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# Macro Roundup Artcile

## Headline: China’s Auto Export Wave Echoes Japan's in the ’70s

**Article Link:** https://www.bloomberg.com/opinion/articles/2023-06-04/china-s-ev-domination-echoes-japan-in-the-70s-niall-ferguson?srnd=premium&sref;=U3dOGIDF

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| Author(s) | Niall Ferguson |
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**Tweet:** .@nfergus argues that the end of the "ICE Age" (internal combustion engine) and the start of "EV Era" will reshape geopolitics and mark the return of the auto trade wars of the 1980s as cheap Chinese EV increasingly come to Western markets.

**Summary:** Motivated by a desire to save the planet, we are ending the ICE Age and embarking on the EV Era. By itself, I doubt this new transportation revolution will much affect the Earth’s climate. But it will certainly unleash new and surprising trade conflicts, unexpected social and political changes, and novel geopolitical shifts. ICEs run on petroleum, and the swing producers with the power to set the oil price still reside in the Persian Gulf region. EV batteries, by contrast, require a combination of critical minerals, particularly lithium, nickel, cobalt, and graphite. China accounts for more than half the global processing capacity for three of those. (In the case of nickel, it is only around a third.) Moreover, China is scrambling to increase its control of lithium, nickel, and cobalt mining. (It already dominates graphite mining.) In the past two years, according to the Wall Street Journal, Chinese companies have spent $4.5 billion acquiring stakes in nearly 20 lithium mines, most of them in Latin America (for example, Bolivia) or Africa (Zimbabwe). Related: Can Volkswagen Win Back China? and Your Next Electric Vehicle Could Be Made in China

**Primary Topic:** Energy

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