



Press Release



EU-produced fuel ethanol keeps petrol prices down and reduces Europe's dependency on foreign oil

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Brussels, Today – Recent studies¹ commissioned by NGOs Friends of the Earth and ActionAid claim that biofuels, including ethanol, will cost EU consumers 126 billion euros at the petrol pump between now and 2020. ePURE, the European Renewable Ethanol Association, considers the reports flawed, factually incorrect, out of sync with reality and not offering any viable solutions to Europe's dependency on foreign oil.

Analysts F.O. Licht's have reviewed² the study point by point and state: "There are inherent difficulties in calculating the differences in the cost of producing fossil fuels on the one hand and biofuels on the other. Even the study authors warn that it should be noted that these projections are extremely uncertain, and thus the results derived are indicative".

The analyses continues: "biofuel numbers that the authors use, and which were prepared by the UK's Department of Transport, are currently subject to revision. This leaves the whole edifice of calculations comparing fossil and renewable fuels on quite shaky ground. Therefore the whole cost of production comparison allows only one conclusion: that a final conclusion is not possible".

"There is no historical evidence that the introduction of biofuels has resulted in higher fuel prices at the pump. Why would this trend change? Most likely petrol prices will increase if biofuels were removed from the petrol mix. A 2008 Merrill Lynch report found that oil values at that time would have been about \$20 barrel higher without the use of biofuels" said Mr. Rob Vierhout, Secretary General of ePURE. He also said "contrary to what is frequently said in public, petrol blended with 10% ethanol (E10) as opposed to a 5% blend (E5) does not increase fuel consumption"³. Equally misleading is the suggestion that sustainability certification will result in higher prices. This has not been the case for ethanol.

According to the European Commission, a 14% share of biofuels in the EU would lead to a reduction of 3% in the price of fossil oil⁴. EU-produced ethanol is not only creating jobs but it is also helping to put downward pressure on oil and gasoline prices by extending supplies.

The EU has a high dependency on foreign oil imports, a fact that hits Europeans hard in the pocket and leaves us all vulnerable to supply shocks. Recent European Commission figures show that the EU's oil bill in 2011 alone was 315 billion euro⁵. In addition to this, the EU is massively dependent on oil imports: in 2010 the EU imported 84% of its crude oil demand from abroad⁶.

The studies were paid for by two NGOs campaigning against the development of biofuels but they forget to include the energy reality in Europe: In the foreseeable future Europe will remain dependent on oil imports but EU-produced biofuels can hugely reduce this dependency and help to avert the price shocks associated with political instability and crises in foreign oil-producing countries. Renewable ethanol is a clean energy that reduces GHG emissions and creates jobs. And vitally, it replaces the need for the most expensive and polluting marginal oil, such as tar sands. "Must we conclude from these studies that Friends of the Earth and ActionAid would actually prefer tar sands over fuel ethanol?", added Mr.Vierhout.

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¹ [Friends of the Earth Europe Press Release](#)

² [FO Lichts Agra-Net](#) Please click [here](#) to view the entire FO Licht's review

³ [VTT Technical Research Centre of Finland](#)

⁴ European Commission, SEC (2006) 1712, p.15, 16.

⁵ [Euractiv - "Hedegaard dismisses 'politically regulated' carbon price", February 2012](#)

⁶ [European Commission](#)

ePURE is Europe's industry association that promotes renewable ethanol, providing advocacy, authoritative analysis and industry data to its members, European institutions, strategic partners and the media. It represents the majority of European renewable ethanol producers, European market leaders as well as a broad cross-section of businesses related to the European renewable ethanol industry.

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