

EPF feedback on the draft revision of the General Block Exemption Regulation (GBER)

The European Panel Federation (EPF) welcomes the Commission's initiative to revise the GBER to facilitate and accelerate the deployment of aid measures supporting the green transition. Simplified procedures and broader exemptions can play an important role in enabling faster investments and reducing administrative burden for Member States and industry. However, EPF expresses serious **concerns regarding the provisions related to biomass and bioenergy support**.

The draft introduces elements that would facilitate and accelerate the approval of State aid for bioenergy, including biomass-based energy. While this may contribute to renewable energy objectives, it also risks creating **unintended distortions in the use of woody biomass**. In particular, easier approval of bioenergy support schemes is likely to further incentivise the energy use of woody biomass, including high-quality wood that is suitable for material applications. This would intensify competition for raw materials, at a time when the availability of wood is already under increasing pressure across Europe.

For the wood-based panels sector, this has direct and significant implications. Wood-based panels rely on a stable and affordable supply of wood, including recycled wood and industrial by-products. Current market demand has already been heavily diverting resources away from material uses, with an imbalance that now sees more than 50% of both harvested wood and wood waste directed toward premature energy recovery. An increased demand triggered by further subsidies for energy uses will make this scenario far worse, leading to acute supply shortages, further price increases and total loss of competitiveness for circular bioeconomy industries.

The forest-based industry is certainly in favour of the energy transition, however this transition shouldn't happen at the expense of a raw material that has a best first-use. Woody biomass cannot be viewed as a primary decarbonisation solution for EU's energy needs, as its highest climate and economic value is achieved through material use first. Such an approach would moreover be **inconsistent with the cascading use principle**, a cornerstone of EU bioeconomy and circular economy policies **as explicitly referred by the RED III directive**, and would undermine the objective of maximising resource efficiency and long-term carbon storage in products.

EPF therefore calls on the Commission to ensure that the revised GBER fully reflects the cascading use principle. In particular, **state aid for bioenergy should be carefully designed to avoid incentivising the use of feedstock that is suitable for material applications**. Clear safeguards should be introduced to prioritise the use of waste and residues that are not fit for higher-value uses.

Furthermore, EPF stresses the need to ensure policy coherence across EU frameworks, including the Renewable Energy Directive, the Circular Economy agenda and the updated Bioeconomy Strategy. Without such alignment, the regulatory framework risks sending mixed signals on the most efficient and sustainable use of woody biomass.

In conclusion, while EPF supports the overall objective of simplifying and accelerating state aid procedures, it is essential that the revised GBER does not create distortions in biomass markets. Ensuring a balanced and efficient use of woody biomass is critical to maintaining a competitive, circular and climate-efficient forest-based sector.

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