

Press Release

European biotech industry releases policy on Biofuels in Europe

Brussels, 17 August 2007:

EuropaBio – the EU association for bioindustries – has released a consensus response to the "integrated energy and climate change package" proposal, endorsed by EU Heads of State earlier this year and currently discussed in European Parliament. The association sets out a policy for first and second generation biofuels. The available biomass in Europe will need to increase in order to achieve ambitious goals of biofuel use set by the European Union (5.75% in 2010 and 10% in 2020) in a sustainable and competitive way. Cultivating energy crops on set-aside and non-cultivated land will contribute, but this will not be sufficient to fulfill all the demand.

The industry says that the output per hectare needs to be increased as well as crop quality that offers more fermentable carbohydrates or higher oil content crops. This can be done via plant science (modern plant breeding techniques and biotechnology) in combination with state-of-the-art application of crop protection.

Another important step to increase the biofuel production is the development of second generation biofuels; this involves the competitive production of biofuels from (hemi)cellulose and organic agricultural waste. Especially industrial biotechnology – mainly (hemi)cellulose degrading enzymes with improved efficiency - will be crucial to obtain this.

"Biotechnology is today one of the most effective and innovative tools we have to attain European targets for biofuel use in a sustainable way. We are all excited about getting to the second generation biofuels, but I would like to underline that in order to facilitate the transition towards second generation biofuels, a market for first generation biofuels is needed, with an appropriate infrastructure and distribution" says Steen Riisgaard, President of Novozymes and Chairman of EuropaBio..

The EuropaBio's recommendations call for EU initiatives to boost the use of biofuels and advocate a step-by-step approach from the current first generation to more advanced biofuels. Specifically, the industry:

- calls upon the Member States to implement, as soon as possible, the principle of <u>binding</u> targets for blending biofuels with petrol and diesel;
- supports a <u>change in fuel standards</u> to permit a higher biofuel content in blends of petrol and diesel; and
- advocates <u>performance based regulation</u> that encourages efficient delivery of biofuels which are most effective in reducing green house gas emissions.

In order to harvest the full potential of biofuels, EuropaBio encourages European legislators to follow a similar approach to the USA and China and initiate policy measures which will allow second generation biofuels to become a viable, commercial business within the next 4-6 years.

This should include support to further <u>research in second generation technologies</u> as well as <u>support for demonstration projects</u>.

Develop the <u>integrated diversified biorefinery</u> - an integrated cluster of industries, using a variety of different technologies to produce chemicals, materials, biofuels and power from biomass raw materials - will be a key element in the future.

Finally, EuropaBio encourages European legislators to establish <u>a certification system for sustainable production and use of biofuels</u> in order to ensure that biomass production always complies with good agricultural and labour practices and ensures a good and responsible balance between food and non-food crop production, complying with existing international standards and agreements. Robust, realistic and coherent sustainability schemes - <u>to be respected all over Europe</u>, and preferentially worldwide - could help to achieve this.

EuropaBio does not support any unsustainable use of plant material for biofuel production and advocates that the use of biomass for fuel purposes should not jeopardise European and third countries' ability to secure its people's food supply, nor should it prevent achieving environmental priorities such as protecting forests, preventing soil degradation and keeping a good ecological status of waters.

EuropaBio Position:

http://www.europabio.org/positions/Biofuels_EuropaBio%20position_Final.pdf

About EuropaBio

EuropaBio, the European Association for Bioindustries, has 85 direct members operating Worldwide, 12 associate members and 6 bioregions as well as 25 national biotechnology associations representing some 1800 small and medium sized enterprises involved in research and development, testing, manufacturing and distribution of biotechnology products. More information can be found on http://www.europabio.org

For more information

Dirk Carrez

Public Policy Director - EuropaBio

Tel.: +32 2 739 1173

Email: d.carrez@europabio.org

Press contact: Adeline Farrelly, Communications Director, EuropaBio

Tel: +32 2 735 0313 Direct: +32 2 739 1174

Email: a.farrelly@europabio.org