

Clean Industrial Deal

Supporting the flat glass sector to enable sustainable transformations in advanced materials

The European flat glass sector is key to achieving the EU's decarbonisation goals. Its products help to improve the energy efficiency of buildings, support the transition to clean mobility, and contribute to efficient renewable solar energy generation.

In all its applications, flat glass is an irreplaceable material whose technological advances, availability and affordability are critical to many of Europe's flagship industries, its economic security and low-carbon future.

However, the sector is currently facing serious competitiveness challenges, exacerbated by high energy costs and a significant decline in demand from the construction and automotive sectors. This situation has led to the closure of almost 20% of the EU's production capacity over the last ten months, a scale never encountered in previous crisis.

Despite the flat glass sector's intact commitment to sustainability, these difficulties jeopardise its ability to innovate and invest in decarbonisation solutions.

Immediate and targeted action under the Clean Industrial Deal is essential to ensure that the flat glass sector remains a competitive supplier of an advanced strategic material for Europe as it continues and intensifies its own efforts to reduce CO2 emissions.

The Flat Glass sector at a glance



10.5 Million Tonnes float glass a year



50 Flat Glass Furnaces operational



1500 Transformation sites in Europe



120,000 direct jobs



500,000 indirect jobs

The challenges faced by sector

Competitiveness: Demand for flat glass products in Europe is reaching record lows due to **energy costs 3 to 4 times higher** than outside the EU and **increased global competition**

Decarbonisation: Flat glass is a hard-to-abate sector. The industry has launched low-carbon glass products and invests in R&D to pioneer low-carbon production. **De-risking of investments and the affordability of low-carbon energy remain major challenges**

Recycling: Flat glass is a 100% recyclable material. However, **logistical and technological barriers prevent the establishment of closed-loop recycling systems** that are essential to cut energy consumption and raw materials and reduce CO2 emissions

Our Recommendations for the Clean Industrial Deal

To secure Europe's industrial leadership, decarbonisation goals, and safeguard economic security, bold policy choices and targeted measures are needed in the Clean Industrial Deal.

Care for industrial competitiveness to support decarbonisation efforts

- Place the affordability of low-carbon energy at the centre of the **Decarbonisation Accelerator Act**, and ensure investments in related energy-infrastructure serve energy-intensive sectors
- Dedicate funding to de-risk investments in innovative low-carbon manufacturing technologies in hard-to-abate sectors, like flat glass making
- Revise the eligibility criteria of the **State Aid** mechanism for indirect cost compensation under the EU ETS to support glass manufacturers in their electrification efforts
- Consider a holistic revision of the **EU ETS** scheme to ensure enough liquidity in the carbon market and free allocation to sectors at risk of carbon leakage beyond 2030
- Do not prematurely introduce flat glass manufacturing within the **Carbon Border Adjustment Mechanism** so long the system's impacts are not thoroughly analysed and ways to address impacts on downstream sectors elaborated

Boost strategic sectors as flat glass manufacturing with support measures

- Add energy efficiency technologies for building construction and renovation to the list of net-zero strategic technologies under the **Net Zero Industry Act**
- Review the **EU taxonomy** criteria applicable to construction and its products to correct inaccuracies and bring coherence so as to unleash investments in truly sustainable practices
- Establish lead markets for European made and low-carbon products through **Green Public Procurements**, reduced VAT-rates and a '**Buy-European Act**'
- Carefully monitor trade evolutions in strategic sectors and conceive 'an early-warning system' to address sudden trade imbalances, before irreversible injury can be demonstrated

Give sustainable construction the central role it deserves in a new industrial policy

- Prioritise the recovery of the construction industry and ecosystem in the **Clean Industrial Deal** for the industry to deliver on the promises of the **Affordable Housing Plan**
- Ensure the circularity and closed-loop recycling of construction waste is central to the **Circular Economy Act** to develop activity in collection schemes and closed-loop recycling
- Develop a harmonised EU whole-life carbon methodology for products and buildings, to support the transition to sustainable construction
- Champion a robust and swift implementation of the new **Energy Performance of Buildings Directive** by Member States with a tight scrutiny of National Building Renovation Plans
- Set up EU funding to ensure continuity of national funding schemes for building renovation