

Critical Raw Materials Act (CRMA)

VDMA position paper on the
review of the Critical Raw
Materials Act in the context of
the RESourceEU Action Plan

Recognition of the challenge and support for the ResourceEU Action Plan

The mechanical and plant engineering sector expressly recognises the strategic importance of critical raw materials for industrial value creation, technological sovereignty and Europe's economic resilience. The existing dependencies, which have intensified in recent years as a result of geopolitical tensions, global market disruptions and structural shortcomings, pose a real challenge for both companies and states alike. Against this backdrop, VDMA welcomes the fact that the European Commission is pursuing a comprehensive approach with the ResourceEU Action Plan and is focusing on various measures to strengthen Europe's raw materials supply. The industry expressly shares the objective of increasing security of supply and systematically embedding resilience.

At the same time, VDMA views the proposed revision of the CRMA as part of this process with great concern. In particular, the increased focus on internal corporate obligations risks overlooking the actual causes of existing dependencies and unilaterally shifting responsibility for a structural, political problem onto companies.

Problematic shift of responsibility and limited ability of companies to exert control

From the perspective of the mechanical engineering sector, ensuring a strategic basic supply of critical raw materials is a core government responsibility. However, the proposed amendments to the CRMA largely reverse this principle. Companies are expected to assess risks, develop resilience strategies and reduce dependencies – without having any real alternatives or new sources of supply at their disposal. This imposes a responsibility on companies that they cannot in fact fulfil, even if they wanted to.

Many of today's dependencies are not the result of poor business decisions, but rather the outcome of long-term structural developments shaped in particular by political frameworks. These include, for example, the steady reduction of existing extraction capacities and the lack of sufficient strategic raw material partnerships. Furthermore, the development of new production capacity is being and has been delayed by protracted approval procedures and ever-increasing regulatory requirements (e.g. stricter environmental and sustainability assessment criteria). Only an active, supportive role on the part of the state can effectively address these structural weaknesses and strengthen security of supply in the long term.

Current analyses also confirm the need for action. The latest report by the European Court of Auditors¹ shows that the European Union is, in some respects, falling short of its own targets in

¹ [Special Report 04/2026: Critical Raw Materials for the Energy Transition](#) (Figure 5: 'Average production capacity in the EU compared to the 2030 targets')

the area of critical raw materials. This underscores the need to further intensify political measures to build up its own raw materials base.

The resulting structural risks cannot, therefore, be resolved by companies alone today. A reversal of responsibility, whereby industry bears the brunt of tackling these challenges, therefore falls short.

Reporting obligations instead of support: misguided approach in the CRMA

Many companies already carry out comprehensive risk assessments of their supply chains. These take into account a wide range of factors, including ESG aspects, climate risks, financial risks, the reliability and suitability of suppliers, competitive conditions, and transport and logistics structures. In practice, it is becoming increasingly apparent that the issue is often not a lack of awareness among companies, but rather a lack of genuinely available alternatives within global supply chains. Particularly in the case of specialised materials or highly specialised components, it is becoming increasingly difficult to identify suitable alternative suppliers at all.

VDMA therefore takes a particularly critical view of the measures envisaged under Article 24 of the CRMA, which aim at additional company-specific risk and resilience reporting and permit interventions in business practices through adaptation measures that the European Commission can implement via delegated acts. We consider raising awareness of supply risks to be both right and necessary. However, from the industry's perspective, rather than imposing further regulatory control and documentation obligations, it would be far more effective to support companies in their risk analysis – for example, through European analysis and monitoring tools, through common standards and guidelines for assessing supply chain risks, and through better access to data on global raw material flows. Such instruments could help companies identify potential vulnerabilities in their supply chains at an early stage and develop appropriate countermeasures. This is the only way to truly strengthen resilience.

Furthermore, we are deeply concerned that the reporting obligations and disclosures required under the CRMA could lead to the disclosure of confidential and sensitive information regarding supply chains and operational dependencies, and that this information could fall into the wrong hands. All information on dependencies and the results of stress tests must remain strictly within the companies.

Should suppliers or their subcontractors become aware that supply chain information could be passed on to authorities or other third parties, their willingness to provide primary supply chain data will decline significantly. This not only jeopardises confidentiality but can also have a lasting negative impact on cooperation across the entire value chain.

Finally, we wish to strongly oppose the EU's ability to impose measures on companies based on their risk profiles. The EU should not assume that administrative bodies are better placed than

the companies themselves to assess which diversification and risk-mitigation strategies are most appropriate for their business models.

Recycling and the circular economy within the framework of the CRMA – seizing opportunities, recognising limitations

The circular economy and recycling can make an important contribution to Europe's supply of critical raw materials. The recovery of materials from existing products and production waste reduces dependence on imports, conserves resources and strengthens European value creation. At the same time, new market opportunities are emerging for the European mechanical and plant engineering sector, particularly in recycling, sorting and processing technologies. VDMA fundamentally supports this objective.

However, in the context of the revision of the CRMA, VDMA anticipates a significant increase in the adaptation and compliance burden for companies. VDMA views the extension of information and reporting obligations regarding the recycling content of strategic raw materials in permanent magnets – as envisaged in the amendments to Articles 28 and 29 – with particular concern. In future, not only waste from end-of-life products but also production waste is to be included in the reporting obligations and potential minimum quotas. For VDMA member companies that manufacture such components themselves or integrate them into complex systems, this will result in additional administrative burdens throughout the entire supply chain. At the same time, the Commission's scope for action is significantly expanded in relation to delegated acts, through which minimum proportions of recycled strategic raw materials may be set in future. This dynamic creates additional regulatory uncertainties, complicates long-term investment and product decisions, and increases the risk that sensitive information regarding supply relationships, material compositions and production processes will become public.

VDMA agrees with the European Commission's proposal to remove the deadline of May 2026 for the adoption of a delegated act laying down rules for the calculation and verification of the recycled content. Instead, VDMA recommends that the European Commission commissions CEN/CENELEC to develop an EN standard specifying the level of information that should be collected along the supply chain to ensure robust and reliable verification of the manufacturer's calculations of the recycled content. This would enable the uniform implementation of regulatory requirements, which would strengthen consumer confidence whilst effectively preventing circumvention.

Proactive proposal from industry for a joint solution

Security of supply is a shared responsibility of the state and the industry. Whilst companies naturally have a vested economic interest in stable supply chains, it is the responsibility of the Member States and the EU to create the structural conditions for diversification. These include

raw material partnerships, the development of domestic production capacities, recycling projects and their promotion, as well as industrial policy alliances.

Against this backdrop, VDMA wishes not only to voice criticism but also to formulate a constructive proposal for policymakers. Industry is prepared to contribute actively to strengthening European resilience. Instead of additional regulatory requirements, VDMA therefore proposes a cooperative approach based on close collaboration between policymakers and industry.

A key component could involve supporting efforts to raise companies' awareness of supply chain risks through practical support tools. Furthermore, VDMA offers to work with its member companies to analyse where the greatest vulnerabilities and bottlenecks lie within the sector. On this basis, government strategies for diversifying supply chains and targeted raw material partnerships could be developed.

It is imperative that industrial policy partnerships be promoted more strongly and without delay. Historical experience shows that joint initiatives by policymakers and industry can produce effective solutions. One example of this is the situation following the Kobe earthquake some thirty years ago, when various industry players developed joint strategies to reduce supply chain risks and establish alternative supply structures. There are also successful examples of such cooperation at European level, such as the Circular Plastics Alliance, which demonstrates how cross-sector collaboration can contribute to the development of optimised communication along value chains.

To further advance the development of competitive, resilient and sustainable raw materials supply chains, a notable initiative has been launched at the German level: the "Zukunftsmodell Rohstoffsicherheit". VDMA plays a leading role in this cross-association and cross-industry project, which is inspired by successful international approaches. Central aspects of the strategy include establishing a raw materials trading house with a specialised portfolio, creating a dedicated government agency for monitoring raw materials security, introducing price stabilisation mechanisms for international projects, and realigning raw materials policy through strategic coordination. This collaborative model, once proven, can serve as a blueprint for scaling such efforts across Europe, thereby fostering stronger partnerships between policymakers and industry in pursuit of supply chain resilience.

Outlook and summary

The European Commission's current proposed amendments to the CRMA fail to recognise this potential. Instead, through strict reporting requirements and controls, they attempt to shift a problem onto companies for which there are currently no viable alternatives. An effective CRMA must instead sensibly interlink government responsibility, industrial policy strategy and business

practice. Only in this way can Europe's security of supply be sustainably strengthened without overburdening companies with tasks they cannot solve on their own.

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