

Report from the Republic of Lithuania under Article 4(1) of Directive 2003/30/EC of the European Parliament and of the Council on the promotion of the use of biofuels or other renewable fuels for transport

Introduction

Under Article 4(1) of Directive 2003/30/EC of the European Parliament and of the Council of 8 May 2003 on the promotion of the use of biofuels or other renewable fuels for transport (hereinafter 'Directive 2003/30/EC'), Member States must report to the European Commission each year on:

- o the measures taken to promote the use of biofuels or other renewable fuels to replace diesel or petrol for transport purposes;
- o the national resources allocated to the production of biomass for energy uses other than transport; and
- o the total sales of transport fuel and the share of biofuels, pure or blended, and other renewable fuels placed on the market for the preceding year. Where appropriate, Member States are to report on any exceptional conditions in the supply of crude oil or oil products that have affected the marketing of biofuels and other renewable fuels.

1. National measures promoting the production and use of biofuels

1. By 31 December 2010, biofuels must make up at least 5.75%, calculated on the basis of energy content, of all petrol and diesel for transport purposes placed on the Lithuanian market (Lithuanian Law on biofuels, bio motor fuels and bio-oils (Official Gazette 2000, No 64-1940; 2004, No 28-870; 2009, No 10-360)).

2. Natural or legal persons who emit pollution from vehicles using biofuels complying with the established standards and who have submitted documents confirming the use of such fuels are exempt from the tax on environmental pollution from mobile sources (Lithuanian Law on the tax on environmental pollution (Official Gazette 1999, No 47-1469; 2005, No 47-1560; 2009, No 61-2404)).

3. A refund is given for part of the price of rapeseed oil intended for the production of rapeseed methyl (ethyl) ester (RME) and of rapeseed and cereals purchased for the production of dehydrated ethanol. The aid amount is as follows: rapeseed – LTL 160/t; cereal grain – LTL 114/t (Rules for financing the development of biofuel production, as approved by Order No 3D-658 of the Minister for Agriculture of the Republic of Lithuania of 9 September 2009 (Official Gazette 2009, No 110-4686)).

4. Zero-rate excise duty is applied to dehydrated ethyl alcohol (Article 27 of the Lithuanian Law on excise duties (Official Gazette 2010, No 45-2174)).

5. For energy products that exceed the mandatory percentage of additives of biological origin laid down by law for petroleum products supplied to the country's domestic market, the rate of excise duty is reduced by a proportion corresponding to the percentage of additives of biological origin in excess of the mandatory percentage laid down by law. For energy products in which the proportion of additives of biological origin is 30% or higher, the excise duty rate is reduced by a proportion corresponding to the percentage of additives of biological origin in the product. Where products are manufactured only from biomaterials, they are exempt from excise duties (Article 40 of the Lithuanian Law on excise duties (Official Gazette 2001, No 98-3482; 2010, No 45-2174))¹.

¹ Under paragraph 35 of State aid scheme N 44/2005 – Lithuania, excise tax reduction on biofuels – information on the excise duty reduction for biofuels was submitted to the European Commission, together with other related information, by letter No (7.8-09)-3-1922 of 1 July 2011 on State aid for the reduction of excise duty on biofuels (Case SA.32932 2011/N LT).

6. The Rules governing trade in petroleum products, biofuel, bio-oil and other flammable liquid products in the Republic of Lithuania, as amended by Order No 4-249 of the Minister for the Economy of the Republic of Lithuania of 13 June 2008 (Official Gazette 2001, No 37-1269; 2008, No 70-2669), specify that petroleum products supplied to the country's domestic market must comply with the following requirements:

(a) from 1 January 2007, 95 RON motor spirit must be produced using the additive bio-ethyl tertiary butyl ether (bio-ETBE), the proportion of which in the blend with petrol must be at least 7% by volume, but not more than 15% by volume, and, from 1 October 2008, the proportion of bio-ETBE blended with 95 RON motor spirit must be at least 10% by volume, but not more than 15% by volume;

(b) 95 RON motor spirit produced without bio-ETBE must have a bioethanol content of 5% by volume (with a permitted tolerance of minus 0.5% by volume); the permitted tolerance for bioethanol by volume in bioethanol E85 is plus/minus 0.5% by volume;

(c) diesel (with the exception of class-2 Arctic diesel) must contain 5% by volume of fatty acid methyl ester (FAME) (with a permitted tolerance of minus 0.5% by volume) produced from vegetable oils or fats of animal origin; the quantity of FAME in diesel may be greater than 5% by volume if the diesel/FAME blend meets the mandatory quality indicators for diesel;

(d) petroleum products supplied to the country's domestic market from public stocks must contain biomaterials.

The main raw material for the production of biofuels in Lithuania is oilseed rape (raw material for the production of biodiesel) and cereal grain (raw material for the production of bioethanol). In 2010, LTL 20.44 million (EUR 5.92 million) of State funds were earmarked for the development of biofuel production; 88 252 tonnes of rapeseed (a crop area of 44 126 ha) and 55 569 tonnes of cereal grain (a crop area of 18 475 ha) were bought for biofuel production.

According to data supplied by the State Tax Inspectorate under the Ministry of Finance of the Republic of Lithuania, the excise duty relief applied under Article 40(4) and (5) of the Law on excise duties to biofuels sold on the domestic market totalled LTL 4.82 million (EUR 1.40 million) in 2010. By product, the excise duty relief applied was as follows: LTL 1.39 million (EUR 402 845) for bioethanol blended with motor spirit, LTL 2.18 million (EUR 631 242) for bioethanol (E-15 motor spirit) and LTL 1.25 million (EUR 362 499) for fatty acid methyl ester (FAME) blended with diesel.

2. National resources allocated to the production of biomass for energy uses other than transport

As of 2010, farmers are not given support for energy crops, but there is still a transitional period for buyers/processors to process raw materials grown in 2009. Raw materials grown in 2009 must be processed by 31 July 2011.

Use of domestic biofuel resources (for energy purposes) 2006–10

Table 1

Biofuel	Unit of measurement	Domestic resources				
		2006	2007	2008	2009	2010
Biogas	million m ³	2.1	2.8	2.9	4.4	9.5
Firewood and wood waste intended for fuel	'000 tonnes	2 851.6	2 680.4	2 664.7	3 511.9	3 494.7
Agricultural waste	'000 tonnes	0.9	8.2	3.2	4	6.3

3. Total sales of transport fuel, including the relative share of biofuels, pure or blended, and other renewable fuels placed on the market in the preceding year

Table 2 contains information on the volume of biofuels produced by Lithuanian companies and their export and sale on the domestic market in 2007-10 (source: data from biofuel producers).

Production, sale and export of biofuels ('000 tonnes) 2007–10

Table 2

Product	Produced				Sold on domestic market				Exported			
	2007	2008	2009	2010	2007	2008	2009	2010	2007	2008	2009	2010
Bioethanol	14.9	17.1	24.5	39.3	14	16.6	23.6	15.5	0.3	2.5	3.9	24.0
Biodiesel	24.8	64.6	104.7	89.2	-	-	11.1	20.5	6.4	52.8	92.8	68.6

Preliminary data indicate that total fuel consumption (including biofuels) in Lithuania in 2010 was 1 511 700 tonnes, including 295 700 tonnes of petrol (containing biofuels), 1 011 000 tonnes of diesel (containing biofuels) and 205 000 tonnes of LPG.

In 2010, Lithuania imported 3 900 tonnes of bioethanol and 14 200 tonnes of biodiesel. Lithuania exported 24 000 tonnes of bioethanol (pure and blended with fuels), 67 800 tonnes of biodiesel (pure) and 800 tonnes of biodiesel blended with mineral fuels.

Consumption for transport purposes amounted to 39 300 tonnes of biodiesel and 19 100 tonnes of bioethanol blended directly with mineral fuels.

Table 3 contains preliminary data on the consumption of fuels for transport purposes in 2010 ('000 tonnes) and their relative shares (%) by fuel type and energy value (source: Department of Statistics).

Fuel consumption for transport in 2010

Table 3

Fuel type	'000 tonnes	Energy value of fuel (TJ)	Energy value of fuel (relative share, %)
Bioethanol, for end-use in transport	19.1	515.7	
Biodiesel (methyl (ethyl) ester), for end-use in transport	39.3	1 454.1	
Total biofuel consumption for transport purposes	58.4	1 969.8	3.70
Motor spirit (without bioadditives)	274	11 782.0	
Diesel fuel (without bioadditives)	918.9	39 512.7	
Total fuels (without bioadditives)	1 192.9	51 294.7	96.30
Total fuel consumption for transport purposes	1 251.3	53 264.5	100.0

Conclusion: preliminary data indicate that, in terms of energy value, the relative share of biofuels in the total consumption of transport fuels in Lithuania in 2010 was 3.7%.