

POLICY UPDATE: CHINA'S MOFCOM TIGHTENS EXPORT CONTROLS ON RARE EARTHS AND STRATEGIC INDUSTRIES

10 October 2025

YESTERDAY, CHINA'S MINISTRY OF COMMERCE (MOFCOM) ISSUED A SERIES OF EXPORT CONTROL NOTICES, TIGHTENING BEIJING'S COMMAND OVER THE FLOW OF CERTAIN INDUSTRIAL GOODS AND EXPERTISE CRITICAL TO GLOBAL SUPPLY CHAINS.

QUICK INTRO

MofCom yesterday issued six public notices on export controls targeting rare earths, rare earths related equipment and service activity, synthetic diamonds, and battery technology. These targets represent areas of international trade in which China plays a dominant role, either in production volume or expertise, or both. Four of these notices were issued jointly with the General Administration of Customs of the People's Republic of China (GACC).

For perspective, prior to yesterday only three export control notices had been issued so far in 2025. MofCom also [announced](#) the addition of fourteen foreign companies operating in the defence, aerospace, drone technology and intelligence sectors to China's Unreliable Entities List (UEL). Yesterday's announcements represent a significant expansion in the scope of China's export control regime. An overview is provided below of the key points in each notice and the significance of the announcements.

NEW EXPORT CONTROLS

RARE EARTHS

Notice 56:

- Adds 60 types of items used in production, processing and other activity related to rare earths to the List of Dual-Use Items Subject to Export Control of the People's Republic of China (Dual-Use Items Control List, last [issued](#) 15 November 2024).
- Effective from 8 November 2025.

Notice 57:

- Adds five more rare earths, namely holmium, erbium, thulium, europium and ytterbium, to the list of restricted rare earths on the Dual-Use Items Control List bringing the total to twelve. The first seven were added on 4 April.
- These rare earths are primarily used in the fields of healthcare, defence and communications.
- Effective from 8 November 2025.



Notice 61:

- Foreign entities will now be required to obtain an export license from MofCom if they ship goods containing either 1) at least 0.1% rare earths from China; or 2) are produced using Chinese rare earths technology.
- Applications from both foreign and domestic companies for R&D and production of 14 nanometre and below logic chips and 256 layers and above memory chips, as well as any R&D related to AI with potential military applications will be approved on a case-by-case basis.
- These controls only apply to the seven restricted rare earths originally listed in the 4 April notice.
- Controls on the export of goods containing the original seven rare earths are effective immediately, while the rest of the changes take effect from 1 December 2025.

Notice 62:

- Expands the existing rare earth export controls to include technologies, services and expertise pertaining to rare earth mining, refining, smelting, magnet material manufacturing and recycling. These exports are added to the Dual-Use Items Control List.
- The notice this time specifies that exports include the export of these technologies and services to foreign organisations and people based both outside and within China's territory.
- Chinese citizens, Chinese legal persons, or unincorporated organisations will not be able to provide support for overseas rare earths mining, refining, smelting, magnet material manufacturing and recycling without permission.
- These controls are effective immediately.

DIAMONDS

Notice 55:

- Adds certain synthetic diamond micropowders, single crystals, wire saws and grinding wheels to the Dual-Use Items Control List.
- These ultra hard materials are often used in high-precision manufacturing, including semiconductors, quantum devices and advanced electronic systems.
- Effective from 8 November 2025.

BATTERY TECHNOLOGY

Notice 58:

- Adds some high-end lithium-ion batteries, cathodes and graphite anode material and related technologies and expertise to the Dual-Use Items Control List.
- This expands on China's earlier controls on technology used to make cutting-edge batteries imposed in July earlier this year.
- Effective from 8 November 2025.

SIGNIFICANCE

- The new controls represent a significant expansion in China's export control program. Now, the export controls not only target the raw and processed materials themselves, but accompanying technology and expertise that has been developed in China.
- While some of the export controls take immediate effect, most are scheduled to be implemented starting 8 November, one day before the current US-China trade truce is set to end.
- The export license requirements introduced in Notice 61 are similar to the US's Foreign Direct Product Rule (FDPR) which is used to oversee other countries exporting advanced chips, materials and equipment containing US technology, most notably semiconductor technology to China. This significantly expands the remit of China's rare earths export control program.
- Another significant escalation - overlooked in most media coverage - is the definition for exports in Notice 62 which includes items delivered to foreign organisations within China. This is irregular in Chinese export practice and means the highly disruptive rare earth export controls now also affect foreign firms manufacturing in China to sell to the Chinese market.
- MofCom's announcements may increase the likelihood for foreign countries to invest more into domestic mining and refining facilities. The United States already has several major initiatives underway to bolster their local supply chains, with France and Germany recently following suit, with refineries opening or planning to start operations within the next year. Nevertheless, industry experts still predict it will take 3-5 years to significantly reduce dependence on Chinese rare earths exports.
- The rule on preventing Chinese citizens from contributing to any work on rare earths without government permission mirrors the United States' rule on prohibiting American citizens and legal persons to work in China on anything semiconductor, AI, or quantum related.
- Some of these controls are in response to US trade actions, including the addition of the fourteen defence, aerospace, drone technology and intelligence companies to the UEL.
- China holds a dominant position in the global trade of synthetic diamonds, with some reports [claiming](#) that China produces 70% of the world's synthetic diamonds. According to GACC data, China's exports of diamonds across all categories to the UK in 2024 totalled \$19.9 million (£15.0 million).