

Part 6 – State policies matter in Japan



One of the most controversial actions regarding rare earth elements in Japan took place in 2010. This happened, when Japanese authorities arrested a Chinese fishing boat, which was sailing around the disputed Senkaku Islands. China's response was to ban all rare earth element exports to Japan for two months.

That event left Tokyo shocked. It showed the strong dependency on Chinese rare earth elements for the thriving Japanese technological industry. Remember, the situation was similar in the rest of the world. ^[1]

Japanese policymakers started quickly to implement measures to guarantee the continuity of their supply chain of rare earth elements – as 80% of it was provided by China at that time:

- ✓ In 2011 the Japanese Sojitz Corporation and the state-owned JOGMEC* invested 250 million USD in the Australian Lynas Corporation ^[2], the only integrated miner and processor of rare earth elements outside China and the second largest in the world. Japan managed to cover 30% of their supply of rare earth ores by this measure. ^[3]
- ✓ Additionally, Japan supported the e-waste recycling actively as a measure to secure rare earth elements internal demand. The National Institute for Material Science estimated, that 300,000 t of rare earth elements were present in electronics all over Japan. Metal recyclers, like Dowa Holdings, Nippon Yttrium Co and Hitachi Metals started investigations and operations of refining rare earth elements from e-waste. ^[4] ^[5]
- ✓ Technologies which reduced or substituted the use of rare earth elements were promoted.
- ✓ In 2019, JOGMEC increased its hold on Lynas' rare earth element output.
- ✓ In January 2020, JOGMEC financed the company Namibia Critical Metals Inc. with 20 million USD to explore, exploit and refine rare earth ores. ^[6]

Nowadays, Japan is the only country which significantly reduced their dependency on Chinese rare earth ore. Nevertheless, 58% of their imports still come from China. ^[7]

*Japan Oil, Gas and Metals National Corporation

^[1] <https://chinapower.csis.org/china-rare-earths>

^[2] <https://www.lynascorp.com/>

^[3] <https://www.metalbulletin.com/Article/2798290/Japan-secures-30-of-rare-earth-needs-from-Lynas.html>

^[4] <https://www.nytimes.com/2010/10/05/business/global/05recycle.html>

^[5] https://www.japanfs.org/en/news/archives/news_id032954.html

^[6] <https://www.juniorminingnetwork.com/junior-miner-news/press-releases/532-tsx-venture/nmi/72438-namibia-critical-metals-and-jogmec-conclude-agreement-to-develop-the-lofdal-heavy-rare-earth-project.html>

^[7] <https://asia.nikkei.com/Politics/International-relations/Japan-to-pour-investment-into-non-China-rare-earth-projects>

