

INDUSTRY SPOTLIGHT

A glance at the glass market in ITALY from 2022 to the present

Despite challenges, the glass industry in ITALY achieved 1.5 percent growth over 2022, serving diverse Made in Italy sectors. A EUR 400M investment now targets a 12 percent capacity increase by 2024. With 8,000 employees, a €2.5 billion turnover and supported by an EUR 8 billion decarbonization investment, it currently addresses both energy cost volatility and sustainability.

For the glass industry, 2022 proved to be a complex year that was marked by rising energy costs, inflation, lingering effects of the pandemic and a more than tenfold increase in glass scrap prices. Despite these challenging factors, the year concluded with a 1.5 percent growth compared to 2021. In Italy, the glass industry stands out as a unique case in Europe - encompassing all production sectors while serving numerous Made in Italy supply chains. These include flat glass for construction, automotive



applications, furnishings and the pharmaceutical sector.

CHALLENGES

Despite the recorded increase, the industry fell short of meeting demand. Imports of bottles and vases surged by 11.3 percent while exports experienced a 4.4 percent decline. Consequently, investments totaling approximately EUR 400M were earmarked for the construction of five melting furnaces scheduled to be operational by 2024. The aim has been to secure a 12 percent increase in production capacity - as outlined in a report by Assovetro, the national association of glass producers.

Said Assovetro container section president Roberto Cardini: "Despite persistent challenges, the industry has continued to grow. 2023 is expected to be a year of stabilization, allowing us to tackle future such challenges as decarbonization through the exploration of new energy vectors."

The sector comprises around 60 plants and 32 large-scale production companies - along with approximately 300 transformation companies and 30,000 direct employees. Italy represents a key market for this industry, totaling around 8,000 employees and generating an annual turnover of approximately EUR 2.5 billion.

ENERGY COSTS AND THE IMPORTANCE OF SUSTAINABILITY

The sector has grappled with the volatility of energy prices and the surge in scrap prices (rising from around EUR 25 per ton to approximately EUR 200). Consequently, the cost of using scrap exceeds that of virgin raw materials.

Additionally, it's crucial to note that the industry consumes about 1 billion cubic metres of gas annually.

HIGHLIGHTING POTENTIAL

During the 'The Future through Glass' conference organized in Rome by Assovetro, in collaboration with Cnel, a study conducted by Open Impact was presented. It established that "every euro invested in this sector in Italy would generate EUR 2.5 in positive value in environmental, social and economic terms." Considerable investments in the sector were also discussed, with approximately EUR 8 billion earmarked for decarbonization activities, energy efficiency, electrifica-

tion, Carbon Capture and Storage, biomethane, hydrogen and recycling. Indeed the glass market has the potential to serve as a model for the future transition to green practices - demonstrating that investing in sustainability is a winning long-term strategy from all perspectives.

"Glass is pivotal in supporting the transition," said Assovetro President Marco Ravasi. "And it can do so with overwhelmingly positive social, environmental and economic returns. This shows that transitioning the economy toward green and circular practices can be a catalyst for development - especially if approached without prejudice, but rather by choosing the most effective options to achieve our goals."

