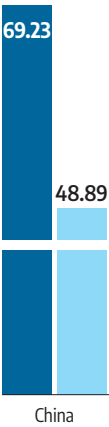




# Rare earth crunch: India looks at options

The Centre recently asked IREL, a public sector undertaking (PSU), to suspend a 13-year-old agreement on export of rare earth elements (REEs) to Japan to safeguard supplies for domestic needs. This comes in the wake of Chinese restrictions on the export of seven rare earth metals (REMs) and rare earth magnets, which has put the Indian automotive and electronics industry in a precarious position, crippling their production and supply.

YASH KUMAR SINGHAL



## Global distribution

China and the United States respectively produced nearly 70 per cent and 11.5 per cent of the world's production of REEs in 2024. Myanmar produced around 31,000 tonnes (eight per cent of the world's REE production), although there was no credible information about its REE reserves. India mined 2,900 tonnes in 2024 out of its reserves of 6.9 million tonnes.

Share of mine production and reserves of rare earths in 2024

■ Mine production ■ Reserves (in %)

Note: The term 'reserves' refer to that part of the reserve base that could be economically extracted or produced at the time of determination, thereby including only recoverable materials. However, it need not signify that extraction facilities are in place and operative. The US Geological Survey ascertains the total reserves of REEs to be more than 90 million tonnes. So, to calculate the share of reserves of each country, the total reserves of REEs in the world have been assumed to be 90 million tonnes.

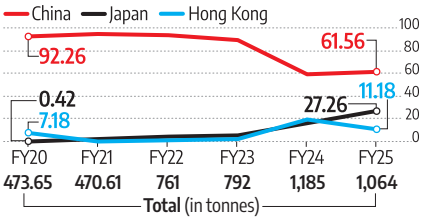
Source: Mineral Commodity Summaries 2025, US Geological Survey, *BS* calculations

## India's import trends

Indian imports of REMs more than doubled from 474 tonnes in FY20 to 1,064 tonnes in FY25. The Chinese share in such imports declined from 92 per cent in FY23 to around 62 per cent in FY25, and the shares of Japan and Hong Kong rose at its cost.

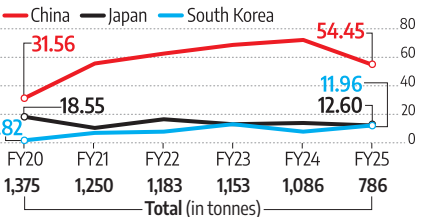
Imports of organic and inorganic compounds of REMs fell from 1,375 tonnes in FY20 to 786 tonnes in FY25. The Chinese share in these more than doubled from 31.56 per cent in FY20 to 71.82 per cent in FY24, before dipping to 54.45 per cent in FY25.

### Share of top three countries in quantity of rare earths (in %)



Note: Includes only rare earth metals under the HS code 28053000

### Share of top three countries in organic and inorganic compounds of REMs (in %)



Note: Includes only rare earth metals under the HS code 2846; Source: PIB, Department of Commerce, *BS* calculations