

Deliverable 1 – Task 40

Experiences of existing trade with
biofuels

Disposition of the Presentation

- Driving Forces, Rationales and Structures
- Barriers
- Key Issues for further development
- Questions

Driving Forces, Rationales and Structures

- ❑ Raw material / Biomass push
- ❑ Market pull
- ❑ Utilizing the established logistics of existing trade
- ❑ Incentives and support institutions
- ❑ Technical developments and innovations
- ❑ Entrepreneurs and innovators
- ❑ Unexpected opportunities

Raw material / Biomass Push

- Brazil – producing ethanol for export
- 2004 the export reached 2.5 billion litres
- Canada – produced pellets mainly from sawmill residues
- 2004 production reached 600.000 tonnes

Market Pull

Arise when there is a deficit of available biomass resources or energy

Netherlands – suitable conditions for biofuel consumption, but with limited biomass resources

Biomass Push / Market Pull

- Brazil – resources of biomass, ethanol and energy
- Canada – resources of biomass and energy
- Norway – resources of biomass and energy
- Finland – resources of biomass and energy
- Sweden – resources of biomasses and energy
- Netherlands – need for biomass and energy

Utilizing the established logistics of existing trade

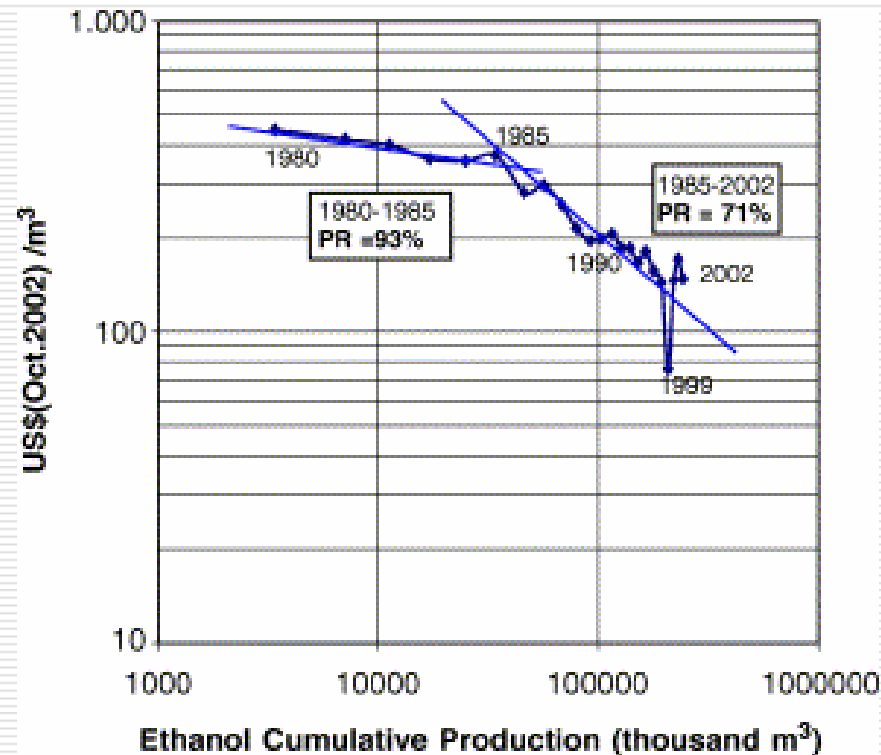
- Ports, Storage facilities and organizational integration
- Indirect trade through established agriculture, forest, and the food trade structures

Incentives and Support Institutions

- taxes, subventions, contributions and fees, market based measures, agreements and legislation

Technical Developments and Innovations

- Brazil's productivity has increased due to innovations and development in both agriculture and in industry



Entrepreneurs and Innovators

Unexpected Opportunities

- Storms
- Forest fires
- Insect attacks
- Hurricanes

Barriers and Restricting factors

- ❑ Insufficient spreading of existing technique, which causes lack of technical skills
- ❑ Institutional obstacles and problems
- ❑ Lack of knowledge and uncertainty
- ❑ The absence of entrepreneurs
- ❑ Resistance from other interested parties, both through direct and indirect resistance
- ❑ Lack of global professional logistics

Insufficient spreading of existing technique, which causes lack of technical skills

Institutional obstacles and problems

- Direct obstacles – tariffs and quotas
- Indirect obstacles - legislation, permissions, governmental support for utilisation of domestic biomass resources, protection of competing industries and existing jobs, or lack of strategic investments in biofuel facilities etc

Lack of knowledge and uncertainty

- Introduce international biofuel standards

The absence of entrepreneurs

Resistance from other interested parties, both through direct and indirect resistance

- Competitors of the raw material
- NGO's
- Companies and Organizations in markets for other fuels

Lack of global professional logistics

Key Issues for further development

- Long-term policy incentives.
- Free trade
- Support to strategic investments
- International biofuels standards

Thank you for your attention

Questions?