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Bioenergy – traditional fuels traded into new markets

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Summary

Bioenergy is a strategic resource used in the work to fulfil the Kyoto agreement to replace fossil fuels and to mitigate greenhouse gas emissions and the global climate change. Many countries already use a significant share of biofuels in their energy supply. The Nordic countries are one example of this. Production and use of biofuels have to be done in an environmentally sound way.

Traditionally, biofuels are used in the same geographical region, in which they are produced. In more recent years, this pattern has been changed in Northern Europe by industrial and large scale-use of different forms of biomass for district heating like a vast supply of recycled wood and forest residues. The trade situation has come about as a result of means of control on waste and energy. Sea shipments allow bulk transports of biofuels over long distances at low cost.

Wood-fuel is the dominant biofuel in the European region and markets are established in some of the countries like Sweden, Austria, Finland and Denmark. Other countries like Germany, the Netherlands and the UK are very expensive areas for wood energy utilisation. In central parts of Europe traditional use of wood fuel is still dominant even if new trends with investments in industrial use is coming up.

Trade between countries has been established in different parts of Europe. In most countries, the customs statistics do not record trade in such a detail that the international trade of different biomass types could be identified. Today, solid biofuels like wood residues, pellets and wood chips are already traded in Europe and have reached a level of almost 50 PJ/a. In some countries, there is a growing interest in the international trade, because the trade can provide biofuels at lower prices, larger quantities and better quality than domestic alternatives.

The largest volumes of biofuels are traded from the Baltic countries (Estonia, Latvia, and Lithuania) to the Nordic countries (especially Sweden and Denmark, but also Finland). Some volumes are also traded from Finland to other Nordic countries, and between neighbouring countries in Central Europe, especially the Netherlands, Germany, Austria, Slovenia and Italy. The traded biofuel is most often of refined wood fuels (pellets and briquettes) and industrial by-products (sawdust, chips), in Central Europe also wood waste. For the future both the use and the trade of wood-fuel is expected to increase in Europe.

Keywords: Biofuel, green house gas mitigation, trade, biomass resources, economic aspects, wood-fuel markets.
