# Development of Biodiesel in Belgium : State of the art and prospects

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- Procedure for liquid biofuels
- Implementation, tax and production plants
- Discussion and perspectives

# Outlook of procedure

- EU Directives 2003/30 and 2003/96
- Belgian law (published MB 8 March 2005) : set objectives 2% in 2005, + 0,75%/year, up to 5,75% in 2010
- Belgian Law (MB 12 July 05) proposal of tax advantage
- Approval by European Commission (26 Dec 2005)
- Belgian law (MB 20 March 2006) : pure plant oil (PPO) free of tax, starting 3 April 2006

# Outlook of procedure

- Belgian law (MB 16 June 2006) : set tax rates, call for tenders with volumes, dates, evaluation committee, criteria for choice
- Official Journal EC (4 July 2006) : European call for tenders for biodiesel and ethanol, deadline 21 August 2006
- Press release (22 Oct 2006) : winners/producers identified for ethanol and biodiesel
- Belgian law (MB 7 Dec 06) : modalities for biofuels without CEN standard (PPO, E85, blends > 5%) and procedure for PPO

# Implementation on the Belgian market

**Ethanol**

→ 250 000 $m^3$/y from Oct 2007 to Sept 2013
→ min. 7% (ETBE, possibility for direct blending)


**Biodiesel**

→ 380 000 $m^3$/y from Nov 2006 to Dec 2012
→ min. 3,37% for 2006, 4,29% for 2007 and 5% afterwards
→ possibility for higher blends for regional public transport companies

**Pure Plant Oil**

→ farmers and cooperatives
→ own rapeseed
→ direct commercialisation

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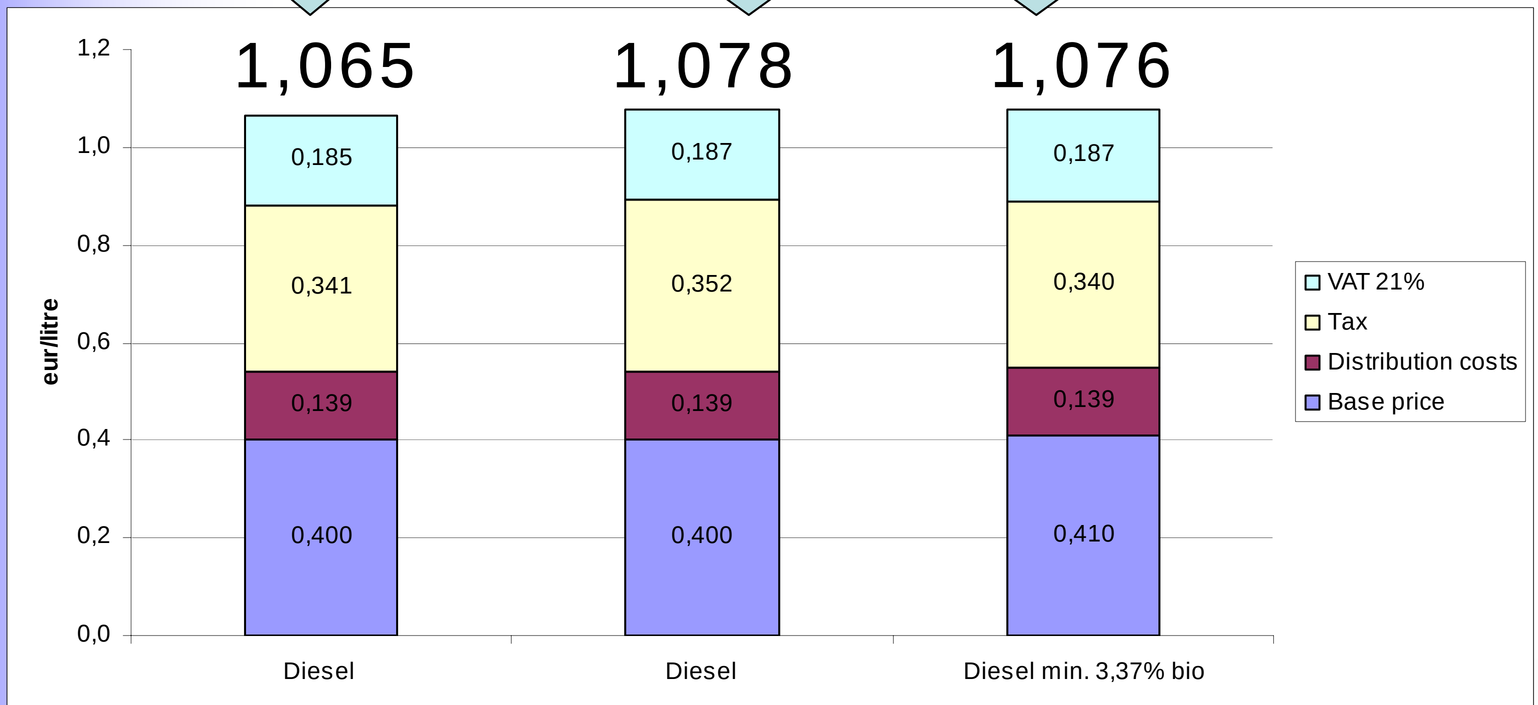
# Taxes

## ➔ Budgetary neutral for Belgium

Diesel consumer price

Before 1 Nov 06 After 1 Nov 06




→ Tax reduction of 0,012 €/l ➔ tax advantage of 0,352 €/l biodiesel

→ Exception for public transport (tax reduction for higher %)

# (Future) biodiesel producers

- **First call Biodiesel (up to Sept 07)**
  - Oleon, Gent, quota: 72 Ml, cap. 100 000 t
  - Neochim, Feluy, quota: 125 Ml, cap. 400 000 t
  - Proviron, Ostende, quota: 48.32 Ml, cap. 120 000 t
  - Flanders Biofuels, Gistel, quota: 40.68 Ml, burnt
- **Second call Biodiesel**
  - Bioro, Gent, quota: 165 Ml/y, cap. 250 000 t
  - Proviron
  - Neochim
  - Oleon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# Biodiesel use

## Transportation fuels evolution and calculated objective

| | Gasoline (1000 m3) | Diesel (1000 m3) | Total (tep)* | Objective Be (%) | Objective Be (tep) |
|---|---|---|---|---|---|
| 1996 | 3.647 | 4.963 | 6.932.170 | | |
| 2006 | 2.237 | 7.857 | 8.356.305 | 2,75 | 229.798 |
| projection 2007 | 2.131 | 8.227 | 8.592.293 | 3,5 | 300.730 |
| projection 2008 | 2.029 | 8.613 | 8.846.857 | 4,25 | 375.991 |
| projection 2009 | 1.932 | 9.018 | 9.120.513 | 5 | 456.026 |
| projection 2010 | 1.840 | 9.442 | 9.413.821 | 5,75 | 541.295 |
| %energy 2010 | 9,0 | 3,8 | 4,6 | | |
| %volume 2010 | 13,6 | 4,0 | | | |

# Discussion and perspectives

**Call for tenders : best solution?**

+ investments in Belgium

+ no imports from outside EU

- Difficult choice

- No flexibility (producers, quantities)

- Biofuels price increase?


**Tax system : good?**

+ Neutral for state budget

+ Good for rational use of energy

- Should allow tax reduction for high blends

- Advantage for oil companies

# Discussion and perspectives

## Supply / demand of rape

Belgian biodiesel capacity will probably be above 500 000 t/y while current rape area in Belgium can supply 15 000 t/y.

→Will supply be possible tomorrow in Europe?

→Imports of rape, soybean oil, palm oil !!

→Certification for imports needed?

# Discussion and perspectives

## Market issues

- Obligation necessary for oil companies?
- Communication strategy is important for consumer acceptance
- Biodiesel in public transportation companies (TEC, De Lijn, STIB)
- Objective beyond 2010 (10% by 2020)?

First pump in Belgium with biodiesel

# Thank your for your attention


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