



MBB
MALTA BUSINESS BUREAU

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The Bioeconomy Strategy

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The newly launched Bioeconomy Strategy represents an important opportunity to make more efficient use of Europe's biological resources, research and development (R&D) capacity and technology. This offers a solution to the waste crisis, reduces import dependence and creates new jobs.

The bioeconomy transforms organic materials from food waste to agricultural residues, into valuable products and revenue streams. Businesses can convert locally available biological resources into renewable energy, sustainable packaging, bio-based chemicals and more. This approach creates new market opportunities while reducing costs and environmental impact across sectors.

The Malta Business Bureau (MBB) presents the following key insights from the Bioeconomy Strategy and concludes with its relevance to Malta.

Removing Barriers to Innovation and Investments

Interest in the use of ¹bio-based materials in sectors such as pharmaceuticals, plastics and textiles is growing but the deployment of tangible products remains limited due to international competition from the US and China and persistent barriers in the single market.

This calls for the removal of such barriers through simplification efforts that facilitate market entry and encourage harmonization across Member States, especially for Small and Medium-Sized Enterprises (SMEs), which require added financial and administrative support to deploy products aligned with the bioeconomy.

Investment in R&D and manufacturing infrastructure must be upscaled, allowing technologies to prove their viability and scale up to industrial production. The Scale-up Europe Fund and European Circular Bioeconomy Fund are proposed means of improving access to finance for start-ups and scale-ups in the bioeconomy.

However, the removal of such barriers must be accompanied by strong lead markets (demand-side policies) to help in turn stimulate supply and encourage competition.

Developing Lead Markets for Bio-Based Solutions

Lead markets break the scaling barrier: when sectors like packaging or construction commit to bio-based products, suppliers can invest confidently, build production capacity, and drive costs down through volume. Without these anchor markets providing predictable demand, bio-based businesses struggle to attract investment and remain uncompetitive against established petroleum-based products.

¹ Bio-based materials are products made wholly or partly from renewable biological sources like plants, animals, forestry, or marine life, serving as sustainable alternatives to fossil-fuel-based items.

Public procurement can help stimulate demand for innovative material, with the European Commission supporting public buyers who wish to consider bio-based solutions. In fact, the Commission will launch a flagship voluntary initiative called **Bio-based Europe Alliance** (BEA), where leading EU companies commit to jointly purchase €10 billion in bio-based materials by 2030. This can improve investor confidence in SMEs and regional producers.

Several lead markets have been identified as having high potential. These include bio-based:

- Plastics and polymers;
- Textiles;
- Chemicals derived from renewable energy sources;
- Construction products and fertilisers.

However, for these to be developed, lead markets for technologies such as biorefineries and advanced fermentation must be central.

Beyond market development, the strategy also addresses how biomass resources should be sourced and managed.

Upscaling Biomass Usage

The strategy prioritises converting waste into value rather than dedicating farmland to industrial crops. Agricultural residues, food waste, and manufacturing by-products become the primary feedstocks—turning disposal costs into revenue opportunities while preserving agricultural land for food production.

By-products and residues from crops or animal agriculture as well as from food waste and aquaculture, must be put to use to build bio-based value chains which enhance business resilience whilst capturing economic value.

To ensure sustainable supply of these materials, Europe's farmers, foresters and fishers must manage living resources in more efficient and innovative ways. Aquatic resources, forests, agriculture and more can contribute to more resilient biomass, through improved soil fertility and water cycles, creating positive feedback loops.

Partnerships and Knowledge-Sharing

Various countries are starting to adopt bioeconomy strategies as these meet both climate and economic objectives.

Fostering strategic partnership can help accelerate such initiatives and remove barriers, especially for sustainable biomass trade and bio-based technologies. The Global Gateway strategy offers a framework to link supply chain investment with knowledge exchange and innovation cooperation. This will allow for the development of bio-based

value chains in non-EU markets too, adopting a more circular modus operandi. The **Circular Bio-Based Europe Joint Undertaking** will offer funding for research and innovation projects that advance competitive, sustainable, and circular bio-based industries in Europe.

The Malta Case:

Malta's bioeconomy offers potential to diversify the economy and create new market opportunities. However, realizing this potential requires the navigation of complex implementation challenges.

Malta's waste generation rates remain among the highest in Europe, while recycling rates lag significantly behind EU averages. Indeed, the island has hit a record² 353,000 tonnes of waste as landfills struggle to keep pace, with the biggest increase being biowaste³. This creates both an environmental burden and an untapped economic opportunity. Converting organic waste from tourism and hospitality into resources including biogas and biomethane could simultaneously reduce landfill strain and generate energy.

Bio-based industries can generate employment across agriculture, aquaculture, biotechnology, and related sectors, delivering tangible benefits to local communities in the short to medium term given Malta's scale. Aquaculture by-products, for instance, could be processed into high value biofertilisers or animal feed supplements, creating new revenue streams and supply chain resilience.

Removing regulatory and market barriers will be key to fostering innovation and attracting investment. Maltese SMEs can further strengthen their role by tapping into EU programmes such as Horizon Europe and LIFE. This will also help in boosting market appetite for such projects.

The EU Bioeconomy Strategy presents a timely opportunity. With environmental pressures and EU support available, Malta can transform itself from a resource-constrained island into a model of circular innovation, enhancing self-sufficiency, positioning itself as a Mediterranean hub for sustainable bio-based solutions.

² [\(Newsbook, 2025\)](#) Malta records 353,000 tonnes of waste.

³ [\(Times of Malta, 2025\)](#) Municipal waste increased by 6.1% last year, biggest increase being bio-waste (organic waste).

Disclaimer: This is a policy brief to create awareness about the legislative proposal and for information purposes. It is not an official position of the Malta Business Bureau.

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