Call for Member States to support an EU Sustainable Carbon Policy Package as a part of a future green EU Industrial Deal

The Netherlands, the Czech Republic, France and Ireland are <u>proposing</u> a European Sustainable Carbon Policy Package to start the gradual shift from fossil carbon to sustainable carbon sources (recycled materials, sustainable biomass and captured CO2) in the chemicals sector. As the proposal will be discussed at the Competitiveness Council on 24 May, we call on Member States to support the introduction of the Package in the next term of the European Commission.

The Sustainable Carbon Policy Package puts into practice the ideas and recommendations of the <u>Antwerp Declaration</u>, the Enrico Letta Report on the <u>Future of the Internal Market</u> and the European Council Conclusions on a <u>New European Competitiveness Deal</u>. It is an example of how policy can work both to strengthen the EU's competitiveness and support climate targets.

Any future European Industrial Deal to complement the Green Deal should include measures to develop sustainable carbon markets and boost sustainable carbon availability while deploying instruments for imports to ensure a fair global level playing field. Creating market incentives in product regulation is key for the transition to sustainable carbon sources. These actions can work together with the update to the EU's Bioeconomy Strategy as well as the ongoing implementation of the Circular Economy Action Plan and the EU Industrial Carbon Management Strategy.

The package is an opportunity in this context to address several strategic challenges for the EU:

- 1) Strengthen the EU's competitiveness: the EU's industry is already leading the development and deployment of sustainable carbon feedstocks from biomass, recycling and CCU. By boosting markets for sustainable carbon, it will support the growth of companies in Europe and create high quality jobs for European workers.
- 2) Contribute to meeting EU climate targets: to reach net-zero by 2050, the Commission has highlighted the importance of shifting to sustainable carbon sources. Studies confirm the need for all sustainable carbon sources deployed in complementarity to reach climate-neutral plastics and chemicals (see e.g. SystemIQ for PlasticsEurope and Agora Industry).
- 3) Boost EU raw materials security: the gradual shift towards sustainable carbon feedstocks will help de-risk value-chains as the EU's import dependency for fossil raw materials <u>reached</u> almost 98% in 2022. It is key to develop new carbon supply chains within and outside the EU, leveraging the circular economy, the bioeconomy and CCU.

Now is the time to unleash innovative EU sustainable carbon technologies to create jobs, grow industries and move towards climate neutrality in the chemical and many other materials sectors using sustainable carbon. We urge Member States to support the proposal to take this package forward in the 2024-2029 term of the European Commission.

Signed by

Bio-based Industries Consortium

BioChem Europe

CO₂Value Europe

European Bioplastics

Polyolefin Circular Economy Platform

PlasticsEurope

Renewable Carbon Initiative







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