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Critical Minerals and the Americas Arizona's Strategic Position in a New Era of Economic Security

Copper, Rare Earths, Supply-Chain Resilience, and Competition with China

Critical minerals: six numbers shaping the market

70% of U.S. copper mine output came from Arizona in 2025	40% of global copper mine output came from Latin America & the Caribbean in 2025
25% of global lithium supply came from Latin America & the Caribbean in 2025	\$220B Latin America's potential critical-minerals economic value by 2035*
67% of U.S. rare-earth consumption was supplied by China, 2020–23 average**	\$4.09T value represented by U.S. mineral-reliant industries in 2025

Sources: [AZGS — Arizona copper](#) | [IEA — Latin America](#) | [USGS — China mineral reliance](#) | [USGS — Mineral Commodity Summaries 2026](#). *IEA analytical case with expanded local refining; not a forecast. **USGS estimate based on average U.S. apparent consumption in 2020–23. Headline shares are rounded to whole percentages.

Critical minerals have moved from a specialized mining issue to the center of economic and national security. Copper, lithium, graphite, rare earth elements, gallium, germanium, and other strategic materials underpin electricity networks, semiconductors, batteries, data infrastructure, aerospace, defense, and advanced manufacturing.

The shift is particularly consequential for Arizona. The state combines a major copper-mining base with semiconductor and advanced-manufacturing investment, mining expertise, proximity to Mexico, and a growing role in critical-mineral recycling. Latin America, meanwhile, contains some of the world's most important copper, lithium, graphite, silver, niobium, and rare-earth resources.

The strategic question is moving beyond where minerals are extracted. As the United States seeks to reduce exposure to concentrated global supply chains, economic security increasingly depends on reliable networks linking mining, processing, refining, manufacturing, and recycling.

Arizona therefore sits at an unusual intersection. Its mineral economy connects upstream resources with industries such as semiconductors, aerospace, energy, and advanced manufacturing, while Mexico and other Latin American economies offer a broader hemispheric geography of strategic mineral supply.

Executive Takeaway

- Critical minerals are becoming business-critical inputs: copper, rare earths, lithium, graphite and related materials underpin power, semiconductors, data infrastructure, aerospace and advanced manufacturing.
- The Americas offer scale, but the largest opportunity is downstream: Latin America is a major producer of copper and lithium, while local refining remains limited.
- Arizona has an unusually strong position: leading U.S. copper production, a large semiconductor ecosystem, mining technology capabilities, and new rare-earth recycling capacity in Mesa.

Top Developments

1. Critical minerals have become strategic economic infrastructure

The 2025 U.S. Critical Minerals List contains 60 minerals, including 15 rare-earth elements. Ten minerals were added to the prior list, among them copper, silver, silicon, uranium, lead, potash, phosphate, boron, metallurgical coal, and rhenium.

These materials support electricity grids, digital infrastructure, semiconductors, permanent magnets, batteries, aerospace, and defense systems. Mineral access is therefore increasingly linked to the ability to manufacture and deploy strategic technologies rather than treated simply as a commodity issue.

Why this matters: Critical-mineral security is becoming part of the infrastructure of technological and industrial competitiveness. Supply disruptions can now affect industries far beyond mining.

Further reading: [USGS: 2025 Critical Minerals List](#) | [USGS: Mineral Commodity Summaries 2026](#) | [IEA: Global Critical Minerals Outlook 2026](#)

2. Latin America occupies a major position in global mineral supply

Latin America and the Caribbean accounted for around 40% of global copper mine output and roughly one-quarter of global lithium supply in 2025. Chile and Peru are major copper producers; Chile and Argentina are central to lithium supply; Mexico adds a North American copper and industrial connection; and Brazil has a diversified mineral base that includes niobium, graphite, nickel, and rare-earth potential.

The relationship is already commercial, not merely prospective. In 2025 the United States was 100% net-import reliant for 16 nonfuel mineral commodities. Brazil was the leading U.S. import source of niobium in 2021–24, while Mexico was a major source of natural graphite and the leading source of fluorspar and strontium. These existing trade links provide a foundation for deeper hemispheric supply-chain cooperation.

The region's importance extends beyond geological abundance. For U.S. companies, the commercial opportunity lies in a combination of scale, geographic proximity, established trade and investment relationships, and the possibility of expanding processing and downstream capacity closer to North American markets.

Why this matters: Latin America is not simply a future alternative source. Parts of the region are already embedded in U.S. mineral supply chains. The commercial opportunity is to deepen those links while building more processing, technology, and value-added capacity across the Americas.

Further reading: [IEA: Latin America and Critical Minerals](#) | [IEA: 2026 Executive Summary](#) | [USGS: Mineral Commodity Summaries 2026](#)

3. China's processing position remains a central supply-chain vulnerability

The critical-minerals challenge cannot be understood by looking only at reserves or mine production. A major vulnerability lies in refining, processing, specialized equipment, and the conversion of raw materials into industrial inputs. The IEA reports that, excluding rare earths, the average share of the leading refining country rose to 72% in 2025. China has also accounted for more than 90% of growth in global copper-smelting capacity since 2005, raising its share of global capacity to about 50% by 2025.

This distinction is essential for the Americas. Latin America possesses extensive mineral resources, but the IEA estimates that the region refines only around 20% of the key energy minerals it extracts, excluding lithium. Expanding extraction without processing and refining would leave much of the value chain—and much of the strategic vulnerability—elsewhere.

Why this matters: Competition over critical minerals is increasingly competition over complete value chains. Mining matters, but processing, technology, manufacturing, and recycling determine where strategic and economic value accumulates.

Further reading: [IEA: 2026 Executive Summary](#) | [IEA: Global Critical Minerals Outlook 2026](#) | [USGS: China mineral production and reliance](#)

4. Arizona is positioned at the intersection of minerals and advanced industry

Arizona's relevance begins with copper but does not end there. Copper's addition to the 2025 U.S. Critical Minerals List connects the state's longstanding mining base to newer economic-security priorities in power infrastructure, data centers, semiconductors, advanced manufacturing, aerospace, and defense.

Arizona is also developing capabilities beyond primary extraction. In September 2026, Cyclic Materials opened a commercial-scale rare-earth magnet recycling facility in Mesa. The \$30 million-plus facility can process up to 25,000 metric tons of magnet-bearing end-of-life products annually and recover rare-earth magnet concentrate as well as copper, aluminum, and steel.

Why this matters: Arizona can participate in several stages of the value chain—resource development, mining technology, advanced manufacturing, and recycling. That combination is more strategically significant than mineral extraction alone.

Further reading: [AZGS: Mapping & Mineral Resources](#) | [Arizona Commerce Authority: Cyclic Materials in Mesa](#) | [Arizona Commerce Authority: Semiconductor Ecosystem](#)

5. North America is beginning to build a critical-minerals security architecture

In February 2026, the United States and Mexico established a Critical Minerals Action Plan aimed at reducing supply-chain vulnerabilities. The plan calls for work on coordinated trade mechanisms, possible border-adjusted price floors, regulatory and technical cooperation, investment promotion,

geological mapping, R&D, stockpiling, and the identification of mining, processing, and manufacturing projects of mutual interest.

For Arizona, Mexico is the immediate connection. Geography, existing cross-border production networks, and the state's mining and technology sectors make the bilateral relationship especially relevant. A broader hemispheric strategy could also connect Arizona organizations with mineral and technology ecosystems in Chile, Peru, Argentina, Brazil, and other countries.

Why this matters: The emerging agenda is not simply a search for alternative suppliers. It is an effort to build more resilient networks of trade, investment, processing, technology, and industrial production among commercially viable partners.

Further reading: [USTR: U.S.-Mexico Critical Minerals Action Plan](#) | [USTR: Full Action Plan \(PDF\)](#) | [IEA: Latin America and Critical Minerals](#)

HERE'S THE CHALLENGE

From Mineral Wealth to Strategic Supply Chains

In the IEA base-case project pipeline, the region could generate about \$185 billion in economic value from critical minerals in 2035. In an analytical case with substantially more local refining, that value rises to about \$220 billion.

The key question is: Can Arizona position itself as a critical-minerals hub connecting resources and expertise across the Americas with U.S. advanced manufacturing?

Mistakes to avoid

- Treating critical minerals as a mining-only issue while overlooking processing, refining, technology, and recycling
- Assuming Latin American resources can quickly or automatically replace existing Chinese processing capacity
- Using “rare earths” and “critical minerals” as interchangeable terms instead of distinguishing rare earths as one important subset of a broader critical-minerals agenda

Where Arizona organizations can act

- Map Arizona–Americas value chains for copper, rare earths, lithium, graphite, and other minerals linked to Arizona’s advanced industries
- Identify opportunities in mining technology, processing, recycling, traceability, research, and workforce development—not only extraction
- Use the U.S.-Mexico Critical Minerals Action Plan as a platform for Arizona–Sonora and broader hemispheric partnerships

How the Arizona Institute for the Americas Can Help

The Arizona Institute for the Americas translates geopolitical and economic change into Arizona-specific strategic intelligence, value-chain mapping, counterpart selection, policy analysis, and executive engagement strategy.

About the Arizona Institute for the Americas

The Arizona Institute for the Americas is an independent strategic intelligence institute analyzing developments across the Americas that shape Arizona's economy and regional position. We turn policy and market change into business intelligence, partnerships, and sustained initiatives.

Contact

Contact us to build a focused Arizona strategy for critical minerals, economic security, and hemispheric supply chains.

Jesús Rodríguez Dávalos | jesus.rodriguez@arizonamericas.com

Rhett Price | rhett.price@arizonamericas.com

info@arizonamericas.com

Website: arizonamericas.com | LinkedIn: Arizona Institute for the Americas | Newsletter: [Subscribe](#)