

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF COMMERCE
RAJYA SABHA
UNSTARRED QUESTION NO-681
ANSWERED ON – 25/07/2025

IMPACT ON PRODUCTION DUE TO SHORTAGE OF RARE EARTH MAGNETS

681. SHRI SANJAY RAUT

Will the Minister of COMMERCE AND INDUSTRY be pleased to state :-

- (a) the impact of the Chinese export restrictions on India's electronics, EV and auto components industry, particularly in Maharashtra;
- (b) whether companies in Maharashtra's Aurangabad-Nashik-Pune auto belt and electronics clusters in Mumbai and Navi Mumbai have reported cost escalations or project delays due to the shortage of rare earth magnets;
- (c) whether an inter-ministerial task force or mission mode program has been set up to reduce India's dependence on China for rare earth materials; and
- (d) whether Government is considering a Production-Linked Incentive (PLI) scheme or create a strategic reserve to promote domestic production of rare earth magnets?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY

(SHRI JITIN PRASADA)

- (a) and (b): The recent imposition of export restrictions on key rare earth magnets has resulted in supply chain bottlenecks impacting the user industries, including auto and electronics sectors. However, this Ministry has not received any specific reports regarding cost escalation or project delays due to the shortage of rare earth magnets from the companies in Maharashtra's Aurangabad-Nashik-Pune auto belt and electronics clusters in Mumbai and Navi Mumbai.
- (c) and (d): Presently, no such proposal is under consideration.
