



Rare Earth Element Embargo Will Increase Prices of High-Tech Products Says The Information Network

New Tripoli, PA, November 8, 2010 . . . Manufacturers of a broad spectrum of high-tech products are feeling the impact of price hikes in rare earth element-based processing materials because of the Chinese embargo, according to the report "Rare Earths Elements In High-Tech Industries: Market Analysis And Forecasts Amid China's Trade Embargo", recently published by **The Information Network** (www.theinformationnet.com), a New Tripoli, PA-based market research company.

Rapid price increases will impact high tech industries for the next several years until non-Chinese rare earth mines are up and running, increasing product availability and thereby decreasing prices.

"We estimate that the Chinese held 90.0% of capacity of rare earth oxides with 103,300 tons, but its share will drop to 67.2% in 2014 based on output of new mines coming onstream, noted Dr. Robert Castellano, president of The Information Network. "China's capacity will only increase 10.4% to 114,000 tons between 2010 and 2014, whereas non-Chinese capacity will increase nearly 5 fold, from 11,500 to 55,800 tons."

In semiconductor manufacturing, rare earth materials are used as high-k dielectric films and as polishing materials in CMP. Prices of ceria, used in STI planarization slurries, have increased 1300% in the past year.

Ceria is also used in the polishing of glass disks for hard disk drives (HDDs), LCD panels, and high brightness LEDs (HBLEDs).

Europium is a rare earth used as a phosphor in Cold Cathode Fluorescent Lamps (CCFL) used in backlights for notebooks and in PDP TVs. Price hikes of 170% in the past year for Europium are filtering down the supply chain to manufacturers of these end products.

Neodymium is a rare earth element used in magnets for HDDs, wind turbines, and hybrid electric vehicles. Neodymium is already in short supply, and prices have increase 420% in the past 12 months.

"During the past twenty years there has been an explosion in demand for many items that require rare earth metals. China being China capitalized on its rich rare earth deposits and cheap labor to drive down prices to a point that nearly every mine outside China was forced to shut down because they couldn't compete on price. The ROW being the ROW allowed China to take away business because of cheap labor," added Dr. Castellano.

According to the report, China can supply rare earth products as pure as 99.9999%, while French companies can only produce 99.999% pure products and Japanese firms generally produce 99.9% purity products. With a supply chain of raw material and refining prowess, this is a wake-up call for non-Chinese mining operations, governments, and corporations to take proactive steps to get out of the stranglehold China has on the rest of the world.

China doesn't only want to be a miner of rare earth elements, it wants to be involved in the more lucrative end products – products such as wind turbines, consumer electronics, and batteries for hybrid and electric vehicles.

The Information Network is a leading consulting and market research company addressing the semiconductor, LCD, HDD, nano, and solar industries.

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