



CCMI Hearing

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EU Glass Industry: Drivers & Obstacles

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Standing Committee of the European Glass Industries
Comité Permanent des Industries du Verre Européennes



British Glass
Manufacturers' Confederation

EU Glass Industry

- Heritage, knowledge, skills
- Capital intensive
- Energy intensive
- Competes on global stage
- Global ownership
- Margins – traditionally low



Glass the Material

- Inert in most applications
- Highly recyclable – container, flat
- Made from plentiful, locally sourced raw materials



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EU Glass Industry Sectors

		% of Total Tonnage
Container	- Packaging	58
Flat	- Auto, construction	27
Insulation Fibre	- Glass wool for insulation	6
Filament Fibre	- Reinforcement for composite materials	2
Domestic	- Tableware including crystal and ovenware	4
Special	- Optical, laboratory, CRTs, telecommunications	} 3
	- electronics, lighting, vitrification	
Frits	- Glazes and enamels	



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EU Glass Industry 2007

Companies	1300
Production Volume	37.5 million tonnes
Production Value	€39 bn
Exports	9.3% of output
Imports	Now exceed exports and growing
Employment	234,000



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The EU's Glass Industry 1990 - 2008

Productivity: Output per employee doubled

Energy: 25% reduction

CO₂: 25% reduction

Recycling: Doubled - 60% for container
Increases in flat and fibre

Europe's glass industry is now the most productive and cleanest in the World.



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The EU's Glass Industry 2009 and Beyond



Declines expected in virtually every sector.

**Extent dependent largely on what
Governments do NOW.**



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Glass – Products that reduce impacts of climate change

Insulation – loft and cavity wall

Glazing – low e and solar

Solar panels

Solar power plants

Light weight wind turbine blades

Light weight materials for transportation

Low energy lighting

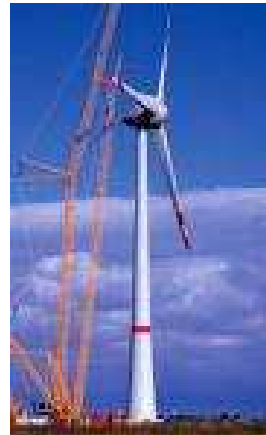
Packaging – inert and 100% genuinely recyclable



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Glass Products

Currently available from EU manufacturers and, if used to their full potential, could on their own achieve EU climate change targets and save money for Governments, commerce and industry and householders.



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EU Glass Industry Drivers

1. Remain competitive and profitable through

- research and development →
- world class product innovation
- investment in latest technology
- cost reduction – labour, raw materials, energy
- improved quality standards
- acquisition/consolidation



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EU Glass Industry Drivers

2. Meet our Corporate Responsibility Obligations

- Reduce energy consumption →
- Reduce emissions
- Increase recycling of post consumer waste
- Provide healthy and safe working conditions
- Empower and encourage workforce through training
- Provide secure employment
- Reward success



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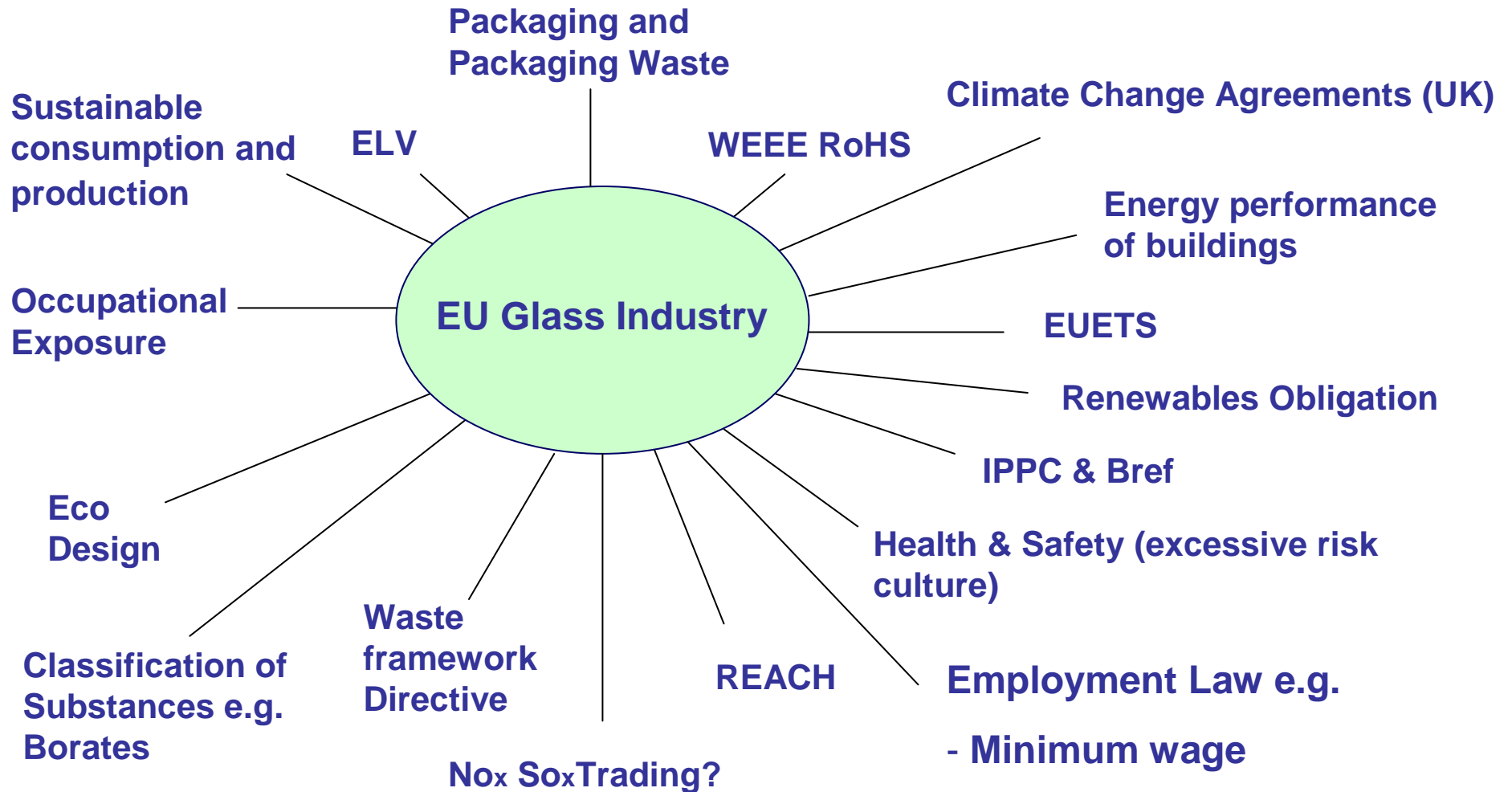
EU Glass Industry Barriers

1. Legislative/regulatory overload
2. Costs associated with above
3. Energy – markets, price, security
4. Planning constraints
5. Tariff and non-tariff barriers to trade
6. Counterfeiting



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EU Glass Industry – Legislative Overload



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EU Glass Industry Barriers – Cost Examples

1. EUETS 100% auctioning - €1bn p.a.
2. IPPC – Capital of €1-2m per chimney + running costs.
3. CCAs (UK) - €5m p.a. (potentially €20m p.a.).
4. NOx and SOx Trading – cost per tonne + further abatement?
5. REACH ?
6. R/O – pass through costs, electricity + 55%, gas +24% - 48%
7. Tax – on profit and labour.



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EU Glass Industry Barriers – Energy

Lack of progress on liberalisation

Market distortions

Competitive imbalances

Lack of transparency

No access to common contractual terms

Price volatility

Price competitiveness EU -v- rest of the world

Concerns over security

No coherent EU strategy

Pass through costs – EUETS, Renewables Targets.



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Consequences of Barriers

Competitiveness issues:-

- EU -v- rest of the world
- Member State -v- Member State
- Glass -v- competing material.

Diversion of financial resources into compliance rather than R/D and productivity improvement.

Diversion of human resource into dealing with highly complex legislative and regulatory issues, data gathering, representation, monitoring, verification, reporting and auditing.

The EU Glass Industry – What we would like to see

1. In current recession - access to credit insurance - loan guarantee schemes.
2. Simplification of legislation.
2. Rigorous implementation of measures to identify cost of legislation.
3. Mechanism to counter competitive distortions of above.
4. A coherent EU energy policy and total market liberalisation.
5. Free allocation of allowances under Phase 3 of the EUETS, based on an AGREED benchmarking scheme and/or:-

The EU Glass Industry – What we would like to see

7. A carbon credit system geared towards rewarding industrial sector producing products that reduce the effect of climate change.
8. Meaningful global agreement on actions to combat climate change.
9. EU wide programme for upgrading all existing commercial/housing stock to comply with environmental best practice.
10. Focus on setting higher quality standards for waste collection/reprocessing.
11. A fresh approach to the process of consultation – less reliance on ‘consultants’, historical and inadequate data and impossible deadlines.

The EU Glass Industry – Key Messages

1. An acceptance that ‘business as usual’ cannot continue – a moratorium on all new legislation.
2. The role that manufacturing will need to play in future creation of wealth within the EU needs to be understood at all levels of Government.
3. Measures need to be put into place to keep the glass industry in Europe – full implementation of the spirit of the Lisbon Agenda.
4. Recognition that sustainability has three legs – economic, social as well as environmental.
5. Government to invest in energy efficiency of buildings and recycling to combat climate change and maintain employment.

The EU Glass Industry

THANK YOU FOR YOUR ATTENTION

CPIV: www.cpivglass.be

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