



## **CRITICAL MATERIALS** — **AMERICA** —

# **Breaking the Dependency - Why the U.S. Must Rethink Its Reliance on China for Critical Minerals**

By Victoria S. Napier | Critical Materials America 5/11/2026

### **Executive Summary**

The United States' economic strength and national security depend on critical minerals and rare earth elements that underpin advanced technologies, clean energy systems, and modern defense capabilities. However, a significant vulnerability persists: China dominates much of the global supply chain for these materials—particularly in processing and refining—giving the Chinese Communist Party disproportionate leverage over industries essential to U.S. prosperity and security. Even when minerals are mined outside China, they frequently pass through Chinese-controlled facilities, creating strategic exposure that extends well beyond raw extraction.

This concentration of control poses immediate economic and security risks. Beijing has already demonstrated its willingness to restrict access to key materials, such as gallium and germanium, highlighting how political decisions can rapidly disrupt global supply chains. Such disruptions threaten semiconductor production, energy projects, defense readiness, and U.S. industrial competitiveness, while artificially low pricing and state-backed market manipulation suppress investment in domestic and allied alternatives.

Mitigating this risk does not require disengagement from global trade, but rather a deliberate strategy of diversification and resilience. The United States can reduce its dependence by investing in domestic mining and processing, strengthening partnerships with trusted allies, and expanding recycling and recovery capabilities. While regulatory, financial, and infrastructure challenges remain, coordinated policy action and private-sector investment can restore critical capabilities that have eroded over time.

Ultimately, supply chain resilience is no longer an economic preference—it is a national security imperative. Just as the United States would not rely on a strategic competitor for its energy or defense systems, it cannot afford sustained dependence on a single foreign source for the materials that power them. Diversifying supply, investing at home, and collaborating with allies will reduce risk, enhance competitiveness, and secure America’s position in the industries that will define the future.

### **Strategic Context**

The United States has spent decades building a modern economy that is the envy of the world, powered by advanced technology, energy, and sophisticated defense systems. Yet beneath this progress lies a fragile reality. Many of the essential materials that make these innovations possible come from a single dominant source, the Chinese Communist Party (CCP).

Critical minerals and rare earth elements are not household names, but they are indispensable. They power smartphones, enable electric vehicles, support renewable energy systems, and form the backbone of advanced military technologies. From fighter jets to precision-guided missiles, from advanced nuclear reactors to semiconductor chips, these materials are embedded in nearly every sector that defines economic strength and national security.

China’s dominance is not limited to mining. More importantly, it controls much of the global processing and refining capacity, the stage that turns raw materials into usable components.

This gives Beijing a powerful lever even when minerals are extracted in other countries, they often still depend on Chinese facilities before entering global supply chains. Additionally, the CCCP’s state-sponsored below-cost dumping and market manipulation of critical materials distort global capital markets, suppress fair competition, and deter private-sector investment in strategically vital industries, particularly the domestic production of high-performance magnets.

This concentration of control creates a clear vulnerability for the United States. Supply chains can be disrupted not only by market forces, but by political decisions. Export restrictions on materials like gallium, germanium, and certain rare earth elements have already demonstrated how quickly access can be tightened. In a period of geopolitical tension, such dependencies could translate into real economic and strategic risk.

The implications are immediate and far-reaching. A disruption in supply could slow the production of semiconductors, delay critical energy projects, and weaken defense readiness. It could also drive-up costs for American manufacturers, ultimately affecting consumers and global competitiveness. In short, reliance on a single dominant supplier undermines resilience. Reducing this dependence does not mean disengaging from global trade, nor does it require a zero-sum approach. Instead, it calls for a deliberate strategy of diversification.

The United States has the capacity to develop a more secure and balanced supply chain by investing in domestic mining and processing, strengthening partnerships with allied nations, and expanding recycling technologies that recover valuable materials from used products.

Domestic mining and potential refining projects encounter regulatory challenges and litigation hurdles, and the development of processing infrastructure demands significant time and capital investment. However, these obstacles can be addressed and overcome. With coordinated policy support and private sector investment, the U.S. can rebuild critical capabilities that have eroded over time.

The stakes extend beyond economics. Supply chain resilience is now a cornerstone of national security. Just as the country would not rely on a strategic competitor for its energy or defense systems, it should not remain dependent on a single foreign source for the materials that power them.

The path forward is clear, diversify sources, invest at home, and collaborate with trusted partners. Doing so will not only reduce risk but also strengthen America's position in the industries that will define the future.

In an era of increasing global competition, resilience is not a luxury - it is a necessity.

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