

# Rare earth permanent magnet production to begin in India by year-end: Minister

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New Delhi, 19 February

India will begin domestic production of rare-earth permanent magnets (REPMs) by the end of this year and set up dedicated critical mineral processing parks in four states, Mines Minister G Kishan Reddy said on Thursday, signalling a sharper push to build a full domestic value chain in strategic minerals.

Speaking at a FICCI event, Reddy said permanent magnets, which are critical for electric vehicles, renewable energy systems, electronics and defence manufacturing, will be produced in India for the first time, reducing reliance on imports. The move is backed by a ₹7,280 crore REPM scheme approved by the Union Cabinet last November.

Union Finance Minister Nirmala Sitharaman, in her Budget speech for 2026-27, said the Centre would support dedicated rare-earth corridors in Odisha, Andhra Pradesh, Kerala, and



**Mines Minister G Kishan Reddy announced plans for processing parks in Andhra Pradesh, Odisha, Maharashtra and Gujarat**

Tamil Nadu, focusing on the mining, processing, research, and manufacturing of strategic minerals.

Reddy also announced plans to establish critical mineral processing parks in Andhra Pradesh, Odisha, Maharashtra and Gujarat, with Gujarat having already initiated work.

The parks are intended to boost domestic refining capacity and ensure that critical minerals are not exported in raw form but

processed within India.

“We put hard work to secure raw material and that raw material is exported. We have to stop this. We have to process it. This is a big challenge for us,” Reddy said, adding that the centre is going to discuss the idea of processing plants with the chief ministers of Odisha and Maharashtra soon.

He emphasised that raw materials should not leave India without value addition and underscored the need to diversify supply chains and avoid excessive concentration of critical minerals in any single geography. The policy momentum follows China’s move last year to curb exports of REPMs.

Speaking at the same event, Ed Jager, Minister (Commercial) at the High Commission of Canada in India, said Canadian companies are actively seeking joint ventures and investment partnerships with Indian firms across the critical mineral value chain. He said Ottawa is willing to match foreign investments

through its C\$2 billion Critical Minerals Sovereign Fund, creating an opportunity for Indian companies exploring upstream assets in Canada.

Jager also highlighted that Canada exported over \$2 billion worth of minerals and metals to India in 2024 and pitched long-term metallurgical coal supply partnerships to support India’s expanding steel sector.

He invited Indian companies to engage with Canadian firms at the upcoming convention of the Prospectors and Developers Association of Canada (PDAC) in Toronto, positioning it as a platform to deepen bilateral collaboration.

“PDAC is the world’s premier mining investment event and a gathering point for companies, financiers, governments, and innovators among the critical mineral value chain. Canada will be showcasing major critical mineral opportunities, and we look forward to welcoming a strong Indian presence,” he said.