

Energy and inflation – Europe needs to minimise damage to consumers

Speaking today EuroCommerce Director General Christel Delberghe welcomed the objectives of the proposed actions outlined in the Commission's REPowerEU initiative to accelerate alternative energy sources and reduce reliance on Russian gas:

"The significant rise in the price of oil and gas over the last few months, and their further dramatic increase as a result of the Russian invasion of Ukraine, is hitting retailers and wholesalers very hard. This makes action on energy an urgent priority. The already steep rise in inflation this year will be further fuelled by the present crisis, hitting the whole economy and directly the purchasing power of all Europe's citizens. Our sector is a significant user of energy in the running of its buildings, cooling systems and logistics, and will need help to weather this major new storm to ensure continuity of business as an essential ecosystem. Retail and wholesale is also immediately affected by spiralling energy and other commodity costs hitting other parts of the supply chain. We ask the Commission and the member states to proceed as a matter of urgency with a temporary crisis framework, include our sector in the list of beneficiaries as a high energy consuming sector and consider other help for companies affected by the rises in energy costs."

Retail and wholesale are reliant on many forms of energy for heat and refrigeration and for the transport of the goods they sell to customers. Unlike some other sectors, they must ensure continuity of service and their systems need to be kept on and using energy even at weekends. Our sector has been active in seeking to minimise energy use as part of its efforts to reduce its carbon footprint – but the energy price rises will create real problems for our sector, and if left to weather this storm without help, are major costs which we will have to pass on to consumers already hit by massive rises in their own energy bills and inflation in other parts of the economy. We therefore call on the Commission and member states to use the energy toolbox and state aid rules with urgent support to help us keep the costs for consumers within reasonable bounds.

Retailers and wholesalers have worked hard to reduce their environmental footprint and are continuing to invest to make operations even more sustainable and welcomes the proposals in the paper. However, there are still real obstacles to applying sustainable energy sources to logistics – electric lorries are still a long way from being viable. Our sector therefore supports the emphasis in the paper on promoting the production of sustainable hydrogen, which could offer a real alternative to conventional heavy goods vehicles. We have also read with some interest the proposals to step up support for more solar energy and a European Solar Rooftops Initiative, as well a renewed initiative on incentives to industry to decarbonise.

With low margins and needing to invest in both digitalisation and sustainability, we will need support in accelerating the switch to alternative energy sources, which can free up generation capacity for other users and help reduce dependency on fossil fuels imported from Russia. We will be keen to work with the Commission and national authorities in exploring the scope for such support.

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