

Industrial Emissions Directive (IED)

Subject Overview

The EU's Industrial Emissions Directive (IED) is one of the fundamental documents for environmental permitting, and its revision has an immediate impact on companies' environmental licensing obligations. The revision of the directive has been prepared at the EU Commission for a couple of years and is based on the EU Green Deal's objectives of Zero Pollution, Climate Neutrality, Biodiversity, and a cleaner, more Circular Economy. The Commission published the draft revision of the directive in the spring of 2022. The Industrial Emissions Directive serves as a background directive for Best Available Techniques (BAT) reference documents, which provide regulations on the best available technology for different industries and activities across Europe.

Objective of the Chemical Industry

The Industrial Emissions Directive is one of the most significant directives guiding the operation of chemical industry facilities. The directive applies to over 80 chemical industry facilities in Finland.

In early summer 2022, a survey was conducted among member companies of the Chemical Industry Association regarding the Commission's proposal for changes to the EU Industrial Emissions Directive. Generally, companies saw the proposal as quite challenging, partly increasing costs or being impractical without significant or yet nonexistent innovations. On the other hand, there was a perception that the proposal increased bureaucracy, prolonged permit processing times and costs, but still allowed operations to continue, and the costs incurred were somewhat reasonable in relation to the requirements. Companies are most critical of the requirement to apply the strictest possible emission limit values in the permitting process, to the extent that it is feared to negatively impact profitability. Additionally, in line with the nature of the chemical industry, it is simply not possible to push all parameters to the lower limits. For example, if the purification of a certain emission is increased, energy consumption may rise. The Commission's growing demands for the disclosure of various information have also raised significant concerns within the chemical industry, especially regarding the confidentiality of information, particularly related to business secrets.

Only the promotion of innovations was clearly seen as a positive new opportunity, although there are still uncertainties associated with its key elements, which is why no company was certain about utilizing this opportunity. To enable companies to truly seize the opportunity and promote the emergence of new innovations, the proposal should be further refined. The development of new technology always entails the risk of failure, and this should be addressed in the proposal in a more encouraging rather than discouraging manner.

The Industrial Emissions Directive will expand its scope in many areas. From the perspective of the chemical industry, key decisions concern the battery value chain and hydrogen plants.

The chemical industry has been an active member of the national background group and continues to follow the trilogue negotiations.

Current Situation and Timeline

The European Commission's proposal for the revised Industrial Emissions Directive was released in April 2022. During the summer of 2023, both the Council and the Parliament reached their general positions. In the fall of 2023, the trilogue phase is expected, which is anticipated to lead to the approval of the directive by early 2024 at the latest. National implementation will begin in early 2024, and member states will have two years to incorporate the directive proposal into their national legislation. In Finland, this largely concerns the Environmental Protection Act.

In connection with the Industrial Emissions Directive, the latest BAT conclusion for waste gases in the chemical industry was published in the fall of 2022. This BAT is currently the most significant BAT for a large portion of chemical industry facilities.

We influence by:

- Participating in the work of the Ministry of the Environment's national background group.
- Promoting our messages in Cefic working groups.

[Overview of the Industrial Emissions Directive on the European Commission's website.](#)

Council's [agreement on amendments](#) to industrial emissions directive.

Download the draft proposal [here](#).

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