

EU tries to unblock France, Germany spat over industrial competition

LUXEMBOURG, Oct 17 (Reuters) - A stand-off between France and Germany over the future competitiveness of their industries will be the central point of discussion when EU energy ministers meet in Luxembourg on Tuesday, EU diplomats said.

The European Commission proposed an overhaul of rules governing the bloc's electricity markets in March this year after Europe experienced very high energy prices in 2021 and 2022. The new rules seek to protect consumers from volatile fossil fuel markets with a shift to more long-term, fixed-price contracts.

However, its progress towards law is being held up by a disagreement centred on the contents of just one article - 19b.

The article spells out how state aid can be used to fund power projects. Berlin fears that France, with its vast nuclear fleet, will be able to offer such contracts to its existing nuclear energy fleet - then use excess revenues generated by these contracts on subsidising industries.

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