

PRESS RELEASE

IFIEC Europe's response to the EC Consultation on Unconventional Fossil Fuels

Last year European Commission released a consultation on "Unconventional fossil fuels (e.g. shale gas) in Europe" to which IFIEC Europe responded. The consultation covered possibilities to extract unconventional fossil fuels such as shale gas, tight gas, coal bed methane, tight oil or shale oil, from geological formations which were previously too complex or too expensive to extract in Europe.

The highlights of IFIEC Europe's response are:

Access to a stable and diversified energy supply under competitive conditions is critical for European industry. For a long period of time, there has been a significant and growing gap between the energy prices paid by European businesses and their foreign competitors. This trend has been reinforced further by the shale gas revolution in the US as availability of low-cost natural gas has created a competitive advantage for American manufacturing industry. There is a widespread fear that this growing divide between European and US energy costs could drive energy-intensive manufacturers to divert investments that might have gone into Europe to the US instead.

IFIEC Europe supports the recommendations laid out by the International Energy Agency to address environmental concerns and recognizes a need for a comprehensive regulatory framework that also includes an effective mechanism for monitoring compliance, but also councils against unreasonable regulation which could stop the development of this energy resource and damage European industry.

IFIEC Europe believes that shale gas development in Europe offers a number of benefits for member states. Aside from the wider issue of significantly improving each countries trade balance (through reduced imports of gas), by exploiting its indigenous reserves, Europe can diversify and add security to its gas supply. This additional gas availability will increase competition and make the European gas market more globally competitive, which will turn into benefit for European industry and households.

IFIEC Europe's Chairman of the Working Party Oil & Gas, Mr Steinar Solheim, concludes that "IFIEC Europe is convinced that shale gas development in Europe is vital for secure and competitive energy supplies. European industry has a history of operating to the highest possible environmental and safety standards in the world. The same safety and environmental standards will provide a sound platform for the development of shale gas."

IFIEC Europe represents energy intensive industrial consumers where energy is a major component of operating costs and directly affects competitiveness.

Brussels, 11 June 2013

IFIEC Europe's reaction can be read in full here:

<http://www.ifieceurope.org/docs/IFIEC%20FE%20shale%20gas%20%20position%20paper%201%202002%2013.pdf>