France unveils radical policy to cut fuel consumption by 50 per cent

Even as the UK promotes £200bn of spending on new power plants by planning on a near doubling of electricity consumption by 2050, our main European rival economies are putting in place programmes to reduce overall energy demand dramatically. In 2011 Germany adopted a programme to cut its then current electricity consumption by 25 per cent by 2050.

Now, France is seeking to hit even more ambitious energy saving targets – and plans to fund much of its programme via a new energy tax – which will bear particularly upon nuclear power, responsible for 76 per cent of French electricity.

President Francois Hollande has announced his new energy policy, designed to cut present levels of fuel consumption by 50 per cent, with fossil fuel use dropping by 30 per cent within 16 years.

Hollande vowed during his election campaign to reduce reliance upon nuclear down to 38 per cent of electricity production by 2025, whilst also keeping down consumer bills.

President Francois Hollande: 'all change is expensive in the short term'

The new tax, called Contribution Climat-Energie, will raise €2.5bn in 2015, and €4bn in 2016. Companies regulated under the EU emissions trading scheme will be excluded, as will transport professionals and the fishing fleet.

"All change is expensive in the short term, even if it is beneficial in the long term" said Prime Minister Jean-Marc Ayrault. "Our 68 strong nuclear fleet will contribute, and will do so over the remaining lifetime of our reactors."

The French government is guaranteeing that all the taxation money will be ring-fenced to assist consumers to reduce energy consumption and increase renewables. This is in contrast to the UK government where receipts for a similar tax (the floor price for carbon) are not being returned to any consumers, except certain large intensive energy using multinationals.