



Comments

Revision of Directive 2003/96/EC

1. VDB as representative of the biofuel producers in Germany

The Association of the German Biofuel Industry (Verband der Deutschen Biokraftstoffindustrie e. V. - VDB) represents the interests of 15 biofuel producers in Germany with a production capacity of 2.3 million tons of biodiesel (and 600 GWh of biomethane). This equals approximately 60% of the total biodiesel capacity in Germany in the transport sector.

2. Remarks on the initiative

VDB supports the European Commission in its effort to carry out a revision of the Energy Taxation Directive (ETD) in order to promote the use of climate-friendly energy options in all economic sectors via a fiscal leverage.

The ETD in its current legal design is not in line with European climate policy objectives. In particular, the Directive does not address greenhouse gas emission reductions by alternative fuels and propulsion systems (hydrogen, biofuels, synthetic fuels, electricity, etc.). Therefore the ETD does not display incentives for investments in clean technologies and their application in an appropriate manner.

Regarding the transport sector, road transport bears a considerable due of energy taxation, while aviation and maritime transport are completely exempt from charging. This circumstance exemplifies the current constraints in the creation of a level playing field across the involved sectors of the European economy and contributes to the fragmentation of the internal market.

The revision of the ETD offers the political opportunity to additionally align the taxation of fuels with the emissions they cause. While taxation needs a strong orientation towards CO₂ emissions, all sustainable renewable fuels must consequently be taxed at zero for the CO₂ component - unequal treatment of certain renewable fuels must be ruled out with regard to technological neutrality. The transport industry, which is essential for the functioning of the European econ-

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omy, has been dependent on gas oil for decades due to the tax structure in place and will remain so for many years to come due to the lack of alternatives. This fact must be taken into account, in the sense that a mere increase in the price of gas oil will not achieve the desired effect. In order to avoid market disruptions, the aim must rather be to make the climate-friendly alternatives more attractive.

Following this approach would create tangible incentives for the use of climate-friendly fuels and propulsion systems and would harmonize the Energy Taxation Directive with European legal standards such as RED II. Overall, the striking advantage of a revision would be to reconcile the climate policy and fiscal interests of the EU.