

Ukraine, US sign critical minerals deal

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After tumultuous conflicts between Kiev and Washington, and between the imperialist powers in Europe and the US, the US and Ukraine signed a critical minerals deal on Wednesday.

The deal grants the US significant prerogatives in the exploitation of 57 mineral resources in Ukraine, including critical minerals, oil and gas. Shortly after the signing of the deal, on Thursday, the Trump administration announced that it had released \$50 million in US military aid to Ukraine, ending the previous US hold on military assistance.

Although watered down from the contract of naked neocolonial plunder that the US presented in February, the deal underscores the imperialist and predatory character of the war in Ukraine. Far from defending “democracy” and “liberty,” the conflict has always been rooted in the drive of the imperialist powers to assert control over the vast resources and riches of the entire former Soviet Union, including Ukraine and Russia. This is why they deliberately provoked the reactionary invasion of Ukraine by the Putin regime, seeking to make it the starting point for the imperialist carve-up of the entire region.

As the *World Socialist Web Site* analyzed in 2022, underlying the war was the rapacious quest of the imperialist powers for critical earth minerals that are vital to the functioning of the modern economy, especially the production of microchips and the development of the most advanced technologies, such as AI and electric vehicles. The vast majority of the extraction and processing of critical minerals in the world today is taking place in China, which is the principal target of the war preparations of US imperialism.

It is in this context that the raw material resources of the former Soviet Union, including but not only in Russia and Ukraine, have acquired strategic significance for the imperialist powers. In addition to significant holdings of raw materials like oil, gas and gold, both Russia and Ukraine have large known deposits of critical minerals, such as lithium and titanium.

Cloaked in the language of “human rights” and “democracy” under the Biden administration, the Trump administration now openly upholds these predatory interests

as the driving force of US foreign policy.

In contrast to the February draft, which would have given the US full ownership and rights to the extraction of all of Ukraine’s raw materials, the signed deal provides for the formation of a “Joint Reconstruction Investment Fund” with equal representation from the US and Ukraine. For the first 10 years, all revenues will be directed toward the “reconstruction” of Ukraine. But US companies will have the first right to invest in and purchase any projects initiated by this fund.

Any further US military assistance to Ukraine will count as a contribution to the fund. For this deal, the US has dropped earlier demands by Trump that Ukraine “repay” all the military aid the US has provided to Ukraine so far, an estimated \$67 billion. As in the past, the US has refused to mention any “security guarantees” for Ukraine in the deal.

Ukraine will have to use 50 percent of all revenue generated from new licenses for oil, gas and critical minerals to finance its participation in this Fund.

Whereas the February draft would have given the US exclusive rights to the extraction of Ukraine’s minerals, the signed deal mentions EU membership for Ukraine as an option and allows for renegotiations of conditions “in good faith” to allow Ukraine to abide by potential contractual obligations to the EU.

The draft in February had triggered angry responses by the European imperialist powers, which fear being sidelined in the plunder of Ukraine. Like the American ruling class, the European bourgeoisie, especially in Germany, France and Britain, has invested billions in the conflict with Russia in Ukraine in order to secure its “right” to the vast raw material resources of the region. To rival the US bid for Ukraine’s raw materials and secure deposits for the European bourgeoisie, the EU in February initiated negotiations about a “win-win partnership” with Kiev.

Notwithstanding a vague nod to the interests of Germany, France and other European imperialist powers, in the language of the deal, it was clearly struck in a successful effort to preempt their moves to get a hold of the booty. The US-Ukraine agreement stipulates that “notwithstanding any new legislation of Ukraine or amendments to legislation of

Ukraine that may be adopted in the future,” the US and American companies will “receive treatment no less favorable than required by this Agreement.”

This “treatment” ensures that there will be no taxes, tariffs, duties, deductions or withholdings of any kind to the profits made by US corporations in the extraction of Ukraine’s raw materials.

Nominally, Ukraine retains full ownership and control over its resources and can decide who will extract what and where. But, from the standpoint of the working class, this “independence” is a fiction. Ukraine is ruled by a criminal oligarchy that, like its Russian counterpart, has emerged out of the Stalinist bureaucracy’s destruction of the Soviet Union, carried out hand in glove with the imperialist powers. Since then, the oligarchs in Ukraine, as in Russia, have amassed enormous amounts of wealth by plundering state assets and selling off the country’s resources to imperialist countries.

Thus, by virtue of its entire socio-economic basis and history, the Ukrainian oligarchy is intrinsically tied to the imperialist powers, between which it constantly maneuvers and on whose behalf it has sent hundreds of thousands of Ukrainians to the slaughter. While the deal may provide the oligarchs with a basis to siphon off parts of the profits from the extraction of raw materials for their own enrichment, at its core, it is the pseudo-legal basis for the neocolonial exploitation of the country’s resources.

As in many colonial forays in the past, its objective basis is highly tenuous. A study by the Canadian NGO SecDev in 2022 estimated that the worth of Ukraine’s critical mineral deposits at \$12 trillion, figures that have been echoed by NATO politicians since. Yet the vast majority of them are undeveloped, and many experts cast doubt on the envisioned “critical minerals bonanza” in Ukraine.

Javier Blas, an energy and commodities columnist for Bloomberg, noted on Twitter/X:

It’s not the first time that the US has gotten its geology wrong in a war zone. Back in 2010, the US announced it had discovered \$1 trillion of untapped mineral deposits in Afghanistan, including some crucial for electric-car batteries, like lithium. It was utter fantasy. ... So does Ukraine have some mineral riches? Yes. It does have large deposits of iron ore and coal, neither of which are strategically important from a global perspective. Before the war, Ukraine produced just a bit more iron ore than countries like the US, Canada and Sweden. ... But the key is that Ukraine doesn’t have any commercial deposits. Almost universally, the documents found online

mistake (small) accumulations of some rare-earth-bearing minerals as equating with a commercial mine. They aren’t the same.

Moreover, an estimated 50 percent of all of Ukraine’s mineral resources are now in territories controlled by Russia. They no doubt feature prominently in the current US-Russian negotiations.

The ravages of war will further complicate any extraction of raw materials. After more than three years of war, Ukraine is now the most mined country in the world. Estimates suggest that, as of late 2024, between 25 and 30 percent of the country’s territory—roughly 174,000 square kilometers—are contaminated with millions of landmines and other explosives. At least 413 people have lost their lives because of landmines since 2022. The heavy mining has already severely undermined Ukraine’s agriculture, which has lost arable land the size of Belgium as a result. It will inevitably pose significant obstacles to the extraction of raw material resources of any kind.

Whatever the immediate outcome of this deal and the further negotiations by the Trump administration with the Kremlin, workers must see the deal as a stark warning as to the character of the events that are unfolding: The war in Ukraine, with its hundreds of thousands of dead and millions injured, is but the opening stage of an imperialist redivision of the world, rooted in the irresolvable crisis of the capitalist system as a whole and accelerated by the decline of US imperialism.

It can only be stopped through the intervention of the international working class, which must be unified on the basis of a socialist program and mobilized in opposition to the ruling classes of all countries.



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