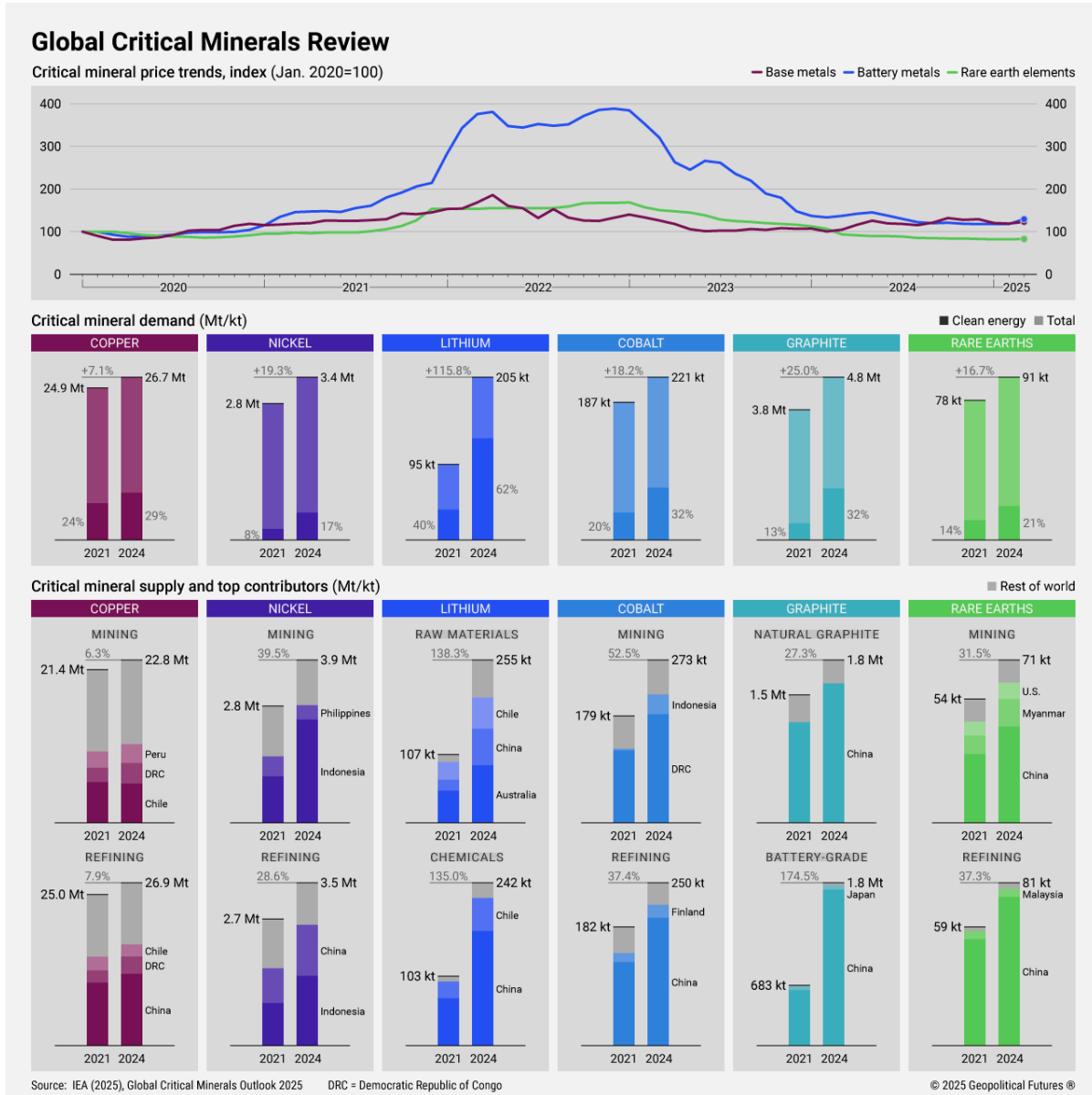


Tariffs and Distrust Hit Critical Minerals

by Geopolitical Futures - June 6, 2025



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Base metals, battery metals and rare earth elements play major roles in the production of industrial and consumer goods used daily. Price volatility in these markets has eased in recent years,

suggesting that producers have successfully scaled up new supply, particularly for base metals. Although overall demand for critical minerals remains strong, the return to pre-pandemic price levels has discouraged some investors from launching new projects related to nickel, cobalt and zinc. In contrast, materials like lithium, uranium and copper have not yet seen a comparable price decline.

Refining capacity and tariff uncertainty are also shaping the trajectory of the critical minerals industry. Refining operations are concentrated in a small number of countries. While the dominant player varies by material, China remains the world's leading refiner across most metals. Current projections by the International Energy Agency suggest little change in the global refining landscape, despite widespread concern over the risks of overreliance on China. Both China and the United States have imposed export restrictions and tariffs as part of their ongoing trade conflict, which has already begun to affect market availability. This uncertainty has created a chilling effect on new supply development. Many investors prefer to wait for more stable conditions before committing capital to new ventures.

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