

Industrial Accelerator Act

Turning Europe's biobased ambitions into an industrial business case

Key Messages:

- **Turn recognition into market pull measures.** The IAA rightly recognises biobased plastics, polymers and chemicals as strategic lead markets, but this must be translated into concrete and timely demand-side measures that create predictable demand needed to scale up European production.
- **Make defossilisation an explicit industrial objective.** For chemicals and plastics, decarbonisation alone is not enough: the EU must also reduce its dependence on virgin fossil carbon as a material feedstock by recognising sustainable carbon, including biobased carbon, in its lead-market instruments.
- **Use Article 16 to create effective biobased lead markets.** The Commission should act within 12 months, with measures that stimulate the use of sustainable-carbon chemicals, polymers and plastics in relevant end markets and reward applications with strong potential to substitute virgin fossil carbon.

1. Introduction

European Bioplastics (EUBP) welcomes the European Commission's proposal for an Industrial Accelerator Act (IAA) as an important opportunity to strengthen Europe's industrial competitiveness, resilience and strategic autonomy, while accelerating the transition towards a climate-neutral and less fossil-dependent economy.

EUBP particularly welcomes the explicit recognition in Recital 8 of the role of the bioeconomy in providing sustainable biomass and biobased solutions for industrial production, including the identification of **biobased plastics and polymers, biobased chemicals and biobased construction products as lead markets**. We also welcome the inclusion of the chemicals and plastics sectors among the strategic sectors covered by Annex I and the recognition of sustainable carbon sources in the proposal. These elements provide an important basis for scaling up Europe's biobased industries.

However, **strategic recognition must now be translated into operational measures**. While chemicals and plastics are identified as strategic sectors, the binding demand-side measures currently foreseen under Annex II focus on steel, cement/concrete and aluminium. As a result, the creation of lead markets for biobased chemicals, polymers and plastics largely depends on future delegated acts under Article 16. **Predictable demand is essential now** to unlock investment and enable innovative European technologies to make the critical transition to commercial scale.

This is particularly important at a time when Europe's chemical and plastics industries face declining investment and increasing international competition. Europe has developed world-leading technologies and industrial know-how in biobased materials, but without a viable business case and predictable demand, investment is increasingly shifting outside the EU.

Europe should stop this trend, and the IAA should therefore become a **genuine industrial deployment instrument** for the European bioeconomy.

For carbon-containing products such as chemicals and plastics, this also requires complementing **decarbonisation with defossilisation**. Reducing emissions from production processes remains essential, but climate neutrality ultimately also requires **reducing our structural dependence on virgin fossil carbon as a material feedstock**.

2. Proposed amendments

AMENDMENT 1 - Recital 8 Operationalise biobased lead markets	
COMMISSION PROPOSAL / CURRENT TEXT	EUBP PROPOSED AMENDMENT
The bioeconomy is able to provide sustainable biomass and bio-based solutions for industrial production. The Commission communication "A Strategic Framework for a Competitive and Sustainable EU Bioeconomy" identifies lead markets, such as bio-based plastics and polymers, bio-based chemicals and bio-based construction products, as well as lead technologies that can support the Union's strategic autonomy and the decarbonisation of the industrial sectors identified in this initiative.	The bioeconomy is able to provide sustainable biomass and bio-based solutions for industrial production. The Commission communication "A Strategic Framework for a Competitive and Sustainable EU Bioeconomy" identifies lead markets, such as bio-based plastics and polymers, bio-based chemicals and bio-based construction products, as well as lead technologies that can support the Union's strategic autonomy and the decarbonisation and defossilisation of the industrial sectors identified in this initiative. In order to operationalise these lead markets, this Regulation should enable Union-level demand-side measures for chemical and plastic products derived from sustainable carbon sources, including sustainable biomass.
JUSTIFICATION <i>Recital 8 is a strong signal, but it remains insufficient if biobased plastics, polymers and chemicals are not connected to concrete demand-side tools. The recital should clearly bridge the Bioeconomy Strategy and the Article 16 empowerment. For chemicals, plastics and polymers, decarbonisation and defossilisation are complementary but not identical. Decarbonisation means reducing greenhouse gas emissions across production and use. Defossilisation means progressively replacing virgin fossil carbon used as a material feedstock with sustainable carbon sources, including sustainable biomass. This distinction is essential for sectors where carbon is embedded in the product itself and not only emitted during production.</i>	

AMENDMENT 2 - Article 1(2)(b) Add sustainable carbon to the lead-market objective	
COMMISSION PROPOSAL / CURRENT TEXT	EUBP PROPOSED AMENDMENT
create lead market for certain products in strategic sectors, by laying down Union origin requirements, low-carbon requirements, or both, in the context of public procurement, public support schemes;	create lead market for certain products in strategic sectors, by laying down Union origin requirements, low-carbon requirements, or both sustainable carbon requirements, or a combination thereof , in the context of public procurement, public support schemes and other Union or national demand-side measures ;
JUSTIFICATION <i>The current objective focuses on low-carbon and Union-origin requirements. This works for sectors where the main challenge is to reduce production emissions or secure European manufacturing. For chemicals, polymers and plastics, however, the challenge is also to reduce the use of virgin fossil carbon as a material feedstock.</i>	

Adding “sustainable carbon requirements” makes the objective fit for these sectors. It would allow future lead-market measures to reward products that replace virgin fossil carbon with biobased carbon and/or recycled carbon, under sustainability, accountability and traceability rules. This does not replace GHG performance or Union-origin criteria; it complements them by recognising defossilisation as a specific objective for carbon-based materials.

AMENDMENT 3 - Article 16 | Turn the empowerment for the chemical industry into timely and effective lead markets

COMMISSION PROPOSAL / CURRENT TEXT	EUBP PROPOSED AMENDMENT
The Commission is empowered to adopt delegated acts in accordance with Article 30 to supplement this Regulation by laying down Union-level demand-side measures for products from the chemical industry [...]	The Commission shall, no later than 12 months after the entry into force of this Regulation, adopt delegated acts in accordance with Article 30 to supplement this Regulation by laying down Union-level demand-side measures for products from the chemical industry in order to promote: (a) the production and sale of Union-origin substances and mixtures derived from sustainable carbon sources; and (b) the use of substances and mixtures derived from sustainable carbon sources, including bio-based chemicals, polymers and plastics, in products placed on relevant end markets. The measures shall prioritise applications with significant potential to substitute virgin fossil carbon and create industrial-scale demand for sustainable carbon solutions, taking into account technological maturity, availability of sustainable feedstocks and the competitiveness of Union industry.

JUSTIFICATION

Article 16 is the key provision capable of translating the recognition of biobased lead markets in Recital 8 into concrete industrial demand. Without a timeline, however, there is a risk that this empowerment remains a future possibility rather than an industrial deployment instrument. The current EUBP draft correctly identifies this problem.

Demand-side measures should create pull through relevant end markets, thereby generating demand throughout the European chemical and plastics value chain. This approach avoids placing disproportionate obligations directly on individual intermediate producers and reduces the risk that requirements applying to EU-produced intermediates can be circumvented through imports of finished products.

Potential priority markets could include construction, automotive and mobility, textiles, coatings and adhesives, and selected packaging applications, building on the lead-market work undertaken under the EU Bioeconomy Strategy and the Critical Chemicals Alliance.

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About European Bioplastics

European Bioplastics (EUBP) is the European association representing the interests of the bioplastics industry along the entire value chain. Its members produce, refine, and distribute bioplastics i.e. plastics that are biobased, biodegradable, or both. More information is available at www.european-bioplastics.org