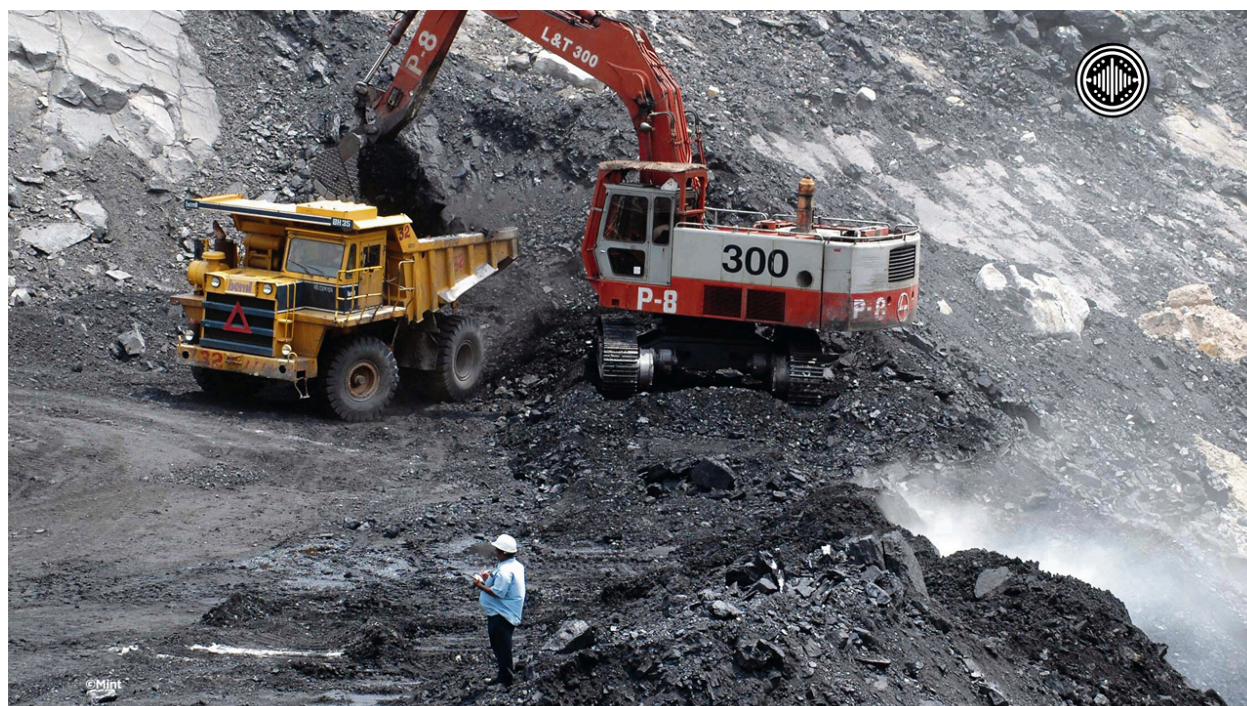


## India Ramps Up Domestic Magnet Production, Explores Foreign Mine Deals



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In a strategic move to bolster its self-reliance in critical minerals, the Indian government is prioritizing the domestic production of rare earth magnets and actively pursuing deals for foreign mines. This dual-pronged strategy is a direct response to global supply chain vulnerabilities and China's near-monopoly on rare earth processing and magnet manufacturing. The initiative aims to secure a steady supply of these essential components for India's burgeoning Electric Vehicle (EV), defense, and electronics sectors.

The government has proposed a significant financial incentive scheme, earmarking over ₹5,000 crore (approximately \$600 million) to support domestic rare earth magnet manufacturing. The initial plan, which was to support two manufacturers, has been expanded to include at least five players. Each company will be eligible for incentives on an annual production of up to 1,200 metric tons, a substantial increase from earlier targets. This new structure is designed to attract a wider range of private and public sector companies, reducing dependency and fostering a competitive ecosystem. Major Indian firms, including JSW Group and Mahindra Group, have already expressed interest in the scheme.

Alongside this domestic push, the government is also encouraging public sector undertakings (PSUs) to secure rare earth mineral assets abroad. NLC India, a state-owned power and mining

company, has confirmed that it is exploring possibilities to source rare earth elements from overseas. The company has initiated preliminary discussions for lithium blocks in Mali and copper and cobalt mines in the Republic of the Congo. This outreach to mineral-rich nations, particularly in Africa and Russia, is part of a broader strategy to diversify India's supply chains and reduce its reliance on a single source.

A key factor driving this push is the increasing demand for rare earth magnets, which are critical for high-performance electric motors, wind turbines, and advanced defense systems. India's domestic demand is projected to double by 2030, and the government's ambitious manufacturing targets aim to meet this demand while also insulating the economy from geopolitical disruptions. The government's actions signal a clear and focused approach to building an end-to-end value chain, from mining and processing to the final production of high-value magnets.