

BioChem Europe's Position Paper on the Industrial Accelerator Act

Biomass-derived products are essential to the defossilisation of Europe's chemical industry by replacing fossil carbon with sustainable alternatives such as biogenic feedstocks. The proposed Industrial Accelerator Act (IAA) represents a critical opportunity to scale these solutions and to establish the use of sustainable carbon as a cornerstone of EU industrial policy. BioChem Europe supports the objectives of the IAA and calls for targeted measures to ensure that biomass-derived chemicals and materials can fully contribute to Europe's climate neutrality, industrial competitiveness, and strategic autonomy.

To achieve the objectives of the IAA and decarbonisation, the biomass-derived sector requires:

- Recognition and support of sustainable carbon products and low-carbon products
- Access to low-carbon energy at competitive prices
- Tailored market pull measures
- Streamline Permit-granting and authorisation procedure

The role of the bioeconomy in the IAA

The IAA sends an important signal that Europe's industrial future will rely not only on low-carbon energy, but also on sustainable carbon sources. The recognition of biomass as sustainable carbon source for strategic sectors such as chemicals and polymers in the EU Bioeconomy Strategy¹, creates a key opportunity to position biomass-derived products as a pillar of industrial defossilisation.

Within the EU's objective to achieve climate neutrality by 2050, and in line with the Commission's own critical-technologies framework,² bioeconomy industries (incl. biomass-derived chemical and materials) have a central role in reducing reliance on virgin fossil-based feedstocks and transitioning toward sustainable carbon sources. Several biomass-derived chemical processes are already commercially deployed across Europe, producing chemicals used in sectors including pharmaceuticals, food and feed, cosmetics, detergents, advanced materials, agriculture, construction and packaging.

¹[A Strategic Framework for a Competitive and Sustainable EU Bioeconomy, \(SWD\(2025\) 895 final\)](#)

² [Commission Recommendation on critical technology areas for EU's economic security for further risk assessment with Member States](#)

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The IAA introduces a set of demand-side instruments, such as the creation of lead markets through Union-origin requirement for certain products in strategic sectors (Art. 16), and low-carbon requirements for the chemical industry in public procurement and support schemes. In addition, it empowers the EU Commission to develop targeted measures for the chemical industry to promote substances and mixtures derived from sustainable carbon sources, including biomass, waste-based carbon and captured carbon.

These provisions should be extended to the rubber and plastics industries and, as a matter of urgency, be translated into clear, predictable and workable measures. Such measures should also be based on the recommendations of the Critical Chemicals Alliance (CCA) and accelerate the deployment of sustainable carbon technologies in Europe, including biomass-derived chemicals and materials.

BioChem Europe's proposal to scale-up the biomass-derived chemicals and materials sector

While BioChem Europe strongly supports the objectives of the IAA, achieving the decarbonisation of the biomass-derived chemical and materials sector requires several enabling conditions:

1. Recognition and support of sustainable carbon products and low-carbon products: The IAA must recognise the twin transition needed in the chemical industry: both feedstock substitution and decarbonisation of energy supply and production processes. The framework should support both:

- products with a reduced and/or low carbon footprint ("low-carbon products"); and
- products derived from sustainable carbon sources.

2. Access to low-carbon energy at competitive prices: Chemical production processes require significant energy inputs. High energy prices in Europe represent a major competitiveness challenge for the sector. Access to affordable low-carbon energy is essential to maintain industrial activity in Europe. Possible measures include:

- Improve availability of low-carbon electricity and heat at competitive prices;
- Reduce energy taxation for bioeconomy sectors, provided that total emissions (Scopes 1-3) remain neutral.
- Introduce measures to balance the ETS costs for bioeconomy industries, since the current legislative framework does not adequately account for the fraction of CO₂ stored in bio-based products, leading to a gap of competitiveness with respect to fossil-based products.

Without such measures, Europe risks undermining its industrial competitiveness, as highlighted in the Draghi Report³, as well as its leadership and investments in the circular and bioeconomy sectors, reversing the investments made in these areas.

3. Tailored market-pull measures: Demand-side measures must be tailored to the specific characteristics of biomass-derived chemicals and materials, including their end-of-life characteristic.⁴ Such measures should include:

- product-specific biomass-derived content targets;
- green public procurement criteria;
- sustainability-based product standards (i.e. carbon footprint/PEF, Ecodesign, taxonomy);
- financial incentives for biomass-derived content in industrial supply chains.⁵

Together with existing policy initiatives – such as the EU Bioeconomy Strategy – these tools would strengthen the industrial dimension of the European bioeconomy, enabling scaling up of biomass-derived manufacturing, retention of existing industrial activities in Europe, attraction of new investments.

European producers require a policy framework that extends beyond public procurement and public support schemes, while remaining WTO-compatible. To maximise impact, all EU industrial facilities should be able to participate, and a technology-neutral approach should be adopted. This should include the use of traceable verification methods such as radiocarbon (¹⁴C) analysis and attributable mass-balance systems within complex industrial infrastructures.

4. Streamline permit-granting and authorisation procedure: The regulatory framework requires a systemic and holistic approach, particularly in the case of the circular bioeconomy, where investments are substantial, require long implementation period and carry technological, industrial, financial, and market risks, and are not harmonised across EU Member States. Industrial acceleration in this sector depend highly on the authorisation procedure for permitting, which are often outdated and not in line with the peculiarities of the bioeconomy.

BioChem Europe welcomes the approach set out in Article 5 of the IAA, introducing a single application, a single procedure, and a comprehensive decision through a digital portal for manufacturing projects.

³ [The Draghi Report: A competitiveness strategy for Europe](#)

⁴ [BioChem Europe position on Market Pull Measures - BioChem Europe](#)

⁵ [The role of biobased content targets to drive market demand of biomass-derived chemicals and materials - BioChem Europe](#)

However, to effectively support competitiveness, resilience, and the functioning of the internal market, it should be made explicit that sustainable carbon processes linked to the strategic sectors listed in Annex I can benefit from the same or equivalent permit-granting procedures.

In parallel, the IAA should establish a streamlined and proportionate authorisation pathway enabling the rapid market entry of products derived from sustainable carbon sources. This would support the scale-up of innovative bio-based products that address environmental and industrial challenges, while removing barriers to the valorisation of by-products, residues, and secondary inputs from bio-based value chains.

As a first step towards simplification, companies operating in the bioeconomy sector should be properly identified through dedicated NACE codes and corresponding customs codes for their products, allowing them to be distinguished from conventional fossil-based industries.

Toward a European lead market for sustainable carbon

The IAA opens an important strategic opportunity to transform its bioeconomy ambitions into a real industrial and climate asset rather than a niche market. Establishing a favourable and coherent policy environment is key to create a Single Market for sustainable products, scaling up bio-based manufacturing in Europe, strengthening European industrial resilience and strategic autonomy. Small and medium-sized enterprises, key players in bio-based innovation, are likely to be among the key beneficiaries of a strong and predictable bioeconomy policy framework.

Building on the work under the CCA, in particular under Working Group 4 on 'Lead Markets', the next stage of negotiations involving the EU Parliament and the Council of the EU will be crucial to ensure that biomass-derived sector becomes a central component of Europe's industrial decarbonisation strategy.

BioChem Europe stands ready to work with policymakers to deliver a framework that fully enables a competitive and sustainable biomass-derived chemicals sector in Europe.

BioChem Europe is a sector group of the European Chemical Industry Council (Cefic) that envisions a future where:

- responsibly produced chemicals derived from sustainably sourced biomass respond to society's growing appetite for circular products that have limited or even positive impacts on the environment and climate
- the related need to increase and support the efficient utilisation of biomass is recognised
- boosting research and innovation is seen as critical for these developments

The biomass-derived chemicals producers, members of BioChem Europe, intend to play their part and forge partnerships to achieve the European ambition to become climate-neutral by 2050.

For more information, visit our website: <https://www.biochem-europe.eu/>

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