Climate change as a driver of inflation

Düsseldorf, 14 August 2026 – Europe is experiencing an extraordinary heatwave – with economic consequences. Forests are burning, harvests are being lost and rivers are becoming impassable. This is driving up the prices of goods. "It is becoming increasingly clear that climate protection is not only ecologically necessary, but also economically unavoidable", comments Andreas Ehrbar, Chief Operating Officer of the aream Group.

In June and July, Western Europe experienced its hottest ever temperatures for those two summer months. According to the EU's Copernicus Climate Change Service, the average temperature across the region over the two months was 21.62 degrees. This was 2.79 degrees above the long-term average for the period 1991 to 2020. Globally, July was the second-warmest month on record. On a global scale, average temperatures in July 2026 stood at 16.90 degrees, which is 1.47 degrees above pre-industrial July levels.

The heat led to extreme drought in many European regions. In July, areas on the Iberian Peninsula, in France, Germany, Austria, Hungary and the UK were particularly affected. According to Copernicus, heat and drought are increasingly reinforcing each other.

"The climate has become an economic risk factor", said Ehrbar. Take rivers, for example: in regions affected by drought, water levels have fallen well below the long-term average, particularly in the Seine, the Rhine and the Danube. This severely restricts shipping and causes fuel prices to rise, for instance, because large tankers can no longer pass through. The Federal Ministry for Economic Affairs estimates that climate-related damage will amount to around 900 billion euros by 2050. "That is why the transition to renewable energy, along with storage solutions and grid expansion, must be driven forward rapidly in order to alleviate supply chain issues", says Ehrbar.

Whilst German rivers are suffering from low water levels, farmers in Austria are expecting harvest losses of around 20 per cent for cereals and around 50 per cent for maize and potatoes. As a result, Europe's maize harvest this year could fall by almost a fifth below the five-year average, leading to a significant rise in agricultural commodity prices. "The increasing incidence of extreme weather conditions is a clear warning sign at a time when politicians in many countries are giving lower priority to climate protection, even though it can be implemented today – particularly in energy generation and distribution – without the need for significant subsidy measures", says Ehrbar.

The German solar plants in the aream portfolio were subject to curtailment last July, although 1,600 MWh of this will be remunerated. The target was achieved to 74 per cent; including curtailment, the figure was 97 per cent. The difference was even more drastic for the Spanish plants, where curtailments resulted in a loss of around 1,740 MWh, for which no remuneration will be paid. The target achievement rate was 67 per cent; including curtailments, it stood at 97 per cent. The plants in Italy, by contrast, showed stable performance, with 96 per cent of the target achieved.

Wind conditions in July, however, were below average; furthermore, the curtailment of one plant (approximately 100 MWh) and a longer-term grid disconnection (approximately 150 MWh) reduced production. The target was achieved to just under 91 per cent. Since the start of the year, the figure stands at around 74 per cent.

About aream Group SE

Founded in 2005, aream Group is a developer and asset manager focusing on sustainable infrastructure in the renewable energy sector. This includes wind and solar power, grids and storage technology. With its operations and asset management, project development and energy markets divisions, aream Group covers the entire value chain for renewable energy investments. With a transaction volume of more than €2.5 billion, aream is one of the leading asset managers in this market, generating around €40 million per year in green electricity from its own portfolio of investments. Since 2008, aream has produced more than 4 billion kWh of green electricity. As part of its growth strategy, several solar and wind farms as well as battery storage facilities are to be realised or acquired in the coming years. Thanks to its own project development within Aream Advisory GmbH, the group currently has a development pipeline in Germany with great potential. Further information: www.aream.de.

Contact
aream Group SE
Kesselstraße 3
D-40221 Düsseldorf
Tel.: +49 (0)211 30 20 60 42
E-Mail: info@aream.de
Web: www.aream.de

Presscontact
news & numbers GmbH
Bodo Scheffels
Tel.: +49 (0)40 80 60 194 34
E-Mail: bodo.scheffels@news-and-numbers.de
Web: www.news-and-numbers.de