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JOGMEC signed Memorandum of Understanding on rare earth recovery project in the Republic of Kazakhstan

On October 22, 2009, in Astana in the Republic of Kazakhstan, Japan Oil, Gas and Metals National Corporation (JOGMEC, President: Hirobumi Kawano) signed a Memorandum of Understanding on a rare earth recovery project which has been conducted by Sumitomo Corporation (Sumitomo) and KAZATOMPROM, Kazakh National Atomic Company. The signing ceremony was held in The First Joint Commission of the Japan-Kazakhstan Government and Private Sector on Economic Cooperation. The MOU was signed by Mr. Furuhashi, Executive Officer, Sumitomo; Mr. Yashin, Vice-President, KAZATOMPROM; and Mr. Shikado, Executive Director, JOGMEC.

In August 2009, Sumitomo reached an agreement with KAZATOMPROM to undertake the project to recover rare earth from uranium-ore residue. By the end of 2009, Sumitomo and KAZATOMPROM are going to establish a joint venture entity to produce rare earth concentrate from uranium tailings by utilizing an existing facility in ULBA, which will commence steady production of rare earth metals as soon as practical.

In the MOU JOGMEC has decided to provide technical support to the project through Sumitomo and consider necessary financial support for the project, based on the understanding that the project contributes to stable supply of rare earth metals to Japan.

Rare earth such as dysprosium and neodymium are indispensable rare metals for high performance magnets used in hybrid / electric vehicles, however, currently rare earth market is heavily dependent on China. It is an urgent matter to diversify the suppliers. It is expected that the project will open up doors and Kazakhstan will become a new supplier of rare earth.

■ What is KAZATOMPROM?

KAZATOMPROM is a Kazakh national atomic company, which operates natural uranium production, pelletizing, and reconversion of enriched uranium, including production of beryllium, niobium and tantalum. The company has been eager to develop joint venture operation with foreign companies. It has engaged in joint venture with global uranium production companies Cameco (Canada) and AREVA (France), and also Russian/Chinese/ Korean companies.

Japanese companies Sumitomo Corporation and The Kansai Electric Power Co., Inc. have entered into a joint venture with APPAK LLP, a project of uranium mining development (the shares of Kazatomprom, Sumitomo, and KEPCO are 65%, 25%, and 10% respectively). Marubeni Corporation, The Tokyo Electric Power Company, and Chubu Electric Power Co, Inc. also have jointly entered into Kharasan project of uranium mining development. Toshiba Corporation has transferred 10% shares of Toshiba's affiliate company Westinghouse Electric Co., to Kazatomprom. Thus a number of Japanese leading companies has involved in cooperation with Kazatomprom in the field of nuclear power industry.

■ The First Joint Commission of the Japan-Kazakhstan Government and Private Sector on Economic Cooperation

The meeting was conducted in Astana on the basis of an agreement on establishment of framework commissioned by governmental and private sectors, which was made between then Prime Minister Fukuda and President Nazarbayev in 2008 on his visit to Japan. The framework is intended to discuss comprehensively on environmental improvement for enhancing trade/ investment and cooperation in the economic field. In the meeting Vice-Minister Ishige, Ministry of Economy, Trade and Industry, served as chairman of the Japan side, and Vice-Minister Magauov, Ministry of Energy and Mineral Resources, served as chairman of the Kazakhstan side.

