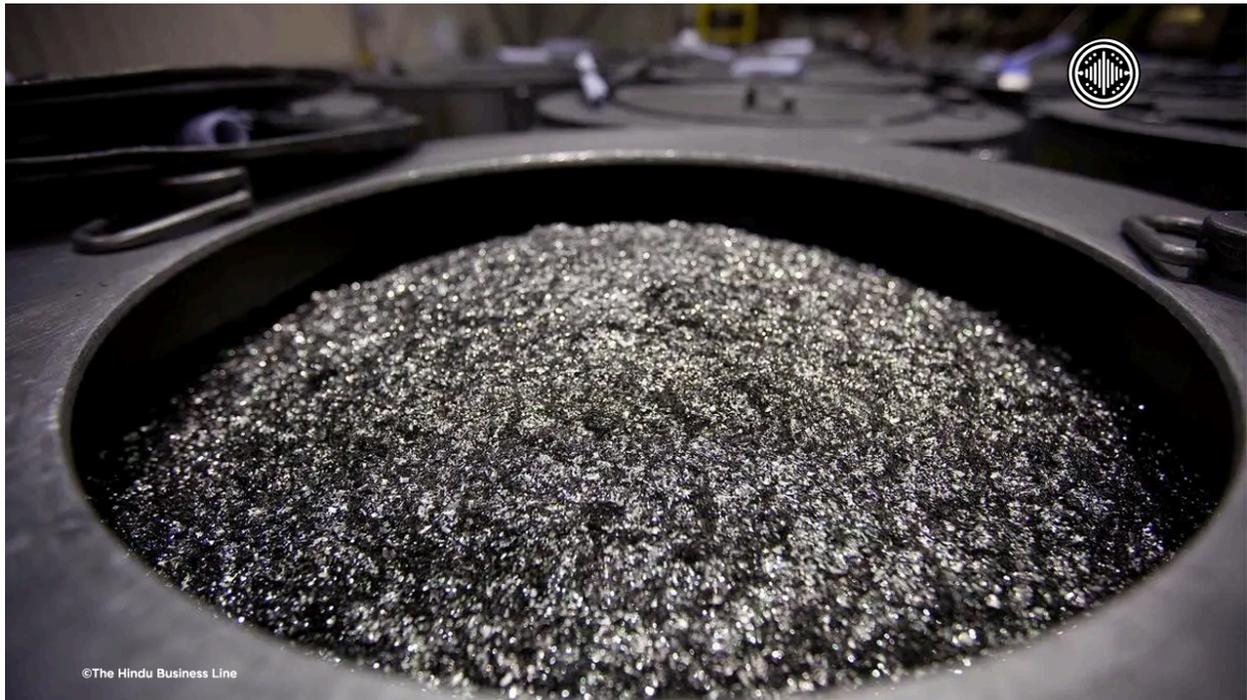


India Ramps Up Rare Earth Push with \$600 Million Plan



The Indian government is advancing an ambitious ₹5,000 crore (approximately \$600 million) initiative to boost the domestic rare earth sector, aiming to secure a stable supply of these critical minerals for key industries. The revised plan focuses on increasing the manufacturing of rare earth permanent magnets, a vital component for electric vehicles, wind turbines, defense systems, and electronics.

The updated scheme, which seeks to quadruple the annual production target to 6,000 metric tonnes, is part of a broader push to reduce India's reliance on imports and strengthen its technological independence. This initiative is a significant increase from the initial proposed outlay of ₹1,350 crore. According to official sources, the larger investment is intended to attract a wider range of participants and mitigate project risks. The government plans to support at least five manufacturers, with each eligible for incentives on up to 1,200 metric tonnes of annual output.

This strategic move follows recent supply chain challenges and export restrictions from other nations, which have highlighted India's vulnerability. Despite holding a substantial portion of the world's rare earth reserves, India has historically lagged in processing and manufacturing capabilities, depending heavily on imports, primarily from China.

The new policy, expected to span seven years, will be open to both public and private sector entities that can handle the entire production process from start to finish. The government has already seen interest from major companies, including JSW Group and Mahindra Group, which participated in stakeholder consultations.

In a related development, state-owned Indian Rare Earths Limited (IREL) has been instructed to prioritize domestic supply, halting exports of certain rare earths to ensure local needs are met. This shift aligns with the government's National Critical Mineral Mission, which aims to achieve self-reliance and support India's transition to a clean energy economy. The government has also initiated a complementary ₹1,500 crore recycling scheme to recover valuable minerals from industrial waste, further reducing import dependency and improving resource efficiency.