

Carbon is and will remain an essential element of most chemicals and derived products. Increased circularity will increase the resilience, not only of the chemical sector, but also of the entire economy. In line with this objective, the Clean Industrial Deal emphasises the need for transitioning away from fossil materials. For the chemical industry this represents a massive challenge as today, more than 90% of the carbon embedded in its value chains originates from virgin fossil sources.

Therefore, the EU needs a clear and holistic vision on how to manage the carbon that is used in the chemical sector and its wider economy. Such vision should be part of the upcoming sectoral approach for the Chemical sector and it should:

- Include a strong innovation dimension, addressing Europe's innovation deficit e.g. on new materials and products;
- Establish a clear calculation methodology and verification system for recycled and biomass-derived content;
- Consider new measures that will create additional market demand and support solid business cases;
- Consider the role of chemical products and chemical companies in the EU's strategy on carbon removals;
- Maximise the availability of biomass and recycled feedstock for the chemical industry and establish a level-playing field with other sectors of the economy;
- Ensure continued public support and funding for companies that invest into circular solutions.