

PRESS RELEASE

Electricity costs for Belgian industry remain higher than in neighboring countries

Brussels, June 18, 2014 – Electricity costs for Belgian industry remain significantly higher than in neighboring countries in spite of decreasing prices. In 2014 our industry will not regain competitiveness compared to its neighbors. This is Febeliec’s major conclusion of the update of the electricity prices benchmarking survey commissioned at Deloitte. Moreover, the uncertainty about the restart of nuclear plants Doel 3 and Tihange 2 have recently caused Belgian prices to rise high above those in the other countries, which severely threatens our competitiveness.

According to the Deloitte study, Belgian industrial consumers in 2014 on average pay 9 to 47% more for their purchased electricity than their competitors in neighboring countries. This compares to a handicap of 12 to 45% observed for 2013. For the whole of the Belgian industry, the extra cost comes down to several hundreds of millions of euros per year. “This situation severely jeopardizes industrial development in our country and thus our employment and welfare”, says Peter Claes, Director of Febeliec.

Furthermore, Febeliec points out that the uncertainty on the return of nuclear plants Doel 3 and Tihange 2 to the grid in recent weeks has led to a substantial increase of the market price differential between Belgium and its neighbor countries. This constitutes an unsurmountable competitive handicap for Belgian industry whose survival is already threatened. A sustained unavailability of these two nuclear plants will therefore not only undermine security of electricity supply in Belgium, but also the investment and operational climate for industrial activities in our country.

Febeliec asks the governments to take urgent and drastic measures in order to restore confidence of consumers and other market actors in the electricity system, concerning both security of supply and prices. Febeliec proposes the following action:

- The all-in electricity cost for industry must be aligned to its level in our neighboring countries. Febeliec therefore calls upon all competent governments (federal and regional) to commit themselves in their governmental agreements to introduce an Energy Norm: to closely monitor evolution of industrial electricity prices and to take the necessary action on all levels (energy, transport costs, taxes & surcharges) to make sure Belgian prices remain competitive compared to our neighbors.
- For next winter, and in order to guarantee security of supply at a competitive price, Febeliec proposes:
 - to use all available capacity to guarantee system adequacy (existing thermal plants, cogeneration units, hydro plants, emergency generators, ...);
 - to speed up initiatives aiming at stimulating demand response.

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