



Europe's Chemical Reset: Critical Chemicals & What Comes Next

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Ales Bartl

- ◆ Ales Bartl has a broad experience in European Union (EU) product regulatory law, including Registration, Evaluation, Authorisation, and Restriction of Chemicals (REACH) regulation, the Classification, Labelling, and Packaging (CLP) regulation, Biocidal Products Regulation (BPR), medical devices, electronic products, and general product compliance and product safety. He advises on regulatory compliance of a broad range of products marketed in the EU, including tobacco products, novel products, modern oral nicotine products, and electronic cigarettes, and represents clients before EU and national competent authorities on compliance and enforcement issues, including product withdrawals and recalls.
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- ◆ Alejandra also helps companies navigate the process of securing regulatory approvals for food contact materials within the European Union (EU) and at the level of individual Member States.



I. Critical chemicals

Critical Chemicals Alliance (CCA)

- ◆ Launched October 2025 under the **Chemicals Industry Action Plan COM(2025) 530** to identify critical chemical productions and molecules, map and monitor under customs surveillance systems (Import Trends Monitoring Tool), and boost investment and competitiveness
- ◆ **8 October 2026 – Second General Assembly**
 - Adoption of the [CCA's opinions/recommendations](#)
 - Further identification of critical molecules and sites
 - Recommendations on investment and modernisation
 - Potential enhanced customs/import monitoring
 - Possible basis for future legislative or trade measures



8 October 2026 Recommendations Package

- ◆ WG1 — **Recommendations on Critical molecules and production sites**
 - ◇ Identify which molecules, assets and value chains are strategically important.
- ◆ WG2 — **Recommendations on Trade defence**
 - ◇ Address import-related competitive distortions and the timing and effectiveness of trade-defence responses.
- ◆ WG3 — **Charter to restore investment for EU chemicals production**
 - ◇ Structure industrial policy around Survive, Modernise and Accelerate.
- ◆ WG4 — **Recommendations for a policy package**
 - ◇ Develop demand-side conditions that support European chemical production and the uptake of lower-carbon products.

WG1 Recommendations on Critical Molecules and Production Sites

◆ Definitions

- ◆ **Critical chemical:** *A chemical substance whose disruption in production or supply would create significant risks for European strategic value chains, essential sectors or societal needs due to its combination of strategic importance and vulnerability.*
 - **Important limitation:** The notion of criticality for molecules should not be considered on an unlimited volume but **only for the volume the EU needs to guarantee its self-sufficiency.**
- ◆ **Critical site:** *A production site whose disruption or permanent loss would significantly affect the resilience, competitiveness or strategic autonomy of European chemical value chains due to its production capabilities, infrastructure, industrial integration or ecosystem relevance – whether it produces a critical molecule or not.*
- ◆ What about the concept of essential use?



WG1 Recommendations for Critical Molecules (1)

- ◆ Track imports of critical molecules and value chains; make data accessible to industry to support trade-defence cases. **Deadline: ASAP (within 2 months of WG findings).**
- ◆ Fast-track anti-dumping, anti-subsidy and safeguard procedures for critical molecules. **Deadline: Immediately.**
- ◆ Account for co-products, downstream chemicals and finished products when defining trade-defence measures. **Deadline: End 2026.**
- ◆ Introduce more granular CN/TARIC codes to improve monitoring of critical chemicals. **Deadline: Before CN 2028 takes effect.**

WG1 Recommendations for Critical Molecules (2)

- ◆ Address stockpiling practices that undermine trade-defence duties, including proportionate clawback mechanisms. **Deadline: Immediately.**
- ◆ **European Chemical Trade Observatory:** Monitor strategic markets, excess capacity, subsidised exports, market distortions and dependencies. **End Q3 2026.**
- ◆ Stimulate demand for EU-produced critical molecules through relevant EU legislation, including the IAA, Biotech Act 2 and Circular Economy Act. **Deadline: Early 2027.**
- ◆ Promote EU-produced critical chemicals through public procurement, EU-funded projects and strategic-sector policies. **Deadline: Early 2027.**

- ◆ To be classified as critical, a molecule must pass three filters. Within each filter, it should satisfy 1 criteria.
- ◆ **Filter 1: Vulnerability: EU import reliance.**
 - ◇ 1) Import dependencies: significant reliance on extra-EU imports, adjusted for supplier-country geopolitical risk OR 2) Logistics constraints: transport constraints that make imports difficult to scale in a supply disruption.
- ◆ **Filter 2 — Vulnerability: Competitiveness threats**
 - ◇ 1) Import-driven price erosion, OR 2) Risk of irreversible capacity loss: last-of-a-kind production or significant capacity closures, OR 3) Exposure to energy, feedstock and carbon costs: material cost pressures undermining EU production competitiveness.
- ◆ **Filter 3 — Essentiality: Strategic importance to the EU**
 - ◇ 1) Value-chain centricity: a key building block or strategic node in chemical value chains OR 2) Necessity to strategic sectors: essential to sectors such as health, defence, agri-food, water treatment, energy and semiconductors.
- ◆ **Separate fast-tracks e.g. innovative critical molecules & trade protected**

WG1 Recommendations for Critical Production Sites

- ◆ Establish a fast-track mechanism to reduce energy costs for critical chemical production sites. **Deadline: End 2026.**
- ◆ Adjust benchmarks and prevent further reductions in free allocation during 2026–2030; revise other ETS elements. **Deadline: ASAP / End 2026.**
- ◆ Maintain free ETS allowances for chemical sites beyond 2038. **Deadline: 2027.**
- ◆ Accelerate permits for the modernisation and transition of critical sites, including through relevant EU simplification initiatives. **Deadline: End 2026.**
- ◆ Establish a dedicated EU State aid framework or funding mechanism for critical chemical sites. **Deadline: End 2026.**
- ◆ Other measures are related to modernizing and increasing funding and ensuring stable energy prices

WG1 Methodology for Critical Sites

- ◆ Three alternative pathways for identifying critical chemical production sites:

Pathway	What makes a site critical?	Main criteria
1. Production of a critical molecule	The site produces one or more molecules already classified as critical under the molecule methodology.	Automatic critical-site designation, without additional site-level criteria.
2. Last-of-a-kind production under economic pressure	The site produces an important molecule that may not qualify as critical under the molecule methodology, but has few European producers and faces significant competitive pressure.	1)Limited alternative production, 2)economic viability under pressure, and 3)relevance to strategic sectors or future technologies.
3. Ecosystem interdependencies	The site is closely connected to other critical sites or industrial activities, such that its failure would cause significant disruption.	Site should meet 2 out of 5: 1)Operational dependencies, 2)capacity at risk, 3)infrastructure replacement constraints, 4)cascading effects and 5cross-regional connections.

CCA – WG1 Output : Provisional List

Non-exhaustive list of critical molecules for the European chemical industry			
Sulfur (all kinds)	2503 00 90	Red phosphorus	2804 70 10
Chlorine	2801 10 00	Phosphorus	2804 70 90
Hydrofluoric acid	2811 11 00	Potassium Hydroxide	2815 20 00
Ammonia (anhydrous)	2814 10 00	Sodium Chlorate	2829 11 00
Caustic soda (solid)	2815 11 00	o-Xylene	2902 41 00
Caustic soda (liquid)	2815 12 00	m-Xylene	2902 42 00
Sodium carbonate	2836 20 00	p-Xylene	2902 43 00
Ethylene	2901 21 00	Ethylene glycol (MEG)	2905 31 00
Propylene	2901 22 00	1,4-Butanediol (BDO) and bio-BDO	2905 39 28, 2905 39 26
Butadiene	2901 24 00	Ethylene oxide	2910 10 00
Benzene	2902 20 00	Propylene oxide	2910 20 00
Toluene	2902 30 00	Epichlorohydrin (ECH)	2910 30 00
Xylene (mixed)	2902 44 00	Acrylic acid	2916 11 00
Styrene	2902 50 00	Acrylate esters	2916 12 00
Methanol	2905 11 00	Hexamethylenediamine (HMD)	2921 22 00
Phenol	2907 11 00	Isophorone diamine	2921 30 99
Lysin	2922 41 00	Aniline	2921 41 00
Methionine (INN)	2930 40 10	Functional Silane	2931 90 00
Methionine (excl. INN)	2930 40 90	Vitamin B1	2936 22 00
Rubber Silane	3812 10 00	Vitamin B6	2936 25 00
S-PVC ³	3904 10 00	Vitamin B9	2936 29 00
PTFE	3904 61 00	Vitamin D	2936 29 00
PET (>= 78 ml/g)	3907 61 00	Potassium Chloride	3104 20 50
Polylactic acid (PLA)	3907 70 00	Titanium dioxide	3206 11 00
		Silicones	3910 00 00

- ◆ Non-exhaustive but starting point for EC for policy recommendations and implementation
- ◆ Once labeled as critical, must remain for 8 years
- ◆ Yet to be agreed: dissenting opinions by MS and stakeholders. Some examples:
 - ◆ **The Netherlands:** concern about weakening the ETS or leading to subsidies for fossil fuels
 - ◆ **Germany:** concern about the use of State Aid rules
 - ◆ **Cefic:** logistics criterion needs refinement
 - ◆ **IndustriAll Europe and IGBCE:** Financial support and free allowances should be conditional on verified decarbonisation investments, energy-efficiency improvements and credible climate-transition plans.

WG3: The Three Missions: Survive, Modernise, Accelerate

- ◆ WG3's approach has three pillars:
 - ◇ **Survive:** Restore profitability and prevent the loss of strategically important capacity.
 - ◇ **Modernise:** Improve existing assets, including steam crackers and ammonia plants.
 - ◇ **Accelerate:** Scale first-of-a-kind projects and new low-carbon or sustainable-carbon production routes.
- ◆ The main enabling conditions are energy and carbon costs, feedstocks, infrastructure, financing, permitting, demand, fair competition and deployment at scale.
- ◆ A particular concern is the 2026–2030 investment window: decisions missed during major plant turnaround cycles could delay modernisation for years.

Reactions to CCA's Recommendations

- ◆ **Industry perspective is clear:** welcoming analytical methodology on criticality, import monitoring and trade defence -> recommendations should however turn into concrete policy measures for the EC and MSs ([Cefic](#), 8 Oct)
- ◆ **Civil society:** withdrawal of some NGOs from the CCA for discrepancies as to what should be considered critical & excessive influence of industry ([EBB](#), [ChemSec](#))
- ◆ Downstream business support resilience and decarbonization but warn against demand-side measures which could raise costs and weaken competitiveness ([EuroCommerce](#), [IndustriAll](#))
- ◆ **Institutional response:** Executive VP Stéphane Séjourné reaffirmed the Commission's commitment to the sector and **announced further action in the short term:**
 - ◇ 1) a targeted list of around ten critical chemical molecules by the end of the year,
 - ◇ 2) enhanced trade monitoring and stronger trade measures, and
 - ◇ 3) ambitious investment agenda to be negotiated under the next Multiannual Financial Framework (MFF)

What Comes Next ?

Simplification is Not Over Yet

- ◆ **State of the Union Speech, 16 Sept.**
 - ◇ Possible upcoming measures to reduce regulatory fragmentation in Member States and ‘gold-plating,’ including on enforcement
 - French, Danish PFAS measures ahead of Universal PFAS Restriction
- ◆ **What about the REACH revision?**
 - ◇ Some measures expected related to technical improvements and enforcement via Comitology procedure
 - ◇ 2030 statutory review: Article 117(1) REACH



PFAS REACH Universal Restriction

- ◆ ECHA expects SEAC to adopt its final opinion by the end of 2026. The opinions will then be submitted to the European Commission -> Draft restriction expected by end of this year or most probably Q1 2027
- ◆ The Commission may prioritise **consumer uses**
 - ◆ The Commission is considering distinguishing consumer from industrial uses in the upcoming PFAS restriction proposal, potentially addressing consumer uses first while allowing certain critical industrial applications to continue where alternatives are unavailable.
 - ◆ **No legal definition of consumer use:** Drawing the boundary could be contentious and create legal uncertainty, particularly for products that are manufactured industrially but ultimately purchased by consumers.
 - ◆ Electronics, vehicles, household appliances and medical devices may contain PFAS in components that consumers do not directly contact. Their classification could determine which restrictions or derogations apply.

Other Measures to Keep An Eye On

- ◆ **Advanced Materials Act** ([Planned Commission initiative for Q4 2026](#))
 - ◇ Could support innovation, industrial scale-up and the development of advanced materials, including materials relevant to the chemical sector (tbc)
- ◆ **European Product Act** (scheduled for 6 Oct, but late, publication TBC)
 - ◇ Replacement of 2008 New Legislative Framework package and the Market Surveillance Regulation with unified framework for product compliance and enforcement. Extension of the DPP and moving towards digital CE marking.
- ◆ **Changes to BPR and PPPR via Omnibus X adoption by end of 2026**
 - ◇ Council has adopted its negotiating mandate, [30 September update](#)
 - ◇ Measures include longer approval periods for active substances (15 yrs for first approval and 25 yrs for subsequent ones)

Thank You

Any questions?



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