

Keyword: global-warming

Headline: Timely to revisit policy on biofuels

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Published Date: October 22, 2023

Section: opinion

Word Count: 672

Content:

THE authorities should mandate more biofuels in the gasoline and diesel blends to lessen the country's dependence on imported fuel, help local farmers and fight climate change. This is not a new suggestion. But the idea is worth revisiting, given the unfolding crisis in Israel. Even though the conflict there has not yet triggered a spike in pump prices, that remains a possibility if fighting spills to other countries.

In a statement last week, the Philippine Chamber of Agriculture and Food Inc. urged the government to increase the share of coconut methyl ester (CME) in the diesel mix to 5 percent. The chamber pointed out that biodiesel commands a lower price because the supply of coconuts is large. Moreover, increasing the CME share in the fuel mix could generate foreign exchange savings.

"We are importing 13 billion liters of diesel [yearly]," Dean Lao Jr., the chamber president, said in the statement. "From B2 (2 percent biodiesel) to B5 (5 percent biodiesel), we can displace an additional 390 million liters equivalent to P23.4 billion."

The Philippines was among the first to use biodiesel made from CME after the enactment of Republic Act 9367 or the "Biofuels Act of 2006," he added. Since then, however, other Southeast Asian countries have surpassed the Philippines in using biodiesel. Diesel sold in Indonesia, for example, contains 30 percent biofuel, and the authorities there plan to increase that further to 35 percent.

Meanwhile, commercialization of biodiesel in the Philippines has stagnated since 2009, when its share in the fuel mix was increased from 1 percent to 2 percent. In the same statement, Danilo Fausto, the agriculture chamber president, recommended increasing the CME share in the blend to 3 percent by January 2024 and to 5 percent by 2025.

That will be an economic stimulus for the coconut farming sector. The chamber also reported that many CME producers have closed because of weak demand for their products.

Mr. Lao said the Philippines has an ample supply of coconut oil for biodiesel. "The infrastructure is ready to supply the increase from 2 percent to 5 percent. The capacity is ready. And it's the simplest to implement."

Similarly, previous editorials have suggested increasing the share of bioethanol in gasoline blends. Like the recommendation to use more CME in the diesel mix, more ethanol in the fuel blend could help blunt the impact of fuel spikes caused by so-called global headwinds.

The Biofuels Act requires a minimum of 10 percent of bioethanol in the gasoline mix. But some Latin American countries use more than double that in their fuel blends. The Philippines should follow their lead.

Even if biofuels need to be imported, increasing their share in the fuel mix will not likely push up pump prices by much. That is a good point for consumers struggling with high inflation.

Under the Biofuels Act, the local or imported biofuel component is not taxed. Additionally, the raw materials for making biofuels, including coconuts, are exempt from value-added tax or VAT.

Less pollution

The agriculture chamber also argued that using CME can improve the fuel mileage of vehicles. The chamber explained that CME boosts fuel lubricity and "raises the cetane number of the fuel."

Perhaps more importantly, biodiesel produces less carbon dioxide, a greenhouse gas that causes climate change. In its statement, the chamber cited data from the Argonne National Laboratory in the United States. In its analysis, emission from 100 percent biodiesel has been proven to be 74 percent lower compared to petroleum diesel.

The chamber's statement also quoted the Department of Energy, which found that biodiesel increases energy security, improves air quality and the environment, and provides safety benefits. "Biodiesel in its pure, unblended form causes far less damage than petroleum diesel if spilled or released to the environment. It is safer than petroleum diesel because it is less combustible."

Even without any global conflict that weighs down economic growth, causes uncertainty and disrupts supply chains, the chamber's recommendations make sense. Hopefully, the authorities validate its claims and act on them soon.