
International Biomass Trade

What are sound policy approaches to guarantee a fair trade of biomass without further depletion of natural resources in exporting countries?

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Biomass: an important source of our basic needs

- ✓ Food
- ✓ Feed
- ✓ **Fuel**
- ✓ Feedstock
- ✓ Fiber
- ✓ Fertilizer
- ✓ (Finance)

⇒ Biomass could be a key component of the world's future energy system, BUT its policy legitimacy is currently in debate.



International biomass trade - Drivers



Developed countries have set *ambitious* targets for the development of biomass markets due to:

- ✓ Emission Reduction of **GHGs**
- ✓ **Security** of Energy Supply
- ✓ Socio-Economic **Development**
- ✓ **Sustainable** Management of Natural Resources



Developing countries could benefit from the development of biomass markets due to their *comparative advantage*, i.e.:

- ✓ Large **technical** potential
- ✓ Lower cost of **labor**
- ✓ Lower cost of **land**



International biomass trade - Opportunities



International biomass trade may provide *win-win opportunities* to all countries:

- ✓ Improve **competitiveness**
- ✓ Improve **efficiency** of biomass use
- ✓ Create **stable** markets
- ✓ Contribute to **development** in exporting countries

BUT ⇒ ...



International biomass trade - Obstacles



... BUT ⇒ **Negative environmental & social effects can be generated by biomass production (and trade), as for example:**

- ✓ Loss of **biodiversity**
- ✓ Soil **erosion**
- ✓ Additional pressure on **land**
- ✓ Additional pressure on **valuable ecosystems**
- ✓ Violation of land **property rights**
- ✓ etc.

Due to ⇒ No clear sustainability criteria

Opposing interests

and...



International biomass trade - Barriers



Trade barriers:

- ✓ Tariff barriers
 - Classification
 - Environmental goods & services
- ✓ Government support measures
 - Subsidies
- ✓ Domestic regulations & standards
 - TBT and PPMs Agreements
 - BSP Protocol



International biomass trade - Facts



International biomass trade remains fairly small relative to demand

- ✓ Bioethanol
- ✓ Biodiesel
- ✓ Solid biomass

EU Trade Agreements:

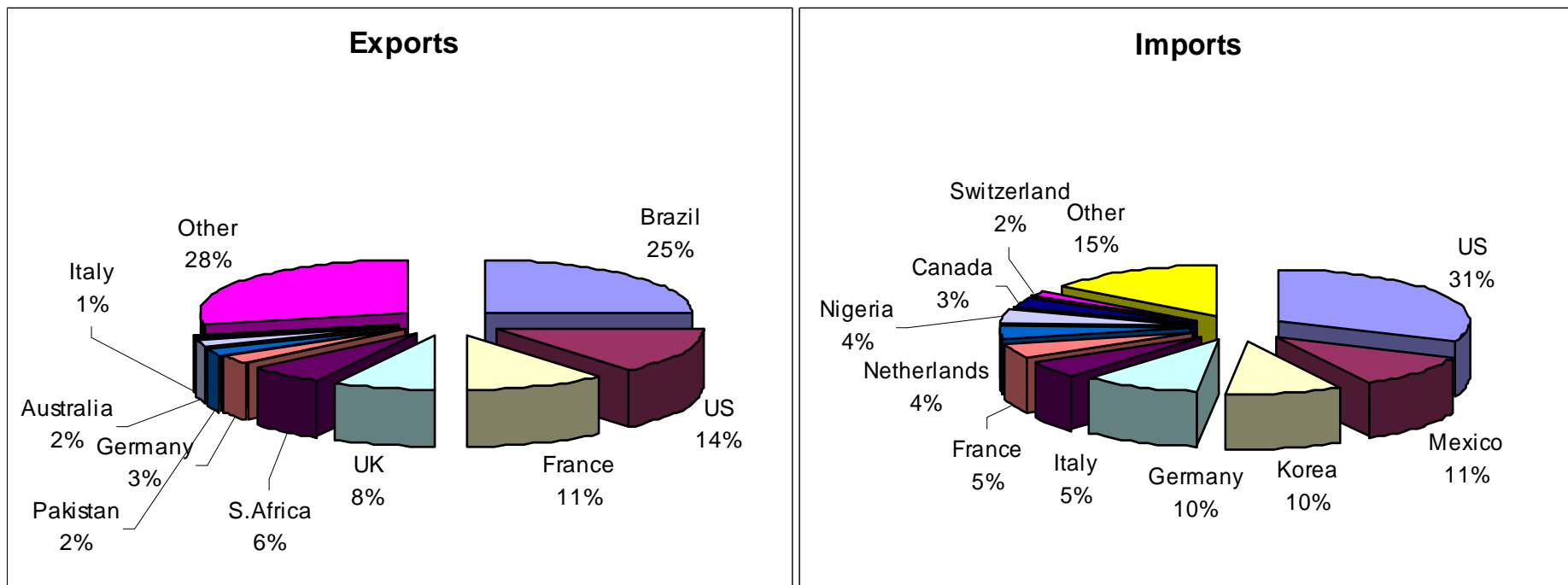
- ✓ **GSP+** (Pakistan, Guatemala, Peru, Bolivia, Ecuador)
- ✓ **MFN** (Brazil, USA)
- ✓ **GSP** (Ukraine, South Africa)
- ✓ **Cotonou** (Swaziland, Zimbabwe)
- ✓ **EBA** (Democratic Republic of Congo)



International biomass trade - Facts (cont.)



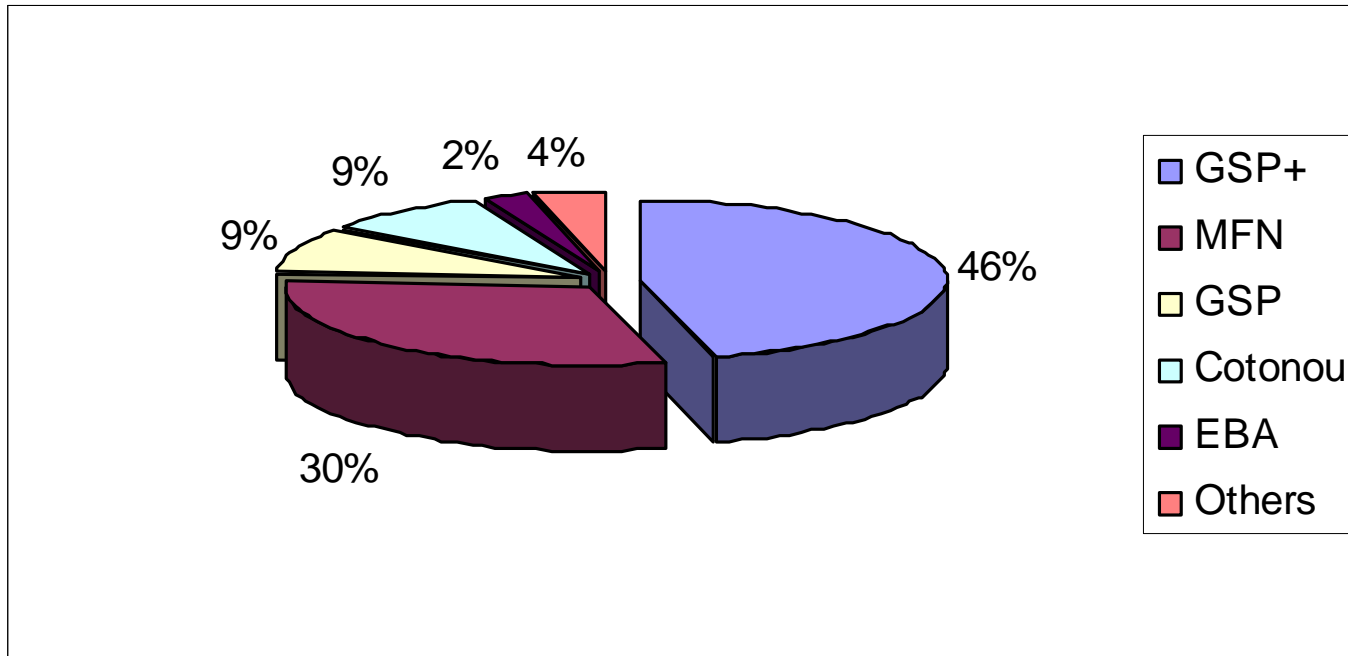
Ethanol exporters & importers (2002)



International biomass trade - Facts (cont.)



EU ethanol imports (2002-2004)



International biomass trade - Objectives



The key *objectives* of this meeting is to:

- ✓ Explore current **knowledge**
- ✓ Exchange ideas, **opinions**, information, etc.
- ✓ Explore the **opportunities & barriers** of international biomass trade
- ✓ Identify key **strategies**
- ✓ Provide policy **recommendations**



International biomass trade - Key Questions



- ✓ What are the *socio-economic* and *environmental* effects of biomass production and trade?
- ✓ What are the opportunities for matching biomass production and trade with *sustainable development*?
- ✓ How can *agricultural* and *agroforestry systems* be designed for sustainable biomass production and trade?
- ✓ Are there perverse *incentives* (e.g. subsidies) in terms of sustainable use of biomass?
- ✓ What would be the effects of cutting *tariffs* for biomass products?
- ✓ What are the implications of existing *international law* on biomass trade?
- ✓ How can we get an agreed set of *criteria* to establish a fair trade of biomass?
- ✓ Is a *certification system* the key solution for sustainable trade and under which conditions?
- ✓ Should biomass be qualified as an energy source that does not fall under the *WTO*?

