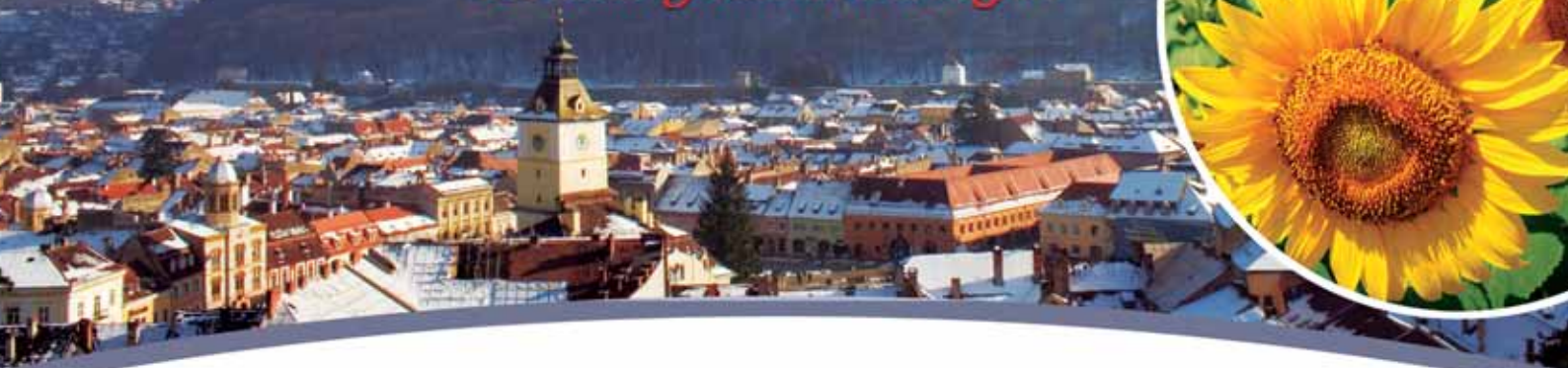


Romania's Resources

Its latest – feedstock and bio-fuel



Romania, located in south-eastern Europe, is the largest of the Balkan countries. With its fertile plains, agriculture is an integral part of its economy.

The agricultural sector is intensive, highly mechanised and efficient, producing about 60% of domestic food needs with only 5% of the labour force. It contributes to about 2% of the GDP.

Romania is a major producer of grains, sugar, meat and milk products, with 75% of its exports going to other EU member-states. Up to last year, the economy has been growing at a steady pace of above 7% a year, and this is expected to double by 2011.

One year into joining the EU, Romania continues to look into ways to achieve greater economic progress. A potential growth industry is the production of feedstock for bio-fuels from its agricultural raw materials.

This will enable the country to comply with EU legislation that mandates the use of bio-fuel in 5.75% of transport fuels by 2010. Last March, EU leaders further committed to the binding goal of raising the share of bio-fuel for transport use to 10% by 2020.

Bio-fuel use is in line with the EU strategy to reduce greenhouse gas emissions, diversify fuel supply sources, offer new

income opportunities to developing areas, and produce a long-term replacement for fossil fuels.

Romania has been quick to see a lucrative outlet for its rapeseed and sunflower seed, both of which are suitable for bio-fuel. The production and crushing of rapeseed has developed significantly from cultivation of 330,000ha to date, while the country is the largest sunflower grower in EU-27 on almost 1 million ha of land.

In the 2007/08 marketing year, EU-27 rapeseed production is expected to increase by almost 14% to 17.75 million tonnes, mainly due to expanded cultivation in most countries.

The *Southeast European Times* reports that Romania was one of the first countries to compete for a market-share of bio-fuel production in Europe. It set up Eastern Europe's first bio-diesel plant in Vaslui last August. This is a joint-venture

project with California's Greenline Industries and Romania's largest oil producer Ulerom, and aims to produce 60,000 tonnes of bio-diesel per year.

A recent development that may strengthen Romania's bio-fuel production is the EU's new stipulation that bio-fuel needs should be met with domestically grown raw materials by 2020, with just 20% coming from imports.

According to the European Bio-diesel Board, regional production will have to be increased to about 24-26 million tonnes a year by 2020 to meet its target – or by 15% per year.

Romania can therefore look forward to an even brighter future with increased use of its agricultural resources for an alternative source of fuel.

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Table 1: EU Bio-diesel Production ('000 tonnes)

	2002	2003	2004	2005	2006
Germany	450	713	1,088	1,669	2,662
France	366	357	502	492	743
Italy	210	273	419	396	447
Austria	25	32	100	85	123
Spain	-	6	70	73	99
Denmark	10	41	44	71	80
UK	3	9	15	51	192
Sweden	1	1	8	1	13

Source: European Bio-diesel Board