



Project Biodiesel Chains National Biofuels Report

1. Historical background

The history of liquid biofuels in Belgium started in 1992 with the implementation of set aside and the possibility to energy crops. Rape was the main crop with a surface ranging from roughly 1000 to 10 000 ha depending on the set aside rate, the yield and the price that impact the farmer's decision to grow rape or not. The total set aside area reaches 20 000 ha. Recently the energy crop scheme was implemented in Belgium (see figure 1).

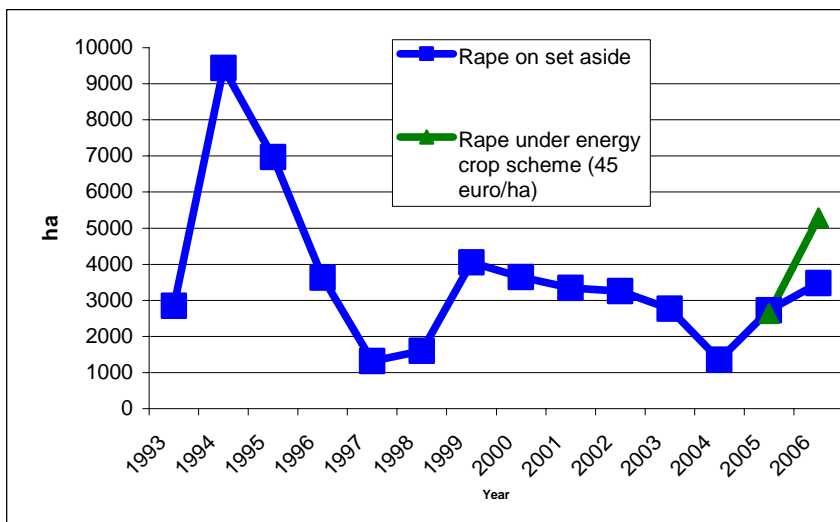
Rape was sold on the market, most of the time in Germany for biodiesel production.

Various R&D activities and demonstration were conducted within several universities, research institutions and captive fleets, mainly during the period 1993 – 1996. Some outstanding activities :

- study on energy balance at UCL – unit Thermodynamics
- demonstration of biodiesel at 20% on 20 busses of the regional public transport company - TEC
- tests on biodiesel from used vegetable oil on cars by VITO

Due to a lack of political support and competitiveness liquid biofuels were forgotten from 1996 to 2004. With the directives 2003/30 and 2003/96 a renewed interest to liquid biofuels emerged in Belgium.

Figure 1 : Evolution of rape area for non food in Belgium



Source : ValBiom

2. The situation today

Policy

Laws : many laws and amendments were passed in Belgium. The following are the most important :

- Royal decree 4 March 2005 : this law sets the objectives for Belgium ; 2% in 2005, 0,75% additional per year to reach 5,75% in 2010.
- Royal decree 10 March 2006 : this law offers an exemption for pure vegetable oil produced by farmers and cooperatives of farmers, using their own rape and selling the oil directly to final consumers.
- Royal decree 10 June 2006 : this law states lower excise duties for diesel containing 3,37% biodiesel in 2006, and for gasoline containing 7% ethanol. A call for tenders will be launched to market 250 000 m³ per year of ethanol and 380 000 m³ per year of biodiesel.

Goals : 2% in 2005, 5,75% in 2010. But the volume of the call for tenders are limited by the standards (5% volume maximum for biodiesel and 7% volume ethanol through ETBE) and calculated on the latest known market volume of 2005. It means that this will probably not suffice to reach the 2010 targets.

Taxation

Pure diesel and gasoline will get higher taxes in the future while blends of diesel with biodiesel and gasoline with ethanol will remain approximately at their present levels. Therefore the tax advantage to biofuels remains neutral for the Belgian state budget.

There is no tax advantage for higher blends (biodiesel 30% or ethanol 85% for example) except for regional public bus fleets.

This tax advantage will be reviewed each year according to the Commission rule that do not allow overcompensation of the biofuels additional costs.

Pure rape oil is completely exempted from excise duty.

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Technical issues

The biodiesel standard EN14214 has been integrated into the Belgian standard system. A procedure for other biofuels has been implemented through the federal administration for energy.

For rape oil the producers have to sign an agreement that they will produce the oil according to the German standard DIN51605 and authorize controls by the federal body FAPETRO in charge of controlling all pumps in Belgium.

3. Future targets

There is no target beyond 2010. It is clear that the potential in Belgium is limited due to a relatively low agriculture and forest area as compared to the consumption in the transport sector. Ambitious targets will have to count on imports.

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