Groningen, November 5, 2025

Subject: **A Circular Economy Act for a strong Circular Chemical Industry**

Chemport Europe welcomes the European Commission's initiative for the **Circular Economy Act (CEA)**. The chemical industry is central to the circular economy transition, as it is at the foundation of many other industries. With the CEA, Europe takes the right direction towards industrial competitiveness, strategic autonomy, and a clean economy. In order for the CEA to be effective, we urge the European Commission to:

1. Recognize the importance of regional ecosystems and utilize the strength of these.
2. Ensure demand for circular products.
3. Create the needed enabling conditions.

Chemport Europe

Chemport Europe is one of Europe's leading chemical clusters. The cluster employs over 20.000 people (direct and indirect) and provides essential building blocks and materials for the high tech, mobility, energy and defense sector. Chemport Europe is especially strong on circular and biobased chemicals for example polymers and fibers. Furthermore, the ports of Delfzijl and Eemshaven provide the cluster with direct access to overseas raw material streams and energy. In Chemport Europe businesses, education and research, and governments work closely together on our ambition to be the first biobased and circular chemical cluster of Northwest Europe. We feel this is the only way forward to maintain an economically viable and sustainable chemical industry in Europe and preserve this vital infrastructure for our continent. In order to realize our ambition, we are working on three themes specifically:

1. Biobased and Circular Plastics
2. Carbon Capture and Utilization (CCU)
3. Biomass as a resource for chemical building blocks

A Strong Chemical Industry in Europe

Europe's chemical industry is globally leading in sustainable carbon applications, like secondary plastics, biobased plastics, fuels and materials and materials based on CCU. At the same time, Europe's chemical industry is under pressure as the market is distorted by unfair competition, particularly from China and the United States.

This makes the transition to a circular economy even more relevant, as it strengthens competitiveness through innovative advantages, increases economic resilience through strategic autonomy, and it contributes to the decarbonisation and therewith the independence of Europe.

1. Where the Circular Economy is Shaped: Regional Ecosystems

Strong regional ecosystems are vital to the development of a circular economy. At the regional scale, entrepreneurs know each other, collaboration between researchers, students and businesses takes place and regional governments know key players personally. As was underpinned in the Draghi report, one of Europe's major competitiveness challenges is the valorisation of academic research to commercialisation.

The regional ecosystem is where regional value chains are formed, specialisation takes shape, industrial symbiosis is created, and where new key technologies make it from academia to market where they shape Europe's future. Therefore it's essential fort he CEA to ensure that:

- **Regional ecosystems** and industrial clusters are recognized as the geographical and strategic scale where the circular economy is created, and they are fully supported in shaping the transition.
- **Cohesion funds** (like ERDF & JTF) are **regionally deployed** in order to ensure effectiveness and to strengthen cluster-development.
- **Smart specialization remains stimulated** across Europe with strategic investments and deliberate funding.
- **Cross-European partnerships** are enhanced to close value chains, leap-frog innovation and utilise specialisation.
- **European policy makers engage actively with frontrunners** in the circular economy, in order to detect and **mitigate regulatory barriers**.

2. Demand Creation: the Achilles' Heel of the Transition to Circularity

At a relatively large scale, investments in innovation and knowledge development are already happening (up to TRL 5) for circular chemicals and materials. However, innovation support alone is not sufficient: the success of circular innovations depends on clear and predictable market signals that provide certainty regarding demand volumes, thereby making investment and scale-up more attractive.

The European market must also be protected from the import of cheap fossil-based or otherwise non-sustainable materials. These materials disrupt the market, forming unfair competition and lowering the demand for circular plastics and chemicals.

The valorisation of innovations and the achievement of a circular economy therefore depend on the rapid development of a stable demand market. Chemport Europe therefore urges to include:

- The establishment of EU-wide **mandatory recycled or biobased content** blending obligations, **uniform to all sectors by 2030**. A trading mechanism (functioning similar to the Emission Trading System) can be used to account for challenging product segments,

which inherently promotes innovation in those segments. The obligation should also apply to import, or otherwise compensate to ensure fair competition.

- The **confirmation that announced policy will not be delayed or weakened**, like product passports, Ecodesign for Sustainable Products Regulation (ESPR) and de Packaging and Packaging Waste Directive (PPWR).
- **An obligation for public procurement criteria** that require the use of circular and sustainable plastics and chemicals in key sectors such as construction and infrastructure.
- **The integration of plastics and chemicals** in the **carbon border adjustment mechanism** (CBAM) to ensure a **level playing field** with imports;
- **An obligation for the use of biodegradable plastics** for single-use products or where exposure to the natural environment is likely (e.g. agriculture, packaging).
- **An obligation for member states** to include the mandatory use of circular plastics and chemicals integrally in all **policies across sectors**, for example in agriculture, construction and infrastructure.

3. Create Enabling Conditions

In order to have a successful circular economy, it is important to acknowledge the fact that the economy is in a transition from linear and fossil, to circular. For a circular economy to develop, a clear vision and corresponding policy is needed. At the same time, it is necessary to actively phase out undesired practices. Therefore, the CEA should include:

- A clear **long-term vision** with clear (sector specific) **roadmaps**. While a stable policy landscape with a clear vision is crucial for businesses to do long-term investments, Member States fail to provide such landscape. The EU is in the unique position to provide policy stability.
- A clear and active **phase-out path for fossil-based materials**, when alternatives based on sustainable carbon reach market maturity (TRL 8+)
- **Direct policy at high R-strategies**. Only by transforming business models, the European economy can become future-proof. A solely-recycling economy will make Europe more expensive and uncompetitive.
- **Norms on the the quality and purity of material** (plastics and textiles) purity through product design requirements for both European production and import, so that recycling and re-use is possible.
- **Provisions to create a level playing field between biobased materials and energy**. Currently, energy based on biomass is being promoted actively, mutating the feedstock that is also necessary for the material transition. This makes the business case for circular materials harder to make.
- **The recognition of CCU** in emission reduction goals and policies.

- **Provisions to facilitate, stimulate and engage in public-private investments** (e.g. as can be seen already with the Horizon Europe partnerships) to accelerate first-of-a-kind production plants and infrastructure. This provides trust for market actors which makes investing more attractive.
- **A clear definition** of products based on sustainable carbon: 'products that are based on carbon from secondary material (recycling), biomass or CCU'. In other words, sustainable carbon is all carbon that limits the use of fossil carbon, and can be originated from the atmosphere, the biosphere or the economy.
- **A clear the principle on plastic**: plastic-free is the norm where possible, and the use of recycled and bio-based plastics is supported where this is the most sustainable choice. Wherever possible, plastics should be biodegradable—especially in applications where they are in contact with the environment. Fossil-based plastics should be phased out as quickly as possible.

A Circular Economy Act at the Right Moment

The transition to a circular economy is in fast motion. New sustainable solutions to shape Europe's future are being created every day. That's why it is important that in the CEA, fundamental choices are made to shape a future-proof economy. If circular developments are not strengthened and fair competition with fossil-based alternatives is not being enforced, investments that are being made will go to waste and doing business in Europe will become more expensive and unattractive.

The CEA comes at the right moment to strengthen competitiveness, increase cohesion and increase strategic autonomy. The ingredients are present, and the right policy can transform this potential into a future-proof European economy.

Kind regards,
On behalf of Chemport Europe,

Guido Rink
Chairman Chemport Europe