Status quo, effects of feedstock switch and policy needs

→ Fig. A

Status quo:

→ Considerable dependence on expensive and unreliable fossil resource imports
→ Global overcapacities in chemical production
→ Weak domestic demand for chemical products

Proposed solutions:

→ More recycling and biomass: domestic resources to boost resource resilience
→ Climate-neutral innovations to safeguard future markets

Fossil resource imports
Electricity
Energy recovery
Hydrogen
Recycling
Biomass

Resource basis – status quo

Scenario – *climate-positive, fossil-free*

Positive effects of switching from fossil resource imports to recycling and biomass

–226 TWh
fossil resource imports

up to **90,000**
additional jobs in the chemical industry and waste management sector

up to **EUR 10 billion**
additional domestic value creation through use of domestic resources

+15 Mt
negative carbon emissions

–80 Mt
reduction in carbon emissions* and thus climate-neutral chemical industry

Policy needs for preserving the industrial location and establishing a climate-neutral and resilient future

	Short-term measures	Long-term measures
Innovation compass	→ Strong EU ETS I with carbon leakage protection that allows carbon costs to be passed through → Incentives for renewable carbon sources	→ Incentivise investments in recycling and biomass → Establish and upscale green markets
Preserving economic output	→ Reduce electricity costs → Strengthen European single market → Incentivise investments in electrification → Carbon contracts for difference for the chemical industry	

Agora Industry (2026). *over the entire life cycle