Minerals for Growth – Realising Germany's Ambitions
Parliamentary Briefing and Discussion

On 27 January 2026, thirty representatives of industry, policy, minerals, finance, international partners and think tanks gathered in Berlin for a lively and informed discussion(1) of global mineral market trends, European minerals policy and implications for German industry and economy.

The discussion highlighted European approaches focused on reshoring mineral activity, at the risk of underplaying international partnerships with reliable allies leading on mineral stakes, including Canada; German positions evolving from free-market orthodoxy and facing societal opposition based *inter alia* on environmental concerns; and the challenge for the global and European minerals sector of fulfilling both policy's resilience goals and industry's price-led procurement.

Outcomes

Problem Definition - Decades of reliance on global markets have resulted in **limited awareness** in Europe and Germany of how minerals are sourced and transformed: lack of value chain vision is a systemic issue affecting industrial risk management, policy and underlying societal choices

► Call to Action: Inform and mobilise relevant stakeholder groups, including legislators

Solutions Mindset - All policy tools must be adjusted and deployed towards **mineral resilience**, differentiating growth and protection minerals to tailor intervention for short, medium and long-term outcomes, and leveraging European strengths and German leadership

► Call to Action: Catalyse European and German industrial and financial might for mineral resilience

Stronger Together - Europe's **global relationships** are strategic assets: with a clear vision of its strategic priorities, Europe and Germany must enhance collaboration with reliable allies and (re)develop economic leverage to engage with partners and rivals from a place of strength

► Call to Action: Bolster international partnerships to derisk mineral value chains

Shared Vision - Mineral resilience is foundational to the **European future**, from industrialisation for economic security to new defence requirements to safeguard democracy, peace and freedom: European values must continue to guide policy and balance difficult societal choices

► Call to Action: Align European and German investment in mineral resilience with existential stakes

Next Steps

This convening laid the foundations for a dynamic network supporting sound policy and international engagement: the conveners invite participants and other interested parties to engage and collaborate towards more robust European and German strategies towards mineral resilience. Upcoming dialogue opportunities will focus on options to level the playing field in the face of market disruption – including multilateral initiatives, mineral financing and strategic priorities underlying European and German approaches to mineral resilience.

Context

Europe's vulnerability to geopolitical weaponisation of mineral value chains is no longer theoretical: crisis follows crisis, with stark effects on competitiveness, economic security and ultimately, sovereignty. The time for complacency has passed and European and Member State policy shapers are taking action for more reliable, responsible and resilient mineral value chains.

The EU's mineral supply economy, hinging on the May 2024 CRM Act updated with the RESourceEU Action Plan in December 2025, aims to equip European policy and industry for mitigation of such risks; Germany has also implemented measures towards diversification of mineral supply, including a sovereign funding instrument managed by KfW. As the clock ticks on critical mineral supply for German industry, the opportunity and efficacy of these approaches must be assessed pragmatically.

> "*We have had so many wake-up calls – the energy crisis following Russia's war of aggression against Ukraine, concerns over European defence capabilities, the rare earths crisis… We are not alone but must urgently redefine European strategies to engage more effectively with partners - and rivals*"

Coordinated European and German action should simultaneously:

- **Diversify mineral supply in the short term** by maintaining and expanding responsible mineral operations in established mining and processing regions (recognising that new project timelines simply cannot meet urgent requirements), through invigorated strategic partnerships and alignment with reliable allies;
- **Maintain and bolster European and German strengths** in international trade, infrastructure and processing, as levers of strategic autonomy and economic leverage; and
- **Reduce dependencies over the medium to long term** through new project development, innovation and market design. Circularity is also a pillar of Europe's long-term repositioning on mineral stakes, but not a short-term solution: sourcing raw materials and processed minerals, in most strategic value chains, will be dominated by primary production for years to come.

Achieving these goals requires strategic vision and considering Europe's place in a globally competitive landscape, beyond 'business as usual' policy. The **principled yet pragmatic mindset** needed is perhaps epitomised in the December 2025 update to the EU's Economic Security doctrine, which "*reflects a paradigm shift, moving from a reactive posture towards a more proactive and systematic deployment of tools. The EU will also be more strategic in leveraging its economic weight and access to its Single Market. The EU's measures will remain targeted, proportionate and focused on addressing specific high-risk situations. At the same time, the EU, its Member States and businesses will increasingly need to accept the economic costs that come with increased security and resilience.*"

Efforts are also underway at **multilateral level** to redesign mineral value chains for more security, resilience and responsibility: under the Canadian presidency, G7 leaders announced a Critical Minerals Action Plan, endorsed by Australia, India and Korea, which led to a Roadmap to Promote Standards-based Markets for Critical Minerals in October 2025.

A few days after this convening, the European Court of Auditors (ECA) added to the sense of urgency with a special report pronouncing EU mineral security initiatives "*not rock-solid policy*" and recommending the Commission "*strengthen the foundations of the EU's raw materials policy, ensure that diversification efforts lead to more secure supply, address financing bottlenecks, make better use of sustainable resource management and increase the added value of Strategic Projects.*"

Discussion

Decades of reliance on global markets have resulted in limited awareness in Europe and Germany of how minerals are sourced and transformed: lack of value chain vision is a systemic issue affecting industrial risk management, policy and underlying societal choices.

Although not specific to this industry, European and German unfamiliarity with the sector's drivers and constraints has particularly adverse effects in mineral value chains, where complacency delays industrial strategies to invest in resilience and responsibility of mineral supply, and policy intervention can be mistargeted – or worst, reflect a direction set elsewhere: the EU and Germany must be actors in global minerals, not policy takers. Widely considered a remnant of bygone industrial landscapes, European and German mineral capacity was often surrendered to efficiency and profitability considerations while environmental or social externalities were delegated to third countries. While this previously constituted an advantage, the era has changed and rebuilding autonomy and resilience in the face of adverse market conditions is difficult and expensive.

The resulting policy construct of criticality does not necessarily reflect market reality and may need redefining to better guide European and German initiatives: while no mineral is extracted and transformed without a buyer, for which the resulting product is by definition very necessary, it's the criticality of applications or user industries that focuses policy and societal attention. To diversify and derisk mineral supply requires both a dynamic global mineral sector across all commodities and policy intervention focused on strategic value chains. European and German priorities are shifting, encompassing both transition goals and regional security imperatives: this is starting to be reflected in the RESourceEU Action Plan refocus on "*value chains for rare earths permanent magnets, battery raw materials and defence-related raw materials, given their strategic dimension for Europe's competitiveness, transition and defence readiness objectives*."

In this context European mineral processing is vital. As highlighted again by the European Court of Auditors, this sector is under intense competitiveness pressure with high fixed costs, regulatory burden – not always justified by the validity of sustainability outcomes – and market disruption by systemic rivals. Overcapacity is core to China's mineral value chain strategies, which are not held to market rules but driven by national security considerations. Yet European market protection remains timid, mostly focused on qualitative parameters including sustainability requirements – not actually a barrier for Chinese exports often produced in state-of-the-art facilities at a scale unmatched elsewhere. Supporting and protecting European processing capacity is more than a strategic autonomy imperative: the relevance of this sector is also a competitive advantage and a foundation on which Europe and Germany can rebuild industrial strength and avoid the "*vicious circle*" highlighted by the ECA, where "*lack of supply hinders the development of processing projects, which in turn reduces the impetus to secure supply*". To unlock this bottleneck in mineral value chains, policy support should integrate allied capacity where it is available and can be scaled and pay specific attention to minerals characterised by small volumes and opaque markets.

> *"We have had ten years to accept that markets do not offer the requisite security of supply and invest in resilience – yet this remains a difficult decision for German industry"*
>
> *"The European context, of having to design and implement new strategies across all Member States, each with specific interests and influences, is both a challenge and a strength – once set, the direction is firm, but it takes time. Europeans must rally to strengthen our economic security"*

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European and German strategies can acknowledge hard choices to be made and encourage industrial and financial actors to align with policy goals whilst enhancing the region's strengths: clearer prioritisation, robust coordination within the internal market and diversification of supply sources favouring allies may initially come at a price, but this should be considered an investment in resilience, with durable dividends in security, stability and growth, rather than a cost.

Throughout the discussion German strengths and opportunities for leadership were spotlighted, from the endurance of its industrial ecosystem, including some of the world's leading mining and mineral processing equipment manufacturers, to the excellence of the German mineral observatory DERA and credibility of German cooperation for sustainability and responsibility in the raw materials sector through GIZ. European capital, both sovereign and private, is also an invaluable lever for action which must be regeared to strategic priorities – not to "buy a way out of problems" but rather to align European assets and long-term strategies with economic security. Germany, among EU Member States, has been decisive in allocating sovereign capital to mineral priorities: this example must be followed and amplified at European level, through increased coordination of Member State mineral financing tools and a dedicated EU funding instrument.

Public funding of mineral priorities must be prioritised to provide long-term resources not available from other sources (or at least not on suitable terms); and simultaneously have a strong catalytic effect for further funding, reducing the cost of capital for operators. Unlocking private capital is the long-term game-changer: the EU's Competitiveness Compass aims for the mobilisation of EUR 10 trillion of European household savings towards future-oriented growth sectors bolstered by public finance. For mineral priorities mostly excluded by European finance to date, this will require outstanding initiative and leadership from public funding initiatives.

Europe's global relationships are strategic assets: with a clear vision of its strategic priorities, Europe and Germany must enhance collaboration with reliable allies and (re)develop economic leverage to engage with partners and rivals from a place of strength. European and German credibility as partners, industrial leaders and proponents of a 'third way' allowing flexible yet effective partnerships with all global players must be maintained and bolstered to support European and partner needs and expectations.

Canada's close collaboration with Germany, bilaterally and through the strategic partnership with the EU, was spotlighted in the discussion. This is a deep, multifaceted relationship grounded in shared democratic values, robust trade and close cooperation in security, energy, trade and investment, climate action and research and innovation.

Under Canada's presidency in 2025, G7 countries and their partners made strides to address global pricing challenges facing critical minerals projects, recognising "*it is imperative to differentiate fair and market-oriented critical minerals supply chains from those dominated by non-market policies and practices that reduce investment, generate pricing volatility, create dependency, hinder supply chain diversification, stability, and reliability, and undermine our shared economic and security interests*". Shared commitments to use procurement, tax codes, financial incentives, investment policies, trade measures and price floors to reduce adverse dependencies must guide both policy and economic actors, who are called upon to consider economic and national security concerns as they make procurement, investment and partnership decisions.

In mineral stakes Canada is more than a destination: its mineral reserves are a vital asset, which can be leveraged to the benefit of European allies, including Germany; but more than this, Canada's expertise in responsible mineral investment and operations worldwide could be a shared resource. The EU's partnership with Canada, including German industrial leadership, can play out both in bilateral trade and investment and through closer alignment in resource-rich regions, to diversify mineral supply whilst ensuring shared benefits to local communities and host countries.

Mineral resilience is foundational to the European future, from industrialisation for economic security to new defence requirements to safeguard democracy, peace and freedom: European values must continue to guide policy and balance difficult societal choices.

Europeans are not inclined to accept shortcuts or a reversal of sustainability principles which are effective safeguards for their and the global future. There is however a clear need to consider, at EU and national levels, whether regulatory frameworks implemented to realise these principles are fit for purpose and achieve valid sustainability outcomes; and if regearing regulation is necessary for effectiveness, it must not be to the detriment of trust, particularly in a sector where societal licence to operate remains subject to debate.

The legacy of minerals looms large in many parts of the EU, including Germany: policy shapers, the minerals sector and stakeholders must find avenues to collaborate to both boost domestic investment attractiveness – for strategic autonomy but also to shore up the credibility of European criticality narratives – and foster responsible investment and operations. European standards can be strengths, if they are backed by significant investment in regulator capacity: strong permitting agencies, with all required resources, information and skills, can be key partners for operators, anticipating and mitigating risk and building trust with all stakeholders – including global mineral finance markets which doubt EU mineral ambitions.

This must carry through to international partnerships: beyond slogans of value addition, Europeans and their partners must be clear-eyed about market conditions and the value of responsible operations in aligned countries and regions. Fostering a market for responsible production is essential but will take time – which Europeans, including German industry, no longer have; European and German investment in mineral operations worldwide would both boost economic security in the short term and support generalisation of sustainability standards.

> "*The stakes are existential – when dependency is weaponised, it's not just European industry at risk, it's the very foundations of our way of life, of the European vision: political stability, freedom and peace, a European future founded on realising our ambitions and living by our principles. We must reset dependencies towards cooperation among equal partners*"

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(1) The convening was held under the Chatham House Rule: participants are free to use the information received, but neither the identity nor the affiliation of speakers, nor that of any other participant, may be revealed. Except where attributed, quotes in italics are freely adapted from discussions (not verbatim).