

China to launch Comprehensive Rare Metals Legislation in 2013



China's Ministry of Industry and Information Technology (MIIT), on February 17, 2013, published a report on the 2013 outlook for the non-ferrous metals industry. It said that the Chinese government will actively promote rare metals legislation in 2013 encouraging active cooperation with other relevant departments in formulating and reporting the "Regulations on Control of Rare Metals". Moreover, this should also accelerate the promotion of "Rare Metals Industry Development Strategic Planning". In the past few years, the Chinese government has tightened its supervision of the rare earth industrial sector, formulating new laws and regulations to improve the administration of the rare metals industry. The rare metals legislation aims to protect resources and the environment in accordance with the law and the realization of sustainable development.

Although we don't yet know the detailed contents of the Chinese rare metals legislation, it is not unprecedented as there is the Coffman legislation ([Rare Earth Supply Chain Technology and Resource Transformation \(RESTART\) Act of 2011, H.R. 1388](#)) in the U.S, which is a comprehensive bill that addresses all aspects of the nation's significant rare earths challenges, including resource development and downstream manufacturing for metal, alloys and magnets,...according to the USMMA. Rare metals are some very important strategic non-renewable resources, which are increasingly used in a variety of high technology applications, even as they are included in national security strategies in more and more countries. The

establishment of legal measures to enhance rare metals strategic resources protection is common practice in western developed countries.

China has relatively abundant rare metals and critical minerals including tungsten, antimony, etc. It is well known that the west has relied on China to supply rare earths in recent years, but as China's domestic demand grows, a number of problems have cropped up in this field, such as repeated illegal mining, rapid expansion of production capacity of smelting and separation, serious damage to the environment, serious waste of resources and the proliferation of smuggled rare earth products out of the country. Despite the Chinese government's formulation and adoption of a series of policies and measures for the rare earths sector, which proposed plans for the mining, production, reserve, and import and export of rare earth materials and actively curbing illegal rare earth supply chains, lured by high profits, illegal mining and smuggling persist in China. According to official data, the Chinese government confiscated more than 38,600 metric tons of illegally mined rare earth products (including 20,000 metric tons in Inner Mongolia Autonomous Region and Gansu Province, and 18,600 metric tons in Guangdong Province) in 2012. Many industry insiders said that China's actual output of rare earth production actually reached total about 130,000 to 150,000 metric tons at last year.

Thus, China is pursuing legislation to protect the rare metals sector. This new law can further strengthen industry control and promote transparency and legality within the rare metals industry while targeting legal abuses. It is very important to establish a unified, standard and efficient management system for the rare metals industry in its domestic markets. In addition, in the background of China's dominance in the production of rare earths, tungsten, antimony, etc. The achievement of sustainable market stability enhances international cooperation, draws upon each other's strengths

and promotes common development. This is not only to China's own interests, but also to the interests of the world's rare metals industries.