

FEATURE

China's rare earths curbs extend pressure on supply to Japan

By [Solomon Cefai](#)

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Workers transport soil containing rare earth elements for export at a port in Lianyungang, Jiangsu province, China October 31, 2010. REUTERS/Stringer/File Photo

SINGAPORE, June 20 (Reuters) - China's exports to Japan of several rare earths used for powerful magnets were negligible in May, data showed on Saturday, extending a months-long supply squeeze caused by a diplomatic dispute with Beijing over Taiwan.

Japan's rare earth magnet makers are the world's biggest outside China but like those

elsewhere are overwhelmingly reliant on Chinese imports of key so-called heavy rare earths. The Reuters Inside Track newsletter is your essential guide during the World Cup. Sign up [here](#). Export controls on rare earths like dysprosium, terbium, and [yttrium](#) -- used in specialty alloys and coatings-- and several niche minor metals have become one of China's most effective diplomatic levers.

There have been no shipments to Japan of terbium or dysprosium oxide since November and only tiny shipments of yttrium oxide since December, Chinese customs data for May released on Saturday showed.

Beijing introduced export controls on types of heavy rare earths and the magnets that contain them in April 2025. It publicly tightened controls on exports to Japan in January, and twice again the following month, [targeting major conglomerates](#).

[Comments](#) on Taiwan by Japanese Prime Minister Sanae Takaichi in November (See Editor's Note) prompted a diplomatic breakdown between Beijing and Tokyo.

The export curbs have [disrupted the availability](#) of some magnets and led to a rush of Japanese investment into new supply of heavy rare earths.

Most recently, rare earth magnet manufacturer Shin-Etsu Chemical ([4063.T](#)), [opens new tab](#) said it was [planning to build](#) its first new rare earth refining facility since 2008.

Japan is also the world's largest consumer of chip metal gallium outside of China. It received some respite in May, with the first big shipment sent from China since December.

China's exports of rare earth magnets were close to their historic levels in previous months, but were down 35% month on month in May, to their lowest volume since the same month a year earlier.

Reporting by Solomon Cefai; Editing by Sam Holmes

Editor's Note:

Japan Stumbles: The Taiwan Fiasco

[Peace and Security in Northeast Asia](#)

<https://toda.org/global-outlooks/japan-stumbles-the-taiwan-fiasco/>

Masaru Tamamoto

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Image: hapelinium / shutterstock.com

It was seemingly an unprepared remark and quite unnecessary. Prime Minister Sanae Takaichi said that Japan will defend Taiwan if Beijing tries to reunify China by force. China reacted with predictable wrath and demanded a retraction.

The American reaction was surprising. President Donald Trump told Takaichi to stop provoking China. She would have expected American cheer and approval, yet America left Japan dangling.

What Takaichi said was no surprise though hitherto unarticulated. Japan will partake in an American-led defence of Taiwan. To be precise, she did not mention the 'American-led' part in her comment, but it is obvious that Japan is not prepared to take on China without American lead. She did say that a Taiwan contingency would threaten the survival of Japan.