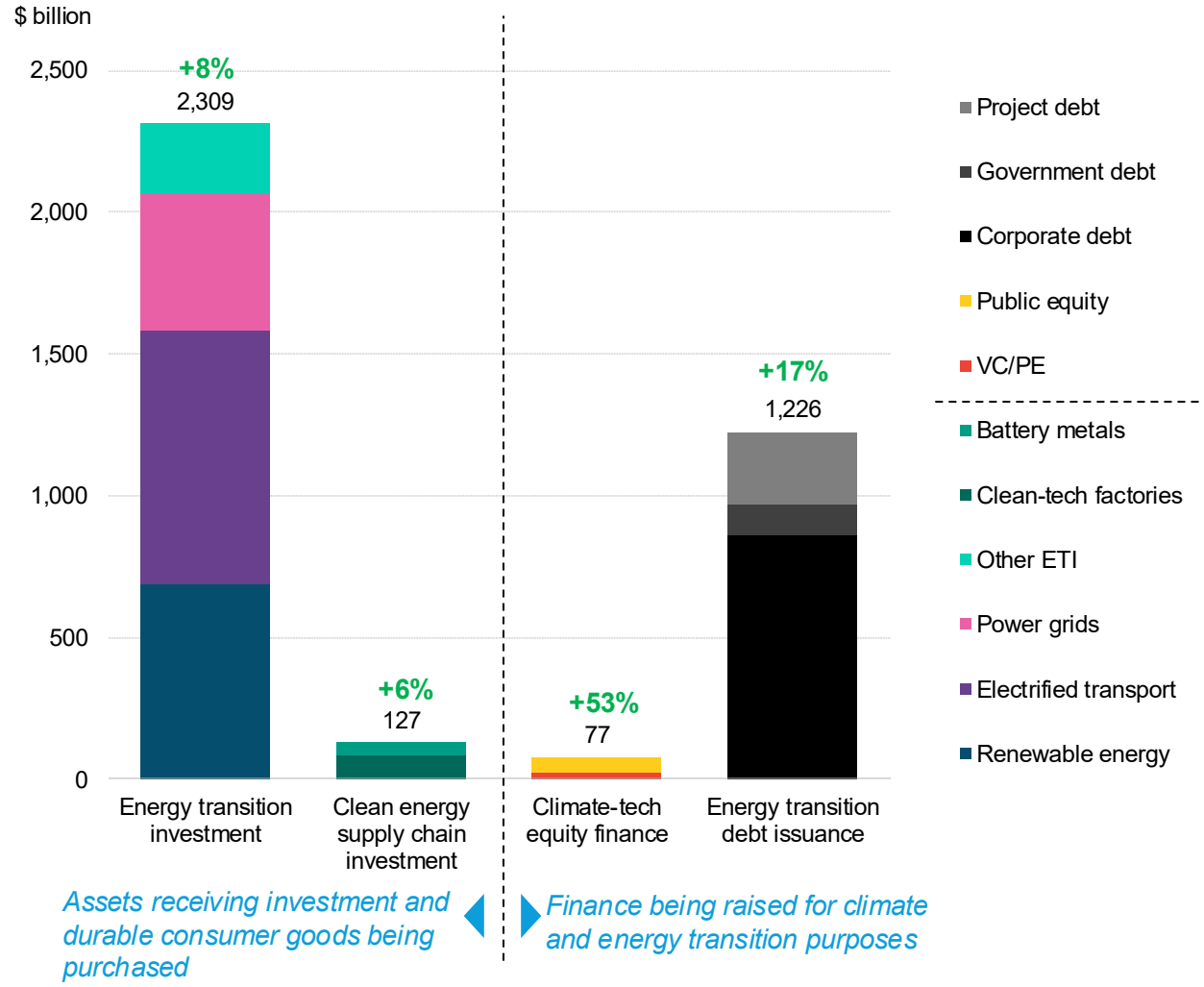
Equity raised by companies focused on climate and energy transition

Energy transition debt issuance

Debt issued by companies, governments and projects to fund the energy transition

This report covers $2.4 trillion in real-economy investment and $1.3 trillion in financing

2025 funding and year-on-year growth, for categories covered in this report

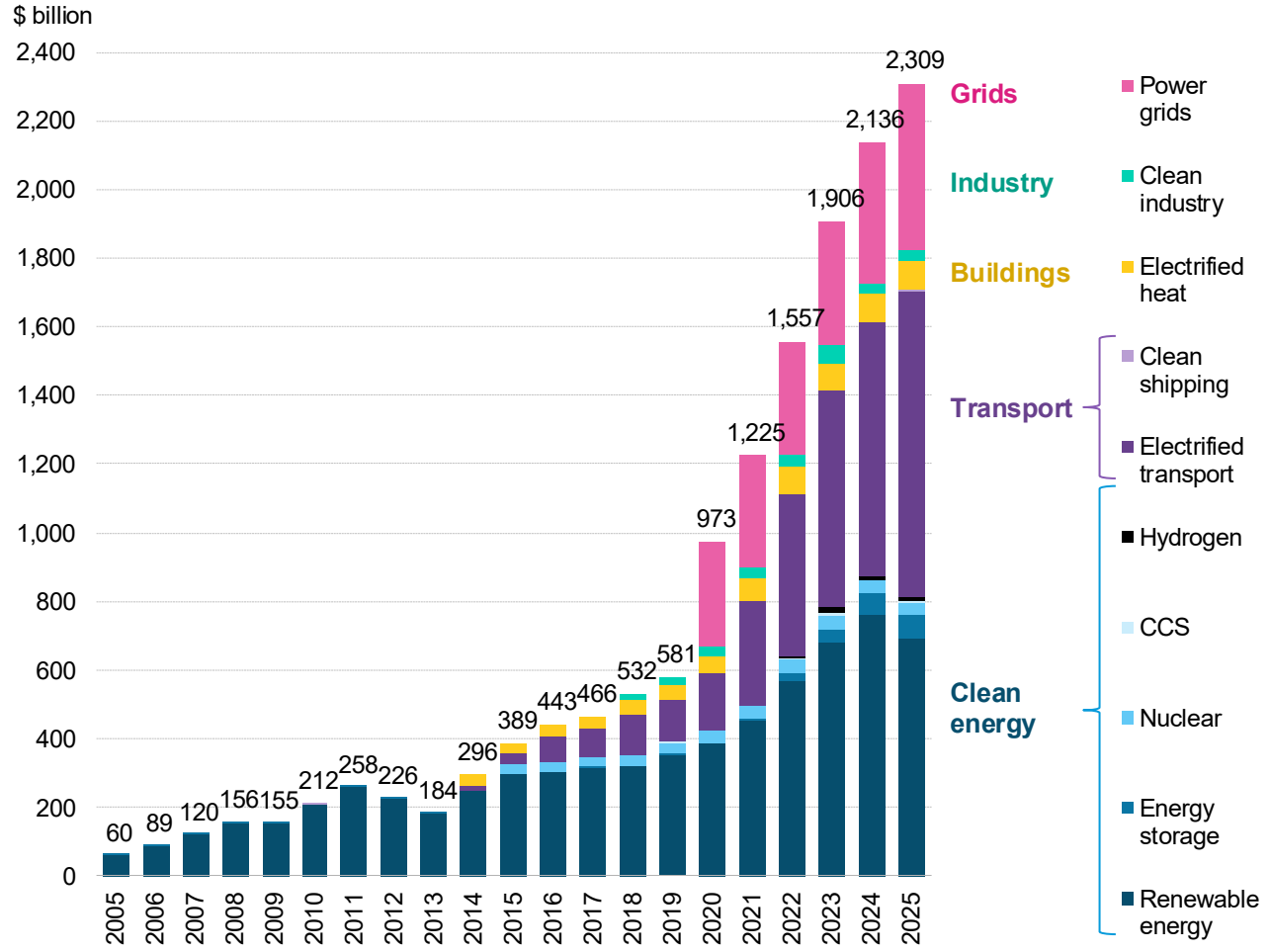


Source: BloombergNEF. Note: VC/PE is venture capital and private equity; ETI is energy transition investment.

- Energy transition investment and clean energy supply chain investment both represent money being deployed in the real economy to fund asset investment and technology purchases. These totaled $2.4 trillion in 2025, with energy transition investment (spending on clean-tech deployment) far outweighing supply chain investment. This imbalance is intuitive because the ultimate costs of deploying clean technologies in the field must cover all the capital (and operating) expenditure in the upstream supply chain, as well as additional labor, land, equipment and financing costs.
- Climate-tech equity finance and energy transition debt issuance represent money being raised by organizations, rather than capital being deployed into the real economy. While much attention is paid to climate-tech fundraising from VC/PE investors and public equity markets, it is in fact the debt markets that provide far more of the financing for the energy transition – $1.2 trillion last year versus $77 billion in equity finance.
- In principle, equity and debt financing raised (in the categories on the right of the dotted line in the chart) can then be deployed into assets on the left of the chart. However, due to differences in scope, timing and methodology, the relationship is not one to one and the totals are not directly comparable. Other sources of funding not tracked include re-invested profits, consumer spending and government grants.
- All four categories saw growth in 2025.

Global energy transition investment hit $2.3 trillion in 2025, a new record

Global investment in energy transition, by sector



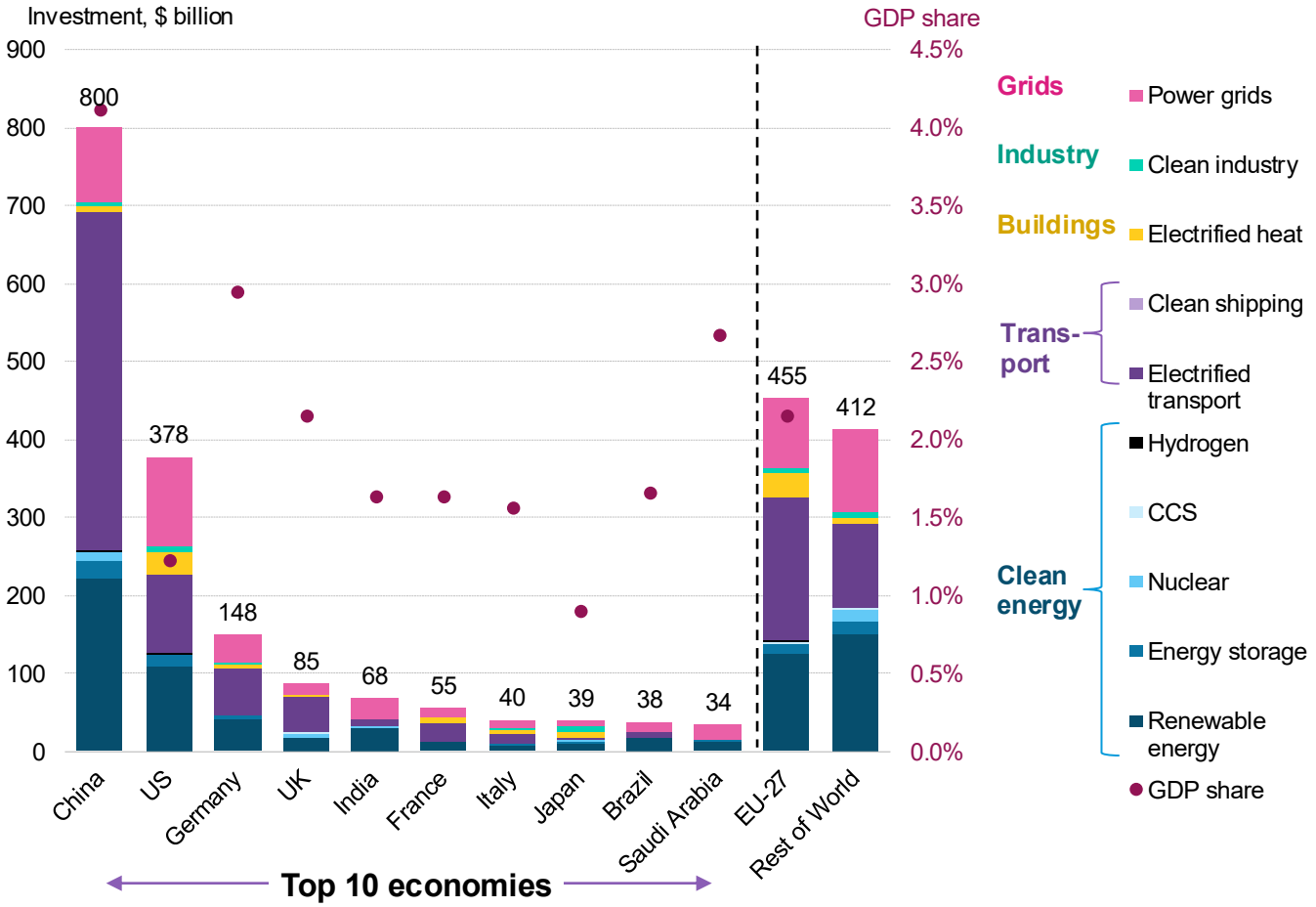
Source: BloombergNEF. Note: Start years differ by sector but all sectors are present from 2020 onwards; see Methodology for more detail. Most notably, nuclear figures start in 2015 and power grids in 2020. CCS refers to carbon capture and storage.

- Global investment in energy transition technologies grew 8% to $2.3 trillion in 2025, defying policy and trade headwinds to set a new record. More than $2 trillion of the total can be attributed to just three sectors: electrified transport, renewable energy and power grids.
- Electrified transport is now clearly the largest sector of the transition, with $893 billion spent to purchase EVs and develop charging infrastructure in 2025. The sector saw strong growth (21%), particularly in Asia and Europe last year.
- Renewable energy, the second-largest sector, secured $690 billion in new investments in 2025, led by solar. Investment dropped 9.5% though, as changing power market rules in China dampened activity in the world's largest market. Other markets invested more, but not enough to offset China's dip.
- Power grid investment surged to $483 billion as grid operators race to connect new generation and demand, and equipment costs rise.
- Hydrogen ($7.3 billon) and nuclear ($36 billion) saw a slight dip in investment in 2025. All other sectors in our analysis saw growth in 2025: energy storage ($71 billion), CCS ($6.6 billion), clean shipping ($4.1 billion), electrified heat ($84 billion) and clean industry ($34 billion).
- Although energy transition investment is at an all-time high, growth rates have dropped steadily since 2021, when investment grew by 27%. Last year was the first year of single-digit growth since 2019.
- (Note that the investment jump in 2020 is due to the addition of power grids from that year onwards.)

Top 10 markets: China in the lead; India climbs a place; Saudi Arabia enters the fray

For more on specific markets, see the Countries Annex Report (link)

Energy transition investment and GDP share in 2025, top 10 economies plus the EU-27 and rest of the world



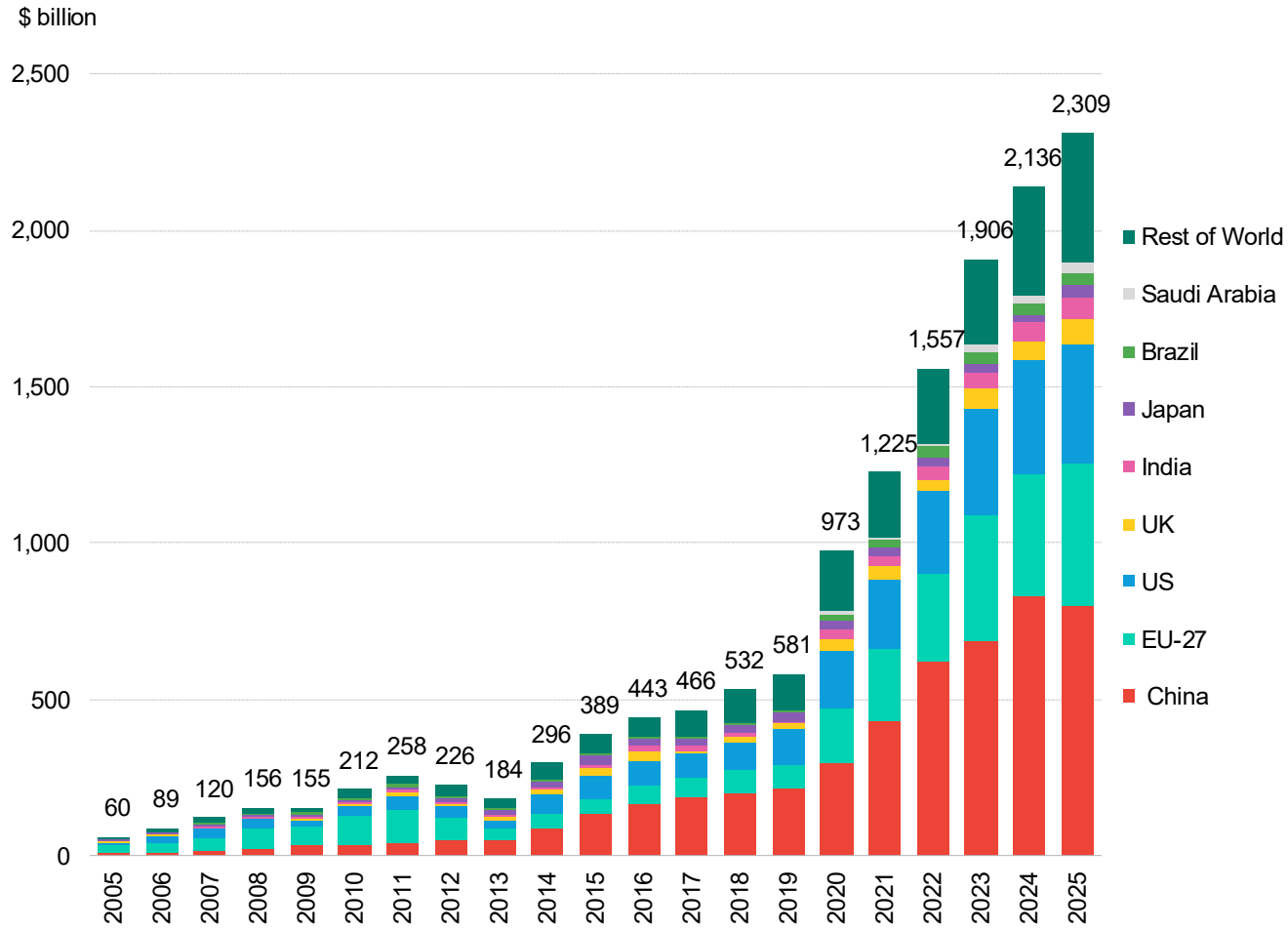
Source: BloombergNEF. Note: EU-27 bar also includes the EU member states shown. "Rest of world" is global investment excluding the EU and individual economies in the chart. CCS refers to carbon capture and storage.

- China retains its lead as the largest market for energy transition investment in 2025, even though it declined slightly to $800 billion. Its lead is substantial no matter how it is counted: China is responsible for 34% of global investment; it invests more than double the US figure and more than the next six countries combined, and its investment is a higher share of GDP (4%) than any of the other top markets in our analysis.
- However, aggregate investment across the US, EU and UK in 2025 was more than China's in 2025, at $918 billion. When comparing this combined Western group head-to-head against China, the investment lead has actually changed hands every year since 2021, suggesting a more close-run race.
- The top 10 markets for investment have only slightly changed in 2025. The US, Germany and UK retain their second to fourth places respectively. India continues to rise up the ranking, overtaking France in this edition, while Italy and Japan have leapfrogged Brazil.
- The only new entry in the top 10 this year is Saudi Arabia in 10th, displacing Canada from last year's report thanks to surging investment into renewables and grids.
- The EU remains the second-largest market if taken as a bloc, investing $455 billion last year to beat out the US' $378 billion.

Broad-based growth across diverse economies offsets the decline in China

For more on specific markets, see the Countries Annex Report (link)

Global energy transition investment, by economy/bloc

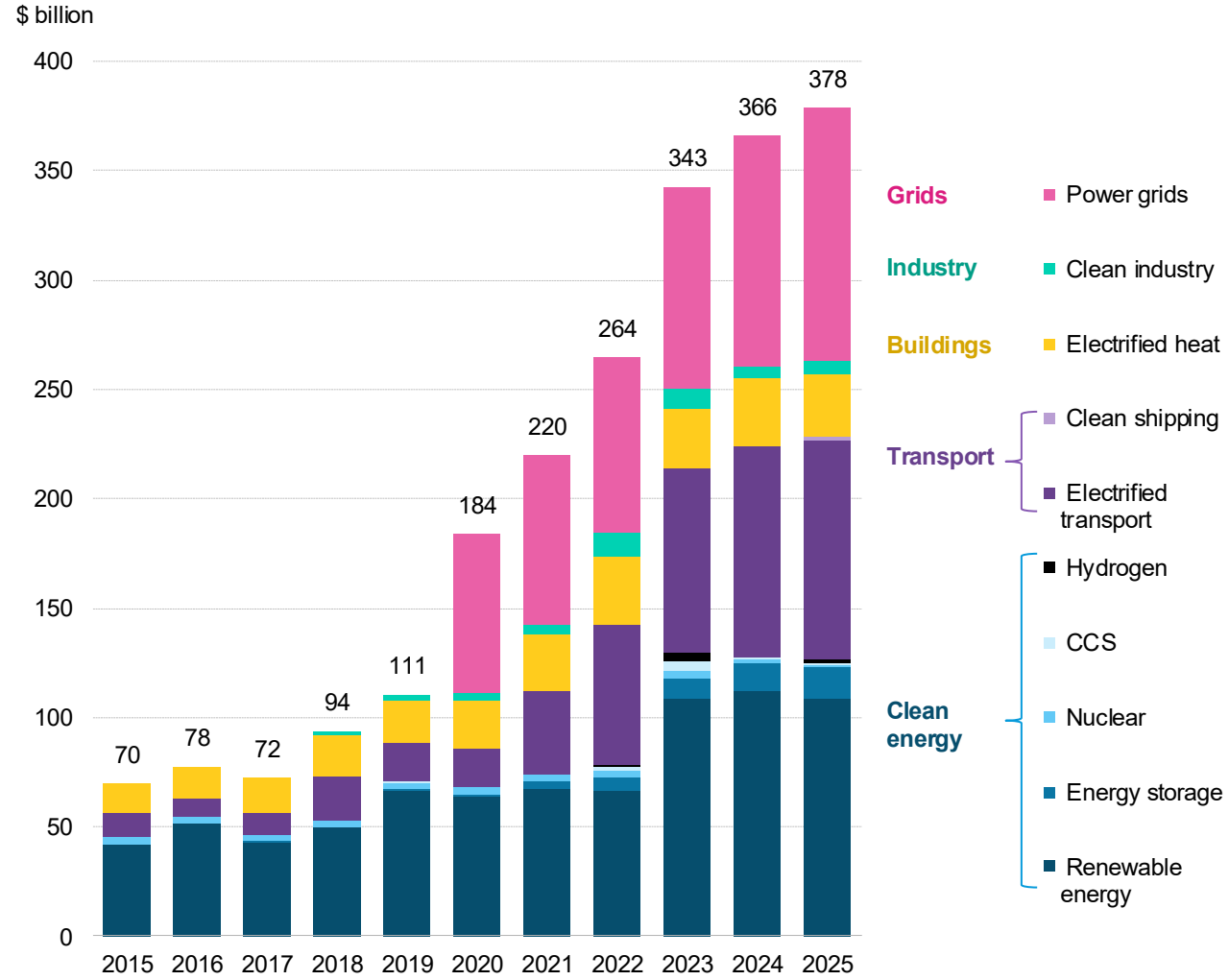


Source: BloombergNEF. Note: Start years differ by sector, but all sectors are present by 2020. The step change in 2020 is caused in part by the addition of power grids into the scope from that year onward.

- Energy transition investment in China declined for the first time since 2013 as a significant update to power trading rules introduced new market-based risks for renewable project developers. Strong EV growth cushioned the drop however, limiting it to just 4% year-on-year.
- Other economies took up the slack in 2025 and pushed global investment to new heights. Chief among these was the EU, which saw 18% growth to $455 billion. The surge was broad-based, with renewables, grids, storage, EVs, heat, shipping and CCS all contributing.
- The US held its own in a year of policy turmoil, edging up 3.5% to $378 billion and defying expectations of a screeching halt in energy transition investment. Renewables investment retreated slightly while EVs and grids were up on the year.
- The UK posted an impressive 36% increase in 2025 to reach $85 billion, with strong growth in renewables, EVs and grids.
- India jumped 15% to $68 billion, while Japan had a standout year at 44% growth to $39 billion. This was underpinned by a recovery in renewables investment, rising grid spend, and major investments in clean steel production.
- Brazil grew 6% to $38 billion, while Saudi Arabia's figure surged 70% to $34 billion as it ramped up its renewables and grid investments.

US investment inched up despite Trump's return

US energy transition investment, by sector

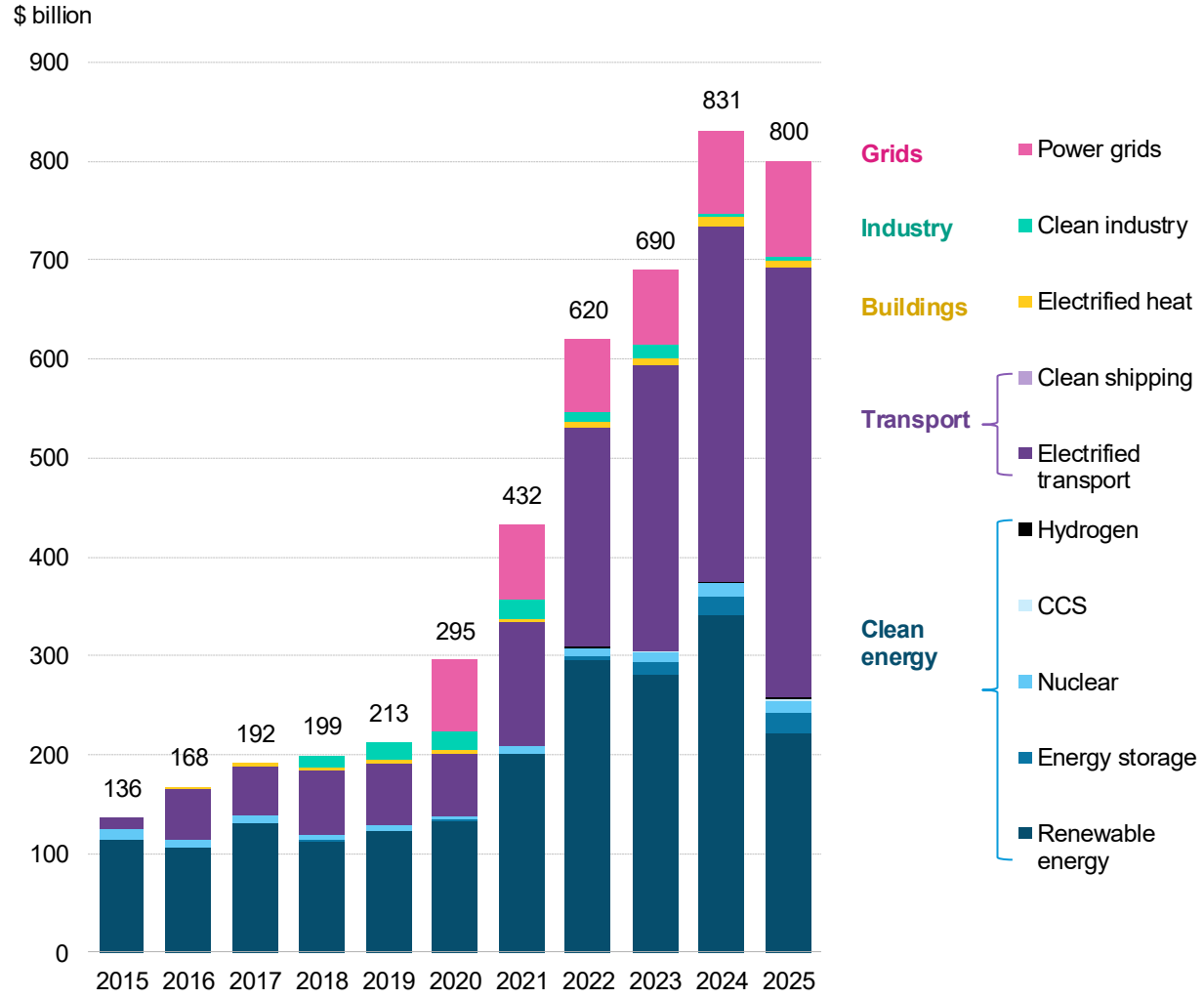


Source: BloombergNEF. Note: Start years differ by sector, but all sectors are present from 2020 onwards. Most notably, power grids start in 2020. CCS refers to carbon capture and storage.

- Trump's first year created significant headaches for most US energy transition sectors as Congress pared back longstanding subsidies for energy efficiency, wind, solar and EVs. Federal agencies threw up additional obstacles by attempting to cancel permits for under-construction offshore wind projects and withholding previously committed grant funding for a variety of energy transition initiatives. Trump's erratic tariff policies created confusion.
- The new administration and Congress boosted support for nuclear power, CCS and geothermal power but those sectors account for relatively small shares of overall energy transition investment in any given year.
- Total US energy transition investment inched up 3.5% to $378 billion, powered by electrified transport fund flows and grid investment. Clean energy investment remained approximately level at 2024 while renewable energy investment specifically dropped to $108.7 billion.
- US EV sales reached new heights in 2025 thanks in part to a $7,500 per-vehicle federal tax credit. Total funds for US electrified transport set a record at $101 billion. However, EV sales dropped in October after Congress cut the credit.
- Electricity demand in the US is now surging due in part to AI data center build. In part to accommodate this, grid investment jumped 9.5% in 2025 to $115 billion.

China: Power market reforms drag renewable spending down

China energy transition investment, by sector



Source: BloombergNEF. Note: Start years differ by sector, but all sectors are present from 2020 onwards. Most notably, power grids start in 2020. CCS refers to carbon capture and storage.

- China's energy transition investment fell 4% to $800 billion in 2025, marking the first drop since 2013. The downturn was primarily due to a sharp drop in renewable energy investment.
- Renewable energy investment contracted 35% to $221 billion following a major power market reform that exposed wind and solar projects to volatile wholesale price signals. The shift introduced significant revenue uncertainty and prompted developers to halt new investments as they reassessed project pipelines and waited for local governments to roll out supportive mechanisms to stabilize revenues.
- Investment in electrified transport rose 21% to $434 billion, accounting for more than half of China's total energy transition investment for the first time. Despite narrowing automaker discounts and suspension of trade-in subsidies in several provinces, electric vehicle demand remained strong. New models from local brands such as BYD and Xiaomi will continue to boost EV sales in the country.
- Investment in power grids climbed to $96 billion, a 15% increase compared to 2024. The country continues to expand long-distance transmission lines to transport clean power across provinces and upgrade distribution networks to accommodate the rapid scale-up of small-scale solar.

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Our expert coverage assesses pathways for the power, transport, industry, buildings and agriculture sectors to adapt to the energy transition.

We help commodity trading, corporate strategy, finance and policy professionals navigate change and generate opportunities.

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