

Siam seeks six-month rare earth supply lifeline to keep EVs rolling

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Automotive companies, through the Society of Indian Automobile Manufacturers (Siam), have requested the Ministry of Heavy Industries (MHI) to engage with the Chinese government — via the Ministry of External Affairs (MEA) — to grant a six-month approval to a specific Chinese exporter to ship the same rare earth materials to the same Indian importer. The request follows China's new and complex "export control order" on rare earths, including magnets essential for electric vehicles (EVs).

Such a move would eliminate



BUMPY RIDE FOR EVs

- Magnet stocks could run dry by June, paralysing EV production if imports don't clear
- "End-user certificate" process is

the need for Indian importers to seek clearance for each shipment — a process both tedious and time-consuming.

The industry fears these rules

slow, cumbersome, and inefficient

- Importers must prove materials won't be misused or linked to weapons of mass destruction
- Global export curbs tighten, affecting India's access to crucial rare earths

will disrupt magnet imports from China, which are vital for EV motors. EV makers warn that if shipments are delayed due to procedural hurdles, production at some

companies could come to a halt by the end of June, once current magnet inventories are exhausted.

Meanwhile, according to stakeholders, the Indian and Chinese governments are engaged in discussions to establish a standardised procedure for these import clearances. Current rules require Indian importers to submit an "end-user certificate" confirming that the material will not be transferred to third parties without the consent of the Chinese government, will be used only for the purpose "declared by the purchaser", and will not be stored, processed, or repurposed for "weapons of mass destruction or their delivery systems". Turn to Page 8 ▶

Export squeeze puts India in rare earth bind

Automotive makers have flagged difficulties in meeting the new, stringent terms, pointing out that the process remains poorly communicated to stakeholders. Siam has suggested that the MHI designate a chamber of commerce — either itself or the Automotive Component Manufacturers Association of India — to verify and attest to the end-user certificate and supporting documents.

After verification, the MHI should then ask the MEA to attest to the notarised forms submitted by importers. The two ministries could also appoint a nodal officer to oversee the process. Parallel discussions are underway among the Indian and Chinese governments, along with automotive manufacturers, to arrive at a workable solution.

China's export controls, effective from April 4, apply to all countries. They are widely seen as a response to US tariff hikes and are intended to squeeze access to key raw materials used in electronics, defence, and consumer goods. China supplies nearly 90 per cent of the world's rare earths and can throttle exports globally. However, a leading electric two-wheeler manufacturer said Indian companies may avoid the worst fallout — aside from added paperwork and delays — since they do not export any finished products to the US.