

## Information

„A Proposal on the Implementation Directive 2003/30/EC on the Promotion of the Use of Biofuels for Transport in Condition of Slovak Republic“.

A proposal on the implementation elaborated Ministry of Economy of Slovak Republic (SR) and in present time procedural makes ready him on preceeding Slovak Government. From the charakteristic of internal market of SR results that:

a) *consumption of motor fuels in 1999 – 2003 years:*

Comodity	1999	2000	2001	2002	2003*
Overall domestic consumption:					
- petrol	643	602	612	726	740
- diesel	845	825	825	1 007	1 020
(thousand tons)					
Overall domestic consumption:					
- petrol	688	644	655	777	792
- diesel	875	854	854	1 042	1 056
t o t a l :	1 563	1 498	1 509	1 819	1 848
(thousand toe)					

*Source: Bureau of Statistics of SR*

Note:

\* - data in 2003 year are preliminary, national statistical survey is not finished yet

b) *a proposal consumption of motor fuels in 2004 – 2010 years:*

Comodity	Annual increase of cons. ( in % )	2004	2005	2006	2007	2008	20090	2010
petrol (in kt)	1,5	737	748	759	771	782	794	806
petrol (in ktoe)	1,5	789	<b>800</b>	812	825	837	850	<b>862</b>
diesel (in kt)	3,0	1 037	1 068	1 100	1 133	1 167	1 202	1 238
diesel (in ktoe)	3,0	1 073	<b>1 105</b>	1 139	1 173	1 208	1 244	<b>1 281</b>
Motor fuels total (in ktoe)	-	1 862	<b>1 905</b>	1 951	1 998	2 045	2 094	<b>2 143</b>

Notes:

- the start are data in 2002 year with proposal of annual increase of domestic consumption 1,5 % for commodity petrol and 3 % for commodity diesel,
- because we do not expect the increase in crude oil processing, the proposal consumption of motor fuels supports the use of biofuels;

c) consumption of biofuels in 2001 – 2003 years:

(in tons)

Biofuels	2001		2002		2003*	
	biodiesel	bioethanol	biodiesel	bioethanol	biodiesel	bioethanol
Annual capacity	61 200		62 000		62 000	
Start stocks	5 103		11		6	
Production	30 290		6 267		3 573	
Import	-		-		-	
Export	217		1 589		500	
Final stocks	114		6		-	
Domestic consumption	30 073		4 679		3 073	
Domestic consumption ( in toe )	24 420		3 800		2 496	

Source: Bureau of Statistics of SR

Notes:

\* - data in 2003 year are preliminary, national statistical survey is not finished yet

1. many companies, originally produced „ecological biofuels“, in consequence to the abolition of state subsidies, rapidly restrained this production, stopped the construction of new capacities, or converted their business activities in this area,
2. bioethanol produced data are not known;

d) biofuels calculation of minimum proportion on internal market

Year	Petrol (ktoe)	Diesel (ktoe)	Motor fuels total (ktoe)	Quantity of biocomponents (ktoe)	Part of biocomponents in motor fuels ( in % )
2001	655	854	1 509	24,42	2,86
2002	777	1 042	1 819	3,80	0,36
2003	792	1 056	1 848	2,496	0,24
2004	789	1 073	1 862	9,31	0,50
<b>2005</b>	<b>800</b>	<b>1 105</b>	<b>1 905</b>	<b>38,10</b>	<b>2,00</b>
2006	812	1 139	1 951	48,78	2,50
2007	825	1 173	1 998	63,94	3,20
2008	837	1 208	2 045	81,80	4,00
2009	850	1 244	2 094	102,61	4,90
<b>2010</b>	<b>862</b>	<b>1 281</b>	<b>2 143</b>	<b>123,23</b>	<b>5,75</b>

Note:

introduced quantities of biofuels are calculated for the use without their differentiation.

**Proposal of measures on elaborating the national programme on the promotion of the use of biofuels for transport in Slovak Republic.**

A proposal on the implementation directive 2003/30/EC requires to elaborate national programme to adopt demanded frame „acquis communautaire“ in area of biofuels.

From the characteristic of internal market SR with motor fuels results that:

**1) internal market SR with motor fuels is characterized**

- to date 31.12. 2002 as petrol commodities in quantity 726 thousand ton (or 777 ktoe) and as diesel commodities in quantity 1 007 kt (or 1 042 ktoe),
- proposal to date 31.12.2005 as petrol commodities in quantity 748 kt (or 800 ktoe) and as diesel commodities in quantity 1 068 kt (or 1 105 ktoe),
- proposal to date 31.12.2010 as petrol commodities in quantity 806 kt (or 862 ktoe) and as diesel commodities in quantity 1 238 kt (or 1 281 ktoe).

**2) Minimal demands of biocomponents to blend into motor fuels are expressed as esters or alternatively as bioethanol;**

- **38 100 toe biocomponents to date 31.12.2005** are:

- a) 46 922 tons as methyl-esters produced from vegetable or animal oils as components to blend into diesel,

or

- b) 63 500 tons as bioethanol as component to blend into petrol;

- **123 230 toe biocomponents to date 31.12.2010** are:

- a) 151 762 tons as methyl-esters produced from vegetable or animal oils as components to blend into diesel,

or

- b) 205 384 tons as bioethanol as component to blend into petrol;

**3) Act No 98/2004 Coll. on excise duties from mineral oils allows, that keeper of taxable and bonded warehouse can to supply to the market with motor fuels also fuels, which are produced as mixtures of hydrocarbon fuels and biocomponents. These are:**

- diesel + 5 % by volume ester,
- ester + 5 % by volume diesel,
- petrol + 15 % by volume ETBE (ethyl-tertio-butyl-ether).

**4) With regard on actual deficiency of bioethanol production capacities in SR, is possible to ensure meet obligations of directive 2003/30/EC in the first phase „to set in motion“ blending of esters into diesel.**

We suggest to blend esters in quantity max. 5 % by volume into diesel with reduced excise tax („red colored diesel“), which is used in agricultural and forestry production, also in railway transport and in public interest.

5) Elaborating of national programme and following „step – by – step“ introducing of biofuels on the Slovak internal market with motor fuels demands:

- mainly to find and agree mutual relations interested companies on the frame of programme  
(companies chain: „cultivator/breeder – processor – producer of biocomponents and fuels – distributor – consumer/user“)  
and to determine conditions and relating requirements to the realiyation of programme,
- biocomponents will be blended into motor fuels only in taxable and bonded warehouse, to ensure the taxes and customs control of production and selling these commodities,
- the quantification of national indicative targets in 2005 – 2010 years will be conditioned by availability of biofuels and investment preparedness of interested companies,
- it is necessary positively to quantify financial claims against the state, i.e. state budget demands on realization of national programme.

The Proposal for a Slovak Government Decision reads:

1) The Minister of Economy and the Minister of Agriculture elaborate a draft National Programme, which entails stimulating economic conditions for the “starting“ of the fulfillment of the 2005 Indicative Target (Term: 12-31-2004).

2) The Minister of Finance and the Minister of Agriculture set up a Proposal for a Government Regulation determining the means for stimulation of biofuel price support in this chain of subjects: grower/breeder – executor – producer of bioelements - distributor – consumer (Term: 06-30-2005).

3) The Minister of Finance and the Minister of Agriculture set up a Proposal for Revision of Act (No. 98/2004) on consumer tax from mineral oil, thus the fulfillment of Direction 2003/30/EC can be “started” by adding 5% Vol. vegetable oils esters and fatty acids esters into tax-advantageous red diesel oil (Term: 11-30-2004).

4) The Minister of Environment, the Minister of Economy and the Minister of Agriculture set up a Proposal for Revision of an Edict of the Ministry of Environment of the Slovak Republic No. 53/2004 which determines the fuel quality standards and the fuel evidence management, thus it can be supplemented by another alternative fuels to be found in the Slovak engine-fuels internal market, including amending the Edict with current qualitative technical norms (Term: 06-30-2005).

5) The Minister of Transport, Post an Telecommunications sets up a Proposal for Revision of a Slovak National Council Act (No. 315/1996) on land communications traffic, as amended by later statutes, thus the Act is supplemented by the usage of another alternative engine-fuels for motor vehicles (Term: 06-30-2005).