

For a strong and competitive bioeconomy

With the new EU Commission taking seat, [APAG](#), a sector group of [Cefic](#), invites policy makers recognising the role of the oleochemical industry in achieving sustainable, inclusive and fossil-free solutions whilst supporting the EU economy as envisaged by the [Strategic Agenda 2024-2029](#).

We welcome the Commission's Clean Industrial Deal to defossilise and industrialise the European economy, as called for in the [Antwerp Declaration](#) which cannot be achieved without the full involvement of the bioeconomy sector. The oleochemical industry is crucial to Europe's bioeconomy, using high-value and high-volume plant oils and industrial side-streams that ease the recyclability of several products. As noted in the 2022 [EU Bioeconomy Strategy Progress Report](#), the actions have not only advanced the European Green Deal but also Europe's global market share for bio-based chemicals and materials. It is 31%, twice as high as fossil-based sectors and accounts for 3% of EU domestic chemical market. This highlights the relevance of the bioeconomy and growth potential.

However, a coherent, clear and consistent regulatory approach is still needed. With the [new](#) EU biotech and biomanufacturing initiatives and the revision of the EU Bioeconomy strategy by 2025, there is an opportunity to address this challenge together with rising threats that limit the access to biomass and resources.

The value of oleochemicals in the EU bioeconomy

The oleochemical industry is making a substantial contribution to European growth and prosperity while also playing a key role in sustainability:

1) Enable a safe and sustainable green transition

Being an enabler of the [green transition](#), the oleochemical industry provides high standards for sustainability and circularity by using by-products from other industries. By using a high-volume of side-streams from other industries, we enable the recyclability of several bio-based products and the circular economy.

2) Accelerate the achievements of the EU Green Deal

The oleochemicals industry contributes to the [shift](#) from fossil-based resources to renewable bio-based resources without compromising biodiversity goals. It uses plant oils and animal rendered fats that replenish themselves in the natural organic cycle, providing a safe and environmentally-friendly alternative.

3) Contribute to Europe's economic transition

The oleochemical industry contributes directly to the Commission's vision in transforming Europe's economy into a more competitive, resilient and sustainable one. With a turnover of 4 billion EUR annually, responsible for over 10.000 jobs directly and 30.000 indirectly, oleochemical industry supports innovation, providing remarkable properties in various applications, in: plastic additives, paints and coatings, surfactants, detergents, personal care products, lubricants, animal feed, candles and pharmaceuticals.



Recommendations for a strong and competitive bioeconomy

APAG welcomes the opportunity to share its [views](#) on how to boost the bioeconomy sector emphasising the role of the oleochemical industry:

An EU commitment for better and coherent regulatory frameworks

- Recognise the oleochemical industry as strategic for a circular, renewable, resilient and sustainable socioeconomic environment.
- Integrate bioeconomy concepts and bio-based content targets in product legislation, EU-level frameworks and policies.
- Conduct proper impact assessments and review availability of bio-based raw material in Europe (similarly to the Critical Raw Material Act).

Maximise the potential of the bioeconomy for a long-term sustainable economy

- Review the Bioeconomy Strategy within a long-term policy framework, strategically contributing to the different EU policy objectives.
- Quantify the environmental, social and economic benefits through consistent [LCA](#) and [PEF](#) methodologies.
- Review the current PEF methodology [recognising](#) biogenic carbon and -1/+1 modelling approach.

Promote the European bioeconomy industry to enable European innovation

- Incentivise the placing of bio-based products that offer sustainable alternatives in the market.
- Increase financial resources for R&D, implementation, and commercialisation/scale up of bio-based products.
- Develop a consistent regulatory environment and streamline bioeconomy policies to local governance across 27 member states (e.g., through public procurement).
- Close infrastructure gaps, incentivise food waste reduction and improve access to bio-waste to achieve a circular economy.

Ensure a fair access to biomass in Europe to decrease external dependencies

- Develop a fair access strategy to raw materials through appropriate pricing between bio- and fossil-based resources at world market price conditions.
- Make efficient use of local resources to secure proportionate access to raw materials.
- Implement a robust cascading use principle and waste hierarchy according to the waste framework directive ([2008/98/EC](#)).

Stimulate the bioeconomy market to increase European investment

- Increase the playing field between oleochemicals and other industries through competitive price incentives towards bio-based solutions that are more sustainable.
- Provide tax incentives based on biogenic content to further stimulate the use of renewable resources, fostering the deployment of innovative bio-based markets.
- Implement fair trading conditions and incentives, such as tax exemptions and product fee adjustments.

