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The Fragile Facade of Unity: Geopolitics and Dissolving Diplomatic Agreements at the 2026 Evian G7 Summit

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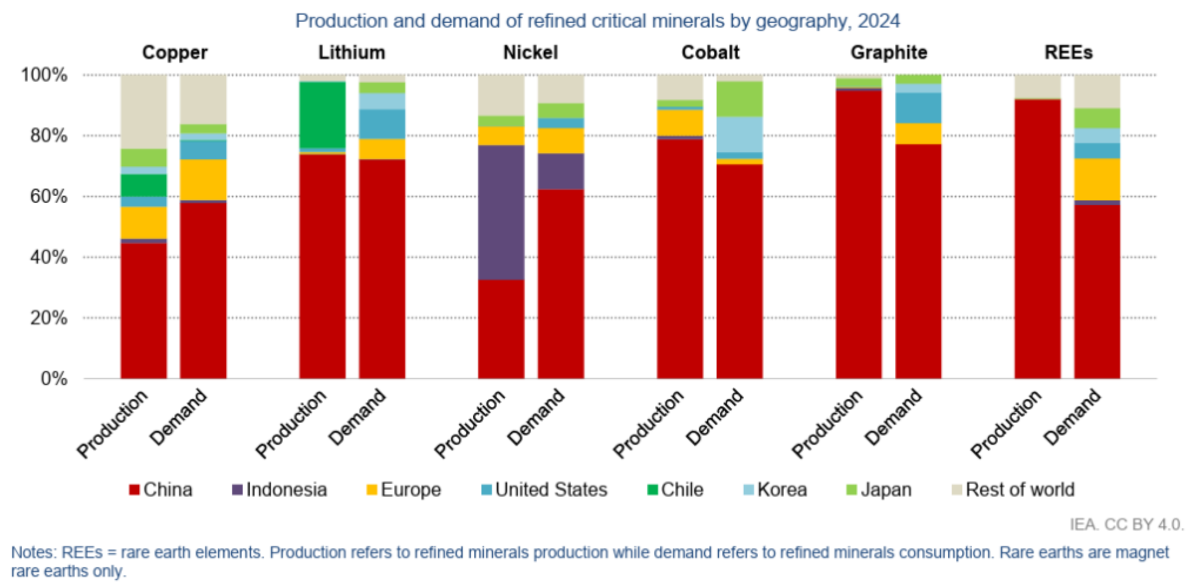
Executive Summary

- The 2026 G7 Summit in France sought to restore Western solidarity and manage intense disagreements over tariffs, trade disputes, and transactional foreign policy following past diplomatic friction between the United States and its European allies.
- G7 leaders successfully aligned the United States with their geopolitical objectives by securing a joint declaration promising advanced air defense systems and long-range weaponry to protect Ukraine while expanding economic sanctions on Russian energy exports.
- A fragile peace agreement between the United States and Iran that was celebrated at the summit quickly fell apart due to domestic political backlash, escalating into heavy airstrikes and retaliatory missile attacks that completely nullified the initial diplomatic breakthrough.
- The alliance agreed to reduce its heavy reliance on Chinese rare earths and permanent magnets by targeting an import cap of under sixty percent by 2030, though disagreements over public funding prevented them from establishing a coordinated price floor to support this transition.
- While G7 leaders advocated for an American-led alliance to shape global artificial intelligence standards and urged the tech industry to protect minors, they failed to establish robust public regulations or resolve disputes surrounding national digital sovereignty.
- Leaders formally expressed unified opposition to any unilateral or coercive attempts to alter the geopolitical status quo in the Taiwan Strait, East China Sea, and South China Sea, drawing deep gratitude from Taipei for protecting vital global semiconductor supply chains.

Key Picture: China's Monopoly on Critical Minerals



Source: PearTree

The Core Agenda: Navigating Military Conflict, Critical Mineral Monopolies, and AI Governance

The Group of Seven (G7) summit 2026 was held from 15-17 June in Evian-les-Bains, France. The summit plays an important role in shaping responses to global challenges, complementing the economic coordination carried out by the G20. The summit brought together the member nations of Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States, alongside the European Union (EU). The discussions primarily centered on establishing peace and security within Ukraine and the broader European continent, addressing the ongoing situation in West Asia, and strengthening international partnerships and global solidarity. Additionally, leaders focused on fostering more balanced global economic growth and navigating the future development of artificial intelligence.[1]

The Summit carried critical importance, with its primary goal being a show of solidarity following President Trump’s early departure from the 2025 Kananaskis gathering in Alberta. Tensions between the US and its European partners had escalated due to American tariffs, diminishing US assistance to Ukraine, and joint US-Israeli strikes against Iran that disrupted key shipping lanes. Compounded by the ongoing US-China trade war and worsening international stability, rising macroeconomic imbalances risked causing a widespread economic crisis. Consequently, achieving a positive outcome was vital to preserving the G7's relevance and assessing the durability of the global order.[2]

The summit also illustrated the complex task of maintaining a unified Western front. As the host nation, France attempted to project structural stability and forward-looking economic cooperation across the Group of Seven, but the proceedings were significantly shaped by the presence of US President Donald Trump, whose transactional approach to foreign policy often contrasted with the established multilateral norms of the other member states. The summit served as a critical test for the contemporary international framework against a backdrop of ongoing trade disputes, volatile supply lines, and deep geopolitical shifts.[3]

At the summit, Trump demonstrated an unexpected level of cooperation with international leaders, contrasting sharply with his recent criticism of allies who opposed military intervention in Iran. Encouraged by the group's collective support for a tentative peace agreement with Iran, Trump praised the summit's timing and unity.[4]

Ukraine

The sustained face-to-face discussions allowed European leaders to align Trump closer to their foreign policy objectives. Most notably, they secured his signature on a declaration of unwavering military support for Ukraine.[5] The leaders renewed their pledge to protect Ukraine's sovereignty, independence, and borders. To achieve this, they agreed to reinforce the country's military capabilities by delivering advanced air defence systems, interceptors, and long-range weaponry. Additionally, they committed to reinforcing Ukraine's energy infrastructure while intensifying economic pressure on Russia through targeted sanctions, particularly focusing on its oil and gas exports.[6]

Iran and the Middle East

In the presence of regional representatives from Egypt, the United Arab Emirates, and Qatar, G7 leaders also discussed the ongoing situation in Iran and the broader Middle East. They expressed support for the newly announced agreement between the US and Iran, offering to assist in its execution while reinforcing their stance that Iran must be prevented from acquiring nuclear weapons.[7] The US and Iran had reached a landmark tentative agreement designed to freeze active Iranian nuclear enrichment, lift specific US energy sanctions to restore oil exports, and secure vital maritime traffic through the Strait of Hormuz.[8]

However, it should be noted that this diplomatic breakthrough rapidly deteriorated in the weeks following the summit due to immediate compliance disputes and intense political blowback. Hardline factions within both

Washington and Tehran swiftly rejected the framework, with critics pointing to a lack of formal legislative oversight and regional partners expressing deep skepticism over the unilateral nature of the negotiations.[9]

Thus, the ceasefire between the US and Iran collapsed following several rounds of heavy US airstrikes aimed at degrading Iranian military capabilities near the strategic Strait of Hormuz. In response to the attacks, Iranian negotiator Mohammed Bagher Ghalibaf declared that their armed forces have complete freedom to retaliate against US aggression, officially voiding their bilateral peace agreement. As Washington enforces a maritime blockade on Iranian ports, Iran has retaliated by launching missile and drone strikes targeting US assets and allies in Bahrain, Kuwait, Jordan, and Iraq, drawing sharp condemnation from Gulf nations. While Trump has threatened to target Iran's infrastructure if they do not return to the negotiating table, Tehran maintains that while they are open to diplomacy if the US honors its previous commitments, they are fully prepared for an ongoing, existential conflict.[10]

As Iran's retaliatory strikes threaten to engulf neighboring states, regional leaders gathered at the summit to address the broader spillover of the conflict. Furthermore, the leaders at the summit advocated for a swift and decisive ceasefire to assist Lebanon's leadership in disarming Hezbollah, consolidating state control over weapons, and safeguarding Lebanese sovereignty and territorial borders. Finally, the leaders urged an end to the hostilities in the West Bank and pledged to accelerate both humanitarian aid and rebuilding initiatives in Gaza.[11]

Critical Minerals and China

There was growing concern among policymakers regarding the heavy reliance on China for rare earths and other critical minerals essential to defense, electronics, and battery manufacturing, driven by past instances where dominant producers have restricted exports or exploited their market monopoly to manipulate global prices.[12]

At the Summit, G7 leaders reached an agreement to systematically curb their reliance on foreign rare earths and permanent magnets. Under the new target, G7 nations aim to cap imports of these materials from non-G7 suppliers at less than 60% by 2030, with a long-term goal of reducing that share to 50%. Additionally, the alliance plans to establish similar binding targets for other critical minerals by the end of 2026. Non-G7 nations, most notably China, currently hold an overwhelming monopoly on critical minerals. According to International Energy Agency (IEA) data, China alone controls more than 90% of the world's rare earth refining capacity. This new initiative from Western leaders represents their latest effort to fortify supply chains against future geopolitical disruptions caused by this extreme market concentration.[13]

However, the group failed to agree on a coordinated price floor mechanism for critical minerals due to disagreements over funding, as governments resisted using public funds and feared passing extra costs onto downstream industries like automotive manufacturing. Achieving the 2030 target will be exceptionally difficult because China currently controls 93 percent of global permanent magnet production and up to 91 percent of rare earth refining. Building sufficient processing capacity outside of China faces severe bottlenecks, as evidenced by ongoing litigation, shelved Western projects, and the fact that even a seasoned partner like Japan remains heavily dependent on Chinese imports despite 15 years of supply chain de-risking.[14]

AI

During the discussions on artificial intelligence, summit participants advocated for a US-led alliance to establish global governance standards, aiming to reduce reliance on external technology and boost domestic AI development. To signal its own ambition to become Europe's premier AI powerhouse, France invited prominent industry leaders, including the leaders of OpenAI, Anthropic, and the European competitor Mistral AI, to participate in these high-level debates.[15]

A declaration on establishing a secure online environment for minors primarily centered on urging the tech sector to self-regulate and take voluntary measures to shield youth from digital dangers. G7 leaders also tasked financial ministers and central bank governors with analysing the prospective advantages and risks of artificial intelligence, particularly within the financial industry. However, the summit failed to tackle the pressing requirement for robust public regulations governing AI advancement, nor did it address the desires of individual nations to assert regulatory sovereignty over digital products originating in the US and China. Nonetheless, G6 nations and their partners likely welcomed the apparent support of top executives from OpenAI, Anthropic, and Google DeepMind for fairer access and closer multilateral cooperation on AI technologies.[16]

Key Indo-Pacific Security Declarations

During the summit, G7 leaders also addressed escalating maritime security challenges by formally expressing strict opposition to any unilateral or coercive attempts to alter the status quo in the Taiwan Strait, the East China Sea, and the South China Sea.[17] The G7 leaders emphasised "the importance of a free and open Indo-Pacific based on the rule of law".[18] The significance of this sustained, high-level diplomatic support was immediately recognized by Taipei, where the Taiwanese Presidential Office expressed its deep gratitude to G7 members, reiterating that maintaining cross-strait peace is a core global interest and essential for protecting global democratic alliances and semiconductor supply chains.[19]

These developments indicate that while the G7 remains a critical forum for high-level coordination, its ability to maintain stable, long-term global architectures is increasingly vulnerable to rapid geopolitical deterioration and internal policy rifts. The swift collapse of the US-Iran peace deal and subsequent military hostilities in the Strait of Hormuz reveal the extreme volatility of transactional, top-down diplomacy when unsupported by institutional buy-in or broad legislative consensus. Furthermore, the G7's bold, long-term economic and security goals, such as aggressive targets for critical mineral diversification and the defense of Ukraine's borders, are heavily constrained by a lack of shared financial commitment, as seen in the failure to establish mineral price floors. Ultimately, these outcomes suggest that while G6 members and partners can successfully align the US on shared security declarations during face-to-face negotiations, maintaining true strategic stability will require individual nations to secure their own supply chains, technological frontiers, and defense alliances against an increasingly unpredictable global landscape.

NOTES

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