

EU – Biodiesel production may decline this year

Kingsman, 18th October 2011

European Union biodiesel production may fall for the first time in 2011 as Argentina and Indonesia increased exports to the region, the European Biodiesel Board (EBB) said, Bloomberg reports. Output rose 5.5% to 9.57 mln mt in 2010, slowing down from 17% in 2009 and 35% in 2008, according to the Brussels-based group. "Forecasts for 2011 show a reduction of European production compared to the same time last year," the statement said. EBB's Project Manager confirmed the 2011 European biodiesel production is estimated to decrease to 7.6 mln mt.

The industry association added that the European biodiesel production capacity reached 22 mln mt and the number of existing biodiesel facilities stood at 254. The region's plants operated at 44% in the first half of this year .

Biofuels are becoming more competitive compared with oil but the pace of growth has slowed due to a lack of regulation and sustainability standards in Europe, the chief executive of BP Biofuels told Reuters in an interview. "In the UK, biofuels get no tax breaks whatsoever. The biggest obstacle (to biofuel growth) is uncertainty around the future of mandates and clear (EU) sustainability standards," he said. But he said that the 10% mandate for 2020 could be met, if new measures are put in place to support the more sustainable alternative fuels, and the EU and US could both use 20% blends by 2030.

According to a draft document seen by Reuters, the European Union must make a drastic shift from fossil fuels and derive more of its power from renewable sources, driving up electricity costs over the next two decades, Reuters reports.

The 2050 energy road map to be published by the end of the year complements a 2050 low carbon road map released by the European Commission earlier this year, which seeks to chart a way to reducing carbon emissions by more than 80% by the middle of the century. (18 October 2011)