

EBBOctober 24rd, 2005**European Biodiesel Board***Boulevard Saint-Michel, 47 – 1040 Bruxelles**Tel: +32 (0)2 737 76 13 – Fax: +32 (0)2 737 7696/ 7632**e.mail: ebb@ebc-youroffice.com web site: www.ebb-eu.org***PRESS RELEASE****Outcome of the 2005 EBB general annual meeting****The EU biodiesel industry confirms its important growth and prepares the ground for further development**

The European Biodiesel Board (EBB) is the European Federation of Biodiesel producers. Today EBB gathers 31 member companies representing more than 80% of the EU biodiesel production. EBB held its general annual meeting last 21st of October 2005 in Brussels. The meeting was attended by 75 representatives of EU biodiesel producing companies, coming from 18 EU countries and including this year many participants from new EU Member States (Baltic countries, Poland, Romania, etc ...). EBB Membership is restricted to companies producing biodiesel or building up biodiesel production capacities in the EU or in accession countries.

The large number of attendees and the participation of representatives of the EC Commission confirmed the increasing interest about biodiesel at European level. Boosted by favourable EU legislation and, more recently, by high mineral oil prices the EU biodiesel industry is strengthening its already significant development, confirming its leadership as main biofuels producer in the EU (biodiesel production represents today 80% of all the biofuels produced in Europe - bioethanol being the remaining 20%). Last year production increased by 35% when compared to 2003 data bringing biodiesel production already to around 2 million tonnes in 2004. Such trend should be confirmed this year leading to a production well above 2,5-2,7 million tonnes at the end of 2005.

During the meeting six new biodiesel companies joined the EBB as new members: **Biodiesel Holding Duesseldorf** – i.e. the former Schwarzheide – from Germany, **Ineos** from France, **Oleon** and **Dow Chemicals** from Belgium, **Habiol** from Norway, **Olearia Olimpo** from Italy and the Spanish biofuels association **APPA**. This follows the approval, this summer, of the Finnish company **Neste Oil** as new EBB associate member. New membership and additional production will substantially contribute to strengthen the action of the EBB that will increase its budget by more than 25% for next year.

Many different topics related to the biofuels legislative framework and their market penetration were discussed. With respect to the national implementation of Directive 2003/30, the representatives of DG TREN confirmed that infringement procedures are very likely to be initiated against those EU countries who have set very low targets (Denmark, Ireland, Finland, etc...) or who have not defined serious national legislative tools to reach their national targets (this is in particular the case of Italy).

There is today a general agreement in the industry that in order to reach the ambitious EU targets, and notably the 5,75% target for 2010, **the present legislation and standard applying today to biodiesel blends up to 5% should apply tomorrow to biodiesel blends up to 10%**. It appeared very clearly that the 5% low blend concept cannot apply anymore to a perspective in which the biodiesel industry is demanded to achieve a 5,75% market penetration in terms of energy content, i.e. at least a 6,5% target in volume¹ if the calculation is

1 Biodiesel has an energy content which is at least 15% lower than the one of conventional diesel.

based only on EU mineral diesel markets. In this perspective *"a revision of the EN590 diesel standard increasing from 5 to 10% the percentage of FAME that can be included in diesel is needed to give a real possibility to EU Member States to reach their biofuels targets"*, stressed Moritz Gaede, President of the EBB.

The current situation of EU and worldwide fuel markets was also considered by participants. The present shortage of diesel with important gasoline surpluses is likely to continue in Europe and will soon extend to US fuel markets. In this frame future perspectives for biodiesel development especially in Europe look bright and will help balancing the diesel shortage, while contributing to EU efforts to meet Kyoto targets.

On the side of raw materials EBB delegates urged the representatives of Commission DG AGRI to intensify efforts to increase the availability of feedstock for biodiesel production. *"The forthcoming Commission Biomass and Biofuels Action is a step in the right direction, but more account needs to be taken of the need of increasing the availability of oilseeds and other raw materials for biodiesel production"*, emphasised Raffaello Garofalo, Secretary General of EBB. This could be achieved by an increase both in the premiums and in the agricultural surfaces covered by the energy crops and the set-aside schemes.

The impressive agricultural potential of the new Member States is currently widely unexploited as far as biofuels are concerned. *"A comprehensive strategy for oilseeds and renewable resources in EU-25 and more particularly in new EU countries is urgently needed. EU citizens need a Common Agricultural Policy which is more consistent with EU biofuels targets"*, concluded Moritz Gaede, President of the EBB.

The next EBB General Assembly meeting will be held in November 2006.