

The Implication of Global Elections on Critical Minerals in 2024

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- **US Election Implications for Critical Minerals:** Biden's reelection may expand support for domestic mining and international cooperation, while Trump's potential return could mean a more aggressive "America First" strategy, using the Defense Production Act to boost the US critical minerals supply chain and reduce reliance on China.
- **Global Electoral Impact on Mining:** This year's elections in 65 countries, including major mining nations like Mexico, Indonesia, India, and South Africa, could affect mining policies. Panama and Uruguay may see shifts, while South Korea's new liberal Parliament is expected to hinder pro-business efforts.
- **Key Election Outcomes:** Mexico elected its first female president, Claudia Sheinbaum, causing the peso to drop. Indonesia's new president, Prabowo Subianto, will likely continue non-mining-friendly policies. India's Narendra Modi is expected to strengthen his hold on power, and South Africa's ANC lost its majority, leaving President Ramaphosa to form a coalition.

This is a big electoral year for the global community, with at least 65 countries on the electoral calendar, including some big mining names such as: Mexico, Indonesia, India, South Africa, Russia, the European Union (Parliamentary representatives), and of course the United States. In addition to the "top of the ticket" list, several African countries including Namibia,

Botswana, and Ghana are in play, with no major policy changes anticipated even though new leaders will be seated in both Namibia and Ghana. Botswana's sitting President is the current favorite to win another term. In the Americas, Panama and Uruguay both seem poised for change, which could see Panama become an increasingly difficult environment for mining. South Koreans have seated a majority-liberal Parliament expected to hamstring pro-business efforts by the President. The Democratic Republic of the Congo conducted its elections November-December 2023, returning President Tshisekedi for a second term. His recently formed 54-member government is headed by a woman, the first to hold the position of Prime Minister, and has Kizito Kapinga assuming the Mining Ministry chair. Like his predecessor, he has little experience in the industry.

Some elections are being conducted and/or finalized as this article is being written: in South Africa, for instance, it is now clear that the ANC has lost its 30-year grip on majority power leaving President Cyril Ramaphosa two weeks to try and form a coalition government with his future in play and the country in a business slump. Mexico has just chosen its first woman president, Claudia Sheinbaum, former Mexico City Mayor and acolyte of outgoing president Andres Manuel Lopez Obrador (AMLO) in a sweeping victor for the nationalist Morena party that sent the peso tumbling. Indonesia seated its new government earlier this year after placing former General Prabowo Subianto in the Presidential palace. Subianto, a 72-year old nationalist with ties to former dictator Suharto, is expected to continue many of out-going President Jokowi's policies – most of which were not mining friendly. In India, final results are expected this week but it seems clear that Narendra Modi is likely to further increase his hold on power and double-down on his existing policies. And in Europe, some analysts are concerned that the EU Parliament could continue to slowly shift right as more

nationalist politicians win elections from member States. However, it seems unlikely that changes are coming in the near term to EU support for developing the critical minerals capabilities of Europe and the West.

And then there's the US, where the two parties' conventions are upcoming with predictable results likely: the Democrats will name incumbent President Biden as their candidate, and the Republicans will choose former President Donald Trump to represent them, despite his recent conviction on 34 felony counts of fraud in New York. Biden's most likely running mate will be his current Vice President, Kamala Harris (despite hopes by many analysts that she might be replaced in favor of a young man), while speculation runs rife on who Trump might chose, with Arizona's Kari Lake high on the list.

Most if not all these elections potentially can affect efforts by the US and its Western allies to source and develop the critical minerals needed to break China's hegemony and diversify the world supply/rationalize prices of key materials. But perhaps the most pressing question is whether the US elections will lead to any changes to the current critical minerals approach.

Although it is easy to criticize the Biden Administration for not doing more and more quickly, it is important to note the value of the fiscal/financial instruments Biden has provided, which include the Inflation Reduction Act, the Infrastructure Act, the Defense Production Act and Congressionally-approved changes to the mandates of institutions such as the Export-Import Bank enabling that group to lend domestically in support of mining projects. Through the Departments of Energy and Defense, as well as through the Minerals Security Partnership (MSP) program of the Department of State, the US is playing a leading role in funding promising projects in key countries in

cooperation with close allies such as Canada, Australia, the UK, and the EU. In a recent promising development, DoE announced expanded funding which will include support for primary mining, hopefully in the US as well as abroad. If Biden wins reelection these programs are likely to continue and many observers hope for improved support for domestic US mining in the form of regulatory reform to reduce the excessive time currently required to license new mines.

In the prior administration, Donald Trump was clear in his opposition to China's virtual control of the critical minerals markets globally, characterizing this as an "existential threat" to America's national security (a position also held by many Democrats). If Trump wins reelection he seems likely to double-down on efforts to minimize China's hegemonistic position, which could mean increased funding and other support for the mining industry and associated vital critical minerals industries such as magnet and battery production. Some of his statements seem to imply that as President, Trump would be inclined to make broader use of authorities available to him under the terms of the Defense Production Act to intervene more directly in the private sector and force accelerated growth of the critical minerals supply chain in America.

A possible key point of departure could be the extent of cooperation with key allies in confronting China. As he made clear in his first Administration, Trump doesn't necessarily see US and allies interests as closely aligned, and this might mean that the MSP doesn't continue and that a new emphasis could be placed on "America First." If President Biden is reelected, on the other hand, international cooperation likely would expand and potentially grow to include new "trusted allies" such as Saudi Arabia and the United Arab Emirates, both of which have received positive outreach already from this current Administration.

Conclusion

In summary, the global electoral landscape in 2024 is poised to have significant implications for the critical minerals market. With elections in key mining countries like Mexico, Indonesia, India, and South Africa, as well as the United States, the direction of mining policies and international cooperation could shift in various ways. The outcome of the U.S. presidential election, in particular, will play a crucial role. A Biden reelection is likely to continue and potentially enhance support for domestic mining and international partnerships. In contrast, a Trump victory could usher in a more aggressive “America First” strategy, leveraging the Defense Production Act to boost the U.S. critical minerals supply chain while potentially reducing reliance on international cooperation. Regardless of these outcomes, the overarching effort to establish and expand secure non-Chinese supply chains for critical minerals is expected to persist, unless there is a significant shift in China’s stance. This underscores the critical intersection of politics and resource security in shaping the future of the global minerals market.