

The Transition Pathway for the Chemical Industry & The Biotech and Biomanufacturing Communication

*BioBased Innovations for Industrial Applications event
Brussels, 24 April 2024*

1. The Transition Pathway for the Chemical Industry



The Transition Pathway for the Chemical Industry

- Publication: 27 January 2023;
- It is an actionable plan co-developed by the European Commission with EU countries, industry, NGOs and other stakeholders
- Based on 8 building blocks developed by Industrial Forum



Sustainable
competitiveness



Investment
and funding



Research
and Innovation



Regulation and
Public Governance



Access to energy
and feedstock



Infrastructure



Skills



Social dimension

- It identifies about 190 actions, grouped in 26 topics, needed for the twin transition and increased resilience of the EU Chemical Industry

Co-implementation: key elements

Call for transition initiatives

Launched in July 2023. Transition initiatives are concrete projects (e.g. in green tech) linked to the objectives of the Pathway. More **than 110 projects** in our website.

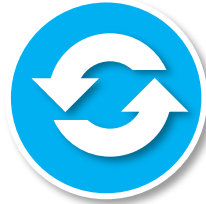


Expert Group

The Commission has set up an expert group “The Working Group on Chemical Industry” to discuss with stakeholders the activities and timeline of the co-implementation. The group meets three times per year.

Regulatory Updates

The TP contains a roadmap with relevant legislations for the chemical sector, which is updated and discussed with stakeholders during the co-implementation.



Task Forces

Task Forces focusing on high priority topics of the TP: **a) energy and feedstock needs; b) indicators for the twin transition; c) market pull measures for alternative feedstocks to fossil ones.**

Annual Progress Report

Expected publication of the first report in late Apr/early May. It summarises the state of play of the co-implementation in 2023.

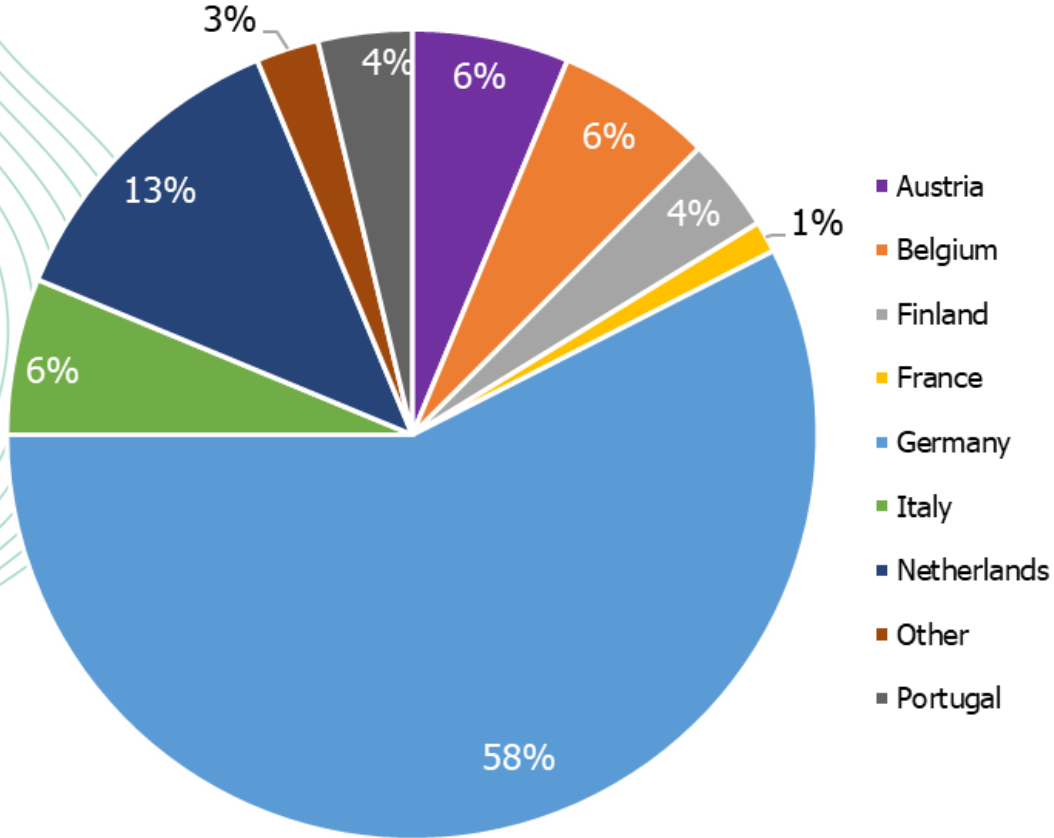


Guide on Funding

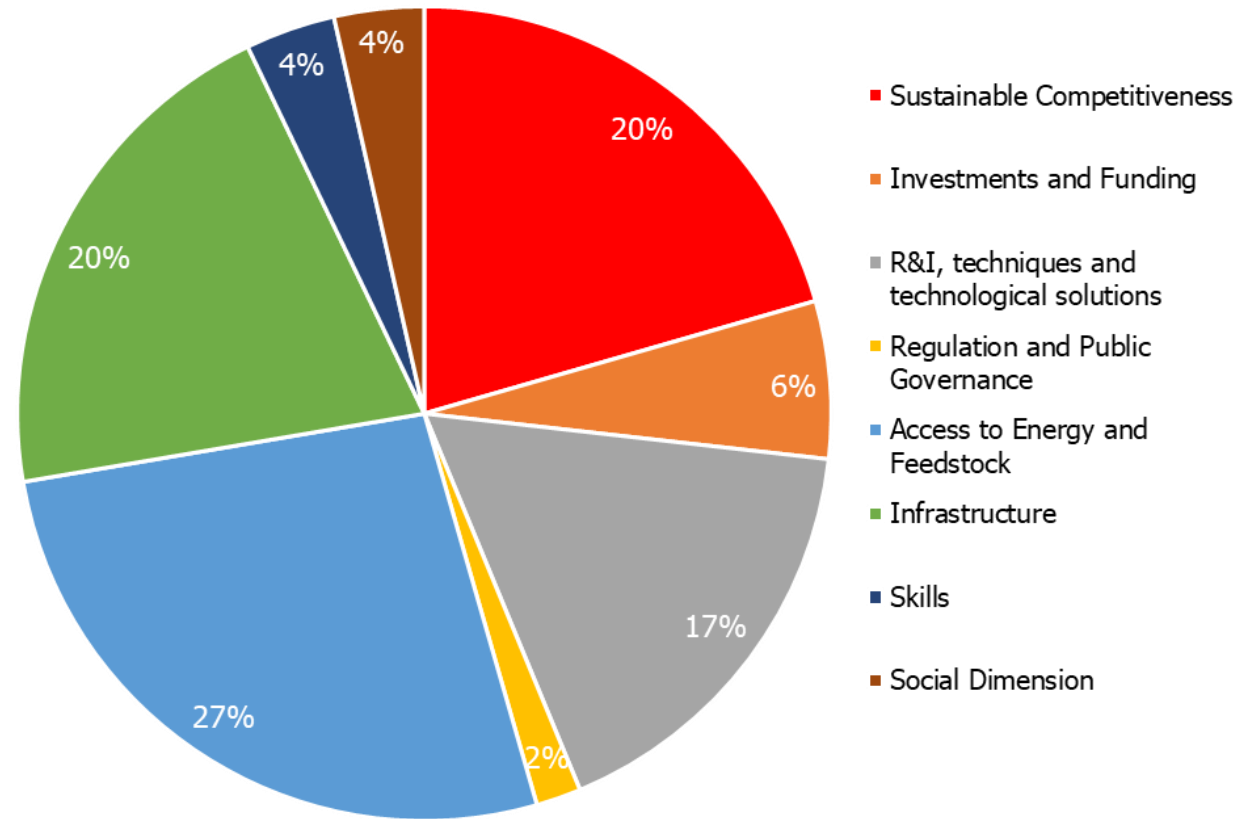
1st version published in Feb 2024. It includes relevant programmes and calls for the twin transition.

Call for transition initiatives: results (Feb 2024)

% of submissions (by country)

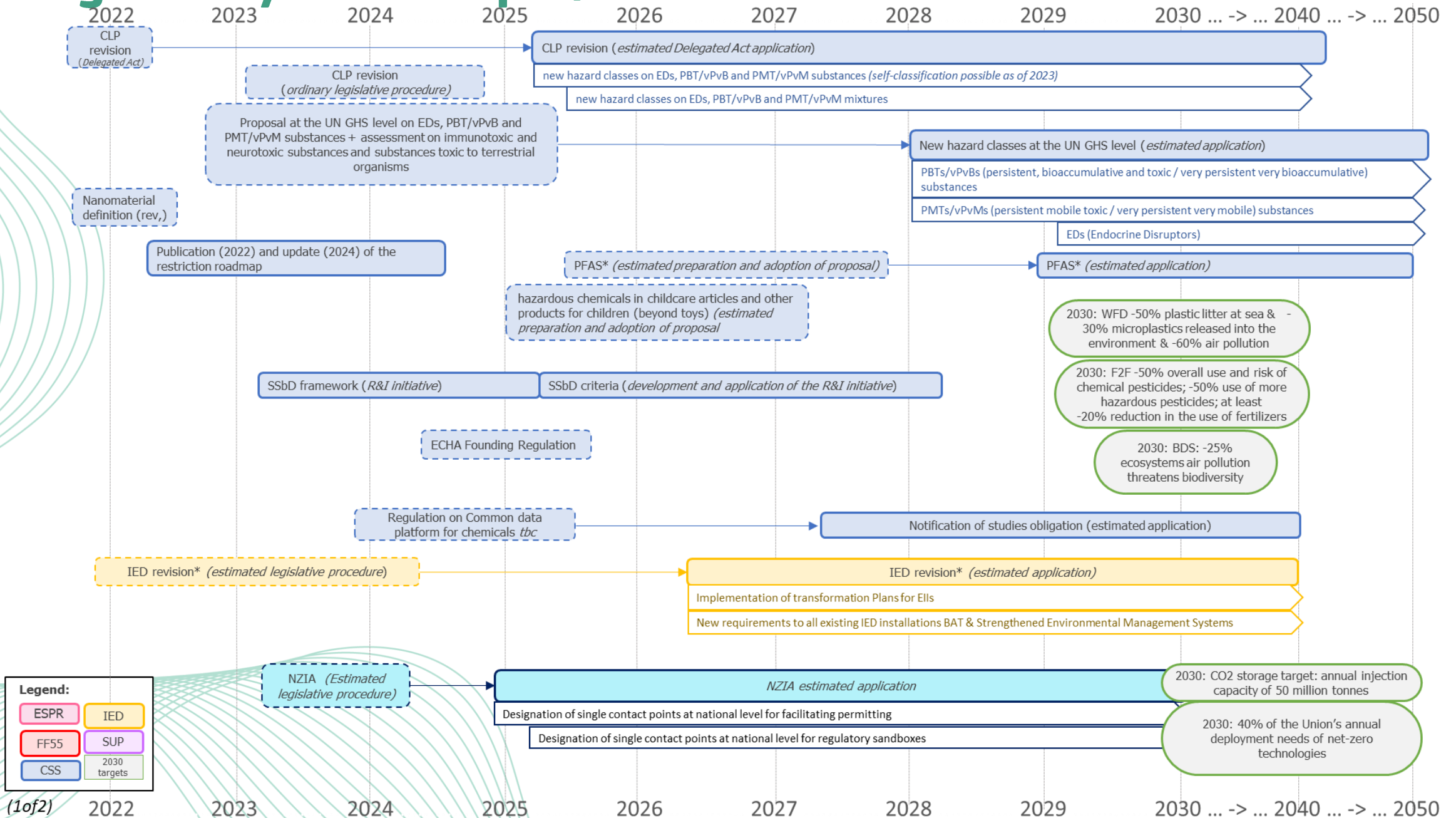


% of submissions (by building block)



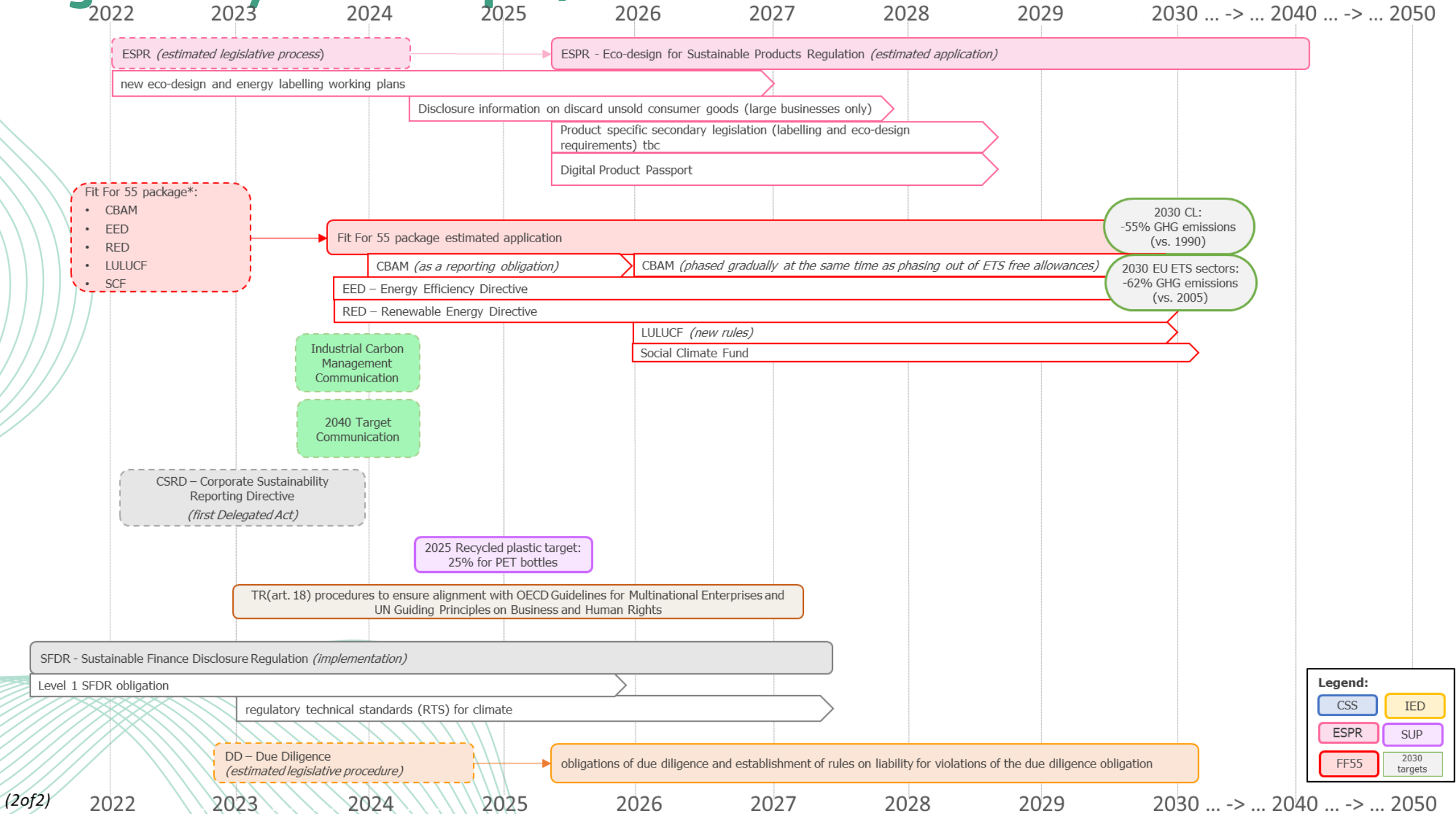
- 112 initiatives (March 2024);
- Larger contributor (85%): industry
- Large companies and trade and business associations (~50% and ~30% of the total respectively);
- 2/3 focus on alternative feedstocks, clean energy infrastructure, digitalisation and chemical substitution.

Regulatory Roadmap 1/2



Note: this roadmap is purely indicative and based on the latest publicly available information and best scenario assumptions as of the time of writing

Regulatory Roadmap 2/2



- Fit For 55 package*:
- CBAM
 - EED
 - RED
 - LULUCF
 - SCF

Legend:

CSS	IED
ESPR	SUP
FF55	2030 targets

EU Funding to support the co-implementation process

Budget
€ 724
(billion)

Recovery and Resilience facility (RRF)

Budget
€ 348
(billion)

Regional Development and Cohesion Funds

Budget
€ 40
(billion)

The Innovation Fund

Budget
€ 19
(billion)

Just Transition Fund

Budget
€ 7.6
(billion)

The Digital Europe Programme

Budget
€ 87
(billion)

The Social Climate Fund

Budget
€ 95
(billion)

Horizon Europe

Budget
€ 4.2
(billion)

The Single Market Programme

Budget
€ 26
(billion)

Erasmus +

Budget
€ 26
(billion)

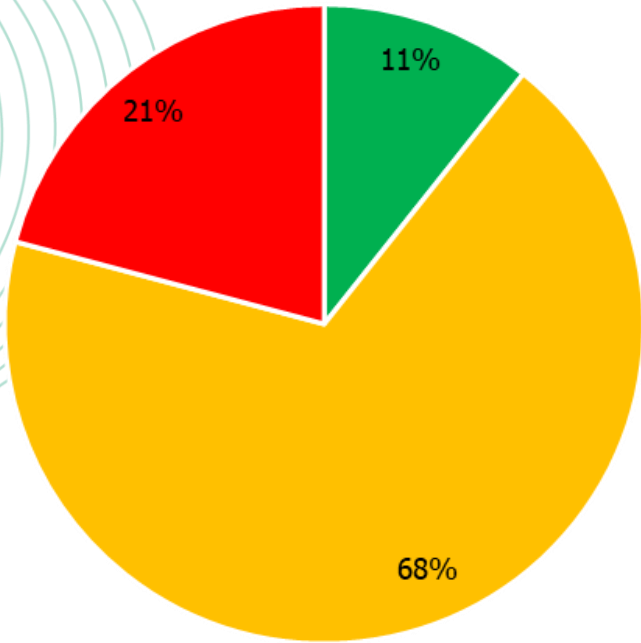
InvestEU

Budget
€ 5.4
(billion)

LIFE

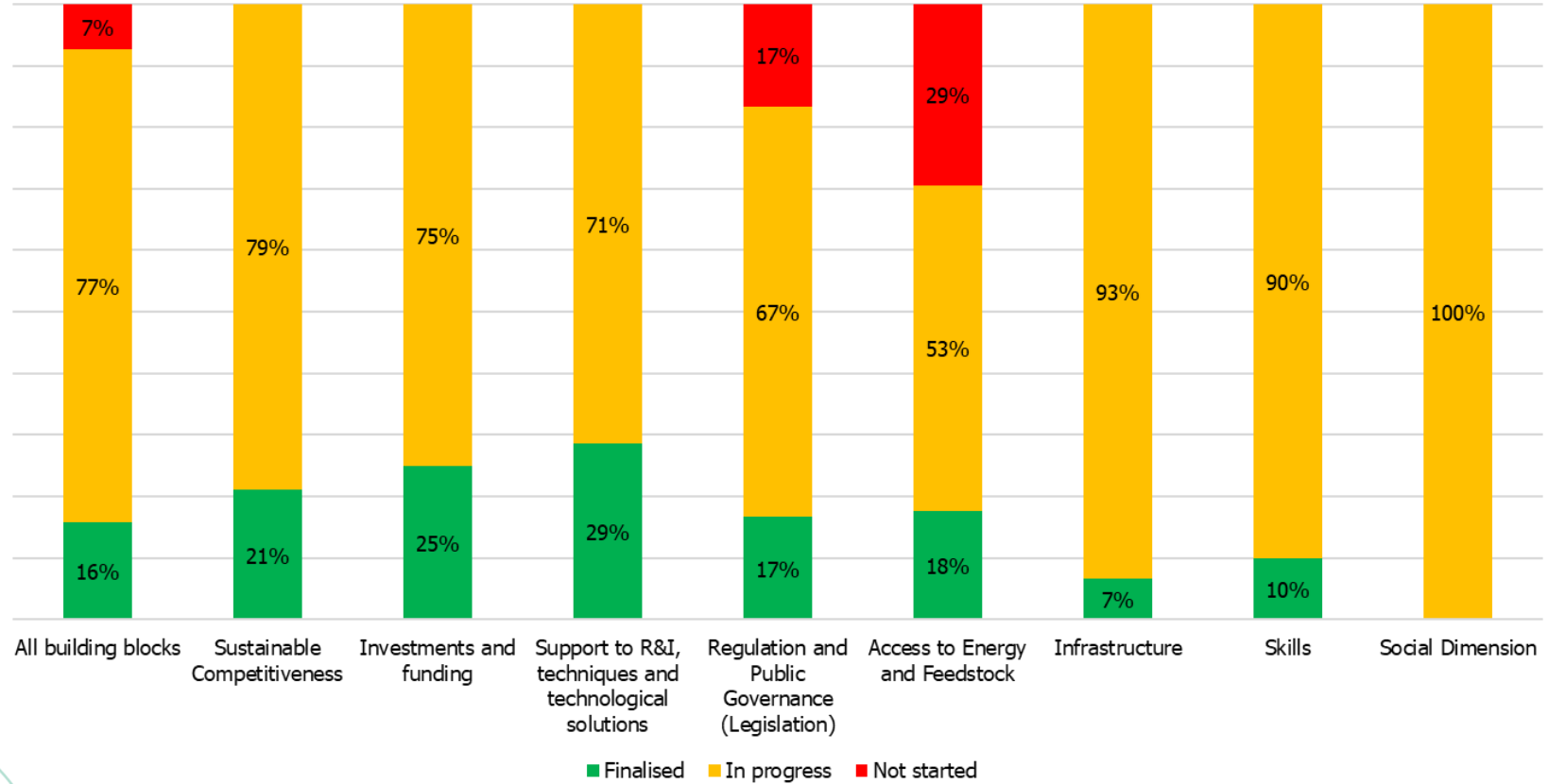
State of play: co-implementation process

All actions
(shares by implementation status)

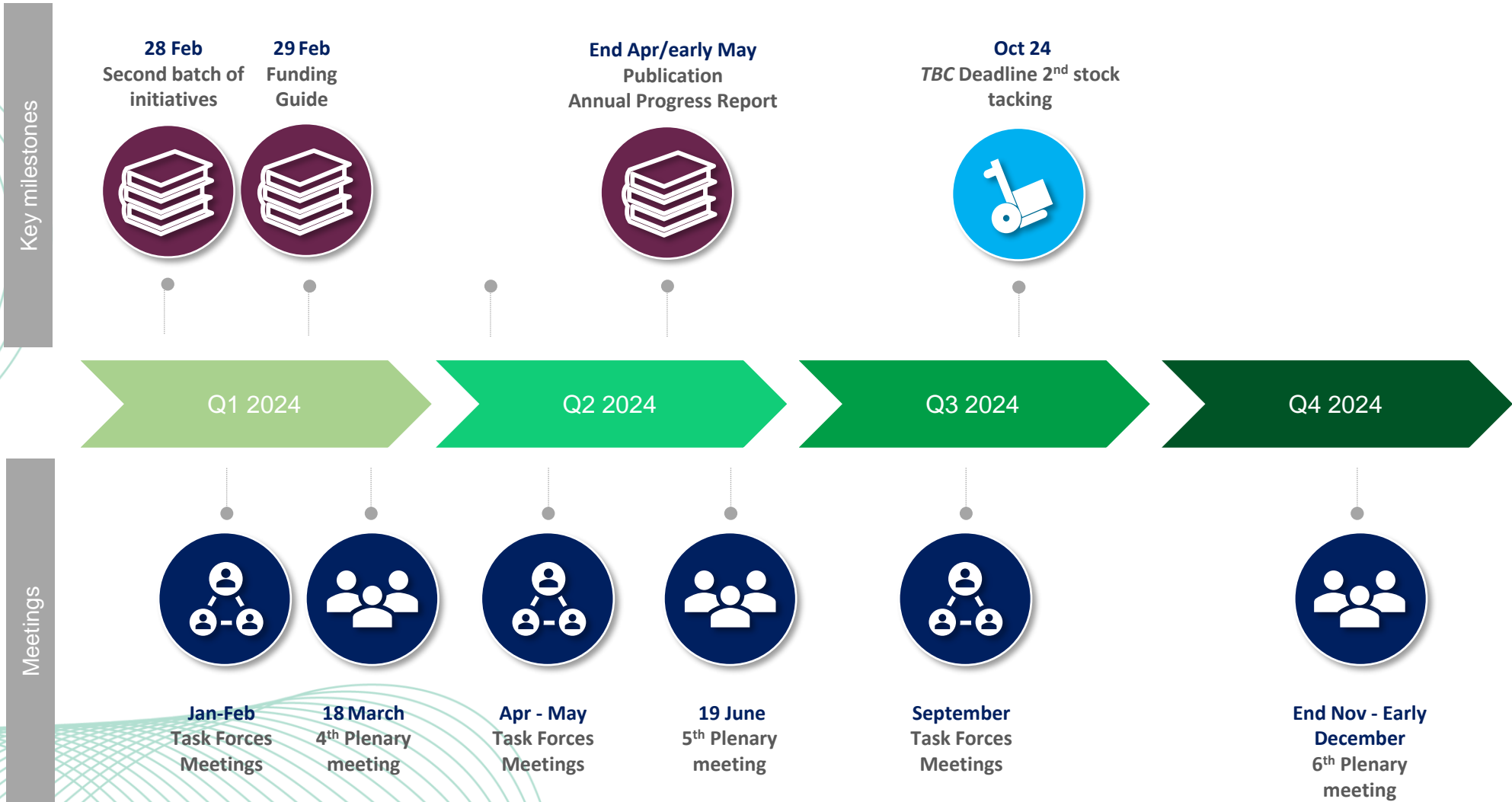


■ Finalised ■ In progress ■ Not started

Short term actions



Timeline in 2024



Key messages



The Transition Pathway for the Chemical Industry solves the equation between **fostering competitiveness and strengthening sustainability**.



The active involvement of businesses, organisations and MS is key to inform achieve the twin transition and increase resilience of the Chemical Industry.



Call for transition initiatives - Are you on the pathway towards the green and digital transition? Please tell us! The call is open on the European Commission Website ([EU Survey link](#))



We take stock of the information collected through the call for transition initiatives, and the work done by the co-implementation expert group and task forces to **inform policy making** including **COM's next Work Programme**.

More information:
<https://europa.eu/!jGHjmp>

GROW-CHEMTP@EC.EUROPA.EU



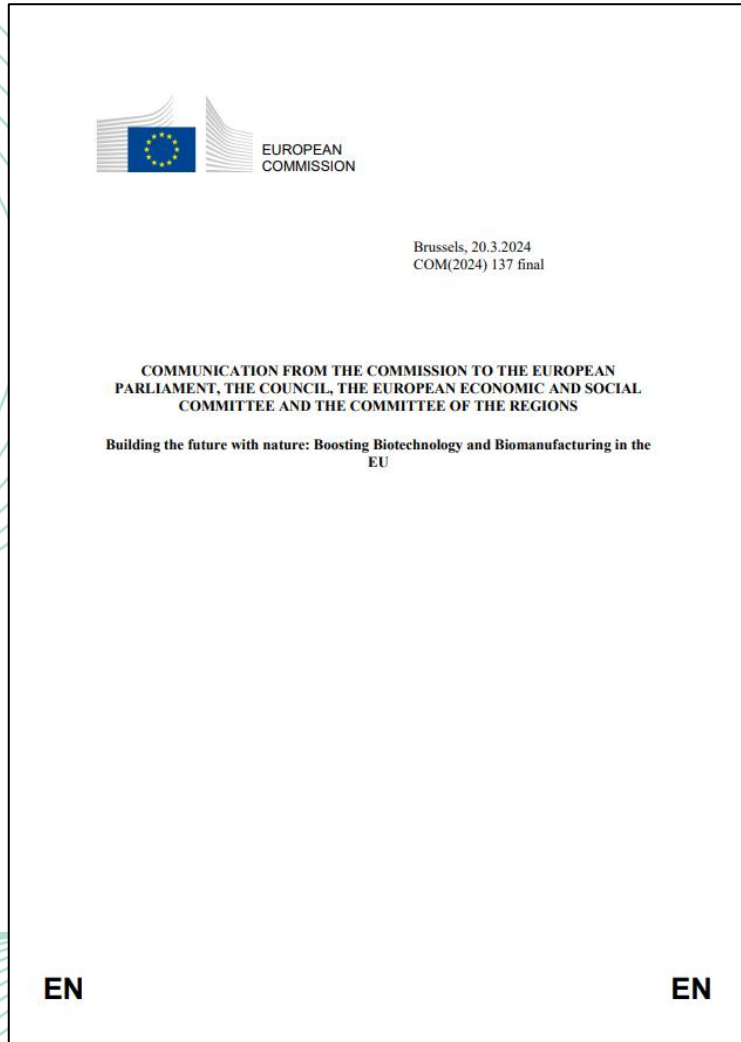
Transition Pathway for the Chemical Industry



2. Industrial Aspects of the EU Bioeconomy Policy Framework: Recent Developments



The Communication on “Building the Future with Nature”

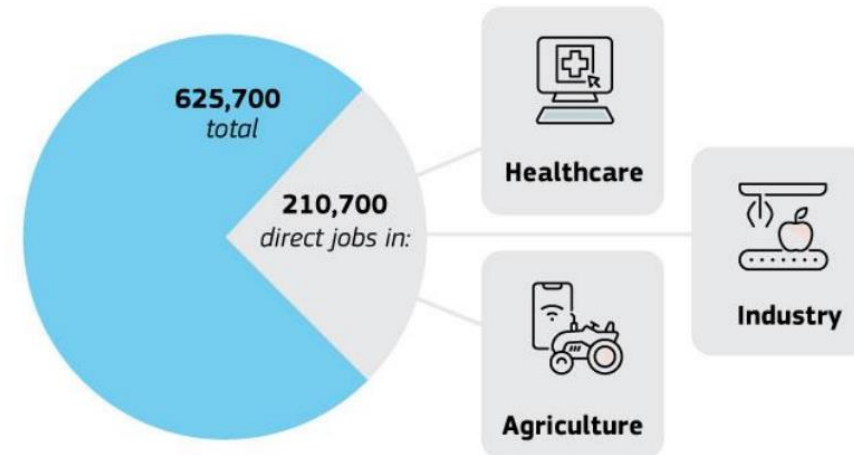


- Adopted by the Commission on 20 March 2024
- SOTEU 2023 Letter of Intent & 2024 Commission work programme
- Several DGs involved
- Identification of the **challenges** and **barriers** and targeted actions to **boost biotechnology and biomanufacturing** in the EU.

Biotech - a key sector for Europe's competitiveness

- Key to the competitiveness and modernisation of EU industry
- High growth potential: 18% per year (biotech grew twice as fast as the overall economy between 2008 and 2018)
- Market size: EUR 720 bn in 2021. EU is the second largest biotech market behind the US.
- High labour productivity: 200,000 direct jobs created in 2021
- Research-driven industry that requires capital to bring results to the market

JOBS
indirect and induced in the overall economy



GDP
biotechnology industry contributed



Challenges & bottlenecks

- Research and technology transfer to the market
- Regulatory complexity
- Access to finance
- Skills
- Value chain obstacles
- Intellectual property
- Public acceptance
- Economic security

Actions (I)



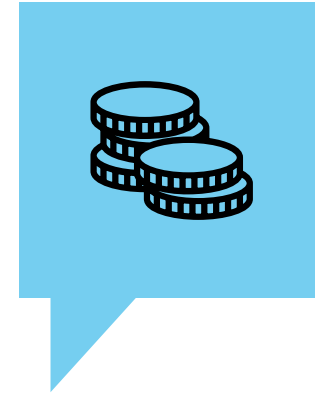
Simplifying regulatory frameworks and market access and by assessing opportunities for streamlining regulations.



Creating an **EU biotech hub** to help companies, in particular SMEs, navigate regulatory frameworks and identify support to scaling up.

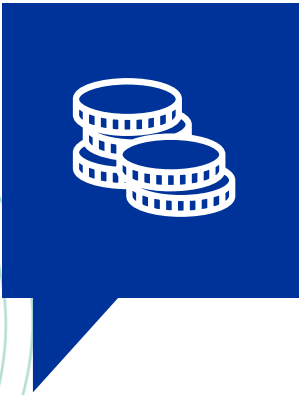


Encourage the elaboration and updating of **European standards** for biotechnology and biomanufacturing



Encouraging more private investments in the sector by identifying barriers to financing, advocating for inclusion in funding programs, and increasing public and private investments

Actions (II)



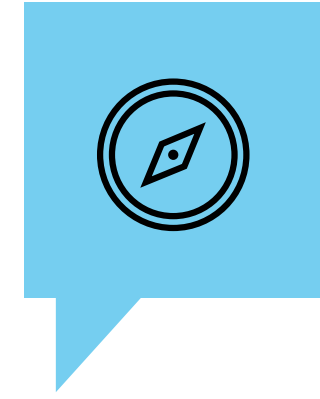
Explore how bio-manufactured non-food products could profile themselves better through **labelling of bio-based products**.



Facilitating fair comparisons between bio-based and fossil-based products by revising PEF methodologies by 2025



Expanding the market for biotechnology and biomanufacturing, exploring biobased content requirements and market pull measures, while deepening **international cooperation**



Updating the EU Bioeconomy Strategy by 2025 to reinforce the bioeconomy's industrial dimension and for a stronger EU economy

Next steps

- **Implementation** of **the actions** from the Communication.
- Continuing the dialogue with stakeholders – **feedback, ideas, suggestions** always welcome.
- **GROW workshop** “Next steps in advancing bio-based products and materials” on **21 May**.



The European Council conclusions of 18 April

- **A new European Competitiveness Deal**
 - anchored in a fully integrated Single Market.
 - objective: to close growth, productivity and innovation gaps between the EU and its international partners and main competitors.
 - policy action to be better put at the service of enhancing Europe's economic, manufacturing, industrial and technological base.
- To implement the new European competitiveness deal, the European Council calls for work to be taken forward decisively and swiftly on the following key competitiveness drivers: [...]
 - increasing circularity and resource efficiency, **including by exploiting the potential of the bioeconomy**, thereby reducing primary resource dependencies, notably on critical raw materials.

THANK YOU!

