

Free Trade: The Swedish initiatives and policies

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Free trade in all biofuels!!!!

- **SE traditionally open market for producers in other countries**
- **SE core of international trade**
- **“Pragmatic” acceptance of solid recovered biofuels**

Pressure on domestic production

- **Competitive business**
- **Real costs -60+% (25 years)**
- **STRONG increase in volume**
- **Environmental criteria – developed into criteria on sustainability**

- ***A balanced approach regarding domestic production and imports of biomass should be found, taking account of aspects such as competitiveness, security of supply and rural development;***

- Explore the issue of simple and cost-effective *measures* to *guarantee* that biofuels are produced in a *sustainable* way, *inter alia* *certification*, in respect of environmental, social and technical standards, and applying to internal production as well as imported biofuels; in doing so, no technical trade barriers should be created,

- A *balance* should be sought between *energy uses of biomass*, *non-energy uses of biomass and nature conservation*, taking also national economic circumstances into account.

- – a **10 % binding minimum target** to be achieved by all Member States for the share of
- biofuels in overall EU transport petrol and diesel consumption by 2020, **to be introduced**
- **in a cost-efficient way.**

- **The binding character of this target is appropriate subject to**

- **production being sustainable,**
- **second-generation biofuels becoming commercially available and**
- **the Fuel Quality Directive being amended accordingly to allow for adequate levels of blending.**

Biofuels supported by tax exemption etc

- **Ethanol for low blending in gasoline; tax exemption only if the highest tariff on imported ethanol has been payed**
- **Protected market for domestic production (20%)**

Budgetary Bill

- **Tariff condition to be eliminated not later than January 1 2009**
- **Preserve stable conditions for domestic production**

Sustainability criteria

- **Relevant**
- **Fair**
- **Non-protectionistic**

Several schemes under development

- **EU RES and FQD directives**
- **GBEP**
- **Roundtable for sustainable biofuels**
- **US**
- **California**
- **National schemes (DE, NL, UK)**

EU RES Directive

- **Biodiversity**
- **LCA GHG harmonised methodology**
- **Social criteria?? WTO-compatibility!**

- **Does not cover**
- **Water management**
- **Water and soil pollution**
- **ersosion**

Biodiversity

- **Pristine/near pristine forest – no go**
- **Biodiverse grassland – no go**
- **Problem:**
- **Definition of “near pristine”**
- **What about sustainable management cultivation preserving biodiversity??**

Life cycle GHG

- **Do not use carbon rich wetlands!!! Peat?**
- **Do not convert forest to farmland**
- **Problem**
- **Recently forested farmland without any significant accumulation of carbon**

Harmonised calculation method LC GHG

- **20 year perspective**
- **-shortsighted for sustainable agriculture?**
- **-SE trees grow slowly (taken literally possible to cash in carbon accumulation 50-100 years in advance)**
- **Individual quantification of nitrous oxide from cultivation:**
- **-measurements impossible and modelling too inaccurate**

De fault values

- **If You are lucky the harmonised de fault values are fair reflecting Your real emissions**
- **If unlucky – You might trade emissions represented by a de fault value way off Your emissions**

Allocation on by- /co-products

- **Total emissions must be allocated to the different products**
- **Lower heating value the proposed base**
- **Services and heating?**
- **CHP allocation; proposal is that lignite fired plants get a 1000 g/kWhe credit while plants using biofuel get near zero credit**
- **SE favours flat crediting marginal baseload production as proposed in FQD**

Thank You !!

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