MULTI-TIER SUPPLY VISIBILITY

Rare-Earth Supply Risk

Why procurement must look beyond Tier 1

India has substantial rare-earth reserves. Domestic alloy and magnet-manufacturing capacity is still developing.

Source: DAE / PIB, 12 Mar 2026



Three approved suppliers may share one upstream source.

Export controls have disrupted production at some automakers outside China.

Source: IEA, Rare Earth Elements, 2026

94%

of 2024 sintered permanent-magnet output was in China

Source: IEA, Rare Earth Elements, 2026

2×

India's rare-earth magnet consumption projected to double by 2030

Source: Reuters, 19 Feb 2026

₹7,280 cr

India's programme for 6,000 tonnes/year of integrated rare-earth permanent-magnet capacity

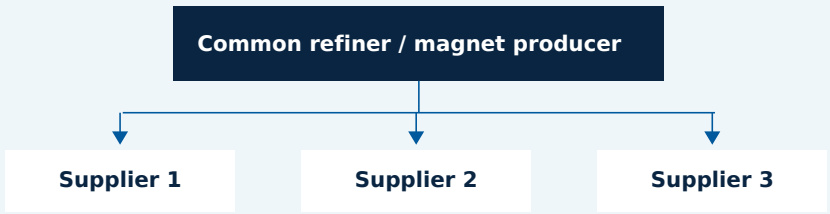
Source: MHI / PIB, 29 Jul 2026

HOW THIS AFFECTS PROCUREMENT

Supplier count can conceal concentration

Exposure may sit in a shared refiner, alloy producer or magnet manufacturer.

SHARED UPSTREAM DEPENDENCY



Illustrative supply flow • Three Tier-1 suppliers, one shared source

Procurement implication: Assess production impact and qualify alternatives with engineering before a shortage.

WHAT TEAMS SHOULD DO NEXT

1. **Map exposure**
   Connect components to magnets, processors and countries.
2. **Assess criticality**
   Evaluate stoppage impact and substitution lead time.
3. **Qualify alternatives**
   Validate sources, materials and designs with engineering.
4. **Monitor commitments**
   Refresh origin disclosures and review continuity provisions.

Actions informed by IEA resilience pathways, 2026.

VENDX POV

Assess upstream dependencies before issuing the RFQ.

DIGITISE
Capture item-to-source relationships and supplier declarations.

AUTOMATE
Schedule declaration reviews and route lead-time exceptions.

USE AI
Flag shared sources for review; keep qualification decisions human-led.