

Traditional resources, new opportunities: What the EU should consider in their ambition to boost the bioeconomy¹

The European State Forest Association (EUSTAFOR) is pleased to see that the Commission's intentions to focus on competitiveness have led to the development of the new EU Bioeconomy Strategy 2025. As President Von der Leyen mentioned in [2023's State of the Union speech](#), Europe is a continent of forests. Well-managed forests can supply Europe with the sustainable raw material needed to build a strong bioeconomy and the climate benefits and geopolitical autonomy that will come with it.

State Forest Management Organisations (SFMOs), EUSTAFOR's members, are highly motivated to contribute to the development of the EU bioeconomy as the economic system of the 21st century - a driver of green growth, competitiveness and resilience. Together, SFMOs manage around 30% of the EU's forested area. This makes them not only the stewards of Europe's natural areas, but also a major supplier of its renewable resources. With an annual supply of roughly 150 million m³ per year², the European state forests are the cornerstone of a thriving European bioeconomy. All forest material produced by our members is harvested according to forest management plans, which are well-grounded in national legislation and monitored by strict governance systems, as well as voluntary third-party certification³. Therefore, it is encouraging to see that the Commission's proposal for the EU Bioeconomy Strategy 2025 explicitly recognizes the important role of sustainably managed forests as a crucial bio-material source in the value chain.

As stated in the strategy, "locally adapted sustainable management can provide long-term supply to industry while maintaining a resilient carbon sink." EUSTAFOR wishes to point out that active management is needed to provide these services, and to keep forests healthy and resilient in the face of climate change challenges. This requires long-term vision and continuous investments, investments that depend on strong forestry business models. With responsible management, Europe's forests can continue to provide a sustainable alternative to fossil-based resources. The positive impact of this substitution effect on climate change should not be underestimated⁴.

To utilize this potential, the EU should prioritize investments in innovation to develop new markets for high-value end-uses of wood. Europe already has a wealth of knowledge and cutting-edge technology to utilize wood components efficiently. However, these processes need to become scalable, cheap and efficient to ensure competitiveness in an already established market dominated by fossil-based resources.

A strong bioeconomy also needs a reliable, secure supply of biomass. The EU bioeconomy should focus both on increasing the production of primary biomass through innovation in silvicultural methods, as well as increasing the utilisation of secondary feedstocks.

In the Strategy, the Commission also confirms the fact that "Bioenergy continues to play a role in energy security". EUSTAFOR promotes the efficient use of biomass; after all, bio-based materials are renewable, but not infinite. With the development of new markets, sustainable business models will be available for low-quality wood. However, in many areas across Europe, the biorefineries needed to produce these products are few and far between. With the low profit margins on low-grade wood, bioenergy is in many areas currently the only profitable local business model. EUSTAFOR urges the Commission to take this fact into account when developing bioenergy-related regulation, and in particular during the RED III assessment in 2027.

¹ Any statement in this document is to be considered as a reflection of the best available professional expertise and does not necessarily reflect the political commitments of individual member organisations.

² EUSTAFOR's internal database (2025)

³ https://eustafor.eu/uploads/eustafor_brochure_bioeconomy_web.pdf

⁴ 1,3 Mt of CO₂ emissions can be avoided by substituting 1% of fossil-based plastics, 1,0 Mt for substituting 1% of metal and concrete with forest-based products. (Vasara, P. & Lehtinen H. (2024). A vision for bioeconomy as a driver for carbon sequestration. AFRY Group.)

To build a reliable and strong industry, data is crucial. EUSTAFOR supports the use of the latest technologies, including Earth Observation technologies, to obtain the necessary information. However, a lengthy over-politicised debate, such as on the recent Forest Monitoring Law proposal, should be avoided. To properly assess biomass availability, it is important to make a sound analysis of a broad spectrum of sustainability aspects embedded in national legislation, and utilize the data already available in Member States, rather than to add another layer of reporting to the sector.

Conclusion

The forest-based sector in Europe is still world-class and very competitive. Whereas other European industries are struggling, the forest sector is thriving. Therefore, the Commission should support and enhance the factors that keep the European forest sector in its leading position on the world market. Europe has the natural resources and the expertise to play a leading role in the global transition to a sustainable bioeconomy. EUSTAFOR therefore calls upon the Commission to be ambitious in their aim to transform the EU economy to a circular, bio-based one, and firmly recognize that the primary producers form the very foundation that this economy will be built on. An appropriate strategic, structural and coherent policy framework has to support this transformation. EUSTAFOR and its members are looking forward to collaborating on this project with all its capacity and knowledge, to safeguard a robust, sustainable and competitive European economy.

For further information on EUSTAFOR's position on bioeconomy, we would like to refer you to our [position paper](#).