

Brussels, 24 July 2026
(OR. en)

11855/26

COMPET 953
MI 776
IND 486

NOTE

From:	Trio Presidency
To:	Delegations
Subject:	Unlocking Europe's Biotechnology Potential: Policy Levers for Scale-Up and Market Growth

Delegations will find in the Annex the Trio Presidency discussion paper on 'Unlocking Europe's Biotechnology Potential: Policy Levers for Scale-Up and Market Growth', for the exchange of views at the Working Party on Competitiveness and Growth (High Level) on 07 September 2026.

**Discussion Paper for the High Level Group on Competitiveness and Growth,
7th September 2026, Brussels**

**Unlocking Europe's Biotechnology Potential:
Policy Levers for Scale-Up and Market Growth**

Life sciences, biotechnology and the bioeconomy are central to the EU's competitiveness agenda. The Commission's 2025 EU Life Sciences Strategy¹, '*Choose Europe for Life Sciences*' sets an ambition for the EU to be the world's most attractive location for life sciences by 2030 while the EU's 2025 Bioeconomy Strategy² seeks to scale up the use of renewable biological resources and stimulate green industrial transformation.

The Life Sciences Strategy sets out a coordinated approach across the entire life sciences value chain to address the various challenges and build market opportunities. The strategy aims to improve competitiveness, accelerate innovation, build market access, and strengthen public trust in new technologies. These objectives are particularly relevant to EU biotechnology where scientific achievements should be quickly and successfully translated into commercial products, "from the lab to the fab", whilst maintaining very high ethics, quality and safety standards. This connects directly to the 2025 Bioeconomy Strategy which seeks to enhance the EU's resilience and competitiveness and ultimately reduce dependence on fossil-based materials.

The opportunity for Europe is significant. The EU's bioeconomy was estimated to be worth up to €2.7 trillion in 2023, employing 17.1 million people and generating €863 billion in value added. Over the past decade, it has also grown faster than the overall economy, underlining its potential as a major strategic growth sector and a source of competitive advantage for Europe².

¹ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: Choose Europe for life sciences - A strategy to position the EU as the world's most attractive place for life sciences by 2030, 2025

² Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: A Strategic Framework for a Competitive and Sustainable EU Bioeconomy, 2025

This opportunity for significant growth in the sector is not an accident – the EU currently has strong and world-class capability in science and scientific discovery, as evidenced by very significant numbers of scientific publications. This coupled with the offering of a large Single Market as well as a competitive industrial base points towards real strengths in the sector.

However, the challenges are also real. The EU struggles to commercialise and scale life sciences innovations at a significant level. The Draghi Report clearly identified this as an issue of concern and made the case for major investment in innovation, advanced technologies, and industrial transformation to restore European competitiveness.

That is why the EU is acting now to further develop the EU’s biotechnology sector. The Biotech Acts I and II are a key example of the EU seeking to address these challenges. The forthcoming Biotech Act II is expected to complement the health-focused Biotech Act I by broadening the scope to industrial biotechnology and biomanufacturing, addressing cross-cutting challenges, and establishing an enabling regulatory framework for industrial biotechnology and biomanufacturing in the EU.

The forthcoming Biotech Act II offers a significant opportunity to scale and grow industrial biotechnology in the EU, which has the potential to bring huge benefits, across many areas, including sustainability, decarbonisation, strategic autonomy and economic security, new markets, and stronger global competitiveness. The key will be to quickly and fully tap into the potential opportunities, minimising/negating the various challenges, and capturing strong market share. The question will be how best this can be achieved successfully, notwithstanding many challenges that include:

1. **Excessive regulatory complexity, delays and fragmentation** which make innovation and market entry more difficult, create barriers for companies, as well as delaying the development and deployment of biotech products. Innovators often find themselves having to deal with complex EU and individual national regulatory frameworks that are not innovation friendly and can lack clear pathways to market access.

2. **Lack of investment and insufficient financial support, especially in scaling finance,** hampering European biotech firms to scale, with competitors in other regions scaling much faster due to stronger financing ecosystems.
3. **Commercialisation of research in the sector being less successful in the EU compared to the US and China³** due to challenges in scaling from the “lab to fab” which can lead to promising European innovations being commercialised outside of the EU, as evidenced recently by 66 out of 67 EU biotechnology companies, that went public, listing on non-EU stock exchanges, over a six year period⁴.
4. **Value chain obstacles including competitiveness with fossil-based products, weak market pull and fragmented supply chains** hampering the development of large scale commercial European bio-based solutions. Competition continues to increase rapidly, with China becoming more innovative and the US continuing to lead in the provision of finance.

Overall, the EU biotechnology sector has strong fundamentals, but its long-term success depends on whether reforms can reduce fragmentation, unlock financing and translate research excellence into globally competitive companies and products. In essence, there will need to be a strategic shift, involving the EU moving towards having a fully supportive industrial biotechnology ecosystem, backed by regulatory overhaul, targeted investment and scientific excellence. A successful transition would greatly strengthen the EU’s position as a leader in biotechnology and enhance competitiveness across key biotechnology sectors, including industrial, environmental, energy, and agri-food biotechnology.

³Communication from the Commission to the European Parliament, The Council, The European Economic & Social Committee and the Committee of the Regions: Building the future with nature: Boosting Biotechnology and Biomanufacturing in the EU, 2024

⁴European Commission, Public Health: Overview – Biotechnology, 2025

Questions

Against this background, the Chair would like to raise the following questions for discussion:

1. What do you see as the key industrial policy and regulatory levers that will be required to develop a strong and robust EU industrial biotechnology sector, with strong market demand, where businesses scale up quickly and successfully? Can you provide insight on the specific levers required for building market demand and scaling up?
 2. What can Member States do at a national level to ensure that the identified/selected policy levers are implemented in a highly impactful and cohesive manner?
-