

Australian-owned rare earths plant in Malaysia drawn into US war preparations

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23 December 2025

An Australian-owned rare earths processing facility operating in Malaysia has emerged as a critical node in the United States' accelerating preparations for war, particularly against China. The Lynas Advanced Materials Plant (LAMP), located at Gebeng near Kuantan in the Malaysian state of Pahang, now occupies a central position in Washington's efforts to secure non-Chinese supply chains for minerals indispensable to modern military production.

LAMP is owned and operated by Lynas Rare Earths Ltd, an Australian corporation that controls the Mount Weld mine in Western Australia, one of the richest rare earth deposits in the world. While the ore is extracted in Australia, it is shipped thousands of kilometres to Malaysia for separation and refining.

The Malaysian plant, which began operations in 2012–13, was established to carry out the most environmentally hazardous stage of rare earths production outside Australia, taking advantage of lower costs and far more permissive environmental and waste-handling regulations.

For more than a decade, the facility primarily processed light rare earth elements, particularly neodymium and praseodymium (NdPr), used in high-performance magnets for electric vehicles, wind turbines and consumer electronics.

In recent years, however, the character of the Malaysian operation has changed qualitatively. Lynas has completed a major upgrade that allows for the commercial separation of heavy rare earth elements, notably dysprosium and terbium. As a result, Lynas is now widely regarded as the largest commercial heavy rare earths separation facility outside China and a strategic asset for Western governments concerned about Beijing's dominance of global supply chains.

With higher atomic numbers, heavy rare earth elements are far scarcer and more strategically sensitive than their lighter counterparts. They are essential to the manufacture of heat-resistant permanent magnets required for advanced weapons systems, including fighter jets, missile guidance systems, naval propulsion and precision-guided munitions.

Commercial production of these heavy rare earth oxides commenced in mid-2025. Lynas has indicated that current output is modest but growing, with the facility forecast to ramp up to several thousand tonnes per year once the new processing lines are fully utilised. This would make the Malaysian plant the only commercial-scale producer of separated heavy rare earth oxides currently operating outside China, a fact repeatedly emphasised by US and Australian officials.

The importance of this development is underscored by the deepening military alignment between Australia and the US, together with Britain under the AUKUS pact. AUKUS, presented fraudulently as a “defensive” arrangement, is in reality a framework for integrating Australia into US war planning in the Indo-Pacific. It encompasses not only nuclear-powered submarines and long-range missiles, but also cooperation on advanced weapons, artificial intelligence, hypersonic missiles and undersea warfare—all of which depend on secure supplies of rare earth materials.

On April 4, two days after Trump announced his so-called “Liberation Day” tariffs, China placed export restrictions on dysprosium. Mark Smith, chief executive of US critical minerals company, NioCorp Developments, stated: “This is a precision strike by China against Pentagon supply chains that enable our most powerful weapons and defense systems.”

Undoubtedly concerned, the Trump administration signed the “Critical Minerals and Rare Earths Framework” with Australian Prime Minister Anthony Albanese in Washington in October. The framework commits both governments to invest at least \$US1 billion each to develop and secure supply chains for rare earths and other critical minerals.

Unlike many diplomatic memoranda, this document contains tangible financial commitments and establishes mechanisms for coordinated investment, signalling the centrality of rare earths to US-led war preparations.

The militaristic thrust is set out plainly in the framework which states:

... the Participants have reached an understanding on a common policy framework for the mining and processing of critical minerals and rare earths ... intensifying their cooperative efforts to accelerate the secure supply of critical minerals and rare earths necessary to support manufacturing of defense and advanced technologies and their respective industrial bases...

Within this framework, the Lynas facility in Malaysia functions as a vital industrial link. Australian mining, Malaysian processing and US defence demand are being fused into a single strategic chain, aimed at insulating the American war machine from any disruption by China.

Alongside this agreement, Trump and Malaysian Prime Minister Anwar Ibrahim in October signed a separate memorandum of understanding on critical minerals and rare earths. In contrast to the US-Australia framework, the US-Malaysia memorandum is explicitly non-binding. It speaks in vague terms of cooperation, information sharing and investment facilitation, without committing funds or specifying concrete projects. Its aspirational character reflects Kuala Lumpur's attempt to signal openness to Washington while retaining room for manoeuvre.

This balancing act must be understood in the context of Malaysia's efforts to minimise the impact of Trump's tariffs, which threaten to disrupt Malaysian exports to the US.

At the same time, Anwar faces intense domestic pressures. Among Malaysian workers and youth, US imperialism is widely associated with the ongoing genocide in Gaza. Since October 2023, tens of thousands of Palestinians have been killed, the overwhelming majority being women and children, in an onslaught backed politically, militarily and diplomatically by Washington. These crimes have profoundly radicalised youth across the region and hardened opposition to any alignment with the US.

Conscious of this sentiment, the Anwar government has made rhetorical denunciations of the Gaza genocide, issuing statements condemning Israeli actions and expressing support for Palestinian rights. These statements, however, are glaringly hypocritical when placed alongside what is transparently an attempt at shoring up the capability of the US government to wage war.

Situated in the background are Malaysia's parallel discussions with China over rare earths development. On October 2, 2025, a Reuters report noted that Malaysian state entities, including the sovereign wealth fund Khazanah Nasional, were in early talks with Chinese partners regarding potential rare earth processing projects. Chinese officials

have publicly acknowledged discussions on technical cooperation, while Malaysian ministers have been careful to describe them as preliminary and non-committal.

This opacity reflects the explosive geopolitical implications of overt Chinese involvement in Malaysia's rare earth sector at a time when Washington is attempting to exclude Beijing from global supply chains. Any large-scale Chinese role could provoke an aggressive response from the US, including tariffs, sanctions or other forms of economic coercion.

While the recent US-Malaysia tariff arrangement sets a US tariff rate at 19 percent on most Malaysian imports, there are also "poison pill" clauses inserted by the US government, which allow it to increase the tariff rate should Malaysia enter into agreements that the US deems threatening to its economic and/or geopolitical interests—in effect, a veto.

The *New Straits Times* notes that "the most immediate sector affected is Malaysia's rare-earth and advanced-materials industry," specifically any Malaysia-China agreement in this area.

Kuala Lumpur's balancing under these conditions is becoming increasingly untenable. The Anwar government is attempting to navigate between US imperialism, significant Chinese trade relations and domestic opposition, but the room for manoeuvre is shrinking rapidly.

The United States is escalating its aggression through reckless and transparently gangster-like military actions, from the arming of Ukraine against Russia, drone and missile strikes off the coast of Venezuela to the open endorsement of mass slaughter in Gaza. These actions are fuelling a global maelstrom of war, leaving little room for neutral or "balanced" positions.

In this context, the integration of Malaysia into US-aligned rare earth supply chains is not a technical or commercial matter. It is a concrete step in the preparation of catastrophic new wars. The working class in Malaysia, Australia and internationally faces the urgent task of opposing these preparations, breaking from all factions of the national bourgeoisie and building an independent, internationalist and socialist movement against imperialism and war.



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