National Critical Mineral Mission

A Strategic Move to Counter China's Dominance and Secure Future Resources

Critical minerals are the foundation of modern and emerging technologies, playing a pivotal role in clean energy, semiconductor manufacturing, and the defence and aerospace sectors. However, global supply chains for these minerals are highly concentrated, with China holding a near-monopoly, making the market vulnerable to geopolitical leverage and price volatility.

To reduce dependence on China and accelerate its green energy transition, the Indian government approved the **National Critical Mineral Mission** on **January 29, 2025**. With a budget of ₹34,300 crore—of which ₹16,300 crore has been allocated initially—this seven-year initiative aims to boost domestic exploration, secure offshore resources, and strengthen India's mineral processing capabilities. The government also expects **₹18,000 crore in investments from PSUs** to support the initiative.

Why Critical Minerals Matter

These minerals are essential for India's advancement in clean energy, high-tech industries, and defence. Key minerals under the mission include:

- **Lithium** – Essential for EV batteries and renewable energy storage
- **Cobalt** – Used in battery production and high-tech applications
- **Nickel** – Crucial for stainless steel and battery manufacturing
- **Graphite** – A key component in batteries and lubricants
- **Rare Earth Elements (REEs)** – Vital for electronics, telecommunications, and defence technologies

Key Objectives of the National Critical Mineral Mission

The mission, announced in the **Union Budget 2024-25**, is a crucial part of the **Atmanirbhar Bharat** initiative and focuses on:

 Expanding Exploration & Processing – Strengthening domestic and offshore exploration while enhancing mineral beneficiation and refining capabilities.
 Fast-Tracking Regulatory Approvals – Simplifying approval processes to accelerate critical mineral mining projects.
 Financial Incentives – Encouraging investment in mineral exploration and promoting resource recovery from waste and end-of-life products.
 Stockpiling Critical Minerals – Developing a national reserve to ensure supply security and counter market fluctuations.
 Overseas Acquisitions & Trade Partnerships – Supporting Indian PSUs and private sector companies in acquiring critical mineral assets abroad.

 Mineral Processing Parks – Establishing dedicated zones for refining and processing, ensuring value addition within India.
 Research & Innovation – Setting up a **Centre of Excellence on Critical Minerals** to advance mining and processing technologies.

India vs. China: Reducing Dependency

China dominates global mineral processing, controlling 29 key commodities, including 22 metals and seven industrial minerals. Even where it lacks a complete monopoly, it exerts a **monopsony effect**—a scenario where a single dominant buyer dictates market conditions. This allows Beijing to manipulate prices and wield geopolitical influence.

By launching the **National Critical Mineral Mission**, India aims to diversify supply chains, strengthen domestic capabilities, and enhance energy security. With a strong push for self-reliance, the initiative is expected to bolster India's position in the global energy race and safeguard its economic and strategic interests in the long run.

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