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Latvijas Republikas Zemkopības ministrija

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European Commission

Directorate General for Energy and Transport
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National Report

According to the directive 2003/30/EC of the European Parliament and of the Council of 8 May, 2003 „On the promotion of the use of biofuels or other renewable fuels for transport” article 4, Latvia provides information about progress of bioenergetics sector in the country.

Legislation:

By adoption by the Cabinet of Ministers of Republic of Latvia the instruction No 800 of December 19, 2003 the policy planning document –program “Production and use of biofuel in Latvia (2003 – 2010)” (*further in text – Program*) was adopted. As a result of the implementation of the program a new agri-production sector, namely production of biofuel for transport, using local agricultural raw materials will be created and in the same way there will be established preconditions for the use of its main products – biofuel and bioethanol in different types of vehicles as well as for the use of by-products (feed etc.) for local needs and exportation.

With the adoption of the Program, the approximate control figures for production of biofuel in Latvia and the prognoses for the coming years (2004.-2010) were set (Table 1).

Table 1.

Parameters	2004.	2005.	2006.	2007.	2008.	2009.	2010.
The part of biofuel in transport fuel	1,25 %	2 %	2,75 %	3,5 %	4,25 %	5 %	5,75 %
Bioethanol, 10 ³ t	5,7	9	13	17	22	27	32
Biodiesel, 10 ³ t	6,3	11	16	22	28	35	43
Total amount of biofuel, 10 ³ t	12	20	29	39	50	62	75

Source: Program

On July 22, 2004 with the instruction No 511 of the Cabinet of Ministers of Latvia the Action Plan for Implementation of the Program was adopted. The

Action Plan comprised tasks to be achieved, measures to be taken, responsible institutions, indicators for evaluation of tasks and measures, as well as deadlines for performing the tasks set out in the Program.

In order to ensure the compliance with the requirements of the abovementioned Directive, the production and usage volumes of biofuel in Latvia in 2005 should reach at least 20 000 tons, but in 2010 – at least 75 000 tons.

The development of biofuel production and utilization is largely dependent on active legislative work already in the year 2004. The draft Law On biofuels is currently being discussed in Saeima, the main legislative body of Latvia. The whole package of normative and legislative acts in this sector would give clear conditions for the parties involved.

Financing

In order to perform tasks set out in the Program, it is necessary to create the material and technical basis for biofuel production, basing this basis mainly on the possibility for processing enterprises to purchase raw material at competitive prices.

State funding allocated for obtaining the biomass for energy are set out in the Table 2:

Table 2.

Year	Support level, EUR
2002	60 000
2003	90 000
2004	-
2005*	700 000

Source: Ministry of Agriculture, Republic of Latvia

*The volume of financing must be agreed and support measures promotion of renewable energetic resources notified to the European Commission.

Situation in Latvia

The total yearly volume of fuel put on the market and share of biofuel in it is depicted in Table 3.

Table 3.

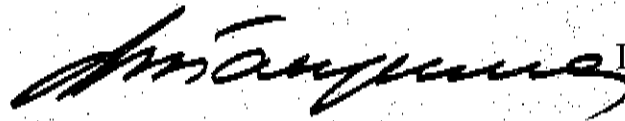
Parameters	2002.	2003.	2004. (6 months)
Petrol, 10 ³ t	364	354	169
Diesel, 10 ³ t	566	618	307
Total, 10³ t	930	972	476
Biodiesel, 10 ³ t	2,5	2,5	0,5
Bioethanol, 10 ³ t	-	-	0,7
Total, 10³ t	2,5	2,5	1,2
The part of biofuel in transport fuel, %	0,3	0,3	0,25

Source: Ministry of Economics, Republic of Latvia

There are no specific technical and climatic aspects in place in Latvian fuel market, which could substantially impact the use of biofuels in the national economy.

Due to the significant interest from the entrepreneurs on production of both biofuel and bioethanol, it can be expected that the control figures set by the government and concerning the turnover of biofuel in the national economy will be fulfilled already in the year 2005 (2%), but in the next years will even exceed those figures.

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