

# India's Strategy to Secure the Rare Earth Supply Chain

India has taken a major strategic step to strengthen its critical mineral ecosystem by approving a **₹7,000 crore scheme** to promote **domestic manufacturing of sintered rare earth permanent magnets (REPM)**. The initiative aims to **reduce import dependence**, enhance **industrial self-reliance**, and support high-growth sectors crucial for India's **economic and strategic security**.

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## Rare Earth Resource Base in India

India possesses a **significant reserve of rare earth elements (REEs)**, which are classified as **critical minerals** due to their strategic importance and limited global supply.

### Distribution of Rare Earth Minerals

- **Coastal deposits (monazite-rich beach sands):**
  - Tamil Nadu
  - Kerala
  - Andhra Pradesh
  - Odisha
  - West Bengal
- **Inland deposits (red sands and alluvium):**
  - Jharkhand
  - Gujarat
  - Maharashtra

These deposits provide a **strong raw material base**, enabling India to build an **integrated rare earth value chain**, from extraction to advanced manufacturing.

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## Scheme for Sintered Rare Earth Permanent Magnets (REPM)

The **Scheme to Promote Manufacturing of Sintered Rare Earth Permanent Magnets** aims to establish **India's first end-to-end domestic ecosystem** for high-value rare earth magnets.

## Key Features of the Scheme

- **Financial outlay:** ₹7,000 crore
- **Target capacity:** 6,000 metric tonnes per annum
- **Value chain coverage:**
  - Rare earth extraction
  - Processing into **rare earth oxides**
  - Conversion into **sintered permanent magnets**

Rare earth oxides are a **critical intermediate input** for downstream industries such as magnet manufacturing, electronics and clean energy systems.

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## Strategic and Industrial Significance

### Strategic Importance

- Permanent rare earth magnets are essential for:
  - **Electric vehicles (EVs)**
  - **Wind turbines**
  - **Consumer electronics**
  - **Aerospace and defence systems**

### Economic and Security Dimensions

- India is currently **highly dependent on imports**, particularly from **China**, which dominates global rare earth processing.
  - The scheme will:
    - Improve **supply chain resilience**
    - Support **energy transition and decarbonisation**
    - Strengthen **defence indigenisation**
    - Generate **high-skill employment**
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# International Partnerships and National Vision

To complement domestic manufacturing, the **Ministry of Mines** has signed **bilateral agreements** with mineral-rich countries such as:

- Australia
- Argentina
- Zambia

These partnerships aim to ensure **diversified and secure access** to critical minerals.

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## Alignment with National Goals

The initiative aligns with:

- **Atmanirbhar Bharat**
- **Viksit Bharat @2047**
- India's **clean energy and industrial growth objectives**

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## Conclusion

By developing a domestic rare earth magnet ecosystem, India is positioning rare earth minerals as a **strategic pillar** for long-term **energy security, technological leadership and economic resilience**.

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