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The British newspaper, the Daily Telegraph, reports that a representative of the Chinese Ministry of Industry has denied intentions to leverage the country's strategic monopoly over rare earths.



"China will not use rare earths as a bargaining tool," an industry ministry spokesman told a press conference, "China hopes to have mutually beneficial cooperation with other countries on the use of rare earths... and at the same time protect a non-renewable resource."

However, according to the Telegraph, a recent article in China's ministry of commerce's The International Business Daily magazine, urged China to stand strong in the "rare earth wars" and resist calls from the "big powers" to relax quota restrictions.

US Secretary of State Hillary Clinton spoke with the Japanese foreign minister and said, "...because of the importance of these rare earth minerals, I think both the minister and I are aware that our countries and others will have to look for additional sources of supply." She continued, "This [China's imposing of quotas] served as a wake-up call," she added, "So we welcome the Chinese statement that it will resume normal trading in these materials but I think the entire world has to seek additional supplies." The World Trade Organization's Secretariat said, "The resulting gap between domestic prices and world prices constitutes implicit assistance to domestic downstream processors of the targeted products and thus provides them a competitive advantage."

Read the Telegraph article [here](#):

<http://www.telegraph.co.uk/finance/china-business/8092078/Rare-earth-metals-wont-be-used-as-bargaining-tool-says-China.html>