

The German government's war tax: gas consumers to face huge cost rises

Peter Schwarz
16 August 2022

Millions of households in Germany that meet their energy needs mainly with natural gas are facing huge cost rises.

On Monday, Trading Hub Europe, a joint venture of the gas transmission system operators, set the amount of the state gas surcharge, which the German government decided on at the end of July. It is 2.419 euro cents per kilowatt hour and must be paid by all private and commercial end consumers from October 1.

The gas surcharge is a kind of war tax that Economics Minister Robert Habeck (Greens) is using to pass on to the population the costs of the Ukraine war, which the German government is uncompromisingly fuelling.

The sanctions against Russia and the German government's refusal to put the completed Nord Stream 2 pipeline into operation have led to a shortage in the supply of natural gas and an international price explosion. Imported natural gas was 236 percent more expensive in May 2022 than a year earlier. With the revenues from the surcharge, gas suppliers are being reimbursed for the difference between the previous low Russian prices and the current high world market prices. These billions end up in the coffers of the big energy companies, which are making record profits as a consequence.

Despite this, the government strictly refuses to touch them. It rejects even such a modest measure as a windfall profits tax, which would skim off part of the super profits, and is shifting the entire burden of the self-created energy crisis onto the backs of working people. It is significant that Trading Hub Europe, a private company closely intertwined with the energy companies, can decide the level of the gas surcharge, which it sets every three months.

With a gas surcharge of 2.419 euro cents per kilowatt hour, a household with an annual consumption of

20,000 kilowatt hours will incur additional costs of around €484 a year, plus 19 percent VAT (sales tax), although this has not yet been clarified. The costs can vary greatly depending on the provider, the contract and the thermal insulation of the home. What is certain, however, is that even smaller households will have to pay several hundred euros extra.

The gas surcharge, which is levied in addition to the gas suppliers' price increases, accounts for only a fraction of the cost explosion. Even before it came into force, prices had risen massively. According to the comparison portal Verivox, in July 2022 a kilowatt hour, including all taxes and levies, cost an average of around 16 euro cents. That is more than twice as much as in previous years, when the final price was well below 8 euro cents.

The increase is even more drastic for new customers. Here, the price for an annual consumption of 20,000 kWh was 17.84 euro cents in August 2022. That is more than three times as much as two years ago, when the kilowatt hour still cost 5.46 euro cents.

And the price increase is far from over. "Imported natural gas was 235.6 percent more expensive in May 2022 than a year earlier," writes the Federal Statistical Office. "For private consumption, the high price increases for natural gas have not yet fully arrived."

The drastic increases coming to private households are shown by the example of the Cologne gas supplier RheinEnergie, which has more than doubled energy prices for its customers as of October 1. Instead of 7.87 euro cents, they will have to pay 18.30 euro cents for one kWh in future, an increase of 10.43 euro cents.

RheinEnergie is not raising the basic price, which is included in the final cost. Nevertheless, as of October 1, households will have to pay more than twice as much as before for their gas bill, according to the company's

own calculations. For a small apartment with an annual consumption of 10,000 kWh, annual costs will increase from €960 to €2,002; for a large apartment or a small single-family house with an annual consumption of 15,000 kWh, costs will rise from €1,353 to €2,918 a year. That is an additional monthly cost of €130. Those who purchase district heating from RheinEnergie will also have to pay 73 percent more from October 1.

The gas surcharge is not even included in the announced price increases. For an annual consumption of 15,000 kWh, it amounts to an additional €363. The same applies to the CO2 tax. This had already raised prices when it was introduced in January 2021 and is set to rise from €30 to €55 per tonne by 2025. As a result, the gas bill of a household with 20,000 kWh consumption will increase by another €264.

Since more than 41 percent of Germany's residential energy needs—heating, hot water, cooking, electrical appliances—are met by natural gas, millions of families are affected by the price explosion. Experts assume that the official inflation rate will rise above 10 percent because of the increase in gas prices.

The standard of living of broad sections of the population, the result of decades of struggle, will thus be wiped out in a very short time. The trade unions, in cahoots with the government and the corporations, agree on long-term wage settlements that do not even cover a fraction of inflation.

Many are not prepared to accept this. The government, politicians and the media are therefore speculating about a “hot autumn” and are preparing to paralyse and suppress resistance.

Left Party politician Sören Pellmann is even calling for “new Monday demonstrations in the East like the one against Hartz IV [welfare cuts] back then.” What a farce! The Left Party supports social cuts including Hartz IV everywhere it has been and is in government. The Monday demonstrations against Hartz IV were unsuccessful because they were stifled by the Left Party and because they were limited to appeals to a government that was not amenable to appeals.

The destruction of living standards through price increases is unacceptable, as is the dismantling of countless industrial jobs, the untenable conditions in schools, day-care centres and hospitals, and the “profits before lives” policy in the pandemic. But the fight against this presupposes two things.

First, it must be waged completely independently of the Social Democrats (SPD), the Greens, the Left Party and the trade unions, all of which defend the capitalist profit system and the imperialist proxy war in Ukraine. Independent rank-and-file action committees must be built in the neighbourhoods and workplaces to organise resistance to the price increases and to network nationally and internationally. The Sozialistische Gleichheitspartei (Socialist Equality Party) and its international sister parties have set up the International Workers Alliance of Rank-and-File Committees to facilitate and promote this.

Secondly, the struggle against the consequences of inflation needs a clear political perspective. It is inseparable from the struggle against the bankrupt capitalist system, which has nothing left to offer the vast majority of the population except poverty, decline, environmental destruction and war.

The government's call to “make sacrifices” for the war in Ukraine must be categorically rejected. The claim that NATO is responding to an unprovoked attack by Russia in Ukraine and defending freedom and democracy is false. The war against Russia is a continuation of the wars against Afghanistan, Iraq, Libya and other countries through which the USA and its NATO allies have sought to defend their world domination.

The German government is using the war in Ukraine to rearm frenetically and become the strongest military power in Europe. It is using it as an opportunity to “further strengthen the European pillar of NATO, and to do so for the long term,” as Green Foreign Minister Annalena Baerbock recently put it in a keynote speech. The Russian invasion of Ukraine is reactionary and must be rejected but settling accounts with the Putin regime is the task of the Russian and international working class, not of the German and American imperialists, who have cast their greedy eyes over Russia's mineral resources and vast territory.



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