

The Biofuel Directive 2003/30/EC

Costs to the Oil Industry - £100m ([The Times](#))

Cost of fuel – 2p a litre extra ([The Times](#))

Talking Points

Bio and Agrofuels not as green and efficient as first thought

The Parliamentary Environmental Audit Committee called for a moratorium on agrofuel targets. They [concluded](#):

- biofuels are unlikely to improve fuel security as they largely rely on fossil fuels for their production;
- current agricultural support for biofuels is largely unsustainable;
- there could be significant opportunities for cost-effectively cutting greenhouse gas emissions by planting forests and restoring habitats; and
- a large biofuel industry based on current technology is likely to increase food prices and could damage food security in developing countries.

Biofuels require deforestation and huge land resources

The Times reported that 1.3 million hectares, twice the area of Devon, was used to grow the UK's 2.7% of biofuel use. ([The Times](#), January 29 2010)

Higher Food Prices

Increase in biofuel demand will increase food prices, due to the amount of resources used in production, will send annual food prices soaring by £200 and £260 per year. ([Open Europe](#))

What is it?

A directive to set an EU-wide target for biofuels to provide 5.75% of transport fuel by 31 December 2010. Member states must compile annual reports to demonstrate compliance with the directive.

This is part of the EU renewable package to reduce carbon emissions 20% by 2020.

In 2008, the EU began to rethink its targets for biofuel and agrofuel targets owing to the concerns raised over cost, efficacy and the negative impact of the policy.

Third Party Opinions

“The AA said that ethanol, the biofuel added to petrol, could perish rubber seals, corrode metal components and block filters. It said the first sign of a problem would be the engine spluttering, possibly followed by a complete loss of power. Paul Watters, its head of transport policy, said: “Government and industry have failed to explain how much extra people will have to pay and what the risks are to their cars.” The AA, quoted in [The Times](#), April 16 2009.

“The European Commission’s draft EU Renewable Energy Directive ignores numerous recent warnings on the environmental and social damage of its proposed 10 per cent target for agrofuel use in the transport sector by 2020.” [The Transnational Institute](#).