

Re: Open letter on the role of biobased chemicals to boost Europe's competitiveness and resilience

I am writing on behalf of Cefic, the European Chemical Industry Council, to bring to your kind attention our considerations regarding the role of bio-based chemicals in Europe.

Mainstreaming the bioeconomy strategy into upcoming legislation, creating a market for bio-based chemicals and materials, enhancing EU trade and investment relations and ensuring access to biomass feedstock are key measures that can foster the competitiveness and resilience of the European Union whilst respecting planetary boundaries. With a well-established knowledge and expertise, the European bio-based chemical industry can offer its contribution in shaping a strong bioeconomy framework.

The Clean Industrial Deal announces a Bioeconomy Strategy to improve resource efficiency and to “tap the significant growth potential of bio-based materials substituting fossil-based materials, and related industries”.

We call on the European Commission to elevate the upcoming Bioeconomy Strategy into a real industrial strategy for the European Bioeconomy and implement a strong bio-based sector in Europe.

Mainstreaming a bold Bioeconomy Strategy

Mainstreaming a bold Bioeconomy Strategy in upcoming legislation (e.g. Industrial Decarbonisation Accelerator Act, Biotech Act, Common Agricultural Policy, Circular Economy Act, etc) can be a solution to provide consistency and predictability to the policy framework.

Additionally, targeted provisions to be integrated into product-specific legislation (e.g. ESPR, PPWR and ELVR, etc) can ensure broader applicability across all relevant legislative frameworks for bio-based value chains.

Establishing a favorable policy environment will lead to the creation of a single market for sustainable products, retaining current business whilst scaling up bio-based manufacturing in Europe. SMEs will be among the key beneficiaries of a bold bioeconomy strategy.

Reducing dependencies and creating a market for bio-based

In today's geopolitical context, it is key for Europe to reduce and rebalance dependencies on imported raw materials and strengthen Europe's resilience and competitiveness. China's development of a major fermentation and bio-based chemicals hub near Shanghai is a significant concern. We must act swiftly to create the right framework conditions in Europe to attract investment, ensuring that we do not become reliant on China for bio-based chemicals and pharmaceuticals.

Building on the successful model of the Critical Raw Materials Act, a similar approach can be applied to the technical and biological materials on which our industries depend.

In addition, measures to create market demand for secondary and bio-based materials, along with the establishment of a single market for bio-based waste streams, should be prioritised.

Enhancing EU trade and investment relations

The EU should strengthen its trade and investment relations with other regions, leveraging existing Free Trade Agreements (FTAs). Cooperation in areas such as digital trade, green technologies, economic security, and regulatory harmonization will be essential. Joint initiatives in research and development, particularly in the fields of energy-efficient chemical processes

and sustainable materials, will further support these relationships and advance the EU's sustainability goals.

Ensuring availability of feedstocks for bio-based materials

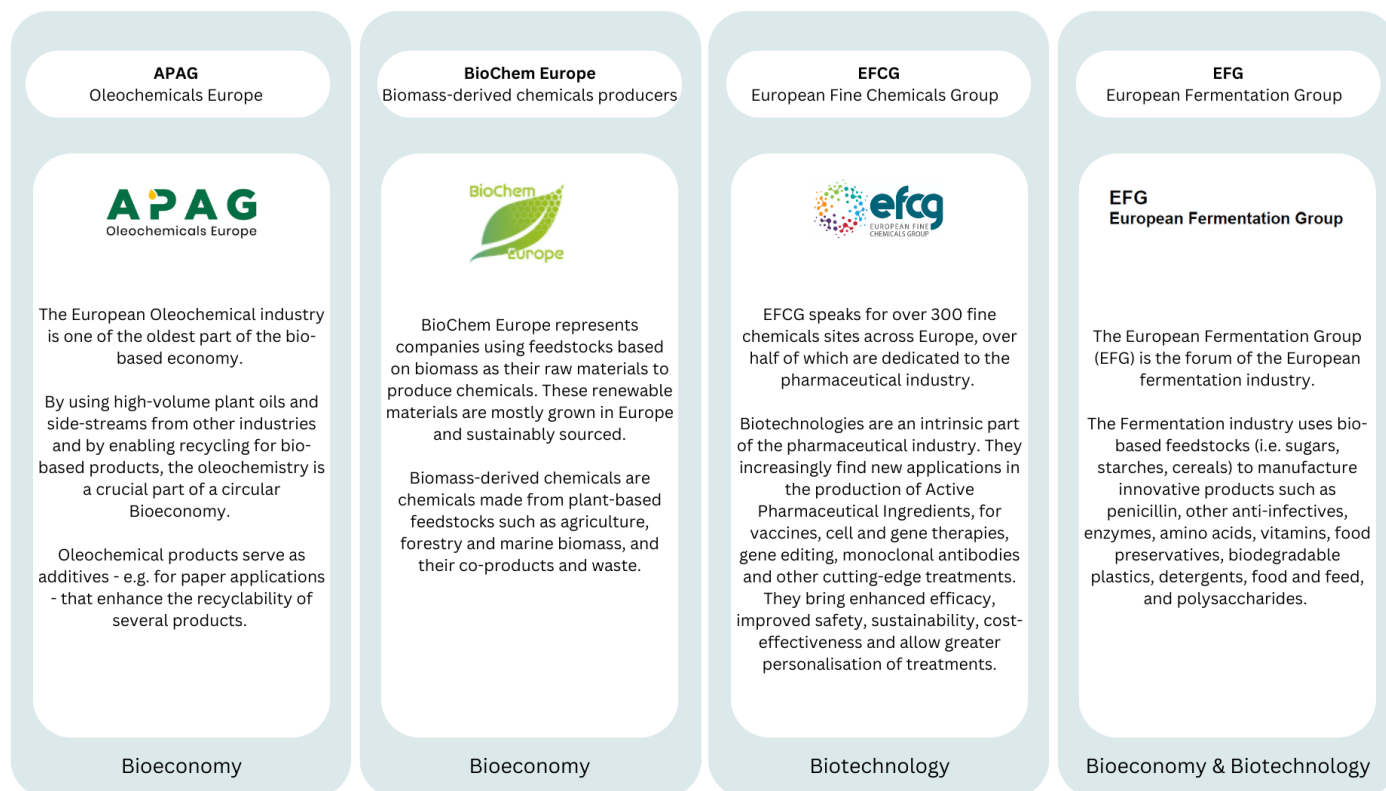
Any bioenergy target as part of a future Renewable Energy target and Affordable Energy Action Plan should not be set without taking into consideration the impact on feedstock availability for renewable materials in Europe. There are significant opportunities to support the future build up of Ukraine by developing it as a key supplier of biobased feedstock such as sugar for the further decarbonisation of the European chemical industry. This can be done without creating competition with EU farmers. Increasing carbon prices risk redirecting valuable raw materials towards energy use, such as biofuels and sustainable aviation fuels, potentially limiting their availability for manufacturing.

Building on EU chemical industry expertise for a resilient bioeconomy

As a well-established sector rooted in Europe, with decades of experience and expertise, the bio-based chemical industry possesses the know-how to effectively support the Commission in shaping the needed framework conditions for a prosperous bioeconomy. A dynamic and competitive bioeconomy is essential for reaching the EU 2050 objectives, while also ensuring that European industry becomes more resilient and sustainable.

The role of the chemical industry: Cefic in the EU Bioeconomy

The European chemical industry, represented by Cefic, covers several key sectors within the bioeconomy:



By representing the chemical industry in Europe, Cefic sector groups are well placed to provide expert insight into the bioeconomy under all its facets and be a key player in working with the Commission on the upcoming Bioeconomy reforms.