# Pvt sector enters India's critical minerals race with Indonesia deal

**SHINE JACOB**
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In a move to secure long-term critical minerals and rare earth supply chains, India has brought in private players to tap overseas resources. Hyderabad-based Midwest became the first Indian private firm to secure mines abroad by sealing a deal with Indonesia's state-run PT Perusahaan Mineral Nasional (PERMINAS).

A memorandum of understanding (MoU) was signed on Tuesday between both the companies, along with Midwest Energy and Non-Ferrous Materials Technology Development Centre (NFTDC). The deal was signed coinciding with Prime Minister Narendra Modi's visit to Indonesia. This comes at a time when Midwest Energy is expected to start manufacturing rare earth magnets by next quarter at its 500-tonne-per-annum facility in Hyderabad.

The companies are targeting to produce 5,000 tonnes of oxide that can create 20,000 tonnes of magnets from the Indonesian assets in the next four years, said Ram Kollareddy, chief executive officer of Midwest.

According to a statement by the Ministry of External Affairs, both Modi and Indonesian President Prabowo Subianto underscored the importance of further strengthening collaboration in critical minerals and rare earths with a focus on building diversified and resilient supply chains essential for the growth of domestic manufacturing industries towards reducing vulnerabilities and strengthening economic security. Leaders commended the growing collaboration between the two countries on rare earths and welcomed the signing of the MoU between NFTDC, Midwest, and PERMINAS, it said.

"We are looking at a possible production of 5,000 tonnes of oxides in the next four years. This will help both countries achieve a considerable volume of critical supply chains," Kollareddy said. At the consortium level, the expected oxide output may be valued at $750 million.

"We will contribute exploration, mine planning, environmental studies, mining and mineral processing operations, and the extraction and separation of rare earth elements, apart from downstream value addition through the manufacturing of permanent magnets in collaboration with Midwest Energy and NFTDC," he said.