

It's A Deal, For India Too

The business logic behind Ukraine-US minerals pact allows New Delhi to plan a better logistics play for the many products it buys from Kyiv. Ukrainian Black Sea ports will be a vital link

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Like it or not, Trump's geopolitical business schemes, from Gaza to Ukraine, confirm that the order of international law no longer holds water, and that the world needs new forms of security. Putin's conquest campaign in Ukraine laid bare the helplessness of UN and the futility of old international charters, agreements and treaties in face of brute force.

Trump's insistence on exploiting Ukraine's rare earths, on which an agreement on a 50/50 joint US-Ukraine investment has just been signed, offers an alternative model of security – the enmeshment of business interests as a safeguard of peace – and not only to Ukraine.

According to the minerals deals, both sides will jointly manage and equally contribute to the Reconstruction Investment Fund; future American military aid will count as US contribution to the fund; the fund will exclusively be supplied with revenues from newly issued licences in Ukrainian minerals, oil and gas; and profits earned by the fund will be reinvested for Ukraine's reconstruction. Sure, the deal doesn't provide for the security guarantees Ukraine was seeking. But it also doesn't hinder Ukraine's accession to EU.

Trump's geo-economics also runs through his dealings with European leaders. A recent White House press release about Trump's meeting with Italian PM Meloni mentions a joint effort by Italy and US to develop the India-Middle East-Europe Economic Corridor (IMEC), launched in 2023 by Modi. This ambitious new project, which offers an alternative to the Suez Canal threatened by Houthis, will boost trade along a route running through conflict zones, including Israel-Palestine. Italy is a key partner in this initiative. Its port of Trieste can link India to wealthy European markets. It also houses the largest Mediterranean Nato fleet that can offer maritime security along the route, allowing US to scale back its regional naval presence in favour of the Indo-Pacific.

Trump is not alone in looking to business for security. The louder the alarm bells have chimed about the

threat of China, the faster Indo-Chinese business relations have grown. Only last year, China quietly overtook US to reclaim the status of India's biggest trade partner, visa restrictions for Chinese engineers were lifted and Chinese investment in India's infra and tech swelled. It's no coincidence that later that year India and China saw a thaw in their border tensions.

Today China holds a near monopoly on rare earths, controlling around 80% of the global market. It not only holds rich deposits, but is also willing to sacrifice its air and water to the intensely polluting extraction process. This puts it in the position to blackmail Western countries.



This is why Trump is so keen on exploiting Ukraine's rare earths, a proposal made originally by Zelenskyy. Rare earths are indispensable to electronics, from mobile phones to electric cars and heat-proof magnets used in fighter jets, missile control and spacecraft. Access to them has elemental strategic significance, which will only expand as technologies grow.

Ukraine's confirmed rare earths are substantial. Long before the Russian invasion, Ukraine's gov't invited Musk to invest in mining its lithium. Ukraine holds a third of Europe's lithium reserves. Mines in central Ukraine generate 6% of global titanium used across industries, from orthopaedic implants to aircraft. Ukraine is also one of the world's largest producers of neon gas, generating between 45% and

54% of the global supply, essential for chip production. The country holds Europe's largest reserves of uranium and a high concentration of cobalt.

Extracting rare earths in Ukraine will be no easy task. Mining will require intensive dewatering, but the prospect of an alternative source of these elements, paired with the promise of American investment in their exploration, has the potential of major geopolitical change. This is why the US administration is far from alone in clamouring over Ukraine's minerals.

One of the key strategic lessons of the Russo-Ukrainian war for Europe has been the realisation of the risks of depending on autocracies for strategic materials. While Trump speaks openly about these risks, off-display Europe too is looking to diversify its supply of raw materials and strategic technologies. Having lost uranium mines in its former African colonies, France needs new sources for its expansive nuclear sector. German medical and defence industries are equally keen to diversify their sources of REE. Asia's tech giants, Japan and South Korea, are no less keen to relieve their dependence on Chinese rare earths.

IMEC opens the door to this market. It's the world's biggest logistical project since China's Belt and Road Initiative, which sidesteps the dangerous Babel-Mandeb Strait, connecting India to UAE, Saudi Arabia, Israel, Italy, Germany, France, and US. The strategic significance of Ukraine's resources, which will ease India's dependence on China, makes it essential to add its Black Sea ports to the route. Rare earths aside, India already imports vast quantities of Ukrainian products, from sunflower oil to coal and gas turbines used in its navy. Indian entrepreneurs control ArcelorMittal, Ukraine's largest steelworks based in Zelenesky's hometown Kryvyi Rih, and hold most shares in the Zorya-Mashproekt gas turbine complex.

Ukraine's Black Sea ports of Odesa and Yuzhny do not only house investments from IMEC's key partner countries – Germany (HHLA), Dubai (DP World) and US (Cargill) – they also connect the Corridor to Eastern Europe and Baltic Sea via Ukraine's elaborate railway infra.

As Ukraine, US and Russia negotiate peace over Black Sea's troubled waters, India should keep a beady eye on it as a space of historic strategic opportunity.

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