

**Primus Report**

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## **India's EV surge needs a home-grown magnet fix: Report**



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**Article Content:**

While India aspires to become a global electric vehicle (EV) hub, the current crisis because of China's tighter export rules on rare earth metals exposes the fragility of India's supply chains noted a report by Primus Partners, a global management consulting firm.

China's tighter export rules on rare earth minerals announced on April 4 have already begun delaying magnet shipments to India.

This situation has exposed a critical issue: the success of India's electric vehicle (EV) growth heavily depends on rare-earth materials that are almost entirely controlled by China

The report stated that "India's EV surge needs a home-grown magnet fix".

It further added, "Although India has the world's fifth-largest rare-earth reserves, it lacks infrastructure for oxide separation, metal refining and sintered magnet production processes dominated by China."

To address this growing vulnerability, the report recommended three urgent steps.

First, it suggested to scale domestic capacity by targeting 4,000 tonnes of magnet production annually by 2030. This can be achieved through fast-track approvals and financial support, which will help meet at least 25 per cent of the country's future demand locally.

Second, it shared that diversify external supply by securing long-term offtake agreements for rare-earth concentrates and metals from countries such as Australia, the United States, and selected African nations

The report also urged that India should push for favourable terms in ongoing free trade negotiations.

Third, accelerate recycling by introducing an extended producer responsibility (EPR) framework for motors and electronics.

Additionally, subsidies should be provided for recycling plants that use technologies like hydrometallurgy and magnetic separation.

India's domestic consumption of rare-earth magnets was 1,700 tonnes in 2022 and is expected to grow to 15,400 tonnes by 2032. This is almost a tenfold increase in both volume and value, with the market expected to rise from Rs 1,245 crore to nearly Rs 15,700 crore.

However, India currently produces only 1,500 tonnes of neodymium- praseodymium (NdPr) oxide per year, and has very limited magnet-making capacity.

This gap in midstream and downstream capabilities is a wake-up call. Short-term measures like sourcing from other countries or diplomatic engagement may provide temporary relief, but for long-term stability, India must build a self-sufficient value chain for rare-earth magnets. (ANI)