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Why the World Has Gone Cuckoo for Copper

The U.S. and China are competing to acquire the metal essential for EVs and data centers. It is also at the center of a \$43 billion takeover battle.

By *Julie Steinberg* [Follow](#)

Updated May 14, 2024 5:41 am ET

After one of the world's top copper producers recently hit a financial crunch, the Biden administration started huddling with potential investors about taking a stake in the company's Zambian mines worth as much as \$3 billion.

The search isn't restricted to American companies, with entities from the United Arab Emirates, Japan and Saudi Arabia—all viewed as friendly to U.S. interests—expressing interest in the stake in First Quantum Minerals' **FM 7.53%** ▲ assets, according to people familiar with the matter.

The goal is simple: to keep it out of Chinese control and prevent the Asian superpower from tightening its grip over the global supply of crucial metals and minerals.

The bidding, expected to be concluded later this year, is part of a global rush to acquire more copper, a key component in everything from electric cars to transmission lines and the data centers powering the AI revolution.

BHP Group's record nearly \$43 billion takeover bid for Anglo American, which was rejected Monday, puts a fresh spotlight on the intense demand for copper. While London-listed Anglo produces a range of commodities, from diamonds to nickel, Australia's BHP has made clear that it most prizes the company's copper assets. Anglo rebuffed BHP's first offer last month, and other companies are believed to be weighing rival bids.

On Tuesday, Anglo announced its own turnaround plan, saying it would get out of its platinum, diamond and steelmaking coal businesses—effectively pitching investors on a strategy that makes copper even more central to the company's future.

Chief Executive Duncan Wanblad said on a media call that the company would look at growing its copper business both organically and from potential mergers and acquisitions, such as taking greater stakes in assets it already owns.

“Copper of course is the story of the day,” he said.

While the U.S. government doesn't have any oversight over a proposed deal, officials have communicated to Anglo executives that they are concerned consolidation could limit the overall supply of copper, said people familiar with the matter. The U.S. is also concerned that China could put pressure on BHP to sell some assets or agree to sell more of its copper to the country to address potential anticompetitive concerns.



An Anglo American copper mine in Peru. PHOTO: ANGLO AMERICAN/REUTERS

For the U.S., the current frenzy highlights the importance of its yearslong effort to build up supplies of the metals and minerals critical to the green-energy transition.

Demand for copper is expected to rise as certain mines close or scale back production. Copper futures are up 20% this year.

The U.S. doesn't have a ministry for mining, a sovereign wealth-fund or much of a domestic mining industry. That has put it at a disadvantage with China, which can direct its state-owned enterprises to invest heavily no matter how commodity prices are performing.

The U.S. government is limited in how much money it can directly pump into projects of national security. That means it must work with private companies at home and abroad, as well as friendly countries with sovereign-wealth funds, to entice them to invest in assets helpful to national interests.

The Wall Street Journal reported last year, for example, that the U.S. and Saudi Arabia have held talks for potential agreements in the Democratic Republic of Congo, under which Saudi Arabia would take stakes in mines and U.S. companies would be guaranteed some of the rights to production.

One of President Biden's senior advisers, Amos Hochstein, is a linchpin of this effort. Hochstein and a small team at the State Department have been flying around the world, meeting with government officials in sub-Saharan Africa one day and with U.S. investors the next.



Amos Hochstein is promoting U.S. mining initiatives globally. PHOTO: AARON M. SPRECHER/BLOOMBERG NEWS

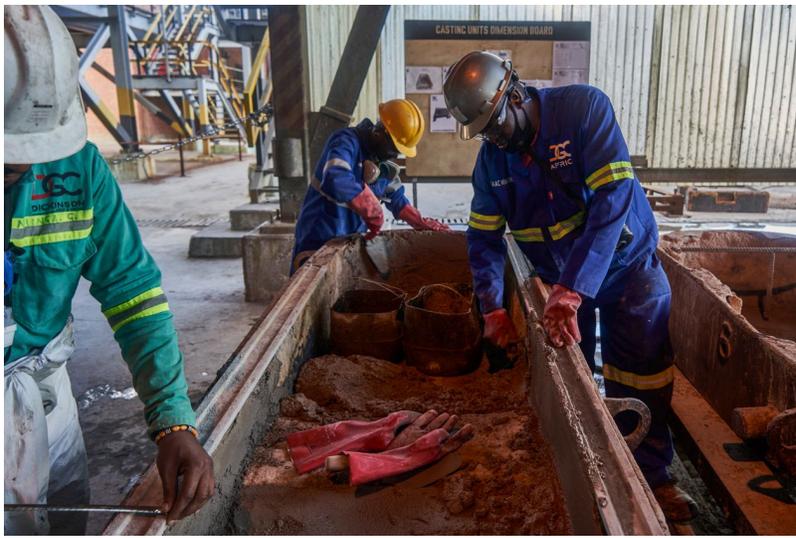
Regarding copper, "We don't have a lot of new supply coming online around the world," Hochstein said in an interview. "What concerns me is even when a discovery is made, it could take between seven and 15 years before the first copper comes out."

The U.S. has committed more than \$1 billion to the Lobito Corridor to develop local infrastructure, including clean power and a railroad connecting Angola, Congo and Zambia to export critical minerals. Also in Zambia, the U.S. last year urged the U.A.E. to consider investing in Mopani Copper Mines, according to people familiar with the matter.

The effort was successful: Zambia in December chose the U.A.E.'s International Resources Holding as a new equity partner.

Hochstein declined to comment on specific deals.

Hochstein said he and his team have made clear to African governments that the U.S. is trying to put forward an alternative model that won't result in debt, corruption and environmental degradation.



Workers prepare casting units at the Mopani Copper Mines refinery in Zambia. PHOTO: ZINYANGE AUNTONY/BLOOMBERG NEWS

“We are putting our money where our mouth is,” he said.

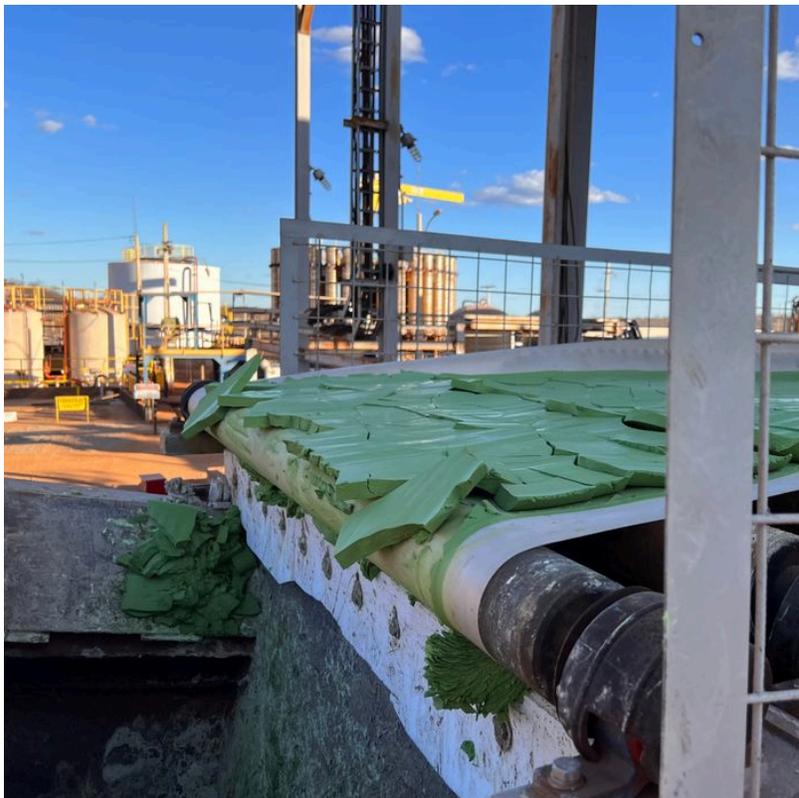
A central part of the U.S. effort is the International Development Finance Corp., a federal agency that helps finance projects overseas. The agency agreed to invest \$740 million last year in the mining sector, up from \$245 million it had committed to legacy mining projects.

It is currently in talks to finance a multibillion-dollar copper mine in Pakistan that, when it comes online in 2028, will be among the world’s largest copper projects, according to people familiar with the matter.

An Irish company called TechMet is one of its signature investments. Under the Trump and Biden administrations, the agency has given TechMet some \$105 million in funding and become its second-largest shareholder. An investment firm backed by a scion of the Walton family also invested in the most recent fundraising round, which valued the company at more than \$1 billion.



Brazilian Nickel's Piaui project in northeast Brazil. PHOTO: TECHMET



The Brazilian Nickel facility in northeastern Brazil. PHOTO: TECHMET

“We are in a second Cold War,” said TechMet CEO Brian Menell, a South African. “One has to increasingly pick sides. For me it’s never been a moment’s doubt. It is a competition between Western values and dictatorship.”

TechMet owns stakes in lithium, cobalt, nickel, vanadium and rare-earth miners.

Meanwhile, Chinese miners, with government backing, are rapidly snapping up assets. In Belt and Road countries, which don't include Brazil or Australia, China spent more than \$19 billion last year on metals and mining investments, up 158% from 2022, according to the Green Finance & Development Center at Fudan University in Shanghai. That is the highest level since 2013.



The Mutoshi Mine in Kolwezi, Congo. PHOTO: CHEMAF

In the latest example, a Chinese firm is in advanced talks to buy Chemaf, a metals producer that is developing a cobalt and copper mine in Congo, according to people familiar with the matter.

At least two Western suitors were interested in buying the company, according to people familiar with the matter, including Chilean Cobalt Corp., or C3, a U.S. company with copper-cobalt operations in northern Chile.

Duncan Blount, chief executive of C3, said he spoke with the International Development Finance Corp and State Department about making a bid, but concluded it would have been too expensive. Still, he said, “They were incredibly helpful on this venture and other projects. They’re keen to see American businesses and entrepreneurs go back into Congo.”

—Joe Wallace and Alexandra Wexler contributed to this article

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Appeared in the May 15, 2024, print edition as ‘Copper Frenzy Drives U.S. to Secure Supply’.

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