

Assessing Biofuel Policies and their Impact on Global Markets

The climate change debate is leading to an increased interest in renewable fuels. Whereas emissions from households and industry have been reined in quite successfully, the matter has proven more difficult to tackle in the transport sector.

Canada



Canada is in the process of shifting the focus of its renewable fuels policies. In the latest version of the Clean Fuels Standard, the carbon intensity of transportation fuels is to fall by 2.6% by 2022, and fall by a total of 13% by 2030.



Did you know: Canada is the country most dependent on fuel ethanol imports, covering 40% of its needs with product from the US.

California



California is the biggest market for transportation fuels in the United States, and home to The *Low Carbon Fuels Standard* aims to reduce the carbon intensity of transportation fuels by 20% by 2030 compared to a 2010 baseline. In 2020, renewable diesel was the most important credit generating fuel followed by ethanol and biodiesel.



Did you know: The LCFS was introduced in 2009 and is the world's oldest carbon credit trading system.

Brazil



Brazil, the world's biggest sugarcane producer, implemented its RenovaBio policy in early 2020. Under this new carbon credit trading scheme, the consumption of biofuels is forecast to rise strongly out to 2030. Following COVID-19, Brasilia has downgraded the targets, but consumption of fuel alcohol could still grow by about 50% in the next decade.



Did you know: Corn ethanol is taking away market share from cane ethanol. Between 2025 and 2021 production grew by 2,600% to over 3 billion litres.

EU



In the 'Fit for 55' proposal the Commission ramps up its ambition to decarbonize transport. It aims to reduce the carbon intensity of fuels by 13% against 6% under the current Fuel Quality Directive. Most of the increase is to come from electricity and advanced biofuels.



Did you know: At almost 18 million tonnes per year, the EU is the world's biggest market for FAME Biodiesel.

Indonesia



Indonesia, the world's biggest palm oil producer, is ramping up the biofuel content in its diesel fuel at an impressive rate. The country started with a B-10 blend in 2014 and introduced B-30 in 2020 despite COVID. However, the plan to launch B-40, a blend of 30% FAME and 10% renewable diesel, was delayed amid soaring prices for palm oil.



Did you know: At over 8 million tonnes, Indonesia is the world's biggest market for palm oil based biodiesel.

