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2026 TRADE FORUM

Trade Policy in a Fragmented World: Accessions, Industrial Policy, and the New Multilateralism

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Critical minerals:
a development opportunity
that can go wrong

4–6×

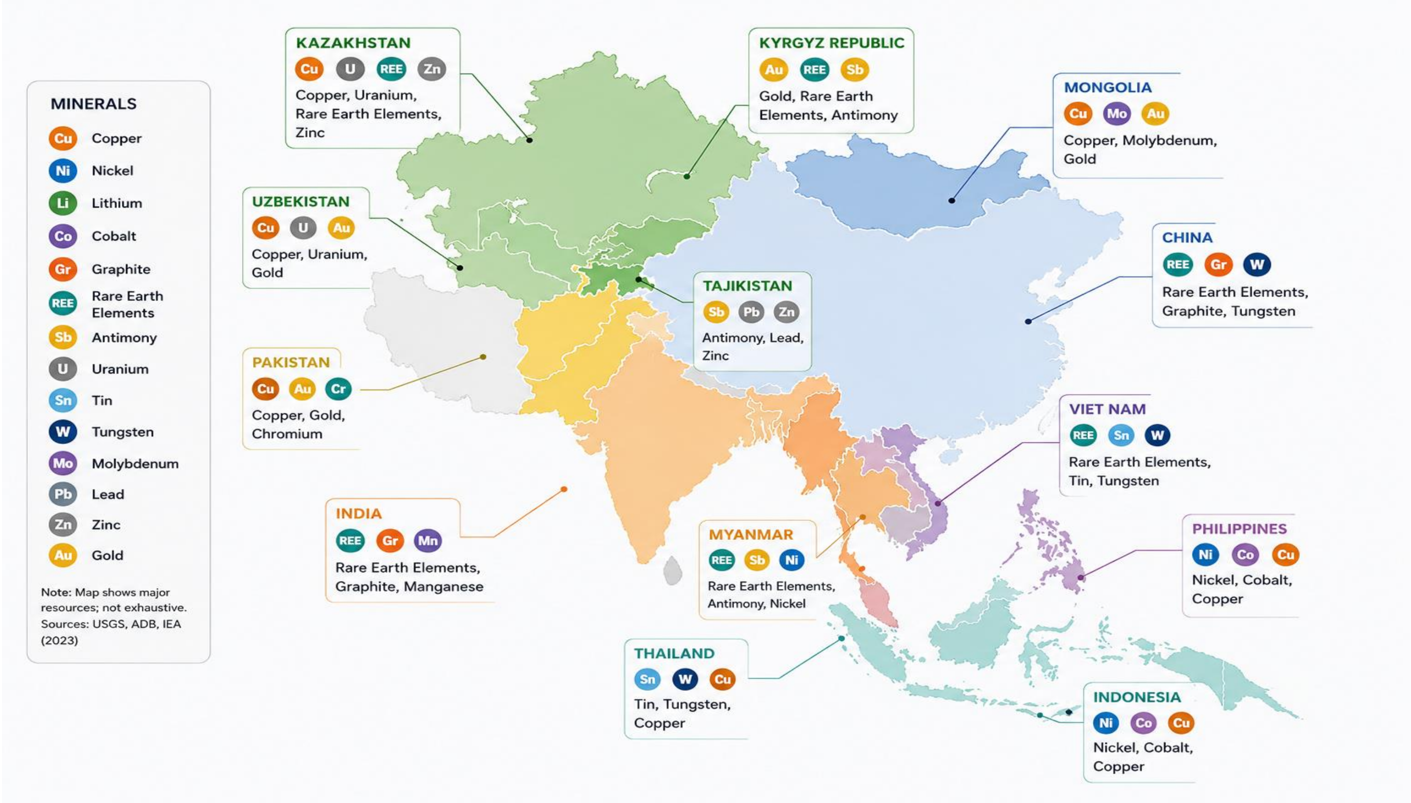
Demand growth by 2040

Strategic: Clean energy - Digital - Defence

Supply concentration creates tensions

Central Asia Alone

38% Mn, 30% Cr, 20% Pb, 13% Zn, 5% Cu Co



Indonesia	60% world nickel production world #1
Philippines	9% world nickel production
Tajikistan	25% world antimony (world #2)
Vietnam	World #2 rare earth reserves
Uzbekistan	World's 11th largest copper reserves

The question is how critical minerals become development

Indonesia's nickel transformation: striking, specific, and not a recipe

2015 → 2024

6%→60%
World nickel production

2→ over 40
Smelters

$11,9→$38-40bn
Export revenues

2020 → 2023

0%→30%
Battery-grade supply

POLICIES USED: Export ban on unprocessed ore Conditioned FDI Integrated industrial parks State-sanctioned captive coal plants Nationalistic narrative

The policies did not create the conditions. The conditions made the policies work

GLOBAL CONDITIONS

Global market
Exploding demand and China need offshore

Global geopolitics
China–Indonesia strategic alignment

Global technology
A new technology (HPAL): available, dromant

DOMESTIC CONDITIONS

Political, institutions
Centralised authority sustained export ban, coordination capacity

Domestic resources
Large nickel reserves + captive cheap coal , industrial capabilities, cheap labour

Domestic market
Fragmented, state-linked miners + no strong processors

All six conditions co-evolved simultaneously, remove any one - the outcome changes entirely.
This is not a recipe. It is a specific historical configuration.

Indonesia: three sustainability questions

Economic & technological

0.3 patents per $bn exports

- China controls ~75% refining
- 80–90% of machinery from China
- 82% of exports return to China
- Knowledge and market dependency
- **Repositioning ≠ upgrading**

Environmental

170 Mt CO_2/year
$2.6bn health costs

- EU buyers challenging Indonesian nickel
- Ecosystem destruction · water and energy competition · toxic releases · long-term liabilities
- **ESG is necessary - but not sufficient.**

+ local monitoring with teeth

Socio-political

Conflicts · resistance growing

- Labour disputes, land conflicts, socio-environmental conflicts
- **Social licence crucial**

Every country can find a position - which pathway fits yours?

↓DOWNSTREAM

Processing · refining · manufacturing

- Highest value · hardest configuration
- Intensive use of the resources

↑UPSTREAM CAPABILITIES

Knowledge-intensive extraction

- Automation · Direct Lithium extraction, low-water,
- Low-carbon · geological knowledge

Tajikistan
Antimony · China tech over-specified for richer deposits? → adapted tech = more learning

SUPPLIER ECOSYSTEMS

Local firms servicing mining

- Engineering · environmental services
- Software · water · logistics
- **More possibilities, most accessible entry point**

PH **Philippines**
Semiconductor· EMS Engineeringm labour force → pivot to mining services

Policy options

Objective	Restrictive instruments	Enabling instruments
Downstream	Export bans · export taxes · beneficiation	SEZs · SOEs · tax incentives · joint ventures, preferencial
Supplier	Local content · licensing conditionalities	Supplier matching · R&D · training · innovation finance
Complementary	Infrastructure obligations	Geological surveys · energy investment · regulatory clarity

Cross-cutting - required: Public-private partnerships · Social licence & community agreements · International cooperation

Chile's minerals strategy: striking results, enabling policies

World #1 copper	World #2 Zero → 26%	World #1	3,000+ suppliers
30+ years · 24% world production ·	252,000t LCE · Atacama alone	Clean energy in mining 4,500 MW · 3× Australia	Knowledge-intensive $13bn combined sales

Policy mix - almost entirely enabling, not restrictive · Chile built leverage through institutional credibility

Objective	Restrictive instruments	Enabling instruments
Value addition & processing	Lithium non-concesible (1979 - inherited, repurposed)	Novandino Litio (state 50%+1) -Incentives, preferencial access for local processing
Technology development	—	Contractual R&D obligations ·Public R&S investments - Public Technology Institute for Lithium
Supplier development	—	World Class Supplier programme · Corfo supplier matching ProChile mining services export promotion
Env: Water & desalination	Freshwater use prohibited in water-scarce regions	Regulatory frameworks for private desalination · water technology innovation funds
Clean energy	—	Renewable energy auctions (ERNC) · green hydrogen national strategy · transmission infrastructure
Communities & PPPs	SEIA/EIA (1994) · ILO 169 (2008) · Decree 66 (2013) Escazú (2022) · SEIA 2.0	Community benefit agreements · indigenous water rights · participatory monitoring
International partnerships	—	EU–Chile lithium partnership · US critical minerals dialogue · Japan JOGMEC · bilateral investment treaties · OECD membership

🔗 Cross-cutting -State-owned enterprises (Codelco · Novandino · ENAMI) · Consensual institutional innovation · Long-term regulatory consistency · Negotiated legitimacy with communities and investors

Chile's most important 'restrictive' instrument was a 1979 Pinochet law it inherited and repurposed. Its real innovation was entirely on the enabling side.

Making the framework actionable - illustrated with Chile

Same six conditions -but which can you shape now, and which take time? Chile shows both.

● Shape now ● Takes time ● Largely given

DOMESTIC CONDITIONS

Global market

- NOW: Green copper differentiation · use market share as leverage
- TIME: New buyer relationships · pricing power ·

Global geopolitics

- NOW: Deliberate non-alignment · diversify investors· multiple deals
- TIME: Regional cooperation · collective negotiating · South-South alliances

Global technology

- NOW: R&D obligations · state companies guide tech direction
- TIME: Local innovation capacity ·

Domestic political capabilities

- NOW: Consistent regulatory frameworks negotiate with incumbents
- TIME: build legitimacy · community trust compounds over time

Domestic market structure

- NOW: State ownership instruments , contract revisions· ENAMI for SMEs
- TIME: Low entry barriers, extraction, processing and suppliers

Domestic capabilities

- NOW: ANID + Corfo investment · contractual R&D · Startup Chile · digital adoption in mining
- TIME: Supplier ecosystem, e.g. Enix · Neptuno · Aguamarina

Every condition can be affected - but at different speeds.

Don't copy - diagnose, design the policy mix and position yourself

🔍 DIAGNOSE

- Which domains align, and what can actually shift?
- Conditions co-evolve - they interact
- Political will → attracts capital →
- Market structure → enables policy →
- Cooperation → shapes what looks fixed

🌱 DESIGN your policy mix

- What works for your mineral, your economy, your institutions, your political economy?
- Restrictive or enabling - or both?
- State capacity, power distribution and partners shape what is feasible - and can be changed.

Decide the partnerships from the start.

🤝 POSITION Yourself

Geopolitics is reshaping demand, supply chains and alliances.

- Where do you sit in global value chains?
- Who needs what you have - and on what terms?

Small countries cannot negotiate alone but regionally they can.

Regional development bank can enable this.

The goal is not to become other country. Build something economically, environmentally and socially sustainable - rooted in domestic resources, capabilities, institutional fabric, and political support (local and international).