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<v SPEAKER_2>Hello, everyone, and welcome to Energy Security Cubed, one of the world's foremost energy security podcasts presented by the CGAI, or Canadian Global Affairs Institute.

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<v SPEAKER_2>I'm Kelly Ogle, Managing Director here at CGAI.

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<v SPEAKER_1>And I'm Joe Calnan, Fellow and Energy Security Forum Manager at the Canadian Global Affairs Institute.

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<v SPEAKER_1>For today's podcast, we're featuring a discussion we had last year with Colin Hendrix, where we had a great conversation about what Indonesian and American policy toward the end of the Biden administration was telling us about the end of globalization.

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<v SPEAKER_1>But before we go into that, I'll quickly go over some of the news stories impacting energy this week.

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<v SPEAKER_1>And really sorry folks that we don't have a full episode and that I'm just recording this on my own.

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<v SPEAKER_1>I'll be in Ontario this week and Kelly is out at the farm.

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<v SPEAKER_1>So there's just been a few complications with getting a new episode to you.

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<v SPEAKER_1>But don't worry, we'll have a new episode with you next week, with hopefully with Monica Gattinger.

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<v SPEAKER_1>And that'll be a really interesting discussion about the priorities of the new Canadian Parliament and the new Canadian government after we find out who all of the cabinet ministers are.

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<v SPEAKER_1>But I'd like to start with a first quick note on the mood around separatism in Alberta and Saskatchewan.

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<v SPEAKER_1>So on Monday, a group called the Alberta Prosperity Project proposed a referendum question, which they will look to use to push for a vote in 2025 on whether Alberta should become an independent country.

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<v SPEAKER_1>Their question asks, quote, Do you agree that the province shall become a sovereign country and cease to be a province of Canada?

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<v SPEAKER_1>Unquote.

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<v SPEAKER_1>So last week, Angus Reid released polling data that found 36% of respondents in Alberta and 33% of respondents in Saskatchewan are either definitely or leaning toward voting to separate from Canada if given the chance.

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<v SPEAKER_1>These voters are in the minority.

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<v SPEAKER_1>60% of respondents in Alberta and 58% in Saskatchewan say that they would either definitely or lean toward wanting to stay within Canada.

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<v SPEAKER_1>As things currently stand, an independence referendum would fail.

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<v SPEAKER_1>Importantly, voters for the left-wing opposition in Alberta and Saskatchewan, so this is a provincial NDP in both provinces, overwhelmingly would vote to stay.

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<v SPEAKER_1>While the voters for the right-wing UCP and Saskatchewan Party generally lean toward leaving.

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<v SPEAKER_1>As this question grows in prominence, it's therefore likely to be very polarizing within the two provinces.

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<v SPEAKER_1>We should remember, though, that earlier this year, the Liberal Party of Canada was polling at just 21 percent.

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<v SPEAKER_1>Even though support for separation is not very high now,

events can quickly shift public sentiment.

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<v SPEAKER_1>Where it comes to this question, I think the biggest factor is the people who are leaning one way or another, but they're not fully committed to either staying or leaving.

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<v SPEAKER_1>The Angus Reid poll helpfully provides data on a few examples of federal policies, which are likely to peel people in Alberta and Saskatchewan away from voting for independence.

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<v SPEAKER_1>From this data, the most impactful single policy the federal liberals could implement to combat separatist sentiment would be to reverse the oil and gas emissions cap.

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<v SPEAKER_1>If the federal government reversed course on this cap, 71% of people leaning toward voting to separate would be more likely to want to stay.

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<v SPEAKER_1>People who listen to this podcast know my position.

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<v SPEAKER_1>The oil and gas emissions cap on a policy basis is a really bad distortionary policy, which places undue burden for reducing emissions on a geographically concentrated industry.

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<v SPEAKER_1>So it's not surprising that this is one of the big things that people are thinking about when they're talking about separating.

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<v SPEAKER_1>So long as the oil and gas emissions cap remains in place, it's painfully easy for separatists to argue that Alberta is being singled out disproportionately for the costs of energy transition.

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<v SPEAKER_1>Eliminating the oil and gas emissions cap is a really easy way to defang the Alberta separatist movement and extend an olive branch to Albertans who are worried about their economic futures.

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<v SPEAKER_1>Keeping it in place, on the other hand, is playing with a fire that can quickly get out of control.

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<v SPEAKER_1>So my recommendation to the Carney government is kill the oil and gas emissions cap.

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<v SPEAKER_1>It isn't even your government's policy anyways, and instead work with the provinces on a more fair and constitutionally solid cross-Canada industrial carbon pricing system.

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<v SPEAKER_1>So that's my recommendation.

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<v SPEAKER_1>You can take it as you would like.

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<v SPEAKER_1>Next, let's cover some interesting international stories.

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<v SPEAKER_1>First up, news from Japan on hydrogen.

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<v SPEAKER_1>With the CEO of Japan's largest refining company, NEO's Holdings, announcing plans to increase investment into LNG and sustainable aviation fuel and slow investment in hydrogen.

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<v SPEAKER_1>Reuters reports that on Monday, Tomohide Miyata told a news conference that the trend toward a carbon neutral society is slowing and the full-scale bifurcation of the energy transition previously expected around 2030 may be delayed.

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<v SPEAKER_1>He also added that supplying hydrogen and ammonia is no longer a priority for the company.

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<v SPEAKER_1>This is a major blow to plans to build out a global training system for hydrogen.

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<v SPEAKER_1>In past decades, Japan played a key role for underrating supply to allow the global LNG industry to develop.

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<v SPEAKER_1>There were some thought that Japan would play the same key role for ammonia and hydrogen.

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<v SPEAKER_1>However, in recent years, the poor economics of intercontinental hydrogen transport have become clear.

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<v SPEAKER_1>Increasingly, we're seeing major hydrogen project backers pulling back on their investments as excitement about decarbonization wanes, interest rates rise, and lithium ion batteries prove to be more cost effective for most use cases.

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<v SPEAKER_1>In light of this, Canada really should consider what role we see hydrogen and ammonia export projects in the East and West Coast playing in an increasingly frail global hydrogen market.

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<v SPEAKER_1>We should be careful here, guys, that we're not just throwing good money after bad.

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<v SPEAKER_1>And one last piece of interesting news.

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<v SPEAKER_1>Last Friday, Bloomberg reported that Indonesia is planning on cutting fuel imports from Singapore and instead turning to supplies from the United States and the Middle East.

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<v SPEAKER_1>Now, Indonesia is a big producer of crude oil and Singapore doesn't produce any crude oil.

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<v SPEAKER_1>So some people might wonder why Indonesia imports fuel from Singapore.

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<v SPEAKER_1>And this is because Singapore is and has been for more than a century now, one of the world's major refining hubs and hub for trading of oil and refined products.

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<v SPEAKER_1>Indonesia and Singapore have had a long like basically more than a century long relationship on producing crude oil and refining it into fuel for consumption.

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<v SPEAKER_1>And what we're seeing now is geopolitics changing the status quo.

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<v SPEAKER_1>In the announcement, Indonesia's Energy Minister, Balil Lahadalia told reporters that, quote, it is not only a matter of price, but also geopolitical issues.

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<v SPEAKER_1>We need to have a balance with other countries.

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<v SPEAKER_1>Unquote.

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<v SPEAKER_1>And this is likely referring to the need for Indonesia to restore its trading relationship with the United States.

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<v SPEAKER_1>The story underlines the complications that are facing Southeast Asian countries as they navigate the Trump tariffs.

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<v SPEAKER_1>The United States is Indonesia's second largest trade partner after China.

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<v SPEAKER_1>In 2024, Indonesia sold \$28 billion in goods to the United States, around 2% of Indonesian GDP.

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<v SPEAKER_1>While losing this market is not a death knell for the country, Indonesian leadership evidently thought that paying a little more for energy to retain access to American markets is worth it.

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<v SPEAKER_1>Now I'll switch over to our podcast with Colin Hendricks last year to talk about the ways in which Indonesian trade policy was being leveraged for industrialization even before Trump came in.

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<v SPEAKER_1>And we really didn't anticipate at the time how relevant this could be as Trump is looking to reshape globalization in favor of the United States.

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<v SPEAKER_2>Great to have you back, Colin.

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<v SPEAKER_3>Well, I'm glad to be here and I'm glad to be back.

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<v SPEAKER_3>Yeah, it's been about a year and a half since we touched base.

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<v SPEAKER_3>So I'm excited to be joining you again.

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<v SPEAKER_2>Yeah, and we've got to, as folks know, we have a bit of a script, but oftentimes we tend to get off that.

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<v SPEAKER_2>So we'll just let it flow where it goes.

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<v SPEAKER_2>But to start with, we should briefly describe the role that nickel and especially Indonesian nickel is traditionally played in the global supply chain for steel, and now increasingly for lithium ion batteries.

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<v SPEAKER_2>Why is Indonesian nickel so important, Cullen?

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<v SPEAKER_3>Well, so to call Indonesia the Saudi Arabia of nickel, it would actually be an insult to Indonesia's market share.

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<v SPEAKER_3>So last year, Indonesia mined about half of the world's total supply.

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<v SPEAKER_3>And the International Energy Agency suspects that that share is likely to increase to about 60% by 2030.

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<v SPEAKER_3>Obviously, when you have that kind of commanding market share, this gives Indonesian producers a lot of pricing power in the market.

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<v SPEAKER_3>But it's not just about the mining itself, it's also about downstream activities like processing capacity, which is the step in these mineral supply chains that turns the raw ore into usable intermediate goods for things like steel and battery production.

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<v SPEAKER_3>Now, nickel is a legacy industrial metal because of its use in the creation of steel primarily.

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<v SPEAKER_3>But it's really come back to the forefront because of its vital role in electric vehicles and EV batteries and indeed battery storage more broadly.

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<v SPEAKER_3>Indonesia was successful in forcing the downstreaming of its nickel sector beginning in 2020.

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<v SPEAKER_3>That process has paid a lot of dividends for Indonesia as a country in terms of economic development, but it's also come with significant environmental costs.

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<v SPEAKER_3>But it's not just that Indonesia is a dominant producer, there's a strategic element here too.

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<v SPEAKER_3>That is because Chinese firms control much of that mining and processing capacity.

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<v SPEAKER_3>As with most things, China these days, there's the market and then there's also a geopolitical angle.

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<v SPEAKER_3>Many Western countries, specifically the United States, see this dominance of nickel markets and nickel supply chains as a matter of energy and national security.

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<v SPEAKER_3>So that's why I think it's top of mind right now.

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<v SPEAKER_1>Yeah, so I think from what I remember, I'm going a little bit off script here, much of the reason why Indonesian nickel, like traditionally Indonesian nickel supplies were kind of a lower grade of refined nickel that would be provided to Chinese steel manufacturing.

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<v SPEAKER_1>But now the nickel that they're producing is increasingly of this higher grade that's required for batteries, and that comes as a consequence of Chinese investment specifically, correct?

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<v SPEAKER_3>Yes, that is correct.

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<v SPEAKER_3>So the quick and dirty version of this is that Indonesia, going back through most of the 21st century, keep forgetting what century we're living in.

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<v SPEAKER_2>Yes, I do it every day.

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<v SPEAKER_3>I know, it's tough.

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<v SPEAKER_3>It's the aging process comes for us all.

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<v SPEAKER_3>So throughout the 21st century, Indonesia has had these kind of aspirations of moving up the value chain, right?

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<v SPEAKER_3>So Indonesia plays this very critical role in the mining sector.

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<v SPEAKER_3>But mining proceeds are highly volatile depending on market prices.

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<v SPEAKER_3>It's relatively energy intensive.

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<v SPEAKER_3>There are lots of environmental impacts.

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<v SPEAKER_3>And what you get for your unrefined ore is kind of what you get.

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<v SPEAKER_3>And so in 2020, you know, President Jacoey, as he goes by his nickname, decided to implement a policy that would ban the exports of this raw unrefined ore, which kind of had the effect of pushing all of the, you know, counterparties, the smelters that were operating in China, which were bringing in this ore and then refining it either for use in steel production or, you know, more kind of, again, top of mind in the EV battery supply chains.

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<v SPEAKER_3>It forced them to kind of invest in Indonesia and conduct those activities there.

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<v SPEAKER_3>So, you know, this has been, this is part of this kind of general kind of strategy of economic growth.

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<v SPEAKER_3>And indeed, it's one that actually the incoming Indonesian presidential administration hopes to apply to a variety of other mined products.

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<v SPEAKER_3>And I think that this is actually, you know, kind of become sort of the emblematic case that has given a lot of other, you know, developing and middle-income countries, which have been war exporters historically, it's giving them a model and a perceived template that they can use in order to move up these value chains, increase the value added that's coming from their mining and quarrying sectors, and really, you know, act as a shot in the arm to their ambitions to, you know, potentially one day move downstream even further into the EV battery assembly itself.

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<v SPEAKER_1>And I feel like that's a good point because this kind of provides a template for countries to avoid, like there's the globalization of commodities, right?

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<v SPEAKER_1>And the idea behind that is this comparative advantage.

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<v SPEAKER_1>So the comparative advantage of these countries, of course, is mining the ores, and another place has a comparative advantage in actually refining it.

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<v SPEAKER_1>And that's kind of the idea for how the global economy has worked for so long.

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<v SPEAKER_1>But I feel as though Indonesia provides an alternative model where they're talking about more economic development throughout the supply chain, I think that's a big shift.

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<v SPEAKER_3>I think so too.

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<v SPEAKER_3>And I think it really kind of refocuses our attention on kind of the...

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<v SPEAKER_3>It's easy to kind of lose sight of in these sort of amorphous discussions about critical minerals.

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<v SPEAKER_3>But when you're talking about mining or you're talking about oil and gas extraction for that matter, you know, the location of the deposits, we get that from geology.

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<v SPEAKER_3>This is not like fast fashion apparel or footwear, right?

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<v SPEAKER_3>You can't just decide to go where your labour costs are lowest or potentially you have access to great port infrastructure, right?

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<v SPEAKER_3>You can do that with light manufacturing.

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<v SPEAKER_3>If the world wants to take advantage of these massive nickel deposits that exist in Indonesia, they're going to have to do business in Indonesia.

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<v SPEAKER_3>This is something we've seen recur throughout the last say 150 years or so, a couple of different times is that as there's been really acute stress put on global energy systems, during the scramble for oil and now the scramble for critical minerals, it's really empowering these producers and giving them an opportunity to think outside of the box and say, all right, this is clearly a strategic resource that we have here.

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<v SPEAKER_3>Instead of just selling it to the market, let's think about what we can do with this resource in order to use it as a real source of fuel, if you will, for developing the national economy.

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<v SPEAKER_3>In that sense, it's paralleling a return to industrial policy that we're seeing across the advanced economies, like the United States and Canada and the European Union as well.

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<v SPEAKER_2>It's a great point.

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<v SPEAKER_2>And I think that just sitting here thinking about all of this, it's absolutely the way to bring these underdeveloped countries into the mainstream and more and more control of their own destiny, as opposed to the mine it, ship it, and have somebody else get all of the uptick in the value chain.

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<v SPEAKER_2>So, more power to Indonesia to stand firm.

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<v SPEAKER_1>I think, you know, I got to, I mean, I'm not disagreeing with you necessarily, but it's really a big trade-off.

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<v SPEAKER_1>Yeah, I mean, that is very nice.

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<v SPEAKER_2>Not like me, right?

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<v SPEAKER_1>Yeah, it's really nice for us as Western countries to take this position, but it really is a loss of power on the front of kind of the Western dominated global trading system to allow kind of all these supply chains to be shifted in this direction.

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<v SPEAKER_1>It reminds me quite a bit of the creation of OPEC and the ideas behind that, where OPEC was able to consolidate control over global oil supplies and take it away from the oil super majors back in the 1970s.

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<v SPEAKER_1>You know, that's really what this reminds me of is-

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<v SPEAKER_2>So is that a bad thing?

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<v SPEAKER_1>Well, it's definitely a good thing for these countries, but it might be a bad thing for other countries.

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<v SPEAKER_1>I think that's the-

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<v SPEAKER_2>There's always going to be that trade-off.

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<v SPEAKER_1>Yeah.

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<v SPEAKER_3>You know, I think that the OPEC example is kind of illustrative, right?

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<v SPEAKER_3>So OPEC had a pretty good run there in terms of driving up prices by controlling supply, really massively increased the revenues that were available to those countries, which then have allowed them to become major players in financial markets with their sovereign wealth funds and the like.

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<v SPEAKER_3>And diversify, to a certain extent, some of their income streams.

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<v SPEAKER_3>Now, in the oil and gas sector, right, some of those same kind of pressures were the things that were driving the advances in technology that have made the United States and Canada even more significant kind of oil exporters than they had been previously, right?

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<v SPEAKER_3>So that we now are in a position where the United States is the world's number one daily producer of petroleum.

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<v SPEAKER_3>Now, Indonesia and other countries like it, they're making kind of these more resource nationalist plays.

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<v SPEAKER_3>I mean, that's all fine and well, and I'm not in the position of telling Indonesians what they should do with their economy.

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<v SPEAKER_3>I think that one of the challenges here is that the primary use of nickel in the EV battery is in this kind of what is currently kind of a relatively popular battery chemistry, the nickel manganese cobalt battery chemistry, but in part because nickel prices kind of went through the roof a couple of years ago, there's been increasing kind of pressure and incentive for the chemists out there to come up with different alternative battery chemistries.

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<v SPEAKER_3>And I've written about this a little bit in the past.

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<v SPEAKER_3>One of the things that Indonesia, or one of the reasons why I think Indonesia has taken a strategic position of trying to make sure that prices are low and stocks are high is because it's a means of trying to deter the EV battery makers out there from adopting, say, the lithium iron phosphate kind of chemistries.

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<v SPEAKER_3>And that's to say nothing of the potential impact of solid state chemistries or any of the other kinds of alternative batteries that may come down the pike.

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<v SPEAKER_3>So as it is with all these kind of oligopolistic kind of attempts to sort of rein in the market, you can squeeze a little bit

too hard potentially, and that's just going to drive the creation of better, or at least different kind of mousetraps.

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<v SPEAKER_1>So the questions that we're engaging with here, of course, relate to critical minerals, they relate to the geopolitics of Southeast Asia, and of course they relate to the interests of China in the region.

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<v SPEAKER_1>But I think, you know, all three of these things are also implicating the interests of the United States as well.

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<v SPEAKER_1>So Cullen, you recently wrote an article for The Diplomat, and we'll link this in the show notes as well.

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<v SPEAKER_1>And this article is titled, quote, US forced labor ruling on Indonesian nickel could backfire, unquote.

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<v SPEAKER_1>So before we get into your thesis, could you give our listeners a bit of an understanding of why the US.

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<v SPEAKER_1>Department of Labor added Indonesian nickel to the child or forced labor list?

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<v SPEAKER_3>Sure, I'd be happy to.

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<v SPEAKER_3>But first, I think it's important to provide a little context here to let the listener know what, you know, what this list is and what it means.

00:20:35.596 --> 00:20:37.736

<v SPEAKER_3>So for the last couple of decades, the US.

00:20:37.736 --> 00:20:45.276

<v SPEAKER_3>Department of Labor has developed and maintained and updated a list of products that are used with child and or forced labor.

00:20:45.276 --> 00:20:56.736

<v SPEAKER_3>Now, this list is based on fieldwork by the departments of labor and state, as well as civil society, you know, kind of think tank reports and consultations with experts.

00:20:56.736 --> 00:21:08.136

<v SPEAKER_3>And it's different conceptually from some other government lists, like the sanctions list or the foreign entity of concern list, where the listing itself kind of has real teeth and penalties associated with it.

00:21:08.136 --> 00:21:14.036

<v SPEAKER_3>This listing in theory does not have that or doesn't carry that kind of baggage.

00:21:14.036 --> 00:21:53.876

<v SPEAKER_3>It's a form of naming and shaming, which is a term that people in the kind of the human rights space use to describe activities where basically naming and shaming is bringing to light abuses as they are occurring or alleged abuses, if we want to make sure that we're covered from a liability standpoint here is bringing alleged abuses to light, and then letting the act of bringing that to light act as a mechanism for coordinating the activities of civil society, Amnesty International, Human Rights Watch, but then also consumers themselves to make different choices in the market and say, oh, I just heard about that product coming from that country.

00:21:54.656 --> 00:21:56.516

<v SPEAKER_3>That's made with forced or child labour.

00:21:56.516 --> 00:21:58.236

<v SPEAKER_3>I'm not going to buy that.

00:21:58.236 --> 00:22:14.096

<v SPEAKER_3>And so it's an attempt to raise awareness and then leverage the conscience of the consumer to make better choices and then ostensibly try to give those producers of those products an incentive to do a better job.

00:22:14.096 --> 00:22:17.376

<v SPEAKER_3>Now the Department of Labour itself kind of admits this.

00:22:17.376 --> 00:22:29.656

<v SPEAKER_3>It says it's not intended to be punitive, but rather to serve as a catalyst for more strategic and focused coordination and collaboration among those working to address these problems.

00:22:29.656 --> 00:22:36.676

<v SPEAKER_3>So having provided that context, Indonesian Nickel wound up on this list for a very specific reason.

00:22:36.676 --> 00:22:42.476

<v SPEAKER_3>As I mentioned earlier, Chinese interests control a lot of the mining and processing activities there.

00:22:42.476 --> 00:22:50.996

<v SPEAKER_3>And the DOL report focuses exclusively on the actions of Chinese firms with respect to their Chinese expat workforce.

00:22:51.076 --> 00:22:57.036

<v SPEAKER_3>That is, Chinese workers working for Chinese firms in the Indonesian Nickel sector.

00:22:57.036 --> 00:22:59.436

<v SPEAKER_3>And the allegations are actually pretty damning.

00:22:59.976 --> 00:23:07.316

<v SPEAKER_3>They point to deceptive recruiting practices, constant surveillance of workers, forced overtime work.

00:23:07.316 --> 00:23:17.336

<v SPEAKER_3>And then I think really kind of most importantly, perhaps, kind of restrictions on those workers' mobility and their ability to leave through things like confiscating passports.

00:23:17.736 --> 00:23:21.796

<v SPEAKER_3>And I want to be very clear because of where this is going.

00:23:21.796 --> 00:23:27.296

<v SPEAKER_3>Those are all terrible practices and they're not in accordance with generally accepted labour standards.

00:23:27.296 --> 00:23:36.376

<v SPEAKER_3>But it's also, I think, finally important to note that Chinese workers only account for about 10% of the Indonesian Nickel related workforce.

00:23:36.376 --> 00:23:50.696

<v SPEAKER_3>Now, whether that means that the treatment of Indonesian workers is good is another question, but from the Department of Labour Reports perspective, the clear focus was on Chinese firms and their actions vis-a-vis Chinese employees.

00:23:52.456 --> 00:23:54.776

<v SPEAKER_2>Yeah, it's a lot bigger.

00:23:54.776 --> 00:23:56.816

<v SPEAKER_2>It isn't just binary, right?

00:23:56.816 --> 00:23:59.096

<v SPEAKER_2>That's important to note.

00:23:59.096 --> 00:24:06.936

<v SPEAKER_2>And I think many of our listeners like me are of the mind

that punishing industry for using forced labour in their supply chains is a good thing.

00:24:06.996 --> 00:24:24.316

<v SPEAKER_2>In fact, last year, Canada introduced the Fighting Against Forced Labour and Child Labour in Supplies Chains Act, which dramatically increased labour reporting requirements for Canadian companies, including those working internationally, right, Joe?

00:24:24.316 --> 00:24:40.556

<v SPEAKER_1>Yeah, and we should note that there's been quite a bit of, I wouldn't say pushback, but criticism over the extent of these reporting requirements, because many of these companies, let's just say that there wasn't excellent guidance on what activities need to be reported on.

00:24:40.556 --> 00:24:44.956

<v SPEAKER_2>Given this federal government, there'd be no interaction, there'd be no work prior to them.

00:24:45.836 --> 00:24:48.476

<v SPEAKER_2>That doesn't surprise me.

00:24:48.476 --> 00:24:54.416

<v SPEAKER_1>But either way, I think, you know, combating forced labour and child labour is still something that Canadians care about.

00:24:54.416 --> 00:24:57.656

<v SPEAKER_2>Pretty much a 99% solution, I would think.

00:24:57.736 --> 00:25:00.976

<v SPEAKER_2>Yes, yeah, if you're not, then I'd really...

00:25:00.976 --> 00:25:03.016

<v SPEAKER_2>But what do you think this...

00:25:03.016 --> 00:25:09.176

<v SPEAKER_2>Why do you think this could backfire for the US, Colin, and how could this be applied to Canada?

00:25:09.176 --> 00:25:14.616

<v SPEAKER_3>Well, I want to state very clearly that I am of the same mind.

00:25:16.356 --> 00:25:35.816

<v SPEAKER_3>It is sickening to think that we as a consumer base would be complicit in these types of abuses and these types of activities that deny the agency and the fundamental human rights of Chinese workers.

00:25:35.816 --> 00:25:50.936

<v SPEAKER_3>And to the extent that these kind of same practices are affecting Indonesian workers, which is not something that Department of Labour Report actually touches on, I view that as being a tragedy as well.

00:25:50.936 --> 00:25:57.416

<v SPEAKER_3>And, you know, I actually, in my previous life as an academic, I had kind of a sideline as a researcher on human rights.

00:25:57.416 --> 00:26:03.356

<v SPEAKER_3>And I spent time looking at and evaluating these types of naming and shaming efforts and their effects.

00:26:03.496 --> 00:26:11.596

<v SPEAKER_3>And in certain circumstances, these campaigns actually do have the potential to improve human rights performance more generally.

00:26:11.816 --> 00:26:14.936

<v SPEAKER_3>And I'm also not exactly a China dove.

00:26:14.936 --> 00:26:21.176

<v SPEAKER_3>I've criticized Chinese human rights abuses in Xinjiang, for instance, multiple times on record and in print.

00:26:22.676 --> 00:26:37.076

<v SPEAKER_3>But if the problem here, I think, is that Chinese firms are abusing Chinese workers, then I think that we need to think about what the implications might be for this overwhelmingly Indonesian workforce that's involved in the extraction of nickel.

00:26:37.076 --> 00:27:01.036

<v SPEAKER_3>And then what that also means for the prospects for other firms, potentially Western firms, being able to come in to the Indonesian market and dilute kind of the overwhelming control or influence that Chinese capital is playing in that context.

00:27:02.376 --> 00:27:05.936

<v SPEAKER_3>So I didn't come up with the headline, so I didn't use that.

00:27:05.936 --> 00:27:11.756

<v SPEAKER_3>I don't know that I used the term backfire necessarily, but let me explain kind of what my logic is here, okay?

00:27:11.756 --> 00:27:17.936

<v SPEAKER_3>Very simple question you would ask of any student in sort of a public policy 101 kind of context.

00:27:17.936 --> 00:27:20.956

<v SPEAKER_3>What is the theory of change, okay?

00:27:20.956 --> 00:27:29.156

<v SPEAKER_3>Is this listing likely to change the behavior of the Chinese firms that are engaging in these practices?

00:27:30.616 --> 00:27:34.676

<v SPEAKER_3>I would submit to you that the answer to that question is no.

00:27:34.676 --> 00:27:40.736

<v SPEAKER_3>Is this listing likely to deter non-Chinese firms from entering the Indonesian market?

00:27:40.736 --> 00:27:43.596

<v SPEAKER_3>I would say that the answer to that question is likely to be yes.

00:27:44.436 --> 00:27:56.396

<v SPEAKER_3>So, the net result of this listing may be to cede the field, so to speak, to China, which is not likely to be swayed by the listing itself.

00:27:56.396 --> 00:28:04.556

<v SPEAKER_3>It's an extremely hard target when you think about the idea of using these kind of naming and shaming types of tactics to try and change their behavior.

00:28:04.556 --> 00:28:24.576

<v SPEAKER_3>And so, in this sense, it could backfire insofar as it winds up rewarding the bad behavior that these Chinese firms are engaging in by making it much more difficult for Western firms to try and open operations there and thereby making Indonesia more, not less, dependent on the Chinese market and on Chinese firms.

00:28:24.576 --> 00:28:28.496

<v SPEAKER_3>So, put yourself, you know, in a Western, you know, miner's shoes.

00:28:28.496 --> 00:28:35.136

<v SPEAKER_3>Would you want to have to defend allegations of forced labor on an earnings call or while trying to raise venture capital?

00:28:35.136 --> 00:28:38.616

<v SPEAKER_3>I wouldn't, and I suspect most Western majors wouldn't want to either.

00:28:39.536 --> 00:28:58.076

<v SPEAKER_3>So, you know, having said that, I submit to you that the best way I think to improve not just labour but environmental

practices in a place like Indonesia would be for there to be more credible alternatives to the Chinese investment that they're receiving at the scale that's necessary to move kind of the proverbial needle on human rights.

00:28:58.076 --> 00:29:04.856

<v SPEAKER_3>But a listing of this nature makes the starting point for any discussion of Indonesia's nickel sector, well, don't they use forced labour?

00:29:05.896 --> 00:29:11.876

<v SPEAKER_3>Yes, they do, and they will continue to do so as long as Chinese firms dominate the sector.

00:29:11.876 --> 00:29:21.776

<v SPEAKER_3>That is, I think that the solution here is for Western firms to be able to engage and provide a better model of labour management relations and practices.

00:29:21.776 --> 00:29:24.216

<v SPEAKER_3>And this listing, I think, is going to make that harder.

00:29:24.216 --> 00:29:26.276

<v SPEAKER_3>I think it's like the scarlet letter.

00:29:26.596 --> 00:29:34.396

<v SPEAKER_3>It may poison the well for future discussions in ways that will work exactly counter to what the listing was intended to achieve in the first place.

00:29:34.856 --> 00:29:36.416

<v SPEAKER_3>So I'll step off my soapbox for a moment.

00:29:36.416 --> 00:29:37.696

<v SPEAKER_2>No, that's fine.

00:29:37.696 --> 00:29:41.576

<v SPEAKER_2>You know, there is the law of unintended consequence, right?

00:29:41.576 --> 00:29:44.156

<v SPEAKER_2>And here we are, writ large.

00:29:44.156 --> 00:29:50.896

<v SPEAKER_2>It's a, this is a, and it isn't, you know, today it's nickel, what's next, right?

00:29:50.896 --> 00:29:52.756

<v SPEAKER_2>Like, and where, and where?

00:29:52.756 --> 00:29:56.476

<v SPEAKER_2>Like, Manganese and, no, Cobalt and the Congo.

00:29:56.476 --> 00:29:59.156

<v SPEAKER_2>Like, this isn't the only place this is happening.

00:29:59.216 --> 00:30:12.556

<v SPEAKER_2>Like, and it, it, it, hopefully, over the next decade, it causes step change in how people look at these things because of their awareness and the act, the fact that we have so much access to information.

00:30:12.556 --> 00:30:13.336

<v SPEAKER_2>Yeah, Joe.

00:30:13.516 --> 00:30:28.916

<v SPEAKER_1>I'm a little curious, as to like why this decision was made by the US Department of Labour, because it seemed to me, and, you know, I'll, I'll admit that I haven't been following this file, the file of Indonesian US plans for supply chain integration.

00:30:28.976 --> 00:31:06.076

<v SPEAKER_1>I haven't been following it very closely for a little while, but, you know, when Indonesia hosted the G20 and with the Biden administration's greater moves toward trying to establish these sort of supply chains with major critical minerals producers and established trust, it just seems to me like this is a step in completely the opposite direction, trying to alienate countries like Indonesia, which, you know, let's be frank, that Indonesia does not have the same sort of labour codes as we have in the West, but at the same time, I feel as though it's a very influential country and obviously the most influential country in the world where it comes to nickel.

00:31:06.076 --> 00:31:21.756

<v SPEAKER_1>So I guess my question is, do you feel as though this is part of a larger US strategy stepping back from this engagement with Indonesia, or do you feel as though US Department of Labour is kind of operating independently of this larger strategy?

00:31:21.756 --> 00:31:25.896

<v SPEAKER_3>Well, I don't have any deep insight.

00:31:26.416 --> 00:31:33.596

<v SPEAKER_3>I can't play DC inside baseball and try and give you a sense of how those decisions were made.

00:31:33.596 --> 00:31:52.256

<v SPEAKER_3>I will say that this is occurring in a broader context in which there is relatively strong bipartisan opposition to a critical

mineral specific free trade agreement for Indonesia that is coming from the US Senate.

00:31:53.016 --> 00:31:55.056

<v SPEAKER_3>This is something you can link to in the show notes as well.

00:31:55.476 --> 00:32:22.136

<v SPEAKER_3>There is this letter that came out from an influential group of moderate senators from both sides of the aisle that said, we should not be doing this for reasons related to labour standards, for reasons related to the environmental impact of the open pit style of nickel mining that's occurring in Indonesia, which is very different from say the subterranean nickel mining that's going on in the upper peninsula of Michigan here in the United States.

00:32:23.756 --> 00:32:29.376

<v SPEAKER_3>And then, you know, also just kind of concerns about Chinese presence in the industry.

00:32:29.376 --> 00:32:49.716

<v SPEAKER_3>And, you know, that the thrust of that letter is that we should really be leaning on our tried and true and trusted friends like Canada and Australia, if we're going to be looking to diversify sources of supply, this is, you know, kind of in keeping with a general thrust towards friend-shoring.

00:32:49.716 --> 00:33:24.936

<v SPEAKER_3>Now, whether the Department of Labour is sort of on-side in those kind of negotiate and not in those kind of discussions or whether or not it's sympathetic to them, I think that the Department of Labour, especially under the Biden administration, and this is largely to their credit, has definitely given more voice to and more space for human rights organizations to play an active role in calling out and naming and shaming the activities of Chinese firms, not just in contested areas within China, like Xinjiang Autonomous Region, right, but also their activities in the abroad.

00:33:24.936 --> 00:33:33.896

<v SPEAKER_3>And I think that, you know, that would be consistent with a broader program where the United States is trying to engage with, you know, what are sometimes called third countries, right?

00:33:33.896 --> 00:33:58.816

<v SPEAKER_3>Not the United States and not China, but engaging with countries in the developing and middle income world to say, you know, this is, you know, this is part of a broader thrust to say to them that the Chinese model is a model that will lead you to import authoritarianism or lead you to import these kinds of bad associations with your products and your supply chains.

00:33:58.816 --> 00:34:06.816

<v SPEAKER_3>But whether or not the DOL is part of some sort of kind of networked concerted effort to make this happen is open for interpretation.

00:34:06.816 --> 00:34:10.076

<v SPEAKER_3>But I don't have any evidence to suggest that it really is.

00:34:10.076 --> 00:34:10.796

<v SPEAKER_1>Yeah, fair enough.

00:34:10.796 --> 00:34:18.936

<v SPEAKER_1>And, you know, it's kind of unfair of me to put you on the spot expecting you to have complete answers on Department of Labour thinking and all that sort of stuff.

00:34:19.636 --> 00:34:27.776

<v SPEAKER_1>It's a little bit of maybe White House ology, I suppose, trying to figure out what exactly they're thinking at any specific time.

00:34:27.776 --> 00:34:29.796

<v SPEAKER_3>Who was sitting next to who at the May Day Parade?

00:34:29.796 --> 00:34:30.776

<v SPEAKER_3>That kind of...

00:34:30.776 --> 00:34:32.956

<v SPEAKER_3>Yeah, I understand.

00:34:33.176 --> 00:34:35.036

<v SPEAKER_3>I can't read those tea leaves for you.

00:34:37.076 --> 00:34:44.096

<v SPEAKER_1>But you did mention, though, that Indonesia has been looking to secure a critical mineral specific free trade agreement with the United States.

00:34:44.196 --> 00:35:04.916

<v SPEAKER_1>And this is really an interesting concept to think about, because I think this pops out of the requirement in the Inflation Reduction Act for critical minerals used in subsidized electric vehicles and various other important technologies that are given tax credits in the IRA.

00:35:04.916 --> 00:35:12.356

<v SPEAKER_1>The requirement, of course, being that these critical minerals need to be sourced from countries which have a free trade

agreement with the United States.

00:35:12.916 --> 00:35:22.736

<v SPEAKER_1>And I'll note that very few countries actually do have a free trade agreement with the United States, Canada, of course, being one of them, which we talk about very often on our podcast.

00:35:22.736 --> 00:35:30.576

<v SPEAKER_1>But are you aware of any other countries which are looking to secure this specific type of critical minerals free trade agreement with the US?

00:35:30.576 --> 00:35:31.396

<v SPEAKER_3>Well, yes.

00:35:31.556 --> 00:35:34.376

<v SPEAKER_3>So one already has, and that's Japan.

00:35:34.376 --> 00:35:58.176

<v SPEAKER_3>So the Inflation Reduction Act, I mean, it caught me as an American who spends a lot of time thinking about renewable energy somewhat by surprise, and it also caught our European and East Asian allies by surprise, with those provisions requiring that minerals be sourced from free trade agreement partners or processed in the United States or a free trade agreement partner.

00:35:58.316 --> 00:36:10.016

<v SPEAKER_3>So I think in a move to help address those important partners' concerns about access to the US market, the Biden administration quickly concluded this critical mineral specific agreement with Japan in 2023.

00:36:10.796 --> 00:36:13.316

<v SPEAKER_3>And the agreement, you know, I've read it, you can read it.

00:36:13.316 --> 00:36:18.036

<v SPEAKER_3>I believe it's fewer than seven pages, which is a short free trade agreement.

00:36:18.036 --> 00:36:26.616

<v SPEAKER_3>It doesn't do a lot beyond kind of reaffirming existing commitments to the GATT and WTO, but it does, I think, send a more reassuring kind of signal.

00:36:26.616 --> 00:36:32.276

<v SPEAKER_3>And so, yes, there are other partners who have approached the United States about critical mineral specific free trade agreement.

00:36:32.276 --> 00:36:36.796

<v SPEAKER_3>So Indonesia, of course, but then also the European Union.

00:36:37.236 --> 00:36:39.696

<v SPEAKER_3>Those negotiations are still under way.

00:36:39.696 --> 00:36:48.396

<v SPEAKER_3>And now that the UK is not part of the European Union, the UK is keen to have one of these kinds of agreements at the same time.

00:36:48.536 --> 00:36:50.496

<v SPEAKER_3>But I think here's the rub, so to speak.

00:36:50.496 --> 00:36:54.816

<v SPEAKER_3>None of those jurisdictions are major exporters of most critical minerals.

00:36:54.816 --> 00:37:03.996

<v SPEAKER_3>If that's the pathway to closer collaboration with the US market, I think that the US is going to need to engage more outside of the advanced economies.

00:37:03.996 --> 00:37:14.856

<v SPEAKER_3>And for most of the minerals that we care about, sort of our free trade agreement partners, our US free trade agreement partners are not necessarily fit for purpose, right?

00:37:15.236 --> 00:37:21.236

<v SPEAKER_3>There are a variety of materials where our free trade agreement partners have vast resources.

00:37:21.236 --> 00:37:23.816

<v SPEAKER_3>Lithium is a good example of this, right?

00:37:24.996 --> 00:37:32.616

<v SPEAKER_3>Copper, which is now designated as a critical mineral, about 50% of the world's copper is produced in countries that have a free trade agreement with the United States.

00:37:33.216 --> 00:37:36.416

<v SPEAKER_3>If you look at nickel, the picture is much worse.

00:37:36.416 --> 00:37:38.196

<v SPEAKER_3>If you look at cobalt, it's worse still.

00:37:38.196 --> 00:37:41.556

<v SPEAKER_3>And if you look at graphite, it's virtually nothing.

00:37:41.556 --> 00:38:00.136

<v SPEAKER_3>So, you know, it's my contention that the United States is going to have to think a little bit more inclusively about the types of economies with which it's willing to consider these kinds of arrangements or consider scrapping that provision in any kind of refinements to the Inflation Reduction Act that may be coming down the pike in the next couple of years.

00:38:00.956 --> 00:38:18.696

<v SPEAKER_3>For example, you know, I've written a little bit about this, you know, I think that the upcoming debate on either extending or modifying kind of the African Growth and Opportunity Act or AGOA may become a platform for a critical mineral-specific agreement or a set of agreements with sub-Saharan African countries.

00:38:18.696 --> 00:38:22.436

<v SPEAKER_2>It would really set the table for more open dialogue like that.

00:38:22.476 --> 00:38:32.896

<v SPEAKER_2>You get that out in front, like here I am sitting thinking about the USMCA, the CUSMA in 26 and the fact that we have and it leads to my next question.

00:38:32.896 --> 00:38:46.576

<v SPEAKER_2>But, you know, there you go, there's so much opportunity to not only do the good things economically but do the next right thing globally and using these things as platforms.

00:38:47.876 --> 00:38:56.216

<v SPEAKER_2>So, you know, people that are old enough, as old as me know that Canada has extensive Nickel reserves.

00:38:57.576 --> 00:39:17.796

<v SPEAKER_2>And is there possibly a new boon for Sudbury or the environs of the Ring of Fire in Canada for greater integration of Nickel industry with the US facets of the IRA or anything more nuanced than that, Cullen?

00:39:17.796 --> 00:39:18.196

<v SPEAKER_3>Yeah.

00:39:18.196 --> 00:39:24.056

<v SPEAKER_3>I mean, you know, to kind of belabor an analogy, I sort of butchered at the outset, right?

00:39:24.416 --> 00:39:30.296

<v SPEAKER_3>If Indonesia is the Saudi Arabia of Nickel, then, you know, Canada is probably the Canada of Nickel, right?

00:39:31.796 --> 00:39:37.076

<v SPEAKER_3>It's not a dominant producer, but it does have relatively extensive reserves that can be mined.

00:39:37.076 --> 00:39:39.196

<v SPEAKER_3>And so, you know, I think that...

00:39:39.236 --> 00:39:40.596

<v SPEAKER_2>And no child labour.

00:39:40.596 --> 00:39:40.836

<v SPEAKER_3>Yeah.

00:39:40.836 --> 00:39:43.236

<v SPEAKER_3>And no, no, this is definitely the case, right?

00:39:44.376 --> 00:39:57.716

<v SPEAKER_3>And I think that, you know, I think that this listing on margin probably does make it more likely that the United States is going to wind up in the position of collaborating much more closely with Canada for nickel supply chains.

00:39:57.716 --> 00:39:59.956

<v SPEAKER_3>I mean, we already do.

00:39:59.956 --> 00:40:05.356

<v SPEAKER_3>All of the nickel that's mined in the United States is processed in Canada.

00:40:05.356 --> 00:40:09.496

<v SPEAKER_3>We only have a single mine operating, and it's going to shudder by the end of the decade.

00:40:09.876 --> 00:40:13.016

<v SPEAKER_3>That nickel is going to have to come from somewhere.

00:40:14.136 --> 00:40:19.916

<v SPEAKER_3>I think that to a certain extent before the listing, that the wind was already at Canadian nickels back.

00:40:20.436 --> 00:40:25.116

<v SPEAKER_3>There's heavy competition in the market, mostly coming from Indonesia.

00:40:25.556 --> 00:40:40.356

<v SPEAKER_3>For reasons including the use of forced labor, Indonesia's pricing power has driven down prices to where some Western producers can afford to mine profitably, and they've put their facilities in care and maintenance status.

00:40:40.356 --> 00:40:43.296

<v SPEAKER_3>But generally speaking, Canada has a lot going for it.

00:40:43.296 --> 00:40:59.556

<v SPEAKER_3>It's integrated with the United States in a common market via the USMCA or NAFTA for those of you who speak Canadian English or don't like rebranding exercises that are slight modifications to trade agreements that are worse than the ones that preceded them.

00:40:59.556 --> 00:41:22.136

<v SPEAKER_3>Canada also has domestic producer status courtesy of the United States Defense Spending Authorization Act that provides Canada with additional advantages in terms of market access, but also access to government grants, which are another big part of the outlays in the IRA and the Infrastructure and Jobs Act.

00:41:23.836 --> 00:41:37.136

<v SPEAKER_3>Canada also has the ability to deliver, and this is really the case, cleaner production because of modern mining technology and regulations, and then really abundant hydropower to fuel mineral processing.

00:41:37.136 --> 00:41:51.536

<v SPEAKER_3>We haven't talked about that, but that's another challenge with Indonesia's nickel sector, is that part of their pricing competitiveness is the unabated, unrestricted use of coal to fire the smelters that are operating there.

00:41:51.536 --> 00:42:04.136

<v SPEAKER_3>Canada has a lot of advantages in terms of environmental regulation and clean power to fuel this type of industrial development that make it an obvious kind of partner.

00:42:04.136 --> 00:42:12.516

<v SPEAKER_3>And of course, I think that, speaking as an American, I think that the United States just has no better friend in the world than Canada and stronger ally.

00:42:12.516 --> 00:42:24.416

<v SPEAKER_3>And so with the Biden administration's emphasis on working with friendly and like-minded countries, I think Canada is pretty well positioned to reap kind of the benefits from extraordinary US investments in renewable energy and electric vehicles.

00:42:24.616 --> 00:42:32.416

<v SPEAKER_3>And so this listing probably on margin just strengthens those already strong arguments for partnering more with Canada.

00:42:32.416 --> 00:42:37.356

<v SPEAKER_1>Yeah, and that's kind of, I suppose, music to our ears

because it's good for Canadian interests.

00:42:37.356 --> 00:42:43.396

<v SPEAKER_1>I think it's also good overall for the integrity of the nickel supply chain.

00:42:43.956 --> 00:42:52.116

<v SPEAKER_1>I'm a big fan of everybody who's working in a supply chain being enthusiastic participants rather than being forced laborers.

00:42:52.596 --> 00:43:19.976

<v SPEAKER_1>But I guess there's that question though still about the competitiveness angle where it comes to, you know, if China is able to take advantage of some place that, or well, take advantage, Indonesia is a willing participant in, you know, very cheap, cheaply produced nickel that, you know, takes advantage of both this cheaper power, this cheap coal power that they have, because Indonesia, of course, is also one of the world's largest producers of thermal coal.

00:43:20.236 --> 00:43:37.796

<v SPEAKER_1>We should know that, as well as much, much cheaper labour, and I think lower capital cost as well, I'd assume, because these Chinese companies, they're sourcing all the equipment directly from China, I assume, and, you know, that is much cheaper than you can get here in North America.

00:43:37.816 --> 00:43:45.336

<v SPEAKER_2>Well, and to add to that, Joe, the reference that Cullen made to, you know, at the initiation of any of these projects, it's about the geology, right?

00:43:46.036 --> 00:43:52.656

<v SPEAKER_2>And over time, with new skills of exploration, they found high-quality nickel.

00:43:52.656 --> 00:44:04.296

<v SPEAKER_2>And so the margins are, you know, it's like we're always talking, and I'll just digress for a second, Canada is always going to fight the battle of the marginal barrel of oil because that's what it is.

00:44:04.296 --> 00:44:09.796

<v SPEAKER_2>Saudi Arabia has a light barrel, even though it's sulfur-laden, but they also have \$3 operating cost or \$4 operating cost.

00:44:09.816 --> 00:44:24.276

<v SPEAKER_2>Like it just, the opportunity for Indonesia to continue in this role as the, not, they are the, what's the term in oil and gas, not swing producer.

00:44:24.276 --> 00:44:27.056

<v SPEAKER_2>Yeah, swing, they will be the swing producer forever.

00:44:27.196 --> 00:44:35.936

<v SPEAKER_2>They will, or sorry, until some other giant deposits of nickel are found in some other jurisdiction, and that's not likely to happen in the near future.

00:44:35.936 --> 00:44:38.496

<v SPEAKER_1>Well, I think it was actually Chinese investment.

00:44:38.716 --> 00:44:49.596

<v SPEAKER_1>From what I understand, Indonesian nickel isn't as high quality as Canadian nickel is, but China invested in new technologies that allow them to upgrade it.

00:44:49.676 --> 00:44:51.676

<v SPEAKER_1>So it's an up, it's like much higher quality.

00:44:52.136 --> 00:44:54.296

<v SPEAKER_2>It's an upgrade, it's an upgraded nickel.

00:44:54.716 --> 00:44:55.936

<v SPEAKER_2>I wasn't aware of that.

00:44:55.996 --> 00:45:01.896

<v SPEAKER_2>I guess sort of like since that synthetic crude oil coming out of the oil sands, it's-

00:45:01.896 --> 00:45:11.876

<v SPEAKER_1>But either way, this integrated supply chain that China's built here also gives an enormous tailwind for China in terms of their own electric vehicle manufacturing.

00:45:11.876 --> 00:45:19.016

<v SPEAKER_1>I think it's one of the several very important reasons why China has such a leg up on that technology.

00:45:19.136 --> 00:45:25.436

<v SPEAKER_3>And can I, I mean, just to bring it back, because ultimately, I mean, my interest from this, I'm not a hard hat miner.

00:45:25.536 --> 00:45:30.516

<v SPEAKER_3>I mean, I'm interested in renewable energy, because I'm interested in the climate crisis.

00:45:30.516 --> 00:45:42.976

<v SPEAKER_3>And so, you know, this is really, I mean, you know, this sounds like it's a podcast, you know, about a material that many

people have never heard of, being mined in a place that many people have never visited.

00:45:42.976 --> 00:46:13.796

<v SPEAKER_3>But really, you know, where we've kind of come to in this, in the last couple of minutes of this discussion is kind of recognizing that what we're talking about really is forcing us to grapple with this real tension between, you know, letting the market kind of drive production and, you know, the supply chains towards the lowest marginal cost producer, which is going to drive down cost of adopting the technology, which we need desperately to fight climate change.

00:46:14.076 --> 00:46:33.696

<v SPEAKER_3>It's sort of running kind of headlong into our well-founded and hard-fought commitments to human rights, labour practices, and then, you know, depending on your kind of perspective on the global economy, on our commitments to free but also fair trade.

00:46:33.696 --> 00:46:59.456

<v SPEAKER_3>And so it really is bringing together a variety of challenges that are going to have to, that I think are going to force us as societies, as Americans or as Canadians or as Indonesians for that matter, to really reckon with what it is that we value and where we're willing to make compromises and where maybe we shouldn't be willing to make compromises in the pursuit of the clean energy transition.

00:46:59.456 --> 00:47:01.276

<v SPEAKER_3>So I don't have all the answers to that.

00:47:01.276 --> 00:47:18.176

<v SPEAKER_3>I'm just really glad that folks like yourselves are convening these kinds of discussions and structuring them in a way that really allows us to pivot to talking, you know, much, you know, about issues that go much beyond kind of just renewable energy or the mining sector, as it were.

00:47:18.176 --> 00:47:19.236

<v SPEAKER_3>So thank you for that.

00:47:19.236 --> 00:47:19.936

<v SPEAKER_1>Yeah, of course.

00:47:19.936 --> 00:47:23.036

<v SPEAKER_1>And I think that's a great way to finish off the podcast.

00:47:23.036 --> 00:47:27.516

<v SPEAKER_1>Thank you so much, Cullen, really glad to have you back on.

00:47:28.056 --> 00:47:56.036

<v SPEAKER_2>You know, it allows me to put that altruistic hat on a little bit because it's, you know, at the end of the day, it is all about those comments you just made about the wider global context of what the climate, of climate change and the changing needs and wants of the most of the world, the 6 billion people that haven't had cheap energy for all their life, like or cheap goods or, you know, I just, can I just editorialize for one second, Joe?

00:47:56.096 --> 00:47:56.436

<v SPEAKER_3>Of course.

00:47:57.256 --> 00:48:04.736

<v SPEAKER_2>One of the board meetings I was at this week in strategy session, we were talking about the future of a lot of energy challenges.

00:48:04.796 --> 00:48:12.896

<v SPEAKER_2>And did you know that 26 people in the world own more or worth more than the four billion than the lowest valued 4 billion people in the world?

00:48:12.896 --> 00:48:13.396

<v SPEAKER_2>Okay.

00:48:13.396 --> 00:48:21.136

<v SPEAKER_2>26 people own more than all of the lowest echelon, 4 billion in the world.

00:48:21.136 --> 00:48:23.376

<v SPEAKER_2>Just put that in your pipe and smoke it.

00:48:23.376 --> 00:48:28.856

<v SPEAKER_2>Like there's these conversations will continue to happen because they have to.

00:48:28.856 --> 00:48:34.176

<v SPEAKER_2>So anyways, that was my editorial for the day, which I'm sure Colin knew about and would know that.

00:48:34.556 --> 00:48:40.216

<v SPEAKER_2>And would help broadcast from the rooftops.

00:48:40.216 --> 00:48:41.196

<v SPEAKER_2>Indeed.

00:48:41.196 --> 00:48:41.676

<v SPEAKER_1>Yeah.

00:48:41.676 --> 00:48:42.136

<v SPEAKER_1>Yeah.

00:48:42.136 --> 00:48:47.456

<v SPEAKER_1>Now, Colin, I'm a huge admirer of the enormous amount of written work you put out.

00:48:47.456 --> 00:48:52.376

<v SPEAKER_1>So I'm not sure how much free time you have to answer this last question.

00:48:52.376 --> 00:48:55.656

<v SPEAKER_1>But we always ask our guests, of course, what are you reading?

00:48:55.656 --> 00:48:57.096

<v SPEAKER_1>Ideally, for pleasure these days.

00:48:57.096 --> 00:49:01.716

<v SPEAKER_1>But we would also if you've only been reading technical books, we'll hear that as well.

00:49:03.036 --> 00:49:04.896

<v SPEAKER_3>Okay, no, this is a fun question.

00:49:04.956 --> 00:49:06.396

<v SPEAKER_3>I'll give you two things I've been reading.

00:49:06.396 --> 00:49:09.476

<v SPEAKER_3>The first is Ernest Scheyder's The War Below.

00:49:09.476 --> 00:49:12.116

<v SPEAKER_3>It was released in January of this year.

00:49:12.356 --> 00:49:27.996

<v SPEAKER_3>It tells a really, I think, nuanced story of the challenges of balancing the environmental and social and governance concerns that are emanating from this gold rush-like fever to expand and secure critical mineral supply chains.

00:49:27.996 --> 00:49:33.156

<v SPEAKER_3>It's a compelling piece of real-time history and it's delivered with, I think, a real human touch.

00:49:33.156 --> 00:49:40.616

<v SPEAKER_3>You get to meet people and understand this critical mineral space via their lived experiences.

00:49:40.616 --> 00:49:47.836

<v SPEAKER_3>And it does a good job of avoiding kind of the techno-

babble that many people, including yours truly, are often guilty of.

00:49:47.836 --> 00:49:53.596

<v SPEAKER_3>So it's also shortlisted for several book awards and prizes, and I think deservedly so.

00:49:53.596 --> 00:49:57.596

<v SPEAKER_3>My second recommendation coming around to the pleasure reading is Pure Bubblegum.

00:49:57.756 --> 00:50:01.596

<v SPEAKER_3>And it's a book by David Shoemaker called The Squared Circle.

00:50:01.676 --> 00:50:09.876

<v SPEAKER_3>It's actually about professional wrestling through the lens of the kind of the antics and tragic deaths of many of the industry's performers over the past century.

00:50:09.876 --> 00:50:10.516

<v SPEAKER_2>Great book.

00:50:10.516 --> 00:50:10.916

<v SPEAKER_2>Yeah.

00:50:10.916 --> 00:50:11.576

<v SPEAKER_2>Oh yeah.

00:50:11.576 --> 00:50:13.916

<v SPEAKER_3>No, no, there's a lot of Canadian content too.

00:50:13.956 --> 00:50:14.536

<v SPEAKER_2>Oh, sure.

00:50:14.576 --> 00:50:14.816

<v SPEAKER_2>Yeah.

00:50:14.816 --> 00:50:15.756

<v SPEAKER_3>I mean, right?

00:50:15.756 --> 00:50:16.856

<v SPEAKER_2>Calgary content.

00:50:16.856 --> 00:50:17.336

<v SPEAKER_3>Oh, yeah.

00:50:17.336 --> 00:50:20.476

<v SPEAKER_3>No, Stampede Wrestling definitely figures.

00:50:20.816 --> 00:50:26.616

<v SPEAKER_3>I learned, for instance, last night that before it was called Stampede Wrestling was actually called Klondike Wrestling.

00:50:26.896 --> 00:50:27.036

<v SPEAKER_2>Yeah.

00:50:27.036 --> 00:50:28.696

<v SPEAKER_2>And Wildcat Wrestling too was there.

00:50:28.696 --> 00:50:29.176

<v SPEAKER_3>Yeah.

00:50:29.176 --> 00:50:32.816

<v SPEAKER_2>I'm old enough to have watched it on television every Saturday morning.

00:50:32.816 --> 00:50:35.916

<v SPEAKER_2>It was recorded on the Friday night at the Pavilion here in Calgary.

00:50:35.916 --> 00:50:36.416

<v SPEAKER_3>Oh, yeah.

00:50:36.416 --> 00:50:41.276

<v SPEAKER_2>Broadcast across Western Canada on Saturday mornings when I was a kid.

00:50:41.276 --> 00:50:43.356

<v SPEAKER_3>Well, you know, just listening to your voice, Kelly, I mean, you do it.

00:50:43.356 --> 00:50:45.756

<v SPEAKER_3>You could probably do a means to heart impersonation.

00:50:45.796 --> 00:50:53.136

<v SPEAKER_3>I realized that by letting my freak flag fly here and talking about professional wrestling, I probably discredited everything I had to say.

00:50:53.756 --> 00:50:56.236

<v SPEAKER_3>So I knew about 90 percent of the audience.

00:50:56.236 --> 00:51:00.076

<v SPEAKER_3>But anyway, get out there and I'm glad you second that.

00:51:00.076 --> 00:51:03.356

<v SPEAKER_3>David Shoemaker's The Squared Circle is an excellent read.

00:51:03.356 --> 00:51:03.776

<v SPEAKER_2>Great.

00:51:03.776 --> 00:51:08.036

<v SPEAKER_2>And I'll just tell you that, Cullen, that I knew Stu Hart personally.

00:51:09.356 --> 00:51:11.856

<v SPEAKER_2>Brett, the Hitman, Hart, and I are exactly the same age.

00:51:11.856 --> 00:51:23.576

<v SPEAKER_2>And we were part of a 13-man group that put together a big charitable event for homeless in Calgary when we all turned 67 years ago.

00:51:23.576 --> 00:51:26.436

<v SPEAKER_2>And I consider the Hitman a friend.

00:51:26.436 --> 00:51:28.776

<v SPEAKER_2>So there you go.

00:51:28.776 --> 00:51:31.836

<v SPEAKER_3>I mean, I'm on the next flight, guys.

00:51:31.836 --> 00:51:33.216

<v SPEAKER_3>What can I say?

00:51:34.996 --> 00:51:36.316

<v SPEAKER_3>Thank you so much for having me.

00:51:36.316 --> 00:51:36.816

<v SPEAKER_3>This is great.

00:51:37.696 --> 00:51:38.536

<v SPEAKER_1>Very good.

00:51:38.536 --> 00:51:39.376

<v SPEAKER_2>Thanks, Cullen.

00:51:39.376 --> 00:51:39.816

<v SPEAKER_2>Wonderful.

00:51:39.816 --> 00:51:41.016

<v SPEAKER_1>Thank you so much for coming on.

00:51:44.136 --> 00:51:50.256

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00:51:50.256 --> 00:51:54.776

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00:51:54.776 --> 00:51:56.956

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00:51:56.956 --> 00:52:02.196

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00:52:02.196 --> 00:52:08.876

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00:52:09.896 --> 00:52:13.456

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00:52:13.456 --> 00:52:18.516

<v SPEAKER_2>Thanks go out to our producer, Joe Calnan, and to Drew Phillips for providing our music.

00:52:18.516 --> 00:52:19.436

<v SPEAKER_2>I'm Kelly Ogle.

00:52:19.436 --> 00:52:21.436

<v SPEAKER_2>Thanks for joining us on Energy Security Cubed.