

# Rare earth crisis: Maruti trims near-term EV output target

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New Delhi, 10 June

Maruti Suzuki has cut near-term production targets for its maiden electric vehicle (EV) e-Vitara by two-thirds because of rare earths shortages, a document showed. This is the latest sign of disruption to the auto industry from China's export curbs.

The country's top carmaker, which said on Monday it had not seen any impact yet from the supply crisis, now plans to make about 8,200 e-Vitaras between April and September, versus the original goal of 26,500, according to a company document seen by *Reuters*.

It cited "supply constraints" in rare earth materials that are vital in making magnets and other components across a range of hi-tech industries.

Maruti still plans to meet its output target of 67,000 EVs for the year ending March 2026 by ramping up production in the subsequent months, the document said.

China's curbs on some rare



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earth exports have rocked the global auto industry, with companies warning of severe supply chain disruptions. While some companies in the United States, Europe and Japan are seeing supplies easing as they secure licences

from Beijing, India is still waiting for China's approval amid fears of production stoppages.

Launched amid much fanfare at India's car show in January, the e-Vitara is crucial to Maruti's EV push in the country, marking its entry in a segment that Prime Minister Narendra Modi's government wants to grow to 30 per cent of all car sales by 2030 from about 2.5 per cent last year.

The setback could also hurt parent Suzuki Motor, for which India is the biggest market by

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## Hyundai's rare earth stocks can last a year

Hyundai Motor has a rare earths stockpile that can last about a year and it does not expect any near-term impact from global supply chain disruptions caused by China's export curbs, said a person who attended a company investor call.

revenue and is a global production hub for EVs. The bulk of the made-in-India e-Vitaras are earmarked for export by Suzuki to its major markets like Europe and Japan around summer 2025.

Maruti told reporters last week the rare earths issue had no "material impact" on the e-Vitara's launch timeline. The company's Chairman RC Bhargava said there was "no impact at the moment" on production, local media reported on Monday.

**REUTERS**