

The Critical Minerals Economy Was Never About the Dollar

written by Tracy Hughes | July 7, 2026

The debate over the future of the U.S. dollar has become one of the more persistent themes in financial markets. It is usually framed through the familiar language of government debt, fiscal deficits, trade balances, sanctions policy and geopolitical realignment. Those issues matter. The dollar remains the dominant reserve currency, accounting for 57.13% of allocated global foreign exchange reserves in the first quarter of 2026, according to the IMF. But for investors in critical minerals, I think the more important question is not whether the dollar gradually loses some of its privileged position. It is whether a change in the currency of settlement would alter where economic value is actually created.

The answer is less dramatic than much of the macro commentary suggests. A weaker dollar can make internationally traded minerals more expensive in dollar terms, but that does not automatically make mineral producers more profitable. Mines pay wages, power costs, taxes, reagents, transport and compliance expenses in local currencies. A Canadian project has Canadian-dollar costs. An Australian project has Australian-dollar costs. A Brazilian project has real-denominated costs. Investors should therefore be careful not to confuse currency inflation with wealth creation.

The more consequential risk is not that critical minerals stop being quoted in dollars overnight. It is that pricing becomes more regional, less transparent and more closely tied to industrial control. That process is already visible in rare earths, where there has never been a true equivalent of the

London Metal Exchange for neodymium, praseodymium, dysprosium or terbium. Published prices exist, but the commercial reality is shaped by negotiations among miners, separators, metal producers, alloy makers, magnet manufacturers and industrial customers. This is not a simple commodity market. It is a manufacturing chain with a mineral input.

Jack Lifton has expressed this point more directly than almost anyone in the industry: "The rare earth industry is not simply another branch of mining. It is a specialized manufacturing industry whose first step is mining." That observation should be pinned above every investor presentation in the sector. It explains why resource ownership, while necessary, is not the same as pricing power. The value in rare earths is not created when ore is identified. It is created when material is separated, refined, reduced to metal, alloyed, manufactured into magnets and qualified by customers that cannot afford failure.

The International Energy Agency's latest rare earth work supports the same conclusion. The rare earth value chain runs from extraction and beneficiation through chemical upgrading, separation, metal refining, alloying and magnet manufacturing. China accounted for 60% of global mined production of magnet rare earths in 2024, but its position becomes far more dominant further downstream: 91% of refined output and 94% of sintered permanent magnet production. The pricing power, in other words, does not sit primarily at the mine gate. It sits where materials become qualified industrial products.

This distinction is often lost in Western policy discussions. Governments still tend to celebrate mines because mines are visible, domestic and politically saleable. Processing plants, metal-making facilities, alloy producers and magnet factories are less easily explained, more technically demanding and harder to finance. Yet these are precisely the stages where commercial

leverage is built. An automotive manufacturer does not buy a deposit. A defence contractor does not buy a resource estimate. They buy reliability, repeatability, technical accountability and security of supply.

That is also the lesson emerging from the Critical Minerals Platform. The platform tracks pricing, corporate intelligence and supply-chain data across global critical minerals markets, but its most useful contribution is not the daily price point alone. It is the way the data reveal industrial chokepoints that sit beyond the mine. A recent CMP market briefing noted that supply disruptions do not always begin with geology; they can emerge from export licensing, refining capacity, processing chemicals, filtration materials or specialized manufacturing constraints. In the same report, heavy rare earth prices softened even as their long-term strategic importance remained intact, a reminder that near-term prices often reflect market structure as much as demand narratives.

This is where China's model is most misunderstood. The objective has not been to maximize profits at the raw-material level. The objective has been to support competitive downstream manufacturing. Abundant domestic feedstock, disciplined pricing and a protected industrial ecosystem have allowed China to build scale in separation, metals, alloys and magnets. The margins at each individual stage may not resemble the returns expected by Western investors, but the system produces globally competitive finished products. That is not accidental. It is industrial policy expressed through supply-chain economics.

It also helps explain why rare earth permanent magnets became so widely adopted. They were not merely superior in performance; they were consistently available at prices that allowed engineers to design them into products where alternatives might otherwise have sufficed. If that price structure changes

materially, some marginal applications will eventually shift. Demand is not fixed simply because a material is strategic. It depends on cost, performance, substitution and customer confidence.

None of this means the dollar is irrelevant. Reserve currency status has helped support deep U.S. capital markets, and critical minerals projects remain highly capital intensive. Separation plants, lithium conversion facilities, nickel refineries, graphite processing operations and magnet factories require large amounts of capital long before they produce steady revenue. If financing costs rise in a more fragmented monetary system, projects that look attractive under current assumptions may become marginal. At the same time, a weaker dollar or higher import costs could make some domestic processing more competitive than it appears today. Both effects can be true at once.

For investors, the practical conclusion is that currency is a denominator, not a strategy. The more important questions are industrial. Who can process material at specification? Who has metallurgical experience? Who can produce alloy or magnets consistently? Who has qualified customers? Who can survive without assuming that government support will last indefinitely? The IEA has warned that existing and planned capacity outside China falls well short of future needs in refining and magnet manufacturing, which is precisely where the West remains most exposed.

The critical minerals economy was never really about the dollar. It was always about capability. Currencies affect contracts, financing costs and reported prices, but they do not transform a mineral deposit into an industrial supply chain. That work is done by chemists, metallurgists, engineers, plant operators, procurement teams and manufacturers that understand what

customers actually require. Investors who focus only on the currency in which the invoice is paid may miss the more important question: who has earned the right to write it?