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**Domestic value addition & critical mineral value chains: How effective are industrial, investment and trade policies?**

By

Andreas Edele, Senior Trade and Investment Policy Adviser, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)  
GmbH

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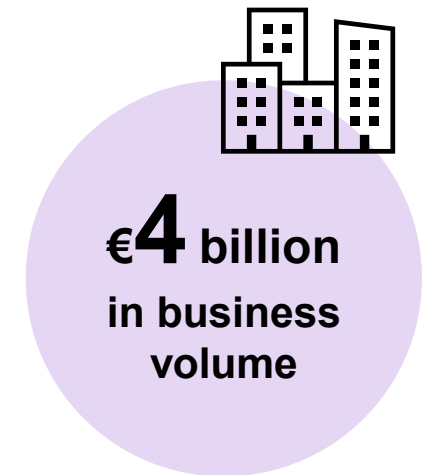
# **Domestic value addition & critical mineral value chains**

How effective are industrial, investment and trade policies?

UNCTAD Multi-year Expert Meeting on Commodities and Development  
Geneva, 10.12.2025

# GIZ – Facts and figures

- We help the German Government achieve its objectives in the field of **international cooperation for sustainable development**.
- As a public-benefit federal enterprise, we represent **German and European values**.
- We offer viable solutions that work for Germany and for **people at local level** and in our countries of assignment.





# Study on value addition in CRM value chains: Context and objective

- Increased leverage for **critical raw materials** (CRM) rich developing countries
- Different policy tools used to **increase value addition** in CRM value chains
- How can **trade, industrial and investment policies** contribute to domestic value addition?



# Analytical framework: company-level cost competitiveness

## Domestic factors

- Energy, water: access and costs
- Infrastructure: transport, shipping
- Trained labour
- Domestic finance sector
- Rules and regulations

## Global value chain

- Lead firm control and leverage
- Geographical proximity to next in line companies
- Geographical proximity to input suppliers



# Trade, investment and industrial policies



## Trade policies

- Improve CRM availability for companies operating domestically
- Do not address limited domestic linkages and enabling environment

## Investment policies

- Attract international investors and incentivize domestic linkages
- Do not address the wider business environment

## Industrial policies

- Improve the wider business environment
- Often lack of policy cohesion

# Successful value addition – A balanced policy mix

## Indonesia

- **Trade policy:** prohibition of nickel ore exports
- **Investment policy:** capitalise on Chinese investments
- **Industrial policy:** industrial parks that provide enabling factors



## South Africa

- **Trade policy:** working with platinum group metals mining companies to assure domestic availability
- **Investment policy:** tax incentives and addressing business constraints
- **Industrial policy:** coordination activities to shape value chain activity and participation to address market failures and inefficiencies

# Examples from GIZ Project Portfolio on Local Value Addition

## Local Processing and Manufacturing

- ✓ **South Africa:** EV battery production
- ✓ **Latin America & Caribbean:** support for cooperation at regional platforms
- ✓ Supporting partner countries in **contract negotiations** with mining companies

## Local Content / Procurement

- ✓ **Ghana:** Matching SMEs with mining companies for procurement
- ✓ **DRC:** Strengthening networks between stakeholders
- ✓ **Guinea Conakry:** Digital platform for matching local suppliers with mining companies

## Technical & Vocational Education/ Training

- ✓ **Mongolia:** German-Mongolian Institute for Resources and Technology
- ✓ **Rwanda:** Development of new professional qualifications in the raw material sector
- ✓ **Mauretania:** Matching SMEs with technical schools to train teachers



# Contact



**Andreas Edele**

**Advisor**

Sector Project Trade and Investment for Sustainable Development

Department of Economic and Social Development, Digitalization

andreas.edele@giz.de

T +49 30 72614-179

M +49 170 3839686

 [www.giz.de](http://www.giz.de)

 [gizgmbh](https://www.linkedin.com/company/gizgmbh)

# Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

Registered offices, Bonn and Eschborn

Friedrich-Ebert-Allee 32 + 36

53113 Bonn, Germany

T +49 228 44 60 - 0

F +49 228 44 60 - 17 66

Dag-Hammarskjöld-Weg 1 - 5

65760 Eschborn, Germany

T +49 61 96 79 - 0

F +49 61 96 79 - 11 15

E [info@giz.de](mailto:info@giz.de)

I [www.giz.de](http://www.giz.de)

**giz** Deutsche Gesellschaft  
für Internationale  
Zusammenarbeit (GIZ) GmbH