



# Energy Transition Barometer 2024 of the CCI Organisation

Rethinking the Energy Transition is mandatory

 **Gemeinsam Mehr Strom Partnerschaft**



### *Imprint*

Energy transition barometer 2024 of the CCI organisation - company survey on the implementation of the energy transition and climate protection.

The annual "Energy Transition Barometer of the Chamber of Industry and Commerce Organisation" summarises the results of an online company survey in which entrepreneurs and other member companies of the Chamber of Industry and Commerce organisation took part on a voluntary basis. The aim of the energy transition barometer is to obtain a comprehensive assessment of companies with regard to the progress of the energy transition and the current climate and energy transition policy.

A total of 3,283 companies took part in the survey. This year, a good half of the responses came from the service sector (56 per cent), followed by industrial companies (23 per cent), trade (14 per cent) and the construction industry (6 per cent).

In regional terms, 36 per cent of the responses came from the west, 28 per cent from the south, 19 per cent from the east and 16 per cent from the north of Germany. The distribution is somewhat more even than last year. The north includes the federal states of Bremen, Hamburg, Lower Saxony and Schleswig-Holstein, the west the federal states of Hesse, North Rhine-Westphalia, Rhineland-Palatinate and Saarland, the east the federal states of Berlin, Brandenburg, Mecklenburg-Western Pomerania, Saxony, Saxony-Anhalt and Thuringia and the south Baden-Württemberg and Bavaria.

The CCIs organise their survey in such a way that a representative picture of the mood of the local commercial economy is formed (industry-, region- and company size-related company approach, e.g. via plenary assembly members). The aggregation at national level is carried out using a regional and sector-related weighting based on the number of employees in the regions. All data in the analyses are weighted figures. The survey took place from 10 to 30 June 2024.

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Publisher	German Chamber of Industry and Commerce   Berlin   Brussels  DIHK Berlin: Postal address: 11052 Berlin   House address: Breite Straße 29   Berlin-Mitte Phone (030) 20 308-0   Fax (030) 20 308 1000  DIHK Brussels: Address: 19 A-D, Avenue des Arts   B-1000 Bruxelles Phone +32-2-286 1611   Fax +32-2-286 1605  Internet: <a href="http://www.dihk.de">www.dihk.de</a>
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Stand	July 2024
Cover picture	© Getty Images, yangphoto
Graphic	DIHK

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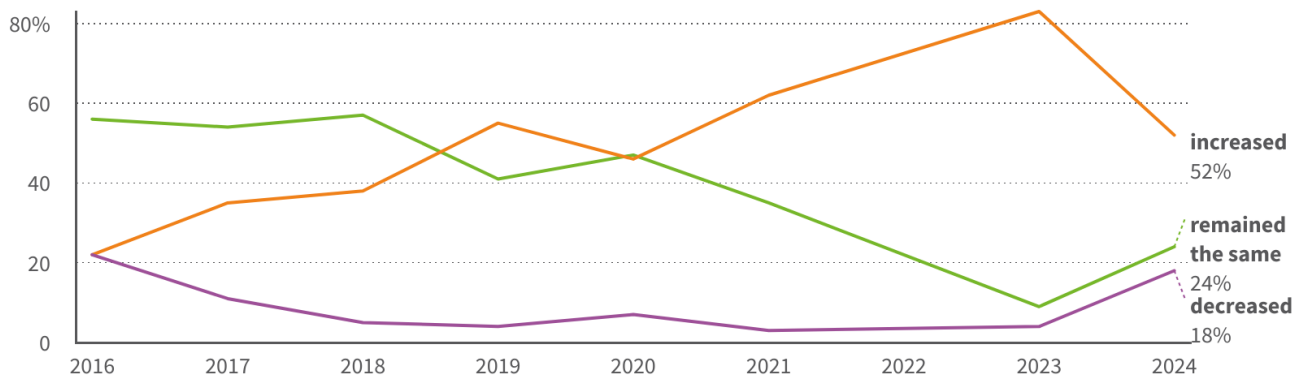
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# 1. Energy transition barometer 2024 remains negative: energy policy needs to be rethought

The CCI Energy Transition Barometer 2024 takes place in an environment in which the procurement costs for electricity and gas have fallen. However, the war in Ukraine continues, the risks of climate change, e.g. due to record heatwaves and flooding, are increasing and energy prices in Germany remain high by international standards. For 52 per cent of companies, electricity prices continued to increase last year.

*Illustration 1: Electricity prices have continued to increase for 52 per cent of companies*

## Development of electricity prices for companies over the past 12 months



With the discontinuation of nuclear energy, the phase-out of coal-fired power generation, new gas-fired power plants and uncertainties about the future security of electricity supply, the energy issue will remain a long-term burden for Germany as an economic centre. The development of new renewable energy and water sources is picking up speed, but is not reliable.

Budget risks are dominating the political debate and energy price components such as electricity tax, the CO<sub>2</sub> price and grid fees are expected to rise. The growth initiative adopted by the German government at the beginning of July as part of the budget negotiations may provide some relief. However, the programme has yet to be implemented. In view of the large expenditure requirements and complicated budget situation, it remains to be seen whether it will be sufficient to noticeably improve the conditions in Germany as a business location.

The central question of the CCI Energy Transition Barometer is: How do you assess the impact of the energy transition on the competitiveness of your company? This year, around 3,300 companies continue to answer this question with scepticism - following an unprecedentedly negative assessment last year. Across all sectors, company sizes and regions, the current score is minus 19.8 on a scale from minus 100, "very negative", to plus 100, "very positive" (Fig. 2).

Illustration 2: Energy transition barometer 2024



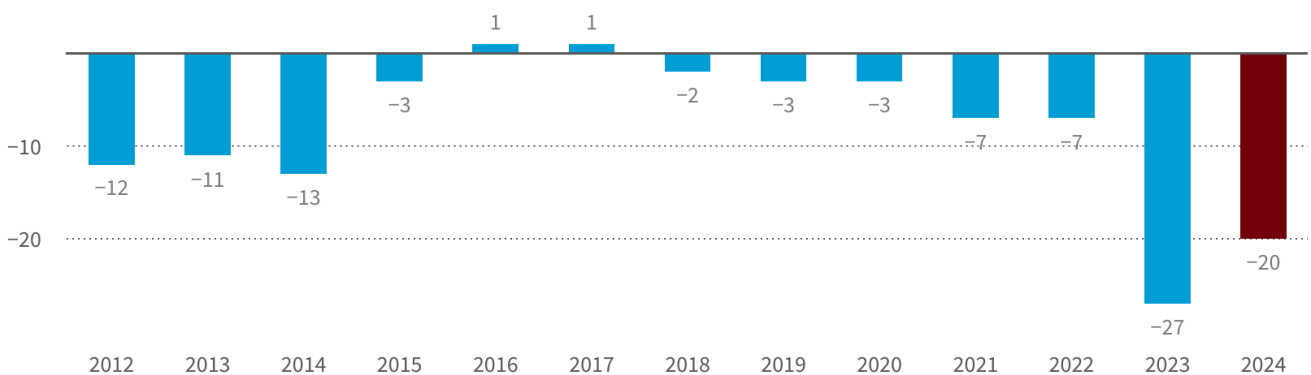
An industrial company from eastern Germany summarises the mood as follows:

***"We need to rethink the energy transition. It will not be regulated by prohibition, but by political guidelines and economic incentives."***

A comparison over time clearly shows that we are still in a historically negative phase in the assessment of the energy transition. For many years, the barometer value was moderately negative or slightly positive. Before last year, it had never been worse than minus 13 (Fig. 3). There was a tipping point in companies' attitudes towards energy policy in 2023. The war in Ukraine and the energy price crisis have fundamentally changed something.

Figure 3: Barometer value over time

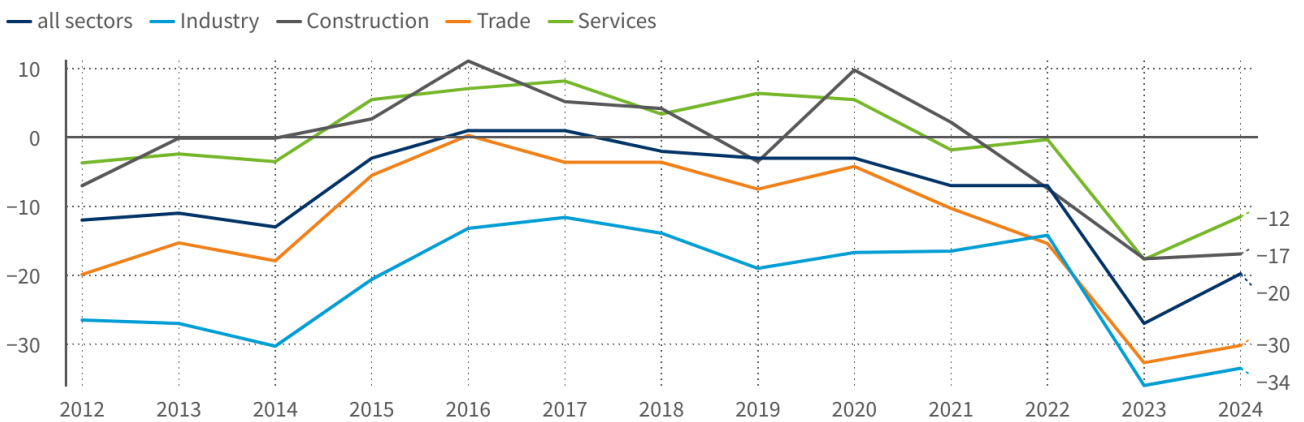
### Barometer value over time



The sector comparison clearly shows the tipping point in 2022/2023 with the energy crisis and the war in Ukraine. All sector barometer values are clearly in negative territory. Service providers, which are strongly represented in the survey, are the drivers of the slightly less negative barometer value compared to the previous year. Industrial companies, which are much more affected by energy prices, remain at a worryingly negative level of minus 34 and thus only marginally better than in 2023 (Fig. 4). The construction industry also changed its negative rating little compared to last year, which is related to the sectors' high CO<sub>2</sub> emissions and the high costs of avoiding them.

Figure 4: Energy transition barometer in a sector comparison

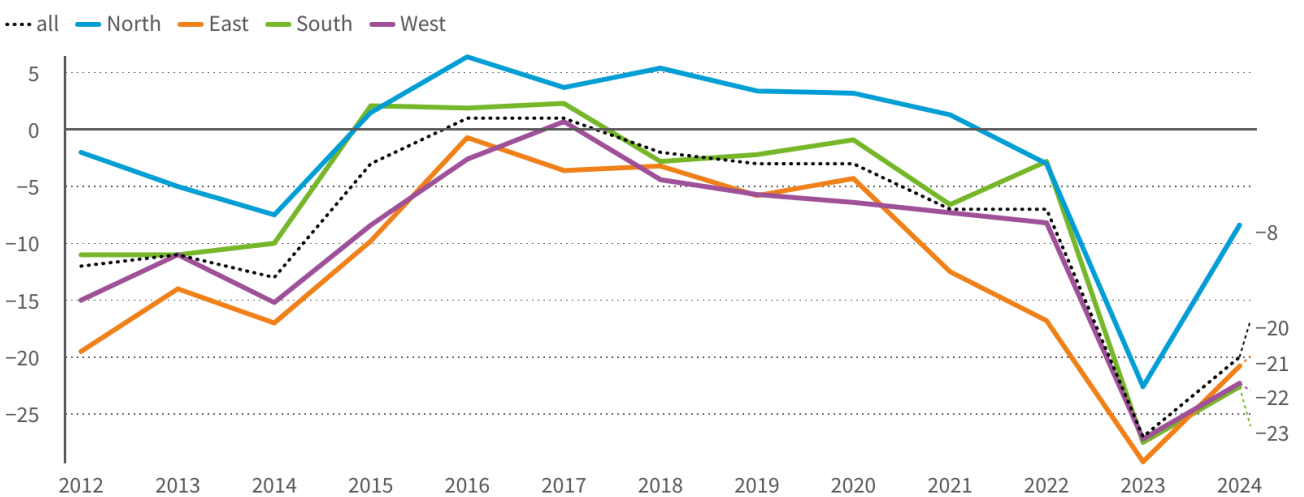
### Sector values over time



A regional comparison (Fig. 5) shows that the North has a slightly less negative view of the energy transition this year than the other parts of the country. The opportunities of the energy transition are being utilised here in particular. However, the industrialised regions of the West and South have hardly changed their negative assessment from the previous year. In all regions, concerns about the energy supply and location costs predominate.

Figure 5: Barometer value by region

### Barometer value by region



## 2. Migration: a way out for more and more companies

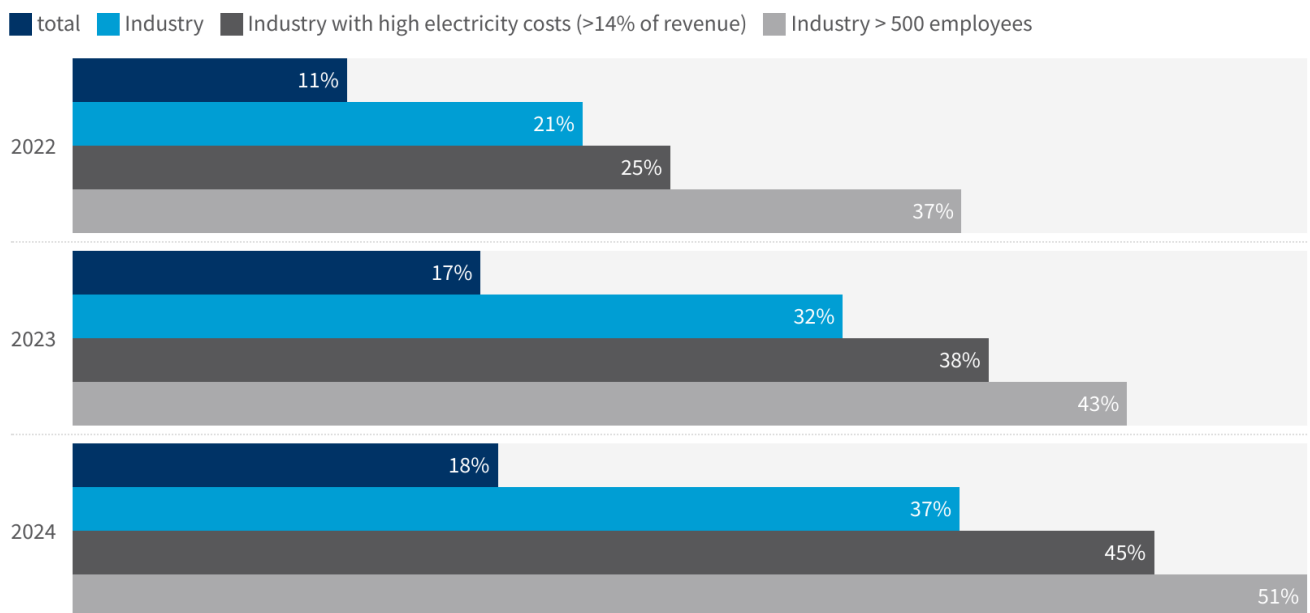
Plans to reduce production in Germany are intensifying across all sectors. More than half of the large industrial companies are now planning or even realising production cutbacks or relocations. One industrial company from western Germany expressed the mood as follows:

***"The deindustrialisation of Germany has begun and it feels like nobody is doing anything about it."***

Across all companies, "only" one in five or six companies is considering reducing economic activity – however, the consequences of high energy prices for industrial companies are crucial for Germany as a business location. Positive reactions to the energy policy, such as climate protection investments, are also mentioned in the free texts of the survey. Overall, however, this year's survey reinforces the trend away from Germany as a business location.

Figure 6: Measures in response to energy policy - migration

### Production cutbacks and migration of companies



This is how many companies are planning or implementing restrictions on production at home or relocating abroad in response to changes in the energy industry and energy policy.

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The sharp increase in plans to cut back and relocate production and the actual relocations show that the energy policy location conditions are now a clear competitive disadvantage for all companies in Germany. This is particularly true for industry, for industrial companies with high electricity costs and for large companies (more than 500 employees), e.g. in mechanical engineering and the production of industrial goods. However, one medium-sized company also states:

***"If it were organisationally possible for us, we would also carry out a (partial) relocation of production abroad."*** (Industrial company in northern Germany)



The [special evaluation of the DIHK economic survey on foreign investments](#) in spring 2024 already showed a similar trend: more and more companies are now investing abroad because Germany is too expensive for them as a business location. Of the industrial companies with investment plans abroad, 35 per cent cited cost savings as the main motive in the special evaluation. High energy prices are added to other cost factors such as labour costs, a shortage of skilled workers, but also excessive bureaucracy.

### 3. Energy costs slow down investments, especially in industry

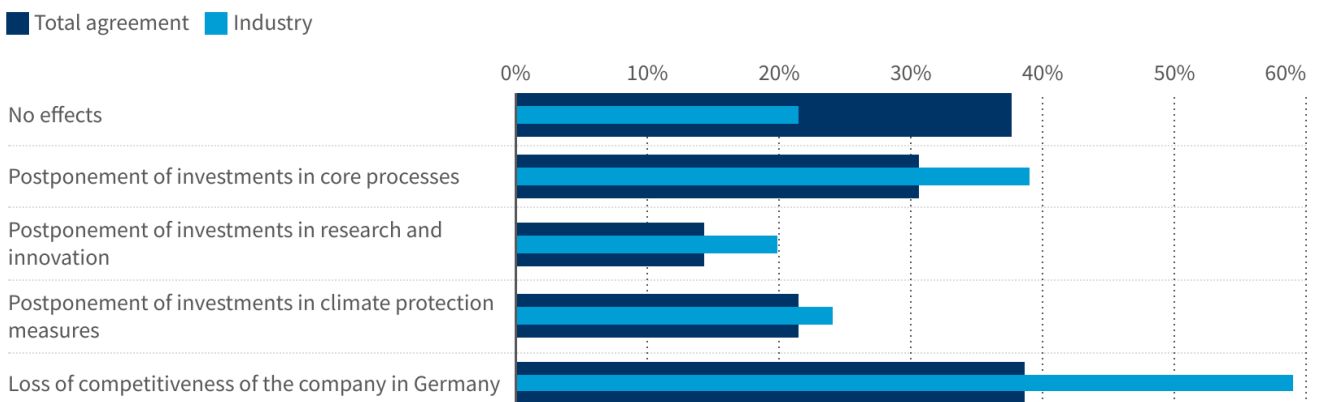
The negative impact of energy prices on the ability to invest is at a high level (Fig. 7). All areas of investment – climate protection, research and innovation as well as core operational processes – are affected by restrictions. Investments are being cut back in industry in particular. As one industrial company from the West puts it:

***"Urgent need to revise the economic policy framework with the aim of promoting investment and technological openness and maintaining the competitiveness of Germany as an industrial location."***

The lack of investment in core processes, i.e. central replacement or expansion investments, is problematic. In the medium term, this leads to a reduction in production or investments abroad and a loss of competitiveness. Another precarious situation is the postponement of climate protection investments, which is increasing this year. The energy transition cannot be achieved without investment. After all, a third of companies see no impact – but only a quarter in industry. Two thirds see their overall competitiveness at risk.

Figure 7: Impact of high energy prices on investments?

#### Impact of high energy prices on investments



Question: How do you assess the impact of high energy prices on investments? The higher expenditure due to electricity costs and/or gas prices leads overall to: (multiple answers possible)





At least investments in research and innovation are slightly less affected. But here too, 20 per cent (industry) and 14 per cent (overall economy) are reducing their investments.

## 4. Bureaucracy and a lack of planning as obstacles to transformation

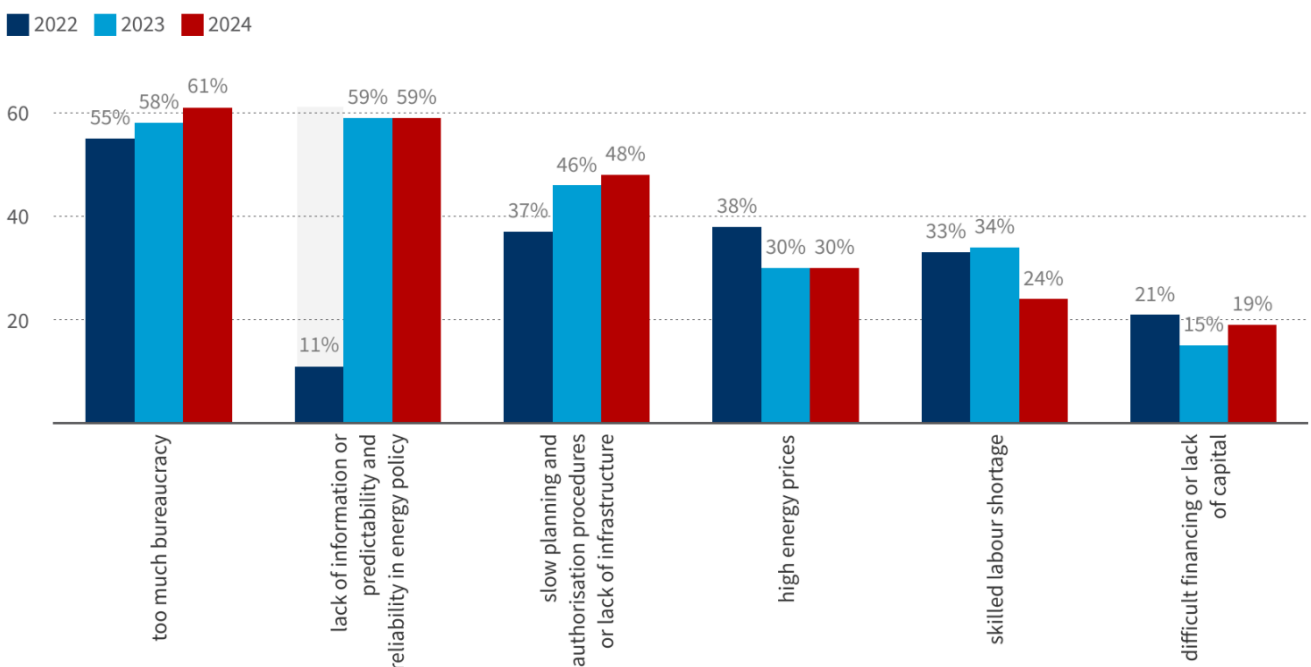
A clear result emerges this year with regard to the obstacles to transformation: too much bureaucracy is the number one obstacle to transformation (Fig. 8). The explicitly mentioned deficits range from a lack of expertise in the authorities and a lack of a standardised European approach to a constantly increasing flood of regulatory standards and the associated documentation requirements. It is formulated:

***"Instead of moving forward and making domestic investment attractive, bureaucracy is becoming more and more rampant."*** (West, industrial company)

***"Bureaucracy such as CSRD reporting, the Supply Chain Due Diligence Act etc. is slowing us down massively! We have to invest a lot of time and money in these issues that we could invest much better in projects in these areas."*** (South, industrial company)

Figure 8: Obstacles to transformation

### Obstacles to transformation efforts for more climate protection



In 2022, a different question was used in the second category: "lack of information/advice"

In second place and still very prominent among the obstacles to transformation are a lack of information and the ability to plan. The large number of new rules and regulations and the hectic pace of legislation are reflected in these responses.

Slow planning and authorisation procedures and a lack of infrastructure are the third most common obstacles to transactions. Here, companies experience very specific obstacles in their transformation efforts. Examples:

***"The commissioning of a 600 kW peak photovoltaic system of our company was slowed down by the sluggish processing of the grid operator for over 12 months. This is the energy transition made in Germany"*** (West, service)

***"1.4 megawatt plant took 1.5 years after completion until it had the necessary authorisation, plant certificate etc. to be connected to the grid, despite functional acceptance. An absurdity of bureaucracy and by no means an isolated case."*** (Norden, trade)

***"After 2 years still missing electricity and gas connection at second newly built branch."*** (East, industry)

The three factors "high energy prices", "shortage of skilled labour" and "difficult financing" are seen as slightly less of an obstacle. However, only three main obstacles could be ticked in this question. And the assessment of high energy prices as an obstacle to transformation depends heavily on the company concerned. For energy-intensive industrial companies, high energy prices are one of the three most important obstacles with 56 per cent agreeing – more important than slow approval procedures. Some companies mention that high energy prices are also a transformation accelerator for them.

## 5. What businesses expect from politics: more perspective, more reliability, less bureaucracy

Improving the framework conditions for self-supply and direct supply contracts is at the top of companies' agendas this year. This is an expression of the great interest in becoming climate-neutral and independent of fluctuating market prices. However, it also shows the desire to utilise the opportunities of the energy transition and become more independent of political decisions.

A further three topics were explicitly approved by around 80 per cent of companies:

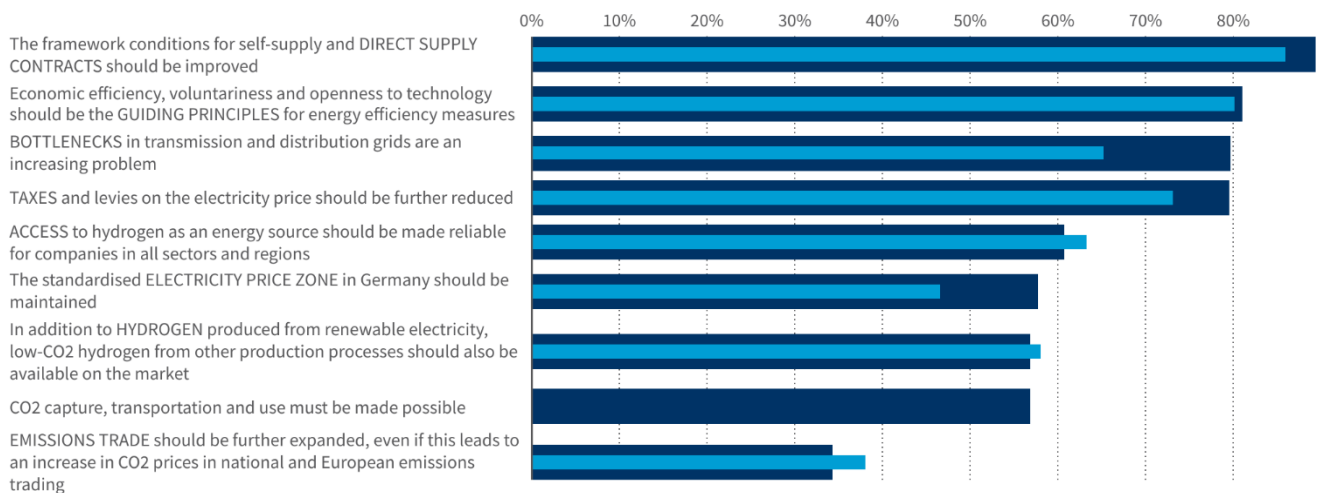
- Economic efficiency, voluntariness and openness to technology should be the guiding principles for energy efficiency measures,
- Bottlenecks in transmission and distribution grids are an increasing problem that must be solved by a stable energy supply, and
- Taxes and levies on the electricity price should be further reduced (Fig. 9).

The need for action in the event of bottlenecks in the electricity grids has become particularly urgent compared to last year.

Figure 9: Agreement with political measures

### Agreement with political measures

■ 2024 ■ 2023



Survey question: "To what extent do you agree with the following political measures to make the energy transition and climate protection safe, affordable and environmentally friendly?" The categories "Agree strongly" and "Agree somewhat" were added together in the evaluation. CO2 capture was not surveyed in 2023.



Two other changes compared to the previous year are striking: approval of a standardised electricity price zone has increased significantly and approval of emissions trading has tended to decrease.

The political measures in detail:

## Energy efficiency

Almost 90 per cent of industrial companies and more than 80 per cent of all companies now demand that cost-effectiveness, voluntariness and openness to technology should be the guiding principles for energy efficiency measures (Fig. 10). Voluntariness should take precedence over detailed regulation. Or, as one service provider from the West puts it:

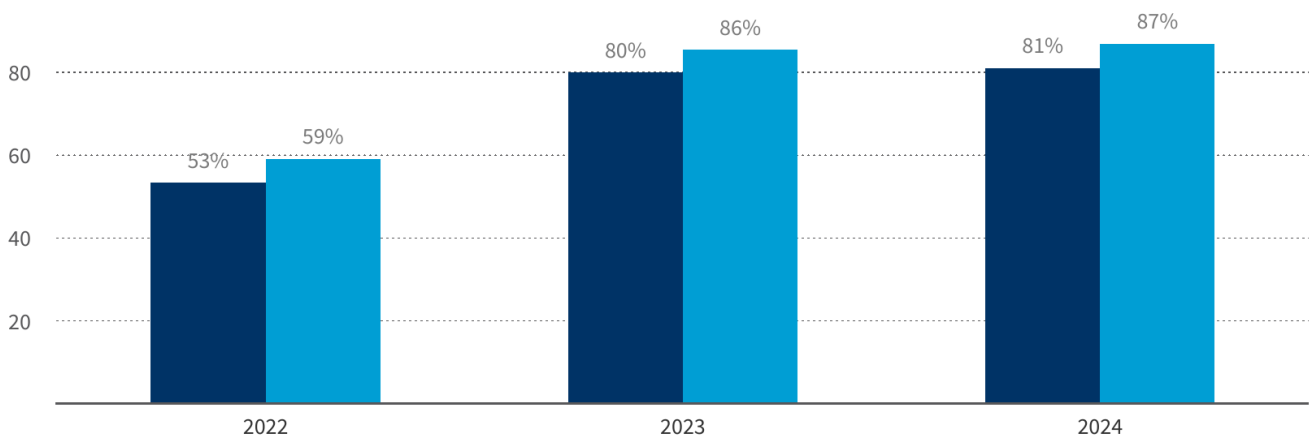
**"Most companies have the will to avoid CO2 emissions. Recommendations in the law should suffice to achieve the targets."**

The Federal Government is a long way from achieving this with the Energy Efficiency Act. The federal government's new growth package does not contain any relief in this regard either.

Figure 10: Recommendations on energy efficiency and flexibility

### Economic efficiency, voluntariness and openness to technology should be the guiding principles for energy efficiency measures

■ Total approval ■ Industry approval



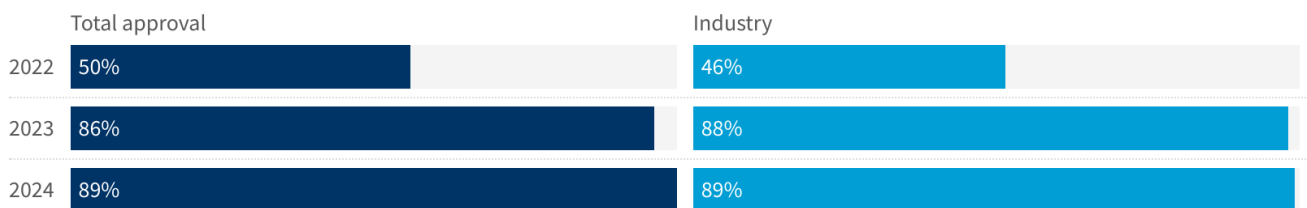
## Electricity

### Self-sufficiency:

Improvements in self-supply and direct supply contracts are becoming increasingly important for all companies. In addition to industry, the topic of self-supply is now also clearly on the agenda for retailers and service providers. The Federal Government's current decisions in the growth initiative are focusing more on investment promotion and marketing in the field of renewable energies. This is a first step in the right direction.

Figure 11: Self-supply and direct supply contracts

### Framework conditions for self-supply with renewable energies and direct supply contracts should be improved



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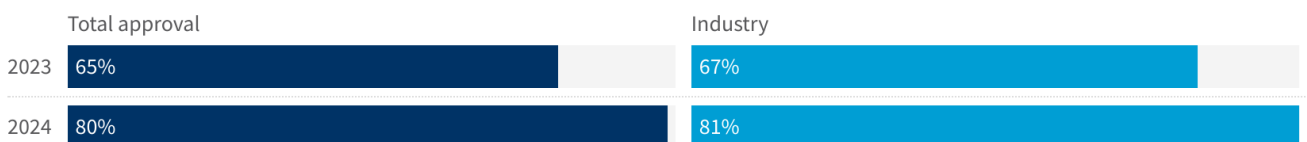
### Grids:

As a short DIHK survey "[Companies record high number of power interruptions \(dihk.de\)](https://www.dihk.de)" from spring 2024 showed, many companies are experiencing problems due to power interruptions. The stability of the energy supply is seen as important by all companies in this year's Energy Transition Barometer, not just by industry: 80 per cent of companies overall and slightly more in industry agree with the increasing importance of a stable energy supply (Fig. 12). One company from southern Germany puts it this way:

**"Stability in the energy supply must be the top priority, even before costs. Nothing works without electricity."**

Figure 12: Bottlenecks in transmission and distribution grids

### Bottlenecks in transmission and distribution grids are an increasing problem that must be solved by a stable energy supply



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Our brief survey in spring 2024 already showed that more renewable energy means more grid load if the grid expansion does not keep pace. And more sensitive technology also means more susceptibility to grid fluctuations. The

German government must respond to this. Following the shutdown of the last nuclear power plants and the planned phase-out of coal, the need for a stable power supply is becoming ever greater.

**Taxes and fees:**

Companies across all sectors are in favour of reducing taxes and levies on the price of electricity. Although the electricity tax for industry has been reduced, this is still not enough. More than four out of five industrial companies are in favour of further relief. Companies from other sectors, such as retailers, believe that the burden of taxes and levies is just as high.

It's also about grid fees and bureaucracy, as a medium-sized industrial company from the West has discovered:

***"Competitiveness and, above all, the same conditions as in other EU member states must be restored. Even if the electricity price itself seems to be similarly high, grid fees, taxes, etc. and the bureaucratic madness surrounding electricity procurement and reporting are an unreasonable burden for SMEs."***

Figure 13: Measure: Taxes and levies on the electricity price should be further reduced

**Taxes and levies on the electricity price should be further reduced**



The fact that the German government has announced measures to stabilise grid fees in its budget package is correct; the fact that it intends to permanently extend the electricity tax reduction for the manufacturing industry creates reliability. The fact that trade and services are still excluded remains problematic.

## Electricity price zone

Figure 14: Standardised electricity price zone

### The standardised electricity price zone in Germany should be maintained



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The discussion about a division of the standardised electricity price zone and its advantages and disadvantages for the establishment of industry and energy plants in Germany has led to broad support in the business community for maintaining the status quo.

Companies from the south of Germany in particular continue to call for the electricity price zone to be retained, with two thirds in favour. In northern Germany, however, almost 40 per cent are now also in favour of maintaining a single zone (Fig. 14). Against the background of a reliable price situation, the increasing approval can be explained: the division of the Germany/Luxembourg electricity price zone would lead to new uncertainties.

## Hydrogen

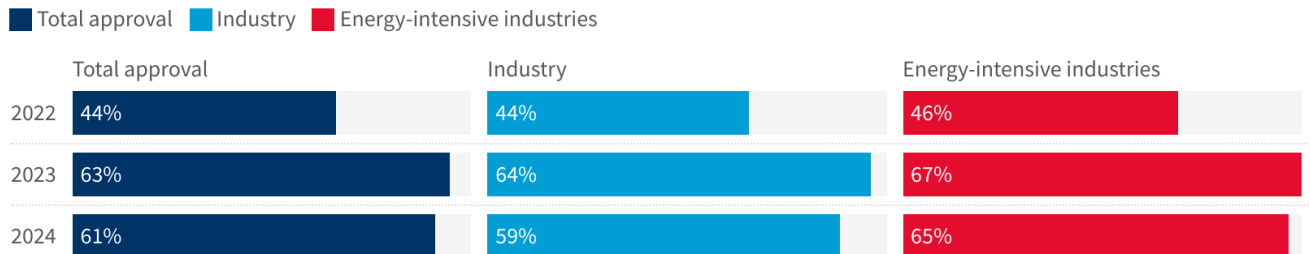
### Access to hydrogen:

Access to hydrogen as an energy source is of great importance in all regions and all sectors. Almost two thirds of companies demanded planning security in this area last year and this year (Fig. 15). Demand is above average in the energy-intensive sectors. However, the approval ratings have fallen slightly from last year to this year.



Figure 15: Access to hydrogen

### Access to hydrogen as an energy source should be established for companies in all sectors and in all regions with planning certainty



It is certain that the hydrogen core network will not reach some of the regions. It also remains to be seen when the core grid and distribution grids will go into operation. Many companies will not have direct access to the grids. At the same time, decentralised hydrogen production on company premises is expensive and not financially viable for many companies without state support. The high prices (also in the future) make hydrogen less competitive, especially for companies that are energy-intensive.

Against this backdrop, scepticism is also evident in the free text responses to the survey. They range from:

**"Low-emission hydrogen is a scarce commodity and should only be used where there are no low-emission alternatives"** (Service, West)

up to

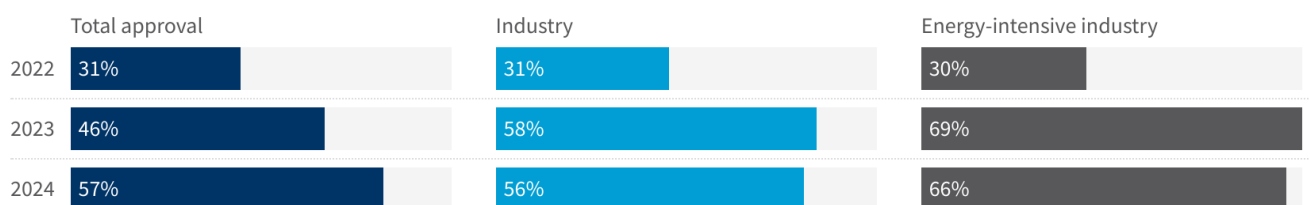
**"I consider considerations of hydrogen to be purely hypothetical, as hydrogen will not be available as a competitive energy source in the foreseeable future"** (Industry, East).

#### "Non-green" hydrogen:

Without hydrogen from conventional energy, especially blue hydrogen from gas in combination with CO<sub>2</sub> capture and storage, it will be difficult to ramp up the supply of hydrogen. Without clear and stable framework conditions, investments by companies in hydrogen-based technologies will be delayed.

Figure 16: Hydrogen from other production processes

### In addition to hydrogen produced from renewable electricity, low-CO2 hydrogen from other production processes should also be available on the market



Against this backdrop, around two out of three companies are in favour of a broad range of hydrogen, including from "non-green" sources.

### Carbon capture, utilisation and storage:

Particularly in the construction industry, but also in energy-intensive sectors such as glass, chemicals and steel, broad-based carbon capture and utilisation/storage (CCU/S) is considered necessary. This is because cement production, for example, generates unavoidable CO<sub>2</sub> emissions during the manufacturing process, meaning that operations can only become climate-neutral through capture and storage. So far, the carbon management strategy in Germany only provides for storage at sea, unless the federal states decide to store on land. This does not provide enough legal certainty for the emissions-intensive industry. More than half of companies across the economy are also in favour of making CO<sub>2</sub> utilisation possible.

Figure 17: CO<sub>2</sub> capture, transport and utilisation

## CO<sub>2</sub> capture, transportation and utilisation must be made possible



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A few critical voices consider both hydrogen and CCU/S technology to be still too expensive, according to an industrial company from southern Germany:

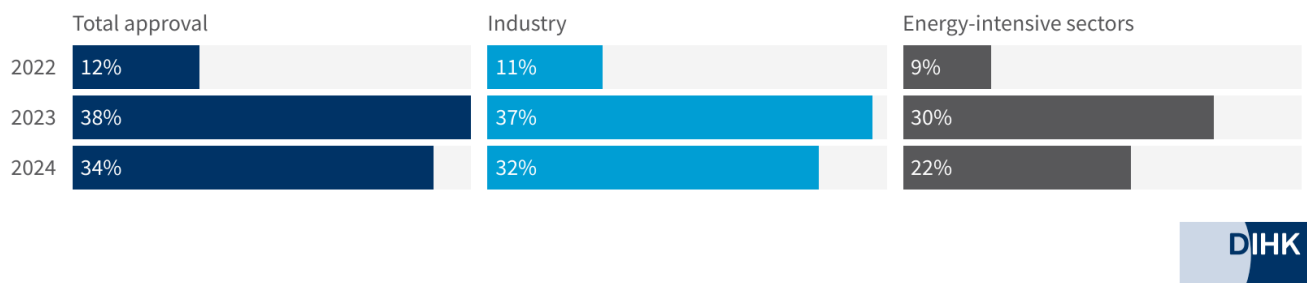
***"I consider hydrogen energy and CCS/CCU to be too expensive an aberration if there is no international consensus on their use and costs."***

## Emissions trading

The further expansion of emissions trading, currently planned as a reduction in the free allocation and scarcity of certificates in the European emissions trading system 1 and as the inclusion of further sectors in emissions trading 2, receives divided approval in the political demands. In all sectors, approval of the measure surveyed is declining, particularly strongly in the energy-intensive sectors (Fig. 18).

Figure 18: Emissions trading

### Emissions trading should be further expanded, even if this leads to an increase in CO<sub>2</sub> prices in national and European emissions trading



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Companies are concerned that the expansion of European emissions trading will lead to a burden on energy-intensive sectors and that the transition to emissions trading 2 for transport and heating will lead to rising prices for fossil fuels in all sectors. Even if an expansion of the CO<sub>2</sub> border adjustment mechanism CBAM can even out the competitive situation between the EU and the third country, many companies are sceptical. One industrial company from the South puts it this way:

***"We are in international competition. The discussion about the CO<sub>2</sub> price falls short of the mark. If meeting the climate targets means that our chemical and heavy industry disappears and CO<sub>2</sub> intensive primary products are sourced from third countries without the same level of climate protection being practised there, then that won't help us."***

And another industrial company from the West:

***"In its current form, the CBAM as a carbon leakage protection instrument is not suitable for providing effective carbon leakage protection for the chemical industry because it does not cover all value chain steps up to the end product and all direct and indirect emissions along the value chain. In addition, the CBAM does not offer an export exemption, which makes European goods more expensive on the global market and leads to a competitive disadvantage."***

The European Commission in particular, but also Germany via the European Council and the European Parliament, have a role to play here: emissions trading is a key climate policy instrument. The competitiveness of European industry must be maintained. The German government's growth initiative addresses the concerns of industry by supplementing the CBAM for exports. In the end, however, only effective implementation counts.

## Enclosure: Questionnaire

This evaluation is based on the following questions:

### Part I: Statistics

1 Which industry does your company belong to?

Industry  
Building  
Trade  
Service

2. how many employees does your company have?

0 - 9  
10 - 19  
20 - 249  
250 - 499  
500 - 999  
over 1000

3. how high are your energy costs/electricity costs as a proportion of turnover?

Response categories: 0 - 2 % 2 - 4 % 4 - 14 % 14 % and more  
Total energy (including heating and fuel costs)  
Electricity costs

### Part II: Politics

How do you assess the impact of the energy transition on the competitiveness of your company?

Very positive  
positive  
Neutral  
negative  
very negative  
No assessment possible

How do you assess the impact of high energy prices on your investments?

The higher expenses due to electricity costs and/or gas prices lead to: (multiple answers possible)

Postponement of investments in core processes  
Deferral of investments in climate protection measures  
Postponement of investments in research and innovation  
Loss of competitiveness of the company in Germany  
No such effects  
Other (free text)

What are the three biggest obstacles in your transformation efforts for more climate protection?

Shortage of skilled labour  
High energy prices  
Lack of information or predictability and reliability in energy policy  
Difficult financing or lack of capital  
Slow planning and authorisation procedures or lack of infrastructure  
Too much bureaucracy  
Miscellaneous

**To what extent do you agree with the following political measures to make the energy transition and climate protection safe, affordable and environmentally friendly?**

Response categories: Strongly agree Agree Somewhat agree Somewhat disagree Disagree No assessment

- 1 Emissions trading should be further expanded, even if this leads to an increase in CO2 prices in national and European emissions trading.
- 2 Taxes and levies on the electricity price should be further reduced.
- 3 Access to hydrogen as an energy source should be established for companies in all sectors and in all regions with planning certainty.
- 4 In addition to hydrogen produced from renewable electricity, low-CO2 hydrogen from other production processes should also be available on the market.
- 5 Economic efficiency, voluntariness and openness to technology should be the guiding principles for energy efficiency measures.
- 6 The framework conditions for self-supply with renewable energy and direct supply contracts should be improved.
- 8 The standardised electricity price zone in Germany should be maintained.
- 9 Bottlenecks in transmission and distribution grids are a growing problem that must be solved by a stable energy supply.
- 10 CO2 capture, transport and utilisation must be made possible.
- 11 Space for additions (free text field)

### **Part III: Questions on fields of action in the energy transition**

**How have your electricity and energy prices developed over the past twelve months?**

Response categories: not relevant - increased - remained the same - decreased

Electricity prices  
Energy prices for heating (gas, district heating, heating oil)  
Energy prices for transport (petrol, diesel)

**What external measures is your company taking in view of the changes in the energy industry and energy policy?**

Response categories: Not specified - Planned measure - Measure already in progress - Measure already realised - No measure planned

Relocation of capacities abroad/restriction of production in Germany