Rhodium Group

Clean Investment Monitor: Q3 2026 Update on Global Clean Technology Manufacturing

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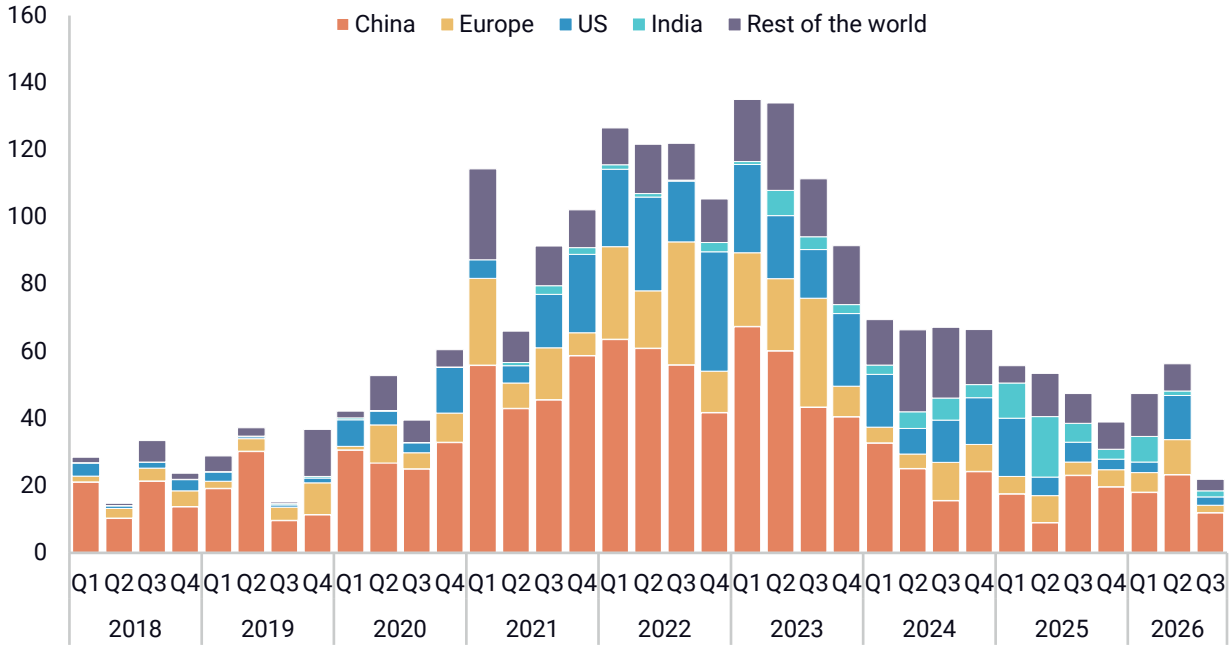
In the third quarter of 2026, global investment in clean technology manufacturing—both actual investments and newly announced investments—declined from the previous quarter and from the same period in 2025. New project announcements in manufacturing and industrial supply chains totaled $21.9 billion in Q3 2026, down 61% from the previous quarter and 54% from the same period in 2025. Announcements reached their lowest level since Q3 2019, with China, the United States, and Europe accounting for most of the quarterly decline. The pullback extended across all eight technology categories tracked, led by batteries, solar, and critical minerals.

In Q3, actual investment declined more moderately, falling 12% from Q2 to $31.7 billion, its lowest level since Q4 2020 and 27% below Q3 2025. Across technologies, lower battery manufacturing investment, driven largely by declines in China, outweighed modest increases in other technology categories like solar and critical minerals. Investment in battery manufacturing—a bright spot in previous quarters—hit lows not seen since the COVID-19 pandemic.

New manufacturing investment announcements fell to a seven-year low

Announced manufacturing investment can provide a picture of the outlook for the industry, but is also an indicator of how the sector is faring given current market dynamics and cost of capital. In Q3, we find that announcements of clean technology manufacturing investment fell by $34.4 billion from Q2, a 61% drop (Figure 1). China recorded the largest total reduction in overall announced project value ($11.3 billion), with announced investment falling 49% to $12.0 billion. US announcements declined 81% to $2.5 billion, while Europe's fell 78% to $2.3 billion. Together, these three markets accounted for 88% of the global quarterly decline.

FIGURE 1
Global clean tech manufacturing investment announcements fall to their lowest level since 2019
Announced investment by region, billion 2025 USD



Source: Rhodium Group, Clean Investment Monitor

The pullback extended beyond the largest markets as well. Announced investment across the rest of the world fell 57% to $3.5 billion, its lowest level since Q1 2020. India was the only country to record an increase, with announcements rising from $1.4 billion to $1.7 billion quarter-on-quarter.

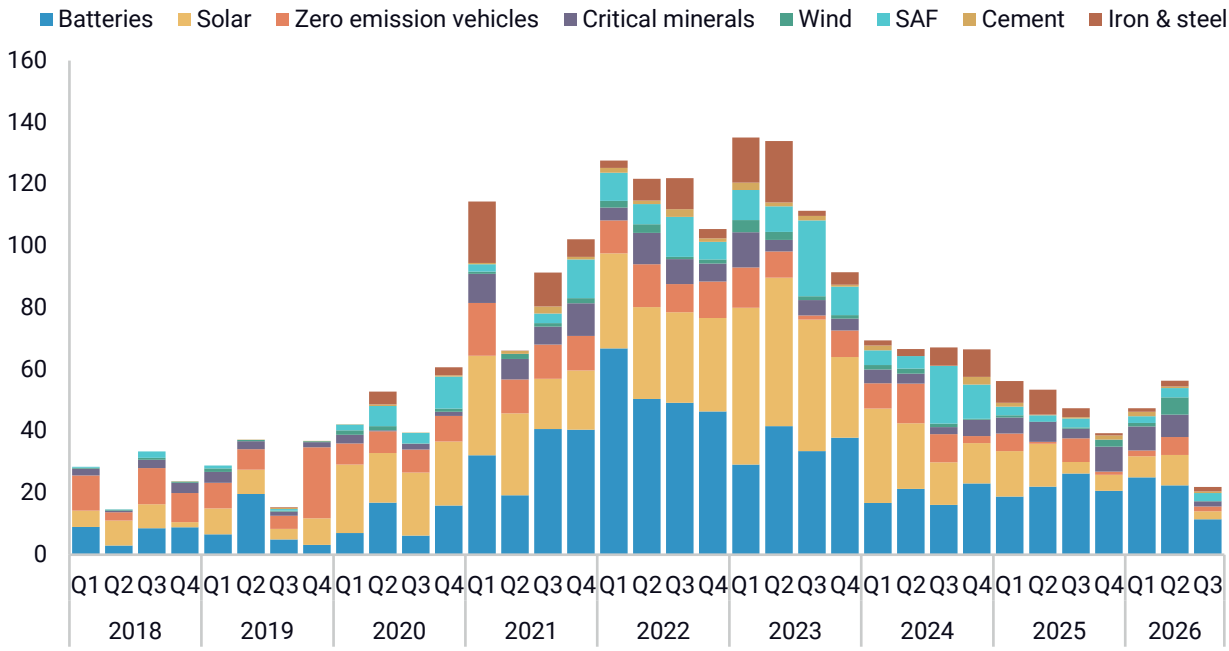
Batteries, solar, and critical minerals led the pullback

In Q3, no technology category escaped the downward trend in clean tech manufacturing investment, with announced investment declining across all eight technology categories tracked by the Clean Investment Monitor (Figure 2). Batteries recorded the largest decline by overall investment value—a reduction of $10.9 billion quarter-on-quarter, falling 49% (see our deep dive on batteries later in this note). Solar announcements fell 73% from Q2 to $2.6 billion, while critical mineral announcements declined 76% to $1.7 billion. Both follow substantially higher announcement values than in Q2 of this year.

FIGURE 2

Battery, solar, and critical minerals lead the decline in announced manufacturing investments

Announced investment by technology, billion 2025 USD



Source: Rhodium Group, Clean Investment Monitor

Actual investment declines as gains elsewhere fail to offset China's slowdown

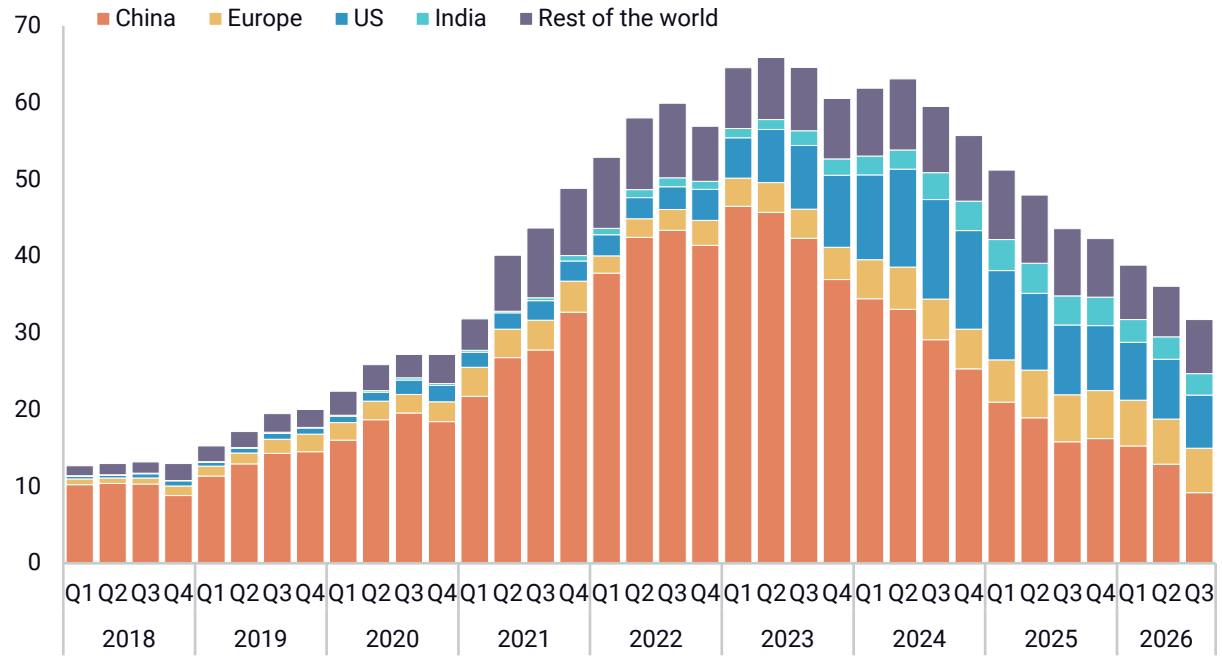
Actual investment in clean technology manufacturing and industrial facilities fell 12% by $4.3 billion from Q2 to Q3, reaching $31.7 billion. Investment was 27% below the same period in 2025 (Figure 3). China accounted for $3.7 billion of the quarterly reduction, with investment falling 29% quarter-on-quarter to $9.2 billion in Q3 2026. Structural headwinds for manufacturing investments in China have been growing due to a range of factors, including overcapacity, declining profitability in the manufacturing sector, and Beijing's efforts under its anti-involution campaign that reduced manufacturing tax incentives, all of which have discouraged capital investment.

US spending declined 11% to $6.9 billion, reversing the modest increase recorded in Q2. Investment in Europe remained broadly stable at $5.8 billion, while India's fell 4% to $2.8 billion. Spending across the rest of the world increased 7% to $7.0 billion, providing a partial offset to the declines in China and the US.

FIGURE 3

China accounts for most of the quarterly decline in actual clean tech manufacturing investment

Actual investment by region, billion 2025 USD



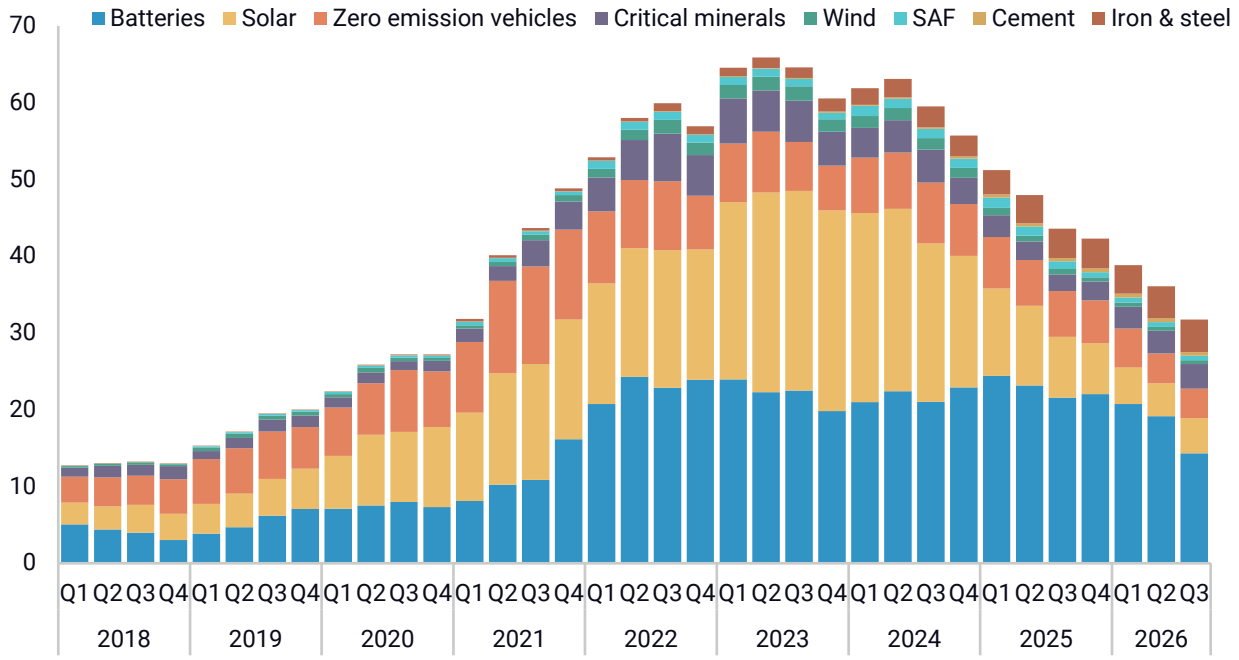
Source: Rhodium Group, Clean Investment Monitor

The decline in actual spending was more concentrated by technology than the decline in announcements (Figure 4). Battery investment fell by $4.8 billion (a quarter-on-quarter drop of 25%), while investment in the manufacturing of most other technology categories increased from Q2. Solar investment rose 6% to $4.6 billion, and critical mineral investment increased 8% to $3.2 billion. Smaller dollar increases occurred in vehicle manufacturing, wind, cement, and iron and steel. These gains were insufficient to offset the reduction in battery manufacturing investment. They also represented different stages of recovery: solar investment remained 42% below Q3 2025, despite its quarterly increase, while critical mineral spending was 47% above its year-earlier level.

FIGURE 4

Battery manufacturing accounts for most of the quarterly decline in actual investment

Actual investment by technology, billion 2025 USD



Source: Rhodium Group, Clean Investment Monitor

Battery spending and announcements reach multi-year lows

Global battery manufacturing investments have remained a consistent bright spot in recent quarters, but in Q3 a decline in battery investments—both actual and announced—drove the overall Q3 clean tech manufacturing investment slowdown (Figure 5).

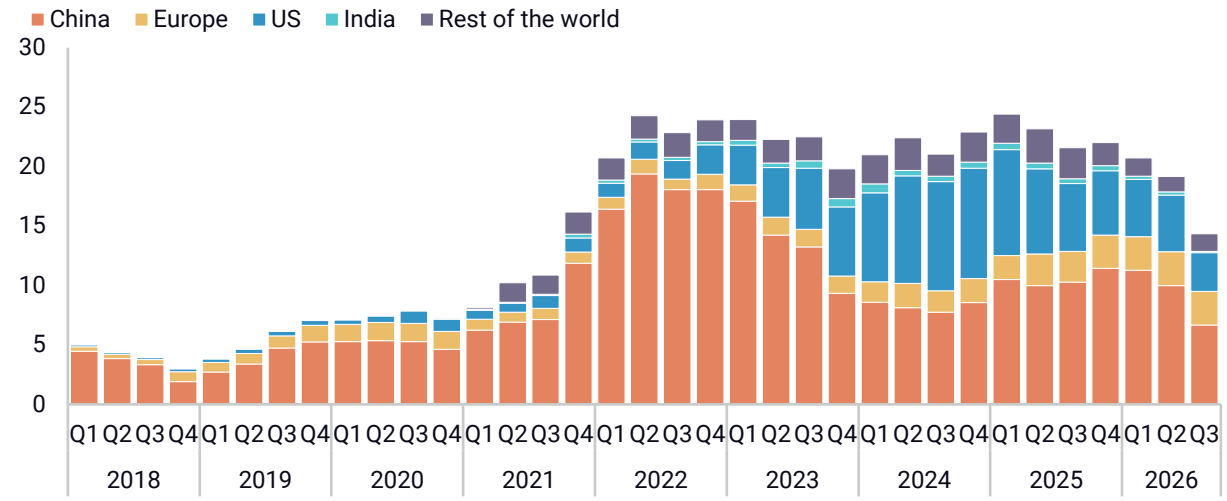
Announced battery investment fell 49% from Q2 to $11.5 billion, its lowest level since Q3 2020 and 56% below the same quarter in 2025. The decline coincided with tighter restrictions on new battery projects in China. Authorities paused new EV and energy-storage battery projects beginning in mid-May 2026 while reviewing existing capacity in the face of persistent overcapacity and low utilization rates, with further construction eligibility to be determined following a year-end assessment. Projects that had secured the required environmental, energy-use, and other approvals before May were exempt from the pause, allowing previously approved developments to proceed.

Actual battery investment also declined sharply, reflecting a winding down of investments as previously announced facilities reach the final stages of construction. Actual investment in battery manufacturing facilities fell 25% from Q2 to $14.3 billion, its lowest level since Q3 2021 and 34% below the same quarter in 2025. China and the US accounted for nearly all of the quarterly reduction. Actual battery manufacturing investment in China fell 33% to $6.7 billion. In the US, battery manufacturing investment declined 32% quarter-on-quarter to $3.2 billion in Q3, the lowest quarter since Q4 2022.

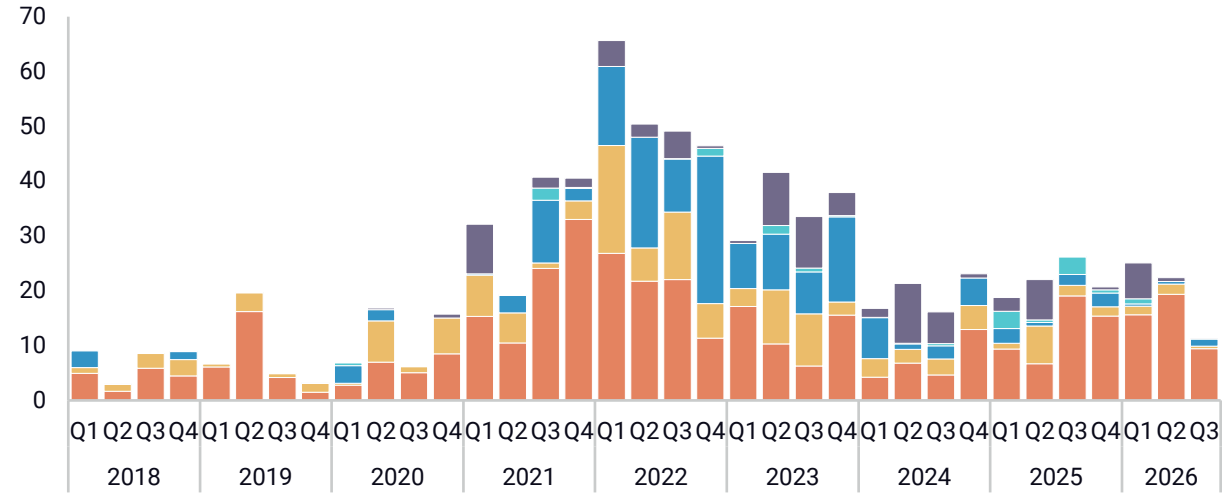
FIGURE 5

Battery manufacturing spending and announcements fall to multi-year lows

(a) Actual investment by region (billion 2025 USD)



(b) Announced investment by region (billion 2025 USD)



Source: Rhodium Group, Clean Investment Monitor

Europe's battery manufacturing investment remained broadly unchanged at $2.8 billion, although competitiveness challenges continue to weigh on the sector's expansion prospects. Most planned European gigafactories focus on nickel-based NMC batteries, while demand is shifting toward lower-cost lithium iron phosphate (LFP) batteries. European-made cells also remain more expensive than imports, and planned factories face financing, permitting, and execution risks.

Investment in battery facilities across the rest of the world increased 16% to $1.5 billion, driven primarily by rapid construction of an $800 million Sungrow project in Egypt that was announced earlier in 2026 and is expected to be operational in early 2027. In Q3, there were only a few new announced battery projects outside of the major players, with projects announced in India, Egypt, and Japan.

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