

# Feedback on the EU Biotech Act II consultation

*On system-level coordination and the relationship between top-down sectoral Digital Product Passport initiatives and the bottom-up upstream traceability that originates in materials and feedstocks.*

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Europe's challenge in industrial biotechnology and biofabrication is often presented as a technological one. In reality, Europe already possesses strong scientific capability, engineering expertise and innovative startups. The more fundamental challenge lies in scaling technologies into economically viable industrial systems capable of attracting long-term capital.

My own work focuses on carbon pricing, transition risk modelling and the interaction between industrial decarbonisation pathways, investment behaviour and policy design. From that perspective, the barriers identified in this call for evidence are closely interconnected and should be approached as a system-level coordination problem rather than as isolated sectoral issues.

A recurring issue across bio-based industries is insufficient market uptake. This is particularly visible in sectors such as sustainable aviation fuels (SAF), bio-based construction materials and circular industrial materials. Much of the market remains driven by engineers, sustainability advocates, startups and small-scale entrepreneurs. While technologically innovative, these actors rarely possess the balance sheets required to finance industrial-scale deployment. Institutional investors meanwhile often struggle to identify robust long-term economic value propositions.

Industrial transition projects involve long investment horizons, uncertain regulatory environments and unclear residual value assumptions. Yet these timelines are entirely consistent with real industrial asset lifecycles. Aircraft, industrial plants, buildings and infrastructure assets purchased today are expected to remain operational well beyond 2050. This means transition uncertainty should already be entering investment de-

cisions through expected future carbon costs and residual value risk. However, many investment cases continue to lack sufficiently credible long-term policy visibility. In particular, the EU ETS, while highly important, is often perceived as evolving incrementally without a clearly articulated long-term end-state for a globally competitive decarbonised economy.

Another major obstacle is the fragmentation of lifecycle accounting, certification methodologies and regulatory practices across Member States. There is currently no genuinely integrated European market for many bio-based products. Different assumptions regarding lifecycle emissions, carbon storage, circularity and sustainability create uncertainty for both producers and investors.

This challenge ultimately becomes a data infrastructure problem. Lifecycle carbon information should be measurable, verifiable and transferable throughout the value chain. Europe has recognised this strategically through initiatives such as the Digital Product Passport (DPP), yet implementation remains fragmented and heavily dependent on small-scale startups. More coordinated industrial-scale infrastructure development is required, beginning upstream and continuing throughout industrial value chains in a machine-readable and interoperable form.

Europe's industrial transition therefore requires more than technological innovation alone. It requires a coherent long-term economic framework capable of aligning carbon pricing, industrial strategy, lifecycle accounting, data infrastructure and capital mobilisation across sectors.

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