STATEMENT BY ENERGY INTENSIVE INDUSTRIES ON THE OUCTOME OF THE EXTRAORDINARY ENERGY COUNCIL OF 9 SEPTEMBER 2022

(13 September 2022)

In its meeting of the 9th of September, the Energy Council acknowledged the pressure put by the increase in electricity and gas prices on inflation and the EU economy, therewith threatening the competitiveness of European companies.

In its attached letter to the Czech Presidency of the EU issued on the 6th of September last week, the energy-intensive industries referred to the destructive consequences of these market developments which have already prompted a shut-down of plants or reduction of production in many sectors. With every day that goes by, the situation grows worse with potential irreversible consequences on investments in Europe.

In this context, we unfortunately lack the sense of urgency in the series of measures discussed at the Energy Council. Many of these measures require further elaboration, are worded in broad and, at times, vague terms and are unclear as to their application to industry.

We call upon Europe's leadership to provide industry with immediate and precise relief measures that can be implemented swiftly to ensure the continued viability of the operations in Europe.

Mr Jozef Síkela
Minister of Industry and Trade
Czech Presidency of the Council of the European Union
Na Františku 32
110 15 Praha 1
Czech Republic

Brussels, 6 September 2022

Dear Minister Jozef Síkela,

Re: **<u>EU gas and electricity prices. Urgent EU actions are needed</u>**

The undersigned energy intensive industries are representatives of a fundamental part of the European economy which is severely impacted by the ongoing energy crisis. Given the market concentration on the supply side, the volatility and extreme level of the European gas prices, one can question whether the gas market is working. This situation has serious consequences also for the electricity market.

With the EU gas peaking at 334 €/MWh TTF spot prices two weeks ago, which is 15 times its pre-crisis level, 10 times more than the US prices and well above the prices in Asia, it is clear that the relation with a normal market is lost. Beyond the current impact on citizens through inflation, destructive consequences on gas and electricity industrial users are inevitable.

The last weeks saw a great number of industrial plants shutting their doors or reducing their production in Europe and more are expected in the forthcoming weeks. These massive plants curtailments will increase Europe's dependency on third markets for strategic supply chains and will drastically increase the global carbon emissions.

For many energy intensive industries there is currently no business case to continue production in Europe nor visibility and certainty for investments and further developments. The effects of those closures are also starting to have a severe impact on our value chains endangering European industrial base and the availability of essential products more broadly.

Immediate and impactful action is needed at European level, and we welcome your proactive role in this regard.

Therefore, ahead of the Extraordinary Energy Council of 9 September, we call on the European Union to urgently introduce EU-wide measures aimed at limiting the price of natural gas and also measures designed to disconnect electricity prices from gas prices. The temporary crisis state aid framework also needs to be adjusted to this new reality.

Thanking you for your consideration, we remain at your disposal should you have any question.

Yours sincerely,

Marco Mensink
Director General
CEFIC

Koen Coppenholle
Chief Executive
CEMBUREAU

Jori Ringman
Director General
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Renaud Batier
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