



POSITION PAPER

**THE MAN-MADE FIBRES (MMF) SECTOR:
ITS ROLE IN THE FIGHT AGAINST COVID-19
AND ITS REQUESTS TO EUROPEAN AND
MEMBER STATES AUTHORITIES**

Brussels, 06 April 2020

- CIRFS, the European Man-made Fibres Association, and its members are deeply saddened by the effects the Covid-19 pandemic and the huge number of lives lost in Europe and worldwide. We express our gratitude to health workers treating people affected as well as all workers and officials who help and make the impossible to keep the supply and flow of essential goods and services.
- Public health is an absolute priority. Our companies have taken all measures necessary to protect the safety of their people, their suppliers and their clients. Man-made Fibres (MMF) are indispensable to fight the pandemic. They enter into the production of face masks to prevent contamination from Covid-19 and are used in a wide range of other protective equipment such as gowns. Without MMF no wipes needed for disinfection nor many medical applications to help people affected and save lives. MMF are used in tents, filters but they are also needed in a wide number of other essential applications (e.g. for the transport of the above goods).
- Our companies are at the start of the textile value chain for a wide range of crucial products to fight this crisis. They do their utmost:
 1. To keep production levels as high as possible;
 2. To boost their current production capabilities to further satisfy and facilitate the increased demand in personal protective equipment¹;
 3. To deliver their goods in a safe and timely manner.
- CIRFS is concerned about the economic impact this crisis is having on the MMF sector. Covid-19 is creating barriers for people and goods -just to name a few-:
 1. Reduction of sales levels due to closure of retail outlets and consequent closure of supplying factories;
 2. Cancellation of orders or reduced number or no new orders in future months;
 3. Logistic problems in the form of e.g. reported delays for trucks on some border crossings due to sanitary checks;
 4. Serious pressure on cash-flow due to reduced revenues, having an effect on the financial situation of every MMF company.
- CIRFS and its members therefore call upon European authorities and Member States to:
 1. Recognize the MMF sector as an essential supplier in the production of health and hygiene-related products to fight Covid-19. Companies must be permitted to continue to produce;
 2. Design a specific support programme for the MMF industry;
 3. Allow MMF to benefit from a series of measures levelling the playing field such as indirect electricity price compensation under the draft revised EU ETS state aid guidelines (carbon leakage);

¹ In order to boost the European production of protective face masks and possibly other protective equipment in a short timeframe, a working group has been set up within EURATEX, the European Apparel and Textile Organization, in which CIRFS is involved.

4. Within the EU single market, ensure that borders remain open and that there are no unjustified controls on the transport of goods. Export bans recently introduced by some Member States on e.g. personal protective equipment must be urgently removed. European solidarity first! We welcome the recent designation of “Green Lane” border crossings open to all freight vehicles;
5. Ensure that international trade flows are preserved;
6. Secure supply routes for raw materials, inside and outside the EU. We need support to avoid delays in deliveries of these key materials;

7. Show flexibility and allow for temporary derogations from normal regulatory requirements and increase the pace of authorizations. The increase of labour market flexibility (payroll compensation for temporary shut-downs) and the possibility to delay payment obligations (taxes, social security, etc.) would be possible examples.

8. Increase financial liquidity through e.g. soft loans/credits;
9. Relax subsidy rules to allow full bank guarantees from governments and avoid any abuse (high interest rates and additional securities or personal guarantees), preventing loans from being taken up;
10. Prevent short-term cancellation of credit facilities due to new risk assessment, or abusive lending terms;

11. Remain vigilant against the dumping of MMF from outside Europe and specifically China, to ensure the survival of a strong and healthy MMF industry in Europe, which will be in a position to supply other critical industries in Europe in the future. There is evidence that the Chinese authorities are offering support for exports as their industry ramps up following the Covid-19 crisis².

12. Implement all necessary monetary, fiscal and further specific steps firstly, in order, to minimize the negative impact this will have on European growth rates, in the short and medium-term. And secondly, so as to be able to grasp all opportunities that will appear in the aftermath of the Covid-19 period.

CIRFS herewith reiterates the commitment of the European MMF industry to continue to produce and to further invest in Europe, maintaining and even increasing the jobs it currently provides. It will bring every support to the work of the European Commission and national authorities in the development of a strong European industrial policy.

² Some examples could be found on the following links: <https://news.bloombergtax.com/daily-tax-report-international/insight-china-vat-incentives-to-help-business>;
<https://www.china-briefing.com/news/china-covid-19-policy-tracker-benefiting-business-enterprises-comprehensive-updated-list/>

About CIRFS:

CIRFS is the association for Europe's € 10.5 billion man-made fibres industry, representing the industry to the European authorities and providing the industry with a wide range of services. Its members cover about 80% of European man-made fibres output. It provides for around 20,000 jobs in ca. 250 plants.

The European man-made fibres industry, with a total production in 2018 of ca. 4.6 million tonnes, is the world's second largest in terms of output and one of the global leaders in terms of innovation and quality.

Man-made fibres are used in every aspect of daily life: not only in apparel and furnishings, but also in automotive applications (interiors, insulation, seatbelts, airbags, tyres,...), industrial uses (conveyor belts, ropes, bulk containers, hoses, cable reinforcement, etc.), construction (e.g. geotextiles, cement reinforcement, insulation, weather protection), agriculture (agro textiles) and much else. They can be precisely engineered with characteristics such as flame retardancy, bioactivity, strength, warmth, waterproofing, moisture management, conductivity, and many more as needs arise.