Critical Metals Are Becoming a New Tool for Uzbekistan’s Industrialization – Alona Lebedieva

KYIV, UKRAINE, August 11, 2026 /EINPresswire.com/ -- Uzbekistan is seeking to use the growing global demand for critical minerals not only to increase extraction, but also to develop its own processing industry. In early August, the country invited Indian companies to invest in the mining and metallurgical sectors and specifically called for technology, capital and expertise for the deep processing of copper and rare earth metals.

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This approach reflects a broader shift in Uzbekistan’s economic policy. According to Invest Uzbekistan, the country ranks fifth in the world in gold reserves, eighth in copper and twelfth in uranium, while also possessing deposits of tungsten, molybdenum, lithium and rare earth elements. In 2025, mining output amounted to approximately $17.6 billion, while the metallurgical industry generated more than $14.7 billion in the first ten months of the year. Gold production reached around 130 tonnes.

However, substantial reserves alone no longer guarantee maximum economic benefit. A significant share of added value is created at later stages – through processing, metal production, components and finished products.

According to Alona Lebedieva, owner of the Ukrainian industrial and investment group Aurum Group, the shift from raw material exports to deep processing could become one of the key tools for a new stage of Uzbekistan’s industrialization. The issue is no longer only revenues from extraction, but also attracting technology, creating production facilities and building new value chains inside the country.

The process is already gaining scale. According to the President of Uzbekistan, the country currently processes around 100,000 tonnes of copper, while projects being launched in 2026 are expected to increase deep-processing capacity to 240,000 tonnes. Over the past nine years, around $10 billion in foreign investment has been attracted to the mining sector. By 2030, Uzbekistan also plans to increase copper production to 500,000 tonnes per year.

More than 70 projects in the critical minerals sector, worth a total of $1.6 billion, are already being implemented with companies from the United States, China and Türkiye. At the same time, the state is explicitly focusing not only on extraction, but also on deep processing and higher-value-added production.

The main challenges emerge precisely at the transition from extraction to full-scale industrial processing. Metallurgical and hydrometallurgical production requires stable electricity and water supply, developed logistics, qualified engineers and technologists, predictable conditions for investors and genuine technology transfer. The outcome will therefore depend not only on the amount of investment attracted, but also on how much of the production chain Uzbekistan is able to localize.

Environmental requirements are becoming increasingly important as well. Expanding extraction and processing increases pressure on resources and the environment, while compliance with modern standards increasingly affects access to Western capital and international markets.

Alona Lebedieva notes that the global environment is currently favorable for such a strategy. According to the International Energy Agency, critical mineral prices began to rise again in 2025 and early 2026 after several years of decline. Base metals, including copper, aluminium and tin, increased in price by around one-third between January 2025 and April 2026, while several strategic minor metals more than doubled. Tungsten, which is also found in Uzbekistan, increased sixfold over the same period.

At the same time, the key issue is not only access to resources, but also the concentration of processing. According to the IEA, in 2025 the average share of the largest processor in key mineral supply chains, excluding rare earths, rose to 72%, compared with 70% in 2023. Even under the current pipeline of new projects, the world could face a copper supply deficit of around 25% by 2035.

This is why major economies are looking for alternative suppliers and seeking to diversify supply chains. Uzbekistan is actively building partnerships in this context. At a business forum in New Delhi, Indian companies were invited to participate in gold, copper, uranium, critical mineral and rare earth projects, with particular emphasis on steel production and deep processing. Around 400 Indian companies currently operate in Uzbekistan, while the portfolio of joint projects exceeds $5 billion. Bilateral trade grew by 30% last year and exceeded $1.3 billion for the first time, with the next target set at $2 billion.

The country is also expanding cooperation with the United States. In June, the U.S. International Development Finance Corporation and Uzbekistan launched a joint investment platform focused on critical minerals, energy, infrastructure, transport and logistics, as well as advanced manufacturing.

The experience of neighboring Kazakhstan is also relevant. Kazakhstan has more developed metallurgical capacity and higher-value-added production, yet even there the transition away from a raw-material-based model is gradual, and some raw materials and semi-finished products are still exported without maximum localization of subsequent production stages.

For Uzbekistan, this demonstrates that large reserves, investment and political support alone do not guarantee the rapid creation of a full production cycle. Technology, energy and transport infrastructure, skilled personnel and commercially attractive conditions for foreign partners will be decisive.

According to Alona Lebedieva, Uzbekistan’s main challenge is to turn its resource advantage into an industrial one. If the country succeeds in combining its resource base with foreign technology, capital and domestic processing, critical metals could become not merely a promising export category, but one of the drivers of a new stage of industrialization. The key measure of success, however, will be not extraction growth itself, but the depth of processing localization and the share of added value that remains within Uzbekistan’s economy.

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