

Biofuels Market to double by 2021

Source: [GLOBE-Net](#), 13th October 2011

A new report from [Pike Research](#) predicts the biofuel industry will double in size to USD185 billion by 2021.

Meanwhile in the European Union - the world's largest biofuel market - the [European Biodiesel Board](#) (EBB), a producers group, has rejected the findings of a EU-funded study into the indirect land use change (ILUC) effect of biofuel production as unscientific.

In its new report, [Biofuels Markets and Technologies](#), Pike Research says that as concerns related to energy security, climate change and economic stagnation grow, at least 38 national governments throughout the world have enacted blending mandates or targets to accelerate the expansion of biofuels production and consumption in the transportation sector displacing some of the demand for fossil fuels. Currently the global market for biofuels stands at USD82.7 billion.

'The widespread scale-up of biofuels could radically alter the industrial and geopolitical landscapes, by meeting an expanding portion of consumer demand in ground, aviation, and maritime fuel markets,' said Pike Research senior analyst Mackinnon Lawrence.

'But with conventional biofuels constrained by social and environmental concerns, and price parity and access to financing a persistent obstacle to advanced biofuels scale-up, a number of difficult challenges must be overcome if the industry is to keep pace with emerging mandates.'

Those social and environmental concerns are particularly manifest in Europe where the European Commission funded four studies to assess the impacts of the EU's 10 percent target for the use of renewable energy in road transport fuels by 2020. The EBB has taken particular issue with [a report published in March by International Food Policy Research Institute](#) (IFPRI).

The EBB cites two studies, recently conducted by Don O'Connor from (S&T)2 Consultants and by researchers at Kiel University, which it claims indicate that 'the IFPRI study cannot serve as a basis for policy-making on the highly debatable and unscientific concept of ILUC.'

'By relying on a unique piece of research, conducted by the US based consultancy IFPRI, the Commission endangers its main goal to provide a fair and scientific-based policymaking,' [the EBB said in a statement](#).

It added that a knee-jerk reaction by European politicians could wipe out the EU's USD17.5 billion biofuel production industry overnight and play into the hands of biofuel makers in Asia and South America.

On the same day the EBB came out with its position paper coalition of more than 150 international scientists warned that the indirect land impact of biofuels was significant and that current scientific understanding justified immediate action by EU policymakers.

'All the studies of land use change indicate that the emissions related to biofuels expansion are significant and can be quite large,' the scientists said in a letter to the EU's executive, the European Commission.