



Commission strengthens Europe's chemical industry

Brussels, 8 July 2025

Today, the European Commission presented an Action Plan for the Chemicals Industry to strengthen the competitiveness and modernisation of the EU chemical sector. The Action Plan addresses key challenges, namely high energy costs, unfair global competition, and weak demand, while promoting investment in innovation and sustainability. The Action Plan is accompanied by a simplification omnibus on chemicals – the sixth that the Commission has presented in this mandate so far – to further streamline and simplify key EU chemicals legislation, alongside a proposal to strengthen the governance and financial sustainability of the [European Chemicals Agency \(ECHA\)](#).

The **Action Plan** proposes the following measures:

- **Resilience and level playing field:** The Commission will establish together with Member States and stakeholders a Critical Chemical Alliance to address the risks of capacity closures in the sector. The Alliance will identify critical production sites needing policy support and tackle trade issues like supply chain dependencies and distortions. The Commission will also swiftly apply trade defence measures to ensure fair competition, while expanding chemical import monitoring through the existing Import Surveillance Task Force. The Alliance will align investment priorities, coordinate EU and national projects, including [Important Projects of Common European Interest](#) (IPCEIs) and support EU critical production sites to boost innovation and regional growth.
- **Affordable energy and decarbonisation:** The Commission will implement at full speed the [Affordable Energy Action Plan](#) to help reduce high energy and feedstock costs. It has introduced clear rules for low-carbon hydrogen and will update state aid to lower electricity costs for more chemical producers by the end of the year. The plan also encourages using clean carbon sources like carbon capture, biomass, and waste, alongside support for renewables. A public [consultation](#) on improving chemical recycling has also been launched today.
- **Lead markets and innovation:** The Action Plan highlights fiscal incentives and tax measures to boost demand for clean chemicals. The upcoming **Industry Decarbonisation Accelerator Act** will set EU content and sustainability rules to support market growth and clean technology investment. The upcoming **Bioeconomy Strategy** and **Circular Economy Act** will boost the EU's resource efficiency, chemicals recycling, and strengthen the market for bio-based and recycled alternatives to fossil-based inputs. The Commission will also launch **EU Innovation and Substitution Hubs** and mobilise EU funding under Horizon Europe (2025–2027) to accelerate the development of safer, more sustainable chemical substitutes.
- **Taking action on per- and polyfluoroalkyl substances (PFAS):** The Action Plan reaffirms the Commission's commitment to minimise PFAS emissions through a robust, science-based restriction, while ensuring continued use in critical applications under strict conditions where no alternatives are available which will be proposed swiftly after ECHA's opinion. The Commission will also invest in innovation, promote remediation based on the polluter pays principle, and prioritise the development of safer alternatives.

Simplification

As part of its ongoing efforts to boost the EU's competitiveness, the Commission adopted a sixth **simplification omnibus** to reduce compliance costs and administrative burden for the chemical industry while ensuring strong protection of human health and the environment. This includes simplifying hazardous chemical labelling rules, clarifying EU cosmetics regulations, and easing registration for EU fertilising products by aligning information requirements with standard REACH rules for chemicals. These measures are expected to save at least **€363 million annually** for the

industry.

The [proposal](#) for the **ECHA Basic Regulation** equips ECHA with the resources, flexibility, and structural adaptations required to fulfil the duties under its growing mandate, which now includes responsibilities under multiple EU regulations, namely spanning classification and labelling, biocidal products, import and export of hazardous chemicals, waste management and water.

The chemicals sector is vital to Europe's economy, underpinning the manufacture of almost all goods. It provides essential materials and technologies to industries that support the welfare, security and resilience of European economies, including automotive, construction, healthcare, agriculture, clean technologies and defence.

Background

The European Chemicals Industry Action Plan builds on the [Competitiveness Compass](#) and [Clean Industrial Deal](#). Following the [President's Strategic Dialogue](#) on 12 May 2025, it is the Commission's third sector plan after automotive and steel. The simplification package presented today delivers on President **von der Leyen's** [commitment](#) to simplify EU laws and cut administrative burdens, helping businesses innovate and grow. President **von der Leyen** announced a sector-specific omnibus in the first Strategic Dialogue on the future of the Chemical Industry in Europe with representatives of the sector, held on 12 May 2025. [The Single Market Strategy](#) adopted in May 2025 reiterated that commitment. The Omnibus for the Chemicals Industry is one of a [series of Simplification Omnibus packages](#) presented by the Commission under this mandate. The EU chemical industry is the fourth largest manufacturing sector, with 29,000 companies providing 1.2 million direct jobs and supporting 19 million across supply chains.

For more information

[Questions and answers](#)

[Factsheet](#)

[Action Plan](#)

[Proposal for an Omnibus for the Chemicals Industry](#)

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Quote(s):

"Chemicals is the mother of all industries, with over 96% of manufactured goods relying on chemicals. Today's action plan on chemicals is our business plan to secure this critical sector's future in Europe. It includes all levers to put the sector back on a growth track, from production-support measures to keep our steam-crackers and chemical sites in Europe, to trade defence instruments to protect our chemical businesses from unfair global competition, all the way to securing domestic demand for clean & "made in Europe" chemicals."

Stéphane Séjourné, Executive Vice-President for Prosperity and Industrial Strategy - 08/07/2025

"Simpler, clearer rules on product labelling for chemicals, as well as for cosmetics and fertilisers, will benefit both businesses and consumers. Likewise, streamlined procedures for product authorisations will save time and money for companies, particularly for small and medium sized enterprises, freeing them to innovate, develop new products and new markets. We expect today's package to yield over €350m in annual savings, adding to the over €8bn in savings in previous omnibuses this year. With this, we remain on track to identify at least €37.5bn in savings through our simplification agenda."

Valdis Dombrovskis, Commissioner for Economy and Productivity; Implementation and Simplification - 08/07/2025

"For a strong, competitive, and secure Europe, we need a thriving chemicals sector. Protecting people's health and the environment must go hand-in-hand with successful business. Through our European Chemicals Industry Action Plan, we will simplify rules, keep our health and our environment safe, and drive innovation and circularity. This is the key to reinforce Europe's production base and drive Europe's competitive edge."

Jessika Roswall, Commissioner for Environment, Water Resilience and a Competitive Circular Economy - 08/07/2025

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