3 Tariffs and Prices

Table 22 lists provisional customs tariff rates for 1989 for a number of rare earth products. Table 23 lists approximate prices of rare earth products which vary according to distribution outlet, purchase volume, and payment terms among other factors.

4 Demand and Products Governing Demand

Demand Trends

Purity of rare earth is a key factor governing demand in Japan since industrial needs largely stem from the country's high tech sectors. Tables 24 and 25 listing the purity levels of rare earth metals and oxides offered by domestic suppliers give an indication of the purity levels required by Japanese industries.

Table 26 shows estimated rare earth demand, according to the Japan Society of New Metals' Rare Earth Committee.

Production Capabilities of Major Rare Earth Suppliers

In Japan, the principal suppliers of rare earths are not the mining companies. Historically, domestic mining companies have concentrated their activities on supplying non-ferrous metal resources such as gold, silver, copper, lead and zinc.

In the past, mining companies only handled rare earth as a by-product. But the recent increase in demand for rare earth products has resulted in the market entry of a number of mining companies over the last few years.

Listed below are the principal domestic rare earth suppliers and their estimated annual production capacity:

Santoku Metal Industries	830 tons	
Shin-Etsu Chemicals	600 tons	
Mitsui Mining and Smelting	700 tons	
Mitsubishi Kasei	100 tons	
Shin-Nippon Kinzoku Kagaku	260 tons	
Nippon Yttrium	250 tons	
Seimi Chemical	350 tons	
Dowa Mining	300 tons	
Tokkin	290 tons	
Nissan Kingenso Kagaku	220 tons	
Nippon Rare Earth	?	(a joint venture between
		Sumitomo Metal Mining and
Dai-Ichi Kingenso Kagaku	2	Knone Poulenc of France)
ea ion ingenso nagara	:	(Smail Volume)

Principal Products Governing Demand in Japan

Table 27 describes the domestic product volumes over a four-year period of the main products that utilize rare earths, and Table 28 shows the principal growth by application.

Particularly notable is the fact that production of rare earth magnets - the principal market sector for rare earth - increased 30 per cent over the previous year to 1 071 tons. Moreover, production of alloys employing materials such as samarium and neodymium was stepped-up during the year.