

Brussels, 20 December 2023

## Maroš Šefčovič

European Commission Executive Vice-President EUROPEAN COMMISSION Rue de la loi 200 B- 1049 Bruxelles

O/Re. 09E23/AC/AF

Dear Vice-President Šefčovič,

## Re: Clean Transition Dialogue - Proposals from the glass industry

I am writing on behalf of Glass Alliance Europe, the European glass industry association which regroups 14 national glass associations and 5 main glass sectors to follow-up on the Clean Transition Dialogue on Energy Intensive Industries which took place on 30 November 2023.

At the recent Clean Transition Dialogue meeting, the glass sector was represented by the Chair of Glass for Europe, Joana Arreguy, who has informed us of your willingness to continue the discussion on policy orientations and support measures. We would therefore like to present you with proposals to ensure the competitiveness of the glass industry and at the same time guaranteeing its contribution to the decarbonisation efforts.

Firstly, it is essential that the European Union continues to work on setting the foundations for industries, like the glass sector, to intensify its industrial transformation towards climate neutrality. A new **comprehensive industrial policy** is needed to complement the regulatory architecture already in place and should address the following elements:

- Access to affordable and continuous low-carbon energy sources, which is a
  pre-requisite for the glass industry's decarbonization efforts.
- Massive investment in low-carbon energy and grid infrastructures throughout Europe to allow for the deployment of the new clean manufacturing technologies in a geographically scattered glass industry.



- Continuous support funds for the **deployment of manufacturing projects** supporting decarbonization in the glass sector.
- Incentives and measures to support the market uptake of **low-carbon and European-made products**.
- Stronger enforcement at the EU borders of any existing or new eco-design measures and sustainability criteria to ensure fair competition in the EU market between imported and EU-made products.
- Timely and effective enforcement of trade defense instruments when European glass products face unfair competition from outside EU manufacturers.

The European Commission could **reactivate the High-Level Group on Energy-Intensive Industries** to help move these points forward. Glass Alliance Europe would be eager to take part in a revived policy dialogue that has the potential to provide greater predictability to industry.

More urgently, the glass industry should be **added to the list of sectors eligible for indirect cost compensation under the EU ETS.** Most glass sectors are not compensated under the present state aid guidelines. Eligibility criteria were established at a time of low  $CO_2$  allowance prices and lower trade exposure. They are therefore no longer representative of the risk of carbon leakage. Being added to the list would provide additional protection against the risk of carbon leakage and would support the glass industry's efforts towards greater electrification.

Finally, we would like to draw your attention to the fact that it is essential that decarbonization projects from the glass sector can access EU funding, like the EU ETS Innovation fund. While it is understandable that funds are targeted at sectors with higher emissions, support should not be limited to a few sectors only, or else the decarbonisation efforts of the glass industry would be hampered. **De-risking innovative manufacturing projects is needed** in the glass industry.

<sup>2</sup> Annex I to the Communication from the European Commission on guidelines on certain state aid measures in the context of the greenhouse gas emission allowance trading scheme post 2021 – C(2000)6400 final.

<sup>&</sup>lt;sup>1</sup> NACE codes of glass sectors: 23.11, 23.12, 23.13, 23.14 and 23.19. Only the manufacture of glass fibre voiles and mats is eligible for compensation to date.



The glass sector is committed to supporting the European Commission in developing policies that contribute to a thriving decarbonised industry. We remain at your disposal to discuss our proposals further and engage in a constructive dialogue.

We look forward to hearing from you.

John of 7.

Yours faithfully,

Adeline Farrelly Secretary-General

Copy: Juraj Nociar, Head of Cabinet

Kurt Vandenberghe – Director General DG CLIMA Kerstin Jorna – Director General DG GROW Olivier Guersent – Director General DG COMP

## **About Glass Alliance Europe**

Glass Alliance Europe is the European Alliance of Glass Industries. It is composed of 14 national glass associations and of the five main sectors of the glass industries: container glass, flat glass, special glass, domestic glass and continuous filament glass fibres. Over Europe, the glass industry comprises more than 500 plants providing 500,000 direct and indirect jobs.

Europe is the world leader in glass making. Glass is a unique and inert material made from abundant natural resources and fully recyclable. It is a key contributor to the EU objectives of a low-carbon, energy-efficient and circular economy, and a key enabling material for essential supply chains, such as the pharmaceutical and health sector, the food and drink industry, buildings and construction, automotive, luxury goods and perfumes, electronics, etc.