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# The US's Critical Mineral Offensive Strategy How Can Europe Step Up?



Center for Energy  
and Climate

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# Executive summary

As Organization for Economic Co-operation and Development (OECD) economies are confronted with mounting threats to critical raw materials (CRM) supplies, resolute interventionist policies are needed to build resilient value chains. From 2021 to February 2026, the United States (US) deployed an estimated 40 billion euros (EUR) in support of CRM projects, approximately eight times the funds allocated by the European Union (EU).

The Trump administration has reinforced the US strategic approach: new funds were created by the One Big Beautiful Bill Act (OBBBA) enacted in July 2025, the Department of War (DoW) took a central role, the “Vault” strategic stockpile project was announced. The American approach is offensive and swift, as demonstrated by bilateral deals made with Ukraine and the Democratic Republic of Congo.

The OBBBA legislation included key provisions for critical minerals, such as the establishment of an Industrial Base Fund (USD 5 billion), USD 2 billion for the National Defense Stockpile Transaction Fund, and a Critical Minerals Loan Program (up to USD 500 million per project). Conversely, the OBBBA reduced substantial portions of the Inflation Reduction Act (IRA), including tax credits that encouraged electric vehicle (EV) purchases. An example is the cancellation of the 30D tax credit effective September 30, 2025.

In the effort to secure CRM value chains, the new administration is giving an increasing role to the DoW. Since January 2025, at least ten CRM companies have been supported by the DoW through the Defense Production Act (DPA). Support via the DPA for CRM projects has resulted in USD 550.4 million (M) in aid for fiscal year (FY) 2025, compared to USD 209.2 M for FY 2024, and USD 313.6 M for FY 2023. This practice has thus grown with the second Trump administration, but was already in place under Joe Biden and is not new.

Probably the most significant support action taken by the DoW is the deal finalized in July 2025 with rare-earth magnet producer MP Materials. Through this deal, the DoW invested USD 400 M in MP Materials, while the Office of Strategic Capital provided the company with a USD 150 M loan to improve its heavy rare-earth separation capabilities at the Mountain Pass site in California. Additionally, a 10-year agreement was signed, establishing a minimum price of USD 110 per kilogram for MP Materials’ NdPr (neodymium, praseodymium) products stored or sold. The DoW also committed to purchasing 100% of the magnets produced at the planned new “10X Facility” for ten years.

Having held significant importance during the previous tenure, especially through the Bipartisan Infrastructure Law (BIL) and the IRA, the Department of Energy (DoE) has not lost its role, even though it is less central now. Some important IRA tax credits have been preserved, and several new funds were added in August 2025, totaling around USD 1.1 billion (bn). The US Development Finance Corporation (DFC) and the Export-Import Bank (EXIM) also play a key role in this strategy, notably through loans and letters of interest.

The US has approached CRMs as a strategic mobilization challenge, deploying private finance, targeted federal support and a diverse set of instruments. Private capital has been central, with the DFC and EXIM derisking early-stage projects and accelerating investment. Federal support has been highly targeted, focusing on specific bottlenecks such as rare earth separation and magnet manufacturing.

Moreover, the US industrial strategy on CRMs is supported by active mineral diplomacy. According to the Department of State, since Donald Trump's return to the White House, the US has signed 21 bilateral critical frameworks or memorandums of understanding (MoUs) with third countries, and has finalized negotiations on such agreements with seventeen other nations.

The main lesson for Europe is straightforward but uncomfortable: credibility requires deployable capital and the institutions to use it. Announcing strategic projects without the public money to finance them is not taken seriously by partners or competitors. Europe lacks dedicated, ring-fenced funds for CRM projects, as well as the institutional vehicles capable of deploying capital at speed and scale. There is no European equivalent to DFC or EXIM, no instrument able to take equity stakes or anchor investment funds as the US has with TechMet or Orion. Nor has Europe mobilized its own downstream industries—clean tech manufacturers, digital firms, defense primes—to invest directly in the CRM value chain projects on which their long-term resilience depends.

The EU must adopt a complementary approach across its various sectors related to metals, such as defense, energy, and electronics. Funds allocated to European rearmament efforts should include metals, and certain European defense funds can be used for this purpose. It is also crucial that the future CRM Centre has a dedicated budget within the next Multiannual Financial Framework (MFF). Beyond traditional actions, the EU should rethink its model by employing less-used or unused methods, such as equity investments. This also involves streamlining investment decision processes.

Crucially, US policy includes hard obligations on downstream users. “Buy America” provisions create structural preferences for domestic or Free Trade Agreement (FTA) partner content, while the National Defense Authorization Act (NDAA) bars companies from US defense procurement if any part of their supply chain for certain defense-relevant minerals involves a foreign entity of

concern. This combination of targeted support and mandatory compliance has created powerful demand signals for non-Chinese supply.

For Europe, the implication is clear: diversification cannot rely solely on subsidies and regulatory frameworks.

The Industrial Accelerator Act of March 4, 2026, opens the door to more assertive use of public procurement and state aid. Embedding a calibrated “Buy European” or “trusted origin” requirement into that framework would align incentives for downstream manufacturers.

The European Commission’s proposal, published in early March, does not include precursor cathode active materials (PCAMs) among the battery components subject to the origin requirements of Article 34. However, PCAMs are the main missing link in the current European battery value chain. This gap is harmful both in terms of sovereignty and for economic reasons, as this value chain requires an integrated approach and simultaneous development of its various stages to enable the emergence of offtake agreements, etc.

The planned revision of EU defense procurement rules later in 2026 offers an opportunity to introduce a European analogue to the NDAA’s foreign entity-of-concern logic, conditioning access to defense contracts on the progressive elimination of high-risk critical mineral and component suppliers.

There is currently an ongoing EU–US discussion about minimum price mechanisms or price bands to counteract predatory pricing and market volatility. Designing such tools will be very challenging. The EU must also determine its level of involvement in initiatives proposed by the US, such as the FORGE initiative announced in early February. While international cooperation seems vital for securing supply chains, the EU must also be careful to avoid partnerships where governance is solely controlled by Washington and that might oppose its interests.

Another issue is the consolidation of standards-based markets. Europe has a comparative advantage in environmental, social and governance (ESG) criteria, traceability, product passports and permitting frameworks. If interoperable with US and Japanese systems, such standards could create a global market segment that rewards transparency and sustainability. But they must be designed in a way that producer countries see as enabling value addition rather than restricting market access.

Europe must also strengthen its foreign investment screening in critical minerals. The US has used the Committee on Foreign Investment in the US (CFIUS) process aggressively to block Chinese acquisitions in sensitive sectors. Europe’s mechanisms remain fragmented and uneven. A more coordinated approach focused on processing, refining and strategic assets—while setting conditions for inward investment—would reduce vulnerabilities without undermining openness.

# Résumé

Face aux menaces croissantes qui pèsent sur l'approvisionnement en matières premières critiques (CRM) des économies de l'Organisation de coopération et de développement économiques (OCDE), des politiques interventionnistes sont nécessaires pour bâtir des chaînes de valeur résilientes. De 2021 à 2026, les États-Unis ont déployé environ 40 milliards d'euros de soutien à des projets liés aux CRM, soit près de huit fois plus que l'Union européenne (UE).

Cette ambition américaine s'est particulièrement renforcée depuis le retour de Donald Trump à la Maison-Blanche le 20 janvier 2025 : création de nouveaux fonds par la loi OBBBA (*One Big Beautiful Bill Act*), renforcement du rôle du Département de la Guerre (DoW), projet de stock stratégique « Vault », et d'autres mesures. L'approche américaine est offensive et rapide, comme en témoignent les accords bilatéraux conclus avec l'Ukraine et la République démocratique du Congo.

L'une des mesures de soutien les plus importantes prises par le DoW est probablement l'accord finalisé en juillet 2025 avec le producteur d'aimants à base de terres rares MP Materials. Dans le cadre de cet accord, le DoW a investi 400 millions de dollars dans MP Materials, tandis que l'Office of Strategic Capital a accordé à l'entreprise un prêt de 150 millions de dollars pour améliorer ses capacités de séparation des terres rares lourdes sur le site de Mountain Pass en Californie. De plus, un accord de dix ans a été signé, fixant un prix minimum de 110 dollars par kilogramme pour les produits NdPr (néodyme, praséodyme) de MP Materials stockés ou vendus. Le DoW s'est également engagé à acheter la totalité des aimants produits par la nouvelle usine « 10X » pendant dix ans. Ayant joué un rôle prépondérant lors du mandat précédent, notamment grâce à la *Bipartisan Infrastructure Law* (BIL) et à l'*Inflation Reduction Act* (IRA), le ministère de l'Énergie conserve toute son importance, même s'il occupe aujourd'hui une place moins centrale. Certains crédits d'impôt importants au titre de l'IRA ont été maintenus et plusieurs nouveaux fonds, totalisant environ 1,1 milliard de dollars, ont été ajoutés en août 2025. La US Development Finance Corporation (DFC) et l'Export-Import Bank (EXIM) jouent également un rôle clé dans cette stratégie, notamment par le biais de prêts et de lettres d'intention.

La stratégie industrielle américaine sur les CRM s'appuie aussi sur une diplomatie minière active. Selon le Département d'État, depuis le retour de Donald Trump à la Maison-Blanche, les États-Unis ont signé 21 accords-cadres bilatéraux, ou *memorandums of understanding*, avec des pays tiers et ont finalisé des négociations sur des accords de ce type avec 17 autres pays.

La principale leçon pour l'Europe est simple, mais dérangeante : la crédibilité exige des capitaux déployables et les institutions nécessaires pour les

utiliser. Annoncer des projets stratégiques sans les fonds publics permettant leur financement n'est pas pris au sérieux par les partenaires ni par les concurrents de l'UE. L'Europe manque de fonds dédiés et réservés aux projets de CRM, ainsi que de mécanismes institutionnels capables de mobiliser des capitaux rapidement et à grande échelle. Il n'existe pas d'équivalent européen à la DFC ou à l'EXIM, ni d'instrument permettant de prendre des participations ou d'ancrer des fonds d'investissement comme le font les États-Unis avec TechMet ou Orion. Les fonds alloués aux efforts de réarmement européens devraient inclure les métaux, et certains fonds européens de défense peuvent être utilisés à cette fin. Il est également crucial que le futur CRM Center dispose d'un budget dédié dans le prochain Cadre financier pluriannuel (CFP). Au-delà des actions traditionnelles, l'UE devrait repenser son modèle en employant des méthodes moins utilisées, voire inexistantes, telles que les prises de participation. Cela implique également une rationalisation des processus de décision en matière d'investissement.

La révision prévue des règles de l'UE en matière d'acquisition de matériels de défense, prévue en 2026, offre l'opportunité d'introduire un équivalent européen au principe des entités étrangères préoccupantes de la loi américaine NDAA (*National Defense Authorization Act*), en conditionnant l'accès aux marchés de défense à l'élimination progressive des fournisseurs de minéraux et de composants critiques à haut risque.

Des discussions sont actuellement en cours entre l'UE et les États-Unis concernant les mécanismes de prix minimum pour lutter contre les prix prédateurs et la volatilité. Concevoir de tels instruments sera difficile. L'UE doit aussi définir son degré d'implication dans les initiatives proposées par les États-Unis, telles que l'initiative FORGE annoncée début février. Si la coopération internationale apparaît essentielle à la sécurisation des chaînes de valeur, l'UE ne doit pas risquer de se trouver engagée dans des partenariats dont la gouvernance serait assurée uniquement par Washington et qui pourraient aller à l'encontre de ses intérêts.

Un autre enjeu est la consolidation des marchés fondés sur des normes. L'Europe possède un avantage comparatif en matière de critères environnementaux, sociaux et de gouvernance (ESG), de traçabilité, de passeports produits et de cadres d'autorisation. Si ces normes sont interopérables avec les systèmes américain et japonais, elles pourraient créer un segment de marché mondial valorisant la transparence et la durabilité. Cependant, elles doivent être conçues de manière à ce que les pays producteurs les perçoivent comme un levier de création de valeur plutôt que comme un frein à l'accès au marché.

L'Europe doit également renforcer son contrôle des investissements étrangers dans les minéraux critiques. Une approche coordonnée, axée sur la transformation, le raffinage et les actifs stratégiques – tout en définissant des conditions favorables aux investissements étrangers – permettrait de réduire les vulnérabilités sans compromettre l'ouverture.

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# Introduction

Geopolitical threats to resilient critical raw material (CRM) value chains are mounting and put the economic security of import-dependent economies at risk. China has been strategically leveraging the dependencies of OECD countries, notably the US, Japan and European nations, by imposing a series of restrictions on CRM exports and increasingly on technologies, know-how and equipment. Extractive nations, many of which are developing countries, are working to capture more added value from the metals mined on their territory by pressing to develop local refining infrastructure. Demand is growing to meet the needs of the digital and energy transitions, as well as of the defense sector. Global mining CAPEX is still dominated by gold. Last but not least, China and some mining countries have a growing influence on CRM prices.

Confronted with these risks, OECD countries must reconsider their mineral policies. These policies should support the development of production capacities—such as extraction, refining, and recycling—both domestically and internationally, which requires substantial investments. Japan and South Korea have, for several years, focused on securing supply through acquiring production assets and stockpiles. Canada and Australia have abundant mineral resources and are working to attract investments.

For its part, the US has adopted a more interventionist policy over the past decade. Despite disagreements and differences among the Trump I, Biden, and now Trump II administrations, a relatively consistent set of priorities and actions has enabled the development of an ambitious strategy to secure metal supplies and attract investment. From 2021 to 2026, the US deployed an estimated 40 billion (bn) euros (EUR) in support of CRM projects, approximately eight times the funds allocated by the European Union (EU).

This ambition has been further reinforced since Donald Trump's return to the White House on January 20, 2025: new funds were created by the One Big Beautiful Bill Act (OBBBA), an increased role for the Department of War (DoW), the "Vault" strategic stockpile project, and more. The American approach is offensive and swift, as demonstrated by bilateral deals made with Ukraine and the Democratic Republic of Congo (DRC).

The EU needs to respond to prevent being overwhelmed, avoid increasing dependencies on Washington beyond those already with Beijing, and avoid Washington outrunning Europe. What lessons can be learned from the American approach, and which aspects are worth emulating? What level of cooperation does it make sense to sustain with the US, and what stance

should the EU and its member states take regarding American initiatives like FORGE?

This *Paper* examines the US strategy on CRMs, assessing the extent of US dependence on CRM value chains, particularly on China, and the policies implemented by the Trump administration to lessen this reliance. It also features a detailed case study of the US lithium industry and its industrial dynamics.

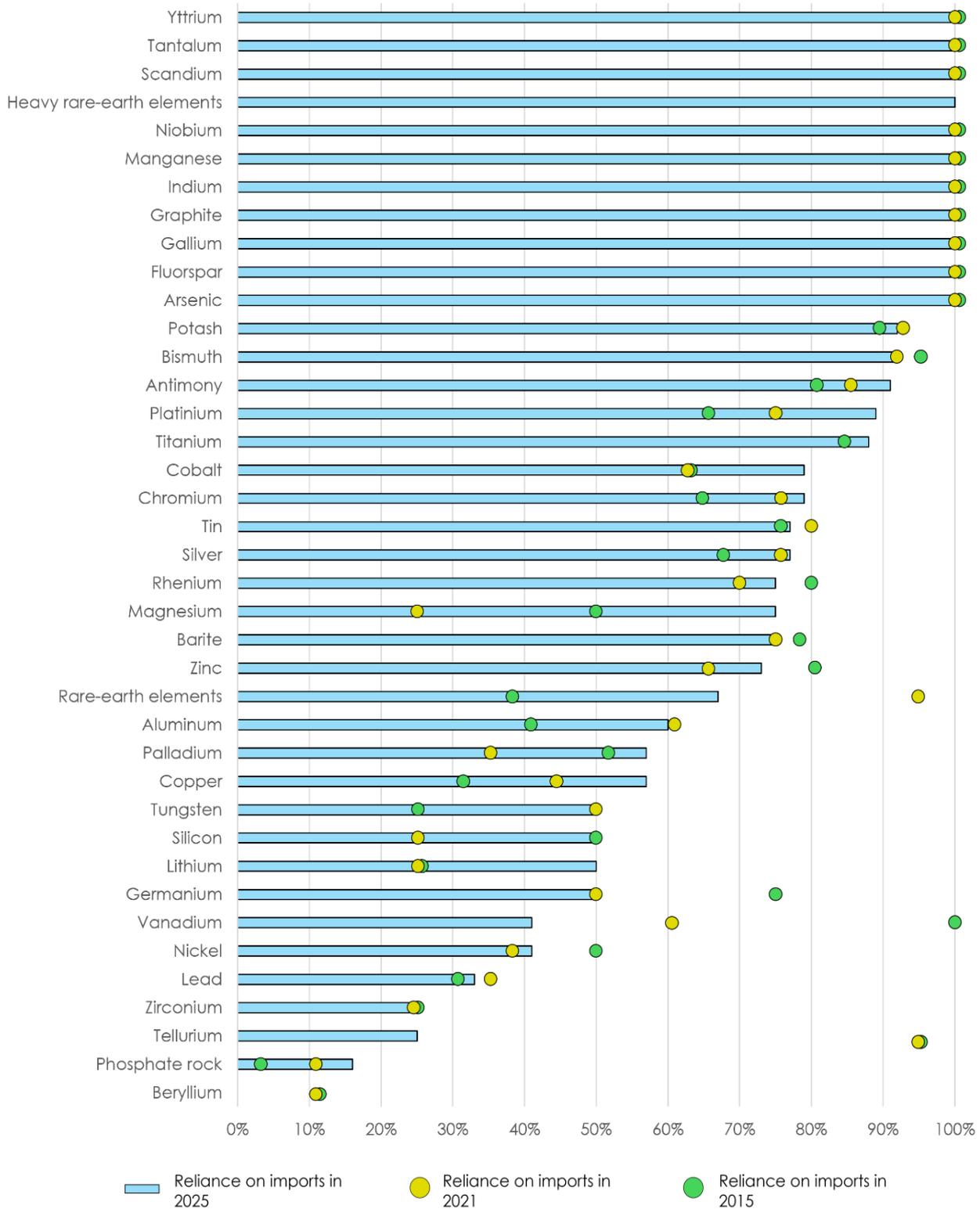
This Note also looks at the US–EU relationship regarding CRMs, the remaining potential for collaboration, and the associated costs. This issue becomes even more important with the 2026 G7 Evian summit in June, chaired by France.

# The US is and remains dependent on most of its metal supplies

The US still relies heavily on other countries for most of its metal supplies. According to data from the United States Geological Survey (USGS), in 2025, the US imported 50% or more of its consumption for 31 minerals, and for 10 minerals, it depended entirely on imports (see Figure 1). These minerals are used across many sectors: heavy rare earths (magnets and defense), scandium (fuel cells), yttrium (screens and lasers), niobium (alloys, especially for defense), tantalum and gallium (electronics), graphite and manganese (batteries).

Regarding other minerals deemed critical by Washington, a slight decline in net reliance on imports as percentage of consumption can be observed over the past decade for vanadium, germanium, and tellurium, and to a lesser extent for zinc. Conversely, this percentage of imports has risen significantly for chromium, cobalt, platinum and, notably, for aluminum (from 41% in 2015 to 60% in 2025) and copper (from 32% to 57%).

**Figure 1. US imports as percentage of consumption for critical minerals**

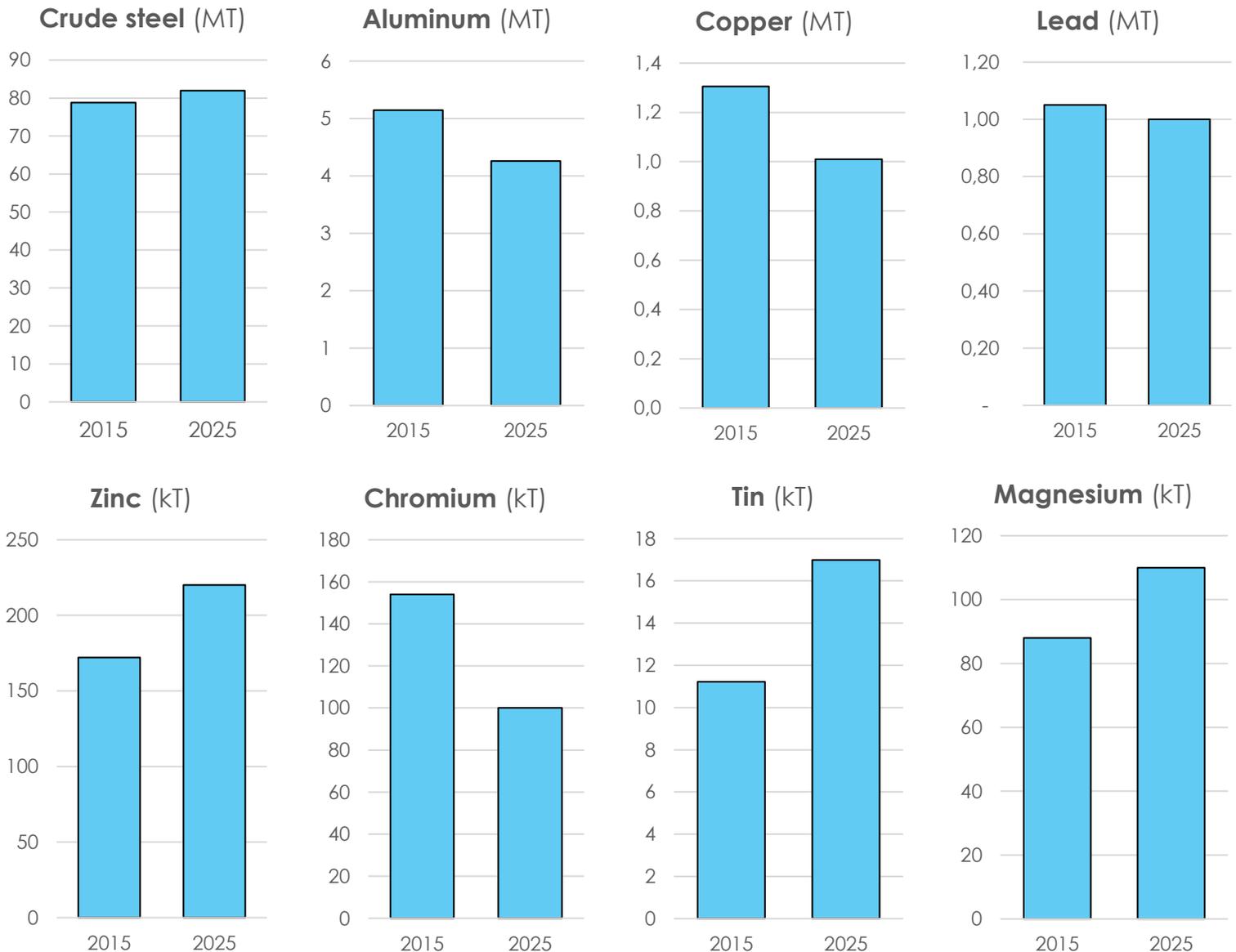


Source: Ifri, based on USGS, available at: <https://pubs.usgs.gov>.

Note: data for uranium, hafnium, cesium, osmium, rhodium, ruthenium, and iridium were unavailable.

These higher import dependency rates are primarily caused by declines in domestic production, which have been significant for chromium, aluminum, and copper (see Figure 2). Over the past decade, five of eleven primary aluminum smelters in the US closed, and two were curtailed.

**Figure 2. US productions of base metals (2015-2025)**



Source: Ifri, based on USGS, available at: <https://pubs.usgs.gov>.

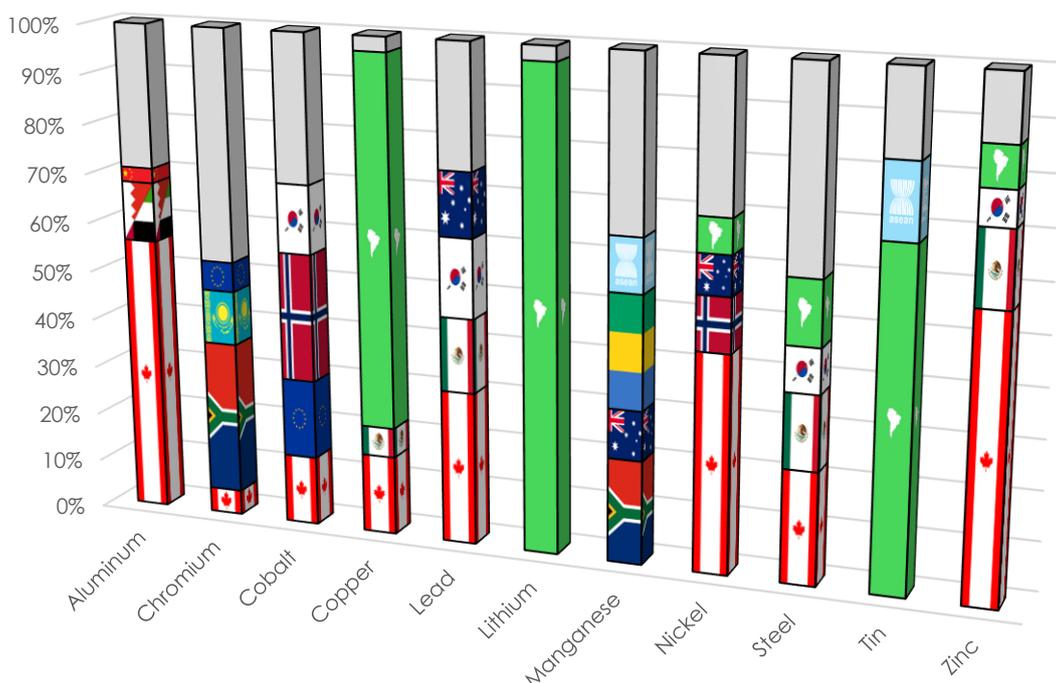
Note: the metals listed above are among the top 11 most consumed in the US in 2025, according to USGS. No production data was reported for manganese, nickel, graphite, or titanium (sponge metal), which are also part of the top 11. Magnesium refers to magnesium metal.

Since 2017, the US has, over time and across successive administrations, implemented a strategy to reduce these dependencies, especially concerning China. In fact, and particularly since summer 2023, Beijing has been weaponizing supply chains for CRMs—aiming to limit supplies to the US and others for specific minerals. Restrictions of this kind were placed on gallium and germanium in 2023, antimony and graphite in 2024, and several minerals last year, including rare earth elements, which China heavily controls in terms of materials, technologies, and equipment.

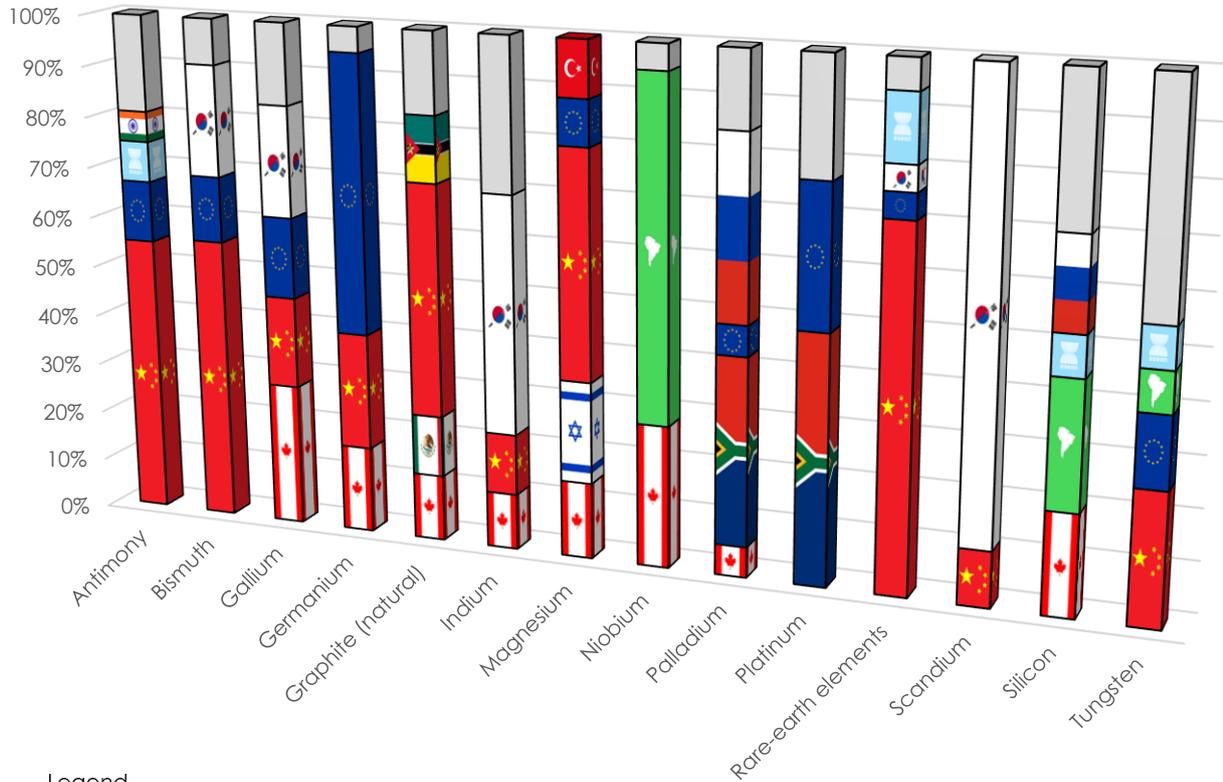
However, while such dependencies are clearly a threat to the US, most of the metals for which China is the main supplier are imported in relatively small quantities. Regarding base metals and various energy transition metals (lithium, nickel, cobalt, and manganese), the US sources most of its supply from countries such as Canada, South American nations, Japan, South Korea, and Australia (see Figure 3). On average, between 2021 and 2024, Canada supplied more than 50% of US imports of aluminum and zinc, 40% of nickel, while South America accounted for 80% of copper and 95% of lithium imports.

On the other hand, dependencies on China are strong for specialty metals, with Beijing accounting for 46% of graphite imports, over 50% for antimony and bismuth, and 71% for rare earth compounds and metals (see Figure 4). However, China is not the only supplier of these metals, and its dominant role should not overshadow the contributions of other exporters, such as Japan, South Korea, but also the EU. Through production in some of its member states, the EU supplies 55% of germanium imported by the US, 28% of platinum, and 16% of gallium, mainly produced in Germany and Belgium.

**Figure 3. US import sources for base and selected energy transition metals, average for the period 2021-2024**



**Figure 4. US import sources for selected specialty metals, average for the period 2021-2024**



Legend



Source: Ifri, based on USGS, available at: <https://pubs.usgs.gov>.

Note: Data pertains to imports of refined metals (primary and secondary), except for: nickel (primary only); cobalt (metal, oxide, and salts); manganese (all forms, manganese content); antimony (metal and oxides); germanium (metal and oxides); niobium (all forms, niobium content); rare earth elements (compounds and metals); silicon (all forms, silicon content).

In December 2024, Beijing issued a blanket refusal to grant export licenses to the US for containing gallium, germanium, and antimony, and tightened controls on exported goods containing graphite.

However, it seems that the successive Chinese export restrictions implemented over the past two years have not stopped the US from sourcing the materials in question for most of the metals involved. According to USGS, US imports of germanium, bismuth, scandium, and yttrium certainly

decreased in 2025. Nevertheless, imports of rare earth metals and compounds, as well as gallium, more than doubled over the past year, while imports of antimony increased by 50%.

This situation can be explained by the US importing materials from suppliers beyond China whenever possible, and by Chinese producers having an interest in maintaining their exports. For example, it has been reported that Chinese antimony producers were exporting their volumes to Thailand and Mexico, enabling them to indirectly supply US consumers.<sup>1</sup> However, circumventing restrictive measures remains difficult for Chinese exporters and can lead to serious consequences.

The Chinese extended controls on rare earths, announced in October 2025, have been suspended for one year following the Chinese-American agreement reached in early November 2025 between Donald Trump and Xi Jinping. This agreement also resulted in a relaxation of the restrictions adopted in late 2024 on certain critical materials—notably the suspension of the ban on exports of gallium, germanium, and antimony to the US, as well as an easing of controls on graphite—without, however, eliminating the underlying licensing and control mechanisms.

Nevertheless, even when no supply chain disruption is identified, Chinese export restrictions influence the competitiveness of US industries by significantly increasing prices. From August 2023 to August 2025, global gallium and germanium prices nearly increased fivefold, while prices for antimony, tungsten, and tellurium doubled in the six months following the respective measures affecting them.<sup>2</sup>

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1. A. Parodi, L. Jackson, A. Shivaprasad, and S. Elizabeth Varghese, “How US Buyers of Critical Minerals Bypass China’s Export Ban”, Reuters, July 9, 2025, available at: [www.reuters.com](http://www.reuters.com)

2. Antimony and tellurium prices have decreased since then, but remain higher than before export restrictions. Tungsten price has continued to skyrocket.

# An offensive approach

## Tools employed to fund the CRM strategy

Awareness of the level of US dependence on CRMs began to increase in 2017 during Donald Trump's first term, when the administration established a "Federal Strategy" on critical minerals, which required releasing a list of these minerals. The draft list, which included 35 minerals or groups of minerals, was published on February 16, 2018.<sup>3</sup> As part of a strategy to reduce reliance on Chinese supplies, President Trump issued an executive order (EO) in September 2020 declaring a national emergency over the threat to the critical mineral supply chain.

The transition to the Biden administration has been one of continuity, recognizing the need to reduce reliance on Chinese supplies and support domestic production. During his term, Joe Biden allocated significant funds to the critical mineral industry, notably through the Bipartisan Infrastructure Law (BIL), enacted in 2021, and the Inflation Reduction Act (IRA), passed in 2022. The IRA includes several tax credits designed to support mineral producers' investments and output, the most well-known being Tax Credit 30D, which offers up to USD 7,500 for the purchase of an electric vehicle (EV) if certain conditions are met (such as having its components manufactured in North America or its minerals extracted or processed in US-FTA countries, with increasing thresholds). The Biden administration also began using the Defense Production Act (DPA) to back domestic mineral production projects and announced a 25% tariff on Chinese rare earth magnets in May 2024.<sup>4</sup> Additionally, the administration launched a coordinated effort with US allies through the creation of the Minerals Security Partnership (MSP).

Back in power in 2025, Donald Trump issued an EO in March of that year, aiming to "increase American mineral production," notably through the use of the DPA and streamlining permitting. A second EO, published in January 2026, paves the way for negotiations with partners and allies, as well as the use of price floors, tariffs, or import restrictions to reduce US

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3. "Final List of Critical Minerals 2018", Department of the Interior, May 18, 2018, available at: [www.federalregister.gov](http://www.federalregister.gov).

4. C. Massecar, "US to Impose 25% Import Tariffs on Chinese Rare Earth Magnets In 2026", Fastmarkets, May 15, 2024, available at: [www.fastmarkets.com](http://www.fastmarkets.com).

dependence on critical metals, which represent a “threatened impairment of the national security.”<sup>5</sup>

Additionally, the new federal administration allocated substantial funds to support critical mineral projects through successive measures. In July 2025, the OBBBA was enacted. This legislation included key provisions for critical minerals, such as the establishment of an Industrial Base Fund (USD 5 bn), USD 2 bn for the National Defense Stockpile Transaction Fund, and loan program for the Office of Strategic Capital (USD 500 million in credit subsidy). Conversely, the OBBBA reduced substantial portions of the IRA, including tax credits that encouraged EV purchases. An example is the cancellation of the 30D tax credit effective September 30, 2025.

In its effort to secure CRM value chains, the new administration is giving the DoW an increasing role. Since January 2025, at least ten CRM companies have been supported by the DoW through the DPA. Support via the DPA has resulted in USD 550.4 million (M) in aid for FY 2025, compared to USD 209.2 M for FY 2024, and USD 313.6 M for FY 2023.<sup>6</sup> This practice has thus grown with the second Trump administration, but was already in place under Joe Biden and is not new.

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Having held significant importance during the previous tenure, especially through the BIL and the IRA, the Department of Energy (DoE) has not lost its role, even though it is less central now. Some important IRA tax credits have been preserved, and several new funds were added in August 2025, totaling around USD 1.1 bn. These new funds mainly aim to support the development of battery processing, manufacturing, and recycling facilities (USD 500 M), as well as research and development in rare earth exploitation (USD 140 M). The DoE still provides key support to CRM projects, notably through loans granted by its Loan Program Office (LPO).

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5. “Adjusting Imports of Processed Critical Minerals and Their Derivative Products into the United States”, The White House, January 14, 2026, available at: [www.whitehouse.gov](http://www.whitehouse.gov).

6. “Defense Production Act Title III. Appropriations”, Department of War, December 23, 2025, available at: [www.businessdefense.gov](http://www.businessdefense.gov).

7. “MP Materials Announces Transformational Public-Private Partnership with the Department of Defense to Accelerate U.S. Rare Earth Magnet Independence”, MP Materials, July 10, 2025, available at: <https://mpmaterials.com>.

In 2025, for example, the LPO granted loans to Ioneer (USD 996 M) and EnergySource Minerals (USD 1.25 M), both for lithium processing projects.<sup>8</sup>

A third instrument is the US International Development Finance Corporation (DFC), which Donald Trump intends to use as a main tool for supporting CRM projects. Last December, a six-year reauthorization increased the DFC's investment cap from USD 60 bn to USD 205 bn, and a USD 5 bn equity revolving fund was established to invest in strategic projects. The DFC can now take equity investments of up to 40% and expand its scope to include more countries, even some wealthy ones, though with some limits. In 2025, for example, the DFC signed a financing agreement to provide a USD 565 M loan to expand a rare earth mine in Brazil and provided a USD 75 M loan to the US-Ukraine Reconstruction Investment Fund (URIF).<sup>9</sup>

The US Export-Import Bank (EXIM) plays a key role in the new US strategy for CRMs. Within the framework of the Supply Chain Resiliency Initiative, initiated in 2023, the bank notably provides letters of interest (LOIs) for projects both domestically and internationally, such as the one sent to Critical Metals Corp. (USD 120 M loan) for its rare earth mining project in Greenland.<sup>10</sup> The DFC also issues LOIs, for example, to a tungsten extraction project in Kazakhstan (USD 700 M), led by Cove Kaz Capital Group.<sup>11</sup>

EXIM recently participated in the launch of "Project Vault," a stockpiling initiative. EXIM will provide USD 10 bn to the project to secure metal stockpiles, with an additional USD 2 bn contributed by private sector participants. According to the administration, over a dozen companies have expressed interest in joining this project, including Boeing, Google, GE Vernova, Ivanhoe Mines and General Motors, whose CEOs attended the project's launch at the White House.

Project Vault's uniqueness lies in its use of non-taxpayer financing, unlike the recently replenished USD 2 bn in the National Defense Stockpile Transaction Fund under the OBBBA. This method also differs from Japan's JOGMEC approach. Vault is expected to operate with funds from EXIM (bank) and private investors. Commodity traders will also play a key role in this. However, the risk is that access to the stockpile's metals becomes proportional to the capital invested, primarily benefiting large players and excluding smaller companies with limited financing options, but which can be producers of highly strategic components.

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8. "DFC Secures Expanded Authorities with FY26 NDAA Signed into Law", US DFC, December 18, 2025, available at: [www.dfc.gov](http://www.dfc.gov).

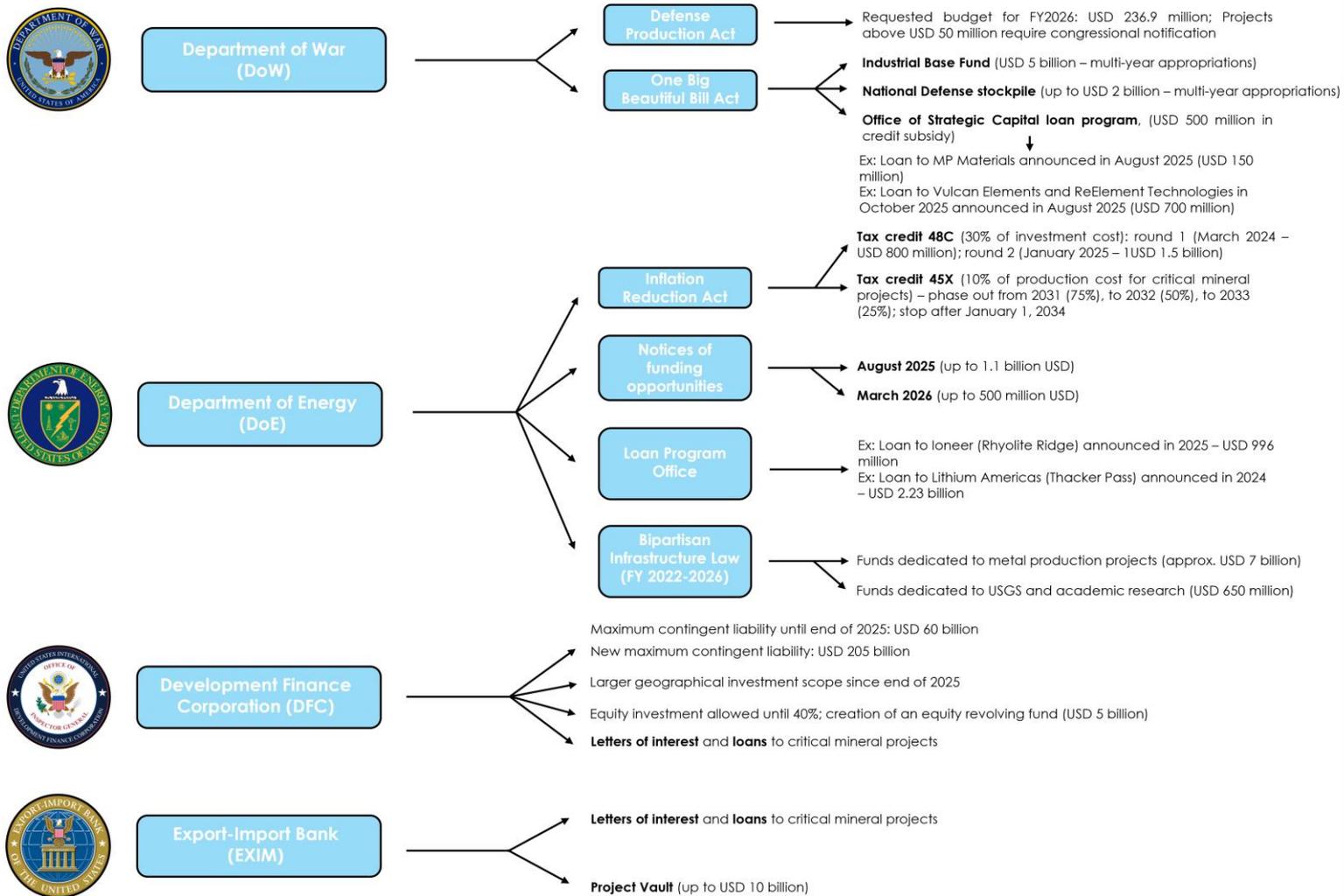
9. "DFC Highlights Landmark Critical Minerals Investments to Strengthen U.S. National Security During State Department Ministerial", US DFC, February 4, 2026, available at: [www.dfc.gov](http://www.dfc.gov).

10. "Critical Metals Corp Secures US\$120,000,000 LOI for a 15-Year Term Loan From the US Federal Government Bank (EXIM Bank) for the Development of its Tanbreez Rare Earth Project in Greenland", Critical Metals Corp, June 16, 2025, available at: [www.criticalmetalscorp.com](http://www.criticalmetalscorp.com).

11. "DFC Secures Expanded Authorities with FY26 NDAA Signed into Law", op. cit.

The Department of Commerce (DoC) also shapes this mineral policy more as an architect of the American industrial strategy than as a financier of projects. However, it can provide financial support through tools like the CHIPS and Science Act (CSA), which funds semiconductor supply chains and potentially the metals used in them. For example, in early 2026, the DoC announced a letter of intent with USA Rare Earth under the CSA (for up to USD 277 M in direct funding and USD 1.3 bn in loans).<sup>12</sup> The funds are intended to help bring 12 CRMs and up to 10,000 tons of Neodymium Iron Boron (NdFeB) magnets back to the US annually.

**Figure 5. The four main tools of the US critical minerals financial support scheme**



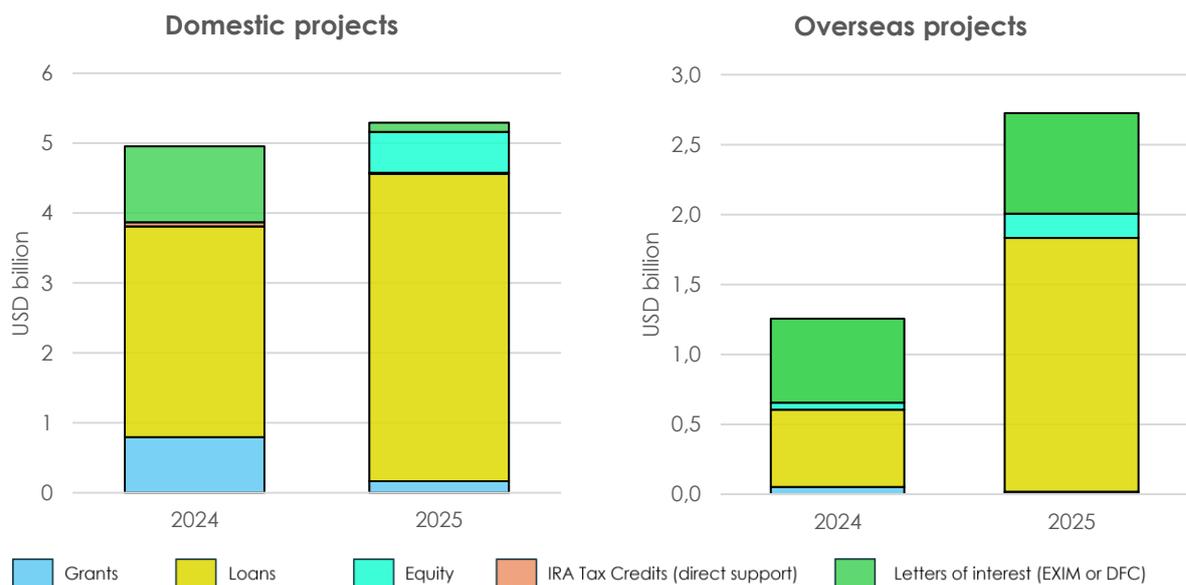
Source: Ifri, based on announcements.

12. “The Department of Commerce’s CHIPS Program Announces a Letter of Intent with USA Rare Earth to Accelerate Its Domestic and Vertically Integrated ‘Mine-to-Magnet’ Strategy”, National Institute of Standards and Technology, January 26, 2026, available at: [www.nist.gov](http://www.nist.gov).

## Cumulative massive support announcements

The combined use of the four main tools (DoW, DoE, DFC, and EXIM) enables the US to support a wide range of CRM projects, as evidenced by various support announcements made over the past two years, both domestically and internationally. The total value of the identified direct support announcements made in 2024 and 2025 is substantial,<sup>13</sup> amounting to nearly USD 14 bn (including all types of financing). Notably, there is a consistent trend in funding levels between the Biden (2024) and Trump II (2025) administrations, especially for domestic projects (see Figure 6). The use of loans and equity increased in 2025, both domestically and abroad.

**Figure 6. Federal direct announcements of support for CRM projects, 2024-2025**

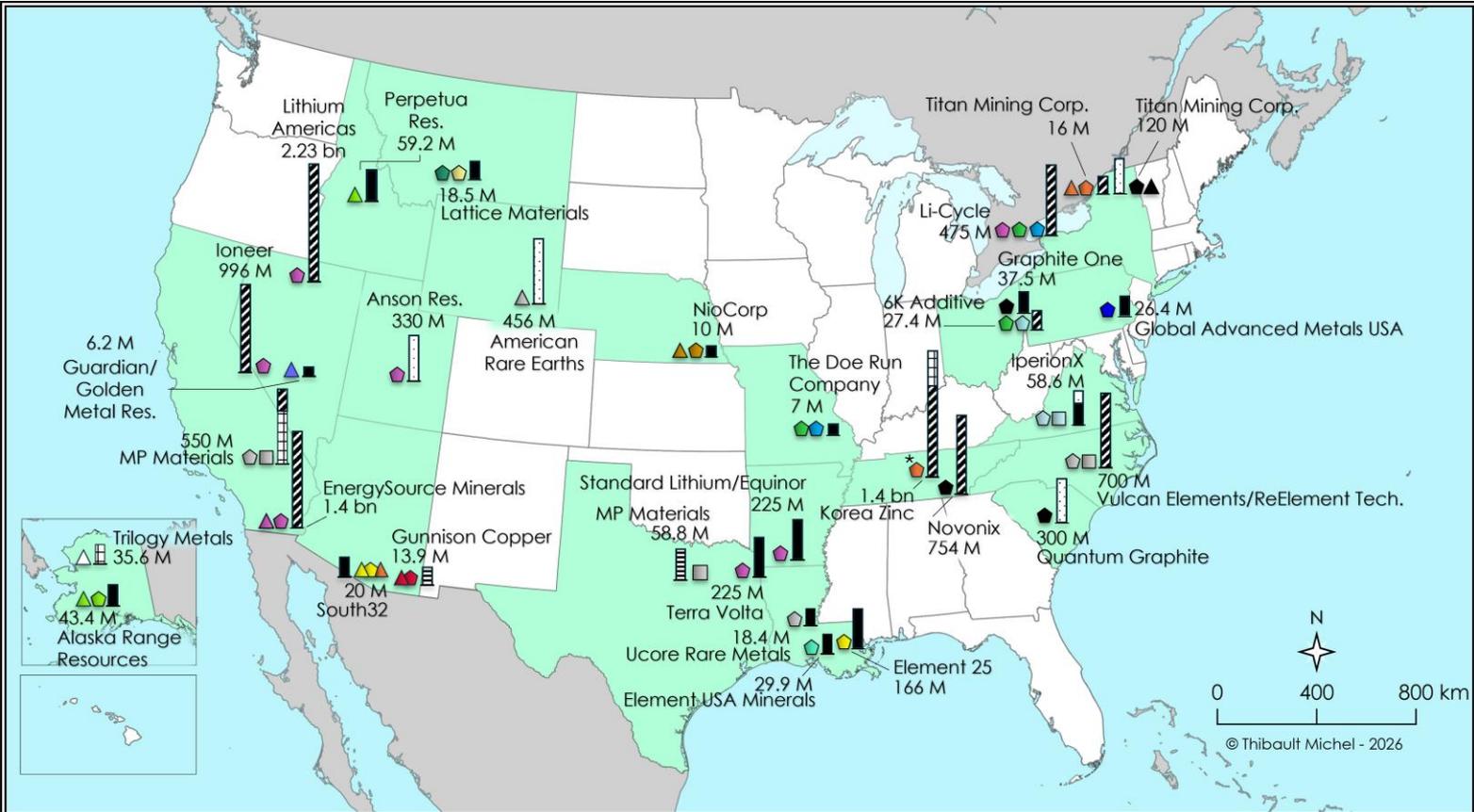


Source: Ifri, based on federal and companies' announcements.

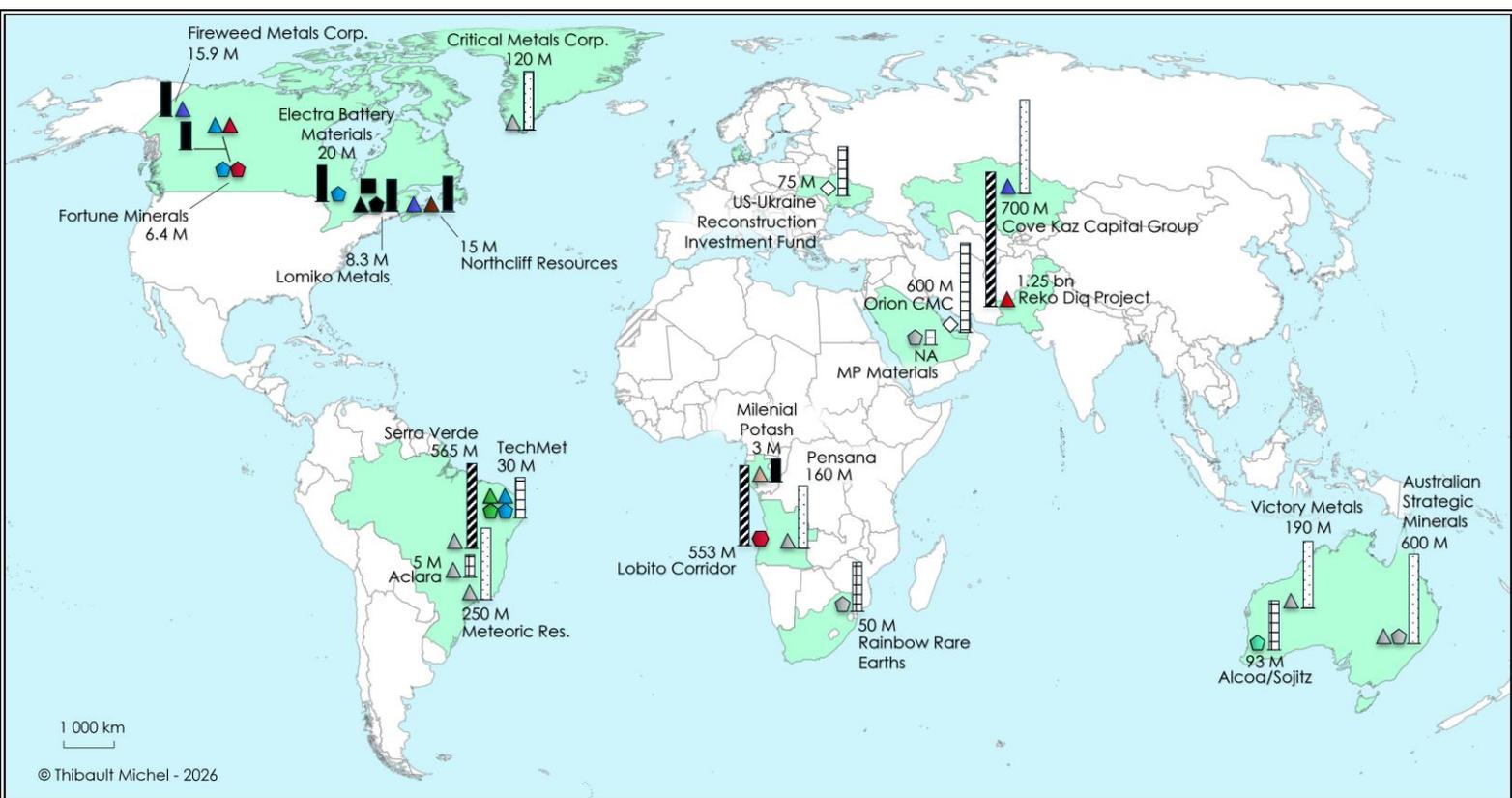
The US federal support includes a wide range of metals, such as base metals (copper, zinc, nickel), battery metals (lithium, cobalt, manganese, graphite), and specialty metals used in defense and electronics (gallium, germanium, titanium, rare earth elements, etc.), as highlighted in Figures 7 and 8.

13. This amount, as well as data from Figures 6, 7, and 8, is based on identified announcements of federal support for CRM projects that were made between January 1<sup>st</sup>, 2024, and December 31, 2025. It corresponds to support affiliated with individual projects.

**Figure 7. Federal direct announcements of support for domestic CRM projects in 2024 and 2025 (in USD)**



**Figure 8. Federal direct announcements of support for CRM projects overseas in 2024 and 2025 (in USD)**



## Legend

### Commodity

 Lithium ( <sup>3</sup> Li)	 Copper ( <sup>29</sup> Cu)
 Graphite ( <sup>6</sup> C)	 Zinc ( <sup>30</sup> Zn)
 Silicon ( <sup>14</sup> Si)	 Gallium ( <sup>31</sup> Ga)
 Potash ( <sup>19</sup> K)	 Germanium ( <sup>32</sup> Ge)
 Scandium ( <sup>21</sup> Sc)	 Niobium ( <sup>41</sup> Nb)
 Titanium ( <sup>22</sup> Ti)	 Molybdenum ( <sup>42</sup> Mo)
 Manganese ( <sup>25</sup> Mn)	 Antimony ( <sup>51</sup> Sb)
 Cobalt ( <sup>27</sup> Co)	 Rare earth elements
 Nickel ( <sup>28</sup> Ni)	 Tungsten ( <sup>74</sup> W)
 Unspecified metals	

★ In addition to zinc, Korea Zinc's smelter project aims to produce lead, copper, silver, gold, indium, antimony, bismuth, tellurium, palladium, gallium, germanium, cadmium

### Type of financing

 Grant	 Equity
 Loan	 Letter of interest
 IRA tax credit	 Not precised yet

### Value chain step

 Mining
 Processing
 Downstream operations
 Logistics
 Financial instruments

Source: Ifri, based on federal and companies' announcements.

Note: as the map is based on public announcements, the mapped investments may partially underestimate the scale of US engagement in some regions, particularly in Africa, where several DFC-backed transactions remain undisclosed.

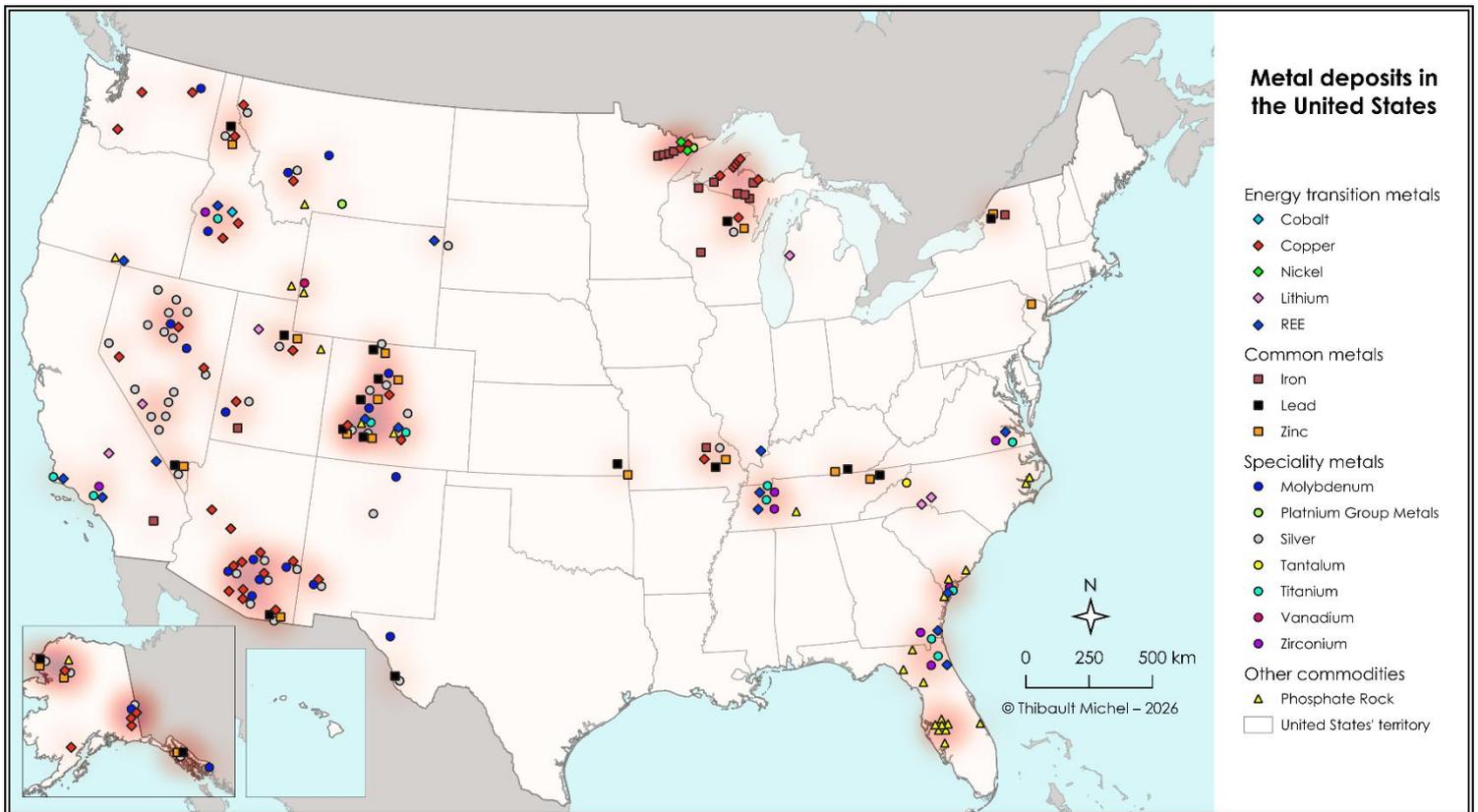
This comprehensive strategy aims both to strengthen US sovereignty over the metals it consumes in large quantities—although the US is not highly dependent on China for these—and quickly reduce Beijing's influence over metals with smaller domestic demand.

For example, US industries heavily rely on Chinese supplies for imports of rare earths, antimony, and bismuth. However, the domestic consumption of the first two is in the range of tens of thousands of tons annually, and in tons for bismuth. Some dependencies could thus be reduced through a few key projects: according to Fastmarkets, Korea Zinc's large smelter project in Tennessee (which the company expects to be fully operational by 2030) would supply not only 37% of US zinc and 14% of lead current consumption but also 43% of indium, 58% of bismuth, and 100% of gallium and germanium.<sup>14</sup> This gallium production would be complemented by future outputs from Atlantic Alumina Company (backed by USD 150 M) and ElementUSA Minerals (USD 29.9 M) projects, both located in Louisiana, along with the Alcoa-Sojitz refinery project (USD 93 M) in Western Australia. Such production levels could eventually lead to a significant surplus in the global market, causing prices to fall. It could also enable the US to become a net exporter of gallium, potentially prompting allies to buy US gallium in the future.

14. R. Boyadjis and P. Conterno Rodrigues "Korea Zinc's JPMorgan-backed Crucible Plant to Focus on US Material", Fastmarkets, January 9, 2026, available at: [www.fastmarkets.com](http://www.fastmarkets.com).

Projects supported encompass various stages of the supply chain, including extraction. As shown in Figure 9, the US subsoil holds significant levels of copper, molybdenum, zinc, lead, silver, and phosphate, along with promising deposits of titanium and rare earth elements. At the international scale, there is a strong focus on mining of rare earths (in Australia and Brazil) and tungsten (Canada and Kazakhstan).

**Figure 9. US identified mineral deposits**



Source: Ifri, based on USGS, available at: <https://mrdata.usgs.gov>.

Note: for readability purposes, deposits of gold and boron are not displayed on the map.

Along with extensive deployments, the US also takes an agile and strategic approach to securing CRM value chains, primarily through various support tools such as grants, loans, loan guarantees, and LOIs. Price floors are also noteworthy, like the one implemented to support MP Materials' future magnet production. This measure helps counteract the competitiveness gap between OECD countries and China, which benefits from its greater mastery of numerous technological processes, as well as lower labor costs and environmental standards.

Nevertheless, such a package also has drawbacks. First, the federal government might be required to ensure equal treatment, such as a price floor and offtake guarantee, to other magnet producers if it aims to attract additional investors and capabilities into the US rare earth magnet supply

chain. Without establishing a level playing field, fair competition cannot exist. Second, this USD 110 price floor will not motivate MP Materials to reduce costs or become more competitive against its Chinese rivals, whose magnets' prices are below this price floor.

US private companies are also quick to sign offtake agreements outside the country, especially in Europe. Last November, US magnet manufacturers Noveon Magnetics and Permag signed two separate deals with Belgium's Solvay for the future supply of rare earth oxides from Solvay's reopened plant in La Rochelle, France.<sup>15</sup>

To support American producers, the US has also moved to impose tariffs, even if that increases domestic supply costs. President Trump imposed 50% tariffs on steel and aluminum (June 2025) as well as copper products entering the US (July 2025) and increased tariffs on graphite to 93,5% that same month. These tariffs were not invalidated by the Supreme Court's February 2026 ruling and therefore remain in effect without challenge. In its effort to attract foreign capital and unblock investments for CRM projects, the US has a notable advantage over Europe: detailed knowledge of its mineral consumption. The USGS provides comprehensive and detailed data on the minerals used in the country, which is essential for assessing future demand. These demand estimates provide clarity, thereby facilitating financing for project developers and offtake agreements for producers. Europe lacks this level of knowledge: most EU member states do not have accurate data on their metal consumption and therefore lack predictability.

## What industrial results for the US CRM strategy so far?

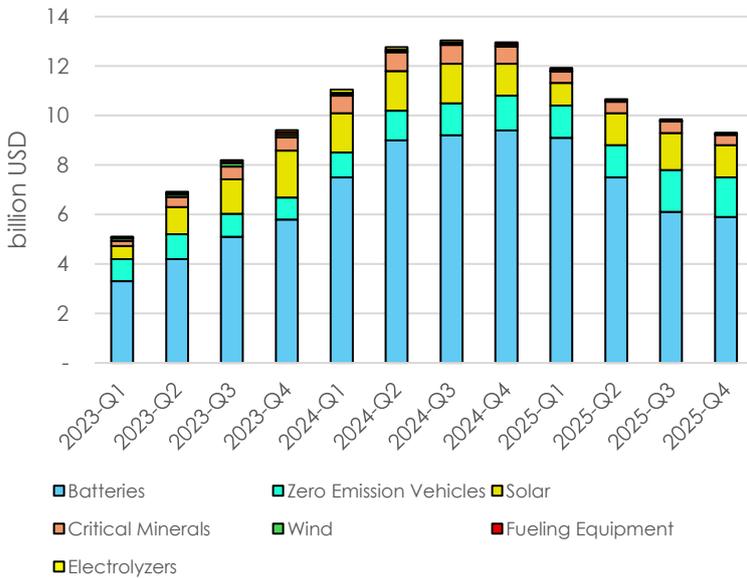
Some form of industrialization appears to be active in the US CRM supply chain. Consumption by downstream industries is rising for certain metals. According to USGS, in 2025, antimony consumption in the US increased by 57%, while consumption of rare earths (compounds, metals, and alloys) tripled.

However, the atmosphere of political and economic uncertainty persists. According to Rhodium Group and MIT CEEPR, actual investments in clean technology manufacturing continued to decline from Q3-2024 (see Figure 10). In 2025, cancellations in this sector reached USD 23 bn, setting an unprecedented record since the think tank began monitoring such cancellations (i.e., 2018) and accounting for 79% of total cancellations recorded. Investment announcements still exceeded cancellations (USD 24 bn), but not for batteries and EVs, where 97% of 2025 cancellations occurred (see Figure 11). However, the EV supply chain remains a significant offtaker for CRM production.

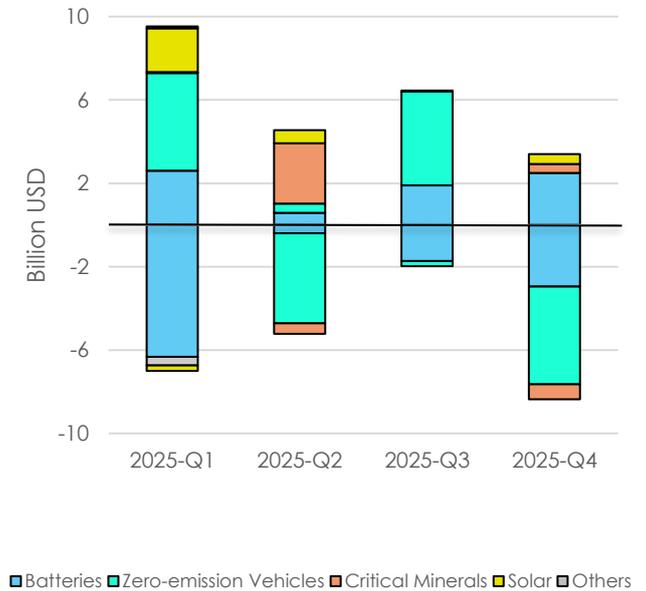
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15. "Solvay Seals Two Deals to Supply Rare Earths to US Magnet Makers", Reuters, November 12, 2025, available at: [www.reuters.com](http://www.reuters.com).

**Figure 10. Actual investment in clean technology manufacturing in the US, 2023-Q1 – 2025-Q4**



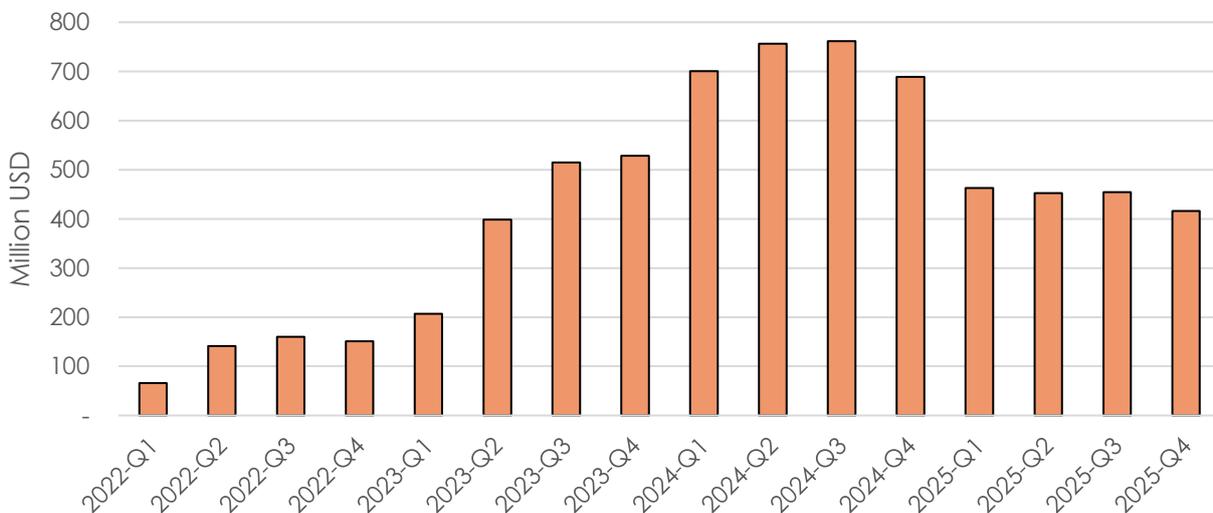
**Figure 11. Announcements and cancellations of manufacturing investments in 2025, by technology**



Source: Ifri, based on data from Clean Investment Monitor, Rhodium Group and MIT CEEPR, available at: [www.cleaninvestmentmonitor.org](http://www.cleaninvestmentmonitor.org).

Investment in critical minerals was less affected, with USD 3 bn in announcements compared to USD 1 bn in cancellations. Actual investments in CRM mirrored the overall trend in the clean technology manufacturing sector, with a spike after summer 2022, followed by a net decline from Q3-2024 (see Figure 12).

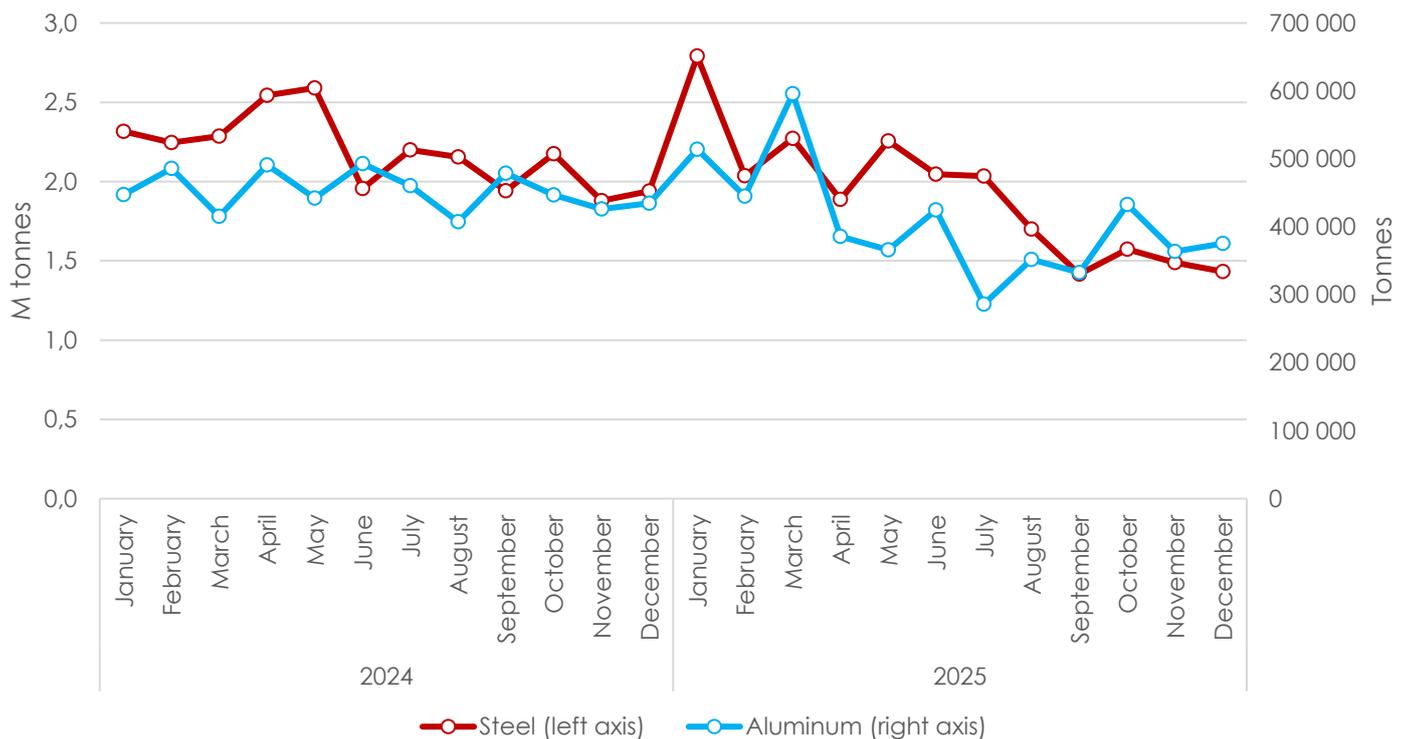
**Figure 12. Actual investment in critical minerals in the US, 2022-Q1 – 2025-Q4**



Source: Ifri, based on data from Clean Investment Monitor, Rhodium Group and MIT CEEPR, available at: [www.cleaninvestmentmonitor.org](http://www.cleaninvestmentmonitor.org).

According to data from the US International Trade Administration, imports of steel and aluminum declined by 13% and 10%, respectively, in 2025 compared to 2024 (see Figure 13). While domestic crude steel production increased by 3% compared to 2024, unwrought aluminum production decreased by 2.2%. The price of aluminum purchased within the US has risen substantially, and US premiums (additional regional costs) now account for over 50% of the LME price, bringing the total cost to nearly USD 5,000 per ton.<sup>16</sup> Amid sharp increases in aluminum (+20% year-over-year as of March 1, 2025) and copper (+23%), these tariffs are causing proportionally high additional costs for US industrial consumers, potentially threatening the competitiveness of downstream industries. For copper, it is still too early to assess impacts as high storage build ups were observed ahead of the tariffs.

**Figure 13. US imports of steel and aluminum products,  
Jan. 2024 – Dec. 2025**



Source: Ifri, based on data from Clean Investment Monitor, Rhodium Group and MIT CEEPR, available at: [www.cleaninvestmentmonitor.org](http://www.cleaninvestmentmonitor.org).

16. A. Di Paola and J. Bercetche, “Emirates Global Boosts Aluminum Sales to US Amid Tight Market”, Bloomberg, February 25, 2026, available at: [www.bloomberg.com](http://www.bloomberg.com).

## Case study: The development of the US lithium industry

*By Lucas Couderc-Avignon\**

In the analysis of CRM supply chains in the US, lithium occupies a unique position. Several factors explain this specificity.

First, unlike most metals considered critical by Washington, the risk to lithium supply is relatively low and is expected to decrease further in the medium term. Second, domestic demand is rapidly increasing due to structural industrial dynamics. Finally, the US lithium market is in its early development stage but benefits from industrial trends and government support, likely speeding up its transition into a mature commodity market similar to aluminum or copper.

Since 2022, under the 2020 Energy Act, lithium has been listed as a critical mineral by the USGS. Its strategic importance is clear in the military sector, with the DoW among the major buyers of batteries. However, unlike certain metals that are used almost exclusively for military purposes, such as samarium, the lithium market is primarily driven by private industrial demand, which adds to its vibrancy and depth.

While the strong growth in domestic demand seen in the US since the early 2020s was sparked by public policies, its long-term development now mainly depends on structural industrial drivers. Meanwhile, domestic production capacity benefits from notable federal support, aimed at boosting the competitiveness of production projects and ensuring a resilient domestic supply chain.

### [The US market: a growing consumer hub](#)

The US was the leading consumer of lithium for technical and industrial uses before the electronics revolution of the 1990s and the market's shift toward Asia for battery applications. On the production side, FMC (now Arcadium) and Albemarle were industrial pioneers at the time.

Around 2020, American demand underwent a major shift with the rise of the battery industry. Indeed, energy inflation on one side and large public investments to support EV demand (Inflation Reduction Act, 2022) on the other led to the announcement of about twenty battery production site projects across the country, led by

automotive companies in partnership with Korean and Japanese battery manufacturers. Projections from 2024–2025 then forecasted more than a 500% increase in US demand for lithium by 2030,<sup>17</sup> reaching nearly 400,000 tonnes per year, marking a significant leap that shows the development of a real domestic market.

The scheduled phase-out of IRA 30D tax credits by September 30, 2025, along with the gradual expiration of IRA 45X tax credits under the OBBBA, is reshaping the policy landscape for battery manufacturing and electric vehicle incentives. Nonetheless, as shown in Figure 10, momentum continues, albeit at a slower pace, and projects launched in recent years are still making progress. Electric vehicle plants, also under development, offer a significant offtaker for battery producers.

Alongside the growth of the electric vehicle industry, the rise of stationary energy storage is becoming an increasingly important driver, fueled by the surge in data centers. The expanding capacity of renewable energy infrastructure has led several companies, notably LG Energy Solutions and SK Battery, to redirect some of their manufacturing capacity toward stationary applications, helping to diversify demand and strengthen the strength of the US lithium market.

Faced with these challenges, securing lithium supplies has become a major concern for both industry and public authorities. Several initiatives have been launched to guarantee the supply of critical metals for American manufacturing companies, such as the “Vault” project in 2026. As shown in Figure 3, the US supply chain relies heavily on limited lithium production capacity (the Silver Peak mine in Nevada) and primarily on imports from Chile (54%) and Argentina (43%), with the remaining 3% coming from other sources. However, this statistical snapshot masks a larger reality: USGS data does not fully reflect the flow of lithium-rich intermediate chemicals imported from Australia or Canada, which are essential to the American refineries of Arcadium and Tesla.

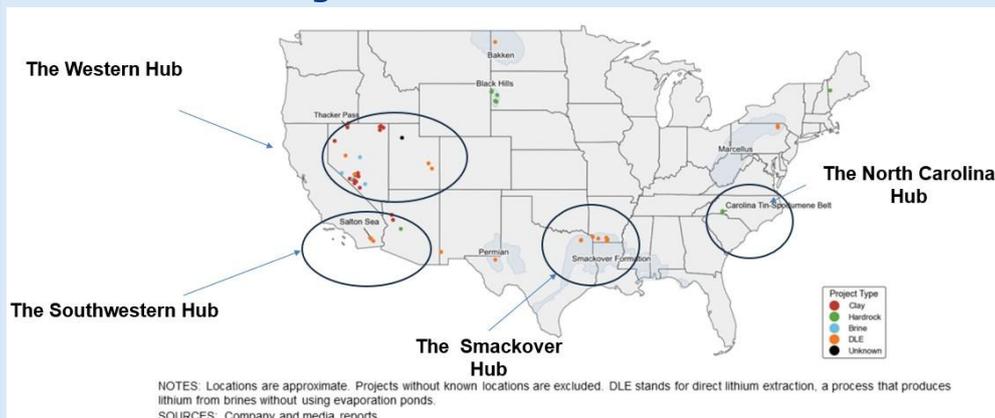
All of these factors—growth in domestic demand, the operational readiness of direct lithium extraction (DLE) technologies, and the strong will of government and industry to develop a domestic lithium-producing sector—have contributed to sparking a true renaissance in mining production.

17. Y. Peters, “US Lithium Demand Predicted to Grow Nearly 500% By 2030; Fastmarkets Steps In to Provide Regional Price Transparency”, Fastmarkets, April 3, 2024, available at: [www.fastmarkets.com](http://www.fastmarkets.com).

[A significant industrial dynamic, supported by ambitious federal policies](#)

The development of the American lithium mining sector follows a specific technical and geographical logic centered around a hub-like structure, reflecting the region's geological, industrial, and technological diversity. The North Carolina hub combines giants like Arcadium, Albemarle, and Piedmont Lithium with traditional spodumene mining projects, while the Southern California hub is based on the increasing adoption of DLE technology by geothermal producers in the Salton Sea Valley. In the West, a number of pioneering projects, often led by former executives of major mining groups, are exploring the exploitation of clay deposits in Nevada, Utah, and Oregon. Finally, the Southern hub, with its concentration of DLE projects from petroleum brines in the Smackover region, is primarily driven by oil industry giants such as Chevron, ExxonMobil, and Equinor.

**Figure 14. US Lithium hubs**



*Source: Federal Reserve Bank of Dallas.*

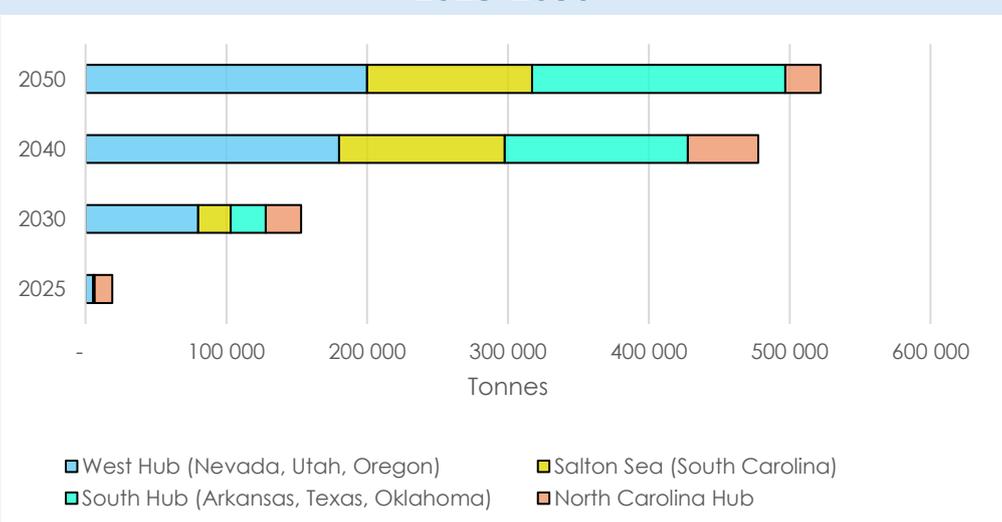
The growth of the American mining industry faces several structural challenges related to regulation, finance, and technology. It benefits mostly from the expansion of the domestic market and, to a lesser extent and over the long term, from the development of the European market. However, the lack of a regionalized spot price indicator and reliance on Chinese prices remain significant barriers for investors, who find it difficult to gauge the long-term price of lithium. Additionally, regulatory hurdles in obtaining permits have consistently hindered the growth of American mining capacity. Lastly, uncertainties around the implementation of DLE technologies add to the costs faced by investors.

Faced with these challenges, federal authorities have initiated a series of efforts since the early 2020s aimed at lowering the risks related to private investment and speeding up the development of a competitive domestic industry. President Trump signed an EO in

March 2025 extending the FAST 41 accelerated permitting program to critical metal mines, benefiting several lithium producers nationwide (Smackover Lithium, Century Lithium, Albemarle, McDermitt Lithium, and Lithium Owl), as well as the Kings Mountain Lithium refinery project. In the same vein of reducing risks for lithium production investments, multiple public financing tools were put into action. As early as 2023, the Department of Defense granted a USD 90 M subsidy to Albemarle for the Kings Mountain mine reopening project. Later, loans were provided by the Department of Energy's Office of Loans for mining projects like Rhyolite Ridge in Nevada, EnergySource Minerals in California, and Lithium Americas' Thacker Pass in Nevada. The Department of Energy also took a 5% equity stake in Lithium Americas' Thacker Pass project in Nevada.

The development of a more liquid domestic market, a North American spot price indicator, and the ramp-up of DLE projects should lead to exponential growth in annual lithium production in the US and could eventually make the country an exporting powerhouse.

**Figure 15. Targeted lithium production by US hub, 2025-2050**



Source: *Lithium for America*, based on data from the industry, announcements, etc.

**\*Lucas Couderc-Avignon** is an analyst covering the critical metals industry in North America, where he closely monitors developments in the lithium industry. He is notably the founder of the informal network and nonprofit organization *Lithium for America*.

## International mineral diplomacy

The US industrial strategy on CRMs is supported by active mineral diplomacy. According to the Department of State, since Donald Trump's return to the White House, the US has signed 21 bilateral critical frameworks or memorandums of understanding (MoUs) with third countries, and has finalized negotiations on such agreements with seventeen other nations.<sup>18</sup> These agreements vary in significance, as their content – when disclosed – is not always equally concrete. Among the most notable are the ones signed last October with Australia and Japan, which include mobilization of government financial support, creation of mutual funds, project selection, and establishment of a “US-Australia Critical Minerals Supply Security Response Group” and a similar group for the agreement with Japan.

The US also signed a mineral agreement with war-torn Ukraine in May 2025. The agreement included the creation of a “US-Ukraine Reconstruction Investment Fund” (URIF), shared 50%-50% between Washington and Kyiv. URIF is planned to be funded by the DFC on the US side, which has so far provided USD 75 M in government funding to the fund. The Ukrainian share of the funds added to URIF will come from revenues generated by new minerals, oil, and gas projects. However, Ukraine's subsoil remains poorly documented, and the mining inventories are outdated. Furthermore, many known deposits are in the east of the country, making them inaccessible and undevelopable until peace is restored.

An agreement was also signed with the United Arab Emirates, including the creation of an investment group called Orion Critical Mineral Consortium (Orion CMC). This organization is funded with USD 600 M each by the DFC, the ADQ sovereign wealth fund, and the US private investment fund Orion Resource Partners, totaling an initial capital of USD 1.8 bn. This money could be used to buy back 40% of Swiss company Glencore's stake in two mining projects in the DRC, for which a MoU between Orion CMC and Glencore was signed in February.

However, the most significant agreement regarding mineral resource exploitation is the one made with the DRC. This agreement establishes the creation of a Strategic Asset Reserve (SAR) for CRMs, initially consisting of projects identified by the DRC and intended for future expansion. The SAR is overseen by a Joint Steering Committee (JSC), which includes five members from the DRC and five from the US. This committee meets twice annually. The JSC must be informed of any new project added to the SAR and is also responsible for “discussing appropriate offtake targets for the US market for SAR project proposals”. Additionally, any US entity submitting a proposal for a SAR project (within three months of being notified of the project to the JSC) is granted a three-month negotiation period, which may

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18. “2026 Critical Minerals Ministerial”, Department of State, February 4, 2026, available at: [www.state.gov](http://www.state.gov).

be renewed once. If, after this negotiation period (not exceeding nine months), the offer is not accepted, the DRC may authorize “aligned persons” to submit proposals. Article VII (5) specifies the conditions for actors wishing to participate in a SAR project: “In order to be accepted for a SAR Project by the DRC, a proposal must further the supply chain and national security objectives of this Agreement by demonstrating how the project supports offtake to the US market”. This agreement, especially this last point and the extensive authority given to the JSC, grants the US significant influence over the DRC’s mining sector.

Finally, on February 4, 2026, the US gathered 54 countries along with the EU for a Critical Minerals Ministerial meeting led by Secretary of State Marco Rubio. This summit announced the launch of the Forum on Resource Geostrategic Engagement (FORGE), succeeding the MSP initiated under Joe Biden. The goal is to “collaborate at the policy and project levels to advance initiatives that strengthen diversified, resilient, and secure critical minerals supply chains”,<sup>19</sup> which, according to the US administration, could include establishing a US-led trade zone for critical minerals, possibly incorporating price floors and tariffs.

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19. Ibid.

# EU cooperation with the US on CRMs

## Plurilateral cooperation

Transatlantic cooperation on CRMs has deeper roots than the current geopolitical moment might suggest. Its origins lie in 2011, when the EU, the US and Japan created the Trilateral Conference on Critical Raw Materials in response to the first “rare earths war”—the episode in which China abruptly restricted rare earth exports during a diplomatic dispute with Japan, exposing the vulnerability of global supply chains to concentrated Chinese control.

The Trilateral initially served as a technical forum for exchanges on criticality assessment methodologies, recycling, substitution and innovation. Over time, however, it evolved into a more strategic, government-to-government platform focused on supply-chain risks, almost all of which were linked to China’s dominance in processing and refining.

In 2019, the Trilateral expanded to include Canada and Australia, two resource-rich democracies with significant mining and processing capabilities. It was renamed the Conference on Critical Materials and Minerals (CCMM). This broadened the forum’s geographic and political scope while maintaining its core function as a venue for structured exchanges on supply-chain vulnerabilities, market transparency and policy coordination.

In 2024, the CCMM expanded again at the G7’s request to become G7 + Australia, anchoring the rotating G7 presidencies’ work on critical minerals within a more permanent institutional structure. The CCMM’s 2025 meetings were used to socialize and refine the G7’s Critical Minerals Action Plan, ensuring continuity across presidencies and providing a platform for aligning approaches to standards, investment and producer engagement.

The G7 itself became the second major strand of EU-US plurilateral cooperation. Critical minerals first appeared prominently on the G7 agenda in 2021 under the UK Presidency. The Carbis Bay Declaration marked the first time the G7 explicitly linked minerals to the broader challenge of supply chain security, signaling that dependencies on China in refining and processing were now a strategic vulnerability.

This framing planted the seed for more structured G7 work programs later. Under Japan’s 2024 presidency, the agenda deepened significantly with the launch of the World Bank RISE Partnership. Canada’s 2025

presidency championed standards-based markets and delivered the G7 Critical Minerals Action Plan.

The third strand of cooperation emerged in 2022 with the launch of the Minerals Security Partnership (MSP) by the US State Department. The European Commission represented the EU, and several Member States also participated. The MSP's mission was to build diverse and resilient critical mineral supply chains essential for economic security and industrial competitiveness, with the explicit objective of reducing strategic dependencies on China.

In practice, the MSP functioned as a consumer-country coalition, with Canada and Australia as the only major producers. Its operational focus was to identify mining, refining and processing projects that could benefit from coordinated institutional and financial support. Although primarily driven by government officials, its investment workstreams also involved export credit agencies, development-finance institutions and private financial actors.

A structural defect quickly became apparent: the MSP excluded resource-rich producer countries in emerging and developing countries, treating them as project locations rather than strategic partners. This limited its legitimacy and effectiveness.

The EU sought to correct this imbalance. Already in late 2021, the EU launched the Global Gateway Initiative to invest in infrastructure projects worldwide, including CRM projects. In its March 2023 Critical Raw Materials Act Communication, the European Commission announced its intention to create a Critical Raw Materials Club—a forum in which producers and consumers would sit together as equal partners to discuss joint projects and standards.

Washington initially viewed the Critical Raw Materials Club as a rival to the MSP but eventually agreed to house the new platform within the MSP as a jointly chaired MSP Forum. The Forum held its inaugural meeting in April 2024, bringing together Ukraine and a first group of African and Central Asian producer countries.

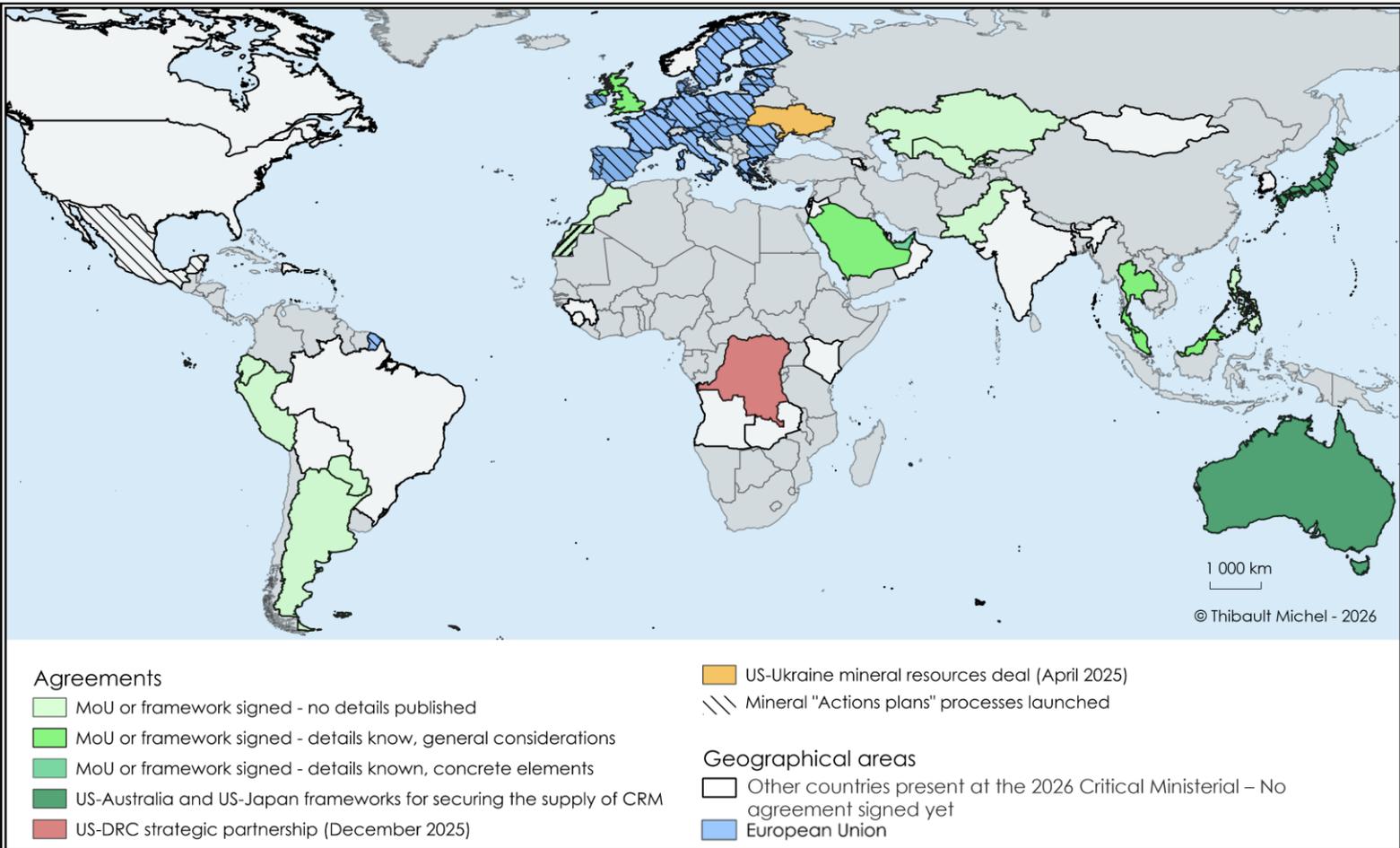
The MSP and its Forum continued to operate during the first year of the second Trump administration, but without strong US engagement.

In February 2026, the Critical Minerals Ministerial announced the disbandment of the MSP and its replacement by the FORGE. FORGE partners will collaborate at policy and project levels to strengthen diversified, resilient and secure critical-mineral supply chains, though details of its governance and operation remain unclear.

In addition to the official goal of developing diversified, resilient, and secure CRM supply chains, FORGE's ambition appears to be to create a group of countries facing China. However, details about this forum's governance

and operations remain unclear, and the countries it gathers are quite heterogeneous (see Figure 16).

**Figure 16. US mineral agreements developed over the last 12 months**



Source: Ifri, based on announcements.

## Bilateral cooperation

Bilateral EU-US cooperation on CRMs has been uneven. During the first Trump administration, there was no dedicated CRM workstream; the defining issue was the imposition of US national security Section 232 tariffs on steel and aluminum, which hit European exports and triggered EU counter-tariffs. Resolution efforts stalled until the Biden administration paused the tariffs and attempted to negotiate a Global Arrangement on Sustainable Steel and Aluminium.

Under Joe Biden's tenure, three developments shaped the bilateral landscape: the creation of the Trade and Technology Council, which included high-level CRM discussions; the IRA, whose incentives for clean-tech and critical-mineral supply chains provoked alarm in Europe and catalyzed the EU's 2023 industrial-policy response, notably the Critical Raw Materials Act and the Net Zero Industry Act; and an attempt to negotiate a bilateral Critical

Minerals Agreement to secure IRA eligibility for EU-sourced minerals. These negotiations ultimately failed due to asymmetries in ambition, legal constraints and US demands that the EU considered excessive.

Under Trump II, bilateral cooperation has not only stalled but, in some respects, become adversarial. Washington's minerals-for-security negotiations with Ukraine sought privileged US access to new Ukrainian projects despite Europe's far greater financial commitment to Ukraine's wartime support and reconstruction. Renewed US rhetoric about acquiring Greenland and its natural resources for national security reasons further alarmed European policymakers.

Nevertheless, at February 4, Critical Minerals Ministerial, the EU signed up to a joint statement with the US and Japan announcing their intention to work toward a mutually beneficial partnership, including a EU-US MoU on project identification, stockpiling information exchange and supply chain disruption prevention, as well as exploratory work on a plurilateral trade initiative involving coordinated trade policies and market-shaping tools.

## Lessons for Europe

The evolution of US policy offers Europe several lessons. The US has approached CRMs as a strategic mobilization challenge, deploying private finance, targeted federal support and a diverse set of instruments. Private capital has been central, with the DFC and EXIM de-risking early-stage projects and accelerating investment. Federal support has been highly targeted, focusing on specific bottlenecks such as rare earth separation and magnet manufacturing.

The main lesson for Europe is straightforward but uncomfortable: credibility requires deployable capital and the institutions to use it. Announcing strategic projects without the public money to finance them is not taken seriously by partners or competitors. Europe lacks dedicated, ring-fenced funds for CRM projects, and it lacks the institutional vehicles capable of deploying capital at speed and scale. There is no European equivalent to DFC or EXIM, no instrument able to take equity stakes or anchor investment funds in the way the US has done with TechMet or Orion. Nor has Europe mobilized its own downstream industries—clean-tech manufacturers, digital firms, defense primes—to invest directly in the CRM value chain projects on which their long-term resilience depends.

Europe must adopt a complementary approach across its various sectors related to metals, such as defense, energy, and electronics. Funds allocated to European rearmament efforts should include metals, and certain European defense funds can be used for this purpose. It is also crucial that the future CRM Centre has a dedicated budget within the next Multiannual Financial Framework (MFF). Beyond traditional actions, the EU should rethink its model by employing less-used or unused methods, such as equity

investments through a dedicated vehicle. This also involves streamlining investment decision processes.

Crucially, US policy includes hard obligations on downstream users. 'Buy America' provisions create structural preferences for domestic or FTA-partner content, while the National Defense Authorization Act (NDAA) bars companies from US defense procurement if any part of their supply chain for certain defense-relevant minerals involves a foreign entity of concern. This combination of targeted support and mandatory compliance has created powerful demand signals for non-Chinese supply.

For Europe, the implication is clear: diversification cannot rely solely on subsidies and regulatory frameworks.

The Industrial Accelerator Act of March 4, 2026, opens the door to more assertive use of public procurement and state aid. Embedding a calibrated "Buy European" or 'trusted origin' requirement into that framework would align incentives for downstream manufacturers.

The Commission's proposal, published in early March, does not include precursor cathode active materials (PCAMs) among the battery components subject to the origin requirements of Article 34. However, PCAMs are the main missing link in the current European battery value chain. This gap is harmful both in terms of sovereignty and for economic reasons, as this value chain requires an integrated approach and simultaneous development of its various stages to enable the emergence of offtake agreements, etc.

The planned revision of EU defense procurement rules later in 2026 offers an opportunity to introduce a European analogue to the NDAA's foreign-entity-of-concern logic, conditioning access to defense contracts on the progressive elimination of high-risk critical mineral and component suppliers.

There is currently a live EU-US discussion about minimum-price mechanisms or price bands to counter predatory pricing and volatility. Designing such instruments will be extremely difficult.

The first challenge is scope: which minerals or derivatives should be covered? The second is setting a price level that is high enough to sustain non-Chinese production yet resilient to Chinese counter-measures. The MP Materials support package illustrates how expensive such interventions can become. A third challenge is membership: a minimum-price mechanism cannot function without participation—or at least acquiescence—from key producer countries.

These unresolved design questions explain why price-based mechanisms remain conceptually fragile and operationally complex. Furthermore, as mentioned earlier, price floors have the disadvantage of requiring a level playing field among different companies, which may discourage investors who would not benefit from them. Not all states have

the financial resources to adopt this type of policy; if only large states, particularly the US, can do so, they might capture most investments in the downstream value chains, as they offer more favorable conditions for producers.

This raises the larger question of how and by whom prices would be set in this trade zone envisioned through FORGE: by the US alone? Risking the oversight of the fact that competitive conditions between the US and Europe are quite different, especially regarding energy costs (a key factor in competitiveness in many mineral production sectors) and government subsidies.

Another issue is the consolidation of standards-based markets. Europe has a comparative advantage in ESG, traceability, product passports and permitting frameworks. If interoperable with US and Japanese systems, such standards could create a global market segment that rewards transparency and sustainability. But they must be designed in a way that producer countries see as enabling value addition rather than restricting market access.

Europe must also strengthen its foreign investment screening in critical minerals. The US has used the Committee on Foreign Investment in the US (CFIUS) process aggressively to block Chinese acquisitions in sensitive sectors. Europe's mechanisms remain fragmented and uneven. A more coordinated approach focused on processing, refining and strategic assets—while setting conditions for inward investment—would reduce vulnerabilities without undermining openness.

## **The challenge for France's G7 presidency**

These priorities intersect directly with the challenges facing the French G7 Presidency. France inherits the Canada G7 Critical Minerals Action Plan, which called for advancing standards-based markets, identified priority projects and their investment de-risking. But France must do so in a context where the US increasingly prefers to lead its own initiatives—through FORGE, bilateral agreements and a future plurilateral trade arrangement—rather than be constrained by any international forum, including the G7.

France faces a tough challenge in maintaining the continuity established during previous presidencies, while also being uncertain if the US still values this cooperation within the G7, as its stance is inconsistent. Although Washington does not seem to have fully abandoned collaboration, it is developing an approach focused on its own interests, as shown by the agreement with the DRC, which aims to secure privileged positions for American actors and supply the US market with DRC metals.

The complexity arises from the fact that the US remains unreliable—its true expectations regarding collaboration are hard to discern—but establishing an alliance or collaborative structure without its support seems almost impossible. In any case, its true intentions will stay elusive. This limits how far the G7 can move on price-based mechanisms such as minimum prices, contracts for difference or border-adjusted measures. France can convene technical discussions and shape the standards agenda, but meaningful progress on market-shaping tools is more likely to occur in US-led formats.

So far, the G7 countries' responses to initiatives like FORGE have been cautious, emphasizing the need and interest in close cooperation on securing CRM value chains, while refraining from making concrete proposals or formally endorsing the format.

These opportunities and constraints raise a broader strategic question: how deeply should Europe commit to US-led cooperation mechanisms? The answer is neither full alignment nor strategic distance, but a calibrated engagement grounded in European interests.

Cooperation makes sense where the US is willing to share governance, co-design instruments and respect Europe's economic exposure to China. It makes sense in areas such as standards, investment coordination, project development, common approaches towards stockpiling and supply-chain transparency. It also makes sense that US tools, such as the DFC, EXIM, and defense procurement, can complement European instruments without subordinating them.

But there are clear limits. Europe should not join mechanisms that require automatic alignment with US confrontation strategies *vis-à-vis* China, especially where alternatives do not yet exist. It should not accept frameworks that bypass EU institutions or fragment the single market. It should not participate in clubs where governance is opaque, producer countries are excluded, or reciprocity is absent. And it should resist any arrangement that gives the US privileged access to European-backed projects without equivalent benefits for European industry.

The idea of a plurilateral trade agreement is interesting, but trust is a *sine qua non*. The same US administration seeking international cooperation on minerals is pursuing turbulent trade and foreign policies, hitting allies and rivals alike with aggressive tariffs and showing disregard for others' sovereignty.

The Critical Minerals Ministerial 2026 might be an effort to form an anti-China mineral alliance. This would depart from the approach developed under the Trump II administration, where securing allies was not a priority.

Countries invited to join FORGE or the future plurilateral trade agreement face difficult choices: not wanting to alienate the US by rejecting participation, not wanting to accept terms that serve only US interests, and

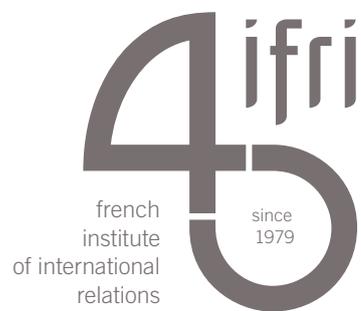
not wanting to be dragged into a trade war with China. China's expansive October 9, 2025, export controls, paused but not withdrawn, could spring back at any time.

## Conclusion

The challenge for Europe is to engage deeply enough to shape the emerging minerals order, but not so deeply that it becomes a rule-taker in a US-designed system. The next two years will be decisive. Europe has regulatory expertise, market size and the diplomatic reach to influence global norms. But it must act with strategic clarity, institutional coherence, a willingness to propose concrete mechanisms and finance—not just principles.

Decisively, EU's ability to shape this international governance will depend on its ability to ensure that a large number of strategic CRM value chain projects take FID in Europe and to have effective tools to support projects outside Europe.





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