

## **PRESS RELEASE**

### *Expensive electricity threat to Belgian industry's future*

***Brussels, March 27, 2013 – Belgian industry pays a much higher electricity price than its competitors in neighbouring countries. This is a result of a study by Deloitte commissioned by Febeliec, the association of industrial consumers. The main causes are taxes on electricity and other government measures in the countries analysed. If this trend is continued, survival of the industry in our country is threatened.***

For the first time it has been analysed how much industrial consumers in Belgium, the Netherlands, France and Germany pay for their electricity. The results show significantly higher prices in our country. This study clearly shows that Belgian industrial consumers pay significantly more for their electricity price (market price, transmission costs, taxes and surcharges), than their competitors abroad, this as a consequence of government action in the countries concerned. The difference varies in function of consumption and region between 12 and 45%.

Furthermore and at constant policy, Febeliec expects that the situation might rapidly deteriorate further in the coming years. Urgent measures are therefore necessary in order to safeguard the future of our industry, motor of our welfare and key factor for employment. "If we want to keep industrial employment in Belgium, the electricity bill needs to be reduced urgently. The authorities hold the key to do this. We therefore ask that governments in our country take up this challenge with the highest priority and bring down the price level to the one in our competing neighbour countries", says Peter Claes, director of Febeliec.

Belgium ranks particularly low where taxes and surcharges are concerned. While neighbouring countries limit these surcharges, for instance for energy intensive activities or through a degressive tariff and a cap, these surcharges go through the roof in Belgium. For the whole of the Belgian industry, this comes down to a surcharge of several hundreds of millions of euros per year. "At constant policy, the competitive burden of the Belgian industrial consumer will, moreover, rapidly further increase in the coming years. This is a threat for industry that matches the one caused by wage costs", says Peter Claes.

This situation heavily weighs on the development of industry and, as a consequence, of employment and prosperity in our country. High energy costs indeed hinder investment and lead to non-competitive production costs for our companies.

Febeliec therefore insists on immediate consultation with the relevant authorities, followed by urgent policy measures. "Besides a wage standard, our country also needs an energy standard, in order to keep electricity prices from chasing industry out of the country", concludes Peter Claes.

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#### **About Febeliec**

*Febeliec represents industrial energy consumers in Belgium. It strives for competitive prices for electricity and natural gas for industrial activities in Belgium, and for an increased security of energy supply. Febeliec has as members 7 business associations (chemistry and life sciences, steel, glass, paper, cement, mining, textiles and wood processing) and 23 companies (Air Liquide, Air Products, Aperam, ArcelorMittal, Aurubis Belgium, BASF Antwerpen, Bayer, Bekaert, Borealis Polymers, Dow Belgium, Duferco, Evonik Degussa Antwerpen, Infrabel, Ineos, Lanxess, Nyrstar, Praxair, Sol Solvay, Tessenderlo Chemie, Umicore, Unilin and Yara). Together they represent over 80% of industrial electricity and natural gas consumption in Belgium and some 230.000 industrial jobs.*