

# Australian rare earth miners warned on US-China trade war

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*Washington* | Australian critical minerals risk being barred by the US unless companies disconnect from China as the trade war heats up before Donald Trump takes office in January, the head of ASX-listed Anson Resources has warned.

China late on Tuesday announced a ban on shipments to the US of several minerals and metals used in semiconductor and military applications, in a rapid retaliation by Beijing against new export controls from Washington.



Chinese exporters hope to ship as much cargo as possible to the United States before Donald Trump enters the White House. **Bethany Rae**

China's commerce ministry said it would prohibit the export to the US of dual-use items that include gallium, germanium, antimony and super-hard materials, and would impose stricter controls related to graphite.

The retaliation came a day after the Biden administration tightened Chinese access to advanced American technology. Trump has pledged to ramp up the tech wars [<https://www.afr.com/world/asia/the-japanese-town-that-s-ground-zero-in-the-us-china-chip-war-20231124-p5emks>] even further, hitting China with high tariffs and other measures to further control the trade relationship between the world's two biggest powers.

Managing director of ASX-listed Anson Resources, Bruce Richardson, said his lithium production business stood to benefit from such a trade war [<https://www.afr.com/world/north-america/this-australia-listed-company-could-win-big-from-trump-s-tariffs-20241120-p5ks0w>] because his operations were conducted on American soil.

“Higher tariffs on China could result in a higher price for US producers, creating a strategic advantage for US-based lithium producers, such as our Anson Resources [as they turn to local suppliers],” Mr Richardson told *The Australian Financial Review*.

He warned that some Australian-based producers could run into trouble as some of their exported critical minerals processed in China might be prevented from entering America.

“USA domestic content regulations for batteries, as well as the tariffs, are a barrier for the chemicals made in China from Australian lithium,” he said.

“I spent 15 years in China and have seen how trade between the USA and China has developed. Tariffs can be used by countries for revenue, as well as protection of a domestic industry developing. They can also be used as leverage to achieve geopolitical objectives.”

Critical minerals are used in everything from electric vehicle batteries to defence technology and mobile phones.

Anson Resources is in the development stage, aiming to produce 10,000 tonnes per year of lithium carbonate equivalent in Utah. It already has a major off-take agreement with LG Energy and anticipates more orders from customers who switch to US-based production as the trade war intensifies.

Trump has promised to increase tariffs on Chinese goods to 100 per cent. China’s retaliation on Tuesday – one of the most aggressive steps Beijing has taken to counter increasingly restrictive policies from the US government – could foreshadow more economic conflict.

The Biden administration earlier this year raised tariffs on critical minerals imports to 25 per cent, but lower market prices meant US customers were easily able to absorb this.

On Monday, the Biden administration expanded its curbs on technology to China by prohibiting the sale of certain types of chips and machinery and adding more than 100 Chinese companies to a restricted trade list.

China’s commerce ministry hit back with an immediate ban on so-called super-hard materials to the US. It also said the export of graphite would also be subject to stricter review.

But stopping exports of critical minerals can backfire. After China temporarily halted exports to Japan in 2010, the Japanese government helped Lynas, a company in Australia, to develop a large rare earth metals mine there as an alternative supplier.

Last month, the chief executive of Australian-listed graphite producer Novonix said Trump’s plan to raise tariffs on China would be a boon for his company.

Former Tesla engineer Chris Burns said tariffs would make imported materials from China cost more, making his materials produced in the US more cost-competitive.

“No longer are we fighting an uphill battle [by] asking our customers to pay more for Western materials ... we’re [now] asking them to pay the same as the imported price.”

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