Newly proposed Rare Earth Corridors

Prelims: *Current events of national and international importance*

Why in News?

Union Finance Minister Niramala Sitharaman proposed establishment of dedicated rare earth corridors in India's coastal states Odisha, Kerala, Andhra Pradesh and Tamil Nadu.

- **Aim -** To support the ***mineral-rich States*** of Odisha, Kerala, Andhra Pradesh and Tamil Nadu to establish dedicated Rare Earth Corridors to promote mining, processing, research and manufacturing.
- These coastal states have beach sand deposits with rich monazite reserves capable of producing essential rare earth elements such as neodymium, praseodymium etc
- **Rare earths push -** In India, ***Beach Sand Minerals (BSM)*** is the principal ore of Rare Earths (RE).
- In BSM ore, the prescribed substance monazite occurs, which is a phosphate mineral containing Uranium and Thorium.
- **Beneficiaries** - The government aims to support 6,000 metric tonnes per annum (MTPA) of integrated REPM manufacturing capacity.
- It will be allocated among 5 beneficiaries selected through a competitive bidding process, with each eligible for up to 1,200 MTPA.
- Selected beneficiaries will receive sales-linked incentives worth Rs 6,450 crore over 5 years, along with a capital subsidy of Rs 750 crore to set up ***integrated REPM facilities.***
- **Linkage -** It builds on the National Critical Minerals Mission and the recent Magnet Manufacturing Scheme by grounding them in the coastal states.
- **Impact** - These high-strength REPMs are crucial for a wide range of technologies from electric vehicles and renewable energy systems to electronics, aerospace, and defence applications.
- **Demand -** The demand for REPM is rising sharply in India, with the government's push for large-scale renewable energy expansion and EV

adoption.
- India imported over 53,000 metric tonnes of rare earth magnets during the fiscal year ending March 2025.
- India’s consumption of rare earth permanent magnets is *expected to double by 2030,* but it currently meets its demand primarily through imports.

Reference

The Indian Express | Rare Earth Corridors

