



Image generated using AI

Scrap metal export restrictions

Proposals from business



German Chamber of
Commerce and Industry



German Chambers of
Commerce and Industry

Legal notice

German Chamber of Commerce and Industry

Breite Straße 29

D-10178 Berlin

Telephone +49 30 20308 0

Email info@dihk.de

DIHK Online

[Homepage](#) | [Facebook](#) | [X \(Twitter\)](#) | [LinkedIn](#) | [Instagram](#) | [YouTube](#)

Editors: Klemens Kober, Phillip Flore, Katharina Neckel, Christoph Petri

Graphics: Sebastian Titze

As at: September 2026

Business proposals on scrap metal export restrictions

As an industrial nation, Germany is dependent on reliable access to raw materials from abroad. The rising number of export restrictions is exacerbating these dependencies and posing significant challenges to the German and European economies. Critical raw materials, which are indispensable for sectors such as the digital, energy and defence industries, are particularly affected.

At the same time, there are also growing calls within the EU for export restrictions on scrap and waste, with a view to strengthening domestic economic cycles. The European Commission therefore plans to propose export duties on aluminium and copper scrap in September. Measures covering other waste, such as in the battery sector, could follow.

The majority of the German business community is in principle opposed to export restrictions such as bans, licensing requirements and tariffs. Certain sectors of the economy, however, advocate targeted, proportionate and regularly evaluated instruments, provided that structural market distortions exist, strategically relevant material flows are being diverted on a significant scale, and this thereby jeopardises European processing capacities, value chains or security of supply.

Export restrictions are, in principle, not a sustainable means of securing the supply of raw materials. They regularly lead to countermeasures that further restrict access to sources of raw materials. Rather than artificially retaining material flows within the Single Market, the aim should be to make Europe an attractive location for recycling, reprocessing and the use of secondary raw materials.

The EU and the German government should therefore, as a matter of principle, oppose such measures. Where restrictions are adopted on grounds of economic security, they should be confined to strictly limited strategic areas and should take careful account of potential retaliatory measures by trading partners, as well as their impact on businesses – particularly small and medium-sized enterprises – and supply chains.

Priorities

- WTO-compliance
- EU agreements as a tool against export restrictions
- Export restrictions on waste only as a last resort
- Ensuring the practical implementation of export requirements
- Strengthening the circular economy, research and development in the EU

Overview of export restrictions on critical raw materials

The annual update of the OECD database on export restrictions for critical raw materials shows that such restrictions have reached historic levels and have increased fivefold since 2009¹. Raw materials that are central to industrial value creation are particularly affected. Between 2022 and 2024, for example, around 70 per cent of global exports of cobalt and manganese were subject to at least one export restriction. According to the OECD, similarly high levels of exposure were also recorded for graphite (47 per cent), rare earth elements (45 per cent) and tin (41 per cent).

At the same time, the number of countries introducing export restrictions is rising. Alongside major players such as China and India, resource-rich developing and emerging economies such as Argentina, Vietnam and Burundi are increasingly implementing such measures. In August 2026, the US imposed export restrictions on battery scrap and other types of scrap. This suggests that such measures are increasingly being used as an instrument of raw materials and industrial policy. Should other relevant OECD countries impose similar restrictions, the EU should reassess its options.

Alongside traditional instruments such as export duties and licensing requirements, measures such as export bans are also gaining in importance. In 2024, for example, almost a quarter of the newly introduced measures were export bans.

Waste and scrap materials are the most frequently restricted category of critical raw materials, reflecting both environmental concerns and the growing interest in the circular economy as a source of metals and minerals.

The EU, too, is increasingly viewing waste streams not merely as rubbish to be disposed of, but as a strategic source of secondary raw materials for industrial resilience and decarbonisation. Against this backdrop, export restrictions on selected secondary raw materials are being discussed with a view to strengthening the supply to the European Manufacturing Industry. The aim is to expand recycling capacities, strengthen the European circular economy, secure the supply of raw materials and thereby enhance the competitiveness of the manufacturing industry.

Specific export restrictions are already in place for certain material streams. For example, 'black mass' from battery recycling is subject to a strict export regime due to its classification as hazardous waste. This means that de facto export restrictions already exist today for certain secondary raw material streams. Waste policy is thus increasingly becoming part of European raw materials and industrial policy

Impact of third-country export restrictions

Whilst demand for critical raw materials is rising rapidly, supply is adjusting only slowly and is highly concentrated. The EU is dependent on a small number of countries for critical raw materials, which could slow down or make the green and digital transitions more expensive. According to the Draghi Report on European Competitiveness², there is in many cases a marked dependence on individual producer countries: China, for example, dominates global rare-earth production with a market share of around 68 per cent and is also the leader in graphite with a share of around 70 per cent. Market concentration is also particularly high in the downstream processing sector and has continued to increase in recent years. For instance, around half of the planned production facilities for lithium chemicals, as well as over 90 per cent of all rare

¹ [Export restrictions on critical raw materials | OECD](#)

² [ec1409c1-d4b4-4882-8bdd-3519f86bbb92_en](#)

earth's processing capacity, are located in China. Indonesia controls almost 90 per cent of the planned refining capacity for nickel.

The export restrictions imposed by China on precisely these critical raw materials in the wake of the trade conflict with the US have highlighted the vulnerability of the German and European manufacturing industry. Supply chains were disrupted, production came under threat of a standstill in many sectors of the economy, and third countries are increasingly exploiting such dependencies as a bargaining chip by imposing economic coercive measures. It is therefore essential to rapidly reduce these strategic dependencies, for example through the EU's ResourceEU programme, which supports raw materials projects across the value chain.

EU debate on export restrictions

Against the backdrop of dependencies on critical raw materials and the need to strengthen the resilience of the European economy, discussions are currently taking place in Brussels regarding the introduction of the EU's own export restrictions on critical raw materials, particularly in the scrap sector. In recent years, the EU has evolved from being a net importer of scrap to an exporter of scrap – for example, in the case of copper and aluminium.³

Some companies point out that targeted export restrictions should play a role as a countermeasure in response to export restrictions or unfair trade practices by third countries, or to secure strategically important raw materials for the European economy and for the development of a European circular economy.

At the same time, some voices in the business community warn that export restrictions on scrap could lead to an oversupply of scrap in the EU Single Market and thus to falling prices, which would undermine the profitability of the circular economy. Added to this are concerns about a lack of recycling and reprocessing capacity to handle the scrap remaining in Europe, as these materials would then have to be stored indefinitely and could not be disposed of in landfill sites. Furthermore, this reduces sales opportunities for scrap in third countries, which affects established supply chains.

There is also a risk of international retaliatory measures: if the EU begins to strategically withhold secondary raw materials, other countries might also impose stricter restrictions on their exports of primary and secondary raw materials. This would further fragment global raw materials markets and exacerbate trade conflicts. Some companies also point out that prescribed recycling targets, for example for batteries, can only be achieved through the free and global trade of secondary raw materials.

³ Eurostat 2026 https://ec.europa.eu/eurostat/databrowser/view/ds-045409_custom_21969566/default/table

Business proposals regarding export restrictions on raw materials

The German business community is overwhelmingly supportive of open raw materials markets and rules-based trade. Any export restrictions should only be used in very limited exceptional cases. Against this background, the following recommendations for action arise:

1) WTO-compliance

Export restrictions often conflict with international trade rules, such as the OECD Decision on the Trans-boundary Movement of Waste for Recovery, the Basel Convention and the rules of the World Trade Organisation (WTO). These regimes do not provide for export restrictions on certain waste streams, such as uncontaminated non-hazardous steel scrap. Exceptions should be confined to strictly limited cases relating to the protection of health and the environment, and must be substantiated with valid reasons that are compatible with WTO rules.

2) EU agreements as a tool against export restrictions

The EU should enshrine binding provisions against export restrictions on critical raw materials in trade and raw materials agreements. Dual-pricing mechanisms, such as those provided for in the EU's agreements with Chile and Mercosur, also have a discriminatory effect on EU companies and should be avoided: prices for exports to the EU must not be higher than those on the local market. Similarly, EU agreements should prohibit export monopolies that could restrict export volumes or set higher prices. The EU was right to initiate and win WTO proceedings against China's unjustified export restrictions on rare earths and Indonesia's export restrictions on nickel. At the same time, the German government and the EU should insist more strongly on compliance with WTO rules and conclude agreements with as many partner countries as possible to keep markets for critical goods and raw materials open. The recent Singapore–New Zealand Agreement on Trade in Essential Goods (AOTES), as the first binding agreement of its kind, can serve as a model for future EU agreements, for example within the framework of a corresponding EU–CPTPP agreement.⁴ Furthermore, development cooperation and raw materials policy should be coordinated more closely.

3) Export restrictions on waste only as a last resort

The majority of companies take a critical view of export restrictions on waste and scrap. Such measures should therefore only be considered as a last resort and following a careful assessment of their potential impact on trade, international partnerships and supply chains. Particular consideration must be given to possible retaliatory measures by other countries, as well as negative effects on the international competitiveness of German companies. International markets for secondary raw materials are an integral part of functioning recycling chains. Export restrictions can prove particularly problematic for small and medium-sized recycling companies if there are no sufficient recycling alternatives available within the EU at short notice.

However, some companies recognise that, in exceptional cases, targeted and strictly limited measures can help to secure the supply of secondary raw materials to strategically important manufacturing industries. In this context, time-limited export duties or quotas would be preferable to rigid export bans. This should be conditional upon a robust analysis of the relevant material flows, an assessment of European processing and recycling capacities, the involvement of affected companies, and regular evaluation and review clauses. Where processing and recycling capacities in Europe are insufficient, consideration should be given to whether private-sector contractual models can be utilised, whereby exported scrap is returned to the EU in

⁴ <https://www.mfat.govt.nz/en/trade/nz-trade-policy/agreement-on-trade-in-essential-supplies-with-singapore>

the form of secondary raw materials following processing. Some companies also suggest introducing an export levy on certain secondary raw materials, with an exemption for exports that are demonstrably temporary, intended for recovery or processing in a third country, and where the resulting recyclates are subsequently returned to the EU internal market.

4) Ensuring the practical implementation of export requirements

Should export restrictions be used as a last resort in justified exceptional cases, the burden on businesses should be kept to a minimum. To this end, early involvement of the relevant stakeholders is essential. Affected businesses should be consulted when designing such measures, so that practical implications for supply chains, investments and existing business relationships can be taken into account at an early stage. Furthermore, transparent, legally certain and practical regulations, as well as sufficient transition periods, are required to ensure implementation proceeds as smoothly as possible.

5) Strengthening the circular economy, research and development in the EU

A competitive circular economy is a key component of the EU's raw materials supply. Greater use of secondary raw materials can help to reduce environmental impact, use resources more efficiently and make the European manufacturing industry more sustainable. This requires a reliable regulatory framework, including the implementation of circular economy legislation with minimal red tape, faster authorisation procedures for recycling and reprocessing facilities, and the removal of Single Market barriers for waste and secondary raw materials. Equally important is the removal of regulatory barriers that hinder the use of secondary raw materials. In particular, legal uncertainties regarding the distinction between waste, by-products and product status, as well as concerning the end-of-waste status, can stifle investment and innovative business models. Furthermore, greater consideration should be given to the potential of industrial symbiosis. The use of by-products, residual materials and material and energy flows between companies can tap into additional sources of raw materials and increase resource efficiency within Europe. Price developments should, as far as possible, be left to the market. The aim should be to create a functioning market for high-quality secondary raw materials and to strengthen their competitiveness vis-à-vis primary raw materials.

In its position paper on the planned Circular Economy Act⁵, the DIHK has set out ten guiding principles for a competitive circular economy in Europe. Reducing European regulations on the processing of secondary raw materials can also provide further incentives for domestic processing rather than exports.

In addition, investment in research and development is necessary to drive innovation across the entire value chain and to further increase resource efficiency. The EU's Research Framework Programme should therefore give greater priority to this issue⁶. Finally, measures could be explored to boost demand for secondary raw materials within the EU.

⁵ <https://www.dihk.de/resource/blob/163404/d7b9b877918ca0e3f7a4f8d1c38b7455/nachhaltigkeit-dihk-impuls-circulareconomyact-data.pdf>

⁶ See DIHK position paper 'For a secure, affordable and sustainable supply of raw materials' 25 November 2020 Executive Committee Agenda Item 5c Annex: Raw Materials Position Paper

Who we are:

The German Chamber of Commerce and Industry (DIHK) is the umbrella organisation of the 79 Chambers of Commerce and Industry (IHKs) in Germany. Together, they represent the interests of more than three million companies from industry, trade and services – from small local businesses to globally active corporations. Their shared objective is to ensure the best possible conditions for successful business.

At the national level, the DIHK consolidates the positions of the IHKs through a formal, statutory-based process. It represents the overall interests of the German business community vis-à-vis policymakers, public authorities and the wider public. At both the federal and European levels, the DIHK advocates for competitive framework conditions, including reduced bureaucracy, open markets and modern infrastructure.

The DIHK serves as a platform for the diverse perspectives of its member companies. Its analyses and statements reflect a broad range of views, including minority positions, in order to provide policymakers with a comprehensive and balanced picture. In this way, the DIHK contributes to informed and credible economic policy debates in Berlin and Brussels.

Entrepreneurs play a central role in shaping the DIHK's positions through their engagement in statutory and voluntary bodies such as general assemblies and committees. Their work is supported by more than 200 staff members in Berlin and Brussels. The DIHK's Chief Executive Officer, appointed by the General Assembly, is responsible for day-to-day operations.

In addition to its national role, the DIHK coordinates a global network of more than 150 German Chambers of Commerce Abroad (AHKs), delegations and representative offices in over 90 countries, supporting German businesses worldwide.