

Report submitted to fulfil requirements of Article 4 of Directive 2003/30/EC on the promotion of biofuels and other renewable fuels for transport

Directive 2003/30/EC on the promotion of biofuels and other renewable fuels for transport requires Member States to prepare a report annually on:

- the measures taken to promote the use of biofuels;
- the national resources allocated to biomass for energy uses other than transport; and
- total sales of transport fuel and the share of biofuels.

1. Background information

The directive specifies biofuels as liquid or gaseous fuel for transport produced from biomass. Biomass is further defined as the biodegradable fraction of products, waste and residue from agriculture (including vegetal and animal substances), forestry and related industries as well as the biodegradable fraction of industrial and municipal waste.

Malta is a country with negligible potential in biofuels from agriculture. The limited freshwater resources (50% of potable water is supplied from desalination), high population density and poor soil fertility contribute to this potential.

On the other hand, Malta is totally dependent on imported fuel for all its energy needs. This factor is a strong motivator to find means to increase fuel diversity – albeit to the marginal extent possible – and to use renewable and indigenous energy sources.

Industrial and domestic waste is the only substantial source of biomass. In this respect, Government policy¹ is as follows:

- to reduce the quantity of waste and to encourage higher levels of reuse;
- to increase recycling and composting;
- further development of energy recovery technologies (anaerobic digestion);
- safe disposal of residues that cannot be otherwise managed.

Material recovery and composting is given a higher ranking than energy recovery in this strategy. The strategy envisages composting of biodegradable waste with targets for reducing landfilling as far as possible.

There is potential for waste cooking oil to be collected and converted to biodiesel. One company is carrying out such a process and Government has been using such biodiesel in its heavy plant.

As far as biomass from waste water is concerned, investigations will be concentrating on electricity generation from biogas generated during the treatment process.

¹ A solid waste management strategy for the Maltese Islands, September 2001.

2. Measures to promote the use of biofuels or other renewable fuels.

Legislative instruments

During 2004, Government published Legal Notice 528 of 2004 establishing regulations on the promotion of biofuels or other renewable fuels for transport. This legal notice transposes Directive 2003/30/EC.

These Regulations impose an obligation on the Malta Resources Authority to report to the Minister responsible for Resources on the measures undertaken for the promotion of the use of biofuels or other renewable fuels to replace petrol and diesel for purposes of transport, on the national resources allocated for the production of biomass for energy uses other than transport and on the total sale of transport fuel and the share of biofuels that are put in the market in the preceding year. When applicable the Authority must also report on any exceptional conditions of oil products which have influenced the marketing of bio-fuels and other renewable fuels. The Minister may approve any of the reports, in whole or in part, with or without modifications or conditions, or may refer any of the reports back to the Authority. When approved, the reports would have to be published by the Authority.

The Authority also has a monitoring duty with regards to the effect of the use of biofuels in diesel blends above 5% by non-adapted vehicles through the use of surveys and, or any other means considered appropriate. The Regulation also imposes reporting duties on importers and producers as well as other obligations with regards to the sale and labelling of biofuels. Finally the Regulation also gives the Authority the power to issue compliance orders against any person who has contravened any of the provisions of the Regulation and makes it an offence to contravene such compliance orders or any provision of the Regulation or to fail in one's obligations regarding disclosure of information.

The target is also established in a schedule to the Regulations and for 2005 the target is 0.3%.

Exemption from excise duty

Furthermore, during November 2004, Government announced that as from 2005, the biomass content (i.e. the percentage element) in biodiesel is exempted from the payment of excise duty under fiscal control where such energy products are made up of, or contain, one or more of the following products:

- products falling within CN Codes 1507 to 1518;
- products falling within CN Codes 3824.90.55 and 3824.90.80 to 3824.90.99 for their components produced from biomass;
- products falling within CN Codes 2207.20.00 and 2905 11 00 which are not of synthetic origin;
- products produced from biomass, including products falling within CN Codes 4401 and 4402;
- products which contain water (CN Codes 2201 and 2851.00.10).

Government leading by example

A number of government departments and agencies have started using biodiesel. These include the Environment Department, the Agriculture Department and the Malta Environment and Planning Authority. The Ministry for Resources and Infrastructure also intends to start buying biofuel for its vehicles again as from 2005.

3. National resources allocated to biomass for energy uses other than transport

As indicated earlier, no agricultural resources are used for biofuels. Industrial and municipal waste streams will be directed towards reuse and composting, rather than biofuel production, with the exception of waste oil.

During 2004, total production of biodiesel during 2004 was around 400Mlitres, of which 55% was used for industrial purposes, and 45% for road transport.

4. Total sales of transport fuel and the share of biodiesel

Biofuels used in Malta during 2004 consisted of biodiesel produced by one company from waste oil. Interest has been expressed in importing biofuel and setting up additional manufacturing facilities by a number of private enterprises.

The calculations of the portion of biofuels used for road transport are shown below. The calorific values are standard figures.

Table 1 - Use of road transport fuels in Malta 2004

	Mlitres	Energy Content MJ/l	TJ	% of total
Petrol	88.90	31.2	2774	46%
Diesel	90.63	35.7	3226	54%
Total fuel sales	180.40		6000	100%
Biodiesel	0.18	32.8	6	0.1%

Biodiesel accounted for 0.1% of total fuel used for road transport in 2004, a significant improvement on the 0.02% achieved in 2003.