Bioenergy and its global relevance

• The bioenergy policies put in place by major countries - especially the US and the EC - will have global impacts on land use, on patterns of trade, on where feedstock and biofuel production will take place, and on land and food prices.

• The global effects will be magnified once other countries put in place similar policies

Issue of global relevance

Possible impacts on all countries

What is the policy space left, especially for small and medium countries?
Why international trade?

- National/regional blending targets impossible to meet for some countries without imports
- For small and medium countries export markets may be a precondition for engaging in production
- Efficiency considerations → some countries are better endowed than others to become efficient producers
- Inefficient production may divert more land from other uses than necessary
- The establishment of a strong international market for biofuels and feedstocks as a protection against weather- and market-related vagaries of agriculture but markets distorted by tariffs, subsidies, NTBs and other measures
Where to pursue trade liberalization?

- WTO ongoing negotiations on NAMA, agriculture, on EGS → reduction and elimination of tariff and non-tariff barriers. But for the time being no agreement either on definition or on modalities for liberalization. Negotiations on subsidies. Difficulties in finding overall agreement.
- Classification issues
- Bilateral, regional agreements? Ad Hoc Agreement?
Under which conditions?

Possible risks arising from the potential size of the international biofuel market →

Significant environmental, budgetary and social losses due to

- Low level of institutional development and enforcement mechanisms
- The interference of strong economic & political interests
- Need for international agreement on policy disciplines
THANK YOU

Simonetta.Zarrilli@unctad.org