



THE ACTIVITY ON THE GROUND IN CORNWALL IS REAL AND IN PLACES IT'S WORLD-LEADING

Boom times for Cornwall

One of Britain's poorest regions enjoys a stroke of good fortune, Nick Lawson reports

Drive from Bristol to Land's End and you pass through one of the poorest corners of northern Europe. Cornwall's output per head has sat at roughly two-thirds to three-quarters of the UK average for two decades. A typical full-time worker there earns around 84% of the national wage. For 25 years the gap was cushioned by Europe. Cornwall and the Isles of Scilly took well over £1bn in EU structural funds between 2000 and 2020, something like £100m a year. That money has gone, its replacement is worth roughly half as much, and from April 2026 the successor to that replacement excludes Cornwall altogether.

But now something has changed the calculus entirely. That poor, peripheral region also happens to have hard-rock lithium and tin deposits, the largest tungsten resource in the West, Britain's first deep geothermal power station and a mineral-processing industry with two

centuries of pedigree. Forty miles away in Bridgwater, Somerset, Tata is building Agratas, a £4bn, 40GWh factory that will be the largest in the country. Resources, low-carbon power, processing know-how and a battery end market, all in one economic-geographic area. Nowhere else in Britain has all four.

China accounts for about 80% of world tungsten mined production and an even larger share of the downstream conversion. From February 2025 it placed tungsten under export licensing on national security grounds and by late 2025 had restricted authorised exporters to around 15 firms for 2026 and 2027. Ammonium paratungstate, the key traded intermediate, went from roughly \$300 to \$940 per metric tonne unit in early 2025 to above \$3,000 by this spring. That is why Devon's Hemerdon, the West's largest tungsten resource, and Cornwall's Redmoor, Europe's highest-grade undeveloped tungsten deposit, matter to people who have never heard of either.

The activity on the ground is real and, in places, world-leading. Cornish Lithium has sought regulatory permission to develop a former china clay pit at Trelavour and is pulling lithium from geothermal brine at Cross Lanes. Cornish Metals is developing South Crofty, closed since 1998, aiming at production in around 2028 and a company with an estimated net present value of nearly £500m. Geothermal Engineering's plant at United Downs delivered the UK's first deep geothermal electricity in February this year, with lithium carbonate coming from the same well. Tungsten West at Hemerdon is hoping to start production by the end of this year.

This is not a thesis about the geology waiting to be proven – it has already been proved. What is missing is the next step, the chemistry that turns concentrate and brine into battery-grade or defence-grade material, and Britain is building most of that capacity at Teesside rather than in the region that actually holds the ore.

PIPPED AT THE POST

Here is the part investors and ministers alike should pay attention to. In February this year, Imerys placed its St Austell lithium project on hold. It was not a bad project. It was simply not the project the company chose to go ahead with because the French state had just taken a €50m stake in Imerys's rival venture in France, Emili. Capital did not leave because the geology failed. It left because a rival state turned up with a cheque and Britain did not. That single episode should worry anyone backing UK critical minerals more than any drilling result. Geology is necessary. It has never been sufficient.

Britain has the wherewithal. The National Wealth Fund has put £31m into Cornish Lithium and £28.6m into Cornish Metals, real money into the right projects. But its remit now stretches

from clean energy to defence to life sciences to the creative industries, and a fund asked to do everything risks losing focus. France did something narrower and, I think, smarter: it took a direct stake in one named asset, through one named vehicle, and said plainly that this is the project the state has decided to back. The US has done similar. Britain's equivalent is, for now, an announcement of an up to £50m fund and a set of sector programmes that may not add up to much.

THE INVESTMENT CASE FOLLOWS FROM POLICY

None of this needs a white paper. It needs a decision. Back one properly scaled mid-stream processing hub in the South West rather than subsidising several plants that are too small to matter. Build a stockpile mechanism for defence-critical tungsten, given that Britain currently produces none and refines none. Speed up the permitting process that has seen South Crofty take years to develop a mine before a tonne of tin comes out. And close the funding cliff-edge Cornwall now faces with an argument based on national security rather than regional deprivation, because the latter has manifestly not worked for 25 years and the former might.

The investment case follows from the policy case, not the other way round. Companies with permitted, de-risked, assets that have already been built, Cornish Metals and Tungsten West among them, are the ones best placed to benefit if Britain decides to act like it means what it says about supply-chain security. The lesson from Imerys is that being right about the rock is not enough. Somebody, whether its the government or private capital, has to be willing to be the anchor. Cornwall has spent 25 years waiting for a growth story. It's finally got one under its feet. The only question is whether Britain gets there before France, or Kazakhstan, or the next country willing to write the cheque.

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