

Newly proposed Rare Earth Corridors

Prelims: Current events of national and international importance

Why in News?

Union Finance Minister Nirmala 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](#)

