

Under Secretary Jose Fernandez Discusses U.S. Critical Minerals Strategy for Clean Energy Transition

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In a compelling conversation with InvestorNews host Tracy Weslosky, Jose W. Fernandez, the Under Secretary of State for Economic Growth, Energy, and the Environment for the US, shared insights into the country's strategic initiatives to secure and diversify the critical minerals supply chain, vital for the clean energy transition. Fernandez emphasized the significance of critical minerals like nickel, manganese, cobalt, and lithium, outlining the efforts to expand their supply to meet future demands.

"The ones—critical minerals—that we've been focusing on are the ones that are needed for the clean energy transition. And those are four or five minerals. They include nickel, manganese, cobalt, and lithium. We're working to find ways to expand the supply of that. And we think that there are opportunities in a number of countries that have reached out to us. Now, what we're trying to do is really not focus so much on the philosophy of things but actually on concrete projects. How do we go to a country in Africa that's looking for investment and provide them with an alternative? In order for us to do that, we're going to have to find the right companies. Our banks are going to have to get involved in the financing. These companies and we are going to have to convince these countries that we will do things the right way."

Fernandez highlighted the challenges faced by the US in the

global supply chain, noting the vulnerability and need to address the monopolization of critical mineral resources. Currently, a significant portion of these essential minerals is controlled by China, presenting a strategic vulnerability for the United States and its allies.

“Companies and organizations have recognized a need, a vulnerability, and a challenge. Simply put, the need is for exponentially greater quantities of critical minerals than we use today. To give you a couple of examples, we will need 42 times the amount of lithium and 25 times the amount of manganese than we use today by 2050. The numbers are staggering. The vulnerability lies in the fact that currently, two-thirds or more of these minerals are owned, controlled, mined, or processed by one country, China. This represents a significant vulnerability. The challenge is for our companies to become more involved in this industry, which is essential for us to diversify our supply chain. To do this, we need to promote our values. Our values include respecting the environment, working with communities, and doing everything we can to improve transparency. These are our selling points. Despite the progress not being as fast as we would like, we are making headway.”

The interview underscored the United States’ proactive approach to not just securing but also ethically sourcing critical minerals necessary for the global transition to clean energy.