

Report -- China preparing new rare earths standards

Associated Press, 1-7-11

BEIJING -- China is preparing to tighten environmental standards for rare earths mining in a move that might raise prices, a state newspaper said Friday, amid concern about Beijing's decision to reduce exports of the exotic minerals needed by makers of high-tech products.

The rules will limit pollutants allowed in waste water and emissions of radioactive elements and phosphorus, the China Daily said, citing a researcher who helped draft them. It said they will be issued as early as February.

"This will affect the cost of rare earth production and may rise the prices of Chinese rare earth exports," the report quoted Niu Jinglu, the deputy secretary-general of the Chinese Society of Rare Earths, an industry group, as saying.

China accounts for most rare earths mining, and manufacturers that need them to produce mobile phones and other goods were alarmed when Beijing announced in 2008 that it would reduce annual export quotas.

The government says it wants to conserve dwindling resources and reduce environmental damage due to mining. Some commentators have suggested Beijing is trying to support growth of its own manufacturers of lightweight magnets and other products made of rare earths by reducing supplies available to foreign competitors.

The China Daily said Beijing also is considering creating an industry association and a government unit to tighten control over rare earths.

The United States, Canada and Australia have rare earths but stopped mining them in the 1990s as lower-cost Chinese supplies became available. China has about 30 percent of rare earths deposits but currently produces about 97 percent of supplies.

China's 2010 export quota of 24,280 tons was a 30 percent reduction from the previous year.