



Questions and answers on the Action Plan for the Chemical Sector and Simplification Omnibus

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Why is the Commission presenting an Action Plan for the Chemical Sector and a Simplification Omnibus on certain chemicals?

Chemicals are vital to daily life and central to the EU economy, powering most manufactured goods and key sectors. Yet, the European chemical industry faces tough challenges, from high energy costs to unfair competition and weak demand. The Action Plan offers a clear commitment backed by concrete measures to tackle these issues and boost EU chemical production. The Omnibus stems from a review of chemicals legislation with stakeholders, targeting red tape and inefficiencies to cut costs, ease market access, support innovation, and strengthen competitiveness.

How will the measures support the competitiveness of the EU chemical industry?

The Action Plan builds on the [Competitiveness Compass](#) and [Clean Industrial Deal](#), focusing on four pillars: 1) strengthening resilience and global trade; 2) securing energy and supporting decarbonisation; 3) creating lead markets and boosting innovation, and 4) simplifying regulations. The Omnibus delivers on the fourth pillar by cutting costs and red tape, saving the EU chemical industry of at least €363 million annually.

What is being done to support the production of affordable essential chemicals in the EU?

Important productions such as steam crackers, ammonia, chlorine, and methanol are essential to the EU economy. The Action Plan creates a Critical Chemicals Alliance to identify key assets, align investments, and coordinate support like funding and Important Projects of Common European Interest (IPCEIs). The European Commission will also identify critical chemicals at risk from trade issues to guide policy and improve monitoring. In addition, EU Critical Chemical Sites will be set up to attract investment, encourage innovation, and modernise key industrial areas.

What measures does the Action Plan foresee to address energy prices in the chemicals sector?

High energy prices are still the main challenge for the EU chemical industry. The Action Plan highlights the need for fast implementation of the Affordable Energy Action Plan, including steps to reduce LNG prices through joint purchasing. It also extends EU ETS indirect cost compensation to more chemicals and supports low-carbon hydrogen to help build hydrogen economies in the EU.

What measures are foreseen to support the net-zero transition of the sector?

The chemical industry needs a technology-neutral, step-by-step path to net-zero. This includes not only green and low-carbon energy, but also clean carbon sources of non-fossil origin. These include biomass, carbon captured from carbon capture and utilisation (CCU), and chemically recycled waste. These carbon feedstocks are essential to de-fossilise most chemical products. For this reason, the Commission will incentivise as much as possible the supply and market uptake of clean carbon sources. As part of these efforts, the Commission has published today a proposal for mass balance accounting rules to boost investments into chemical recycling for Single Use Plastics Bottles.

How can the Commission ensure a level playing field for the EU's chemical industry?

To ensure a level playing field, the Commission strengthen its monitoring activities under the newly created Import Surveillance Task Force and a specific system introduced in March 2025 for certain industrial chemicals. Enforcement of chemical legislation will be also a top priority to close loopholes exploited by non-compliant imports, particularly those entering the Single Market via online platforms or unregulated intermediaries.

Does the Commission support chemical recycling?

With plastic waste rising, the EU is boosting collection, sorting, and recycling efforts. Mechanical recycling is preferred, but chemical recycling is key when high-quality material is needed, like for food packaging. The Commission has launched a [public consultation](#) on new rules to track recycled content in single-use plastic bottles, including chemically recycled content. This will support recycling targets, encourage innovation, and give investors' confidence in chemical recycling.

How does the Simplification Omnibus simplify rules for chemicals?

The sixth Simplification Omnibus introduces targeted changes to EU chemical, cosmetic, and fertilising product regulations to reduce burdens, improve clarity, and support innovation without compromising safety.

For the [Regulation on Classification, Labelling and Packaging of substances and mixtures \(CLP Regulation\)](#), changes simplify labelling rules for hazardous chemicals, allowing more flexible, easy-to-read designs, expanding digital labelling, and easing advertising rules to reduce costs and complexity.

In the [Cosmetics Regulation](#), amendments clarify procedures and introduce clear timelines for exemptions from substance bans, streamlining criteria. Guidance covers cosmetic products with constituents classified as CMRs—carcinogenic, mutagenic or reprotoxic substances—ensuring consumer safety. The Commission retains power to act on health risks after consulting the Scientific Committee on Consumer Safety.

For the [Fertilising Products Regulation](#), the Commission proposes removing extended registration requirements and applying standard [REACH rules](#), easing market access. It also plans clearer criteria and methods for assessing micro-organisms in plant biostimulants, simplifying processes.

The Omnibus includes transitional periods for adaptation, promotes digital documentation, and aligns with previous simplification efforts to boost competitiveness and reduce red tape.

Why is there a need for a new ECHA Basic Regulation?

The European Chemicals Agency (ECHA) was established in 2007 under the REACH Regulation to handle technical, scientific, and administrative tasks related to EU chemicals laws. Its role has since expanded to cover areas like biocides, classification and labelling, and drinking water. This has greatly increased ECHA's workload, with some scientific committees expected to double their opinions in coming years.

The proposed ECHA basic regulation will create an independent legal framework to help ECHA manage its growing duties efficiently, protect human health and the environment, and support the EU chemicals industry's competitiveness. The reforms will speed up the delivery of scientific opinions, giving industry quicker clarity on substance regulations. By unifying budgets and introducing a reserve fund, the Agency will have greater flexibility to allocate resources where needed, ensuring more consistent scientific committee outputs and smoother operational processes. As a consequence of establishing an autonomous regulatory framework, relevant provisions on ECHA's governance that are currently part of the REACH Regulation will be removed.

For more information

[Press release](#)

[Factsheet](#)

[Action Plan](#)

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

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Press contacts:

[Lea ZUBER](#) (+32 2 29 56298)

[Rüya PERINCEK](#) (+32 2 29 94903)

General public inquiries: [Europe Direct](#) by phone [00 800 67 89 10 11](#) or by [email](#)