



Long-term significant growth in demand for strategic metals expected

The actual low prices are driving the use of strategic metals for many innovations. At the same they help new technologies achieve their breakthrough.

“Give top priority to development”

These are the words from China’s Premier Li Keqiang at the start of the annual National People’s Congress in Beijing. It is well known that China has a huge backlog in modernizing its industry. No matter if it is energy, mobility, steel or chemistry. The rapid growth of China’s economy over the past 20 years did not live up to its responsibility against the environment. Environmental protection has long been neglected in China’s politics.

Chinese energy development plan

Beijing plans to rebuild its energy supply structure. Less coal but more renewables! China wants to increase its capacity in solar energy to 100GW in the next 5 years. Bearing in mind that according to market research firm IHS China’s solar cell installations reached about 13.5GW in 2015 this is an enormous target being set by the National People’s Congress. This will certainly boost the market of so-called CIGS solar cells. According to Metal-Pages 1GW of CIGS requires around 30 t of Indium plus 15-20 t of Gallium. This would be a huge challenge for both metals as the annual production is just about 1,300 t respectively 400 t.

Additional capacity in wind power will also boost China’s demand for magnets. And those magnets will need rare earths such as Neodymium, Praseodymium, Dysprosium and Terbium.

China’s shift to new energy vehicles

Chinese production of new energy vehicles is expected to increase to an annual 2 million by 2020. This will include electric and hybrid cars, but also fuel-cell electric, and hydrogen engine vehicles.

A rapid development of new energy vehicles will once again drive China’s demand for magnets. And those magnets will require metals such as Neodymium, Praseodymium, Dysprosium and Terbium.

Fighting air pollution

Air pollution is a big issue in China as it has serious impacts on both health and environment. And the air in most cities is really bad to breathe. The National People’s Congress has now put certain measures in place. Pollution control equipment will become a must for the industry. And this will require technology metals and rare earths.

Demand driver aerospace

Metal-Pages reports of a sharp increase in critical metals demand for jet engines. During a recent conference in London US engine maker Pratt and Whitney informed that new engine production will drive demand significantly. Demand for Chromium, Cobalt, Molybdenum and Tantalum is likely to double over the next five years. Demand for Rhenium is expected to boost from an annual 9 t to over 20 t.

Links:

- <http://www.bloomberg.com/news/articles/2016-03-06/china-growth-addiction-leaves-deleveraging-reform-in-back-seat>
- <http://www.pv-tech.org/news/ihf-forecasts-global-solar-market-to-top-69gw-in-2016>