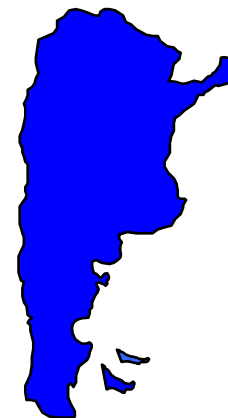


ARGENTINA'S BIOFUELS POLICY



**KOREA BIOFUELS
CONFERENCE
September 2007**

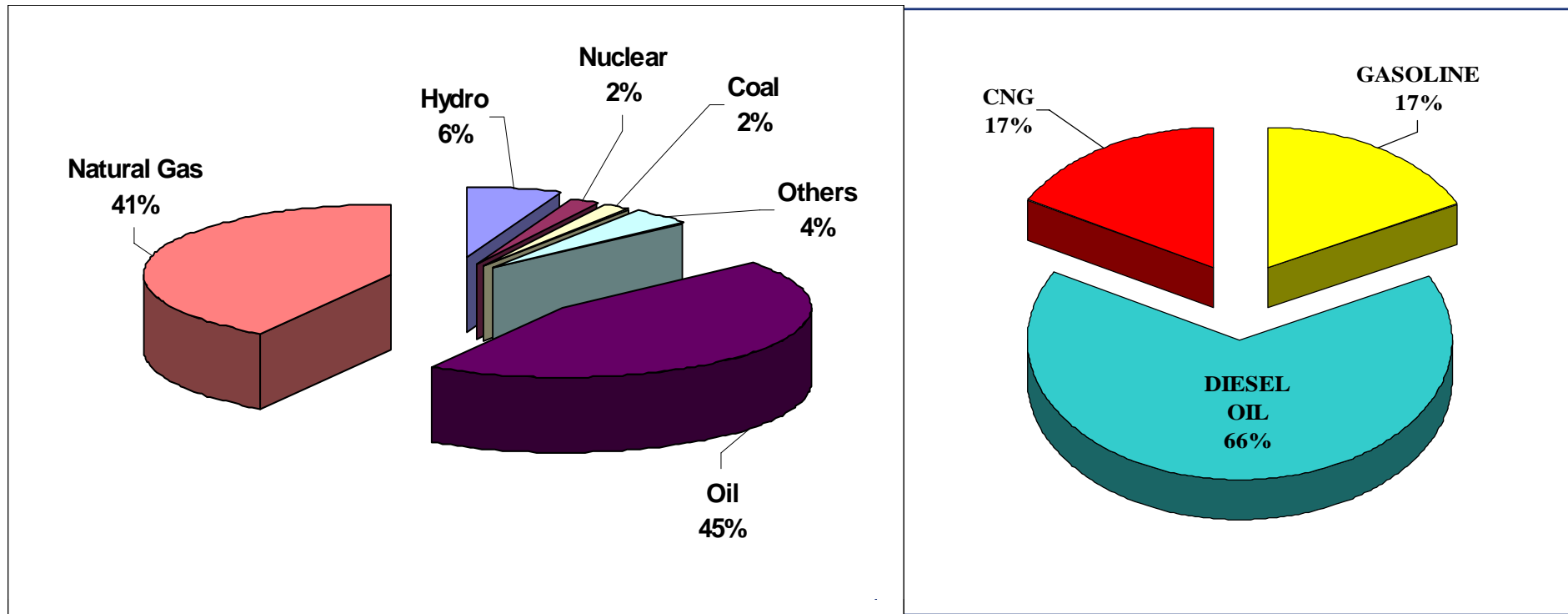
**Cristian Alberto Folgar
Fuels Undersecretary**



ARGENTINA

FUELS - CONSUMPTION

ENERGY
SECRETARIAT



ARGENTINA

ARGENTINE COMPARATIVE ADVANTAGES FOR THE PRODUCTION OF BIOFUELS

ENERGY
SECRETARIAT

- **Comparative advantages of Argentina for the production of oil crops: large and fertile extensions of land available for oilseed production.**
- **Flexibility for the implementation of oilseed crops from natural and artificial irrigation.**
- **Great number of ecosystems that allow the growth of a diversity of crops.**

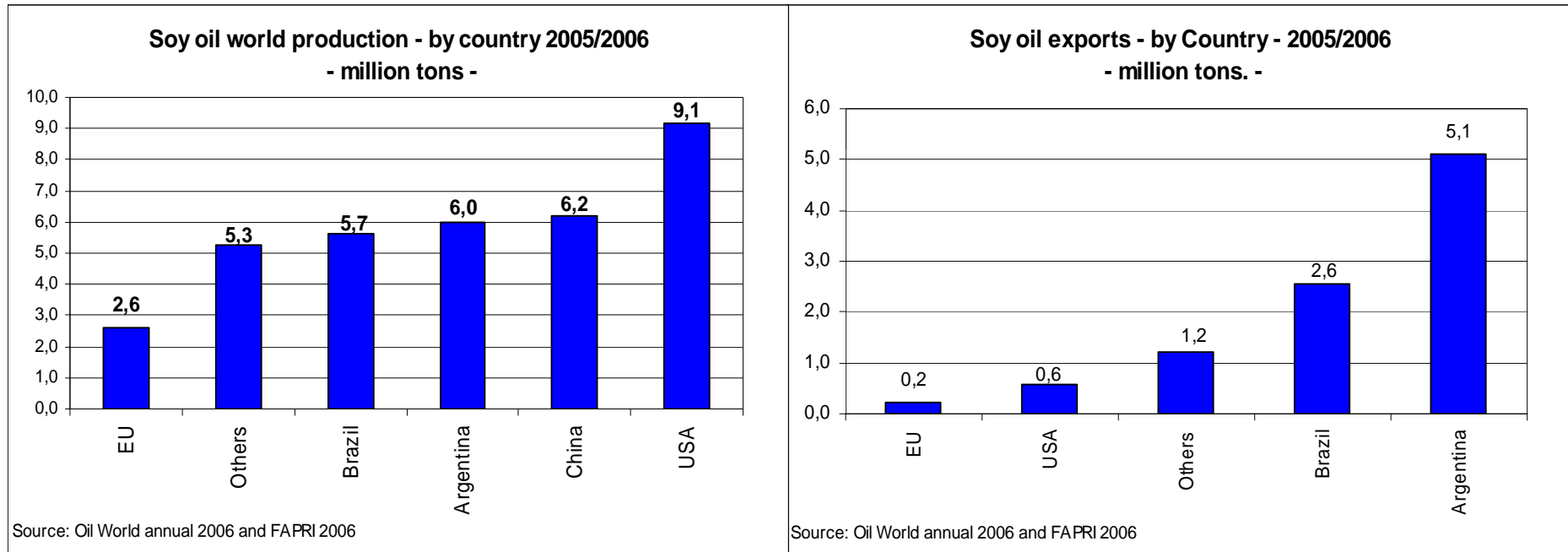


ARGENTINA

ARGENTINE COMPARATIVE ADVANTAGES FOR THE PRODUCTION OF BIOFUELS

ENERGY
SECRETARIAT

ARGENTINA IS THE No 1 EXPORTER AND No 3 WORLD PRODUCER OF SOY OIL



ARGENTINA

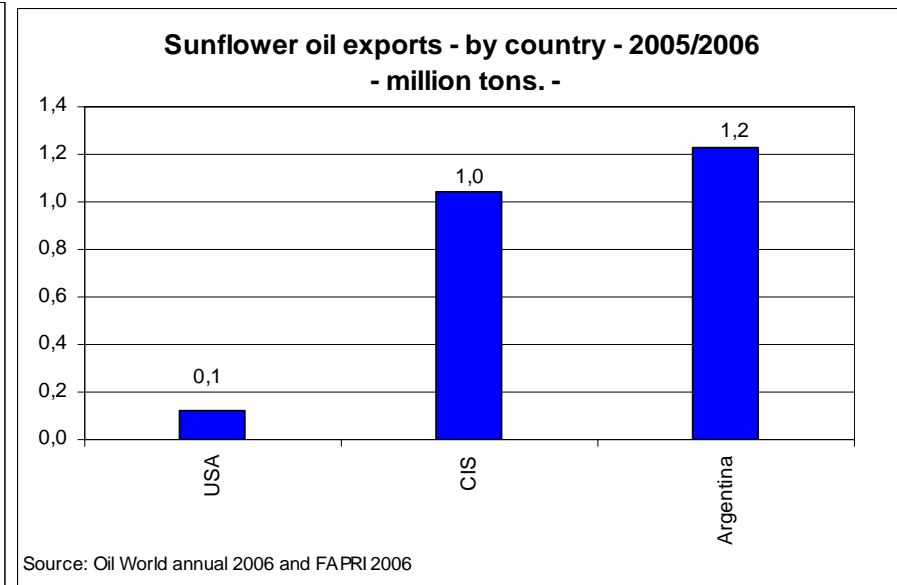
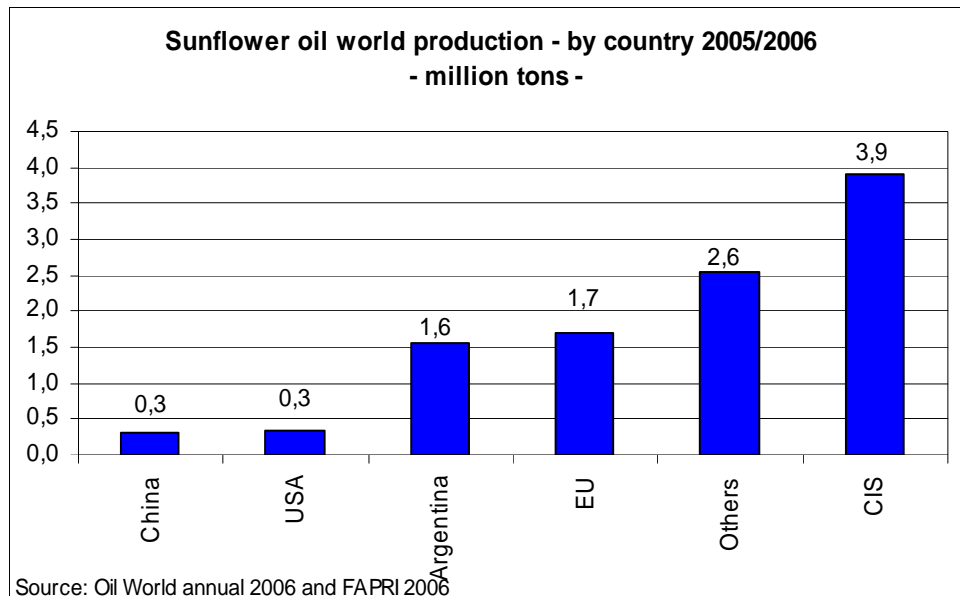
ARGENTINE COMPARATIVE ADVANTAGES FOR THE PRODUCTION OF BIOFUELS

ENERGY
SECRETARIAT

THE No 1 EXPORTER AND No 2 PRODUCER OF SUNFLOWER OIL IN THE WORLD



THE WORLD

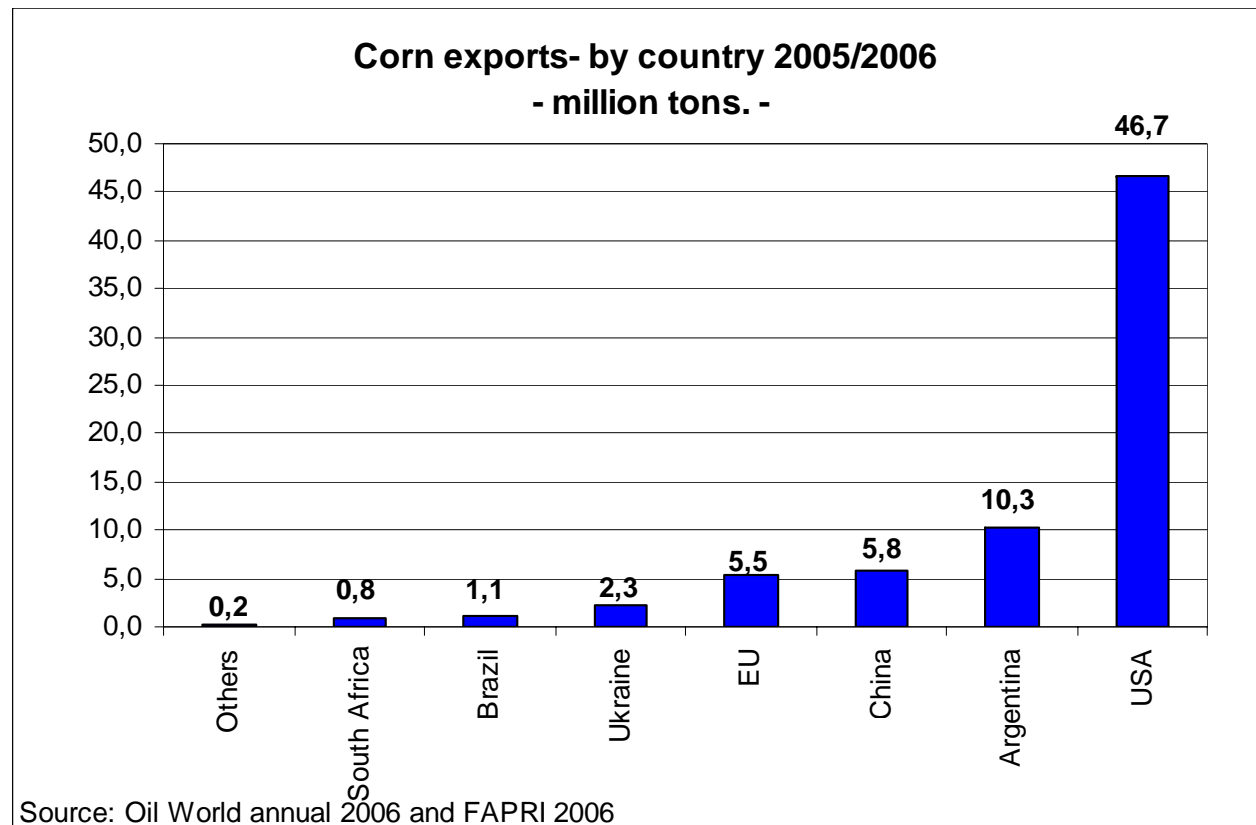


ARGENTINA

ARGENTINE COMPARATIVE ADVANTAGES FOR THE PRODUCTION OF BIOFUELS

ENERGY
SECRETARIAT

THE 2ND LARGEST WORLD EXPORTER OF CORN



ARGENTINA

ARGENTINE COMPARATIVE ADVANTAGES FOR THE PRODUCTION OF BIOFUELS

ENERGY
SECRETARIAT

- One of the main exporters of vegetable oil in the world.
 - The vegetable oil industry in Argentina is export-oriented, sending 90% of its production to foreign markets.

SOY OIL	6.0 Million Tons
SUNFLOWER OIL	1.7 Million Tons
OTHERS	0.2 Million Tons

Source: Secretariat of Agriculture, Livestock, Fisheries and Food - Argentina

- 2006 crushing capacity : 160,000 tons/day.
- Favorable environmental impact: The use of biofuels reduces emissions of carbon dioxide (CO₂) into the atmosphere
- Creation of the National Biofuels Programme



ARGENTINA

LEGAL FRAMEWORK FOR THE DEVELOPMENT OF BIOFUELS IN ARGENTINA

ENERGY
SECRETARIAT

- **Argentine Congress approved on April 19th, 2006 a law aimed to promote the use and production of biofuels (biodiesel, bioethanol and biogas). This law established:**
- **5% mandatory use of biodiesel and bioethanol in all diesel oil and gasoline consumption, beginning January 1, 2010.**
- **Strong fiscal incentives through taxes exemptions.**
- **The law prioritizes projects that accomplish the following criteria:**
 - **Sponsored by small and medium companies.**
 - **Belong to farmers.**
 - **Located in regional and rural economies.**



ARGENTINA

ARGENTINE GRAIN PRODUCTION

ENERGY
SECRETARIAT

Argentine total grain production for the 2006/2007 is estimated at 95,0 million tons. SOY, CORN and WHEAT account for almost 88% of total grain production.

Total Grain Production 2006/2007 season:

Grain	Planted area	Production	Share
	million hectares	million tons	%
SOY	16.1	47.6	50%
CORN	3.6	22.0	23%
WHEAT	5.6	14.6	15%
SUNFLOWER	2.4	3.6	4%
SORGHUM	0.7	3.0	3%
OTHERS	3.8	4.2	4%
TOTAL	32.2	95.0	100%

Source: Secretariat of Agriculture, Livestock, Fisheries and Food - Argentina



ARGENTINA

BIODIESEL

- Projected diesel oil consumption for 2010: **12.5 million tons.**
- With the implementation of the 5% mandatory use of biofuels, the needed production of biodiesel is: **625,000 tons.**
- Quantity of vegetable oil = **650,000 tons.** (8% of total current production).
- Argentina's domestic consumption is only 6% of total vegetable oil production.



BIOETHANOL

- Projected gasoline consumption for 2010: **3.5 million tons.**
- With the implementation of the 5% mandatory use of biofuels, the needed production of Ethanol is: **175,000 tons.**
- Area needed for corn = **77.000 hectares. (2% of total current planted area)**
- Quantity of corn needed = **540.000 tons (2% of total current production)**



BIODIESEL

- ***Plants under construction :***

- One – 100.000 tons.
- Three – 200.000 tons.
- One – 300.000 tons.

- ***Announcements:***

- Two – 200.000 tons.
- One – 100.000 tons.

Total potential production capacity: 1.5 million tons.

BIOETHANOL

- ***Announcements:***

- Two – 100.000 tons.
- One – 50.000 tons.

Total potential production capacity: 250.000 tons.

- **Argentina has ideal growing conditions for the sustainable development of the raw materials needed for the production of biofuels.**
- **R&D is crucial in order to promote and develop non traditional energy crops for the production of biofuels.**
- **Argentina has immediate availability of the raw material needed to cover the 5% of mandatory use in all gasoline and diesel consumption.**
- **Argentina would become one of the major producers and exporter of biofuels worldwide**



- From the economic and social point of view, the development of the Argentine biofuels industry will:
 - Create a new industry in our country.
 - Add value to grain and vegetable oil production since Argentina exports 70 percent of the corn and 90 percent of the vegetable oils that it produces.
 - Allow the development of energy crops in marginal areas, contributing to improve life quality of the population.
 - Have a favorable impact on the environment

