POSITION PAPER

SEPTEMBER 2022

THE ENERGY CRISIS IMPACT ON THE EUROPEAN GLASS FIBRE INDUSTRY

Need for immediate measures to safeguard the European industry

Today, glass fibre installations face energy costs over ten times higher than last year. This increase in energy prices poses a direct threat to the continuity of the glass fibre industry operations and its value-chain in Europe. Glass fibre producers need a secured supply of energy at competitive price across Europe and call on the European and national authorities to take measures without delays.

Glass fibre melting is a continuous process that cannot be interrupted and the installations have no room to reduce significantly their energy consumption. Therefore, an increase in energy prices inevitably affects the profitability of the installations. In normal times, energy represents between 20 to 35% of the total production costs. Following the energy crisis in Europe, these costs have exponentially increased (over 15 times at their peak), far above the costs faced by competitors located outside Europe.

The current situation is not sustainable for the European industry. The European market is under constant pressure from heavily subsidised and dumped imports from Chinese state-owned companies, and there is today no business case for the European production. The energy prices must be brought back to competitive levels in Europe.

If the glass fibre production was to be stopped in Europe, the economic and social impact of such a situation would not only be dramatic to the glass fibre sector, but it would also have a cascading effect on all the glass reinforced plastic or composite material supply chains (energy, electric and electronic devices, defence industry, transport, construction and infrastructures, etc.). Ultimately, Europe would lose the local production of critical and strategic goods.

Glass Fibre Europe calls on the European and national authorities to take swift **actions** and makes the following **recommendations**:

- Ensure in the national emergency plans the supply of energy to the industrial installations that cannot be stopped without severely damaging the installation, like the continuous filament glass fibre plants.
- Continue the trade defence measures on subsidised and dumped imports, and consider the rapid introduction of additional measures when new flows emerge.
- Introduce immediate energy price caps on both gas and electricity.
- Reduce or cap taxes and surcharges on electricity and gas for the industry.
- Review the "Temporary crisis framework for state aid measures" criteria to make these aids more inclusive (e.g. reviewing the reference period and negative EBITDA criteria), extend the framework beyond 2022 and increase the financial cap.
- Review the "EU ETS indirect state aid guidelines" and enlarge the list of activities eligible for indirect costs compensation to the production of all the glass fibre products[1].

About Glass Fibre Europe – EU Transparency Register n°635608817518-09.

Glass Fibre Europe, founded in 1987, is the voice of the European continuous filament glass fibre industry. It is composed of 7 companies: 3B the fibreglass company, FYSOL SAS, Johns Manville, Lanxess, Nippon Electric Glass, Owens Corning and Saint-Gobain Vetrotex. Glass Fibre Europe represents over 90% of the continuous filament glass fibre production in Europe.

[1] Under the guidelines, only two continuous filament glass fibre products are eligible; i.e. glass fibre mats (23.14.12.10) and glass fibre voiles (23.14.12.30).

Glass Fibre Europe

APFE I European Glass Fibre Producers Association (aisbl)

Rue Belliard 199, 1040 Brussels, Belgium
Tel: +32 478 18 53 08
Email: info@glassfibreeurope.eu

www.glassfibreeurope.eu