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China's Comprehensive Role in Global Resources
— Implications for Valuation

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About **ANDAMAN PARTNERS**

ANDAMAN PARTNERS supports international business ventures and growth. We help launch global initiatives and accelerate successful expansion across borders. We work across selected industries in our chosen markets — and we get involved in three ways:

We **Invest**

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Providing seed and growth capital to early-stage companies.

We **Advise**

ANDAMAN Advisory

Transaction origination & execution support.

Strategy formulation & implementation support.

We **Trade**

ANDAMAN Trade

We make complex international value chains work.

Agenda

1. Global Context
2. China's Comprehensive Role in Global Resources
3. Perspectives on China & Valuation
4. Final Word

Prelude

China remains one of the world's largest producers of resources and the largest consumer, and is typically the largest importer of mining commodities and hence a massive market (and customer) for global producers.

China dominates much of the world's mineral processing and related supply chains, including several critical minerals. The country is a crucial investor and financial partner to the industry. Moreover, it has become a prominent engineering, procurement and construction partner for mining projects and operations worldwide.

China's role in the resource sector is complex, comprehensive and consequential.

China's growth may be slowing, and its demand for selected minerals and fuels may be peaking. But now is the time to form a comprehensive view of China's role in the sector and to become more — not less — strategically engaged.

ANDAMAN PARTNERS presents perspectives on selected key issues.

Feedback welcome!

Kobus van der Wath
Co-Founder, ANDAMAN PARTNERS

1. Global Context

China is the world's
SECOND-LARGEST ECONOMY
accounting for 18% of global GDP,
and is one of the largest
and the fastest-growing developing economies

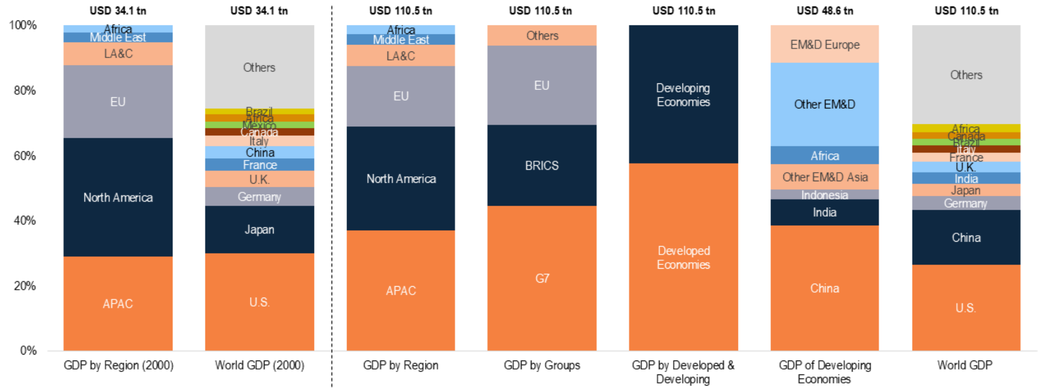
— Implications?

Global GDP growth in 2024 is under 3.5%, below historical averages, led by India, Indonesia and China among the top 20 largest economies, and Bangladesh, the Philippines, Vietnam and UAE outside the top 20. Growth in emerging markets and developing economies is more than double that in advanced economies

- Global real GDP growth in 2024 was 3.3%, a decline from 3.5% in 2023. Overall, the global growth outlook for 2025-2026 remains patchy, with significant regional divergences.
- The IMF projects a global GDP growth rate of 2.8% for 2025.
- The GDP growth of advanced economies slightly increased from 1.7% in 2023 to 1.8% in 2024, while emerging markets and developing economies declined marginally from 4.7% to 4.3%.
- The IMF projects global GDP growth of 2.8% and 3.0% for 2025 and 2026, respectively, below the historical (2000-2024) average of 3.5%. The forecast for advanced economies is 1.4% for 2025 and 1.5% for 2026. For emerging markets and developing economies, the forecasts are 3.7% and 3.9%, respectively.
- From 2024 to 2030, global real GDP growth is forecast at 3.1%, while the forecast for emerging markets and developing economies is 4.0%.
- Up to 2030, among the larger developing economies, India (6.4%), Indonesia (4.9%), China (4.1%) and Türkiye (3.4%) could outperform the global average, while many developed economies will likely not reach this level.
- Several emerging markets and developing economies outside the top 20 largest economies are projected to exceed global average growth, notably Bangladesh (5.8%), the Philippines (6.0%), Vietnam (5.3%), the UAE (4.3%) and Malaysia (4.1%).

The global economy is shifting from developed to developing and emerging economies, with India, Indonesia and (to a lesser extent) China driving growth

Share of Global GDP, % (2000 & 2024)



Source: IMF, ANDAMAN PARTNERS Analysis. Note: EM&D - Emerging Markets & Developing Economies, EU - European Union, LA&C - Latin America & the Caribbean.

By 2030, the U.S. and China could constitute 44% of the global economy, and India could be the world's third-largest economy

Top 20 Economies by GDP (2000, 2024, 2030F)

Rank (2000)		Rank (2024)		Rank (2030F)		USD bn (2030F)	Share of Global GDP (2030F)	Avg. Real GDP Growth Rate (2024-2030)
1	U.S.	1	U.S.	1	U.S.	37,153	26%	4.1%
2	Japan	2	China	2	China	25,828	18%	5.5%
3	Germany	3	Germany	3	India	6,770	5%	9.6%
4	U.K.	4	Japan	4	Germany	5,576	4%	3.0%
5	France	5	India	5	Japan	4,995	3%	3.7%
6	China	6	U.K.	6	U.K.	4,956	3%	5.3%
7	Italy	7	France	7	France	3,755	3%	2.9%
8	Canada	8	Italy	8	Canada	2,792	2%	3.7%
9	Mexico	9	Canada	9	Italy	2,779	2%	2.7%
10	Brazil	10	Brazil	10	Brazil	2,680	2%	3.6%
11	Spain	11	Russia	11	Russia	2,384	2%	1.7%
12	South Korea	12	South Korea	12	Spain	2,201	2%	4.2%
13	India	13	Mexico	13	Australia	2,182	2%	3.3%
14	Netherlands	14	Australia	14	Mexico	2,152	1%	2.5%
15	Australia	15	Spain	15	South Korea	2,150	1%	2.4%
16	Iran	16	Indonesia	16	Indonesia	2,066	1%	6.7%
17	Taiwan, China	17	Türkiye	17	Türkiye	1,776	1%	5.0%
18	Argentina	18	Netherlands	18	Netherlands	1,514	1%	3.6%
19	Switzerland	19	Saudi Arabia	19	Saudi Arabia	1,374	1%	4.0%
20	Russia	20	Switzerland	20	Poland	1,305	1%	6.2%
					World	**144,576**	**100%**	**4.6%**

Source: IMF World Economic Outlook 2025, ANDAMAN PARTNERS Analysis

Source: ANDAMAN PARTNERS Analysis

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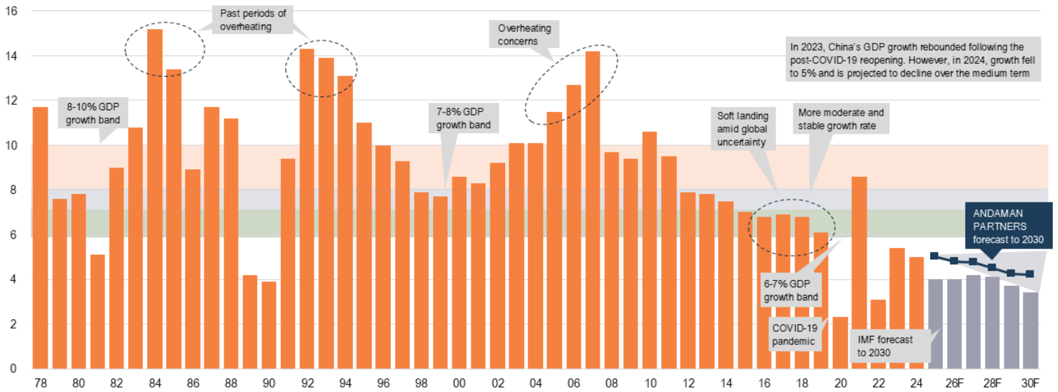
China's economic growth is slowing to a more manageable level. Growth of 6-7%, would entail economic instability and financial risks; around 5%, as in 2023-2024, is more sustainable in a global environment characterised by slower growth and trade tensions

China's GDP grew by 5% in 2024, hitting the government target. Up to 2030, growth should be in the range of 4-5% — higher growth would imply unsustainable stimulus and is not a government target; instead, the focus is on quality, sustainability and resilience in the domestic economy

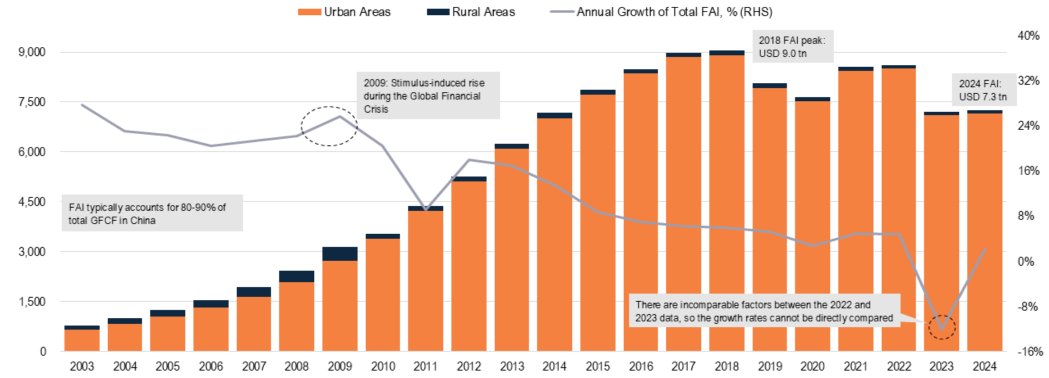
China Real GDP Growth Rate, Y-o-Y % (1978-2030F)



Source: World Bank, IMF, ANDAMAN PARTNERS Analysis

The period from 2000 to 2018 was an era of Fixed Asset Investment (FAI)-led GDP growth in China, with a focus on transportation, industry and real estate. Peaking in 2018 amid concerns over over-capacity and debt, slower FAI growth since has been a key factor in slowing GDP growth

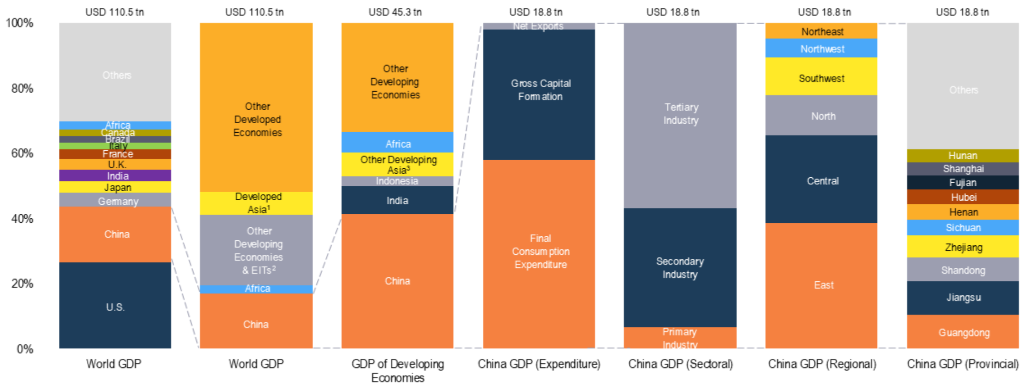
China Annual Fixed Asset Investment in Urban and Rural Areas, USD bn (2003-2024)



Source: National Bureau of Statistics of China, ANDAMAN PARTNERS Analysis. Note: Local governments often overstate their Fixed Asset Investment figures, with some reported FAI figures even exceeding GDP in certain provinces. In June 2013, the National Bureau of Statistics of China announced a pilot reform of data collection related to Fixed Asset Investment to enhance the reliability of local economic statistics.

In 2024, Emerging Markets & Developing Economies accounted for USD 45.3 trillion or 30% of global GDP, led by China with a GDP of USD 18.8 trillion, followed by India (USD 3.9 trillion) and Indonesia (USD 1.4 trillion)

China and the Composition of Global GDP (2024)



Source: IMF, National Bureau of Statistics of China, ANDAMAN PARTNERS Analysis. Notes: 1. Developed Asia includes Japan, South Korea, Singapore, Taiwan (China), Macao SAR (China) and Hong Kong SAR (China). 2. EITs are economies referred to by the UN as "Economies in Transition" and include Russia, among other former Soviet states. 3. Other Developing Asia includes Türkiye, Saudi Arabia, Thailand, Iran, UAE, Israel, Malaysia, Philippines, Pakistan, Bangladesh, Vietnam, Iraq, Qatar, Kuwait, Sri Lanka, Oman, Myanmar, Lebanon, Bahrain, Nepal, Cambodia, Afghanistan, Lao PDR, Yemen, Brunei, Mongolia, Fiji, Maldives and Bhutan.

China GDP outlook: Slower growth and adjustments bring new opportunities

- China is in a long-term structural adjustment phase towards lower GDP growth but is still one of the most significant contributors to global growth.
- China's GDP grew by only 3.1% in 2022 but rebounded to 5.4% in 2023 and 5% in 2024. In 2025, growth is expected to be around 4%.
- China is the world's largest exporter and second-largest importer. China's position as a trade leader and its large trade surplus provide it with economic heft but complicate its international relations (and dependencies).
- Shifting supply chains have worldwide implications affecting all global supply chains, but they also expose vulnerabilities in an interdependent world, including for China.
- This is causing wholesale restructuring and coordination of supply chains for companies across regions and industries and the start of many new trade partnerships — an opportunity and a threat!
- China's economy faces several structural and cyclical pressures, and the old model is no longer relevant. To address this, the country is undertaking painful reforms and implementing policy measures to strengthen the real estate sector, domestic manufacturing and domestic consumption.
- China's global impact and influence is only increasing. BRICS+, FOCAC and various other forums are testimony to this. Moreover, investments in the Belt and Road Initiative ensure China continues to expand its influence on global trade and investment.
- Despite growing complexity, increased outward investment, increased trade in high-end products and rising domestic consumption are traits of China's new economic growth model.
- Political and business leaders must consider the many and variable opportunities with and in China for strategies and tactics, competitive operating models, inbound and outbound supply chains and capital choices (as well as investment decisions).

Source: ANDAMAN PARTNERS Analysis

Source: ANDAMAN PARTNERS Analysis

China's dominance of mineral production continues to shape strategic dependencies globally, even as doubts about China's slowing demand for resources contribute to volatile global commodity markets, impacting prices and supply chains

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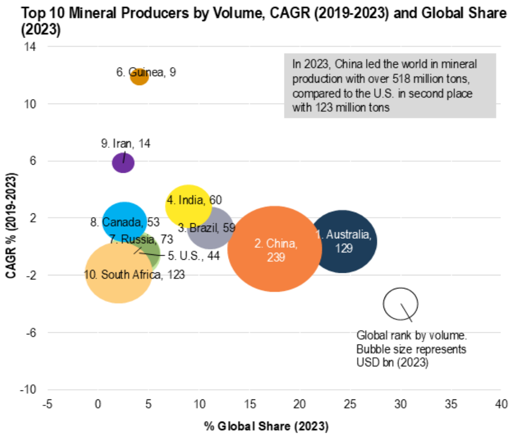
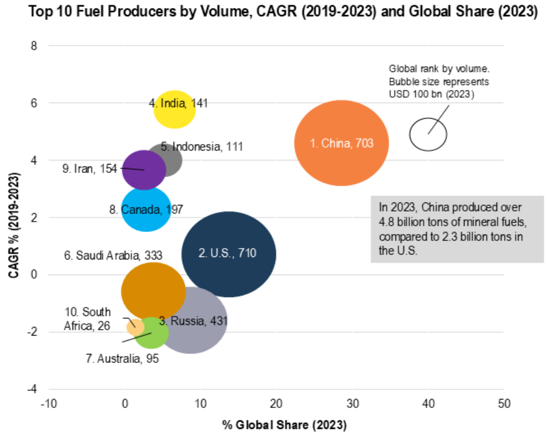
The post-COVID global commodity cycle: Ongoing volatility and doubts about demand from China

- In the 2000s, high economic growth rates in China contributed significantly to a global commodities 'supercycle' during which elevated demand for natural resources caused commodity prices, led by oil and copper, to rise for extended periods above long-term averages.
- In the 2010s, as high Chinese growth began to moderate, commodity prices entered a period of increased volatility as geopolitical tensions and trade disputes escalated, particularly between the U.S. and China.
- In 2020, the COVID-19 pandemic led to a collapse in commodity prices due to vastly reduced demand and supply chain disruptions. Prices surged again in 2021-2022, however, with several commodities reaching all-time highs, including natural gas, coal and crude oil.
- In 2022, geopolitical conflict and tension caused significant global energy and metals supply disruptions and heightened volatility. This was amplified in 2023 by macroeconomic factors such as inflation and interest rate hikes. In 2024, the price of oil, most metals and agricultural commodities declined while that of precious metals (especially gold) and natural gas increased.
- The outlook for 2025 is of continued volatility in commodity prices amid concerns about global economic growth, the threat of trade tariffs and slowing demand from China.
- China remains the world's largest consumer of metals, but the country's weak property sector, slowing infrastructure investment growth and uncertainty about the impact of fiscal stimulus measures will likely drag down metal prices in 2025, especially commodities related to the construction and industrial sectors such as copper, aluminium, iron ore and nickel.

Source: ANDAMAN PARTNERS Analysis

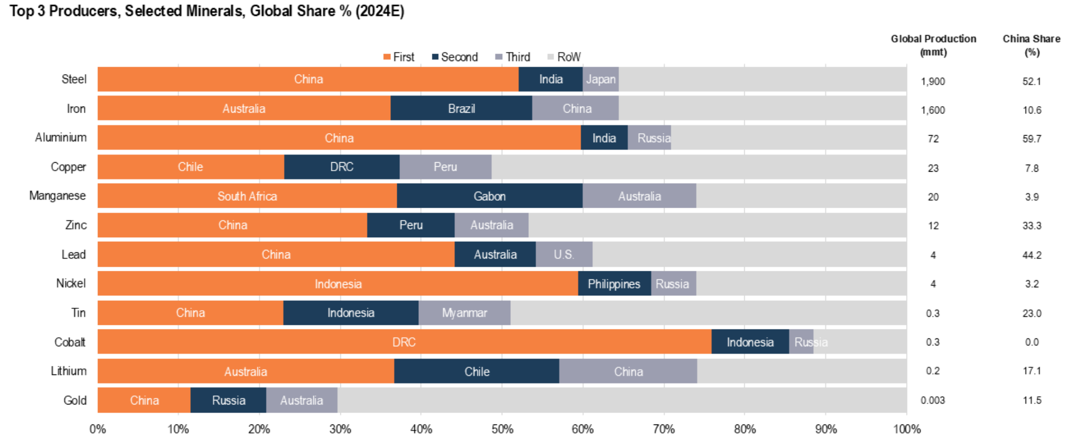
China dominates global production of resources and is the world's largest producer of various minerals, aluminium and coal





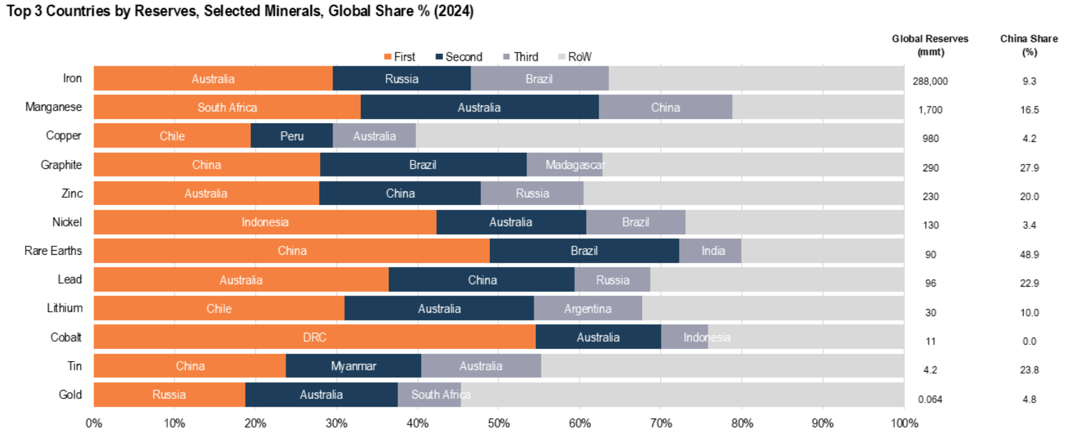
Source: World Mining Data 2024, ANDAMAN PARTNERS Analysis. Note: Minerals include iron, base metals, industrial minerals, bauxite and precious metals. Mineral Fuels include steam coal, coking coal, lignite, petroleum, petroleum sands, natural gas, oil shales and uranium.

China is among the three largest global producers of various minerals, but lacks significant domestic production of copper, manganese, nickel and cobalt



Source: USGS MCS 2025, ANDAMAN PARTNERS Analysis

China has large reserves of zinc, manganese, rare earths, lead, tin and graphite, but relatively small reserves of nickel, cobalt, lithium and copper



Source: USGS MCS 2024, ANDAMAN PARTNERS Analysis

Source: ANDAMAN PARTNERS Analysis

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2. China's Comprehensive Role in Global Resources

China is typically the world's
LARGEST PRODUCER

— Implications?

China dominates production of steel, aluminum and several minerals, and supplies significant shares of global demand for various other commodities. China itself is dependent on foreign sources for key metals such as lithium, copper, cobalt and nickel

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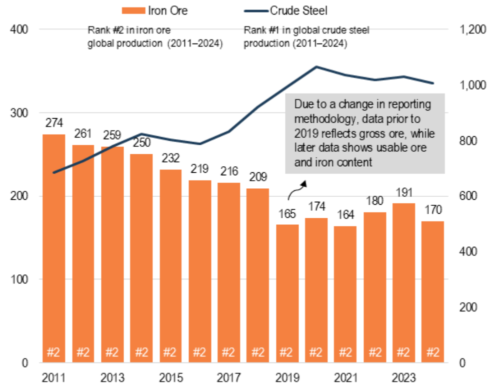
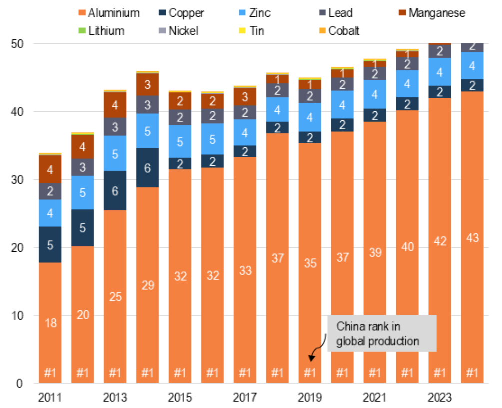
China is the largest producer of steel and aluminium and the second-largest producer of iron ore — and plays a significant role in many other commodities

China Production of Iron Ore, mmt (LHS) vs Crude Steel, mmt (RHS) (2011-2024)



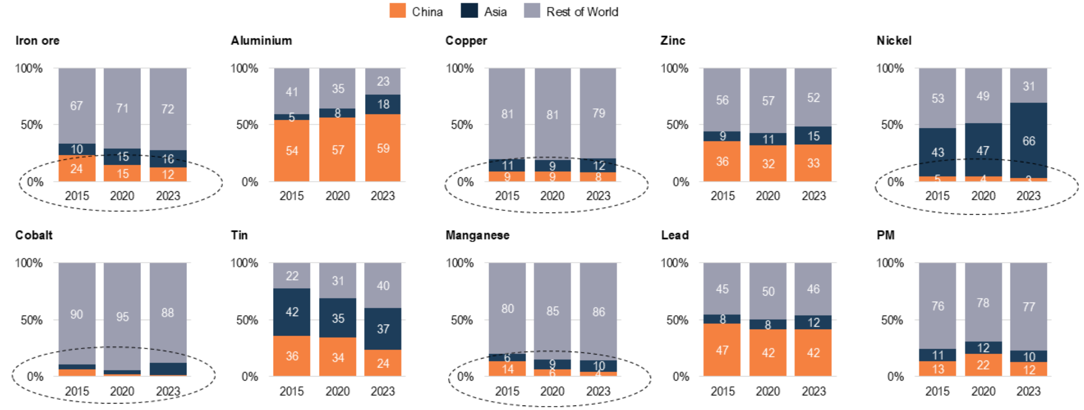
China Production of Selected Commodities, mmt (2011-2024)



Source: World Mining Data 2024, USGS MCS 2024, ANDAMAN PARTNERS Analysis. Note: Mmt - million metric tons.

China produces almost 60% of global aluminium, 42% of lead, 33% of zinc, 24% of tin and 12% of precious metals

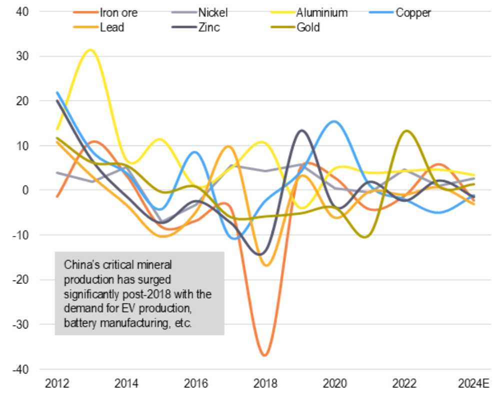
China Share of Global Production of Selected Minerals % (2015, 2020, 2023)



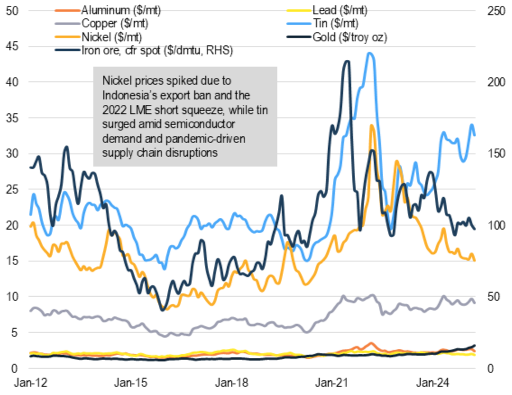
Source: World Mining Data, ANDAMAN PARTNERS Analysis. Note: PM is Precious Metals which include Gold, Palladium, Platinum, Rhodium and Silver.

China's mineral production faces the challenge of volatility amid policy shifts and changing global demand trends

China Growth in Production of Selected Minerals y-o-y % Growth (2012-2024E)



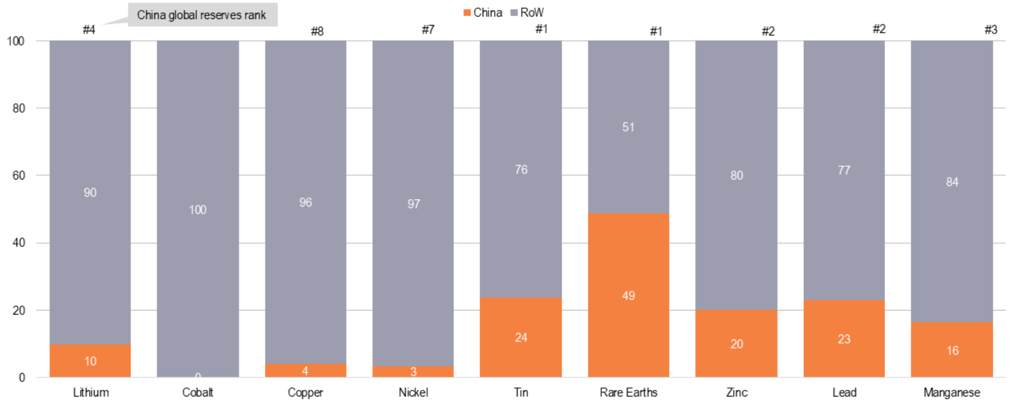
Global Prices of Selected Minerals, USD (Jan 2012-Apr 2025)



Source: World Mining Data, ANDAMAN PARTNERS Analysis. Note: LME is London Metal Exchange

China holds 49% of global rare earth reserves but is dependent on foreign suppliers for lithium, copper and nickel

China Reserves of Selected Minerals, Global % Share (2024E)



Source: USGS, ANDAMAN PARTNERS Analysis. Note: Cobalt rank not available.

Source: ANDAMAN PARTNERS Analysis

Mineral production is geographically diverse, but China dominates critical mineral production and processing, providing it with significant leverage over supply chains and trade policy

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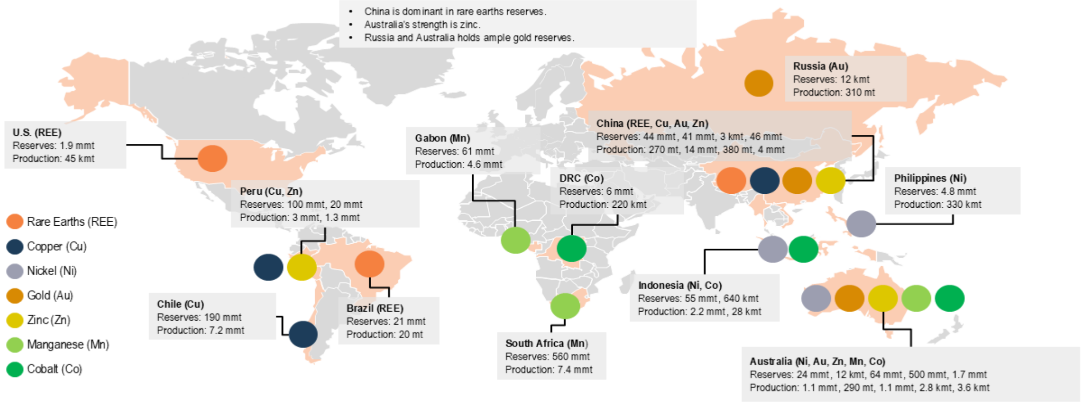
China's control over critical mineral processing is reshaping global supply chains, but mineral production remains geographically diverse

- China dominates global mineral processing, particularly for rare earths, graphite, lithium and cobalt, shaping supply chain dependencies.
- Mineral production remains geographically diverse, with key contributors including Australia, Indonesia and Peru for various critical minerals.
- China holds a stronghold over the production of key industrial minerals like gallium (98%), tungsten (81%) and bismuth (80%), reinforcing its strategic control over these minerals.
- Manufacturing and bulk material production are highly concentrated in China, covering solar PV, wind, batteries, steel, cement and aluminium.
- Copper, lithium and nickel mining is more diversified, with Chile, Australia, Indonesia, Philippines and Peru leading global production.
- China's mineral dominance translates into geopolitical leverage, influencing trade policies, supply security and industrial dependencies.
- The global supply chain for critical minerals is increasingly polarized, with China controlling processing while mining remains spread across multiple regions.

Source: ANDAMAN PARTNERS Analysis

Critical mineral supply is concentrated in a few countries. Strategic resource control is increasingly defining industrial and geopolitical landscapes

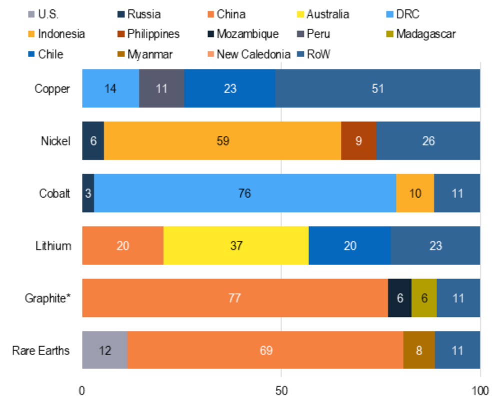
Top Countries by Reserves and Production of Critical Minerals, Volume (2024)



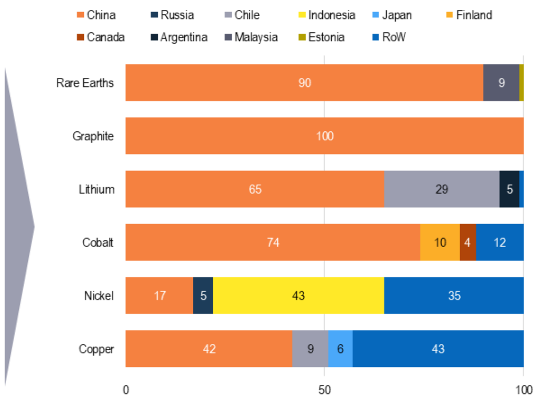
Source: USGS Mineral Yearbook 2024, ANDAMAN PARTNERS Analysis

China dominates mineral processing while production remains diversified, shaping global supply chains and geopolitical control of resources

Top Three Producers of Selected Minerals, Global Share % (2024)



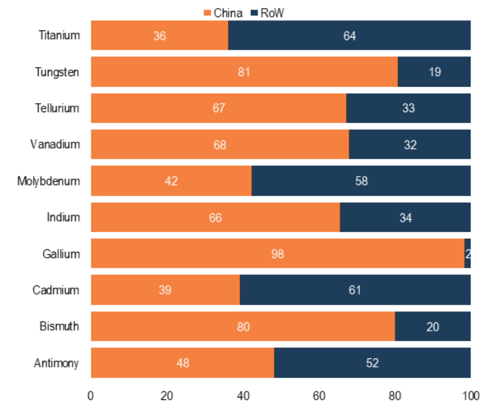
Top Three Processors of Selected Mineral, Global Share % (2022)



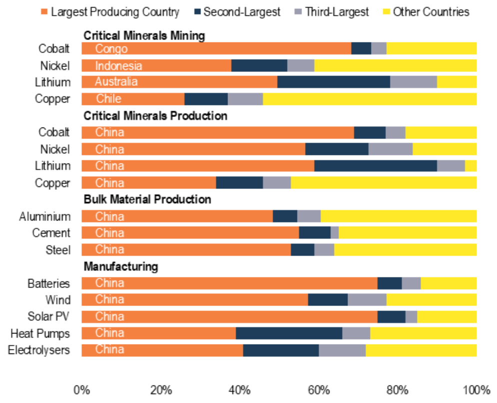
Source: IEA, ANDAMAN PARTNERS Analysis. Note: Production data for Graphite is for 2023.

China's unparalleled control of critical minerals, rare earths processing and supply chain integration solidifies its advantage in global manufacturing

China Global Share of Production of Other Critical Minerals % (2023)



Geographic Concentration of Supply Chains by Segment (2023)



Source: IEA, ANDAMAN PARTNERS Analysis

Source: ANDAMAN PARTNERS Analysis

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China is the world's LARGEST CONSUMER

— Implications?

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China and Asia are the world's dominant consumers of key commodities, and have vastly increased their consumption of metals and minerals in recent years — a trend that will continue. Resource security remains a key factor informing China's foreign policy

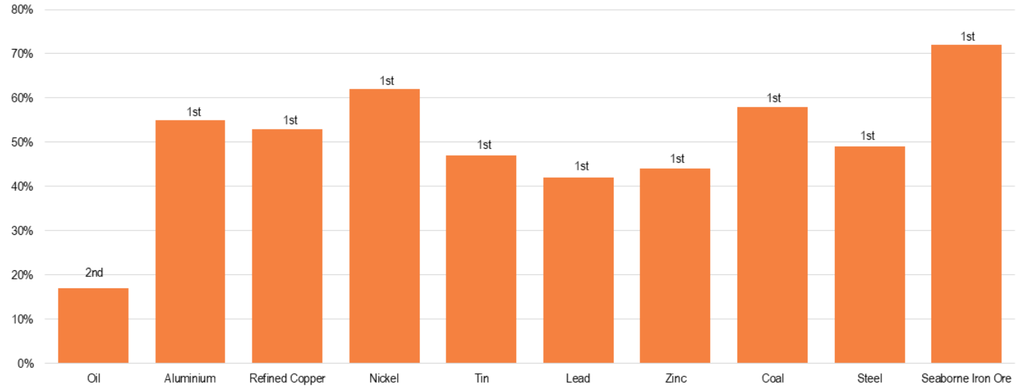
Asia, including China, consumes the vast majority of several commodities, especially iron ore, nickel and coal

- China is the world's largest consumer of a range of commodities, including coal, aluminium, copper, iron ore and steel; and the second-largest consumer of oil.
- China consumes over 50% of the world's aluminium, copper, nickel, coal, steel and iron ore; and over 40% of tin, lead and zinc.
- China and Asia have vastly increased key metals and minerals consumption in recent years. In 2024 China share of the consumption of resources was:
  - Steel: 49%
  - Primary aluminium: 55%
  - Refine copper: 53%
  - Seaborne iron ore: 72%
  - Refined nickel: 62%
  - Refined zinc: 44%
  - Coal: 58%

Source: ANDAMAN PARTNERS Analysis

China is the second-largest consumer of oil and the largest consumer across major commodities like aluminium, copper, iron ore and steel

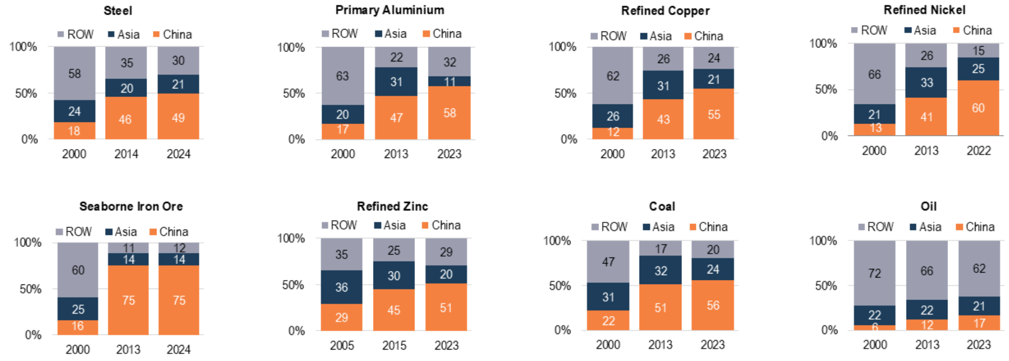
China Share of Global Consumption of Selected Minerals, World Ranking % (2024)



Source: Reuters, ANDAMAN PARTNERS Analysis

China and Asia have dramatically increased their shares of the consumption of key metals and minerals — expect this trend to continue

China and Asia Shares of Global Consumption of Selected Minerals, % (2000, 2013, 2024)



Source: Various, ANDAMAN PARTNERS Analysis

Source: ANDAMAN PARTNERS Analysis

Source: ANDAMAN PARTNERS Analysis

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China is typically the
LARGEST IMPORTER
of mining commodities

— Implications?

China is still the world's largest importer of resources with increasing shares of global imports of key metals and minerals. But China is no longer a seller's market for resources — now, sellers must operate in a low-growth environment and be more strategic to succeed

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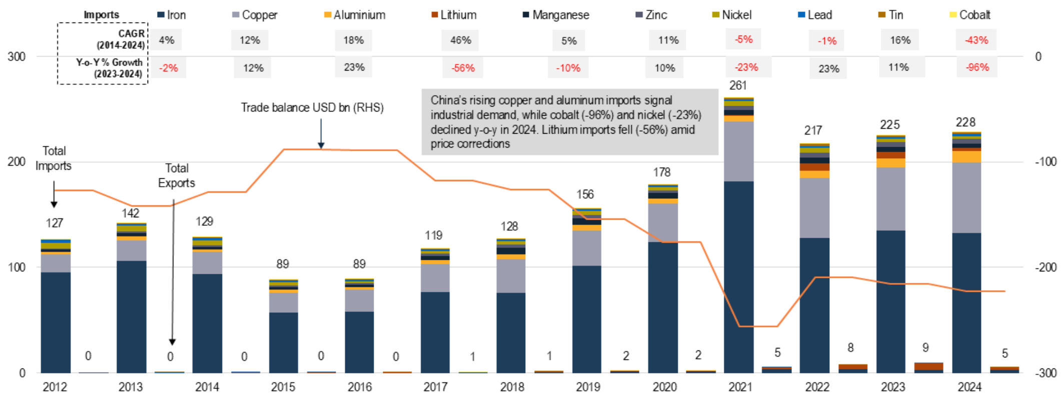
China imported USD 228 billion of minerals from the world in 2024, mainly iron ore (USD 132 billion) and copper (USD 67 billion)

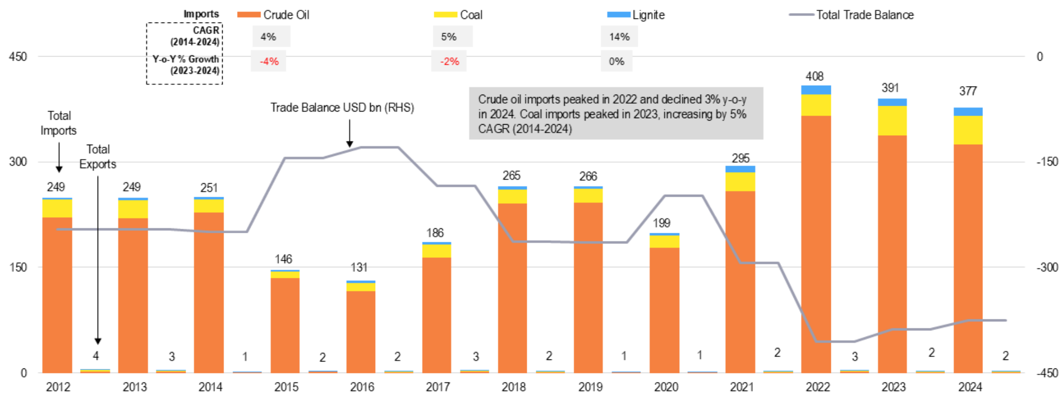
China Imports and Exports of Selected Minerals, USD bn (2012-2024)



Source: UN Comtrade, ANDAMAN PARTNERS Analysis

China imported USD 377 billion of fuels from the world in 2024, mainly crude oil (USD 325 billion) and coal (USD 40 billion)

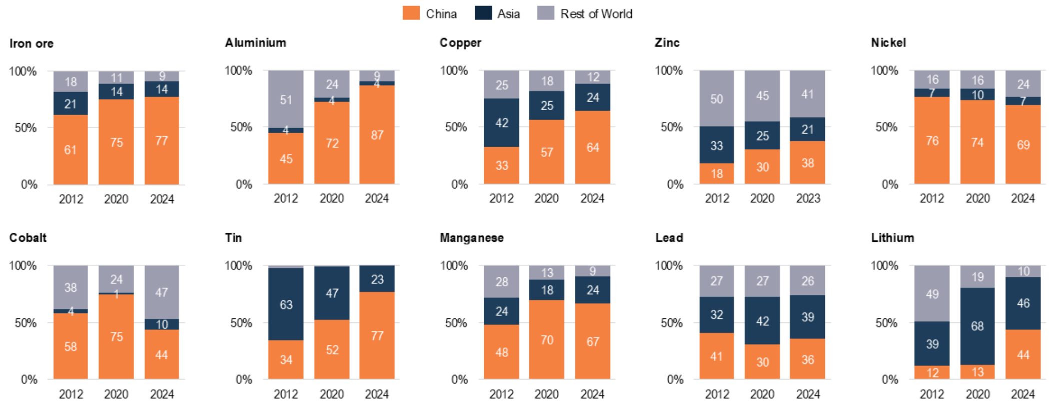
China Imports and Exports of Selected Minerals, USD bn (2012-2024)



Source: UN Comtrade, ANDAMAN PARTNERS Analysis

China has increased its share of global imports of key metals and minerals, with iron ore reaching 77%, aluminium 87% and copper 64% in 2024

China Share of Global Imports of Selected Industrial Commodities, Share %



Source: UN Comtrade, ANDAMAN PARTNERS Analysis

China's import dependence for raw materials has increased rapidly to sustain demand, reshaping global trade flows

- Over 2014-2024, China's demand increased for copper (+12% CAGR) and aluminum (+1% CAGR) to sustain industrial expansion.
- Coal imports reached their highest level in a decade (+5% y-o-y) in 2023 supporting energy security then again fell (-2% y-o-y) in 2024, while crude oil imports declined (-4%) as China diversified its energy mix.
- China remains the dominant buyer of key industrial commodities, maintaining over 60% of global iron ore, nickel, aluminum, copper and manganese imports, reinforcing its role in global supply chains.
- Lithium imports saw a major decline by value (-56% y-o-y) in 2024.
- Cobalt imports declined since 2014 with a negative CAGR of 43% up to 2024.
- Iron ore and copper imports remain resilient, ensuring stable supply for infrastructure and manufacturing despite global supply chain fluctuations.
- China is actively reshaping global trade flows, balancing strategic imports with domestic production while strengthening its position in industrial and energy transition minerals.

Source: ANDAMAN PARTNERS Analysis

Source: ANDAMAN PARTNERS Analysis

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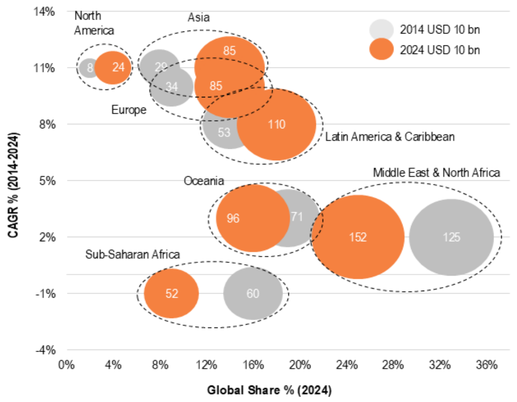
China has become a buyer's market for resources and is diversifying its resource imports. China is still a massive customer, but mining companies must now adapt and approach China differently than before, taking a comprehensive view of the country's role

The Middle East & North Africa was China's largest import partner in 2024 accounting for a share of 25%, followed by Latin America & the Caribbean (18%) and Oceania (16%)

China Import Partners by Region for Selected Minerals, USD bn (2014-2024)



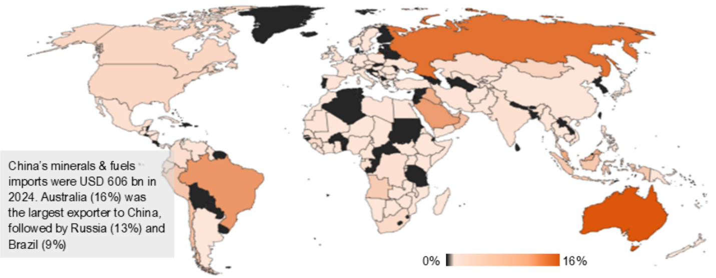
China Imports of Selected Commodities, USD bn (2014-2024)

Sr. No.	Mineral	USD billion (2024)	Global Share % (2014)	Global Share % (2024)	CAGR % (2014-2024)
1	Aluminium	10.5	44.8	↑ 87.0	17.8
2	Cobalt	0.0	59.4	↓ 43.8	-42.7
3	Copper	67.3	40.1	↑ 64.1	12.1
4	Iron	132.4	63.7	↑ 77.4	3.5
5	Lead	2.0	32.9	↑ 35.6	-0.7
6	Manganese	4.4	54.8	↑ 66.7	4.9
7	Nickel	2.7	76.0	↓ 69.3	-5.3
8	Tin	1.7	41.7	↑ 76.7	15.7
9	Zinc	4.4	19.5	↑ 37.6	11.1
10	Lithium	2.9	12.6	↑ 43.9	45.5
11	Coal	53.2	16.7	↑ 25.7	7.9
12	Crude Oil	337.6	15.1	↑ 26.3	3.6

Source: UN Comtrade, ANDAMAN PARTNERS Analysis. Note: Selected commodities are Aluminium, Copper, Cobalt, Iron, Lead, Manganese, Nickel, Tine, Zinc, Lithium, Crude Oil and Coal. The % share is of global imports of the respective commodity.

China's growing network of import partners underscores its growing influence in securing global mineral and fuel resources

China Import Partners' Share of Selected Minerals & Fuels, Share % (2024)



China's minerals & fuels imports were USD 606 bn in 2024. Australia (16%) was the largest exporter to China, followed by Russia (13%) and Brazil (9%)

- Top 3 exporters of MENA and LAC accounted for 25% and 18% shares of global exports to China, respectively.
- Australia accounts for 99% of Oceania exports to China.
- Russia alone exported 13% out of 14% of Europe's exports to China.

1. MENA	2. LAC	3. Oceania	4. Europe	5. Asia	6. SSA	7. NA
2014 2024	2014 2024	2014 2024	2014 2024	2014 2024	2014 2024	2014 2024
33% → 25%	14% → 18%	19% → 16%	9% → 14%	8% → 14%	16% → 9%	2% → 4%
Middle East & North Africa	Latin America & Caribbean				Sub-Saharan Africa	North America

China Import Partners (2024)

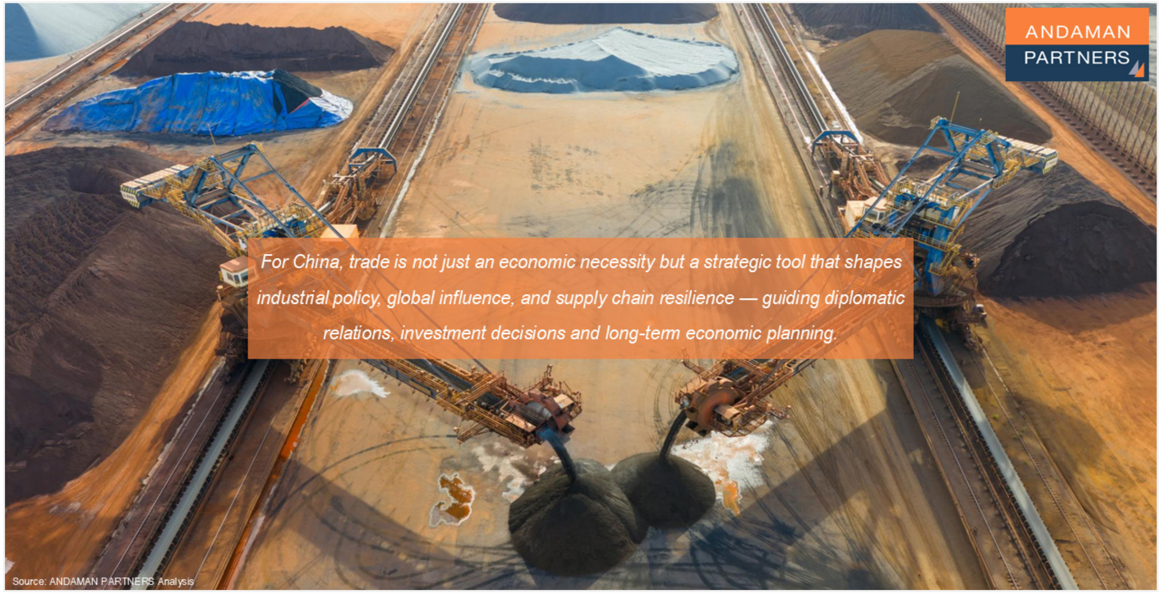
Rank	Country	USD bn	Import Share, %	CAGR % (2014-2024)
1	Australia	94.9	15.6	3.0
2	Russia	77.2	12.7	10.7
3	Brazil	52.1	8.6	8.3
4	Saudi Arabia	48.6	8.0	2.8
5	Malaysia	38.8	6.4	41.7
6	Iraq	37.0	6.1	6.0
7	Oman	26.3	4.3	1.4
8	Chile	25.0	4.1	13.6
9	UAE	22.1	3.7	9.2
10	Peru	20.9	3.5	14.9
11	Indonesia	19.4	3.2	8.5
12	Angola	17.2	2.8	-5.7
13	Mongolia	12.7	2.1	10.1
14	Canada	9.9	1.6	10.8
15	U.S.	9.7	1.6	16.2
	Top 15	511.8	84.5	6.4
	RoW	93.7	15.5	-1.1
	Total	605.5	100	4.8

Source: UN Comtrade, ANDAMAN PARTNERS Analysis. Note: Minerals include iron, base metals, lithium, cobalt, manganese, nickel, zinc, lead and tin. Mineral Fuels include coal and its types and crude oil.

China is diversifying its import sources, strengthening resource security and shifting trade dynamics to adapt to evolving global supply and demand trends

- China is diversifying its import sources, with Latin America & the Caribbean (14% → 18%) and Europe (9% → 14%) gaining shares, while MENA's share declined from 33% to 25%.
- Australia and Russia remain China's top import partners, contributing USD 94.9 bn (15.6%) and USD 77.2 bn (12.7%) in 2024, respectively, reinforcing their role in China's resource security.
- Cobalt imports saw the most significant decline (-42.7% CAGR) while lithium surged (+45.5%), reflecting China's focus on battery metals and EV supply chains.
- The Middle East remains China's key energy supplier led by Saudi Arabia (USD 48.6 bn) and Iraq (USD 37.0 bn).
- Malaysia's importance surged (+42% CAGR) in China's supply chains, signaling a more substantial role in mineral processing and industrial metals.
- Nickel (69.3% global share) and manganese (66.7%) remain critical to China's imports, while iron and copper imports continue to rise, fueling infrastructure and manufacturing.
- China's total mineral and fuel imports reached USD 605.8 bn in 2024, growing at 4.8% CAGR, with the top 15 suppliers accounting for 84.5% of total imports.

Source: ANDAMAN PARTNERS Analysis



Source: ANDAMAN PARTNERS Analysis

Source: ANDAMAN PARTNERS Analysis

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China is a crucial INVESTOR and FINANCE PARTNER to the mining industry

— Implications?

China's is an important and growing source of mining investment and finance, impacting global trade, resource security and economic influence. The roles and preferences of Chinese investors have changed in recent years, but China still offers real potential

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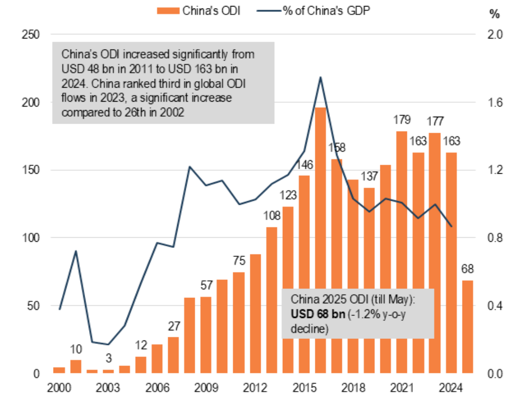
China's ODI and lending shape global trade, resource security and economic influence in key sectors

- China's ODI declined reaching USD 163 bn in 2024, with Asia (68.2% in 2023) and Latin America (20.3% in 2023) as primary investment destinations.
- Strategic resource security remains a priority, with USD 194 bn (2012-2023) allocated to mining and consistent investments in foreign copper mines over this period.
- Africa remains a significant loan recipient, with USD 182.3 bn in lending since 2000, primarily focused on energy and mining infrastructure.
- Chinese mining investments remain cyclical, with notable peaks in 2014, 2018, and 2023, aligning with commodity price trends and supply chain needs.
- Latin America's role in China's resource strategy is growing, with the region accounting for 20.3% of total ODI stock from 2012 to 2023 (USD 37.6 bn), driven by mining and agriculture investments.
- China's global economic influence is deeply tied to ODI, leveraging direct investment and strategic lending to secure supply chains and strengthen geopolitical ties.

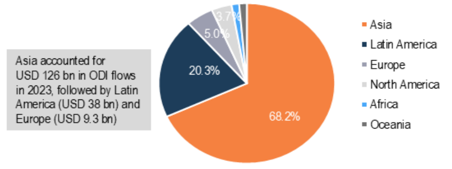
Source: ANDAMAN PARTNERS Analysis

China's ODI surged to USD 163 billion in 2024, with 68% focused on Asia, reflecting a strong regional economic integration strategy

China Outward Direct Investment (ODI), USD bn (2002-May 2025)



China Outward Direct Investment Flow by Region, USD bn (2023)

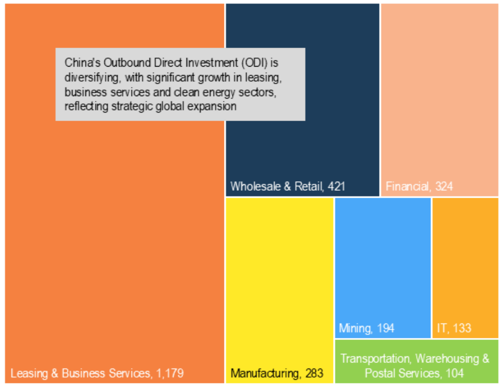


Chinese Companies' Investments in Foreign Mines, USD bn (2013-2023)

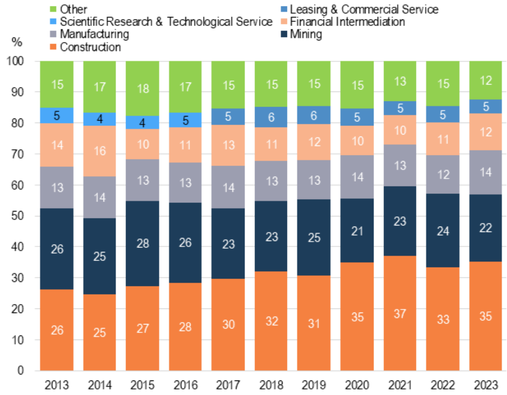
Source: World Bank, MOFCOM, Dezan Shira Associates, ANDAMAN PARTNERS Analysis

Leasing & Business Services dominate China's ODI, while the stock of mining investments reached USD 194 billion in 2023

China ODI Stock by Sector, USD bn (2012-2023)



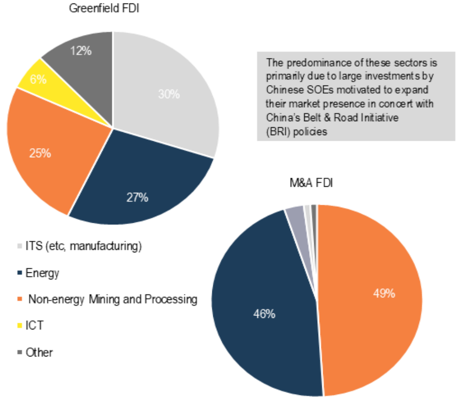
Chinese FDI Stock to Africa: Top 5 Sectors, % (2013-2023)



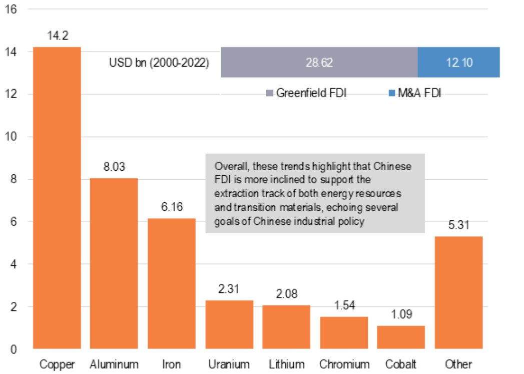
Source: The Economist, Dezan Shira Associates, Johns Hopkins, ANDAMAN PARTNERS Analysis

Chinese companies have announced USD 112.34 billion in greenfield FDI across the Industry & Trade/Services (ITS) (30%), Energy (27%), Non-energy Mining & Processing (25%) and Information & Communication Technology (ICT) (6%) sectors

Chinese Greenfield & M&A FDI Distribution in Africa by Sector, % (2000-2022)



Chinese Total Greenfield and M&A FDI for Non-energy Mining and Processing in Africa by Metal or Mineral, USD bn (2000-2022)



Source: Boston University, ANDAMAN PARTNERS Analysis

Source: ANDAMAN PARTNERS Analysis

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China is prominent in ENGINEERING PROCUREMENT and SUPPLY for the global mining industry

— Implications?

China is now a prominent (even dominant) supply partner across the global mining value chain, its engineering & design firms have moved up the value chain from simple to complex supply to integrated engineering and finance services, and are driving value globally

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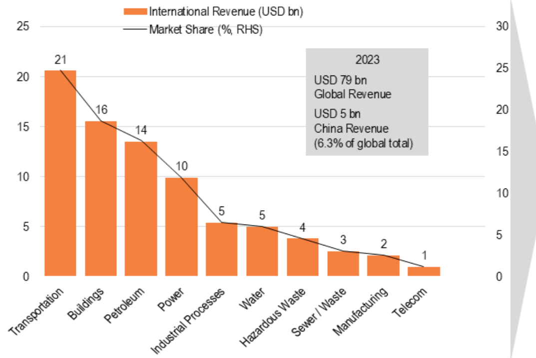
China's global engineering, design and construction investments shape supply chains and infrastructure development worldwide

- China's engineering and design firms maintain strong global revenue streams in 2023, with Asia (USD 2.15 bn), Africa (USD 941 mn) and Europe (USD 808 mn) as the top markets.
- In 2023, China's top 10 engineering & design firms generated revenue of USD 2.2 bn in the industrial & petroleum sector, accounting for 11% of the sector's market share.
- Combined petroleum and industrial process projects dominate international revenues, accounting for USD 19 bn in revenues.
- China's mining equipment exports remain vital for global supply chains, with electrical equipment and steel products driving export growth.
- China's construction sector revenues in Africa peaked at USD 55 bn in 2015 but declined to USD 37 bn by 2023, reflecting shifting investment patterns.
- Despite declines in construction revenues in Africa, Chinese firms remain key players in infrastructure projects, adapting to evolving economic and geopolitical conditions.

Source: ANDAMAN PARTNERS Analysis

In 2023, China's top 10 engineering & design firms generated revenue of USD 2.2 billion in the industrial & petroleum sector

International Revenue of Global Engineering and Design Companies by Sector, USD bn (2023)



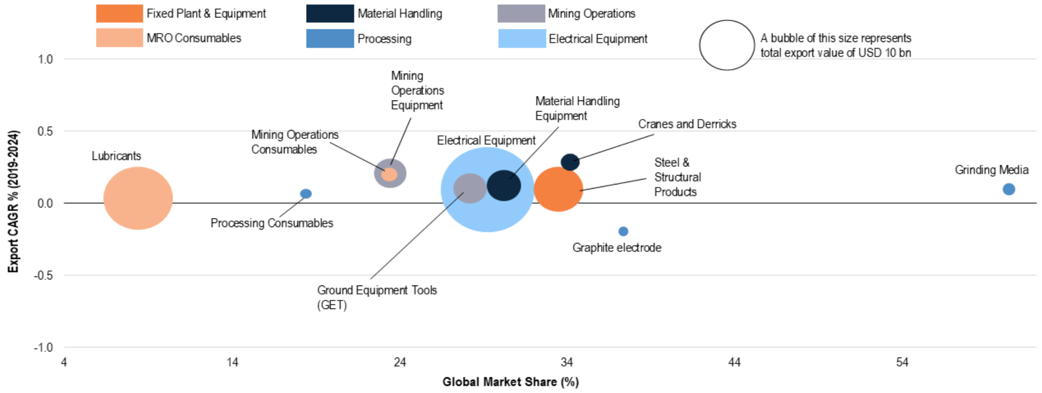
Top Chinese Engineering & Design Firms, USD mn (2023)

Global Rank (2024)	Global Rank (2023)	Company	International Revenue, USD mn	Share of Industrial / Petroleum in Revenue
15	17	Power Construction Corporation of China	1,622.8	0%
18	20	China Energy Engineering Corporation	1,442.7	1%
30	27	China National Chemical Engineering Group Corp. Ltd.	488.7	99%
35	33	China Communications Construction Company	418.7	0%
53	56	China Petroleum Engineering Co. Ltd.	246.2	98%
66	61	China Railway Construction Corp. Ltd.	146.0	0%
86	59	China National Machinery Industry Corp.	139.1	16%
96	109	China Triumph International Engineering	94.2	54%
98	199	SINOPEC Engineering	79.1	100%
101	134	China Aluminum International Engineering	74.6	98%

Source: ENR 2025 Report, ANDAMAN PARTNERS Analysis

Since 2019, China's exports of major mining products (machinery & equipment) have grown rapidly, as the country transitions towards manufacturing high-value goods

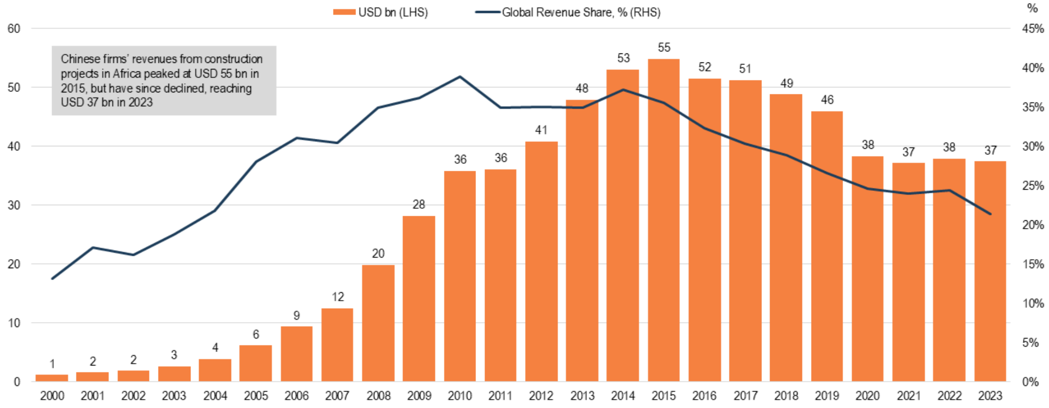
China Exports of Selected Mining Products, USD bn (2024)



Source: UN Comtrade, ANDAMAN PARTNERS Analysis

China's foreign construction revenues in Africa have started to decline after peaking in 2015, reaching USD 37 billion in 2023

Gross Annual Revenue of Chinese Companies' Construction Projects in Africa, USD bn (2000-2023)

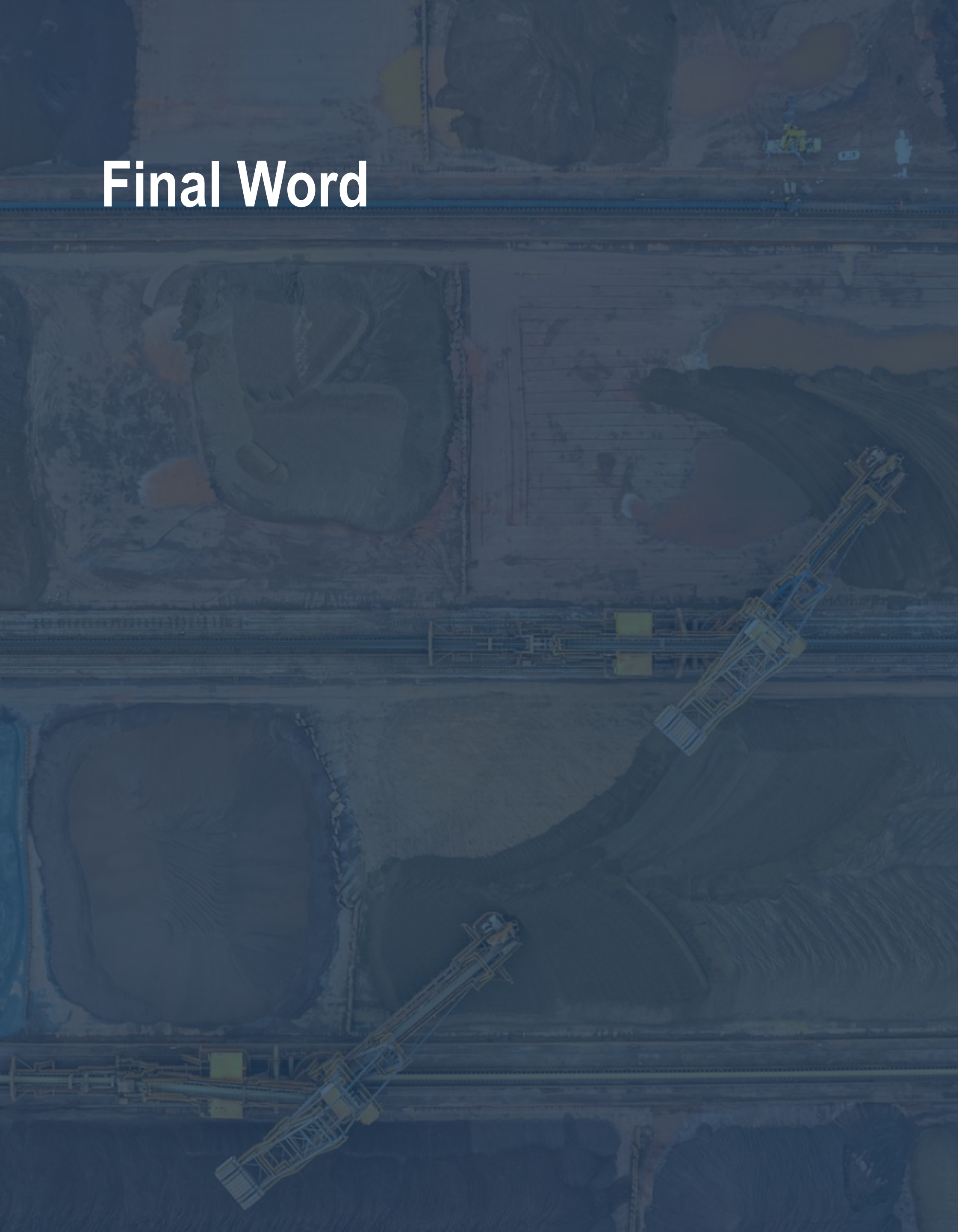


Source: John Hopkins University, SAIS China-Africa Research Institute

Source: ANDAMAN PARTNERS Analysis

7. Perspectives on China & Valuation

- Strategic need (resource security)
- Investable funds
- Negotiation culture
- History, experience and context
- Geopolitics / Geostrategy / Technology race
- SOE vs private players
- Mining vs other sectors
- Standards & practices (geology, etc.)



Final Word

ANDAMAN PARTNERS

- World’s second-largest economy
- Typically the largest producer
- The largest consumer
- Driver of trade and largest importer
- Crucial investor and capital partner
- Dominates mineral processing and supply chains
- Capacity to design and build
- Unique valuation context

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