

# China plans restructure of rare earths industry

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(AP) -- China is giving its biggest, state-owned rare earths miner and producer a monopoly for the northern part of the country in reforms aimed at bringing the strategically important sector that's crucial to advanced manufacturing under tighter control.

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The Ministry for Industry and Information Technology said in a statement seen Wednesday on its website that Inner Mongolia Baotou Steel Rare-Earth (Group) Hi-Tech Co.,Ltd, will be the only [rare earths](#) producer in the region - China's biggest production base for the exotic metals.

It said 35 other companies would be restructured or closed down by the end of June and that Baotou Steel Rare Earth will handle all mining, processing and trading in Inner Mongolia.

The company was the only company able to satisfy capacity and production requirements of various government ministries, the state-run newspaper Global Times cited Liu Jingchun, a researcher at Inner Mongolia's Economic and Information Technology Commission as saying.

China has abundant reserves and produces 97 percent of the [global supply](#) of the 17 [rare earth minerals](#), which have exotic names like dysprosium and terbium and are used in computer disk drives, hybrid car components, weapons and other high-tech products.

To cope with growing demand at home and to reduce [environmental damage](#), China has been reducing export quotas of rare earths over the past several years.

Such moves have raised alarm in importing nations, especially after some in the industry accused China of holding back rare earth shipments to Japan due to a flare up in tensions last year.

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