

The European Rubber industry is dramatically affected by the high energy prices

Brussels, 30 September 2022

Rubber Sector Open letter to European Energy Ministers and European Commissioners on the effects on high energy cost

The European rubber manufacturing industry is aware of the challenging energy supply situation facing businesses and households throughout the European Union. We have sought to contribute to tackling this challenge, making significant investments to optimize our industrial footprint and energy consumption. In order to preserve our competitiveness as an industry, we are now calling for further measures to alleviate energy cost pressure.

High energy costs in the rubber sector have long been a challenge for European manufacturers.

The current significant escalation of energy prices is now putting the rubber industry at risk. Pressure on production cost is escalating, production halts are already occurring and the sectors' resilience is at the edge. All this contributes to an already worrying inflation, so it is necessary to favour cost-cutting measures at source, such as those called for by the European Parliament¹, for example *"to decouple the price of gas from electricity prices in order to reduce the volatility of electricity prices in the wholesale market"*.

The Rubber industry calls on the European Commission and Members of the European Council to put in place the necessary measures to alleviate the energy cost pressure on the rubber industry, particularly:

- **Include the Rubber industry in State aid National schemes**
COM /2022/1890 sets the framework for state aid to compensation on energy prices. The tyre sector energy costs are eligible up to 50% of the *Eligible cost* with a maximum of 25M€ Point 53 (b). Providing that the conditions are met.
However, for Member States, it is difficult to implement in a fair and transparent way whether the above requirements are met by the industries outside the ETS *carbon leakage* list. Member States are choosing other simpler ways to grant such State Aid leaving the rubber manufacturers out of support. It is essential to secure in every EU country the rubber industry as eligible for state aid support, in order to alleviate high energy prices and secure level playing field.
- **Prevent large and burdensome administrative steps in order the access public help and supporting schemes.**
The general rubber goods sector in Europe is characterised for a large spread of SMEs. Usually, a single person would be in charge of several portfolios including access to state aid. We call for facilitating the procedures and the conditions to access to energy cost alleviating measures, which align with SMEs manpower capacity.
- **Allow "special crisis" measures to reduce the need of natural gas in the production of rubber**
There are cases where, to comply with industrial air emission limits for volatile organic compounds, i.e. e.g. ethanol, industry has to burn these chemicals using natural gas. As the law equally allows for alternative reduction plan to be used instead, urgently adapting the local authorization scheme to the current energy crises conditions, would allow to reduce the direct use of natural gas. We invite national authorities and their local administrations to address these cases as the potential to reduce the natural gas consumption is significant.

The Rubber industry is supportive of **REPowerEU** objectives and is ready to adapt to the challenges. Institutional support is crucial for the EU Rubber manufacturing sector' resilience.

For further information, please contact info@etrma.org

¹ [MOTION FOR A RESOLUTION on the EU's response to the increase in energy prices in Europe | B9-0420/2022 | European Parliament \(europa.eu\)](#)