

ReFertilize EU: Fertilizer industry cautiously welcomes the EU Commission's efforts to mitigate high energy costs. Further steps needed to restart fertilizer production in Europe.

Brussels, 15 September 2022:

With 70% of ammonia production in Europe halted since August, industry seeks immediate relief measures necessary to restore production. The European Commission President's recognition that the gas market is not functioning anymore, requiring emergency market intervention is a welcomed development. The proposed solidarity contribution mechanism might provide a relief to energy intensive industries, if implemented immediately. Further steps must be taken with regards to the EU gas market to ensure secure supply of affordable energy, and to lessen long-term impact on food security, industrial base and value chains.

Since August, the European fertilizer industry is facing an unprecedented crisis with extremely high gas prices forcing some 70% of European ammonia production to standstill. Ever since, industry has been calling on the EU and Member States to undertake urgent corrective measures.

"We welcome President von der Leyen's acknowledgement of the gas market failure and the need to work on solutions to lower gas prices in Europe through various measures, such as gas price caps and more adequate benchmarks. We need a physical supply of competitively priced gas for the European fertilizer producers to restart production and help farmers produce what is needed to ensure European food security" said Jacob Hansen, Director General at Fertilizers Europe.

Hansen added *"The gas market solutions will take time, which our industry doesn't have. The solidarity fund is a positive development, but its effectiveness depends on quick implementation at EU Member States level to ensure streamlining of available funds to most affected sectors, such as the fertilizer industry. We accept green strings attached to the proposed support as our industry has already embarked on the pathway to becoming green, with ammonia acting as a workhorse of the hydrogen economy and green fertilizers enhancing sustainable food systems in Europe"*.

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