

BIC feedback on Industrial Accelerator Act

The Bio-based Industries Consortium (BIC) welcomes the Industrial Acceleration Act (IAA) as a key opportunity to strengthen Europe's industrial competitiveness, resilience and strategic autonomy while ensuring that climate transition becomes an engine of industrial growth. BIC particularly welcomes the recognition of the role of the bioeconomy in providing sustainable biomass and bio-based solutions for industrial production as per Recital 8, and the inclusion of the chemicals and plastics sectors as strategic sectors in Europe in Annex I.

However, the IAA currently lacks operational measures to translate this recognition into concrete deployment incentives for bio-based industries.

BIC also supports the goals of strengthening European industrial competitiveness and supply chain resilience through EU-origin rules. Such rules should be designed in a targeted and flexible way to recognise both European raw material sourcing and key production steps, supporting value creation and resilience while preserving open markets and fair competition.

BIC equally welcomes the introduction of the sustainable carbon concept and the inclusion of low-carbon criteria as well as the proposed streamlining of permitting procedures. BIC also endorses the ambition of the IAA to enable investment, scale-up and market creation for strategic industries, including bio-based sectors, which are central to replacing fossil carbon with sustainable renewable carbon and advancing the defossilisation of Europe's chemical and materials value chains.

1. Strategic recognition and industrial ecosystem development

Bio-based industries are a core pillar of Europe's industrial base, converting biomass into bio-based chemicals, materials and products and enabling renewable carbon cycles. To operationalise the IAA's recognition of these sectors, the IAA should:

- Explicitly recognise both the bioeconomy and biomanufacturing as strategic sectors (Recital 8), reflecting their role in fossil substitution, industrial decarbonisation and resilience, and ensuring the operationalisation of policy and demand side-measures and incentives for these strategic sectors
- Acknowledge biomass as a key renewable resource for industry. Biomass should be recognised as a renewable carbon feedstock on equal footing with recycled and captured carbon
- Ensure coherence of strategic sector definitions across EU industrial policy frameworks (EU Bioeconomy Strategy, upcoming Biotech Act II, Circular Economy Act, Public Procurement Act, etc.). Ensure consistency with the empowerment provided in Article 16 of the IAA, ensuring that recognition of bio-based sectors translates into future demand-side measures
- Strengthen integrated industrial ecosystems and cross-value chain collaboration, including through co-location and industrial symbiosis approaches

2. Investment and industrial scale-up

The transition from laboratory to commercial production, often referred to as "lab to fab", is obstructed by two distinct innovation valleys of death, where European innovation frequently stalls or fails. The first valley of death occurs during the scale-up phase, spanning the transition from laboratory research to demonstration scale. The second valley of death emerges at the subsequent stage, as technologies move from demonstration towards full commercial production. BIC welcomes the IAA provisions addressing this scale-up gap and calls for the following priorities:

- Support for first-of-a-kind and replicated industrial bio-based facilities
- Enable the conversion and upgrading of existing industrial sites into biorefineries (e.g. considering them in the designation of national industrial acceleration areas)
- Strengthen pilot and demonstration infrastructure across the EU and support the scale-up of novel technologies in existing processes
- De-risk investment through EU financial instruments (Innovation Fund, IPCEI, EIB, Scale-Up Fund, broader State Aid Rules, etc.)
- Contribute to the competitiveness of EU-based bioeconomy sectors by providing access to renewable and affordable energy for biomanufacturing in Europe

3. Market creation and demand-side measures

The current IAA proposal currently recognizes, in Annex I, the chemicals, paper and plastics industries, amongst others, as strategic sectors for industrial acceleration areas. However, the demand-side measures established in Annex II only cover low-carbon and union original requirements for certain energy intensive industries (steel, concrete and mortar, and aluminum). The entire deployment of Union-level demand-side measures for bio-based solutions depends on future delegated acts (under Article 16), which might come too late and add significant regulatory complexity. Predictable demand is essential for scaling bio-based industries.

The IAA should explicitly, actively and unequivocally support the creation of lead markets for bio-based chemicals, materials and products. This requires:

- Introduction of targeted demand-side measures as set down in Annex II (public procurement procedure and minimum content requirements), for sustainable carbon, bio-based chemicals and materials recognised as strategic sectors in Annex I
- Recognition of bio-based solutions as strategic substitutes for virgin fossil-based inputs
- Ensuring coherence with other legislative frameworks and product specific regulation in particular with the upcoming Biotech Act II and the Circular Economy Act, and the Public Procurement Act.
- Harmonisation of policies promoting bio-based content with measures supporting bio-based, biodegradable and compostable materials for certain applications in contact with food, soil and vegetable residuals or at high risk of dispersion in the environment

4. Regulatory efficiency and permitting

Accelerating industrial deployment requires a simpler and more predictable regulatory environment for the bio industries. BIC welcomes the proposal to:

- Streamline permitting and authorisation processes for industrial projects and for innovative bio-based products to reduce administrative burden, ensuring regulatory foresight to avoid cumulative constraints
- Improve coherence across overlapping EU frameworks (Biotech Act II, Circular Economy Act, Public Procurement Act, etc.)
- Enable clearer classification of bioeconomy activities (including statistical and sectoral coding)
- Enable harmonised, simplified, faster and cross-sectoral permitting pathways where companies can pre-submit their applications and structural early engagement with companies

5. Competitiveness and policy coherence

The concept of “defossilisation” should be explicitly introduced alongside decarbonisation, as a core dimension for the chemical and materials sectors where feedstock emissions (Scope 3) dominate lifecycle impacts. To ensure global competitiveness, the IAA must support a level playing field for EU bio-based industries.

This includes:

- Ensuring policy coherence across industrial, environmental and product legislation
- Avoiding design biases that favour incumbent fossil-based material pathways
- Supporting equal conditions for deployment of strategic technologies
- Ensuring that EU policy frameworks reinforce, rather than fragment, investment signals across value chains