

Beijing's Strategic Option? China Reduces Its Exports of "Rare Earths"

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Region: [Asia](#), [USA](#)

Theme: [Intelligence](#), [Oil and Energy](#)

Rare earths are essential to the production of high-tech and other products. China is the world's leading producer by far. See below.

According to the US Geological Survey (USGS),

"(r)are-earth elements (REE) are necessary components of more than 200 products across a wide range of applications, especially high-tech consumer products, such as cellular telephones, computer hard drives, electric and hybrid vehicles, and flat-screen monitors and televisions," adding:

"Significant defense applications include electronic displays, guidance systems, lasers, and radar and sonar systems."

REEs are essential for the above products, devices, and systems to work. In the early 1990s, China accounted for 38% of world production, the US 33%, Australia 12%, India, Malaysia, and several other countries the remainder.

According to the USGS,

"in 2008, China accounted for more than 90 percent of world production of REEs, and by 2011, China accounted for 97 percent of world production."

While these figures may be overstated, it's clear that users of REEs are heavily dependent on China as a supplier, by far the world's largest producer, refiner, and exporter.

According to China's General Administration of Customs data, REE exports from January through May were 7.2% less than the comparable 2018 period.

In May, they were down 16% from the year ago period, the decline likely related to the Trump regime's trade war with China, the US by far the world's leading importer of these elements.

It produces around 20% of its REE needs, making it heavily dependent on imports gotten mainly from China.

According to US International Trade Commission figures, China supplied 59% of REE imports to American users in 2018. The USGS said China accounts for around 80% of US imports of rare earths.

Last week, a US Commerce Department report discussed measures Washington is taking to reduce its “strategic vulnerabilities” caused by dependence on imports of rare earths and other essential materials.

Secretary Wilbur Ross said the Trump regime “will take unprecedented action to ensure that the United States will not be cut off from these vital materials.”

Rare earths are abundant but hard to mine because they’re available as compounds and oxides, the process expensive and environmentally harmful.

According to the Pentagon’s Defense Logistics Agency’s **Jason Nie**, a material engineer, talks are being held with REE miners in Malawi and Burundi, an effort to reduce the dependence on China as a key supplier. Yet these countries can only supply a small portion of US needs.

Cutting off supplies to the US by China would be what analysts call Beijing’s “nuclear option.” It wants normal relations with the US and other nations — short of sacrificing its sovereign rights to achieve them.

It’s prepared to respond as it considers necessary to unacceptable Trump regime actions. Imposing 25% or higher duties on all Chinese exports to the US would be his nuclear option, what he threatened if Beijing doesn’t yield to his demands.

In late May, a Chinese economic planning agency official warned that

“if anyone were to use products that are made with the rare earths that we export to curb the development of China, then the people of (south Jiangxi province where rare earths are mined), as well as all the rest of the Chinese people, would be unhappy.”

Editor-in-chief of China’s Global Times Hu Xijin tweeted:

“Based on what I know, China is seriously considering restricting rare earth exports to the US. China may also take other countermeasures in the future” to retaliate if the Trump regime goes too far.

China considers REEs a strategic resource, most world users heavily dependent on the country as a supplier.

US policy toward China is all about containing the country economically, financially, technologically, and militarily, what Trump’s trade war aims to achieve, seeking US hegemonic control over its part of the world and everywhere else.

Wanting China’s sovereign rights subordinated to US interests is an objective doomed to fail. It risks confrontation if things are pushed too far.

The same goes for Russia and Iran. Washington’s aim for dominance over other nations, their resources and populations risks possible global war.

Major media ignore the greatest threat of our time, what could happen by accident or

design.

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