China Retaliates Against US Tariffs with Immediate Global Export Restrictions on Critical Minerals

written by Tracy Hughes | April 4, 2025

This morning, April 4, 2025, China announced new export controls on several critical rare earth elements in response to recent U.S. tariffs. These measures are set to take effect immediately. This strategic move by Beijing, targeting seven critical minerals—including samarium (Sm), gadolinium (Gd), terbium (Tb), dysprosium (Dy), lutetium (Lu), scandium (Sc), and yttrium (Y)—underscores China's dominance over global rare earth production, with significant implications for U.S. industries ranging from consumer electronics to clean energy and defense. Concurrently, China announced a reciprocal 34% tariff on all U.S. imports, further intensifying trade tensions and signaling potential disruptions in global markets and supply chains.

> *"The Chinese government has implemented export controls on relevant items in accordance with the law in order to better safeguard national security and interests and fulfill international obligations such as non-proliferation. The relevant items have dual-use properties, and it is an internationally accepted practice to impose export controls on them. As a responsible major country, China has included the relevant items in the list, which reflects its consistent position of firmly maintaining world peace and regional stability. China is willing to strengthen foreign exchanges and cooperation and promote compliant trade through the bilateral export control dialogue and exchange mechanism." – statement*

from MOFCOM (Ministry of Commerce, China)

The restricted minerals and their primary applications are as follows:

- **Samarium (Sm):** Utilized in the manufacturing of permanent magnets, which are essential components in aerospace technologies and defense systems.
- **Gadolinium (Gd):** Employed in medical imaging, particularly in magnetic resonance imaging (MRI) contrast agents, and in various nuclear reactor applications.
- **Terbium (Tb):** Used in solid-state devices, including advanced electronics and green phosphors in lighting and displays.
- **Dysprosium (Dy):** Critical for producing high-performance magnets that operate under high temperatures, commonly found in electric vehicles and wind turbines.
- **Lutetium (Lu):** Applied in specialized medical imaging devices and as catalysts in petroleum refining.
- **Scandium (Sc):** Utilized in aerospace components and solid oxide fuel cells due to its lightweight and high-strength properties.
- **Yttrium (Y):** Used in the production of superconductors, lasers, and various medical applications.

These export controls are part of China’s broader strategy to leverage its dominance in the production and processing of rare earth elements, which are vital to numerous high-tech and defense industries globally. The timeline for these restrictions is immediate, with enforcement beginning today, April 4, 2025.

In addition to these measures, China has previously implemented export controls on other critical minerals:

- **December 2024:** Banned exports of gallium (Ga), germanium (Ge), and antimony (Sb) to the United States, citing national security concerns.
- **February 2025:** Imposed export controls on tungsten (W), indium (In), bismuth (Bi), tellurium (Te), and molybdenum (Mo), requiring licenses for their export.

These actions underscore the escalating trade tensions between China and the United States, with critical minerals becoming focal points in the ongoing economic dispute.

Want to learn more about Critical Minerals? Go to the Critical Minerals Institute (CMI) or for more information on the upcoming CMI Summit IV, go to the CriticalMineralSummit.com.