

GLASS FIBRE AND THE INDUSTRIAL DECARBONISATION ACCELERATOR ACT

*Contribution to the European Commission's Consultations on the future
Industrial Decarbonisation Accelerator Act (IDAA)*

Glass Fibre Europe, representing the continuous filament glass fibre (CFGF) manufacturing industry in Europe, welcomes the opportunity to contribute to the European Commission's reflection on a future Industrial Decarbonisation Accelerator Act (IDAA).

Glass Fibre Europe is committed to supporting Europe's transition to a climate-neutral, competitive, and resilient industrial base. As a key enabler of the twin green and digital transition, our products are essential to decarbonising and modernising critical sectors - ranging from wind turbine blades and electric vehicle components to solar panels, hydrogen infrastructure, and advanced electronics. At the same time, our industry fully recognises its own responsibility in reducing the carbon footprint of its products to help meet Europe's climate objectives.

The development of lead markets for low-carbon products in Europe is essential for achieving climate neutrality, industrial resilience, and strategic autonomy. However, industries at the upstream stages of the value chain, such as the glass fibre sector, face structural challenges that hinder the competitiveness and adoption of sustainable alternatives.

This position paper outlines the structural challenges facing our industry and recommends targeted policy instruments to support the development of lead markets for low-carbon products in Europe.

Barriers to Creating Lead Markets for Low-Carbon Glass Fibre Products

1. **Cost disadvantage of low-carbon products and imports at predatory prices:** European manufacturers face significant cost pressures. Low-carbon products typically entail higher upfront investment and production costs - when decarbonised energy or sustainable raw materials are readily available - making it difficult to offer competitive prices. This challenge is further exacerbated by the presence of imports sold at predatory prices.
2. **Price sensitivity of European consumers and businesses:** In the current economic climate, price remains the dominant purchasing criterion. This reduces market demand for low-carbon products, even where such options are available.
3. **Limited customer willingness to pay a premium:** There is generally low willingness among industrial buyers to bear additional costs for low-carbon goods, particularly in sectors where end-consumer purchasing decisions are not strongly influenced by environmental impact.
4. **Marginal influence in complex supply chains:** Even when customers support sustainability goals, certain low-carbon materials - such as glass fibre - may constitute only a small fraction of the final product. As a result, their carbon footprint has limited influence on the overall carbon footprint of the end product, reducing the incentive to opt for greener alternatives.

To address the barriers to creating lead markets for low-carbon glass fibre products (see textbox above), the glass fibre industry recommends prioritise the following policy actions:

1. Restoring a level playing field against unfair subsidised imports

A key priority must be the restoration of a level playing field on the European market. The competitiveness of European low-carbon industries is being severely undermined by subsidised imports sold at dumped prices, particularly from state-owned companies based in China and in third countries as part of the Belt and Road Initiative. These producers benefit from massive state support, non-market financing conditions, and operate under environmental and social standards far below those applied in the EU.

To address this, the **EU must adopt and enforce trade defence measures effectively and without delay**. This includes imposing necessary measures **at each stage of the value chain, along with robust customs controls** to prevent circumvention. Moreover, any low-carbon or local content requirements must be supported by strict certification and traceability mechanisms to prevent circumvention through nominal compliance or greenwashing practices.

Protecting European industry from these distortive practices is essential to maintaining investor confidence, securing long-term decarbonisation efforts, and preserving industrial sovereignty in strategic value chains.

2. Support for reducing the costs of low-carbon products

Relying mainly on increasing the cost of conventional products - such as through carbon pricing - risks making all options more expensive. This could delay the uptake of clean technologies, especially in sectors like renewables, mobility, and construction, where affordability is critical to large-scale deployment. While carbon pricing has a role to play, it must be complemented by policies that actively improve the affordability of low-carbon alternatives.

Policies should prioritise lowering both the investment and operating costs of low-carbon production. This can be achieved through **direct support instruments** - such as subsidies, grants, and de-risking mechanisms - that help reduce financial barriers. In parallel, it is essential to ensure the **availability and affordability of carbon-neutral energy and decarbonised raw materials**, which are critical enablers of industrial decarbonisation.

Following the example of other regions, EU funding schemes could provide **bonuses or preferential treatment to clean technologies that incorporate domestically manufactured components**, including upstream input materials like glass fibre.

3. Introduce minimum content requirements for “upstream locally produced low carbon materials” in public procurement or regulated product categories

In our experience, public procurement too often applies non-price criteria - such as recycled content or embedded CO₂ - only to finished or semi-finished products. Input materials, including processed materials like glass fibres, are frequently excluded from such requirements. This limits the ability of public procurement to drive demand for low-carbon inputs and weakens incentives for upstream actors to invest in more sustainable production methods. **To avoid this situation, sustainability and non-price criteria should apply not only to final and semi-finished products, but also to input materials such as glass fibre.** Defining content requirements at this upstream level would ensure that the benefits of European industrial policy - such as job creation, sustainability standards, and resilience - are reflected throughout the supply chain, not just in final assembly.

In addition, low-carbon requirements **should be accompanied by robust local content criteria** (or minimum European content criteria) to avoid significant risks of market distortion. Specifically, producers from countries with substantial non-market overcapacities and less stringent certification frameworks could dominate the European market by allocating nominal artificially constructed "low-carbon" production for export. This could undermine both the credibility of low-carbon standards and the competitiveness of EU-based manufacturers who operate under stricter environmental and transparency regulations.

4. Incentivising non-price criteria in B2B markets

Minimum EU content requirements, when combined with low-carbon standards, can help create stable demand, encourage domestic investment, and therefore strengthen regional supply chains and reduce reliance on imports. Such measures **could be introduced gradually, beginning with public procurement and strategic sectors** - such as renewable energy, batteries and electric vehicles, and defence / space - where EU-based production can scale to meet demand. This would create early lead markets, strengthen regional supply chains, and help scale sustainable production.

Policies could also promote the inclusion of sustainability and origin-based criteria in private-sector procurement and purchasing decisions, helping to build lead markets beyond the public sector.

5. Streamlining Permitting for Industrial Decarbonisation Projects

While permitting processes are not always a decisive barrier to industrial decarbonisation, they frequently introduce unnecessary complexity, delays, and uncertainty - especially for projects involving on-site renewable energy generation or connection to low-carbon energy sources, and grid or infrastructure upgrades.

To accelerate the decarbonisation of Europe's industrial base, it is essential that **permitting procedures be streamlined, better coordinated across levels of governance, and made more predictable** - particularly for projects that contribute directly to EU climate and energy goals. A simplified, time-bound permitting track for decarbonisation-related investments could remove friction and unlock private sector action, without compromising environmental or social safeguards.

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.