



March 28, 2014

THE AUSTRALIA LNG EXPORT STORY SHOULD SOUND AS A WARNING TO U.S. POLICYMAKERS

“Gas exports, price boom threaten 100,000 Australian jobs: manufacturers” by Greg Hoy, abc.net.au, March 27, 2014

<http://www.abc.net.au/news/2014-03-27/gas-boom-threatens-australian-manufacturing-jobs/5349822>

“Thousands of job losses have been announced in Australia in the past year, but the numbers will pale by comparison to what lies ahead due to high gas prices, according to major manufacturers.

“The association representing Australian manufacturers believes more than 100,000 jobs will be lost unless the Federal Government intervenes to solve an increasing gas shortage that is pushing up prices for households and heavily job-laden industries.”

“Families going without food and medicine to pay the bills” by Rachel Wells, The Age, March 26, 2013

<http://www.smh.com.au/national/families-going-without-food-and-medicine-to-pay-the-bills-20130325-2gq2e.html>

“Some of Australia's poorest families are skipping meals and selling possessions to pay their power bills, a new report has found.

“Research by Lynne Chester from the University of Sydney found 75 per cent of low income families were reducing their expenditure on food because of soaring energy costs.

“National electricity prices are projected to rise by 14 per cent this financial year.

“Electricity prices in NSW have doubled since 2007-08, while gas prices have risen by about 47 per cent over the same time, said the Independent Pricing and Regulatory Tribunal.”

“LNG demand to force spike in gas prices” by Matt Chambers, The Australian, March 7, 2014

<http://www.metgasco.com.au/industry-news/lng-demand-force-spike-gas-prices-2>

“EAST coast natural gas prices could soar to a hefty \$18 per gigajoule, or five times traditional prices, if \$70 billion of coal-seam gas export projects being built at Gladstone in Queensland are unable to meet LNG contracts with their own gas and are forced to chase other supplies.

“The potential scenario has arisen after spot LNG prices in Asia reached a record last month and doubts persist over the amount of gas the three LNG projects, which are due to start exporting from Gladstone's Curtis Island this year, will have access to in their early years.”

“AFR: Energy, not labour, behind high costs” by Paul Howes, Australian Workers' Union, March 4, 2014

http://www.afr.com/p/opinion/high_costs_due_to_energy_not_labour_fNuuZKaA8DXgSt4ZE9Y69N

“We now have the highest domestic price for gas of any exporting nation in the world.

“Indeed, cheap energy has traditionally been a core national economic advantage. But it is an advantage we are throwing away. We now have the highest domestic price for gas of any exporting nation in the world.

“Gas prices in our manufacturing states of NSW and Queensland are set to increase by 25 per cent next year. Manufacturers cannot lock in contracts at competitive rates beyond 2015, and households are about to be slugged.

“Given this situation, when you take the case of a product like aluminium – congealed electricity – it should hardly be a surprise when we see mass closures of our smelting capacity.”

“Australian gas prices to explode: Is Beach Energy best positioned to profit?” by Claude Walker, The Motley Fool, March 18, 2014

<http://www.fool.com.au/2014/03/18/australian-gas-prices-to-explode-is-beach-energy-best-positioned-to-profit/>

“The LNG projects are all about capturing prices that are up to three times as much as gas in the domestic market (about \$12 a gigajoule before processing and shipping costs, versus \$4).”

The Industrial Energy Consumers of America is a nonpartisan association of leading manufacturing companies with \$1.0 trillion in annual sales, over 1,500 facilities nationwide, and with more than 1.4 million employees worldwide. It is an organization created to promote the interests of manufacturing companies through advocacy and collaboration for which the availability, use and cost of energy, power or feedstock play a significant role in their ability to compete in domestic and world markets. IECA membership represents a diverse set of industries including: chemical, plastics, steel, iron ore, aluminum, paper, food processing, fertilizer, insulation, glass, industrial gases, pharmaceutical, building products, brewing, independent oil refining, and cement.

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