

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES
RAJYA SABHA
UNSTARRED QUESTION NO. 1525
ANSWERED ON 12.12.2025

OVERCOMING SHORTAGE OF RARE EARTH MAGNETS FOR EV PRODUCTION

1525. DR. M. DHANAPAL:

Will the Minister of Heavy Industries be pleased to state:

(a) whether Government has taken cognizance that auto components, particularly for electric vehicles and hybrids, are highly dependent on magnets, especially rare earth magnets, causing supply chain vulnerabilities, production delays, and increased costs for manufacturers in the automotive sector;

(b) if so, the details of the steps proposed to be taken by Government to explore alternative suppliers like Australia, Japan, Vietnam, Russia, allow imports of fully-built motors, and develop domestic capabilities to bypass magnet shortages, ensuring uninterrupted production despite cost increases; and

(c) if not, the reasons therefor?

ANSWER
THE MINISTER OF STATE FOR HEAVY INDUSTRIES
(SHRI BHUPATHIRAJU SRINIVASA VARMA)

(a): Yes. Government of India is aware of import dependence of the automotive sector, particularly electric & hybrid vehicles, on rare-earth permanent magnets. This dependence has lead to supply-chain vulnerability for OEMs utilizing rare earth magnets.

(b) & (c): Government is exploring alternative supply of rare earth magnets. Production Linked Incentive (PLI) Scheme for Automobiles and Auto Components (PLI-Auto Scheme) is strengthening domestic capability through listing “rare earth magnets for xEV motors” as an Advanced Automotive Technology component and promote domestic development of alternative (rare earth free) motor technologies & its components. Further, Union Cabinet on 26.11.2025 approved the 'Scheme to Promote Manufacturing of Sintered Rare Earth Permanent Magnets' with a financial outlay of Rs.7280 crore to establish 6,000 Metric Tons per Annum (MTPA) of integrated Rare Earth Permanent Magnet (REPM) manufacturing in India.
