

# Report -- China to reduce rare earths exports

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China plans to cut rare earths export quotas next year by up to 30 percent to conserve supplies, a newspaper on Tuesday cited a government official as saying, amid complaints Beijing has blocked shipments to Japan.

China produces some 95 percent of rare earths \_ minerals used in mobile phones and other high-tech goods. The government said last year it will reduce exports to conserve resources and limit environmental damage from mining.

The report Tuesday by the China Daily newspaper cited an unidentified Commerce Ministry official and gave no details of the possible cuts. Phone calls to the ministry were not answered.

China's rare earths export quota this year is 24,280 tons, down from 31,310 tons in 2009, according to the Commerce Ministry.

Japanese companies say China's exports of rare earths to Japan were suspended around Sept. 21. That came amid a spat between Beijing and Tokyo over Japan's detention of a Chinese fishing boat captain near disputed islands.

In Tokyo, Japanese Trade Minister Akihiro Ohata said Tokyo was trying to arrange a meeting with Chinese authorities to break the deadlock. Chinese government spokespeople have denied there is an official ban on shipments to Japan.

Japan-bound shipments of Chinese rare earths overall were stalled as of Tuesday, though some supplies had arrived, Ohata said. An employee of a major Japanese rare earths importer, speaking on condition of anonymity, said it had yet to receive new supplies.

China's known deposits of rare earths declined from 43 million tons in 1996 to 27 million tons last year, the China Daily said, citing another Commerce official, Chao Ning, speaking at a conference last weekend.

Chao was cited as saying China's reserves would last 15 to 20 years at current production levels and after that the country might need to import supplies.

China has about 30 percent of known rare earths reserves. The United States, Canada, Australia and other countries also have reserves but stopped mining them by the late 1990s, using lower-cost Chinese imports instead.

"China is not the only country that has these deposits, but it has been dominating the world's supply for more than a decade, thereby depleting its own resources," Chao said, according to the China Daily.

China's plan to cut back exports has prompted mining companies in the United States and Canada to launch efforts to resume production there.

The recent disruption of Chinese supplies has shaken Japan, which is considering becoming a rare earth recycling center and is working with Mongolia to develop new rare earth mines.