

Europe's fertilizer industry victim of EU's energy chaos



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Rocketing gas prices have led to curtailment or shutdown of majority of European fertilizer production. With the cost of natural gas 8-10 higher in Europe compared to the US and even more compared to other fertilizer industry hubs, the European producers are not able to compete on the domestic and global market. An urgent and decisive EU-driven crisis management action is needed to restore fertilizer production. This is key to secure EU's strategic autonomy for fertilizer and to ensure Europe's long-term food security.

The European fertilizer industry faces an unprecedented crisis with gas prices soaring over 1000%* from levels a year ago.

"European fertilizer industry is in full-fledged crisis because the European gas market is bust. The record high prices of natural gas, which represent 90% of industry's variable production costs, makes it impossible for European producers to compete. As a result, over 70% of European production capacity has been curtailed. If the situation prevails, we fear that remaining producers could also be affected", said Jacob Hansen, Director General at Fertilizers Europe.

Fertilizers Europe urges the European institutions and EU Member States to take immediate action to avert energy and fertilizer crisis. Jacob Hansen said *"The current crisis begs for a swift and decisive action from EU and national policy makers for both energy and fertilizer market. The gas market needs to be looked at to address today's challenges, support domestic industry and restore market confidence. The policy makers should also seriously consider crisis management policies for fertilizer industry to minimize long-term repercussions for EU food security"*.

Hansen added *"Moving away from dependency on Russian energy and raw material supplies cannot be achieved by closing plants and moving jobs outside of Europe. An urgent correction of current gas policies is therefore needed to address this very serious crisis. Europe needs a strong domestic fertilizer industry to continue producing food and in the long run to develop Europe's hydrogen economy using green ammonia supplied by fertilizer industry"*.



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NOTE:

1. [Dutch TTF Gas Futures | ICE \(theice.com\)](https://www.theice.com)

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