



Andrej BABIŠ
Prime Minister of the Czech Republic

Prague, 2nd April 2026

Dear Madam President,

Dear Ursula,

Following up on my letters of 27th January and 27th February and the important outcomes of last European Council, allow me to return to the issue of securing the competitiveness of European industry amid current high and still-rising energy prices in the context of the ongoing crisis caused by the war in the Middle East.

The European Council conclusions clearly emphasize that this urgent situation requires a response, and that immediate, targeted solutions must be adopted to ensure affordable energy while taking into account technology neutrality, the specific situations of Member States, including the risk of certain industrial sectors of losing competitiveness, and to improve conditions for energy-intensive sectors.

Companies operating in different parts of the EU pay vastly different energy prices, as the EU has not yet succeeded in establishing a truly unified and interconnected energy market. Paradoxically, the regions that have decarbonized the most in the past are currently facing the highest electricity prices (over €100/MWh), and the ETS system takes significant part in this price (up to 24%). Energy-intensive industries, along with the energy sector, have contributed the most to the EU's decarbonization to date and are currently facing the highest electricity prices due to the situation in the Middle East.

The current price of ETS allowances, combined with the currently exceptionally high prices of gas and electricity, threatens the competitiveness of the EU energy-intensive industries, which have long been under significant pressure, a situation that has unfortunately led in many cases to the closure of industrial plants or capacity reductions in recent years. Over the past five years, the EU has recorded a decline in production capacity of at least 10% in the chemical and cement industries, and we can see a similar situation in steel and aluminium production

as well. These declines in the EU capacity have resulted in a substantial increase in global greenhouse gas emissions.

Given the urgency of the current situation, I welcome the European Commission's proposal of 1st April to revise the market stability reserve, followed by benchmarks within the EU ETS system, but this measure alone will not be sufficient.

I remain convinced that we must act immediately. In the current situation, I believe that an effective and rapid solution would be to provide businesses in the most affected sectors and regions with additional free allocations, conditional on their decarbonization plans. This measure should be taken without delay.

Thank you very much for the effort you devote to this immensely important subject and for considering the above suggestion. I remain ready to work with you on this file.

Yours sincerely,



H. E. Ursula von der Leyen
President of the European Commission

cc: H. E. António Costa
President of the European Council
Members of the European Council