

Malta's Annual Report for 2008 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 an annual report on:

- the measures taken to promote the use of biofuels or other renewable fuels to replace diesel or petrol for transport purposes;
- the national resources allocated to biomass for energy uses other than transport; and
- the total sales of transport fuel and the share of biofuels pure or blended, and other renewable fuels placed on the market for the preceding year.

Background information

Biofuels in Malta have been relatively successful since their introduction in 2003, with subsequent years showing successive increases in consumption over the previous years. This trend, however, did not continue in 2008. The steady decrease in fossil oil prices and the increase in the costs of raw material used to produce biofuel have resulted in a lower price margin between the two products, and hence a substantial decrease in the amount of biofuels placed on the market in 2008 was observed.

Measures to promote the use of biofuels or other renewable fuels

Legislative instruments

Currently, the Use of Biofuels or Other Renewable Fuels for Transport Regulations (LN528/04) is the main legislative instrument regulating biofuels. These Regulations transpose Directive 2003/30/EC.

Exemption from excise duty

The main instrument used for the promotion of biofuels in Malta is the exemption from the payment of excise duty on the biomass content (that is, the percentage element) in biodiesel granted by the Government.

National resources allocated to biomass for energy uses other than transport

A Mechanical Biological Treatment (MBT) plant for the processing of organic municipal solid waste is currently being installed and will be operational by mid 2010. Two other MBT's are also planned. These will be set up in the coming years, the likely target date being 2013. A Combined Heat and Power Plant (CHP) running on landfill gas is scheduled to be installed and commissioned by early 2011.

Total sales of transport fuel and the share of biofuels

Out of the three companies which were active in the Maltese biofuel market in 2007, only one continued with its operations throughout 2008, supplying both the transport and the industry sector. The other two found it increasingly difficult to cope given the ever decreasing margin between fossil fuel and biofuel and hence stopped operations in 2008.

Similarly to previous years, biofuel for the transport sector was supplied both as pure biodiesel (B100) from petroleum filling stations, as well as in mixed blends direct from this biofuel plant. At the retail level around 30 petroleum filling stations, equivalent to about 40% of the total number of stations present in Malta, were retailing biodiesel to consumers in 2008.

Total sales of biodiesel for 2008 per sector are summarised in *Table 1* below.

Table 1 – Consumption of Biodiesel per sector

Biofuel Type	Industrial Sector (Million Litres)	Transport Sector (Million Litres)	Total (Million Litres)
Biodiesel	0.350	0.850	1.20

Based on the data collected and considering the standard figures for the calorific values of the fuels used in road transport, the share of biofuels used for road transport is that shown in *Table 2* below.

Table 2 - Use of road transport fuels in Malta during 2008 and the share of Biofuels

Fuel	Litres	Energy Content MJ/l ¹	Energy TJ	Percentage of total Petrol and Diesel sales
Petrol Sales	96,720,364	31.2	3,017.68	45.69
Diesel Sales	100,463,974	35.7	3,586.56	54.31
Total Petrol and Diesel sales	197,184,338		6,604.24	100.00
Biodiesel Sales	850,000	32.8	27.88	0.422

¹ Kavalov Boyan, Jensen Peder, Papageorgiou, Schwensen Carsten and Olsson Jens Peter, "Biofuel Production Potential of EU-Candidate Countries", Institute for Prospective Technological Studies, EU Joint Research Centre, September 2003.

The share of biofuels in 2008, therefore, based on energy content, accounted for 0.422% of the total petrol and diesel sales used for road transport. This figure is less than half that obtained in 2007, when Biodiesel accounted for 1.08% of the total fuel used for road transport in the same year.