



Critical Minerals: A Historic Opportunity for Latin America



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The Strategic Role of Critical Minerals

Critical minerals are essential elements for modern technologies. They are key inputs in the production of batteries, semiconductors, wind turbines, solar panels, electric vehicles, and magnets. These materials support a wide range of industries and are particularly important for advanced defense systems and high technology manufacturing.

Among the most relevant critical minerals are lithium, cobalt, nickel, graphite, and rare earth elements. Rare earths consist of a group of 17 chemical elements that are extracted from mineral deposits and are fundamental for many modern industrial applications.

A Global Supply Chain Under Pressure

The global value chain for critical minerals is undergoing a significant reorganization. One of the main drivers of this shift is the high concentration of production and refining capacity in China.

China currently controls a substantial share of global rare earth production and the refining of minerals such as lithium and cobalt. This concentration has raised concerns among Western economies regarding supply chain resilience.

Disruptions caused by geopolitical tensions, trade restrictions, or internal crises could affect entire industrial sectors. The consequences could include production slowdowns, economic losses, and potential risks to national security.

Latin America's Strategic Opportunity

This evolving geopolitical and industrial landscape creates a historic opportunity for Latin America. The region holds significant reserves of several critical minerals that are increasingly important for global supply chains.

Brazil stands out due to its large deposits of lithium and niobium, the latter being a mineral where the country is a global leader. Brazil also holds reserves of rare earth elements and graphite.

Other countries in the region also play important roles. Colombia has notable potential in nickel and copper. Mexico possesses significant lithium and other strategic mineral reserves. The region commonly referred to as the Lithium Triangle, which includes territories in Argentina, Bolivia, and Chile, contains some of the largest lithium reserves in the world.

Structural Advantages of the Region

Beyond the presence of mineral resources, Latin America offers structural characteristics that increase its attractiveness as an alternative supplier to Western economies.

The region benefits from geographic proximity to the United States and Europe, relatively stable political environments in several countries, and legal frameworks that offer a degree of contractual predictability for international investors.

Brazil presents additional strengths in this context. Mining is a well established industry in the country, supported by strong educational institutions that train engineers and geologists. Political risk is comparatively lower than in several other emerging regions, and there is strong potential for new discoveries given the size of the territory and the level of unexplored geological areas.

Moving Beyond Extraction

The opportunity for Latin America extends beyond the extraction of minerals. Significant value can be generated across the broader industrial value chain, including refining and processing activities.

These stages increase the value of mineral resources and allow countries to participate more actively in advanced manufacturing supply chains.

Brazil also has relevant competitive advantages in this area. The country offers a skilled workforce and access to energy at competitive costs. A large portion of Brazil's energy matrix comes from renewable sources, which can be particularly attractive for companies seeking to develop more sustainable industrial operations.

Challenges That Still Need to Be Addressed

Despite these advantages, several structural challenges remain.

Environmental licensing processes in some countries can be slow and complex. Logistics infrastructure still requires significant investment in order to support large scale industrial activity. Regulatory and tax volatility in certain jurisdictions can also create uncertainty for investors.

In addition, access to venture capital for exploration and technological development remains limited in parts of the region.

Addressing these issues will be essential if Latin America aims to strengthen its role in global mineral supply chains.

Leadership Will Be Critical for the Next Phase

At this pivotal moment, the human factor becomes increasingly important. As companies expand exploration, processing, and industrial development, leadership capabilities will play a decisive role in determining the success of these initiatives.

Executive search in the mining sector requires a specialized approach that combines several areas of expertise. Consultants working in this field must understand the global geopolitical context, the socio political dynamics of different countries, and the cultural realities surrounding mining operations.

At the same time, they must possess deep knowledge of the technical requirements of leadership roles within mining and industrial organizations.

This combination of expertise allows organizations to identify and attract leaders capable of navigating complex operational environments and delivering long term strategic impact.

Connecting Organizations with the Right Leaders

A professional and structured approach to recruiting senior executives is particularly valuable at a time when the sector is entering a new phase of global importance.

Effective executive search enables organizations to connect more quickly and accurately with experienced leaders who can manage both strategic and operational challenges. These leaders play a key role in building resilient organizations, managing stakeholder expectations, and driving sustainable growth.

With over 25 years of history and a presence in 50 countries, Pedersen & Partners has a global network of consultants capable of supporting organizations in the selection and development of the leadership needed to navigate complex global markets and significant transformations.

Given the importance and specific characteristics of the mining segment, Pedersen & Partners has a dedicated practice to support companies operating in the sector across the Americas.

Comprising a team of consultants with strong industry experience, distributed across countries in the region, the Mining Practice Americas provides Pedersen & Partners with a deep understanding of industry challenges, positioning us as a strategic advisor to support companies operating in the sector.

For more information, please contact:



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