EU bioethanol production: fuelling economic growth and jobs

Bioethanol is good news not only for the environment, but also for the European economy. The promising European biofuel industry is creating thousands of jobs, opportunity for technological development and support for the overall economy. This has a highly positive impact on the European GDP, employment rates in rural areas and the positioning of the EU as the leading knowledge-based economy, fully in line with the Lisbon strategy.

225,000 jobs in 2020

As a rule of thumb it can be assumed that for every 100 million litres of domestically-produced ethanol, 1,500 long-term jobs are created. In 2008 the EU bioethanol fuel industry provided employment to 42,000 people. By 2020, if 10% of the EU’s petrol consumption is replaced by European-produced bioethanol, this will have created well over 225,000 jobs. In addition to the jobs created in the industry, a growing biofuel sector will lead to the creation of a great many indirect jobs in other sectors.

Skilled jobs

Skilled jobs are also created in the fields of scientific research, technology development and engineering, as well as throughout the whole value chain of the bioethanol fuel production. The continuing technological quest for better performing plants and fuel requires a great deal of skilled human resources and offers many opportunities for highly qualified workers.

Securing employment in rural areas

The production of bioethanol in Europe creates jobs and economic opportunities in the least favoured areas, namely in rural areas. Rural areas of Europe suffer higher-than-average rates of unemployment and under-employment. Those with jobs receive incomes significantly below average. European biofuel farming and processing means more jobs and increased wealth in those regions of Europe.
Boosting the EU’s GDP

A recent EU research project found out that the liquid biofuels industry - together with the wind and solar technologies - is the most promising renewable technology that will be contributing to additional employment in Europe¹.

These positive employment effects and the overall dynamism of an ever growing European biofuels industry is forecast lead to an increase in the EU’s gross domestic product of at least 0.17% (= some €25 billion)².

¹ EmployRES - The impact of renewable energy policy on economic growth and employment in the European Union, final report, page 133 and 140.
² SEC(2006)1719, p.27.

In practice

The creation of bioethanol operations has a positive social impact on rural areas. The biomass-run bioethanol installation BioWanze, recently build in Belgium, is such a showcase:

- Creation of 120 new jobs in a rural area;
- Agreement with regional authorities to create job opportunities among local communities;
- Workforce mainly local population;
- Wide range of employability: engineers, technicians, unqualified workers;
- Trainings to qualify unspecialised workers;
- Local population general support, due to job creation;
- Average age of employees: 35 years.

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