

The war in Ukraine and the fight over raw materials

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“The war in Ukraine is also a battle for raw materials. The country has large deposits of iron, titanium and lithium, some of which are now controlled by Russia.” That’s what the federally owned German foreign trade agency Germany Trade and Invest (GTAI) reported on its website on January 16 under the title “Ukraine’s raw materials wealth at risk.”

There are trillions at stake. According to the GTAI, “raw material deposits worth \$12.4 trillion” remain beyond the control of the Ukrainian army, “including 41 coal mines, 27 gas deposits, 9 oil fields and 6 iron ore deposits.” Ukraine has not only coal, gas, oil and wheat but also rare earths and metals—especially lithium, which has been called the “white gold” of the transition to new energy and transportation technologies. The country accounts for around one-third of Europe’s explored lithium deposits.

Only the ignorant could believe that this is irrelevant to NATO’s war aims. It would be the first major war in over 100 years that is not about mineral resources, markets and geostrategic interests. The *World Socialist Web Site* has pointed out in previous articles that deposits of critical raw materials in Russia and China, which are essential to the transition to electric mobility and renewable energy, are an important factor in the war calculus of NATO states.

Yet they go unmentioned in the media’s round-the-clock war propaganda. The media wish the public to believe that NATO is waging this war to defend “freedom” and “democracy”—and that after bombing Afghanistan, Iraq, Libya and Syria back into the Middle Ages under similar prettexts.

Relevant trade journals, industry magazines and think tanks, on the other hand, rave about Ukraine’s mineral wealth and discuss how best to capture it. It was to this end that German Economics Minister Robert Habeck (Green Party) even traveled to Ukraine at the beginning of April with a high-ranking business delegation.

According to the industry magazine *Mining World*, Ukraine has a total of around 20,000 raw material deposits, of which only 7,800 have been explored. Numerous other articles and strategy papers openly state that this is what the war is about.

On February 24, 2022, the day of the Russian invasion of Ukraine, the largest German business magazine, *Capital*, published an article stating that “Europe’s supply of raw materials” was “threatened” by the Russian occupation of eastern Ukraine. Ukraine was not only “the leading grain exporter” but also the largest EU supplier of iron ore pellets and “a linchpin for Europe’s energy security.” Among investors, the magazine said, there is “concern that the war will cut off exports of key raw materials.”

The GTAI article cited earlier reports that European steel mills were sourcing nearly one-fifth of their iron ore pellets from Ukraine in

2021. GTAI goes on to write that Ukraine is among the top ten producers of iron ore, manganese, zirconium, and graphite, and is “among the world leaders in titanium and kaolin.” In addition to “untapped oil and gas fields,” Ukraine’s lithium and titanium deposits, in particular, hold “enormous potential” for the European economy. In 2020, production volumes amounted to 1,681,000 tons of kaolin, 537,000 tons of titanium, 699,000 tons of manganese and 49,274,000 tons of iron ore.

Lithium for electromobility and energy storage

The price of lithium has increased more than eightfold in the last decade and is the subject of intense speculation. The metal is of strategic importance to the major imperialist powers because it is used in lithium-ion batteries installed in electric vehicles and off-grid renewable energy sources, and is also needed for lightweight aluminum alloys in the aerospace industry.

The largest lithium deposit in Europe is located in the Donetsk Oblast in the middle of the embattled Donbas region, only kilometers from the front lines. An article in the *Tagesspiegel*, published two months after the Russian invasion, points to untapped lithium reserves of 500,000 tons in Shevchenko near Potrovska and at least two other Ukrainian deposits.

Western companies and Ukrainian oligarchs were already fighting bitterly for control of this “white gold” before the war. As the *Tagesspiegel* reports, “Ukrainian businessmen” (who stood close to the Ukrainian government of the time under the oligarch Petro Poroshenko) with connections to Western mining companies obtained mining licenses, without a tender process, for the lithium deposit in Shevchenko as early as 2018.

The company in question, Petro Consulting—which was renamed “European Lithium Ukraine” shortly before the war began—is expected to be bought out by the Australian-European mining company European Lithium once its access to Ukraine’s lithium reserves is secured.

In 2018, when the Ukrainian Geological Survey refused to issue a “special permit” for Ukraine’s second largest lithium deposit at Dobra, likewise bypassing the tender process, Petro Consulting went so far as to sue the agency. After the Ukrainian Procurator General’s Office eventually launched an investigation into the allegedly illegal special permits, Petro-Consulting had its Shevchenko mining license revoked by the courts in April 2020 until further notice.

However, a spokesman for European Lithium told *Der* that the company bears “no risk in connection with the Ukrainian deposits.” He expressed confidence that the projects would be “made production-ready” after the end of the war.

Titanium for the Western arms industry

In a September 2022 article titled “Ukraine’s Titanium Can Armor the West,” the transatlantic think tank Center for European Policy Analysis (CEPA) wrote: “Support for Ukraine has been driven by strategic concerns and moral-political values. But long-term Western help should also be based on solid material interests.”

“Ukraine’s substantial titanium deposits” are “a key resource critical to the West” because the metal is “integral to many defense systems,” such as aircraft components and missiles. Currently, the raw material for Airbus, Boeing and Co. is extracted “in an expensive and time-consuming six-step process” from titanium ore, which until then had been sourced to a considerable extent from Russia. This “dependence” on “strategic competitors and adversaries” is unacceptable from the West’s point of view and can be ended with the help of Ukrainian resources:

For example, Dnipro-based Velta, the largest private exporter of raw titanium in Europe, has developed a new production system that bypasses the intensive process of producing titanium sponge and could supply the US and European defense and aerospace industries with finished metal. Given there are only five countries in the world actively producing titanium sponge —China, Russia, Kazakhstan, Japan and Ukraine — Velta’s technology could be a game changer for the supply chain by cutting reliance on Russia and China.

CEPA is funded by US and European defense contractors and lists as members of its “scientific advisory board” Donald Trump’s National Security Advisor General H. R. McMaster, former German Defense Minister Annegret Kramp-Karrenbauer, former Swedish Prime Minister Carl Bildt and publicists Anne Applebaum, Francis Fukuyama, and Timothy Garton Ash among others.

The CEPA article continues, “Reorienting titanium contracts to Ukraine would stimulate the country’s economy, even during wartime, not to mention during postwar reconstruction, and simultaneously strike another blow at Russia’s war machine.” The goal, it states, should be “cementing Ukraine’s integration into Europe.”

A January 28, 2023 report in *Newsweek* reports, “there is a nascent effort underway in the U.S. and allied nations to identify, develop, and utilize Ukraine’s vast resources of a key metal crucial for the development of the West’s most advanced military technology which will form the backbone of future deterrence against Russia and China.” The report adds, “If Ukraine wins, the U.S. and its allies will be in sole position to cultivate a new conduit of titanium.”

“Strategic raw materials partnership” between EU and Ukraine

The US and EU efforts to plunder Ukraine’s lithium and titanium deposits are part of the broader goal of tying Ukraine to the West as a strategic raw materials supplier. In particular, the EU is seeking to free itself from dependence on China—currently its most important raw materials supplier—against which the imperialist powers, especially the United States, are preparing to wage war.

On July 13, 2021, Ukrainian Prime Minister Denys Shmyhal and Maroš Šefčovič, Vice President of the European Commission, signed a “Strategic Partnership on Raw Materials and Batteries” in Kiev to “integrate critical raw materials and battery value chains.” Ukraine’s inclusion in the European Raw Materials Alliance (ERMA) and the European Battery Alliance (EBA) serves to “bolster Europe’s resilience and open strategic autonomy in key technologies,” the EU Commission said.

Referring to the list of critical raw materials in the EU’s associated “action plan,” Šefčovič told the press, “21 of these critical raw materials are in Ukraine, which is also extracting 117 out of 120 globally used minerals.” He added: “We’re talking about lithium, cobalt, manganese, rare earths—all of them are in Ukraine.”

Following the signing, EU Internal Market Commissioner Thierry Breton, who is also responsible for the defense and space industries of EU countries, praised the “high potential of the critical raw material reserves in Ukraine” that could help in “addressing some of the strategic dependencies [of the EU].”

Speaking at Raw Materials Week in Brussels in November 2022, Prime Minister Shmyhal stressed that Ukraine is “among the top ten producers of titanium, iron ore, kaolin, manganese, zirconium and graphite” and renewed his pledge to make the country an “integral part of industrial supply chains in the EU.”

The EU’s “strategic dependencies” are by no means limited to Russia or China and certainly not to Ukraine. A global race for strategic sources of raw materials has long since begun, in the course of which the US and the leading EU powers are attempting to divide among themselves the mineral resources and other resources of the “weaker” states. Although they are jointly waging war against Russia in Ukraine, this inevitably exacerbates conflicts between themselves as well.

The escalation of the war in Ukraine shows that the ruling elites are willing to go to extremes to enforce their profit interests. Only the working class can put an end to permanent war and the prospect of devastating nuclear war by bringing the resources of the entire planet under its democratic control on the basis of a socialist program and holding war profiteers to account.



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