

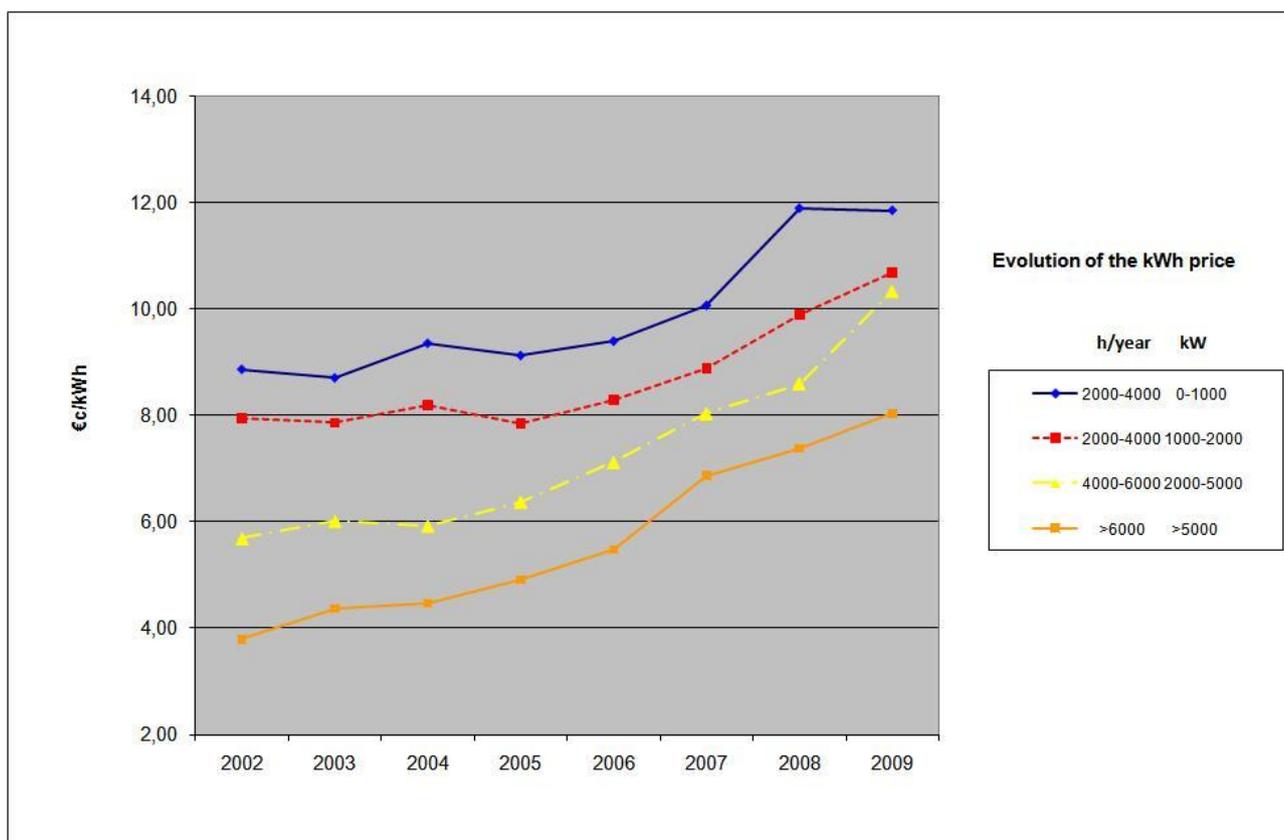
Press release - 8/04/2010

Fuel prices decrease, but Belgian companies pay more for their energy

Although fuel prices decreased by no less than 40% in our country last year, Belgian companies still pay the same for their energy consumption. Large companies even saw their electricity bills increase by at least 10% in 2009. The gas bill, however, decreased for most companies, but not as fast as the decreasing international gas prices. These figures result from an enquiry carried out within 320 industrial companies. Febeliec, the federation of industrial consumers, denounces the lack of market functioning in our country and also points out the consequences of the increasing taxes on energy by the authorities. These taxes deteriorate the competitive position of our country.

The enquiry was carried out by members of the Belgian federation for Chemistry and Life Sciences Industries (essencia), the Association of the Glass Industry (VGI/FIV), the Federation of the Food Industry (FEVIA), the Association of the Belgian pulp, paper and boards industries (Cobelpa), the Federation of the Belgian paper and cardboard paper processing companies (Fetra), the Belgian federation of the textile, wood and furniture industry (Fedustria) and the Federation for the technology industry (Agoria).

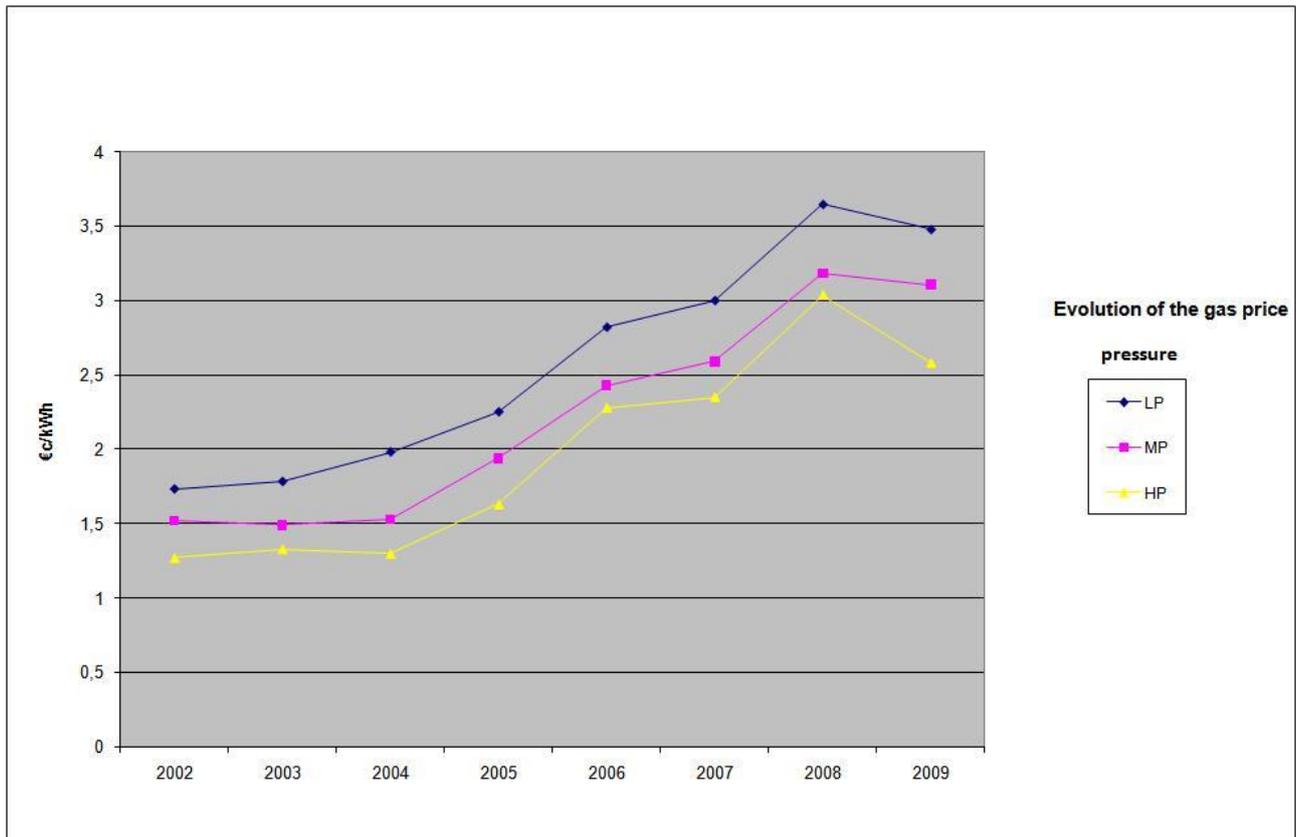
Electricity price increased doubled 2002



Especially the largest consumers saw a significant increase of their electricity bill. The past 7 years, the electricity prices increased, for the industry, according to the connection capacity and the number of consumption hours (see chart) with an average of 5 to 15% per year. Between 2002 and 2009, the electricity bill doubled for numerous companies. During this same period, the Nc-index, the parameter which renders the evolution of the average fuel costs for the Belgian electricity producers, increased much more slowly, namely by 39%.

The costs for the electricity producers thus increased, but the industrial customers pay even more than that. Especially the last year, there was a very clear difference. In 2009, the fuel costs decreased with no less than 39,1% for the Belgian electricity producers, as it appears in the figures of the CREG. But the industrial consumers did not feel this; the electricity bill of smaller consumers such as SMEs slowly decreased by 3,5%. The largest consumers saw their bill increase by 12%.

Companies also pay more for gas



Since 2002, the industrial gas prices in our country increased on average by 100 to 110%. The international gas prices decreased last year by 25,5%. The Belgian companies also benefited from this, but again, not in the same way. The gas bill for small consumers decreased with 4,6%. For the average consumers, it remained stable. For the large consumers, the bill decreased by 15%.

Belgium is the most expensive energy country

It is already known that Belgium has high salary charges, but now our country has also a heavy energy cost. "A double handicap for our companies in the international competitive landscape", Peter Claes, administrator of Febeliec, observes. "Comparisons with neighboring countries on the basis of Eurostat figures show that the industrial Belgian electricity prices scored amongst the highest in Europe last year."

Febeliec recognizes that these price evolutions conceal several tendencies, and that amongst others the type and the date of the contract and the consumption profile can often lead to high price discrepancies, but from a structural point of view, our country has become, the last few years, a very expensive energy country.

Demand for more competition for the energy suppliers

Febeliec therefore asks for efficient measures that should improve competition in Western Europe; Febeliec has developed, in this context, its own market model which should lead to competitive prices.

Energy bill increased by taxes

The federation also asks for eliminating the authorities' impact on the electricity prices. Claes: "The various authorities in our country continue to finance all kinds of aspects of their policy by means of a.o. levies, fines and certificate systems, and this at the expense of the electricity consumer. We estimate that up to one third of the electricity prices simply consist of taxes and levies for the companies".

An example: the federal levy on electricity increases again this year, and this time even by 55%. Since its introduction in 2003, the federal levy on electricity quadrupled. This means that soon an industrial company will pay – according to its electricity consumption – some tens of thousands or even hundreds of thousands of extra euros.

Febeliec also insists on a balanced use of the skimming off of the nuclear rent by the federal government in favor of all consumers' categories.

Finally, Febeliec points out to the negative consequences of the lack of competitive prices and the high authorities' impact on the energy bill. Claes: "in several large industrial companies, the energy costs amount to about half the exploitation costs. This makes doing business in our country for the industry a lot more expensive and this at a time when our companies suffer heavily from the crisis. Some companies could also think about moving to neighboring countries where the energy cost is indeed lower."

Charts: see enclosure

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