

TMR (06.07.2024): Vietnam Halts Rare Earth Exports and the Impact of 65 Global Elections on the Critical Minerals Sector

written by Tracy Hughes | June 7, 2024

Welcome to the latest issue of the Technology Metals Report (TMR), brought to you by the [Critical Minerals Institute](#) (CMI). In this edition, we compile the most impactful stories shared by the [CMI Directors](#) over the past week, reflecting the dynamic and evolving nature of the critical minerals and technology metals industry. Among the key stories featured in this report are China's battery manufacturer CATL [topping](#) the subsidy list, the intense [competition](#) for copper deals benefiting miners, and China's strategic [plan to sell](#) affordable EVs globally. Additionally, we delve into China's unusually large copper [stockpiles](#), Vietnam's [decision](#) not to export raw rare earth elements, and the global elections' [implications](#) on critical minerals policies. These highlights are presented in chronological order, showcasing the evolving landscape of the sector.

This week's TMR Report also highlights significant developments such as Occidental Petroleum and Berkshire Hathaway [forming](#) a joint venture to extract lithium, and Northern Minerals Limited facing a [cyber attack](#) before the removal of Chinese investors. South Korean President Yoon Suk Yeol's [commitment](#) to expanding mineral ties with Africa, fund managers maintaining bullish positions on copper, and Russia's interest in taking over

France's uranium assets in Niger further underline the global stakes in the critical minerals arena. Finally, Australia's directive for Chinese investors to sell their stakes in a rare earths miner underscores the geopolitical tensions influencing the market. To become a CMI member, click [[here](#)].

CATL tops China's corporate subsidies list, outranking oil majors: (June 6, 2024, [Source](#)) – Leading Chinese battery manufacturer CATL has become the top recipient of state subsidies among mainland listed companies, highlighting a strategic shift towards supporting electric vehicles (EVs) and high-tech sectors. In 2023, CATL received 5.72 billion yuan (\$790 million) in subsidies, more than doubling its previous year's figure and accounting for 13% of its net profit. This marks the first time CATL has topped the subsidy list, traditionally dominated by state oil companies. The shift towards EVs comes as China faces scrutiny from the West for its state support of the industry. The European Commission and the U.S. have both taken measures, including tariff hikes and investigations, in response to what they perceive as market distortions caused by Chinese subsidies. Other significant subsidy recipients include SAIC Motor, which is transitioning towards EVs, and BYD, a leading private EV maker. This evolving subsidy strategy underscores China's focus on sectors with high growth potential.

Traders Are Desperate for Copper Deals and Miners Are Cashing In: (June 5, 2024, [Source](#)) – The intense competition for copper among major commodity traders is benefiting miners, who are securing lucrative deals with significant upfront payments and long-term contracts. Energy traders like Mercuria Energy Group Ltd. are expanding into metals, challenging dominant players such as Glencore PLC (LSE: GLEN) and Trafigura Group amidst a severe copper ore supply squeeze. Miners, including Eurasian Resources Group (ERG), are capitalizing on this by seeking

substantial prepayments for copper and aluminum production. Notably, ERG's offers have attracted interest from Trafigura and Mercuria. This fierce competition reflects traders' efforts to build their metals businesses and prepare for anticipated copper shortages. The resulting contracts are highly favorable for miners, extending into the late 2020s, and indicating a market shift towards sellers.

China's plan to sell cheap EVs to the rest of the world: (June 5, 2024, [Source](#)) – China's strategy to sell affordable electric vehicles (EVs) globally is exemplified by BYD's transformation of a former Ford factory in Brazil's northeast. This \$1 billion investment aims to produce EVs, hybrid cars, and battery materials, symbolizing China's global automotive expansion. Western protectionism, like Biden's new tariffs on Chinese EVs, inadvertently pushes Chinese investments into emerging markets, increasing their influence there. China's dominance in battery production and raw materials, notably nickel in Indonesia, is crucial to its EV strategy. Chinese investments have surged in developing nations, complicating foreign policy for Western governments. Brazil, despite its ethanol preference, has seen a rise in EV sales, with China's BYD and Great Wall Motor establishing local manufacturing. China's Belt and Road Initiative enhances its political and economic ties with developing countries, challenging Western automakers' market share. As Chinese EVs gain traction globally, concerns about data security and national infrastructure arise, particularly in countries like Australia.

China's Unusually Large Copper Stockpiles Fuel Demand Concerns: (June 5, 2024, [Source](#)) – China's copper inventories are unusually high for this time of year, raising concerns about demand in the world's largest market. Stockpiles in Shanghai Futures Exchange warehouses exceeded 300,000 tons last week, the highest for any end-of-May date on record. Typically,

inventories peak in March and decline as factories increase activity for summer. Mixed signals from Chinese manufacturing have emerged: the official May factory gauge showed contraction, while a private survey indicated modest improvement. The rise in inventories suggests weak domestic demand, despite global copper prices hitting a record high. Weak Chinese conditions, including a slowing economy and housing crisis, have pressured prices below \$10,000. Indicators such as the Yangshan premium turning negative and discounted import prices highlight the struggling demand.

Vietnam not to export rare earth elements, says Deputy PM: (June 4, 2024, [Source](#)) – Vietnam will not export raw rare earth elements, affirmed Deputy Prime Minister Tran Hong Ha during a National Assembly session on June 4. Vietnam's rare earth reserves account for 18% of the world's total. The global demand for these elements, crucial for manufacturing batteries, magnets, and electric vehicles, has increased by about 4% annually since 2014. The market is complex and controlled by major countries. The Vietnamese government is focusing on deep and fine processing to support industrial production. Despite having approximately 30 million tonnes of reserves, Vietnam currently produces only 1,000 tonnes per year due to technological limitations. The country is working on attracting international corporations and training engineers to boost its semiconductor industry, highlighted by the recent upgrade in US-Vietnam relations to a comprehensive strategic partnership.

The Implication of Global Elections on Critical Minerals in 2024: (June 4, 2024, [Source](#)) – The 2024 global elections will significantly impact critical minerals policies. In the US, President Biden's reelection could enhance domestic mining and international cooperation, while Trump's return might enforce an "America First" strategy, boosting the US critical minerals supply chain through the Defense Production Act. Globally,

elections in 65 countries, including Mexico, Indonesia, India, and South Africa, will influence mining policies. Mexico elected its first female president, causing the peso to drop, while Indonesia's president, Prabowo Subianto, is expected to continue non-mining-friendly policies. India's Narendra Modi is poised to strengthen his power, and South Africa's ANC lost its majority, leading President Ramaphosa to form a coalition. These elections will shape efforts to diversify the critical minerals supply chain and reduce reliance on China.

Occidental Petroleum, Berkshire Hathaway form JV to extract lithium: (June 4, 2024, [Source](#)) – Occidental Petroleum Corporation (NYSE: OXY) has formed a joint venture with BHE Renewables, a wholly owned subsidiary of Berkshire Hathaway Energy, to extract lithium. Using its technology, Occidental will produce high-purity lithium compounds at Berkshire's geothermal facility in California. Lithium, essential for electric vehicle batteries, consumer electronics, and energy storage, is attracting investment from oil majors as the U.S. and Europe push for wider EV adoption to reduce fossil fuel use. Exxon Mobil Corporation (NYSE: XOM) aims to start lithium production by 2027, while BP PLC (NYSE: BP) and Shell PLC (NYSE: SHEL) invest in EV charging infrastructure. Occidental's project will showcase its direct lithium extraction technology's environmental feasibility. BHE Renewables, managing 10 geothermal plants in California, plans to build and operate commercial lithium production facilities if the project succeeds.

Rare earths miner targeted in cyber attack prior to removal of Chinese investors: (June 4, 2024, [Source](#)) – Northern Minerals Limited (ASX: NTU), an Australian company operating the Browns Range mine in Western Australia, was targeted in a suspected cyber attack before Treasurer Jim Chalmers ordered the removal of Chinese investors. Chalmers instructed Yuxio Fund and four

other international companies to divest their shares to protect national interests. The company aims to become the first major producer of dysprosium, a key component in electric vehicles, outside of China. Northern Minerals confirmed the hack in late March, which involved exfiltration of corporate, operational, financial, and personnel data. The cybercriminal group BianLian claimed responsibility, boasting of stealing extensive data. Authorities are aware, and the company is strengthening its systems. Geopolitical events may influence such cyber activities, with nations like China and Russia using cyber groups as proxies.

South Korean president vows to expand mineral ties with Africa and send more development aid: (June 4, 2024, [Source](#)) – South Korean President Yoon Suk Yeol has pledged to enhance development aid and deepen mineral and technological cooperation with Africa. Speaking at the inaugural Korea-Africa Summit, he urged African nations to join international efforts to pressure North Korea, which has escalated its nuclear activities. Yoon announced plans to boost South Korea's cumulative development aid to Africa to \$10 billion by 2030 and provide \$14 billion in export financing. South Korea aims to secure a stable supply of critical minerals from Africa, essential for its technology industries. The summit, attended by representatives from 48 African nations, focused on trade, investment, and sustainable infrastructure development. Both sides committed to implementing U.N. Security Council resolutions against North Korea and pursuing denuclearization of the Korean Peninsula.

Funds keep faith with copper even as squeeze fades: (June 3, 2024, [Source](#)) – Despite the CME copper contract squeeze fading, fund managers maintain bullish positions in U.S. and London markets. Light profit-taking has occurred, but long positioning remains elevated, driven by a broader shift into base metals. Copper's surge to record highs made it a standout, but investor

optimism faces challenges as short-covering momentum wanes and fundamentals lag. Fund long positions dropped by 7.4% on the CME, yet remain the largest since January 2018. Similar trends are seen in London. While CME stocks fell to a six-month low, Chinese inventories surged, signaling potential de-stocking. Hedge fund predictions of copper reaching \$40,000 underscore bullish sentiment, though current dynamics suggest a more cautious outlook.

Russia Said to Seek Takeover of France's Uranium Assets in Niger: (June 3, 2024, [Source](#)) – Russia is aiming to take over uranium assets in Niger held by France's state-controlled Orano SA, challenging Western interests in Africa. Rosatom, Russia's state nuclear company, has initiated contacts with Niger's military-led authorities. This move follows Niger's July coup, which ousted its Western-allied leader. Niger, accounting for about 4% of global uranium production, has seen increased Russian influence, particularly after expelling French forces and ending security agreements with the US. Despite the early stages of discussions, the potential acquisition reflects Russia's strategy to revive its Soviet-era presence in Africa. This shift could impact France, which relies on Niger for up to 15% of its uranium needs, and the broader geopolitical landscape of uranium supply.

Australia orders Chinese investors to sell down stake in rare earths miner: (June 3, 2024, [Source](#)) – Australian Treasurer Jim Chalmers has ordered several China-linked investors, including the Yuxiao Fund, to sell their shares in Northern Mineral Limited (ASX: NTU) due to national interest concerns. Northern Minerals is developing the Browns Range heavy rare earths project in Western Australia, a strategic sector for green energy and defense. Yuxiao Fund must dispose of 80 million shares within 60 days. Other investors, including Ximei Liu, Xi Wang, and Black Stone Resources, are also required to reduce

their holdings. The decision follows advice from the Foreign Investment Review Board to protect national interests. The Browns Range project is set to supply Iluka Resources Limited's (ASX: ILU) Eneabba rare earths refinery. Australia is seeking to diversify its critical minerals industry away from China.

Investor.News Critical Minerals Media Coverage:

- June 4, 2024 – The Implication of Global Elections on Critical Minerals in 2024 <https://bit.ly/3VpX5ni>

Investor.News Critical Minerals Videos:

- June 6, 2024 – Pat Bolland with Guy Bourassa on Scandium Canada's Recent Rights Offering <https://bit.ly/4aPJmur>
- June 6, 2024 – Ian Fraser Discusses Fathom Nickel's Latest Nickel, Copper, and Cobalt Drilling Campaign <https://bit.ly/4c6FHJN>
- June 5, 2024 – American Clean Resources Group's Tawana Bain on Smart Mining and Waste-to-Energy Technologies <https://bit.ly/3X7aRwb>
- June 3, 2024 – Brent Willis on Voyageur's ambition to revolutionize radiology by vertically integrating the barium and iodine contrast market <https://bit.ly/3V6ksB0>

Critical Minerals IN8.Pro Member News

Releases:

- June 6, 2024 – Xcite and Eagle Plains Provide Update on Black Bay Uranium Project <https://bit.ly/3yMZxeG>
- June 6, 2024 – Appia to Conduct a Targeted, High Resolution, Airborne Gravity Survey over the REE-Rich Alces Lake Property, Saskatchewan, Canada <https://bit.ly/3XaXzPu>
- June 5, 2024 – Power Nickel Lion Zone Delivers Hole Assays from 2.60-17.90% CuEq With Hole 59 delivering 1.91 g/t Gold, 73.48 g/t Silver, 9.88% Copper, 6.23 g/t Palladium, 4.56 g/t Platinum, and 0.49% Nickel over 5.59m <https://bit.ly/4aUqJ8C>
- June 5, 2024 – Appia Begins Uranium Exploration Season with Ground Reconnaissance at “Eastside” Project, Saskatchewan, Canada <https://bit.ly/459CBSW>
- June 4, 2024 – Power Nickel Lion Zone Delivers Hole Assays from 2.60-17.90% CuEq With Hole 59 delivering 1.91 g/t Gold, 73.48 g/t Silver, 9.88% Copper, 6.23 g/t Palladium, 4.56 g/t Platinum, and 0.49% Nickel over 5.59m <https://bit.ly/4aPyr3Z>
- June 3, 2024 – Energy Fuels and Astron Corporation Limited Execute Definitive Agreements to Jointly Develop the Donald Rare Earth and Mineral Sands Project in Australia; Uranium Production from the Company’s U.S. mines and Alternate Feed Materials Continues to Ramp up as Planned <https://bit.ly/3X9rg3w>
- June 3, 2024 – Scandium Canada announces Units Rights Offering for up to \$3 Million <https://bit.ly/3yINj6J>
- June 3, 2024 – Power Nickel partners with Karbon-X to Offset 30,000 Meters of Drilling <https://bit.ly/3x2yHyG>
- June 3, 2024 – Canadian GoldCamps to Spend \$18M to Earn 70% of Murphy Lake <https://bit.ly/4c3N5FH>