

Energy prices

2012, 4th quarter

Prices of heating and transport fuels increased

The taxation of fuels used in energy production became tighter at the beginning of the year. The prices of district heat went up, as did the prices of transport fuels in 2012. The price difference between diesel and petrol has narrowed down to a smaller one. The prices of hard coal and natural gas have fallen in the latter part of 2012. Although the consumption of electricity grew in 2012, consumer prices of electricity still continued to fall in the fourth quarter of the year compared with one year earlier. However, total prices of electricity for enterprise and corporate customers started to rise in September. The cheaper Nordic electricity produced with hydro power has been well available and it has replaced imports of electricity from Russia. The data are based on energy price data published by Statistics Finland.

Energy prices in heat production in December 2012

Energy source	¹⁾ Price €/MWh	Annual change-%
²⁾ Hard coal (VAT 0%)	28.97	-9.2
Natural gas (VAT 0%)	45.69	2.4
Forest chips (VAT 0%)	19.48	5.2
Milled peat (VAT 0%)	15.31	19.3

1) Inclusive of excise duties. The prices of forest chips and milled peat are from the fourth quarter.

2) The price is preliminary.

Consumer prices of heating energy in January 2013

Energy source	¹⁾ Price €/MWh	Annual change-%
Light fuel (VAT 24%)	111.5	-2.2
Household electricity, K2 (VAT 24%)	154.7	0.0
Wood pellet (VAT 24%)	56.2	-0.1
District heat, terraced house / low-rise block of flats (VAT 24%)	74.31	8.7

1) The price of wood pellet is from February 2013

The consumer prices of electricity have been falling since last year's April. The total price of electricity for small and medium-sized enterprise and corporate customers has been going down even longer. Prices for major consumers have fallen further in the last quarter of 2012, but in some tariff categories prices have started to grow. The system price of the Nordic electricity exchange fell last year by 34 per cent, on

average. In last year's October, the monthly average system price started to rise for the first time in over one year. The area price for Finland in the Nordic electricity exchange fell last year by an average of 36 per cent. During 2012, electricity consumption increased by 1.1 per cent in Finland.

The consumer price of district heat was in January around eight per cent higher, on average, than one year previously. The price of milled peat used in heat production was nearly 20 per cent higher in the fourth quarter of the year than one year earlier. At the beginning of the year, the taxation of peat in heat production tightened by EUR 3 per MWh and at the same time, the price of peat came closer to the price level of forest chips. The prices of peat products rose due to the weak peat production period. Peat has been replaced in energy production with more expensive fuels, such as forest chips and hard coal, which is already visible in the consumer prices of district heat for January, for instance. The price of forest chips went up by over five per cent from one year earlier and their consumption was also growing. The price of consumer wood pellets was almost at the same level although the value added tax rose by one per cent at the beginning of the year. In the last quarter of 2012, the price of hard coal used in heat production went down by nearly ten per cent, while that of natural gas went up by over two per cent from one year before.

The consumer prices of liquid fuels continued to grow. Among transport fuels, the price of diesel went up most, by nearly 13 per cent and petrol by an average of almost seven per cent last year compared with one year earlier. The price of light fuel oil increased by over six per cent last year. The higher excise duties and value added taxation that took effect at the beginning of 2013 further raised the price of energy.

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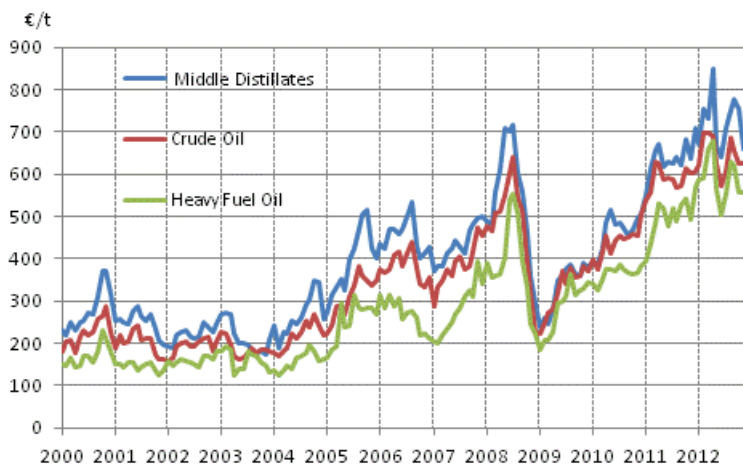
Appendix table 1. Energy taxes, precautionary stock fees and oil pollution fees

Date	Fuels ¹⁾							Electricity					
	Motor-gasoline, unleaded ²⁾	Diesel fuel ³⁾	Light fuel oil ¹²⁾	Heavy fuel oil	¹¹⁾ Hard coal	Natural gas	Peat	Consumption		Production			
								Electricity, I ⁴⁾	Electricity, II ⁵⁾	Nuclear power	Hydro power	Imports	
	c/l			c/kg	€/t	c/nm ³	€/MWh	c/kWh					
Excise taxes ¹⁰⁾													
1.1.1990	21,53	16,82	0,34	0,34	2,69	0,17	0,34	-	-	-	-	-	-
1.1.1991	26,57	17,49	0,35	0,35	2,83	0,18	0,35	-	-	-	-	-	-
1.1.1992	28,26	17,49	0,35	0,35	2,83	0,18	0,35	-	-	-	-	-	-
1.8.1992	31,62	17,49	0,35	0,35	2,83	0,18	0,35	-	-	-	-	-	-
1.1.1993	39,52	19,17	1,41	1,12	5,61	0,35	0,70	0,25	0,25	0,10	-	0,10	-
1.7.1993	39,52	16,65	1,41	1,12	5,61	0,35	0,70	0,25	0,25	0,10	-	0,10	-
1.1.1994	40,05	17,29	2,05	1,98	11,30	1,09	0,35	-	-	0,35	0,03	0,22	-
1.1.1995	45,12	27,50	3,02	3,12	19,53	0,94	0,59	-	-	0,40	0,07	0,37	-
1.1.1996	51,85	27,50	3,02	3,12	19,53	0,94	0,59	-	-	0,40	0,07	0,37	-
1.1.1997	51,85	27,50	4,88	3,72	28,42	1,19	0,71	0,40	0,4	-	-	-	-
1.4.1997	51,85	27,50	4,88	3,72	28,42	1,19	0,71	0,56	0,24	-	-	-	-
1.1.1998	55,22	30,02	5,50	4,34	33,40	1,40	0,82	0,56	0,34	-	-	-	-
1.9.1998	55,22	30,02	6,37	5,40	41,37	1,73	1,51	0,69	0,42	-	-	-	-
1.1.2003	58,08	31,59	6,71	5,68	43,52	1,82	1,59	0,73	0,44	-	-	-	-
1.7.2005	58,08	31,59	6,71	5,68	43,52	1,82	-	0,73	0,44	-	-	-	-
1.1.2007	58,08	31,59	6,71	5,68	43,52	1,82	-	0,73	0,22	-	-	-	-
1.1.2008	62,02	36,05	8,35	6,42	49,32	2,016	-	0,87	0,25	-	-	-	-
1.1.2011	62,02	36,05	15,7	18,51	126,91	8,94	1,9	1,69	0,69	-	-	-	-
1.1.2012	64,36	46,60	15,7	18,51	126,91	8,940	1,9	1,69	0,69	-	-	-	-
1.1.2013	64,36	46,60	15,99	18,93	131,53	11,38	4,9	1,69	0,69	-	-	-	-
Energy content tax ⁸⁾													
1.1.2011	50,36	-	7,70	8,79	54,54	3,00	-	-	-	-	-	-	-
1.1.2012	50,36	30,70	7,70	8,79	54,54	3,00	-	-	-	-	-	-	-
1.1.2013	50,36	30,70	6,65	7,59	47,10	4,45	-	-	-	-	-	-	-
Carbon dioxide tax ⁹⁾													
1.1.2011	11,66	-	8,00	9,72	72,37	5,94	-	-	-	-	-	-	-
1.1.2012	14,00	15,90	8,00	9,72	72,37	5,94	-	-	-	-	-	-	-
1.1.2013	14,00	15,90	9,34	11,34	84,43	6,93	-	-	-	-	-	-	-
Energy tax ⁷⁾													
1.1.2011	-	-	-	-	-	-	1,9	1,69	0,69	-	-	-	-
1.1.2013	-	-	-	-	-	-	4,9	1,69	0,69	-	-	-	-
Strategic stockpile fees													
1.7.1984	0,72	0,39	0,39	0,32	1,48	-	-	-	-	-	-	-	-
1.1.1997	0,68	0,35	0,35	0,28	1,18	0,084	-	0,013	0,013	-	-	-	-
Oil pollution fees ⁶⁾													
1.1.1990	0,28	0,031	0,031	0,037	-	-	-	-	-	-	-	-	-
1.1.2005	0,038	0,042	0,042	0,050	-	-	-	-	-	-	-	-	-
1.1.2010	0,113	0,126	0,126	0,150	-	-	-	-	-	-	-	-	-

- 1) Fuels in electricity production tax-exempt since 1 January 1997
- 2) Reformulated, since 1 January 1993, also sulphur-free since 1 September 2004. Fossil fuel
- 3) Sulphur-free, sulphur content < 50 ppm since 1 July 1993, sulphur content < 10 ppm since 1 September 2004. Fossil fuel.
- 4) Tax class I: others
- 5) Tax class II: industry and professional greenhouses
- 6) Fee for imported oil and oil products: 1,50 €/t
- 7) Energy tax included in excise taxes
- 8) Energy content tax included in excise taxes
- 9) Carbon dioxide tax included in excise taxes
- 10) Excise taxes contain energy content tax,, carbon dioxide tax, and energy tax
- 11) Excise taxes for hard coal is in the heat production. In CHP use excise tax is lower.
- 12) Fossil fuel.Sulfur free

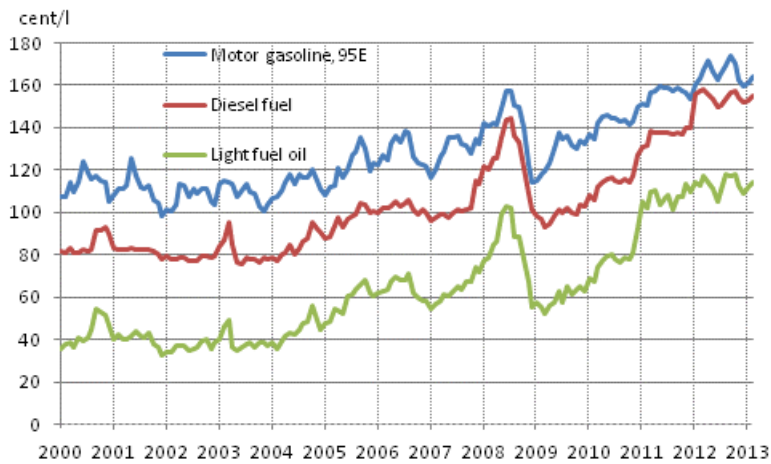
Appendix figures

Appendix figure 1. Import prices of oil



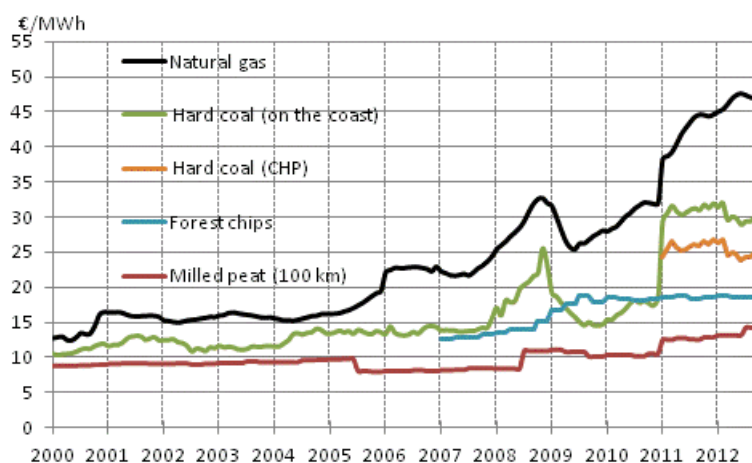
Source: Finnish Customs/Foreign Trade Statistics

Appendix figure 2. Consumer prices of principal oil products



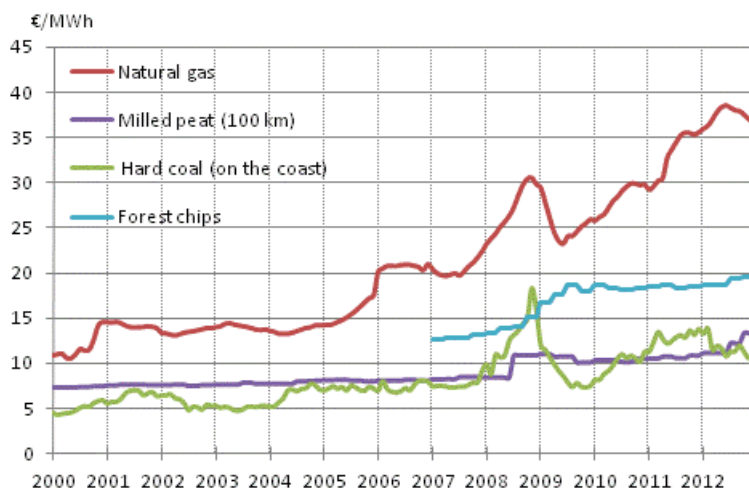
Source: Finnish Petroleum Federation

Appendix figure 3. Fuel Prices in Heat Production



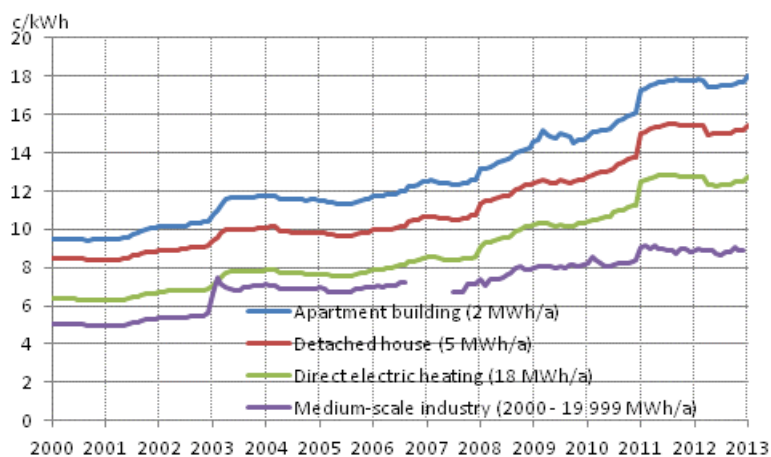
Sources: Finnish Customs/Foreign Trade Statistics, Energy Market Authority/Gasum Oy, Association of Finnish Peat Industries, Finnish Petroleum Federation

Appendix figure 4. Fuel prices in electricity production



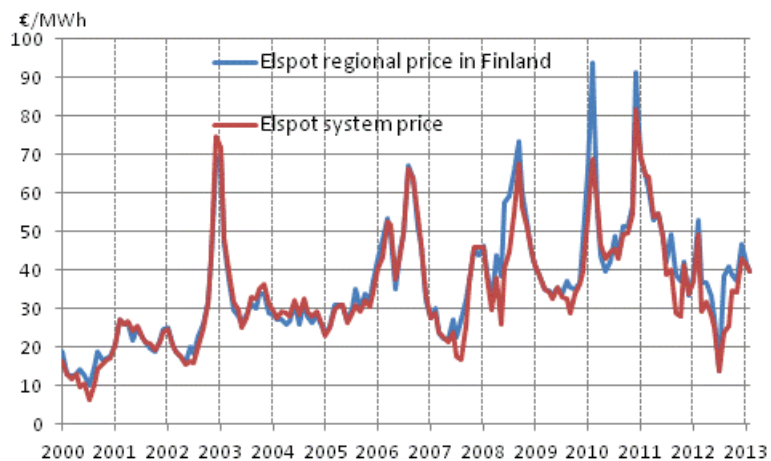
Sources: Finnish Customs/Foreign Trade Statistics, Energy Market Authority/Gasum Oy, Association of Finnish Peat Industries, Finnish Petroleum Federation

Appendix figure 5. Price of electricity by type of consumer, c/kWh



Source: Energy Market Authority

Appendix figure 6. Average monthly spotprices at the Nord Pool Spot power exchange



Source: Nord Pool Spot

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Source: Statistics Finland, Energy prices