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CENTRAL ASIA



## US and EU drumbeat for Central Asia's critical minerals grows louder

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It is not just the Trump administration that is into hard rocks. The European Union is also a big fan of Central Asian metal.

In their dealings with Central Asian governments, US and EU officials seem fixated on expanding access to the region's abundance of "critical minerals."

Over the past few days, top Trump administration officials have courted Kazakhstan. Energy Secretary Chris Wright raised the topic of rare earths during a March 13 meeting with his Kazakh counterpart, Almassadam Satkaliyev, on the sidelines of an energy conference in Houston.

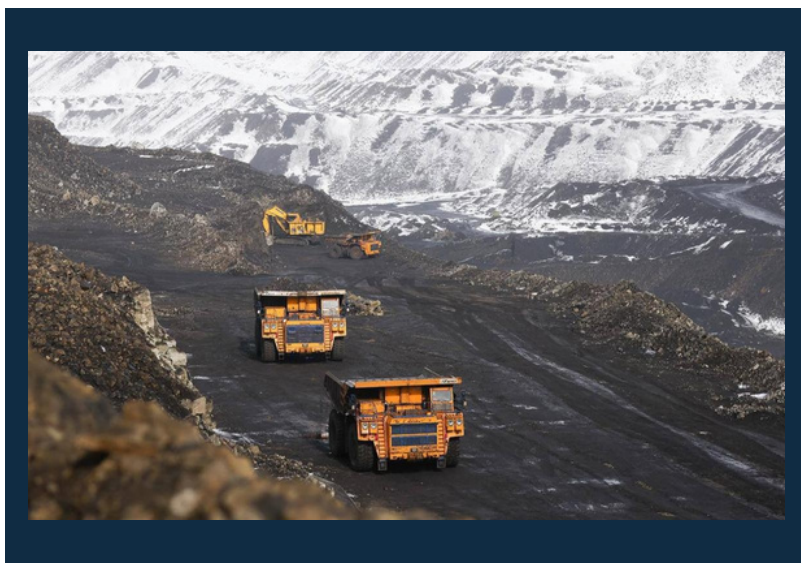
A day earlier, Secretary of State Marco Rubio issued a statement following talks with Kazakh Deputy Prime Minister-Foreign Minister Murat Nurtleu stating that the United States "looks forward to working with Kazakhstan to deepen economic ties in the energy, telecommunications, and critical minerals sectors."

The growing American interest in critical minerals is matched by the European Union. European Commissioner for International Partnerships Jozef Sikelak, who began a six-day tour of the five Central States on March 12, is also scouting out potential investments in the mining sector.

An EU statement noted that critical minerals is one of the four main topics for discussion with Central Asian leaders during Sikelak's visit, with the EU aiming to promote "best practices, new jobs and economic resilience." The other chief aims of the tour are to improve infrastructure in transport, digital connectivity and water, energy & the climate sectors, enabling an expansion of trade between Central Asia and the EU. During a stop in Uzbekistan, Sikelak is scheduled to tour the Almalyk Mining and Metallurgical Complex.

Uzbekistan earlier in March announced a \$2.6 billion initiative to develop its mineral and mining sector creating a prime opportunity for US and European investment.

During his recent visit to France, Uzbek leader Shavkat Mirziyoyev signed a \$5 million mineral deal, the state-aligned Gazeta.uz outlet reported March 13. As part of the agreement, France's Geological Service will "provide its experience and knowledge for the development of the national geological service in Uzbekistan," the Gazeta.uz report said. Another project involves "geological and technical studies of critical minerals."



A lack of supply of rare earths needed to power many of the gadgets deemed indispensable in the 21st century is prompting the US and EU to look to Central Asia as a supply source. "A combination of factors makes Central Asia – particularly resource-endowed Kazakhstan but also Uzbekistan and Tajikistan – the most viable alternative to traditional suppliers [especially China]," according to an analysis published in late 2024 by the Australia-based Lowy Institute.

But the United States and EU must play catch-up to gain a significant share in the region's mining and minerals sector. China long ago established itself as the region's dominant player.

"China's own growing internal demand for critical minerals – primarily associated with the rapidly increasing production of microchips and green energy – makes its strategic interest in this sector of Central Asian economies particularly strong," the Lowy Institute analysis stated. "In effect, Beijing has already taken the lead, especially in Kyrgyzstan and Tajikistan, where it controls almost all the leases of rare-earth mining."

While few opportunities may exist with current mining operations, the US and EU have an opportunity to capture a major share of future projects.

"Central Asian leaders understand that without foreign (financial) capital, know-how and technologies, capitalization on local resource potential is not realistic," said the Lowy Institute analysis. "They have also realized that collaborative actions will better enable them to excel in producing [critical minerals], thus securing their place in the global supply chain."