

PRESS RELEASE

Energy price crisis – EU mining industry continues to be under extreme pressure

15 September 2022

Euromines welcomes the European Commission’s recognition that merging decarbonization with industrial competitiveness is a critical issue. We appreciate the proactive engagement of the Commission and the short-term nature of the measures to bridge the current crisis, but we deplore the proposal as it stands. It will not help the energy-intensive industry. The issue of gas prices and linkage to electricity prices is not considered directly risks that the resilience Europe seeks and thus will not deliver on the ambition of the equally announced Critical Raw Materials Act as announced in the 2022 State of the Union by President Ursula von der Leyen. Our industry will not benefit from redistribution measures while still being exposed to the spot price.

Mats Gustavson, chairman of the Euromines Energy Committee, explains: “Russia’s war against Ukraine has only amplified structural deficiencies in market design. If we want to achieve our climate ambition and open strategic autonomy for Europe, the proposed measures are barely enough to survive. We need a full revamp of the market design – fast! A re-design that drives prices down, ensures protection for energy-intensive industries such as mining that are key for the Green Deal and for which decarbonization means either direct or indirect electrification. In addition, financial support is needed to help our enterprises to retain the productive capacity and market competitiveness.”

Florian Anderhuber, Director for Energy and Climate at Euromines, echoed: “Europe is at a crossroads. What we would need right now is a clear signal that the promise of decarbonization and competitiveness materializes. Otherwise, the necessary investments in this crucial decade cannot take place.”

If the EU is serious about raw materials, the measures on the table need to adapt to

- Ensuring incentives and not imposing conditions for investments in electricity consumption for industry;
- re-distributing proceeds from cap-measures also in favour of energy-intensive industries as a condition for imposing these caps;
- caveats for energy savings obligations for energy-intensive industries that are in midst of transitioning from gas to electricity – it is not possible to save gas AND electricity at the same time when the transition to a carbon-neutral economy is based to large extent on electrification.

Euromines urges the Member States to amend the proposal as otherwise, our industry will continue to be under pressure, exposure to spot market prices remains, and investments will get delayed increasing the exposure to carbon prices and climate change impacts. EU mining is at the beginning of the many value chains, and without structural and predictable changes to bring the current energy price level down, the supply of basic commodities will be jeopardised – be it salts, mineral fertilizers, metals or refractory materials leading to unpredictable ripple

effects across the EU economy. The impact endangers the secure supply of medical and food products, industrial goods or infrastructure.

Euromines, the European Association of Mining, Metal Ores & Industrial Minerals, represents large and small companies and subsidiaries in Europe and in other parts of the world which provide jobs to more than 350,000 people. Through the activities and operations of these members, more than 42 different metals and minerals are produced. Their sustainable exploitation can increase Europe's supply of mineral resources, help ease imports from third countries usually applying lower environmental, corporate and social standards and foster the socio-economic growth of Europe's Regions. The European mining industry plays a crucial role in the EU ability to nurture sustainable growth including access to and supply of raw materials, providing over 30 million jobs and playing a key role in the development of modern environmentally friendly technologies. More information on www.euromines.org

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