

European chambers call for joint actions to help businesses to cope with high energy prices

Prior to this week's crunch EU Summit talks on the energy crisis, Eurochambres has reiterated the dramatic impact of high energy prices on European businesses. The European association of chambers of commerce and industry has called for joint actions to provide short-term solutions and to underpin the EU's longer term industrial competitiveness.

"REPowerEU, the 'save gas for a safe winter' package or the recently presented emergency measures to address high electricity prices were necessary first steps, but not enough to mitigate the dramatic impact of high energy costs on European businesses", said Eurochambres President, Luc Frieden.

Chambers consider that a fragmented EU response to the energy crisis will lead to suboptimal results, both in terms of energy security and competitiveness. They point to the need for further joint initiatives, such as the awaited voluntary EU Energy Purchase Platform to safeguard the gas supply.

In order to prevent irreversible damage to the European economy, European chambers call for a mechanism to help businesses cope with high gas prices. Any such mechanism must be carefully considered given the negative economic effects that intervention in the market may cause. Price signals should therefore continue to provide incentives for energy savings and ensure maximum market stability.

"To prevent blackouts and associated production cuts, any price mechanism must ensure that global gas sellers, notably LNG providers, do not abandon the European market in search of higher prices from third country competitors", Mr Frieden added.

Further gas demand reduction is necessary to ensure security of supply in the coming months. However, these must take into account that extensive energy efficiency measures have already been implemented in most sectors; further pressure without paying attention to the feasibility of the measures could result in production cuts, which must be avoided.

Finally, in light of rising prices and continued volatility in the gas futures market, the role of the Dutch Title Transfer Facility (TTF) needs to be re-evaluated and the development of a new LNG import benchmark that more accurately reflects LNG market conditions needs to be considered. However, any measure must not affect the financial stability of the market system.

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