



RSC Memorandum: Biden’s Disastrous Withdrawal will Empower the Taliban and China to Develop Afghanistan’s Rare Earth Minerals

The Biden administration’s disastrous withdrawal from Afghanistan has given the Taliban control of one of the largest deposits of rare earth minerals in the world. Rare earth minerals are used frequently in the modern economy in the defense and technology industries in electronics, mobile phones, computers, satellites, and aircraft. Of course, they are also key to development of the Left’s push for electric vehicles and charging infrastructure. Lithium batteries in particular are the primary component in powering electric vehicles. Afghanistan’s rare earth minerals have been estimated to be worth \$1-3 trillion dollars.¹ The Taliban’s control of these minerals likely now makes it the wealthiest terrorist organization in the world. These rare earth minerals include elements such as lanthanum, cerium, neodymium, and veins of aluminum, copper, gold, silver, zinc, mercury, and lithium. According to Ahmad Shah Katawazai, a former Afghan diplomat, “Afghanistan may hold 60 million metric tons of copper, 2.2 billion tons of iron ore... [and] 1.4 million tons of rare earth elements (REEs).” For instance, the Khanneshin carbonatite deposit in Afghanistan’s Helmand province is valued at \$89 billion, full as it is with rare earth elements.² Unless conservatives in Congress act quickly to limit the damage done by the Biden administration, it is likely that soon products as varied as iPhones to laptops to the electric vehicles championed in Democrats’ reconciliation package will contain raw earth minerals sourced from Taliban-run Afghanistan and developed by communist China. This would allow both the Taliban and China to profit and put American national security in jeopardy.

The United States already imports more than 80% of its rare earth minerals from China.³ Unfortunately, the communist nation has around 35% of all rare earth mineral reserves in the world, according to the U.S. Geological Survey.⁴ China has gone to great lengths to gain access to reserves in Africa. China, which shares a border with Afghanistan, has already stated that it is interested in developing Afghanistan’s rare earth mineral reserves.⁵ Last month Zhou Bo, a former senior colonel in China’s People’s Liberation Army wrote in a *New York Times* op-ed that China could offer Afghanistan “economic investment,” adding “Afghanistan in turn has what China most

¹ [Why the US will never leave Afghanistan | TheHill](#)

² [What Are Rare Earth Elements? | Live Science](#)

³ [Rare Earths Data Sheet - Mineral Commodity Summaries 2020 \(usgs.gov\)](#)

⁴ [Assessing and Strengthening the Manufacturing and Defense Industrial Base and Supply Chain Resiliency of the United States](#)

⁵ [GT Voice: US in no position to meddle with potential rare-earth cooperation between China and Afghanistan - Global Times](#)



prizes: opportunities in infrastructure and industry building — areas in which China’s capabilities are arguably unmatched — and access to \$1 trillion in untapped mineral deposits.”⁶

China had entered into a number of agreements with the recently overthrown government of the Afghanistan (the Islamic Republic of Afghanistan), including a 30-year, \$3 billion contract with the China Metallurgical Group, a state-owned mining enterprise based in Beijing, to exploit the Mes Aynak copper deposit.⁷ While, the project was long stalled, on September 13th, China’s Metallurgical Group announced it was looking forward to continuing the project, now under Taliban-controlled Afghanistan, when the security situation allows.⁸

Prior to the Taliban’s takeover of Afghanistan, the Taliban was increasingly profiting from illegal mining of Afghanistan’s mineral wealth. A report by *Radio Free Europe*, citing Taliban sources, estimated that the group made \$464 million in income from mining in 2020.⁹ The United Nations Security Council’s Sanctions Committee has confirmed that the Taliban has regularly carried out the illicit extraction of onyx marble, gold, rare earth minerals, aragonite, copper, tin and zinc in districts under its control and in cooperation with mining companies across the border in Pakistan. Such activities were overseen by the Taliban’s “Dabaro Comisyoon” (Stones and Mines Commission).¹⁰

While, both the United States and the United Nations maintain a number of sanctions regimes on the Taliban designed to limit the ability of companies to with the Taliban, including to develop or use Afghanistan’s rare earth minerals, these sanctions suffer from several inadequacies. After the September 11th terrorist attacks, President Bush imposed sanctions on the Taliban, designating the group as Specially Designated Global Terrorists (SDGTs) pursuant to Executive Order 13224, which prohibited persons from doing business with the Taliban or any entity owned or controlled by it, cutting such persons off of U.S. markets and the U.S. financial system.¹¹ However, despite the fact that doing business with the Taliban is prohibited, actual implementation of such sanctions have traditionally been slow as the President acting through the Department of Treasury must establish that a person is doing business with the Taliban or its affiliates. Due to the fact that it is often difficult to establish that an entity is owned or controlled by the Taliban, it may be problematic to quickly implement such sanctions in practice. These sanctions do not automatically consider entities operating under Taliban government control as being owned or controlled by the Taliban. The Taliban is also sanctioned under UN Security Council resolutions 1267 (1999), and later 1988 (2011). Yet as Brian O’Toole of the Atlantic Council has noted, the Taliban itself is not specifically listed on any UN sanctions *list*, creating a lack of clarity over the group’s sanctions status by the UN, which has opened the door for China and Russia to argue that such sanctions do not prohibit them

⁶[Opinion | How the U.S. Exit from Afghanistan Helps China - The New York Times \(nytimes.com\)](https://www.nytimes.com/opinion/2021/09/13/afghanistan-china.html)

⁷[The Story Behind China’s Long-Stalled Mine in Afghanistan – The Diplomat](https://thediplomat.com/2021/09/13/the-story-behind-china-s-long-stalled-mine-in-afghanistan/)

⁸[China’s Jiangxi Copper to develop Afghanistan copper mine when situation allows | Nasdaq](https://www.nasdaq.com/news/china-s-jiangxi-copper-to-develop-afghanistan-copper-mine-when-situation-allows)

⁹[Exclusive: Taliban’s Expanding ‘Financial Power’ Could Make It ‘Impervious’ To Pressure, Confidential Report Warns \(rferl.org\)](https://www.rferl.org/content/exclusive-taliban-s-expanding-financial-power-could-make-it-impervious-to-pressure-confidential-report/28441871.html)

¹⁰[UN S 2020/415 \(securitycouncilreport.org\)](https://www.un.org/press/docs/2020/2020415.html)

¹¹[Why Isn’t Afghan Taliban on US List of Foreign Terror Groups? \(voanews.com\)](https://www.voanews.com/news/afghanistan-taliban-us-sanctions-20210913)



from doing business with the group.¹² Because UN sanctions are interpreted and carried out by nation states, it is likely that China will ignore the sanctions in its economic dealings with Afghanistan.

While the current sanctions authorities with respect to the Taliban grant the President the ability to impose sanctions on entities doing business with the Taliban, the drawbacks in the current sanctions regime could slow down efforts to prevent Chinese companies from developing Taliban-run Afghanistan's rare earth mineral sector. Conservatives may believe that Congress should update the current sanctions regime in law to make it easier to impose costs on Chinese companies developing Afghanistan's rare earth minerals. Specifically, the current sanctions regime should be updated to take into account the possibility that seemingly "private" entities under the Taliban's jurisdiction may engage in transactions with Chinese firms, making it more difficult to quickly impose sanctions on such entities.

Top Three Policy Options

1. Congress should require a report into the rare earth mineral wealth now in the Taliban's hands.

The House Armed Services Committee's markup of the National Defense Authorization Act of 2022 included an amendment sponsored by RSC Chairman Jim Banks to require a report by the Department of Defense into the rare earth mineral wealth in Afghanistan now in the Taliban's control. Such a report would illustrate the depths of the Biden administration's failure in Afghanistan by highlighting the likelihood that the Taliban is now the wealthiest terrorist group on Earth with access to trillions of dollars worth of rare earth minerals, and other resources.

2. Congress should create a new sectoral sanctions regime on rare earth minerals in Afghanistan.

Congress can create new mandatory secondary sectoral sanctions to penalize foreign persons developing or investing in any rare earth minerals in areas of Afghanistan under Taliban control. Putting in place a sectoral approach (reaching all entities involved in the sector) facilitates the ability to quickly sanction entities (such as Chinese firms) involved in sourcing Afghan rare earth minerals. Such an approach would cut off Chinese firms operating in Afghan rare earth minerals from access to U.S. markets and the U.S. financial system. Rep. Greg Steube (R-FL) filed a floor amendment to the National Defense Authorization Act of 2022 to create such new sanctions, however Democrats on the House Rules Committee blocked a vote on the proposal, ruling the amendment out of order.¹³ Alternatively, Congress could start by creating a rebuttable presumption that all rare earth minerals sourced from Afghanistan originate from the Taliban along the lines of current law with regard to Uyghur cotton or goods made with North Korean labor. Such a presumption would require importers of products which contain Afghan rare earth minerals to

¹² [They aren't listed, but make no mistake: The UN has sanctions on the Taliban - Atlantic Council](#)

¹³ [NDAA Amendment #787](#)



prove that such products were not obtained through cooperation with the Taliban before allowing such products into the United States.

3. Congress should pass legislation requiring that any Chinese company that does business with the Taliban in the rare earth minerals sector be subject to U.S. capital market sanctions such as those laid out in EO 14032.

The Coalition for a Prosperous America has recommended¹⁴ that any Chinese or Russian company—including a company's subsidiaries—that does business with the Taliban in the rare earth minerals and other strategic resource sectors should be subject to U.S. capital markets sanctions such as those laid out in E.O. 14032, (which modified EO 13959 issued by President Trump). Such companies, through legislation, could be banned from accessing U.S. investor dollars worldwide within one year's time, including index funds. CPA also recommends that Chinese companies dealing with Afghan rare earth minerals also be placed on the Commerce Department's Entity List, denying them access to U.S. equipment, technology, components, and services. Such measures could impose real costs and force Chinese companies to make a decision between engaging in the U.S. market or working with the Taliban.

¹⁴ [CPA Letter to President Biden Regarding Preventing China and Russia from Exploiting Taliban-Controlled Afghanistan | Coalition For A Prosperous America](#)