

# EBB

## European Biodiesel Board

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## PRESS RELEASE

### EBB welcomes unanimous adoption of new EU rules for biodiesel and biofuels detaxation

The EBB (European Biodiesel Board) has welcomed the unanimous and definitive adoption by the EU's Council of Ministers on October 27<sup>th</sup>, of a new EC Directive on Energy Taxation establishing, among others, pan-EU rules for the detaxation of biodiesel and biofuels.

**Article 16 of this new Directive will enable Member States to apply an exemption or a reduced rate of excise duty to all biofuels sold in the EU as from 2004, both under a pure form or in blends.** The tax exemption or reduction will be granted as a part of national multi-annual programmes in force for a period of maximum six years. Multi-annual programmes may be renewed by national authorities with a decision adopted before December 31<sup>st</sup>, 2012.

This new legislation comes as a second important milestone of the overall EU strategy in favour of biofuels, after the approval, in May 2003, of Directive 2003/30 on the promotion of biofuels, requiring Member States to take measures to increase the use of biofuels to a minimum of 2% of gasoline and diesel sold for transport in 2005 - such percentage progressively increasing to reach 5.75% by 2010.

With the approval of these new rules, today, a EU global legislative strategy supporting biodiesel and biofuels has been definitively created. **Detaxation represents a new crucial opportunity that EU Institutions have provided to Member States** for boosting the development of biofuels, in view of fulfilling the ambitious targets of Directive 2003/30 in the EU-25.

Now the real challenge is to realise this EU strategy at National level. **In this perspective EBB strongly encourages national authorities to put into concrete form these new EU Directives via a quick and accurate definition under national laws of multi-annual programmes for biofuel and biodiesel detaxation.**

National measures to be adopted for transposing Directive 2003/30 will probably provide the most appropriate frame for a quick and coherent definition of multi-annual detaxation programmes.

As a conclusion, the European Biodiesel Board express all its satisfaction for the approval of these new important EU rules. They definitively prove that the EU has acknowledged the significant environmental benefits of biofuels in terms of lesser green house gas emissions, reduced dependence on fossil fuel imports and positive impact on agriculture.

Biofuels are produced from agricultural sources (including rapeseed and sunflowerseed), they can be mixed with conventional fuels or used in a pure form. The most EU widely used biofuel is biodiesel. As an example most of fossil diesel fuel in France is mixed with biodiesel today. The EU is currently the world leading producer of biodiesel, production is expected to be above 1,3 million tonnes in 2003. More complete information on biodiesel is detailed in the web site of the EBB.

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