China ready to strike back using rare earths: State media

Strong commentaries warn US of export restrictions as retaliation in trade war

Power over the Earth

RARE EARTHS

Essential but hazardous

Rare earths are key elements in the manufacturing of products ranging from mobile phones to military equipment. That is why effective exploitation and control are crucial to China, the world's largest exporter of rare earths.

China is still a large rare earth exporter, so China-imposed US tariffs have hit the US manufacturing industries hard, said the Malaysian Rare Earth Minerals Monitor (MRMM) in a commentary.

The Chinese government has warned US companies that the country will use rare earths as a weapon if used in the China-US trade war. "Undoubtedly, the US side will try to use the products made by China's rare earths to exert pressure in past trade talks," a senior correspondent wrote.

China's rare earths have many uses, including manufacturing vehicles and electronic products. The country has been accused of using export quotas to control and influence global prices. China's Ministry of Commerce said last week that it had lowered overall export quotas on rare earths for 2019.

But China for years has used national security as a justification. "Some US companies use this as an excuse to try to limit China's rare earth exports," said one commentator.

US importers are also concerned. "If US companies cannot get rare earths from China, they may not be able to gain the desired quantity and grade needed for the businesses," a US expert said.

China's rare earth mining and milling operations are one of the country's largest sources of air pollution. "Rare earth mining and milling workers are exposed for years to toxic substances, including radioactive and hazardous waste," said one analyst. "Thorium, uranium and thorium compounds are toxic and sources of ionising radiation." Rare earth refining processes can lead to the contamination of water and soil.

Heavy metals, such as chromium, and radioactive elements can also be found in rare earth deposits. "Arsenic is linked to cardiovascular diseases, liver cancer and skin lesions. Magnesium causes respiratory and gastrointestinal problems. Chromium VI is a key concern in rare earth mining and milling," said another commentator.

The problem lies in the facilities at the plant. "Many rare earth mining and milling facilities are closed, but it's not known how dangerous the waste is," said a researcher.

"Toxic waste accumulated at the Semen Plant has not been handled properly," said another commentator. "Radioactive refining process, making it dangerous to the surrounding environment." Rare earths are complex and damaging to the environment and health of workers and people living close to the plant.

China states that it has minimised environmental damage. "China has taken many measures to control and reduce pollution," said one commentator. "The government has also set up a rare earth technology research centre and a rare earth recycling centre."

But other commentators say that China's efforts are not enough. "China still has a long way to go in controlling rare earth pollution," said a senior correspondent. "The government should take more actions to protect the environment and health of workers and people living close to the plant."

China has used sales of rare earths as a diplomatic weapon. "When China used rare earths as a bargaining chip in the US-China trade war, it generally followed an official Chinese media line that the rare earth market was too large for any country to dominate," said a commentator.

But China has been accused of using its rare earths as a weapon in past trade talks. A commentator said that China's rare earth exports have been subject to export restrictions by other countries. "This has led to a situation where China has benefited from its rare earth exports, while other countries have been left to pay the environmental and health costs."