

Technology Metals Report (04.11.2025): U.S.-China Trade War Escalates as Nations Accelerate Critical Mineral Strategies and Energy Supply Chain Realignments

written by Tracy Hughes | April 11, 2025

This past week marked a notable acceleration in trade hostilities, national policy shifts, and corporate maneuvering across the global energy and critical minerals ecosystem. From Washington to Beijing, Riyadh to La Rochelle, senior decision-makers acted swiftly to reposition industries against the backdrop of rising tariffs, supply insecurity, and mounting geopolitical stakes.

China intensified its trade retaliation by raising [tariffs](#) on U.S. goods from 84% to 125%, following President Trump's escalating country-specific levies. American duties on Chinese imports now total 145%. Beijing's Ministry of Finance labeled further escalation "pointless," given current trade dynamics, yet no bilateral talks have been scheduled. The economic impact is already rippling through global markets—Goldman Sachs revised its GDP forecast for China downward to 4%, citing elevated trade friction and slowing growth.

Against this volatile backdrop, the U.S. Department of Energy, under Secretary Chris Wright, [announced](#) a sweeping initiative to revive domestic coal infrastructure and critical mineral supply chains. In alignment with a new executive order, the DOE

reinstated the National Coal Council, recommended steelmaking coal be designated a critical material, and committed \$200 billion in financing through the Energy Infrastructure Reinvestment Program. It also announced expanded commercialization of NETL-patented technology to extract critical minerals from coal ash, signaling a broader push to reindustrialize domestic supply capabilities and reduce dependence on Chinese sources.

The week also saw the [publication](#) of the 2025 Critical Minerals List by the [Critical Minerals Institute](#) (CMI), identifying 23 minerals essential to global technology, defense, and economic stability. The list, derived from a comparative analysis of twelve international lists, includes only those materials appearing in at least seven. Copper, uranium, gallium, rare earths, and cobalt were named top priorities, selected based on concentration of supply risk, substitution limitations, and long-term demand. The CMI's release underscores the intensifying global competition to secure strategic resources.

On the private sector front, Scania, Volkswagen's heavy vehicle division, finalized its [acquisition](#) of Northvolt Systems Industrial—reviving a \$6 million transaction originally proposed before Northvolt's bankruptcy, one of Sweden's most high-profile corporate failures. The division, which produces battery systems for mining and construction vehicles, includes a Polish production facility and a Swedish R&D center. Scania stated the move supports its strategy to deepen electrification capabilities for industrial applications.

Australia's mining sector saw a surge in investor confidence following China's latest restrictions on rare earth exports. Share prices [rose](#) for Lynas Rare Earths Ltd. (ASX: LYC), Northern Mineral Limited (ASX: NTU), and Arafura Rare Earths Limited (ASX: ARU), as Australia's role as a reliable non-

Chinese supplier gains traction. Lynas is expanding both light and heavy rare earth capacity across Malaysia and the U.S., while Iluka Resources Limited (ASX: ILU) aims to bring heavy rare earth refining online by 2027 with Australian government backing.

Europe, meanwhile, continues to struggle with rare earth supply resilience. Bain & Company consultant Laurent Migom noted that the cost disparity between Chinese and European supply chains ranges from 20% to 70%, [threatening](#) the viability of many proposed projects. By 2030, the continent is expected to produce less than 5,000 metric tons of rare earths annually, far short of the 30,000-ton demand forecast. Of 50 active rare earth projects outside China, only a handful are expected to reach commercial production by the end of the decade.

Still, efforts are underway. Solvay launched an [expansion](#) of its rare earth processing facility in La Rochelle, France, with an eye toward supplying 30% of Europe's demand by 2030. The facility will initially focus on processing neodymium and praseodymium—essential inputs for wind turbines and electric vehicle motors. Solvay has signaled it will seek EU backing under the Critical Raw Materials Act, with a total investment of up to €100 million dependent on offtake commitments.

In the Middle East, Saudi Arabia's state-owned mining company Ma'aden [announced](#) it is evaluating four potential foreign partners to co-develop a rare earth processing facility. MP Materials Corp. (NYSE: MP), Shenghe Resources, Lynas Rare Earths Ltd. (ASX: LYC), and [Neo Performance Materials Inc.](#) (TSX: NEO) are under consideration. A final decision is expected by June, with feasibility planning running through year-end. The initiative aligns with the Kingdom's Vision 2030 strategy to develop domestic processing and magnet manufacturing capacity.

Chile, a top global copper and lithium producer, finds itself potentially [benefitting](#) from shifting tariff structures. The U.S. has thus far exempted copper from its general 10% tariff on Chilean goods. If copper-specific tariffs are introduced, Chile's positioning may remain more favorable than peers such as China (104%), the DRC (11%), and Peru (10%). Meanwhile, Chile's total lithium resource base rose 28% following updated geological assessments in the Antofagasta region. The state-owned ENAMI is preparing to select a development partner for the newly defined La Isla and Aguilar salt flats, which added over 3 million metric tons of lithium to national reserves.

The global nuclear sector saw renewed urgency for upstream investment. A joint report by the International Atomic Energy Agency and the Nuclear Energy Agency [projected](#) that currently identified uranium resources could be exhausted by the 2080s under a high-growth demand scenario. While adequate resources exist in theory, both agencies emphasized the need for near-term exploration and mine development to maintain energy security. Kazakhstan remains the dominant uranium supplier, but its recent shift toward supplying China and Russia at the expense of Western markets has introduced new vulnerabilities.

Namibia, Africa's largest uranium producer, advanced [discussions](#) with Russia to construct a domestic nuclear facility. The move underscores Namibia's intent to capture more value from its uranium endowment through local processing and infrastructure development. Simultaneously, Namibia is gaining traction as an emerging oil producer, with offshore discoveries potentially pushing output to 700,000 barrels per day by 2024.

Western battery material producers remain under [pressure](#). Bart Sap, CEO of Umicore, noted that global oversupply—largely driven by Chinese production—has pushed plant utilization down to 30–40% in some cases. Umicore's shares have dropped by more than

50% over the past year. The company is now pursuing strategic partnerships to recover market position, acknowledging China's dominance over more than 80% of global cathode active materials production.

These intersecting developments—across trade, mining, energy, and industrial policy—paint a picture of a rapidly fragmenting global supply landscape. Nations are recalibrating their industrial strategies. Corporations are adapting to both opportunity and constraint. And the underlying competition for technology metals is no longer abstract—it is embedded in tariffs, executive orders, acquisition strategy, and the race for processing capacity.

China strikes back with 125% tariffs on U.S. goods as trade war intensifies (April 11, 2025, [Source](#)) – China raised tariffs on U.S. goods from 84% to 125%, responding to President Donald Trump's country-specific levies. The U.S. side confirmed that American tariffs on Chinese imports now total 145%. Beijing's Finance Ministry deemed further U.S. increases pointless, warning there is no market for U.S. goods at current rates. Unlike earlier retaliation, China did not expand export controls or its unreliable entity list. Both sides have indicated willingness to negotiate, yet no talks have been scheduled. Goldman Sachs cut its forecast for China's GDP to 4%, citing trade tensions and slower global growth.

Volkswagen's Scania buys bankrupt Northvolt's heavy industry battery packs unit (April 11, 2025, [Source](#)) – Volkswagen's truckmaker Scania has acquired Northvolt Systems Industrial, the heavy industry battery packs division of bankrupt Swedish battery firm Northvolt, for an undisclosed sum. This revives a \$6 million deal first proposed in February but delayed by Northvolt's recent bankruptcy—one of Sweden's largest corporate collapses. The acquired unit, employing around 260 people,

manufactures battery systems for construction, mining, and other heavy industries at a Polish plant and runs an R&D center in Sweden. Scania, a Northvolt stakeholder and customer, said the acquisition supports its strategy to strengthen electrification offerings for off-road applications.

Australian miners benefit from new Chinese restrictions on rare earth exports (April 10, 2025, [Source](#)) – Following China's latest restrictions on rare earth exports, Australian miners like Lynas Rare Earths Ltd. (ASX: LYC), Northern Mineral Limited (ASX:NTU), and Arafura Rare Earths Limited (ASX: ARU) saw share prices rise, as investors anticipate their growing role in global supply chains. Australia, rich in high-grade rare earths, is positioning itself as a secure alternative supplier. Lynas is ramping up production of light rare earths and plans to begin heavy rare earth output in Malaysia and the U.S. Iluka Resources Limited (ASX: ILU) aims to refine heavy rare earths by 2027 with government backing. The sector seeks further support to establish domestic refining and manufacturing capabilities.

Breaking the CMI Critical Minerals List 2025: A Strategic Blueprint for Global Technology, Defense, and Economic Security (April 9, 2025, [Source](#)) – The Critical Minerals Institute (CMI) has released its 2025 Critical Minerals List, highlighting 23 minerals essential for global technology, defense, and economic stability. Selected from analysis of 12 international lists, minerals were included if they appeared on at least seven. Key criteria included supply chain concentration, lack of substitutes, and future demand pressures. The top five to watch are copper, uranium, gallium, rare earths, and cobalt. CMI leaders emphasize the urgent need for international collaboration, policy support, and investment in sustainable sourcing to secure these minerals amid rising geopolitical and environmental challenges.

Chile sees positive twist to any Trump tariffs on copper (April 9, 2025, [Source](#)) – Chile's Mining Minister Aurora Williams stated that the country's low-end position in recent U.S. tariffs may benefit its copper sector if President Trump imposes copper-specific tariffs. While Chile currently faces a 10% general tariff—with copper exempt—the U.S. is still investigating potential copper tariffs. Chile, which supplies a quarter of global copper, is awaiting the outcome. Williams noted a potential 10% copper tariff would be lower than those on other producers like China (104%), the DRC (11%), and Peru (10%), potentially giving Chile a competitive edge despite short-term market uncertainty.

Energy Department Acts to Unleash American Coal by Strengthening Coal Technology and Securing Critical Mineral Supply Chains (April 8, 2025, [Source](#)) – The U.S. Department of Energy (DOE), under Secretary Chris Wright and following President Trump's executive order, announced new initiatives to revitalize American coal and strengthen domestic critical mineral supply chains. Key actions include reinstating the National Coal Council, offering \$200 billion in financing through the Energy Infrastructure Reinvestment Program for coal-related energy projects, and recommending the designation of steelmaking coal as a critical material. DOE is also advancing extraction of critical minerals from coal ash through patented NETL technology and supporting commercialization efforts to build a domestic supply chain and reduce reliance on foreign sources like China.

Solvay launches rare earth processing expansion amid China restrictions (April 8, 2025, [Source](#)) – Solvay has launched an expansion of its rare earth processing facility in La Rochelle, France, aiming to supply 30% of Europe's demand for processed rare earths by 2030. The initiative follows China's recent export restrictions on rare earth elements. Initially focusing on neodymium and praseodymium for EVs and wind turbines, the

company seeks customer commitments before investing up to €100 million for full-scale production. The plant's output could reach 2,000–5,000 metric tons of rare earth oxides. Solvay is also seeking EU support under the Critical Raw Materials Act to meet Europe's green transition goals.

Ma'aden seeks foreign partner for rare earth processing (April 8, 2025, [Source](#)) – Saudi Arabia's Ma'aden is evaluating partnerships with four foreign companies– MP Materials Corp. (NYSE: MP), Shenghe Resources, Lynas Rare Earths Ltd. (ASX: LYC), and [Neo Performance Materials Inc.](#) (TSX: NEO) –to develop a rare earths processing facility, with a decision expected by June. The goal is to establish local refining and eventually magnet manufacturing to support Vision 2030's economic diversification. Shenghe and Neo have the most experience in processing and magnet production. The plan aligns with Riyadh's broader strategy to secure critical mineral supply chains, including rare earths, lithium, copper, and zinc, and retain processing capabilities within the kingdom. A feasibility timeline is set to conclude by December.

Tariffs Ignite Global Trade Wars and Rare Earth Showdown Between U.S. and China (April 8, 2025, [Source](#)) – Under a new U.S. trade strategy focusing on tariffs, imports from China have faced increased duties, and Beijing has responded in kind, escalating global trade tensions. In 2024, the U.S. trade deficit with China stood at \$295.4 billion, reflecting deep structural factors. China's countermeasures include export restrictions on rare earth elements vital for electronics, defense, and renewable industries. Broad tariffs affect third-party countries, notably Laos, Canada, and Japan, potentially causing economic disruptions. Critics question tariff efficacy, suggesting they may serve more politically than economically, risking damage to global trade networks and prompting strategic resource bottlenecks.

Nuclear boom sparks urgent call for investment in new uranium mines (April 8, 2025, [Source](#)) – Demand for nuclear energy is surging, spurring the Nuclear Energy Agency and International Atomic Energy Agency to call for immediate investment in uranium mining. Their Red Book report forecasts that currently identified uranium resources could be depleted by the 2080s under a high-growth scenario. They note sufficient resources exist but urge new exploration, mining operations, and techniques to secure medium-term supplies. Governments and corporations—including Microsoft and Amazon—are turning to nuclear for reliable, low-carbon power. Kazakhstan remains the largest uranium producer, having shifted more supply to Russia and China and less to the US and Europe.

Europe seen struggling to compete with China on rare earths (April 8, 2025, [Source](#)) – Europe is expected to produce less than 5,000 metric tons of rare earths annually by 2030, far short of its projected 30,000-ton demand, due to significantly lower costs in China, which dominates 90% of global rare earth processing. According to Bain consultant Laurent Migom, the cost gap between Chinese and European value chains ranges from 20% to 70%. Of 50 rare earth mining projects outside China, only 2–5 are likely to be economically viable by 2030. Recycling may contribute to European supply post-2035 when sufficient old magnets become available.

China puts pressure on western producers of electric car battery materials (April 8, 2025, [Source](#)) – Western producers of electric vehicle battery materials face mounting pressure as China's dominance in cathode materials drives down prices and utilization rates. Bart Sap, CEO of Belgium-based Umicore, said the sector is ripe for consolidation, and the company is exploring partnerships to recover from losses. Umicore's shares dropped over 50% in the past year, prompting reduced investment and project delays. A global oversupply—mostly from China—has

led some plants to operate at only 30–40% capacity. China now controls over 80% of cathode active materials production, underscoring Western dependence on Chinese supply chains.

Trump strategy threatens critical mineral supplies for clean power (April 7, 2025, [Source](#)) – The Trump administration's escalating tariff strategy is straining U.S. access to critical minerals vital for clean energy technologies. Following sweeping tariffs—including 25% on Chinese steel, aluminium, and batteries—China imposed export restrictions on key rare earths and minerals like bismuth and tellurium. The U.S. remains heavily dependent on China, which controls 85% of global mineral processing. Trump's move to invoke the Defense Production Act and freeze Inflation Reduction Act funding creates uncertainty, jeopardizing investment in domestic mining. Rising tensions with China, Canada, and Mexico—major mineral suppliers—further risk U.S. efforts to build resilient clean energy and battery supply chains.

Chile has 28% more lithium than previous estimates, studies find (April 7, 2025, [Source](#)) – Chile's total lithium resources have increased by 28% following fresh studies on salt flats in the Antofagasta region. New analyses show that the La Isla salt flat holds 2.13 million metric tons of lithium, a 150% jump, while the Aguilar salt flat holds nearly 1 million tons, up 40%. Combined, they add 3.05 million tons of lithium to Chile's total, previously pegged by the U.S. Geological Survey at 11 million. ENAMI plans to select a partner next month to develop these deposits as part of its Salares Altoandinos project, marking an initial foray into lithium production.

Namibia becomes Russia's latest nuclear ally (April 3, 2025, [Source](#)) – Namibia, Africa's largest uranium producer, is in discussions with Russia about establishing a nuclear plant. This collaboration underscores its shift toward leveraging domestic

uranium resources, with leaders from both nations recently meeting in Windhoek to strengthen nuclear cooperation. Russia's involvement aligns with Namibia's desire to develop local processing and refining capabilities, attracting investment and boosting employment. Meanwhile, major offshore oil discoveries have drawn additional global interest. By 2024, production could reach 700,000 barrels per day, potentially positioning Namibia as Africa's fourth-largest oil producer within the next decade.

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- April 09, 2025 – Breaking the CMI Critical Minerals List 2025: A Strategic Blueprint for Global Technology, Defense, and Economic Security <https://bit.ly/42F3mPm>
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- April 7, 2025 – Updated Scoping Study Highlights Billion-Dollar Potential – Positioning ARR as a Future Rare Earth Leader in the USA <https://bit.ly/4h1mriF>
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The upcoming **CMI Summit IV**, themed *The War for Critical Minerals and Capital Resources*, is scheduled to take place in Toronto, Ontario, on May 13-14, 2025. This event aims to unite industry leaders to tackle pressing issues in the global critical minerals market. To learn more about the **CMI Summit IV**, [click here](#) – or to secure a **CMI Summit IV** 2-day Delegates Pass, [click here](#)

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