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Bio-diesel Update

Report Categories:

Bio-Fuels

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Report Highlights:

After a smooth transition from a one percent to a two percent bio-diesel blend in February 2009, the Philippine Department of Energy is now studying and formulating guidelines of a higher three percent bio-diesel blend for possible implementation by the end of the year.

General Information:

Other Regulations and Requirements:

Philippine oil companies started selling local diesel with one (1) percent coco-methyl ester (CME) or bio-diesel in May 2007. Implementation of the Philippine Biofuels Act of 2006 or Biofuels Law mandate local oil companies increase the 1 percent bio-diesel blend to two (2) percent 2 years after the Law took effect (refer to p. 2, GAIN 7029). The higher bio-diesel blend of 2 percent was implemented in February 2009 and will require an estimated 140 million liters of CME annually. This translates to a yearly requirement of roughly 140,000 MT of coconut oil (CNO).

According to press reports, the Philippine Department of Energy (DOE) is considering increasing the required bio-diesel blend to three (3) percent from the present 2 percent by end of this year. A technical committee on petroleum products standards of the DOE reportedly is now studying and formulating guidelines of the higher 3 percent bio-diesel blend.

Domestic coconut oil refiners, on the other hand, are reportedly discussing with the Philippine government (GRP) the possibility of promoting an even higher a five (5) percent bio-diesel blend in order to capitalize on the current low copra and CNO oil prices.