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international federation of industrial energy consumers

securing competitive energy for industry

PRESS RELEASE

More than 100 CEOs from the Manufacturing Industry sign a Manifesto asking to streamline EU's 2030 strategy towards growth and jobs

This morning, a Manifesto signed by 137 CEOs representing EU manufacturing industry was published by IFIEC Europe. It calls upon Heads of State to adopt a set of measures to align the EU's industry, energy & climate policies.

"This initiative, representing more than 1 million direct jobs from various sectors and countries all over Europe is exceptional", explains Fernand Felzinger, the President of IFIEC Europe. "It can only be explained by the severity of the crisis impacting the EU 28 manufacturing industry".

The analysis of energy prices and costs in Europe issued by DG Energy on January 22nd confirms it: ***EU industry does suffer from an important disadvantage in total energy and climate costs in comparison with competing regions of the world***. Such high energy price disparities like the one with the US (energy prices 2 to 3 times higher here) lead to significant changes in the economic structure and have far-reaching effects on investments, production and trade.

Can we do something about it? "Yes, because regulatory costs (subsidies for renewables, taxes, grid costs, etc.) are among the main reasons for this widening price gap" answers Peter Claes, Vice-President of Ifiec Europe. And these are surcharges resulting from public policy, not from market movements. "These ever increasing surcharges create an unprecedented burden for manufacturing industries which cannot pass through these costs to their customers" explains Philippe Darmayan, the CEO of Aperam, a global leader for stainless steel and a large power consumer. There is no other solution than allowing full offsetting of these costs. "But industry is also a solution provider" adds Peter, "for example, via voluntary demand response".

Unfortunately, the situation for natural gas is more complex since the main solution stays in our external suppliers' hands. Implementing the internal energy market and diversifying our supplies, including indigenous production is an absolute necessity. "Ignoring the shale gas option would be a big mistake" says Steinar Solheim, IFIEC's Chairman for Gas. "The Council has to set the course towards cost-competitive and secure energy. This is the number one priority for Europe's energy-intensive industries" stresses Hubert Mandery, Director General of the European Chemical Industry Council (Cefic).

EU's emerging climate policy measures really matter for the future of the companies signing the manifesto. Here lies the other root cause for increasing cost disadvantages with major competing regions. "The EU must give industry a clear signal that highly efficient industrial production is welcome and encouraged to grow within the EU, also in future" says Volker Schwich, President of VIK, the German member federation of IFIEC.

"We urgently need concrete measures to enable the manufacturing industry to grow in Europe" concludes IFIEC's President. Will the upcoming Council of Heads of State come with real solutions? 137 CEOs… and many more desperately hope so.

IFIEC Europe represents energy intensive industrial consumers where energy is a major component of operating costs and directly affects competitiveness.

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