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## METALS & MINING

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### Government plans to step up indigenous production of rare earth minerals

31 Aug, 2011, 0413 hrs IST, MEERA MOHANTY, ET Bureau

NEW DELHI: India is planning to step up indigenous production of rare earth minerals, a bit of which can be found in everything high tech - from smart phones and laptops to hybrid vehicles and wind turbines.

A government panel is currently working on a strategy paper to give impetus to exploration and discovery of rare earth and energy critical elements used in renewable energy, officials from the mines ministry told ET. The paper could lead to a policy on such minerals. India does not have a policy on rare earth minerals so far.

Rare earths as their name implies are not abundant. They became even more critical after China, which meets about 97% of the world's rare earth needs, curtailed its exports in 2010 to develop its industries. It has implemented a host measures that could further reduce rare earth exports.

The committee will look into the current availability of rare earth and energy critical elements and decide the strategy for production to ensure long-term raw material security. It will also encourage the recovery of ECE which can be found as byproducts in the production of other minerals.

The committee includes mines ministry officials and representatives of scientific institutions such as Centre for Study of Science Technology and Policy, Bhabha Atomic Research Centre and Defence Research and Development Organization.

In India, rare earths are found in monosites, which is reserved for the department of atomic energy. Its mining unit, Indian Rare Earth, had stopped production of rare earths since 2004. Currently, Indian Rare Earth is setting up a processing plant in Chhatrapur in Orissa with capacity to produce 11,000 tonne rare earth chloride. The plant will be operational by early 2012.

In China, rare earths are also found in non radio-active bastnasite. In India, the exploration mandate for bastnasite lies with Geological Survey of India.

Several companies are getting into rare earth production in India, anticipating more supply shortage from China. Toyota Tsusho, a part of Toyoto Motors, is setting up a rare earth processing plant in Vishakapatnam Industrial Development Zone, with a partial supply of mixed rare earth chloride from Indian Rare Earths. German chemical company BASF and Indian Oil Corporation are also reported to have plans to produce rare earth minerals from catalysts used in petroleum refinery.


RN Patra, chairman and managing director, Indian Rare Earth, a member of the government committee, said that the policy should also incentivize aluminium and lead producers to recover ECE minerals, such as selenium, gallium, indium and germanium.

The export curb by China and rising tariffs of rare earth minerals have prompted several countries to step up initiatives to increase production. The US is rebuilding its rare earths supply chain from mines to magnets points, according to an Ernst & Young report. Even the so-called resource-poor nations such as Japan and South Korea have started sourcing the minerals through direct involvement of government entities to secure supply.

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