



British Glass

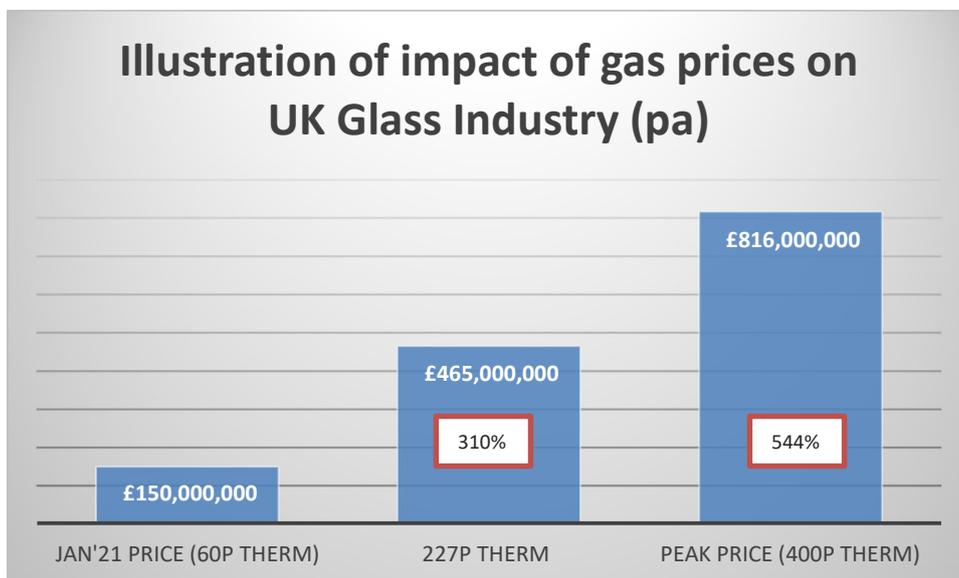
# Energy Crisis

## Gas impact illustration – glass industry

British Glass has put together an illustration of the impact of gas prices on our members. Gas contracts vary for members and their exposure to the current wholesale gas prices will differ dependent on their contracts and what hedges they have in place.

Where possible these costs will be past onto the supply chain and will result in higher prices for consumers including - food and drink products, pharmaceuticals and windows and glazing units.

## Impact on the UK glass industry of recent wholesale gas costs per year



\*Assumption - that all manufacturers are paying wholesale cost on a total of 6 TWh of Natural Gas

## Energy costs versus operating costs

Energy costs make up around 20-30% of the operating costs of our members before the energy crisis so these elevated levels of costs cannot be sustained by the industry.

## Carbon leakage risk

If glass industry tries to pass on the increase in energy prices, we are likely to see customers importing glass products at a cheaper price from other areas of the world. This leads to inherently more carbon emissions and lower demand for glass products in the UK.

## Security of supply

Glass industry is reliant on gas supply to keep the furnace running if we lose gas supply then this would mean that we would lose the furnace and it would need a complete re-build costing £10's millions. We cannot turn the furnace off we must continue to heat the glass even if we are not producing glass.

environment and energy