

## PRESS RELEASE – 8 September 2022

**Brussels, 8 September 2022 – The ceramic industry calls on European leaders to undertake immediate actions to ease the current energy prices crisis. The energy price levels are at an all-time high and the energy markets behave in the most unpredicted way. The ceramic industry, as many other energy intensive industries, risks losing its competitiveness and putting many people out of job. Emergency measures in the short and medium term are urgently needed and must be undertaken promptly.**

The EU energy prices have reached an all-time high. The natural gas price of 334 €/MWh TTF spot prices is at least 15 times higher than the pre-crisis level, similarly for the price of electricity. For an average ceramic producer this means that the energy bill has tripled within a year and a half, from around 20% of its production costs to ca. 60%-70%. The ceramic industry is an energy-intensive industry using 80% of natural gas and 20% electricity.

Consequently, the crisis has a direct and dramatic impact on the ceramic industry. The curtailment of production has been observed in few countries, as well as temporary closures, or decisions not to re-open the production lines after the summer break. The magnitude of such price surges is expected to be long-lasting and even more acute in the long run and is not accompanied by similar phenomena in other non-EU competitor countries. This should force some companies to move their production abroad. Moreover, an indirect impact on the value chains, where many ceramic products are indispensable (like: refractories, clay building materials, or technical ceramics) will also be felt.

The effect of the gas and electricity price increase has also an influence on all energy sources, resulting in higher prices of biomass and waste used as fuel. It limits the already narrow possibility of the ceramic producers to shift to other energy carriers.

Being aware of the gravity of the crisis situation on the gas and electricity markets, ***“we call on the European leaders to take immediate EU-wide actions”***, says Alain Delcourt, Cerame-Unie President, stressing that ***“the current situation is unsustainable and cannot continue. The industry needs predictability and stability on the energy and carbon markets to carry on their business in the EU”***. EU-wide measures limiting the increase of the natural gas price must be introduced. The following short-term intervention on gas and electricity markets should be considered: **an EU-wide price cap on gas market**, the introduction of **controls and effective regulations on the TTF platform to avoid excesses of increases**, the **decoupling of gas and electricity prices**, and **increased direct support measures for the gas-intensive industries**.

In the short to medium term, we believe that further actions are necessary, such as: the improvement and prolongation of the Temporary Crisis Framework (by including all ceramic sectors in the highest category of aid) or extending the eligibility of the indirect carbon cost compensation to all ceramic industries (by reviewing the ETS State Aid Guidelines). **With regards to the EU Emission Trading System, considering the current levels of carbon price, a solution needs to be found to ease the cost pressure on the companies during the energy crisis** (either with the use of the allowances kept in the Market Stability Reserve or “suspension” of the ETS obligations).

Ahead of the Extraordinary Energy Council on 9 September, ***“we believe urgent emergency solutions need to be found”***, says Elisabetta Gualmini MEP, Chair of the EP Ceramics Forum (EPCF), ***“It is necessary to relieve the pressure from the ceramic producers to ensure future investments in the EU”***.

*The European ceramic industry covers a wide range of products including abrasives, bricks & roof tiles, clay pipes, wall & floor tiles, refractories, sanitaryware, table- & ornamentalware, technical ceramics, expanded clay and flower pots. The industry generates over 200,000 direct jobs and a production value of €31 billion in the EU.*

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