

# Japan says China to resume exports of rare earths

Jay Alabaster, Associated Press, 11-19-10

TOKYO — China appears to be easing a de facto ban on exports of rare earth metals to Japan that was imposed during a diplomatic row, a Cabinet minister said Friday.

Japanese companies say shipments have been virtually halted since September, when Japan arrested a Chinese fishing boat captain after his boat collided with patrol boats near disputed islands.

"I have strong expectations that shipments will actually begin next week," Japanese trade and industry minister Akihiro Ohata told reporters.

He said the Chinese government has told customs officials to speed up inspections. Japanese importers have said that increased inspections and paperwork have blocked shipments from Chinese ports.

Ohata said 16 of 27 Japanese companies involved in the trade that responded to a ministry survey said there were signs that Chinese shipments would return to normal. In an earlier survey, all respondents said exports had been blocked.

However, Sojitz Corp., a Japanese conglomerate that imports rare earths, has not seen any change in the ban, spokesman Yoshihide Toh said.

Beijing has denied banning the exports.

China produces 97 percent of the global supply of rare earth metals, which are crucial for the manufacturing of high-tech products such as cell phones, computer drives and hybrid cars.

Shaken by the threat of disruptions in supplies of rare earths, Japan is considering becoming a recycling center for the metals and is establishing partnerships with other Asian countries, including Vietnam and Mongolia, to develop new mines.

The collision in the East China Sea plunged relations between the countries to their lowest level in years, despite Japan's eventual release of the boat captain. Beijing temporarily cut off ministerial-level contacts with Japan, repeatedly summoned Tokyo's ambassador to complain, and postponed talks on the joint development of undersea natural gas fields.