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# Asia's nuclear pipeline marks a new challenge for fossil fuel demand

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## Asia's nuclear pipeline marks a new challenge for fossil fuel demand

**By GAVIN MAGUIRE**

ASIA dominates the construction pipeline for both new nuclear power plants and renewable energy capacity, setting the stage for a potential erosion in fossil fuel use in power generation across the region.

Asian nations are home to 73% of all new reactors currently being built, according to data from Global Energy Monitor, accounting for 66 gigawatts (GW) of the global total of 91GW moving through construction.

Asia's share of the currently operating nuclear reactor fleet is just under 30%, so the concentrated construction of new reactors indicates an aggressive expansion in Asian nuclear generation can be expected once projects are completed.

Asia is also home to 78% of all new renewable energy capacity currently being built, with 1,364GW of solar and wind capacity set to enter service.

This combination could prove especially damaging for fossil fuel power generation because nuclear and renewables address different parts of the electricity system.

Solar and wind increasingly supply large volumes of low-cost electricity whenever weather conditions are favourable, while nuclear reactors provide steady around-the-clock generation regardless of weather or time of day.

Together, they reduce the need for coal and gas-fired plants across more hours of the year than either technology could on its own.

As more reactors enter service alongside record additions of wind and solar capacity, fossil fuel plants will face declining operating hours and lower utilisation rates, limiting fuel consumption even if total electricity demand continues to grow.

As Asia's power systems account for most global coal consumption and liquefied natural gas (LNG) import demand, that points to a steadily weakening role for fossil fuels within the power sector over the coming decade.

Below is a breakdown of which countries are leading the new nuclear charge, and which fossil fuel markets will be most impacted as those new reactors enter operation.

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### China's widening lead

The most consequential developments are unfolding in China. The country is simultaneously constructing 204GW of coal capacity, 236GW of utility-scale solar, 213GW of wind, 247GW of hydro and 43GW of nuclear.

At first glance, that appears to support arguments that coal remains central to China's electricity system.

However, a key question is which assets will actually generate the marginal unit of power over the coming decades.

Wind, solar and hydro additions will capture growing shares of daytime and seasonal generation. Nuclear plants will provide constant output around the clock. Together they leave less room for coal stations to operate at high utilisation rates.

China's coal fleet is unlikely to disappear. But nuclear's expansion raises the probability that coal increasingly becomes a backup and balancing resource rather than a primary growth engine.

For global coal markets, that will likely trigger a sustained reduction in China's coal import needs in the coming decades.

India's story is slightly different.

India is constructing 6.6GW of nuclear capacity but also has more than 40GW of coal projects under development. Its solar pipeline approaches 99GW and its wind pipeline exceeds 26GW.

Coal will remain central to India's electricity system for years. Demand growth is simply too large for nuclear alone to offset.

Yet, nuclear may help alter the trajectory of future fossil fuel growth, as every reactor added to the grid reduces the need for additional coal output while supplying the dependable power needed to support continued renewable deployment.

Rather than replacing the existing coal fleet, India's reactors may prevent portions of the future coal fleet from being built.

That distinction could become increasingly important as policymakers seek to balance reliability, affordability and emissions goals.

Japan and South Korea may provide the clearest example of nuclear directly displacing fossil fuels.

Japan has more than six GW of nuclear capacity under construction and no coal plants under development. Nuclear accounts for roughly 65% of its entire power construction pipeline.

South Korea also has no coal plants under construction while building 5.6GW of nuclear capacity, equivalent to over 40% of its total power-development portfolio currently being built.

Both countries remain among the world's largest LNG importers, and both rely heavily on gas-fired generation to ensure reliability.

Each new reactor therefore may compete directly with imported LNG, and creates a long-term challenge for gas exporters.

While rising electricity demand across Asia is expected to support LNG consumption through much of the 2030s, expanding nuclear fleets in Japan and South Korea could cap growth and steadily reduce the volume of gas required for power generation in the longer run.

Gas exporters should also be wary of nuclear construction in emerging markets, several of which have depended on domestic and imported gas.

In Turkiye, nuclear accounts for more than 80% of all generating capacity currently under construction.

Bangladesh is building its first major nuclear project, with the Rooppur reactor accounting for roughly half of all new power capacity in development in the country.

The site is home to two planned 1,200-megawatt reactors, with the first unit expected to enter commercial operation in 2027.

Egypt is also building its first nuclear reactor, which is expected to start delivering power to the grid in 2028.

For these countries, the attraction extends beyond emissions reductions. Nuclear offers a way to reduce dependence on imported fuels, improve energy security and stabilise electricity costs.

If successful, the projects could lower long-term demand for gas imports and reduce exposure to the price volatility that has characterised global LNG markets since 2021.

### Going double

In all, the construction data shows that Asia's leading economies are not choosing between renewables and nuclear, but are building both.

The world's largest nuclear developers are simultaneously among the world's largest builders of wind, solar and hydro capacity.

China and India exemplify this trend, while Japan and South Korea increasingly view nuclear as a complement to renewable generation rather than an alternative.

That approach could reshape fossil fuel demand more effectively than either technology could achieve alone.

Wind and solar reduce fuel consumption when weather conditions cooperate. Nuclear reduces fuel consumption every hour of every day.

Together, they form an increasingly powerful challenge to coal and gas demand across Asia.

And because Asia remains the centre of global fossil fuel consumption growth, the region's nuclear buildout may ultimately matter as much to future fuel markets as any renewable energy boom. — Reuters.

**Gavin Maguire is a columnist for Reuters. The views expressed here are the writer's own.**

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