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Brazil's untapped critical-minerals potential

International competition over access to critical minerals and rare-earth elements (REEs) is intensifying, driven by a need to diversify their supply chains. Critical minerals have crucial applications in the green transition, defence and technology, and remain heavily dominated by China in terms of both production and processing. Against this backdrop, Brazil's vast mineral wealth is acquiring new strategic significance, and it is emerging within Latin America as a possible alternative supplier of these resources, and of REEs in particular.

- With vast proven mineral resources, including the largest niobium and the second-largest rare-earth deposits globally, Brazil can position itself as a potential supplier to international partners looking to diversify their supply chains amid geopolitical shifts.
- Reflecting its broader foreign-policy emphasis on strategic autonomy, Brazil is seeking to attract investments and integrate into higher-value segments of the global critical-mineral supply chain, while pursuing a mix of bilateral and multilateral agreements to avoid excessive dependence on any single partner.
- Whether Brazil can capitalise on its geological advantage and become a major minerals supplier will depend on how the new minerals policy is implemented after the October 2026 elections, and whether Brasília can reconcile domestic interests with the incentives needed for international partnerships and investments.

GSIS 2026 News

- **New Side Event: With SHLD – “Shield Your Tomorrow!” – the GSIS platform is being expanded to include a further partner programme. Based on peer-to-peer exchange and practical insights, SHLD offers a programme designed by CISOs and tailored precisely to the real-world cyber security challenges facing businesses and critical infrastructure today.**
- **New speakers confirmed: Kasper Rørsted, Board Member of Maersk and Supervisory Board Member of Siemens, brings extensive experience in global industry, technology and supply chain leadership. Tim Wagner, CEO of Naval Systems at Rheinmetall AG, will share insights on naval capabilities, defence innovation and Europe's evolving security landscape.**
- **Additional high-level speakers will be revealed in the coming weeks via the GSIS LinkedIn channel.**

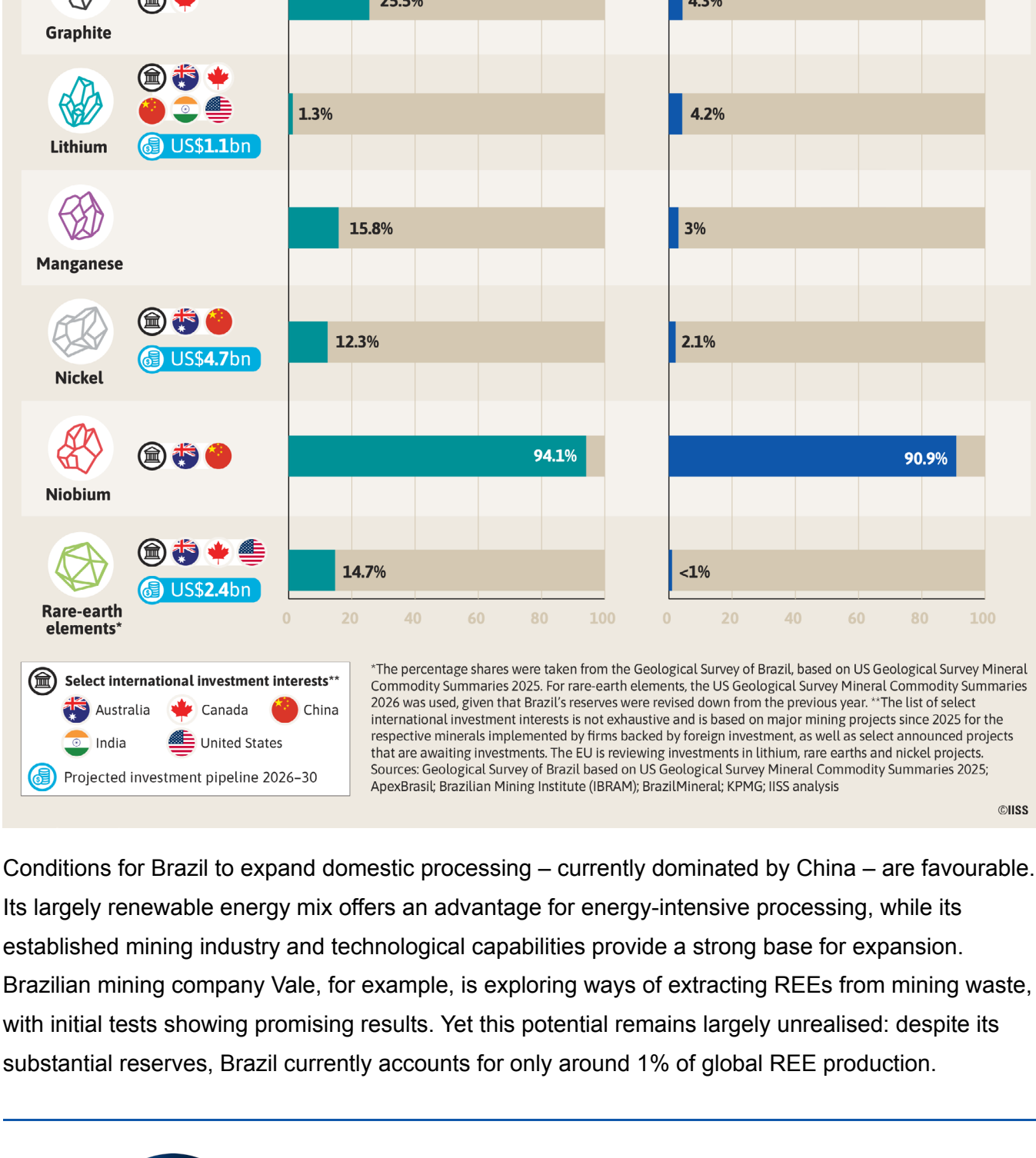


Brazil's comparative advantage

Brazil not only holds proven reserves of several in-demand critical minerals, including bauxite, copper, graphite, lithium, nickel and manganese, but also has a monopoly on global niobium reserves and production, accounting for 94% and 90% of these respectively in 2025. It also holds the world's second-largest reserves of REEs after China, estimated at around 11 million tonnes in 2026. With only 28% of its territory geologically mapped, Brazil's reserves may be considerably larger than current estimates, highlighting its untapped potential.

These elements are increasingly used in military systems and other advanced technologies, including rechargeable batteries. REEs are difficult to extract and process, yet Brazil benefits from deposits in ionic clays, which can facilitate extraction and generate less radioactive waste than hard-rock deposits.

Brazil's global share of select critical minerals (2025) and international investment interest



Conditions for Brazil to expand domestic processing – currently dominated by China – are favourable. Its largely renewable energy mix offers an advantage for energy-intensive processing, while its established mining industry and technological capabilities provide a strong base for expansion.

Brazilian mining company Vale, for example, is exploring ways of extracting REEs from mining waste, with initial tests showing promising results. Yet this potential remains largely unrealised: despite its substantial reserves, Brazil currently accounts for only around 1% of global REE production.

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PROJECTS IN 2026–30

Brazil as an international critical-mineral destination

China still accounts for over 90% of global rare-earth refining. Growing efforts to diversify supply chains and Brazil's mineral and rare-earth potential have fuelled a surge in mineral exploration. According to the Geological Survey of Brazil, 2,727 applications for rare-earth explorations were lodged over the past year, compared to only 250 such applications between 1965 and 2020. Notably, 42% of these recent claims came from foreign-owned companies or subsidiaries of foreign mining companies, led by Australian, Canadian and US firms.

This surge in exploration is accompanied by projected investment of US\$76.9bn across Brazil's mining sector in 2026–30, including allocations for iron ore, gold, logistics and socio-environmental projects.

Investment in critical-minerals (including REEs) projects during this period is expected to be US\$21.3bn. Foreign companies are already investing in both extraction and processing. In July 2025, Australian mining company Viridis announced plans to build Latin America's first REE refining and recycling hub, called the Centre for Rare Earths Innovation, Technology and Recycling (CRITR), in the state of Minas Gerais. With support from the Brazilian Development Bank (BNDES) and the Federal Innovation Funding Agency (FINEP), the facility is expected to become operational in late 2026.

Amid a flurry of international interest, US investment has been particularly notable. In early 2026, USA Rare Earth purchased Brazilian Serra Verde, operator of the Pela Ema mine in Goiás state, for US\$2.8bn. This mine is currently the only operation outside Asia producing all four magnetic REEs (neodymium, praseodymium, dysprosium and terbium) on a commercial scale. On 24 August, the US Department of War announced a US\$750m investment in Serra Verde as part of a broader US\$1.55bn investment package aimed at securing REE supply for the United States' defence-industrial base and reducing reliance on Chinese supply chains.



Strategic autonomy over dependency

President Luiz Inácio Lula da Silva has framed Brazil's rare-earth reserves as a strategic national asset and emphasised that their development should not create new forms of dependency. This approach reflects Brazil's long-standing focus on strategic autonomy. In the critical-mineral sector, this has translated into openness to multiple partners while prioritising technology transfer and local value production. After declining to join the United States' Critical Minerals Alliance in 2025, Brazil has pursued bilateral and multilateral agreements with a range of partners on deepening cooperation on critical minerals and rare earths, including India, Saudi Arabia and South Korea. The EU–Mercosur Partnership Agreement is also significant for Brazil's emerging critical-mineral strategy: under its Interim Trade Agreement, provisionally applied since May 2026, Brazil can impose export duties on 23 critical and nine strategic raw materials, providing greater scope for supporting domestic processing and capturing more value locally.

Critical minerals were incorporated into Brazil's industrialisation policy Nova Indústria Brasil in 2024, while the National Policy on Critical and Strategic Minerals (PNMCE), signed by Lula on 16 September ahead of presidential elections, places domestic processing and value creation at its core. The policy aims to encourage companies to process minerals domestically through various mechanisms, including annual tax credits of up to 1bn Brazilian reais (around US\$190m), while requiring companies to invest a share of their revenue in research and development. Moreover, the policy strengthens government oversight of the sector, including through a new body empowered to scrutinise changes in the control of mining companies. This gives Brasília greater control over foreign acquisitions and could allow it to block transactions, such as the recent acquisition of Serra Verde.

“Rare earths are the gold of the 21st century. But this time, we are not going to export rock only to buy back technology later.”

Luiz Inácio Lula da Silva, President of Brazil, 2026

“The challenge today is that China dominates processing and refining. Under our proposal, processing are welcome to invest, but they must transfer technology to Brazil, including processing capacity.”

Zé Silva, Member of the Chamber of Deputies of Brazil, 2026



Outlook: Brazil's emerging minerals strategy amid electoral uncertainty

The strengthened government oversight of the critical-mineral sector has attracted criticism, including from presidential candidate Flávio Bolsonaro, over concerns it may discourage foreign investment. It highlights a fundamental tension in Brazil's strategy: developing higher-value segments of the sector will require foreign capital, technology and partnerships, while Brasília seeks to promote domestic industrialisation and preserve control over strategic assets. Geopolitical competition and supply-chain diversification efforts give Brazil considerable leverage, but capitalising on this will require clear and predictable rules for foreign investors and assurances of equal treatment (also reflected in the EU–Mercosur framework), alongside domestic-processing requirements that do not unduly deter investment. The outcome of the ongoing election could determine how this tension is resolved. A Bolsonaro presidency would likely shift Brazil closer to the US geopolitically and reduce the emphasis on multi-alignment pursued under Lula. Yet domestic interests would likely continue to favour local value creation and resist excessive dependence on single partners. Any increase in regulatory or institutional uncertainty under a new administration could therefore complicate rather than resolve the challenge of attracting investment while preserving strategic autonomy.

Brazil's potential in this sector currently remains unrealised. A viable critical-minerals supplier will depend largely on the inflow of investment and the transfer of technology. In turn, the outcome of elections and composition of the next National Congress will shape political decisions around how the PNMCE will be implemented and how domestic interests, including those around environmental considerations, are balanced with the need to incentivise necessary foreign investment.

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