



APAG views on the review of the European Bioeconomy Strategy

APAG, a sector group of Cefic, welcomes the review of the 2018 European Bioeconomy Strategy. As a well-established sector of the European bioeconomy, with a turnover exceeding €4 billion/year and employing over 10.000 jobs and indirectly supporting 30.000 jobs, APAG calls upon the European Commission to implement a system of a cascading use of resources, promotion of bio-based products, a level playing field and regulatory framework predictability.

APAG welcomes the Commission's goals to cut GHG emissions in Europe and become climate neutral by 2050 and believes that implementing the principles of a bio-based economy is an important step towards achieving such objectives. We are committed to contribute significantly to this process, capitalising on the leading expertise acquired by our member companies over more than a century. With our bio-based and renewable products¹ we can help Member States reach the ambitious GHG reduction targets.

ABOUT OLEOCHEMISTRY AND BIOECONOMY

In 2012, the European Commission defined the bio-based economy as an economy encompassing the sustainable production of renewable biological resources and their conversion into goods and services for final, or intermediate, consumption. This definition also covers the use of bio-based processes for sustainable industries.

As a bio-based sector, the oleochemical industry converts vegetable oils and rendered animal fats cat 3² into a large variety of bio-based products essential for other industrial sectors such as paints, detergents, cosmetics, pharmaceuticals and candles. Oleochemistry **keeps renewable raw materials in the loop** and reduces Greenhouse Gas (GHG) emissions.

APAG fully supports the European bioeconomy and our members have been pioneers of biorefining. Taking into account the availability of bio-based raw materials, our industry is a key player to speed up the transition from the fossil-based economy to the bio-based economy.

Being a bio-based industry, access to feedstock is vital to the success of the oleochemicals industry. as an **unintended consequence of the EU renewable energy policy**, valuable raw materials are being burnt to generate subsidised energy or used under incentives to produce biofuels. This is a significant threat to the availability of our key feedstock, which is why APAG requests **undistorted access to bio-based raw**

¹ The bio-based content of our products is ca. 90%

² Rendered animal fats results from the rendering of animal by-products (e.g. tissues and fats). The rendering process consists of the use of heat and pressure to sterilise and stabilise animal by-products to make them suitable for nutritional and industrial applications. There are 4 categories of rendered animal fats: cat 1 and 2 may represent a risk for human health and, for this reason, are used for bioenergy and biofuels and are not by the oleochemical industry; rendered animal fats cat 3 are high quality fats widely used animal nutrition and oleochemical production; edible fats are used for human nutrition.



materials (relying on a mixture of home-grown and imported raw materials) and recognises the need to continue supporting the bridges between the agricultural and chemical industries.

OUR POLICY ASKS

For a continued contribution of the European oleochemical industry to a sustainable and competitive Europe, APAG calls for a **principle of cascading use of resources, promotion of bio-based products, a level playing field and a clear regulatory framework**:

1. Cascading use of natural resources

APAG calls for the European Commission to adopt measures in line with the principle of sustainable use of natural resources, circular economy principles and sustainable criteria by enforcing the principle of cascading use. Having access to raw materials is key to this industry, therefore, all measures taken at EU level should be based on the principle of cascading use.

2. Promotion of bio-based products, beyond standards and labels

To ensure the survival of the bioeconomy in Europe, we need an increased market recognition, promotion and a levelled playing-field for biobased and bio-derived products, beyond standards and labels.

3. Equal and fair conditions for all market participants

APAG also calls on the European Commission to secure a level playing field in Europe by adopting incentives which are based on sustainability criteria, and by ensuring that existing sectors of the bioeconomy are not affected by measures leading to distortion of competition. These criteria should be applied in their three pillars: environment, economic and social, and no distinction should be made between chemical and biological transformation processes.

Furthermore, we ask to avoid long-lasting incentives: firms must be able to compete in the market relying on their own resources, not on long-term state aids which in numerous cases create market distortions and are more likely to lead to misuse of the incentives.

4. Clear and stable regulatory framework

A clear, coherent and reliable regulatory framework is required to keep and attract investments in the bioeconomy in Europe and to create the growth in this sector which is needed to reach the ambitious targets.

About APAG

The European Oleochemical Industry is a long-established sector of the European Bioeconomy. Since the early 19th century, the oleochemical industry has been using rendered animal fats and vegetable oils to manufacture bio-based products used for candles, paints, detergents, cosmetics, pharmaceuticals and many other applications. Our industry continues to invest in sustainable technologies: for instance, oleochemical products are used to de-ink used paper to **enable recycling**; they are also used to **de-ice airplanes** as an alternative to fossil-based materials.

To discover more on the oleochemical industry, go to our [website](#) or [LinkedIn page](#).

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