

Position Paper

EU wind turbine blade supply chain advocates urgent measures to strengthen EU resilience

April 29th, 2024

TECH-FAB Europe, CEFIC UP/VE, CEFIC Epoxy Europe, Glass Fibre Europe, Rotorblatt Allianz and major core materials producers, representing industries in the wind turbine blade value chain, welcome the adoption of the Net-Zero Industry Act ('NZIA') and the positive elements in it for the entire value chain (see annex). Yet, we consider that the objectives set in the NZIA urgently require additional meaningful and ambitious measures to foster EU production of key inputs in the production of wind turbine blades.

In this regard, upstream materials such as glass fibres and fabrics, resins and core materials, are strategic value chain components for net zero technologies. Upstream industries in the wind energy turbine blade value chain have made valuable and instrumental contributions to the production of wind turbines in the EU, including important innovations enabling for example the constant increase in the length of wind turbine blades, leading to an increase in power output.

While we support the urgent requests of a variety of EU manufacturing industries, expressed in the recent Antwerp Declaration¹, including the need to ensure access to secure, low carbon energy sources at reasonable and competitive prices, the wind turbine blade supply chain has additional specific needs.

To understand these additional specific needs, it is first necessary to recognize that the positive elements of the NZIA alone are not sufficient to ensure the resilience and scaling-up of the manufacturing capacity of these strategic value chain components. The EU market is currently facing challenges with EU manufacturers throughout the supply chain being substantially undercut by imports from third countries with immense subsidised overcapacities. This unbalanced situation needs to be addressed for the NZIA to start delivering its benefits, in particular to new "strategic projects" to start delivering.

Ambitious measures to strengthen EU resilience and advance NZIA goals

We specifically call for EU authorities to take steps that directly and substantially encourage sustainable and resilient supply chains, favouring less complexity along with a higher content of EU-produced critical inputs, and ensure a level-playing field on the EU market. Concretely, we call on the EU institutions to :

1. Urgently adopt policies that favour local content and introduce specific requirements to increase wind turbine blade supply chain resilience (e.g. 70%), as done in other countries to reinforce the competitiveness of local production and bolster supply chain resilience.
2. Be quick to investigate and impose needed trade defence measures on subsidised and dumped imports at each step of the wind turbine blade value chain.
3. Expand and improve custom controls of imports, to prevent circumvention of trade defence measures, and to better enforce environmental, sustainability and social requirements for imports (including REACH, forced labour and other labour standards, anti-bribery, etc).

¹ <https://antwerp-declaration.eu>

ANNEX : The Wind Turbine Blade Supply Chain in the Net-Zero Industry Act ('NZIA')

In 2023, the EU adopted the REpowerEU initiative with the aim of mitigating the effects of high energy costs, promoting the diversification of energy sources, and making more efficient use of resources, while maintaining the ambition to achieve climate neutrality by 2050 in the European Union. To this end, the focus of attention of EU energy, climate and industrial policies has primarily been on final products, such as wind turbines, photovoltaic panels and (e-)vehicles.

At the same time, there has been increased recognition of the need for a strong and coherent industrial policy covering **the entire supply chain**, i.e., including upstream materials such as glass fibres and fabrics, resins and cores which are strategic value chain components for net zero technologies. Upstream industries in the wind turbine blade value chain have made valuable, indeed key, contributions to the production of wind turbines in the EU, including important innovations enabling for example constant increase in the length of wind turbine blades, leading to an increase of power output.

In addition, it is well known that European-sourced key raw materials comply with higher performance, labour, and environmental standards compared to materials sourced from other regions of the world.

In this context, the general objective of the newly published NZIA is:

*to improve the functioning of the internal market by establishing a framework throughout the Union in order to ensure the Union's access to a secure and sustainable supply of net-zero technologies including **by scaling up the manufacturing capacity of net-zero technologies and their supply chains to safeguard their resilience while contributing to achieving the Union's climate targets and climate neutrality objective.** (Emphasis added in bold)*

To contribute to achieving this general objective, the NZIA contains measures aimed *inter alia* at “lowering the risk of supply disruptions related to net-zero technologies likely to **distort competition and fragment the internal market**, in particular by identifying and supporting the scale-up of the manufacturing capacity of net-zero technologies and their supply chains”.

To meet the ambitious NZIA target for the wind industry, an annual manufacturing target of 36GW, the wind industry will need to increase its production by at least 20GW, which in turn will increase the demand of wind turbine producers for glass fibres and fabrics (used in the construction of the blades, nacelle and hub covers) by 160.000 MT², and result in corresponding increases in demand for other upstream materials (e.g., resins by 70.000 MT, cores by 22.000 MT). In fact, the origin of these additional upstream supplies will be key to safeguarding and promoting Europe's resilience.

In this regard, we welcome the fact that the final version of the NZIA has recognised that upstream components “**primarily used**” for the production of net-zero technologies need to be promoted just as much as the final products, e.g., the wind turbine. Further, “primarily used” has been helpfully defined as “essential for the production of net-zero technologies”.

Another positive element is the inclusion of a resilience criterion for designating “net zero strategic projects” (in Article 10), which specifically addresses whether the net-zero technology manufacturing projects **increase or aim to boost “the manufacturing capacity of a component or a segment of the net-zero technology supply chain”**.

² <https://glassfibreeurope.eu/glass-fibre-demand-for-wind-energy-in-nzia/>

List of signatories

	<p>3A Composites manufactures extruded and cast plastic sheets, composite panels as well as core materials for composite structures and is focused on the Display, Architecture, Wind energy, Marine, Transportation & Industry markets. We are regarded as the market leader in all target markets. www.3acomposites.com</p>
  	<p>The UPR/VE Resin Association, a Cefic Sector group, represents unsaturated polyester (UPR) and Vinyl Ester (VE) resins producers of Europe. www.upresins.org</p> <p>EPOXY EUROPE, a Cefic sector group, represents the interests of the major European epoxy resins manufacturers since the early 1980s. www.epoxy-europe.eu</p> <p>Cefic, the European Chemical Industry Council, was founded in 1972, and is the voice of large, medium and small chemical companies across Europe, which provide 1.2 million jobs and account for 16% of world chemicals production. www.cefic.org</p>
	<p>Glass Fibre Europe: Founded in 1987, is the voice of the European continuous filament glass fibre industry. The continuous filament glass fibre industry is the cornerstone of the glass-based composite materials and technical textiles value-chains. www.glassfibreeurope.eu</p>
	<p>Gurit is a leading manufacturer and supplier of advanced composite materials, tooling automation, core kitting and composite structural engineering services. Our materials range comprises structural core materials, structural profiles, prepregs, and formulated products such as laminating resins and adhesives. www.gurit.com</p>
	<p>The Rotorblatt-Allianz aims at analysing existing problems and developing proposals for pre-competitive research in the field of rotor blades of wind turbines. In particular, the group focuses on an exchange of rotor blade manufacturing industry, harmonisation of test methods and the formulation of research projects related to rotor blade testing. www.rotorblatt-allianz.de</p>
	<p>TECH-FAB Europe: We are the European voice of the technical textile industry representing a diversity of weavers in Europe from SME's to large international groups. Our products are high-performing engineered textiles that bring lightweight, strength and many other benefits to our everyday lives. www.tech-fab-europe.eu</p>