

Central africa battery safety

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In June, the European Parliament voted to effectively outlaw the sale of new cars using gasoline or diesel by 2035. If approved by the European Union, the move would revolutionize the world's third-largest auto market after China and the United States--and hasten the global transformation of the entire automotive industry to battery technology.

Some countries are trying to buck this trend and get a bigger share of energy transition riches. Indonesia, for example, introduced a ban on the export of raw nickel ore in 2020, effectively forcing foreign companies to relocate their nickel processing to Indonesia. But many economists question whether such bans actually spur development. In a competitive global market, such initiatives are frequently stymied by a lack of local skills and logistics networks. Bolivia similarly attempted to add value to its lithium reserves, with only lackluster results so far.

China's targeting of batteries as part of its strategic industrial planning has spurred anxiety in the United States. In May, the Biden administration announced a \$3 billion plan to boost the domestic production of EV batteries. But for any attempt to wrest a larger part of the battery supply chain from China to succeed, U.S. manufacturers will also need greater access to minerals such as cobalt. This has put Congo--and Chinese activities there--into Washington's crosshairs.

Congo is no ordinary African country. Roughly the size of Western Europe, Congo and its vast resources are in many ways key to the economic fortunes of the entire African continent. Any partner with an eye on Congo's mineral wealth would have to overcome the same hurdles holding back the continent as a whole. Because of Congo's vast size, virtually landlocked position at the center of Africa, and poor access to transportation hubs, any systematic development of Congo's resources would radiate to neighboring countries and set precedents, good and bad, for the rest of the continent.

Chinese miners have been accused of worsening what were already low labor and environmental standards, and there is ample proof of bad practices among Chinese entities in Congo. Chinese companies have also been slow in delivering promised infrastructure projects that were part of major minerals deals but not directly related to the extraction economy--such as schools, hospitals, and other social infrastructure.

Some see this as an opportunity for Western companies to displace their Chinese competitors by striking deals

with Congo that have a greater development focus. Over the last few years, joint delegations of U.S. government officials and corporate executives, as well as European groups, have visited Congo, but there have been few public announcements of concrete cooperation agreements.

But even if U.S.-Chinese competition could raise Congo's leverage, it may be difficult to get more U.S. companies interested in Congo. With investors increasingly focused on compliance with environmental, social, and governance standards, many companies are loath to do business in a notoriously corrupt country like Congo. There are legal constraints as well, such as the Foreign Corrupt Practices Act, which has no equivalent in China.

In the end, the race between Washington and Beijing for EV battery minerals papers over the deep and fundamental gulf not between China and the United States but between North and South. For the global south to actually benefit in a broad-based and comprehensive way from its vast mineral wealth--resources that have become existential for climate policy--it would take such overwhelmingly massive changes in global supply chains and economic relations that they tend not to be articulated at all.

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