# High UK Industrial Electricity Prices Continue to Damage Competitiveness of Energy Intensive Industries

- UK government data published on 30 September show that the industrial electricity price in the UK is the highest in Europe and the G7, even after various taxes and levies have been removed;
- This continues to put British energy intensive industries at a competitive disadvantage, deterring investment and undermining economic growth;
- The EIUG calls on Government to urgently address high wholesale prices and deliver on its proposed uplift to the network charging compensation scheme.

*International Industrial Electricity Prices*

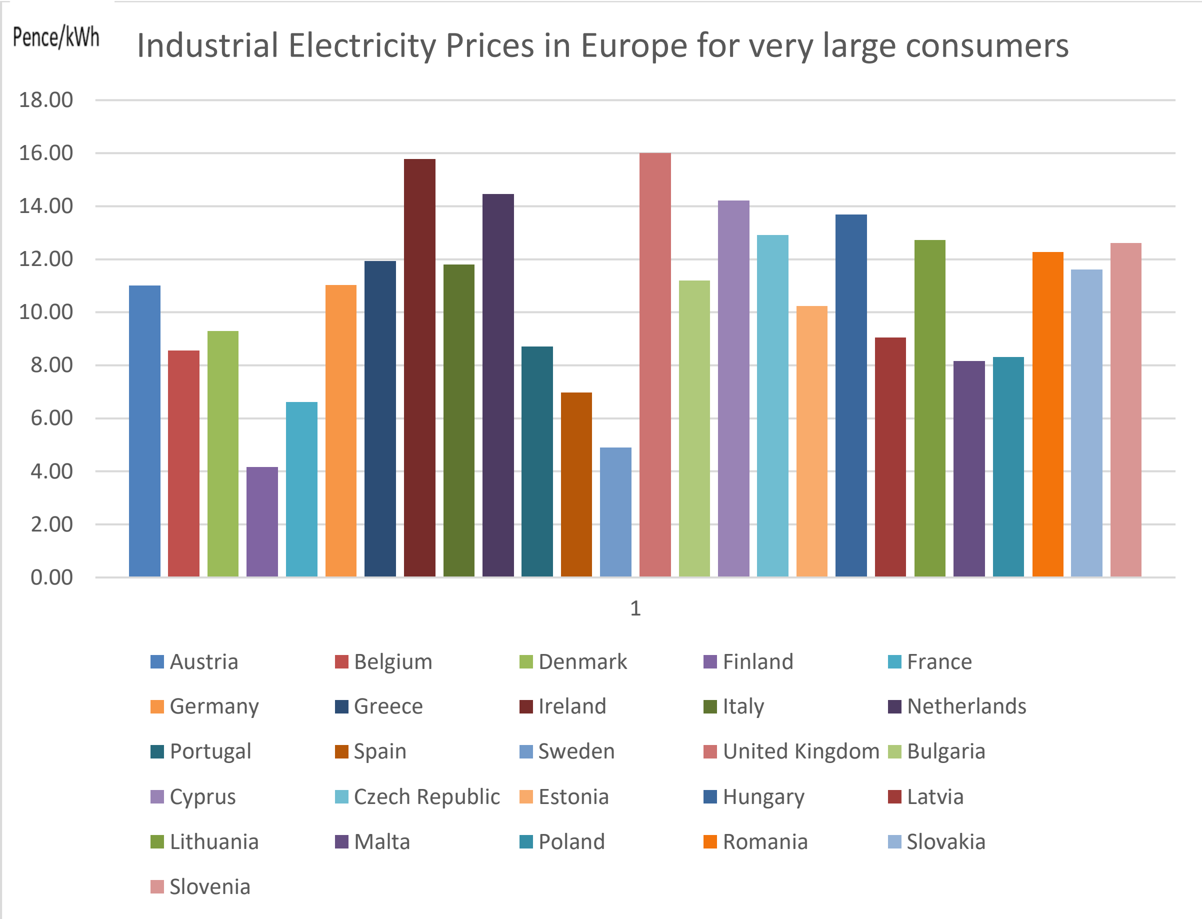
The energy price statistics that DESNZ published on 30 September show that the UK ranks the highest in terms of industrial electricity prices within members of the International Energy Agency over the second half of 2024, with the UK industrial electricity price 94.3% - nearly double – the medium price of all of its members..

The UK also has the highest electricity prices in Europe over the second half of 2024, even after relevant exemptions and compensations are applied.

The data align with the recent UK Steel report *Closing the Power Price Gap* showing that in 2025/26 industrial electricity prices in the UK are 14-25% higher than in France or Germany, despite Government's most recent measures to reduce prices.

If the government delivers on its proposal to increase the network charging compensation scheme, network and policy costs will be broadly aligned with those in Europe for eligible electricity intensive industries.

The principal driver of the remaining price gap is the UK higher wholesale electricity prices.




Source: Quarterly industrial electricity prices in the EU for small, medium, large and extra large consumers (QEP 5.4.1 to 5.4.4)

To lower UK industrial electricity prices and bring them more in line with European prices, the EIUG calls on the Government to:

- Address higher UK wholesale electricity prices by introducing a two-way Contracts for Difference reduce the gap with European countries;
- Respond to its consultation to increase the rate of the network charging compensation scheme from 60% to 90% as quickly as possible;
- Ensure all businesses in eligible sectors can access the exemption schemes for energy intensive industries.

Arjan Geveke, Director of the EIUG, said: *"The Government's own statistics show that UK industrial electricity prices are the highest in Europe, even after the various compensation and exemption schemes are applied. This is putting vital British energy intensive industries at a competitive disadvantage, deterring investment and undermining economic growth. Government must reduce wholesale prices for industry and urgently increase the uplift of the network charging compensation scheme".* - end