

# Fluctuations in Rare Earth Prices: Understanding the Dynamics

written by Tracy Weslosky | September 8, 2023

*An Interview with Alastair Neill, a Director for the [Critical Minerals Institute](#) (CMI)*

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Rare earth elements, a crucial component in our modern technological world, have seen dramatic price fluctuations in recent months. I sat down with Alastair Neill, a Director for the [Critical Minerals Institute](#) (CMI), to get a better understanding of these market dynamics.

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**Tracy:** Alastair, the recent Reuters piece titled [Chinese rare earth prices hit 20-month high on Myanmar supply worry \(msn.com\)](#) highlighted a surge in Chinese rare earth prices due to concerns about supply from Myanmar. Can you shed some light on this?

**Alastair Neill:** Indeed, Tracy. Myanmar's supply to China, especially to its southern plants, is significant. Historically, it has provided about 50% of their total in recent years. Any disruption, as seen before, impacts prices, notably for elements like terbium and dysprosium.

**Tracy:** What's driving the media coverage on this issue?

**Alastair Neill:** The media is closely monitoring the situation in Myanmar. Over the past two to three years, interruptions in supply have been frequent. The mines in Myanmar, managed by the

Chinese, have faced local resistance, given the perception of exploitation.

**Tracy:** Yet, just a month ago, Reuters reported rare earth prices (reference, [Rare earths prices sink to lowest since 2020 as China ramps up supply | Reuters](#)) were at their lowest since 2020 due to China increasing its supply. Can you comment on this disparity?

**Alastair Neill:** It's a dynamic market. In May this year, terbium was around \$1,200 a kilo, dysprosium at \$274. Now, dysprosium has surged past \$350, while terbium remains stable. Elements like Nd (Neodymium) and Pr (Praseodymium) also experienced price drops, but have recently rebounded. The northern mines can produce Nd and Pr, but terbium and dysprosium remain vulnerable to supply chain issues.

**Tracy:** The Reuters article mentions potential disruptions due to inspections in Myanmar's Pangwa region and concerns from environmental inspections in Jiangxi province. Can you speak on these concerns?

**Alastair Neill:** Inspections, while necessary, can slow down production or halt it temporarily, leading to supply chain hiccups. This situation creates uncertainty in the market, with stockpiling and price hikes as natural reactions.

**Tracy:** Finally, the article from July speaks about China's dominance and the role of rebates in maintaining its position. Your thoughts?

**Alastair Neill:** China's influence on the global pricing is undeniable. Their rebate strategy gives them a significant cost advantage, making competition tough for others. This not only secures China's dominant position but can influence global supply chain decisions.

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The rare earth market, like many commodities, remains subject to geopolitical influences, supply chain uncertainties, and global demand shifts. As the world continues to rely on these essential elements for everything from consumer electronics to green energy solutions, understanding the intricacies of their market becomes increasingly crucial.

In conversations with experts like Alastair Neill, it becomes evident that while short-term price fluctuations are inevitable, strategic decisions and global cooperation can pave the way for a more stable supply chain in the future.