

Press release

A week dedicated to the bioeconomy in Europe shows it is key to EU's future climate and industrial policies

Brussels, 14 March 2024

Until recently the idea of a forest-based sector and of a circular bioeconomy seemed to have gone out of favour in EU policymaking. But the sector has demonstrated a high level of resilience in time of crisis and showed the advantage of being able to rely on local resources in a geopolitical context calling for 'strategic autonomy'. Importantly, it brings solutions to the table at a time when Europe is looking for a climate-compatible economic model.

The bioeconomy's potential figured pre-eminently amongst the speeches of policymakers at the 'Bioeconomy Changemakers Festival' organised this week by the EU Commission's DG Research and Innovation, and accompanied by independent satellite events all over Europe. The Festival aims to help the Commission to gather views for an update of the Bioeconomy Strategy and Action Plan scheduled for 2025, with the objective of **unlocking the transformative potential of the bioeconomy**.

Another meeting brought together today a delegation of leading European biomanufacturers including Cepi Chairman Marco Eikelenboom CEO Sappi Europe, as well as Commission's Executive Vice-President Maroš Šefčovič and civil society representatives. The topic of the new dialogue it has launched is the forest-based bioeconomy, which can be broadly defined as covering all actors relying on forest biomass, and which has become central to both EU climate and industrial policies. In a context that remains difficult Europe's industrial sectors overall, **it still represents 20% of EU manufacturing companies and directly employs 4 million people**.

Through its engagement in sustainable forestry and its leading track record in circularity, the sector enables Europe to tap into its forests' potential to absorb CO₂ and the benefits stemming from storing carbon into products throughout their lifecycle. The EU's carbon accounting is also positively impacted by the sector's capacity to substitute fossil-based products with its own. Currently, it is estimated that **the forest-based sector allows for the annual sequestration of 806 Mt of CO₂ equivalent** - this corresponds to mitigating 20% of the EU's total fossil emissions. An effect can be enhanced if more fossil raw materials and products can be displaced.

Beyond its climate effects, **the circular biomanufacturing market also represents an economic opportunity. It is estimated to grow by €7 trillion globally until 2030**. Companies in the sector source mainly from Europe – lowering some of the continent dependencies, have a comparatively small fossil carbon footprint and are at the global forefront of various technological applications in bio-based materials and industrial scale biorefining. While global competition is ramping up, this early-mover advantage is expected to allow Europe-based companies to capture a significant share of the growing market.

To accompany this growth, biomanufacturers need a corresponding evolution in regulations reflecting the role their materials and products play in reaching EU climate targets. The further expansion of existing business models, and the development of new ones, could enable the sector to raise fossil emissions reduction in the EU to the equivalent of at least 30% of its current CO₂ emissions by 2030.

The potential growth will also depend on the sector's ability to apply the cascading principle: prioritising higher-value biomass products, as well as on promoting a model that respects biodiversity. Representatives of the sector agree that it is crucial that the conversion of bioresources into sustainable products is resource-efficient in regard to water, energy and material use, strengthening the 'doing more from less' principle of circular economy. **No other sector is better placed to improving Europeans' wellbeing without increasing the consumption of natural resources.**

The forest-based biomanufacturing sector is now committed to continue its dialogue with the EU Commission. Not only to ensure the viability of a market for fibre-based, sustainably sourced materials, products and innovations, but also to boost Europe's circularity and climate neutrality.

Quote by Jori Ringman, Cepi Director General

"The bioeconomy can do anything but not everything and replacing the entire fossil economy is not realistic. The circular economy and the bioeconomy are synergistic and complementary, both are needed."

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For more information on Industry commitments,
please consult

[Cepi's Sustainable Product Pledge](#),

[Cepi's Pledge to support the 3 billion trees initiative](#).

[The 4evergreen cross-industry alliance](#).

For our 2023 industry statistics, please refer to

[Cepi Preliminary Statistics 2023](#)

About Cepi:

Cepi is the European association representing the paper industry. We offer a wide range of renewable and recyclable wood-based fibre solutions to EU citizens: from packaging to textile, hygiene and tissue products, printing and graphic papers as well as speciality papers, but also bio-chemicals for food and pharmaceuticals, bio-composites and bioenergy. We are a responsible industry: 85% of our raw materials are sourced in Europe and certified as sustainable, 92% of the water we use is returned in good condition to the environment. We are the world champion in recycling at the rate of 70.5%. At the forefront of the decarbonisation and industrial transformation of our economy, we embrace digitalisation and bring 25 billion value addition to the European economy and €5 billion investments annually. Through its 19 national associations, Cepi gathers 490 companies operating 870 mills across Europe and directly employing more than 180,000 people.

More information about our sustainability performance [here](#).