

**Urgent measures are needed at EU and Member States level to safeguard access to affordable energy in the face of unprecedented price hikes**

*EXCA statement on high energy cost*

Brussels, 7 September 2022

***Ahead of the 9 September Extraordinary Energy Council meeting, the European expanded clay industry is calling for urgent support from the European institutions and Government heads to tackle the unprecedented energy crisis in Europe.***

***Our companies are faced with skyrocketing energy costs combined with a dramatic increase in ETS prices which risk limiting the access to affordable clean energy essential to continue producing while at the same time achieving the “Fit for 55” objectives.***

Expanded clay is a well-proven, efficient and durable lightweight aggregate suitable for a wide range of applications in the construction and growing media sector. With its 11 plants throughout Europe, EXCA represents more than 80% of the European expanded clay industry. Our critical and strategic manufacturing and value chains are deeply rooted in Europe and dependent on European energy sources.

We support the objectives of the Fit for 55 package and the EU’s ambition to significantly accelerate the transition towards the 2050 climate neutrality objective. Our companies have taken and continue to take major steps to reduce their reliance on polluting fossil fuels and invest in alternative sources of energy, especially waste and biomass, and step up their reuse and recycling rate.

However, the current situation is leading our sector to a breaking point. Energy costs constitute the most prominent share of our production and activity costs. Our choice of fuel is further limited by the technical characteristics of the energy source and type of processing. As a result of the current energy crisis, prices and availability of fossil fuels, including biomass and waste based fuels, have skyrocketed. This critical situation does not only limit our ability to continue investing and innovating, but threatens our very survival, due to the limited potential for our sector to pass-through additional costs and the small and medium size of our plants, which may limit access to cashflow and government intervention. Closure of plants and delocalisation are already occurring in several sectors, and we are concerned that our plants could be confronted with the same challenges.

Faced with these grave and unprecedented threats, we are urgently calling upon the EU and State and Government heads for help and emergency measures, both at EU and national level.