

Rare Earths in focus next April at key events in Toronto and Shanghai

✘ ProEdgeWire will host the Second annual Technology Metals Summit 2013 will be held on April 21-22, 2013 in Toronto, Canada and it will be the largest non-Chinese rare earth and critical minerals event of the year. Just days later, in the eastern hemisphere, the Association of China Rare Earth Industry (ACREI) will be holding its annual conference in Shanghai, China at the end of April. Having more than 302 companies as members and covering the whole rare earth industry chain from across the country, ACREI has become the largest rare earth industry organization in the world. It is not unique, but has its counterpart. While the events are no doubt different, especially insofar as the politics realities of rare earths are concerned, both will provide platforms for useful and necessary discussions in the sector.

It is a complex period for the world's rare earth industry. A sharp drop in rare earth prices over the last year has erased the profits of rare earth producers around the world, including, for instance, Molycorp, which reported heavy losses in 2012. China's rare earth smelting separation plants have been facing a tidal wave of comprehensive losses due to a persistent slump in domestic market prices in January of this year, according to the latest report from the Association of Jiangsu Rare Earth Industries. Indeed, "2013 may be the most difficult year for the country's rare earth sector", Chinese insiders said.

The problem is not the amount but the prices. China exported 1,106 metric tons of rare-earth ore, metals and compounds in February alone, up 289.12 percent compared with the same month of last year, the average export price was USD\$ 22,654.13/ton,

the total export value was USD\$ 25.06 million, moreover, the other rare earth processed products accounted for a total 2,501 metric tons in exports, up 47.5 percent year-on-year with an average export price of USD\$ 51,962.42/ton. In January, China exported 1,092 metric tons of rare earth ore, metals and compounds; the average export price was USD\$ 25,540.9/ton, while the total export value was \$27.89 million, according to the figures released by the China Customs Statistics Information Center on March 21, 2013.

The official figures showed China's total exports to be 2,198 metric tons of rare earth oxide (REO) products in the first two months of this year, up 8.13 percent compared with the same period in 2012; however, the export prices continue to decline and remain relatively low on a month-on-month basis.

For China, things are a little more complicated. China's rare earth enterprises faced various tests including industry consolidation, environmental assessments and industry access. Meanwhile, due to the weak demand and a supply glut, prices have dropped as a result; we can see that a light rare earth supply capacity of the rest of the world is starting to grow, which will make prices an issue of concern for the entire rare earth market in 2013. This makes the Toronto and Shanghai conferences in late April very important events as we look forward to the world's rare earth industry leaders finding new ideas and new wisdom to boost rare earth prices.