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ANALYSIS**

TOPIC

**India's Critical Mineral
Mission and Africa's Role**

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INDIA'S CRITICAL MINERAL MISSION AND AFRICA'S ROLE

In Context

- In the Union Budget 2024-25, the Union government announced the **Critical Mineral Mission** aimed at securing access to essential minerals crucial for the country's energy transition and technology development.

About

- Given India's limited **domestic reserves of critical minerals**, such as lithium, cobalt, and rare earth elements, the mission emphasizes three key areas: expanding domestic production, prioritizing the recycling of critical minerals, and incentivizing the overseas acquisition of assets.
- Africa, with its vast reserves of critical minerals, **offers significant opportunities for India**. However, this mission must also navigate the geopolitical competition, particularly with China, which already has a strong foothold in Africa's mineral sectors.

India's Critical Mineral Mission: Objectives and Structure

The **Critical Mineral Mission** was launched to reduce India's dependence on imports for essential minerals that are vital to its **green energy transition, battery manufacturing, and electronics industry**. The key objectives include:

- **Expanding Domestic Production:** India is taking steps to enhance domestic exploration and production of critical minerals. The **Mines and Minerals (Development and Regulation) Amendment Bill, 2023**, allows private players to explore six minerals previously under government control, boosting potential domestic supply.
- **Recycling of Critical Minerals:** With limited reserves, recycling critical minerals from used batteries, electronics, and other components is being prioritized. This approach ensures resource efficiency and sustainability.
- **Overseas Acquisition of Assets:** India has taken proactive steps to acquire critical mineral assets globally through **Khanij Bidesh India Limited (KABIL)**, a joint venture of three PSUs. This entity has already secured a lithium exploration agreement in Argentina in 2024, marking a significant milestone in India's resource diplomacy.

Africa's Strategic Role in India's Supply Chain

Africa holds **30% of the world's critical mineral reserves**, making it a vital partner for India's Critical Mineral Mission. India's deep-rooted historical, political, and economic ties with Africa position it well to collaborate in securing critical minerals.

- **Bilateral Trade and Existing Ties:** India's total bilateral trade with Africa in **2022-23** stood at **\$98 billion**, with **\$43 billion** of that attributed to the mining and mineral sectors. This solid trade foundation offers a strong platform for expanding collaboration in critical minerals.
- **Potential for Energy Partnerships:** Africa is already a significant supplier of energy resources to India, including **34 million tonnes of oil**, which accounts for **15% of India's oil demand**. The opportunity to expand this partnership into critical minerals aligns with Africa's desire to diversify its resource exports.
- **Diplomatic Engagement:** India has deepened its diplomatic ties with Africa, evidenced by the **expansion of new diplomatic missions** and the presence of a **3 million-strong diaspora**. These connections enhance India's ability to form mineral partnerships with Africa and engage in joint ventures in the region.

Opportunities for Collaboration: Enhancing Value Addition

- **Geological Mapping and Infrastructure Development:** India's **expertise in mining infrastructure** can help Africa move from a **'pit-to-port' model** to a value-added mineral processing model. India's **MoUs with Zambia and Zimbabwe** to collaborate on geological mapping, mineral deposit modeling, and infrastructure projects are steps in this direction.

- **Capacity Building:** India's **Indian Technical and Economic Cooperation (ITEC)** program, which has trained **40,000 Africans in 10 years**, can further be used to upskill the workforce for Africa's critical mineral extraction and processing sectors.
- **Technological Collaboration:** Indian **start-ups** specializing in mining technologies, tools for exploration, and environmental conservation can provide services that accelerate exploration and extraction in an eco-friendly manner. These innovations align with African governments' goals to **add value** to their mineral resources and ensure **sustainable development**.

Challenges and Geopolitical Competition: The China Factor

China has long held a dominant position in Africa's mining sector, controlling vast portions of the **cobalt supply** in the **Democratic Republic of Congo (DRC)** and signing large-scale mineral deals across the continent. China's involvement poses significant challenges for India:

- **China's Dominance:** China's strategic investments, such as the **\$7 billion minerals-for-infrastructure deal** in the DRC, give it substantial control over the supply chain for key minerals. This dominance presents a major **economic and security risk** for India's mineral ambitions.
- **Overcoming Competition:** India will need to offer competitive alternatives to China's heavy investments in Africa. Focusing on **sustainable partnerships**, transparent practices, and the alignment of Indian-African interests on **value addition** in mineral processing could help India gain favor with African nations looking for diversified partnerships.

Way Forward: Strategic and Sustainable Partnerships

- **Responsible Mining Practices:** To differentiate itself from China's heavy resource extraction methods, India must promote **responsible mining practices**. This includes reducing environmental degradation, respecting local communities, and offering fair trade agreements that benefit African economies.
- **Leveraging African Policies:** African countries are increasingly pushing for **value addition** through policies such as the **African Green Mineral Strategy**. India's mission must align with these policies to create long-term partnerships that benefit both sides.
- **India's Role in Africa's Green Energy Transition:** India is already investing in **solar energy projects** in Africa as part of the **International Solar Alliance**. Extending this cooperation to include **critical mineral supply chains** would create a mutually beneficial partnership that supports Africa's development agenda and India's industrial goals.

Conclusion

- India's **Critical Mineral Mission** represents a strategic opportunity to secure essential resources needed for its energy transition and technological advancements. However, success in this mission will require **sustainable, responsible partnerships**, particularly in **Africa**, a continent that holds significant mineral reserves.
- By leveraging its historical ties, upskilling initiatives, and commitment to value addition, India can forge resilient supply chains. Simultaneously, it must remain cognizant of the geopolitical landscape, particularly China's influence, and develop a long-term, diversified strategy that aligns with Africa's evolving economic and policy priorities.



Mains Practice Question

- [Q] Critically assess the role of Africa in India's Critical Mineral Mission, considering the geopolitical challenges and opportunities for collaboration.