

E.U. biodiesel production drops in 2011

[Source](#) : BlackSea Grain, 19th Oct 2011

The European Biodiesel Board (EBB) said on Oct. 18 that the E.U. biodiesel industry production forecasts showed the first decrease in 2011 since data has been gathered.

Production showed moderate growth in 2010 reaching 9.57 billion tonnes, but decreased for the first two quarters of 2011. The growth rate of 5.5% was low compared to growth rates in 2009 (17%) and 2008 (35%), EBB said.

In 2010, Spain confirmed its position as third European biodiesel producer, ahead of Italy, which saw a slight decline in production compared to 2010. Germany and France remain by far the leading biodiesel producing nations.

As of July 2011, the European biodiesel production capacity reached 22 million tonnes. The number of existing biodiesel facilities stood at 254, slightly up from 2009 due to the start of a few new production units. This industrial basis is the result of investments in biodiesel production planned before 2007 in reliance of the ambitious objectives for biofuels consumption given by E.U. authorities.

While E.U. biodiesel capacity utilization stands at 44%, for the first two quarters of 2011, and for the first time in registered history, the entire European production has slightly decreased year-on-year. EBB estimates show that the overall production in the E.U. particularly decreased in the second quarter.

Increased imports from countries such as Argentina and Indonesia as well as circumvention measures from North America are mostly likely to have contributed to lessen European domestic production, EBB said.

According to member states forecasts, biodiesel will fulfill no less than 66% of the 2020 target, translating into a 24 million tonne demand as long as the European industry disposes of the right legislative tools which ascertain investment and economy of scale. Biodiesel producers currently face several international trade and regulatory challenges, which could not only strengthen the declining trend but would also have a concerning impact on the economy.