

Outlook

Domestic Targets

China aims for new energy vehicles (NEVs) – comprising hybrids, fully electric EVs as well as fuel cell EVs – to reach 48% of sales by 2026 and 58% by 2027, milestones it is already on track to surpass. Some analysts predict 70–80% market share by 2030.

Its policies will emphasise:

- Expanding ultra-fast and rural charging networks;
- Accelerating solid-state battery commercialisation;
- Promoting sustainable industry consolidation.

Global Impact

By 2030, Chinese automakers could capture one-third of the global auto market. Their strengths – low cost, fast cycles and advanced features – are forcing foreign car manufacturers to accelerate EV adoption. Strategic alliances between Chinese and foreign manufacturers (e.g., Volkswagen–Xpeng, Stellantis–Leapmotor) suggest a future of both competition and collaboration.

Technological Frontier

China will continue to lead in:

- Battery breakthroughs (solid-state, sodium-ion);
- Smart mobility ecosystems integrated with digital platforms;
- Autonomous driving fuelled by vast data and government-backed infrastructure.

The main challenges it encounters will be geopolitical trade frictions, domestic overcapacity and brand trust abroad. Still, China's EV ecosystem has already reshaped global standards, making clean, connected, and, increasingly, autonomous mobility the global norm.

Conclusion

China's EV rise is the product of strategic policy, supply chain dominance, rapid technological progress and bold visionaries like Wan Gang. Having turned EVs from a niche technology into a mass-market reality, China is now setting the pace for the global auto industry. Its next challenge will be balancing domestic consolidation with global expansion amid rising trade tensions, while continuing to lead in the technologies that will define the car of the future.

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The Emerging Fluid, Flexible Gx World Order



by

Warren Fernandez

A year after the return of US President Donald Trump for his second term, the world is still reeling from the shock and awe of the arrival of a “revolutionary chieftain” in Washington.

The late US Secretary of State Henry Kissinger used the term to refer to radical and revisionist leaders, such as Hitler and Napoleon, who were often driven by historical angst, personal animus or “Shakespearean forces”, as American author Robert Kaplan puts it, referring to “the inner demons that drive all powerful leaders to a certain degree of madness”, as exemplified in the Bard's plays. These radicals and revisionists sought to upend the order and stability Kissinger believed was critical to global equilibrium

and peace. Kissinger probably never imagined such a person inhabiting the White House.

Eager to remake the world, President Trump has sallied forth into uncharted waters, with the rest of the world in tow. There are neither maps or signposts, nor a clear idea of the destination, let alone any plan for how to get from here to there. The risks of such a trip ending up somewhere unfamiliar, and quite different from what was intended, are high and rising.

What then lies ahead? There has been much talk of an emerging multipolar world. Yet, “visions of multipolarity are also polarised”, as the Munich Security Report 2025 aptly notes. “This makes it increasingly difficult to adapt the existing order peacefully, avoid new arms races, prevent violent conflicts within and among states, allow for more inclusive economic growth, and jointly address shared threats like climate change.”

Welcome to a Gx World

It might therefore be useful to ponder just what some permutations for a new world order might be, and what these entail, namely:

G “0” – a state of nature, where each country acts in its own interests, with the strong doing as they please and the weak suffering what they must. Eurasia Group President Ian Bremmer has written of GZero world, in which no single power has the inclination or ability to shape global events.

G “1” – like the unipolar order that the United States led for several decades, benignly for the most part, but which it is now busy undoing. But, as the United States retreats, China seems to have neither the ability nor willingness to take over as the sole global hegemon.

G “2” – a bipolar world, such as during the Cold War between the United States and the Soviet Union, with rival powers competing on some fronts but collaborating in areas of common interest to keep the system stable and avert conflict.

There was hope in the 1990s and early 2000s, that China might emerge as a responsible stakeholder in a rules-based order. In other words, China would follow the path of Germany or Japan, growing richer and stronger, but remaining part of an interdependent system and deferring to the United States as the indispensable leader of the global order.

It was on this basis that US leaders welcomed China into the World Trade Organisation in 2000. Free trade, it was believed, would liberalise China, with economic development driving political and social change,

leading to Francis Fukuyama’s “End of History”, the apogee of ideological evolution.

As David Shambaugh notes in *Breaking the Engagement: How China Won and Lost America*: “America has long sought to change and liberalise China; this had been constant for two and a half centuries. When China sought to ‘learn’ from America and conformed to American expectations, however imperfectly, the two countries got along; when China stood up for its own interests and pushed back against America, relations soured.”

Few Asian leaders suffered from this delusion. Indeed, Singapore’s founding Prime Minister Lee Kuan Yew often warned that while bringing Beijing into the global trade order was good for China, and the world, it was naïve to assume China would become a Western liberal democracy. Instead, China would develop in its own way, continuing to value stability and the collective interests of society, rather than embracing liberal values of individual rights and freedoms. A rising China would also inevitably seek reforms of international institutions and norms that had been framed when it was weak.

Wisdom lay in the prevailing powers managing China’s transition in as smooth and equitable a fashion as possible. Unfortunately, Lee’s message was drowned out in the so-called “Asian values” debate of the 1990s and dismissed as little more than an attempt to uphold authoritarian tendencies. A more historically and culturally nuanced understanding of how the Sino-US relationship would evolve might have averted, or lessened, the deep sense of betrayal now widespread in Washington.

G “3” – a world carved up into multiple spheres, with each regional hegemon managing affairs within its realm while working to maintain order among them. A less globally minded United States might accede to such an arrangement with China and Russia, some say. But it is unclear how such a triumvirate would relate to one another. As equals? Or within some hierarchy of subordinates, with the United States insisting on having the final say? It is not self-evident in Beijing or Moscow why this should be so. Nor is it likely that other countries would acquiesce to falling under the sway of these regional hegemonies, begging the question: how many poles might there be within a sphere?

Witness Europe, where countries such as Britain, France, Germany and others have rushed into a defensive huddle, a classic posture of hegemonic denial, ramping up defence spending and collaboration. The challenges for Asia will be even more acute, give the fraught histories among its nations and heavy reliance

on the United States as the neutral balancer in the region.

Gx – Considering the above, perhaps the most likely framework might be a more fluid and flexible one of shifting coalitions of the willing, coming together on specific issues of common interest. As Hal Brands notes in his book *The Eurasian Century: Hot Wars, Cold Wars and the Making of the Modern World*, such an order will “approximate variable geometry – arraying free world nations into multiple smaller groupings that exert decisive influence in crucial areas, from semiconductor supply chains to undersea warfare. If Nato was the model for alliance building in the 20th Century, AUKUS is the model for the twenty-first.”

Some examples of such minilateral groupings include the Quad security arrangements, the expanding BRICS grouping, or the 14-member Future of Investment and Free Trade (FIT) Partnership, initiated by Singapore, of small- and medium-size countries seeking to uphold a rules-based trade order. In an interview with the *Financial Times*, India's Foreign Minister S. Jaishankar hailed such flexible arrangements as the way forward: “You have comfort, you have commonalities. It's more like a club. The treaty-based concepts are typical of the old order. The new order is something more flexible.”

While such arrangements would be agile and adaptable, it is yet unclear how countries would correlate and collaborate, both within and among, the various rival groupings that might emerge.

Events, Dear Boy, Events

Global orders do not emerge according to theoretical design, nor always go according to the best laid plans. The horrors of the First World War created the impetus for setting up a League of Nations, but that did not prevent the world plunging again into a devastating second global conflagration.

History ebbs and flows, twists and turns, rarely unfolding in straight lines. There are always the proverbial events, as a British prime minister once noted, springing shocks and surprises. The 20th Century saw conflicts and wars, hot and cold. The transition to a new order in

this century is likely to be no less turbulent, protracted, and unpredictable.

Many uncertainties lie ahead. Ageing leaders in autocratic states such as Russia, China, Iran or North Korea, with no clear indication on who might succeed them or how. Rising polarisation, and the drift towards electoral extremes, in the United States, France, the United Kingdom and Germany. Looming tension in the Taiwan Straits or the South China Sea that could spark flare-ups which spiral beyond the control of states and leaders. Emerging technologies and the consequent demand for chips, energy or rare earth minerals that could fuel conflicts.

How these and other developments play out, and how leaders and their electorates respond, will be critical in shaping the world order that emerges, willy nilly. As Brands rightly warns: “There is no guarantee that history takes the path of progress. ... Don't assume that the awful costs of great-power conflict will deter everyone from waging it.”

Given the current geopolitical context, a Gx world seems the most likely prospect for the years ahead, with countries, big and small, seeking to exercise some agency to shape their shared destiny on issues of common concern. This muddling through reflects a pragmatic and agile approach of accepting the world as it is, rather than the way we might wish it to be.

Still, the key questions that remain are whether such a fluid and flexible global order could be stable or durable, and, more importantly, up to the task of tackling the critical challenges of our times – from the rise of AI to the climate crisis – without the backing of, and collaboration among, the major powers of the day. Such a world order is likely to be fraught with instability, risks and uncertainties.

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