

### **3. Critical Minerals**

#### **Why in News?**

- India and Australia have recently reached a significant milestone in working towards investment in critical minerals projects to develop supply chains between the two countries.

#### **Highlights**

- Critical minerals are elements that are the building blocks of essential modern-day technologies and are at risk of supply chain disruptions.
- Copper, lithium, nickel, cobalt, and rare earth elements are critical components in many of today's rapidly expanding clean energy technologies, ranging from wind turbines and power grids to electric vehicles. As the transition to clean energy accelerates, demand for these minerals will skyrocket.
- India's Department of Science and Technology, in collaboration with the Council on Energy, Environment and Water, drafted the Critical Minerals Strategy for India in 2016, with a focus on India's resource requirements till 2030.
- The Indian Critical Minerals Strategy has identified 49 minerals that will be vital for India's future economic growth.
- Two lithium and three cobalt projects are among the five target projects that CMIP has chosen for thorough due diligence.
- Australia produces almost half of the world's lithium and is the second-largest producer of cobalt and the fourth-largest producer of rare earths.
- The Partnership's investments will aim to create new supply chains supported by essential minerals processed in Australia, which will support India's efforts to reduce emissions from its energy network and establish itself as a hub of manufacturing, including for electric vehicles.
- Together, the two countries are dedicated to reducing emissions, ensuring energy security, and expanding the global markets for essential minerals and clean technology.
- India and Australia have excellent bilateral relations that have undergone transformational evolution in recent years, developing into a friendly partnership on a positive track.
- This is a unique partnership defined by shared values such as parliamentary democracies, Commonwealth traditions, increased economic engagement, long-standing people-to-people ties, and increased high-level interaction.

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- The CMIP between Australia and India represents a significant milestone in bilateral relations.
  - The two countries should work together to ensure that the alliance is properly implemented and to investigate opportunities for collaborative research and development. The vital minerals industry may change as a result of the CMIP, which will also help both countries' economies grow and thrive

