

US Resource Partnerships in Southeast Asia: What Is at Stake in Critical Minerals?

The United States' resource partnership in Southeast Asia takes two approaches:

- Bilateral agreements on mineral exploration, extraction, processing, trade, and investment.
- Multilateral framework designed to coordinate these arrangements: Forum on Resource Geostrategic Engagement (FORGE)

Why Southeast Asia?

Critical minerals powerhouse



Global Nickel Production **70%**
Global tin output **31%**

Key Producers



Surging Demand



Minerals essential for clean energy technologies such as batteries, electric vehicles, wind turbines, and solar, are projected to double by 2030.

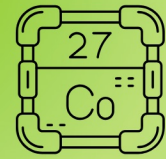
Why are US critical mineral partnerships in Southeast Asia so contested?

China's processing dominance



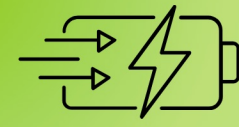
90%

Rare earths refining



78%

Cobalt Processing



70%

Battery production
by 2030



95%

Battery-grade
graphite supply

Core Paradox



United States partnerships aim to diversify supply chains away from China, but much of the processing infrastructure in Southeast Asia was mainly built with Chinese capital, technology, and firms.

What has been Agreed in Southeast Asia?

Country	Instrument	Date	Binding	Minerals
Indonesia	Agreement on Reciprocal Trade (ART)	Feb 2026	Binding, pending ratification	Nickel, cobalt, copper, and rare earths
Malaysia	Agreement on Reciprocal Trade (ART) and Critical Minerals MOU	Oct 2025	ART binding intent, MOU non-binding	Rare earths
Philippines	Critical Minerals MOU	Feb 2026	ART binding intent, MOU non-binding	Nickel, cobalt, copper, and rare earths
Vietnam	Framework trade agreement	Oct 2025	ART binding intent, MOU non-binding	Rare earths, tungsten, bauxite
Thailand	Critical Minerals MOU	Oct 2025	ART binding intent, MOU non-binding	Rare earths, EV supply chain

What Remains Unaddressed in Critical Mineral Partnerships?



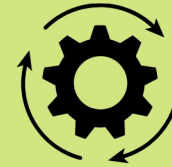
Processing commitment gap

Many agreements lack binding commitments for upstream, midstream, and downstream processing investments.



External dependency dynamics

Persistent reliance on foreign firms for capital, technology, equipment, and markets



Governance and implementation gap

Weak institutional capacity and lack of transparent safeguards and protections.



Environmental and social risks

Current projects pose risks to ecosystems, communities, land, water, and health.



Weak demand-side and green demand signals

Unclear long-term demand and limited green market signals. This reduces incentives for low-carbon industrialisation and decarbonisation.

What is at Stake?

If nothing changes

- Southeast Asia remains a supplier of raw minerals, not a key actor of industrial value.
- Strategic dependence on Chinese-dominated processing persists.
- Economic leakage and missed industrialisation opportunities continue.
- Vulnerabilities to supply disruptions and geopolitical leverage increase.

What needs to change

- Secure binding commitments for processing across the value chain.
- Support competitive domestic and sustainable processing capacity.
- Strengthen governance, transparency, and community protections.
- Build resilient and green demand through long-term offtake and market development.
- Transform the value distribution

Southeast Asian countries are moving beyond supply roles to capture more value along the chain, in ways that could shape future market structure and global economic power.