

GLASS FIBRE & EU ECONOMIC SECURITY

The European Economic Security Strategy and the Role of Glass Fibre in Europe's Industrial Resilience

Glass Fibre Europe, representing the continuous filament glass fibre manufacturing industry in Europe, welcomes the publication of the European Economic Security Strategy by the European Commission. We agree with the assessment that [Europe needs to adapt to a changing world and take new measures to enhance its resilience](#). Like other economies globally, Europe must reduce harmful dependencies and increase local production of enabling materials in critical value-chains, such as glass fibre.

Glass Fibre Europe appreciates the European Commission's recognition of the need for increased resilience in Europe's industrial base. [The strategic value of glass fibre and its role in critical sectors make it imperative to secure the competitiveness and autonomy of European downstream industries](#). By implementing the measures outlined in this position paper, the European Commission can foster a level playing field, support the growth of the European glass fibre manufacturing industry and its value chains, and contribute to the overall economic security of the European Union. Glass Fibre Europe stands ready to collaborate with the European Commission in achieving these objectives and ensuring a strong, resilient, and sustainable European industrial base.

Call for Actions to the European Commission

Glass Fibre Europe is ready to partner with the European Commission to identify the main risks faced by the continuous filament glass fibre industry and design effective policy responses to mitigate the risk of dependence in its value chains. To restore a level playing field in the EU market, the following actions are crucial:

1. **Enforcing Trade Defence Instruments:** The European Commission must enforce the trade defence instruments to ensure fair competition in a timely manner. Imposing necessary measures against unfairly subsidized imports at each step of the value chains will safeguard the European glass fibre industry and promote fair market conditions. When trade defence measures are in place, effective custom controls of imports should take place to prevent circumventions.
2. **Fostering Local Content:** The European Commission should adopt policies that favour local content in various sectors, including those relying on glass fibre. Encouraging the growth of demand for EU production will strengthen the European supply chain resilience and reduce dependencies on external competitors.
3. **Financial Support for Investments:** The European Commission should provide financial support for upgrading existing manufacturing facilities and establishing new capacities in strategic sectors. This support will help the industry enhance its production capabilities, increase competitiveness and sustainability, and prevent strategic dependency on imports.
4. **Addressing Operating Costs:** Policies should be adopted to address the increase in operating costs faced by European glass fibre manufacturers. Measures such as reducing energy costs, streamlining regulatory burdens, and providing incentives for innovation and sustainability will support the growth of the industry and improve its global competitiveness.

The Significance of Glass Fibre in Europe

Demand for glass fibre has been growing over the last decade with the constant development of new products and applications by the industry, and the increase in demand generated by sustainability and climate objectives. The growing demand for glass fibre is expected to further intensify in the coming years with the implementation of new policy measures in Europe for the attainment of the EU's Green Deal and REPowerEU objectives.

Glass fibre plays a vital role in enabling the production of strong, light, and durable composite material solutions. These solutions find application in various strategic sectors, including renewable energy (e.g. wind turbine blades and solar panel backing and framing), computers and electronics (e.g. printed circuit boards), mobility (e.g. E.V., public transport), buildings and infrastructures, and defence and aerospace (e.g. aircraft parts and secondary structures, helicopter rotor blades). The versatility and unique properties of glass fibre make it indispensable for enhancing efficiency, performance, and sustainability across industries.

Strengths of European Glass Fibre Manufacturing in Europe

Europe still benefits from a large base of glass fibre manufacturers operating state-of-the-art facilities. Europe produces approximately 1 million MT of melted glass for glass fibre production annually from 12 installations operating in 9 countries. The industry directly employs over 5,000 workers in its manufacturing plants and supports hundreds of thousands of indirect jobs down the industry value-chains. These companies have developed expertise and invested in research and development to consistently deliver high-quality products and preserve European edge in key technologies. Moreover, Europe possesses abundant mineral resources necessary to meet an increase in demand for glass fibre, including silica sand, kaolin clay, limestone, and dolomite.

The Challenge of Unfair Competition and Chinese Overcapacity

A greenfield plant of 100,000 MT is an investment of at least €200-300 million. A glass melting furnace is capital intensive and requires long investment cycles. A furnace has a lifetime of 10 to 15 years and the melting process demands a continuous supply of energy (natural gas and electricity). The furnace cannot be shut down except for the periodic maintenance that involves the partial or full rebuild of the furnaces. These maintenance shutdowns require very high investments which can amount to between €20 and €70 million depending on the type and extent of the rebuild. Furthermore, certain production equipment, such as the bushings, also represent significant cost factors¹.

In this context, the constant building up of overcapacities by Chinese state-owned companies² poses a significant threat to the viability of investments in Europe. The European market has become a target for heavily subsidised imports by Chinese glass fibre companies producing primarily in China, Egypt and Bahrain, creating an uneven playing field for European manufacturers. The constant pressure from these imports hinders the growth of the European industry, ultimately increasing the risk of dependency on external state-owned competitors. Eventually, as long as the industry will have to compete with unfair competition on the European market, investments in new facilities and rebuilds of existing capacities will be at risk.

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 8 companies: 3B the fibreglass company, Envalior, FYSOL SAS, Johns Manville, Nippon Electric Glass, Owens Corning, Valmiera Glass, and Saint-Gobain Vetrotex. Glass Fibre Europe represents all the major producers of continuous filament glass fibre in Europe. The continuous filament glass fibre industry is the cornerstone of the glass-based composite materials and technical textiles value-chains. Glass fibre's unique properties enable the production of wind energy, electric and electronic devices, and the development of sustainable solutions in a wide range of applications, such as transport and construction.

¹ Bushings are metal plates, made of platinum and rhodium, with a lifetime of approximately 200 days. The costs of one bushing are approximately between €400,000 and €750,000, depending on material and size.

² In 2020-2021, the global overcapacities were approximately 0.8 million MT² and an additional 1.5 million MT in capacities were (prepared to be) added, primarily by Chinese glass fibre reinforcement producers. This total overcapacity represents two times the total annual market demand of Europe.