
Final warning? China's rare earths exports fall as trade war with US escalates

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The world's leading producer of rare earth metals, China, reduced its exports of the minerals last month, according to the country's official customs data. Stopping supplies to the US could cripple the American tech sector.

Statistics show that China exported 3,639.5 metric tons of rare earths (which are a group of 17 chemical elements with special characteristics) in May, down from 4,329 metric tons in April. The total exports unexpectedly rose more than one percent while imports fell by 8.5 percent.

In 2018, China produced 120,000 metric tons or 70 percent of the world's total rare earths, according to the United States Geological Survey. To compare, the US mined 15,000 metric tons of rare earths last year.

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The US relies on China for about 80 percent of its rare earths supplies. The metals are used in everything from electric car motors and electronics to oil refining and clean diesel. They are vital for US national security, as they are used in many major weapons systems, including lasers and radar.

Beijing's threats to restrict exports of rare earth metals to the US have been called by many as one of China's nuclear options in a trade conflict with Washington.

Last month, US President Donald Trump increased tariffs on \$200 billion worth of Chinese goods. On Thursday, he warned that imports from China could be hit with another \$300 billion in tariffs if necessary, but added that he still hopes for a deal. The levies would target China's remaining exports to the American market.

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In return, Beijing raised tariffs on \$60 billion of American goods and hinted at banning rare earths exports to the US.

Washington has reportedly started exploring opportunities to purchase rare earth metals from African countries. It is reportedly in talks with rare earth miners from Malawi and Burundi, but these countries cannot provide the volume that China can.
