

# EBB

European Biodiesel Board

## THE EU AND BIODIESEL

*Raffaello GAROFALO*

*Secretary General*

**EBB – European Biodiesel Board**



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# EBB

European Biodiesel Board

### Membership



*Raffaello GAROFALO, Secretary General EBB*



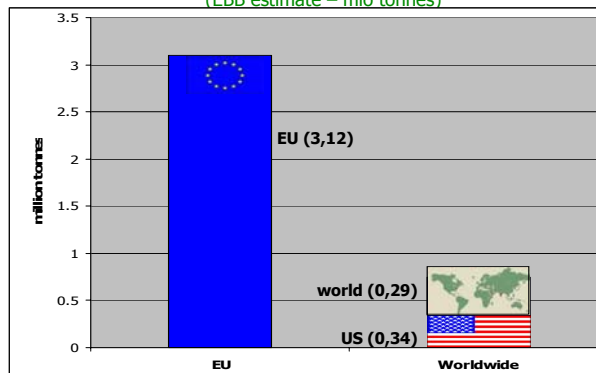
### Four points:

1. The EU biodiesel industry
2. Biofuels: a central place in the new Commission proposals for an European Energy policy
3. European Biodiesel markets: Sustainability and environmental impact of biofuels
4. International Biodiesel markets

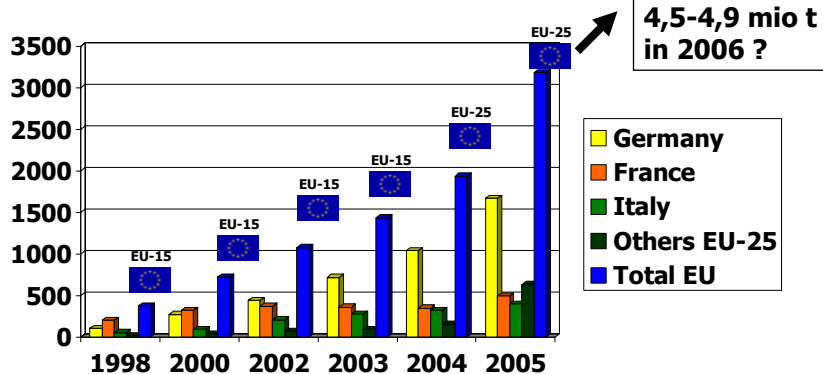


### EU and world-wide production of biofuels in 2005

(EBB estimate – mio tonnes)



### EU and Member States' Biodiesel Production ('000 t)



### Towards an EU Energy Policy

(Commission proposals – January 10<sup>th</sup> 2007)

- **"Road Map on Renewable Energies"**
  - *Mandatory target of 20% for 2020*
  - *Minimum legal binding target of 10% in every Member State for biofuels*
- **Revision of Directive 98/70 on Fuel Quality**
  - *Reduction of 1% of CO<sup>2</sup> emissions from fuels every year for 10 years as from 2010*
  - *In practice necessary to increase by 1,5%-1,7% biodiesel consumption every year until 2020 on 2010 basis*
- **Revision of Directive 2003/30 (biofuels)**
  - *Umbrella Directive on renewable energies to be proposed in the summer*
  - *Main issues: support policies, policy mix, assessment of CO<sup>2</sup> impact*

*Biofuels have a central place in the EU proposal for a Common Energy Policy*



### Impact of the new proposals and of the *Road Map*

- **10% target: in practice 25-28 million tonnes on the market in 2020**
- **Towards the end of national detaxation schemes?**
- **Revision of the Directive on Fuel Quality: strengthens the impact**
- **Positive conclusions of the European Council: now need rapid implementation**
  - *Policies and standards to be adapted already in the next months*
- **Necessary to increase (quickly) the % of biodiesel blend in diesel from 5% to 10% (without separate labelling or double grade diesel)**



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### Bases of the future market development of biofuels and biodiesel **Sustainability and environmental impact of biodiesel**

- ***BIODIESEL = PALM OIL: A WRONG EQUATION ... AND A MISCALCULATION: less than 3% of palm oil imported in the EU becomes biodiesel***
- ***Where the "remaining" 97% ends up? > Margarine, biscuits, prepared food, oleochemistry, burning for electricity etc. etc. ...***
  - In the last 5 years imports of palm oil have been doubled from 2,3 to 4,1 million tonnes (not because of biodiesel)
- ***EBB favours the establishment of a certification scheme; but necessary to think about criteria applicable not only to 3% of the uses ... if the intention is really to preserve rain forests***
- ***Land use is the real issue***



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### Bases of the future market development of biofuels and biodiesel

#### Biofuels certification

- THE EUROPEAN BIODIESEL INDUSTRY IS STANDING FIRST TO APPLY A SUSTAINABILITY CERTIFICATION TO THE RAW MATERIAL THAT IT EMPLOYS
- *Simple clear and universal rules and principles need to be applied*
- *Avoid fragmentation*
- *Avoid burdensome bureaucracy: contrary to aim of decreasing prices*
- *Avoid "food" related labelling consideration: biofuels are distributed via refineries and marketed at fuel pumps not in supermarket shelves*



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### Bases of future market development of biodiesel and biofuels

#### CO<sub>2</sub> impact and LCAs

- *Too many studies exist, often contradictory*
- *Necessary to elaborate a common European reference (for CO<sub>2</sub> and sustainability)*  
JRC-Concawe-Eucar study: starting point need to become more transparent
- *What about "second generation biofuels"?*  
Diesel or gasoline substitutes: two very different perspectives
- *Biodiesel has to be compared with other fuels effectively available on the market*
- *How are oil spills in sea and increasing unconventional oil extraction taken into account?*



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### Setting the bases of international biodiesel trade

- Solid bases = fair trade bases
- The European biodiesel industry is threatened by **US B99,9 unfair export subsidies** to Europe
- **B99,9 exports threaten the worldwide development of biodiesel** (as well as farmers' income) – price setting distorting practice
- Argentinean DETs as a potential additional threat



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### Developing countries: biodiesel as a key opportunity

- Advantages linked to the availability of raw materials in marginal areas (Brazil)
- Energy cost are one of the main reasons for State debts (especially with high oil prices)
- Contradiction Food/Fuel solved even more easily by choosing varieties and areas not used for food and not endangering biodiversity
- In parallel with socio-economic policies of rural development
- Overall positive impact in terms of CO<sup>2</sup> emission reduction



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*For more information please contact:*

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