

**Follow up to the European Parliament non-legislative  
resolution on tackling China's critical raw materials export  
restrictions**

- 1. Resolution tabled pursuant to 136(2) and (4) of the European Parliament's Rules of procedure**
- 2. References:** 2025/2800(RSP) / B10-0324/2025 / P10\_TA(2025)0166
- 3. Date of adoption of the resolution:** 10 July 2025
- 4. Competent Parliamentary Committee:** N/A
- 5. Brief analysis/ assessment of the resolution and requests made in it:**

The resolution condemns China's imposition on 4 April 2025 of export licensing requirements on seven rare earth elements (samarium, gadolinium, terbium, dysprosium, lutetium, scandium and yttrium) and related products, notably permanent magnets, and the mis-use of the licensing process to withhold licenses and put undue pressure on the EU and EU businesses.

The resolution also urges the acceleration of the implementation of the Critical Raw Material Act (CRMA) and other de-risking efforts, including by increasing EU capacities for critical raw materials extraction, refining, processing, recycling, stockpiling as well as access to and development of substitutes. The need for collaboration with partners is also highlighted, through *inter alia* Clean Trade and Investment Partnerships (CTIPs) and cooperation with bodies like the G7.

- 6. Response to the requests in the resolution and overview of the action taken, or intended to be taken, by the Commission:**

The Commission welcomes the Parliament's resolution and agrees with most of its findings.

Regarding paragraphs 1 and 2, the Commission fully shares the Parliament's concern regarding China's export restrictions on rare earths and related products, notably permanent magnets. These restrictions gravely affect EU civilian supply chains and influence the EU's strategic autonomy in terms of its ability to sustain economic sectors vital for the green and digital transitions, demonstrating the urgent need to de-risk EU supply chains. President von der Leyen last reiterated this message during the G7 Summit in Kananaskis on 16 June 2025.

Regarding paragraphs 3 and 4, China's above-mentioned export restrictions were forcefully raised by Commission President Ursula von der Leyen in her meetings with both President Xi

Jinping and Premier Li Qiang of China during the EU-China Summit on 24 July 2025. President von der Leyen stressed that predictable trade flows must urgently be restored, including by ensuring swift customs clearance of controlled items once licenses have been granted. While the Commission has met regularly with the relevant Chinese authorities to ensure that the most urgent EU license requests as signalled by EU industry are prioritised by China, this is not sufficient. President von der Leyen has stressed the need for China to put in place a permanent solution that can fully restore trade flows, predictability and confidence to EU-China supply chains. In this context, the two sides agreed to upgrade the EU-China Export Control Dialogue.

The Commission considers that export controls should be based on objective criteria related to security and be applied in a transparent and proportionate manner. China should thus refrain from imposing broadly formulated export controls, with unclear justifications relating to security. The Commission has consistently called upon China to refrain from weaponising export controls, in particular with respect to sectors vital for the green and digital transitions.

Regarding paragraph 7, the Commission fully shares the Parliament's concerns over the excessive information requests made by China to companies when applying for export licenses, in many cases requiring companies to disclose highly confidential business sensitive data that are not justified from a dual-use perspective. The Commission has repeatedly expressed serious concerns to China and asked that such requests should cease.

On paragraph 8, the Commission stands committed to maintain its ambition in implementing the CRMA; following the selection of the 47 Strategic Projects in the EU and 13 Strategic Projects in third countries and OCTs, including 7 on rare earth elements, the Commission has launched on 25 September 2025 a second call for applications for Strategic Projects that will support the achievement of the EU benchmarks for extraction, processing and recycling of strategic raw materials.

Regarding paragraph 9, the Commission will continue working with the Member States and the European Parliament within the CRM Board to help de-risk the Strategic Projects, in the framework of the sub-group on financing that involves public and private financing institutions. Furthermore, the Commission proposal for the European Competitiveness Fund includes support for the Strategic Projects under the Critical Raw Materials Act, in line with economic security needs and the green and digital transition objectives.

As regards paragraph 10, the Commission is also supporting the development of a secondary market for critical raw materials and notably rare earth elements, through the implementation of the

measures of the CRMA's Chapter 5 and the implementation or development of other waste legislation aiming at improving CRM circularity.

Regarding paragraph 11, the Commission takes note of the European Parliament's call to ensure the long-term business case for and the viability of investment in CRM value chains, notably through price floors and strategic stockpiling; in implementing the CRMA and when preparing for the upcoming Critical Raw Materials Centre announced in the Clean Industrial Deal Communication, the Commission will assess and put forward the most appropriate measures to achieve the previously mentioned objectives. In addition, as part of the CRMA implementation, the Commission will come forward with a mechanism for the aggregation of demand and supply of strategic raw materials, which would also support the conclusions of offtakes agreements for in the European industry.

Regarding paragraph 12, presently, the Commission is working with the Member States for the assessment of strategic raw materials' stocks, in the framework of the implementation of the CRMA's Articles 22 and 23, which also foresee the adoption by the Commission of a benchmark indicating a safe level of Union strategic stocks of strategic raw materials.

Regarding paragraph 13, the Commission confirms the EU's commitment to develop mutually beneficial Clean Trade and Investment Partnerships (CTIPs) aimed at diversifying the EU's supply chains and boosting the third country's economy. In March 2025, a couple of months only after designing this new instrument, the EU started negotiations with South Africa for the first such CTIPs. CTIPs provide a focused, flexible and targeted form of engagement which focuses on concrete business interests. They complement other tools, including the vast network of bilateral free trade agreements concluded by the EU with 76 partners, covering 46% of EU Trade. The Commission will continue to pursue an active EU trade agenda, creating market opportunities and securing the resources necessary to ensure that European companies remain competitive. Further enlarging our FTA network will help the EU diversify and derisk. In this context, we have concluded negotiations with Mercosur, Mexico and Indonesia. The EU is also engaged in negotiations with India, Thailand, Malaysia, the Philippines and a group of five Eastern and Southern African countries. We have also just launched talks with the United Arab Emirates and we are re-engaging with Australia.