

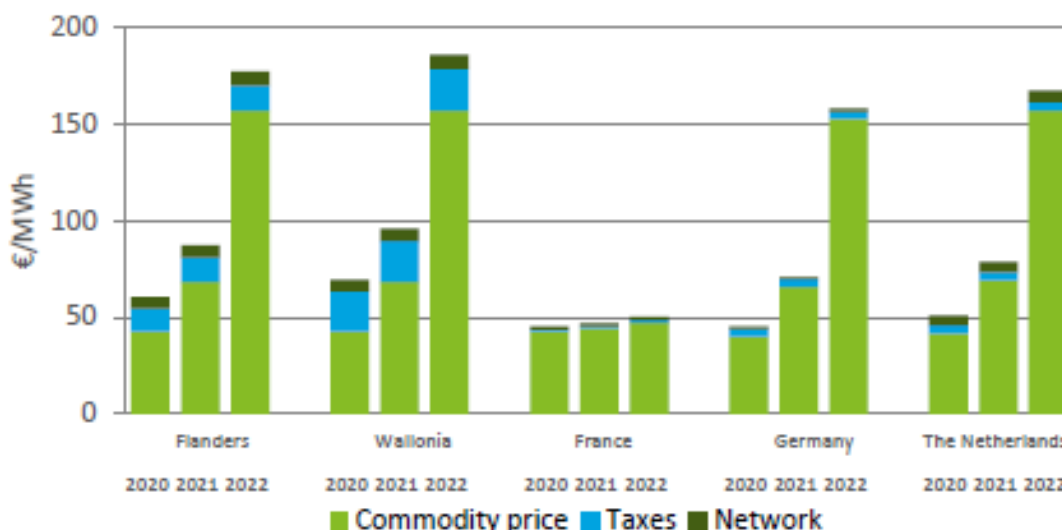
Press release

Belgian industry faces double competitive disadvantage on energy prices

Brussels, 25 April 2022 - European industry as a whole suffers a major competitive disadvantage compared to large parts of the rest of the world, which might lead to its deepest crisis in decades. The war in Ukraine and sanctions against Russia have led to substantially higher energy prices in Europe. For the industry in Belgium, the situation is even more dramatic. Indeed, Belgian industry faces a 19 to 25% competitive handicap compared to the average electricity price paid in Central Western Europe (CWE).

The 10th benchmarking exercise delivered by Deloitte for the account of Febeliec shows that Belgian industrial baseload consumers pay 19 to 25% more for their purchased electricity than the average price paid by consumers in all CWE. Commodity prices exploded in all countries, but French industry benefits from the ARENH regulated tariff for its baseload consumption. Electricity taxes continued to increase slightly, while transmission network costs for baseload consumers remain substantially higher than in neighboring countries.

All-in electricity prices for baseload profiles (100 GWh)



The observed increase in electricity prices is mainly driven by higher gas prices in Europe (and most of Asia), where natural gas based generation units most of the time deliver the marginal MWh of electricity on the spot markets. Moreover, substantially higher CO₂ prices in the European Emission Trading System further add to higher power prices in the EU whenever a fossil fueled unit is marginal in the electricity market. As a consequence, Belgian industry not only has to face a competitive disadvantage compared to competitors in the neighbor countries, but also has to deal with substantially lower energy costs in large parts of the rest of the world (including North and South America, Russia, Africa and Australia). Such a structural handicap jeopardizes industrial activities and development in Europe and thus also in Belgium.

Febeliec vertegenwoordigt de industriële energieverbruikers in België. Zij ijvert voor competitieve prijzen voor elektriciteit en aardgas voor industriële activiteiten in België, en voor een verbeterde bevoorradingszekerheid in energie. Febeliec telt als leden 5 sectorfederaties (Chemie en life sciences, Glas, papierdeeg & papier en karton, Ontginningsbedrijven, Textiel en houtverwerking, Baksteen) en 40 bedrijven (Air Liquide, Air Products, Aperam, ArcelorMittal, Arlanxco Belgium, Aurubis Belgium, BASF Antwerpen, Bayer Agriculture, Bekaert, Borealis, Brussels Airport Company, Covestro, Dow Belgium, Evonik Antwerpen, Glaxosmithkline Biologicals, Google, Ineos, Infrabel, Inovyn Belgium, Janssen Pharmaceutica, Kaneka Belgium, Kronos, Lanxess, Nippon Gases Belgium, Nippon Shokubai Europe, NLMK Belgium, Nyrstar Belgium, Oleon, Pfizer, Proximus, Recticel, Sol, Tessenderlo Group, Thy-Marcinelle, Total Petrochemicals & Refining, UCB Pharma, Umicore, Unilin, Vynova en Yara). Samen vertegenwoordigen zij ruim 80% van het industriële verbruik van elektriciteit en aardgas in België en zo'n 230.000 industriële jobs.

Febeliec welcomes the introduction of the energy norm at federal level in Belgium, but insists on the need to rapidly implement it in practice. Furthermore, Febeliec calls upon European, federal and regional authorities to urgently take the necessary measures to restore European industry's competitiveness, such as:

- a rapid and drastic decrease of all taxes and surcharges on electricity consumption;
- a reduction in transmission grid costs for baseload consumers;
- a further geographical diversification of natural gas supply sources;
- a close monitoring of European gas storages filling level;
- a review of electricity, gas and CO₂ markets functioning;
- further stimuli for innovation in energy efficiency;
- a technology-neutral fuel mix for the future climate neutral energy system;
- developing local European energy sources;
- introducing effective measures to support industry suffering from uncompetitive energy prices.

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