Sovereign Debt News Update No. 191: Nigeria's US $700 billion Critical Minerals Deal with the United States: Transparency Concerns and the Imperative of Mineral Beneficiation

By:

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Nigeria's partnership with the United States (US) over critical minerals has brought renewed attention to the question of how African countries can translate their mineral wealth into domestic industrial development, employment and public revenue. On 23 September 2026, Nigeria and the US announced a framework agreement intended to deepen American investment in Nigeria's mining sector, with the agreement signed in New York by Nigeria's Minister of Solid Minerals Development, Dele Alake, and US Deputy Secretary of State Christopher Landau. The partnership is presented as an opportunity to

mobilise foreign capital, improve geological knowledge, strengthen mineral processing and infrastructure, and expand technical capacity. It comes as Washington intensifies efforts to diversify critical mineral supply chains and reduce reliance on Chinese-dominated processing and refining networks, while Nigeria seeks to diversify its economy beyond oil and attract investment into its underdeveloped solid minerals sector.

However, the agreement has also raised questions about the extent to which the partnership's commercial and strategic benefits will translate into tangible gains for Nigeria and its mineral-producing communities. The reported valuation of Nigeria’s mineral resources at approximately US$700 billion has attracted considerable attention, but this figure must be distinguished from an actual US investment commitment. The limited public disclosure of the agreement's financial terms, implementation arrangements and enforceable domestic processing obligations has prompted calls for transparency from organised labour and other Nigerian stakeholders.

This update examines the reported terms of the Nigeria-US partnership and its anticipated benefits, situates the agreement within the wider US-China competition for critical minerals, and considers reactions and the concerns expressed by Nigerian civil society. It also briefly considers the agreement through the lens of mineral beneficiation, drawing on AfSDJN's recent updates on Zimbabwe and Malawi to assess what the partnership could mean for resource mobilisation, industrialisation and economic sovereignty.

The Nigeria-US Agreement: Investment Promises and the Challenge of Implementation

The Nigeria-US critical minerals framework was formalised in New York in September 2026, with Nigeria's Minister of Solid Minerals Development, Dele Alake, and US Deputy Secretary of State Christopher Landau signing the agreement. The Nigerian government has described the arrangement as a framework for expanding American investment in a mineral sector whose resources have been estimated at approximately US$700 billion. The agreement reportedly covers geological data and exploration, mineral development and processing, infrastructure, and technical capacity building. Its stated direction is to create a foundation for business-to-business partnerships

that can improve Nigeria's capacity to develop its mineral resources and retain more value domestically. At the signing ceremony, Alake emphasised that the objective was to establish secure and resilient mineral supply chains founded on responsible investment, while expanding opportunities for Nigerian businesses.

Alake stated that the framework provides for cooperation in "*geological data and exploration, mineral development and processing, infrastructure, and technical capacity building.*" He further indicated that the agreement's success would depend on translating its commitments into concrete commercial outcomes, declaring: "*Now comes the harder and more important work: moving from agreement to implementation. A signature is a promise; results are the proof.*" He added that Nigeria and the US would identify viable projects, mobilise investments and establish commercial partnerships capable of delivering measurable benefits to both countries. These statements indicate that the framework should be understood as the starting point for developing projects rather than evidence that all anticipated investments have already been committed or disbursed. Its developmental significance will therefore depend on the projects subsequently identified, the financing mobilised, and the extent to which domestic processing and Nigerian participation are incorporated into their implementation.

The reported US$700 billion valuation also requires careful interpretation. It refers to an estimate of Nigeria's mineral resources, not a US$700 billion investment package promised by Washington. Although the figure illustrates the perceived scale of the country's mineral potential, geological resources do not automatically translate into commercially recoverable reserves, operating mines or public revenue. Further exploration, mineral characterisation, infrastructure development and commercially viable projects are required before such potential can generate sustained economic returns. Munira Raji, senior research fellow in green minerals and the energy transition at the Africa Policy Research Institute, has cautioned that parts of Nigeria remain under-explored and that better geological data and resource definition are necessary before the country's mineral potential can be confidently translated into economically recoverable resources. This distinction is particularly important when assessing public expectations surrounding the partnership: the scale of the resource estimate should not be confused with the amount of capital

available to Nigeria or the revenue that the government can expect to collect.

From Government Framework to Commercial Partnerships

The framework has been accompanied by reported business partnerships intended to connect Nigerian mineral operators with US companies providing equipment, renewable energy and security technologies. According to Truth Nigeria, the Nigerian minerals extraction and processing company Promethean Resources has been linked with three US-based companies: Vermeer Corporation, Renewvia Energy and Terra Industries. The collaboration involving Promethean Resources and Vermeer Corporation is intended to explore the deployment of advanced equipment for iron ore, tin, lithium and gold operations, with a view to improving operational efficiency, workforce development and responsible extraction and processing. Renewvia Energy is expected to explore renewable energy solutions for mining and processing operations, while Terra Industries is associated with proposed technology-enabled security solutions at mining and mineral processing sites. These arrangements suggest that the partnership's practical implications may extend beyond mineral extraction to the energy and technological infrastructure required to support the sector.

The US-China Race for Critical Minerals and Nigeria's Strategic Position

The agreement must also be understood within the wider geopolitical competition between the US and China over access to critical minerals and the supply chains that support advanced manufacturing and the energy transition. Washington has increasingly sought to diversify its sources of strategic minerals and reduce vulnerabilities associated with China's established position in mineral processing and related industries. Nigeria's resources, particularly lithium, tantalum and other minerals used in advanced manufacturing, offer the US an opportunity to develop alternative sources of supply while expanding its economic engagement with Africa's largest economy by population. The September 2026 framework therefore reflects more than a conventional investment initiative: it forms part of a broader effort to secure mineral supply chains that are considered increasingly important to economic competitiveness, technological development and national security.

China, however, enters this competition with an established presence in Nigeria's mining and processing industries. Chinese-backed investors have already participated in the development of lithium-processing facilities, including a plant in Nasarawa State, while other companies have pursued projects in lithium and tantalum. One source reported that Chinese companies had been involved in more than US$1 billion in planned lithium investments, illustrating the extent to which Beijing-linked commercial interests had moved into Nigeria's emerging mineral economy before Washington's latest initiative. The scale of China's existing involvement means that the US framework does not represent the beginning of international interest in Nigeria's mineral resources. Rather, it signals an effort to strengthen an American position in a market where Chinese companies have already invested capital, established business relationships and begun developing processing capacity.

Nigeria's engagement with China also extends beyond lithium. In September 2024, Nigeria signed a reported US$1 billion iron ore-to-steel project with Chinese firm Sinomach-He, under which the company was to undertake engineering, procurement, installation, commissioning and training. According to figures attributed to Nigeria's Minister of Solid Minerals Development, Dele Alake, four Chinese companies, including Canmax Technology, Jiuling Lithium, Avatar New Energy Nigeria Company and Asba, invested more than US$1.3 billion in lithium processing between September 2023 and October 2025. These figures illustrate the competitive landscape confronting the new US partnership, as well as the importance of distinguishing between announced investment, actual expenditure and operating capacity. They also show that Nigeria has already been pursuing foreign partnerships to develop its mineral sector, making the central policy question one of how to manage competing external interests while advancing domestic industrial objectives.

Reactions: The Case for Strategic Cooperation, Investment, Jobs and Economic Diversification

Supporters of the Nigeria-US partnership have presented it as an opportunity to attract capital, introduce modern technology and strengthen the country's participation in expanding global critical minerals markets. Dr Muda Yusuf, Director-General of Nigeria's Centre for the Promotion of Private Enterprise (CPPE), described the agreement as "*a good start*," pointing to increasing

demand for rare earth minerals and the limited availability of some of these resources in the developed economies that require them. He added that the arrangement gives Africa "*some comparative advantage and we need to seize this opportunity to grow the economy.*" His assessment reflects the argument that Nigeria's mineral endowment could strengthen its position in international markets, particularly if the country can attract investment into exploration, processing and related industries. From this perspective, the agreement offers a potential means of converting international demand for critical minerals into new commercial opportunities for Nigerian businesses.

For some, support for the agreement must be accompanied by calls for accountability. Former Kaduna Central Senator Shehu Sani welcomed the initiative but questioned the absence of earlier disclosure, stating that "*the deal is a commendable achievement but the details should have been earlier made public for at least parliamentary scrutiny so as to ensure that our national interests and the interests of the host communities are well protected.*" His reaction is significant because it illustrates that the debate does not divide neatly between those who support foreign investment and those who oppose it. Stakeholders may welcome international cooperation while maintaining that the terms must be transparent and subject to oversight. The distinction is important for assessing the partnership: its economic rationale may be attractive, but its legitimacy and long-term contribution will depend on whether the public can establish what Nigeria has committed to provide and what it is expected to receive in return.

At the same time, not all reactions have accepted the agreement's stated developmental rationale without reservations. Dr Jonathan Akuns, a former Central Bank of Nigeria director and a governorship candidate in Plateau State, questioned the political dimensions of the arrangement, describing it as "*a classic case of when economics becomes politics.*" His criticism raises a broader concern about whether strategic partnerships are being driven primarily by the development priorities of the resource-producing country or by the geopolitical objectives of external powers. Where critical minerals are treated as strategic assets by competing international actors, African governments face pressure to demonstrate that their partnerships deliver tangible economic and social benefits rather than simply facilitate external access to resources. These reservations do not establish that Nigeria has surrendered control over its

minerals, but they reinforce the need for the agreement's commercial and governance arrangements to be made sufficiently clear for independent scrutiny.

Concerns Over Transparency, Resource Sovereignty and the Distribution of Benefits

Among the most prominent institutional critics of the agreement is ITUC-Africa, the African Regional Organisation of the International Trade Union Confederation. In a statement reported by Vanguard on 1 October 2026, the organisation warned that Nigeria must ensure that its mineral wealth contributes directly to national development rather than creating another form of economic dependency. Through its General Secretary, Akhator Joel Odigie, ITUC-Africa called for greater transparency and public scrutiny of the framework, emphasising that the publicly available information did not sufficiently explain the specific projects, financing commitments, mineral volumes, pricing arrangements, offtake provisions, duration or governance structure. The organisation also stressed the need for enforceable domestic beneficiation obligations. Its intervention shifts attention away from the headline valuation of Nigeria's resources and towards the institutional and contractual arrangements through which the benefits of extraction will be distributed.

A central element of ITUC-Africa's statement is its clarification that the widely reported US$700 billion represents an estimate of Nigeria's mineral resources rather than an investment commitment by the United States. The distinction matters because public discussion of the agreement could otherwise create the impression that Nigeria has secured an investment package of comparable value. The organisation argues that the absence of detailed information prevents Nigerians from assessing whether the partnership will generate sufficient domestic revenues and industrial capacity. It consequently calls for publication of the complete framework and enforceable safeguards covering local content, technology transfer, decent work, taxation, public revenues, environmental protection and community benefits. These concerns place the agreement within a wider debate about domestic resource mobilisation: whether African countries can finance a greater share of their development by retaining more of the economic value generated from their natural resources.

ITUC-Africa's criticism is particularly relevant to the relationship between mineral extraction and structural transformation. The organisation cautioned that "*Nigeria cannot replace dependence on crude oil exports with dependence on exports of lithium, rare earths or other unprocessed minerals*." It further argued that "*Changing the commodity without changing the structure of extraction is not economic transformation.*" This position reflects a concern that diversifying the range of commodities exported will not necessarily change the underlying structure of an economy if extraction continues to be separated from domestic manufacturing, technological development and productive employment. Nigeria could become a more important supplier of minerals required by the global energy transition without developing the industrial capabilities needed to manufacture higher-value products. From this perspective, the agreement's developmental value will depend on whether it enables Nigeria to move beyond resource extraction towards greater participation in the processing and manufacturing stages of critical mineral value chains.

The labour organisation has also emphasised the importance of public accountability and legislative scrutiny. It questioned what prior discussion had taken place in Nigeria's National Assembly, including the Senate, before the framework advanced. ITUC-Africa invoked the constitutional requirements governing treaties and called for institutional oversight proportionate to the strategic significance of the arrangement. Its position is that an agreement affecting access to valuable natural resources, future public revenues and the structure of domestic industry should not be assessed solely through executive announcements or anticipated investment figures. Instead, its implications should be open to scrutiny by legislators, workers, affected communities and the wider public. This is especially important where the financial terms, implementation arrangements and enforceability of domestic processing obligations remain unclear. Public scrutiny can help establish whether the partnership advances national development priorities and whether the government has sufficient mechanisms to enforce its commitments.

The Arewa Consultative Forum (ACF) also added to these concerns in a statement reported by Blueprint on 22 October 2026. The forum called for full disclosure of the reported Nigeria-US critical minerals agreement, seeking information about its financial implications, participating companies, benefits

for local communities and safeguards for Nigeria's mineral resources. ACF National Publicity Secretary Professor Tukur Muhammad-Baba stated that the forum supported responsible foreign investment and technical cooperation but insisted that transparency, accountability and protection of Nigeria's national interests must guide mineral development. The forum specifically highlighted Northern Nigeria's deposits of gold, lithium, lead-zinc and other commercially valuable minerals, arguing that these resources could support employment, industrial development and regional economic diversification if managed appropriately. Its intervention underscores the importance of evaluating the agreement from the perspective of the communities and regions where mining takes place, rather than solely through national investment and geopolitical objectives.

ACF's concerns extend to the distribution of benefits and the protection of communities exposed to the environmental and social consequences of mining. The forum called for clear commitments to local employment, skills development, Nigerian participation in mining businesses, local processing where feasible, infrastructure development, environmental protection and fair compensation for affected communities. It also warned that insecurity across parts of Northern Nigeria could expose mineral-bearing areas to illegal exploitation, displacement, environmental degradation and the loss of legitimate economic opportunities. The forum therefore urged federal authorities and relevant security and regulatory agencies to explain how mining sites and host communities would be protected and how criminal networks would be prevented from exploiting the arrangement. These concerns demonstrate that security and governance are not peripheral issues in the development of critical minerals. They directly affect whether investment generates legitimate economic activity and whether the benefits of resource development reach the populations living in mineral-producing areas.

Taken together, the responses from ITUC-Africa and ACF identify a common concern: the gap between the promise of investment and the evidence available to the public about its likely outcomes. Both organisations emphasise transparency, domestic economic benefits and safeguards for communities, although their interventions highlight different dimensions of the issue. ITUC-Africa places particular emphasis on resource mobilisation, labour rights, domestic beneficiation and the risk of reproducing extractive economic

structures. ACF focuses more explicitly on disclosure, local participation, regional security, environmental protection and the position of host communities. These interventions demonstrate that the public debate is not simply about whether Nigeria should cooperate with the United States. It is about the terms on which that cooperation occurs, the obligations it imposes and the extent to which its benefits can be verified.

Mineral Beneficiation and Lessons from Zimbabwe and Malawi

Mineral beneficiation refers to the processes through which minerals are upgraded, processed or transformed to increase their value before export or further industrial use. Depending on the mineral and the stage of production, this can range from concentration and refining to the production of higher-value industrial inputs. Beneficiation can create opportunities for domestic employment, technical learning, supplier development and increased public revenues, although its viability depends on factors such as energy costs, infrastructure, technology, market access and the economics of individual projects.

The concerns raised by ITUC-Africa about Nigeria becoming dependent on exports of unprocessed critical minerals echo a wider debate across Africa about how mineral wealth can support domestic industrialisation. In its recent AfSDJN updates on Zimbabwe and Malawi, measures adopted in February 2026 by both countries to restrict raw mineral exports and promote local value addition were examined. Zimbabwe suspended exports of raw minerals and lithium concentrates, while Malawi announced a ban on raw mineral exports alongside a suspension of new mining licences and an audit of its mining licensing registry. Although these approaches differ from Nigeria's investment-focused framework with the United States, they raise a common question: whether mineral-producing countries can translate foreign investment and resource extraction into domestic processing, employment, public revenues and stronger productive capacity. For Nigeria, the relevant test will be whether the US partnership delivers concrete commitments to domestic beneficiation and technology transfer, rather than simply expanding access to mineral resources.

Conclusion

Nigeria’s September 2026 critical minerals framework with the United States presents an opportunity to attract investment, develop domestic processing capacity and strengthen the country’s position in global mineral supply chains amid intensifying US-China competition. However, as the concerns raised by ITUC-Africa and the Arewa Consultative Forum demonstrate, the agreement’s developmental value will depend on transparency, enforceable commitments and the extent to which its benefits reach Nigerian businesses, workers and mineral-producing communities. Additionally, the reported US$700 billion valuation of Nigeria’s mineral resources should not be confused with actual investment commitments or guaranteed public revenues. As highlighted in AfSDJN’s recent updates on Zimbabwe and Malawi, mineral wealth does not automatically translate into domestic industrialisation. Nigeria must therefore ensure that cooperation with the United States advances mineral beneficiation, technology transfer, decent employment and domestic resource mobilisation, rather than perpetuating dependence on the export of unprocessed resources. Ultimately, the partnership should be judged not by its geopolitical significance, but by its contribution to Nigeria’s economic sovereignty and inclusive, sustainable development.

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