

NEWS RELEASE



The WTO and the Future of Trade in Biofuels

Washington DC – 27 October, 2006

As global interest in alternative energy grows, biofuel as an alternative energy source is gaining increased importance in the policy dialogue. Today, most biofuels are produced and used domestically, but the potential for greater trade exists, and may hold special interest for developing countries with greater land availability and better growing conditions. Recognizing this, the International Food & Agricultural Trade Policy Council (IPC) and Renewable Energy and International Law (REIL) have partnered to release a new study analyzing how international trade rules apply to the biofuel sector. "It is important for the clean energy community to exchange views with the agricultural community, and that is why we are so pleased with this collaboration," says Leslie Parker, Managing Director of Renewable Energy and International Law (REIL).

The study, "WTO Disciplines and Biofuels: Opportunities and Constraints in the Creation of a Global Marketplace," with law professor Robert Howse of the University of Michigan as lead author, seeks to clarify how existing and possible future WTO rules apply to the biofuel sector.

"This paper is timely, given the considerable government support provided to the sector in developed countries, the high tariffs that apply to some biofuel imports, and the multitude of standards being promoted and implemented by governments and non-government organizations," says Charlotte Hebebrand, Chief Executive of the International Food & Agricultural Trade Policy Council (IPC).

The formal launch of the paper will be on Friday, October 27, 2006 at the Longworth House Office Building, Room 1302, from 9am to noon.

"WTO Disciplines and Biofuels" identifies three major areas that could usefully be addressed:

- Should biofuels be classified as agricultural, industrial, or environmental goods in the WTO? What are the implications of each for WTO Members' obligations? What are the options for reaching a more uniform classification and for possible trade liberalization?
- How should subsidies of biofuels be considered from the perspective of existing or planned WTO rules?
- How should domestic regulations (mandates requiring the use of biofuels, fuel content requirements, or environmental sustainability import criteria) be reconciled with WTO rules on international regulations and technical barriers to trade? How do government procurement practices get evaluated?

Robert Simon, Minority Staff Director for the Senate Energy and Natural Resources Committee, will give opening remarks at the launch. Discussants include Weber Amaral, CEO of the Brazilian Biofuels Institute, Carl Hausmann, CEO of Bunge North America, and Angelos Pangratis, the Deputy Head of Delegation for the European Commission. To read the study, **please visit www.agritrade.org**.

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The International Food & Agricultural Trade Policy Council (IPC) pursues pragmatic trade and development policies in food and agriculture to meet the world's growing needs. IPC accomplishes its mission by convening influential policymakers, agribusiness executives, farm leaders, and academics from developed and developing countries to clarify complex issues, build consensus, advocate policies to decision-makers, and foster broader stakeholder participation in the policy process.

Renewable Energy and International Law (REIL) is an international partnership in association with the Renewable Energy and Energy Efficiency Partnership, Baker & McKenzie's Global Clean Energy and Climate Change Practice, and Yale University's Center for Environmental Law and Policy. REIL's network of legal practitioners, scholars, governments and industry experts works to promote and develop enabling policy and legislative frameworks for clean energy (see www.reeep.org).