



INTERNATIONAL
TRADE
ADMINISTRATION



2016 Top Markets Report

Renewable Fuels

An Assessment Tool for Focusing
U.S. Government Resources

July 13, 2015



Presentation Outline

USG Programs and Services for Bioenergy Exporters

- The International Trade Administration
- USDA Foreign Agricultural Service

ITA's Renewable Fuels Top Markets Report: Fuel Ethanol

- Methodology
- Rankings - *Preliminary*
- Discussion Points
- About our Strategic Partnership with Platts

Upcoming Opportunities for US Exporters



The 2015 *Renewable Fuels Top Markets Report* is available at www.trade.gov/topmarkets



The International Trade Administration

ITA is the lead trade promotion agency of the U.S. Government, promoting the competitiveness of U.S. exporters in foreign markets and seeking to attract foreign capital to the United States.



Industry Expertise

- Sector analysis
- Actionable Data Products
- Market research
- Advisory committees
- Strategic Partnerships



Market Access & Export Promotion

- Export assistance
- Trade Events (missions)
- In-country presence
- Firm-specific advocacy



Investment Attraction

- SelectUSA
- Free Trade Zones
- Links to Local EDOs
- Firm-specific advocacy



Support for U.S. Manufacturers

- Anti-dumping duties
- Countervailing duties
- Protection against unfair trade practices



Trade Promotion Programs

Trade Promotion Programs help link U.S. exporters with foreign buyers or distributors in key markets around the world.

Trade Missions

Opportunity for U.S. firms to pursue exports by meeting directly with potential clients in their markets.

In Fiscal Year 2014, ITA led 47 trade missions with 640 participating clients. The missions resulted in \$700 million of export successes.

Certified Trade Missions

The Department of Commerce certifies trade missions that are organized by state and private sector organizations, such as governors, mayors, industry trade associations, Chambers of Commerce.

Trade Shows

Last year, there were 34 International Buyer Program events with 13,542 delegates.

At these events, over 10,000 meetings were arranged resulting in \$616 million in exports.



USDA's Foreign Agricultural Service

Areas of Engagement on Biofuels/Biomass

Market Intelligence

- Annual market reports for biofuels on the European Union (EU) and 15 other countries which are free to the public
- Each cover all major and most 2nd tier producers, consumers and traders of fuel ethanol, biodiesel, and biomass wood pellets

To search reports, check this box

USDA United States Department of Agriculture Foreign Agricultural Service

gain Global Agricultural Information Network Online

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<http://gain.fas.usda.gov>



USDA's Foreign Agricultural Service

Areas of Engagement on Biofuels/Biomass (cont'd)

Trade Policy Actions

- ❑ Works with the US Trade Representative's Office to protect exports
 - assesses weaknesses in countervailing and anti-dumping cases – there have been five cases brought against US biodiesel and ethanol by the EU, Australia and Peru

- ❑ Represents US interests in international organizations to prevent new trade barriers and reduce existing barriers
 - International Standards Organization (sustainability); Global BioEnergy Partnership (sustainability); World Trade Organization & Asia Pacific Economic Cooperation (possible accelerated import duty elimination)

Foreign Market Promotion

- ❑ Supports initiative led by US Grains Council to identify best foreign prospects for US ethanol exports
 - identifies markets with greatest mid/long-term import potential and best strategy of engagement to overcome barriers (China, Philippines, Mexico...)



Top Markets Reports

<http://trade.gov/topmarkets>

Each report is based on a detailed, sector-specific methodology for assessing and ranking export opportunities across countries.

- Helps exporters determine their NEXT market by comparing opportunities across borders
- Offers overviews of opportunities and barriers in potential export markets
- Ranks projected *future* export markets for U.S. firms
- Promotes strategic export promotion targeted at markets and subsectors most supportive of exports
- Provides a unique export-specific perspective to ITA's many clients



Key Components

Overview and Key Findings

- Top Market Rankings
- Industry Overview and Competitiveness
- Global Landscape
- Opportunities and Challenges

Country Case Studies

- In-Depth Commentary
- Challenges
- Opportunities
- Additional Resources and Information

Sector Snapshot

- Detailed Analysis of Subsector
- Subsector Specific Rankings



Renewable Fuels Top Markets Report

Overview

- Covers two industries in which the United States is currently the largest exporter in the world: **fuel ethanol and biomass wood pellets**. Both sectors rely on favorable renewable energy policy environments in foreign countries to drive demand for exports.
- Ranks **19 different markets** in terms of 2016-2017 export potential.
- The countries range from those with **strong export growth potential** to markets where exporters face **significant obstacles**.

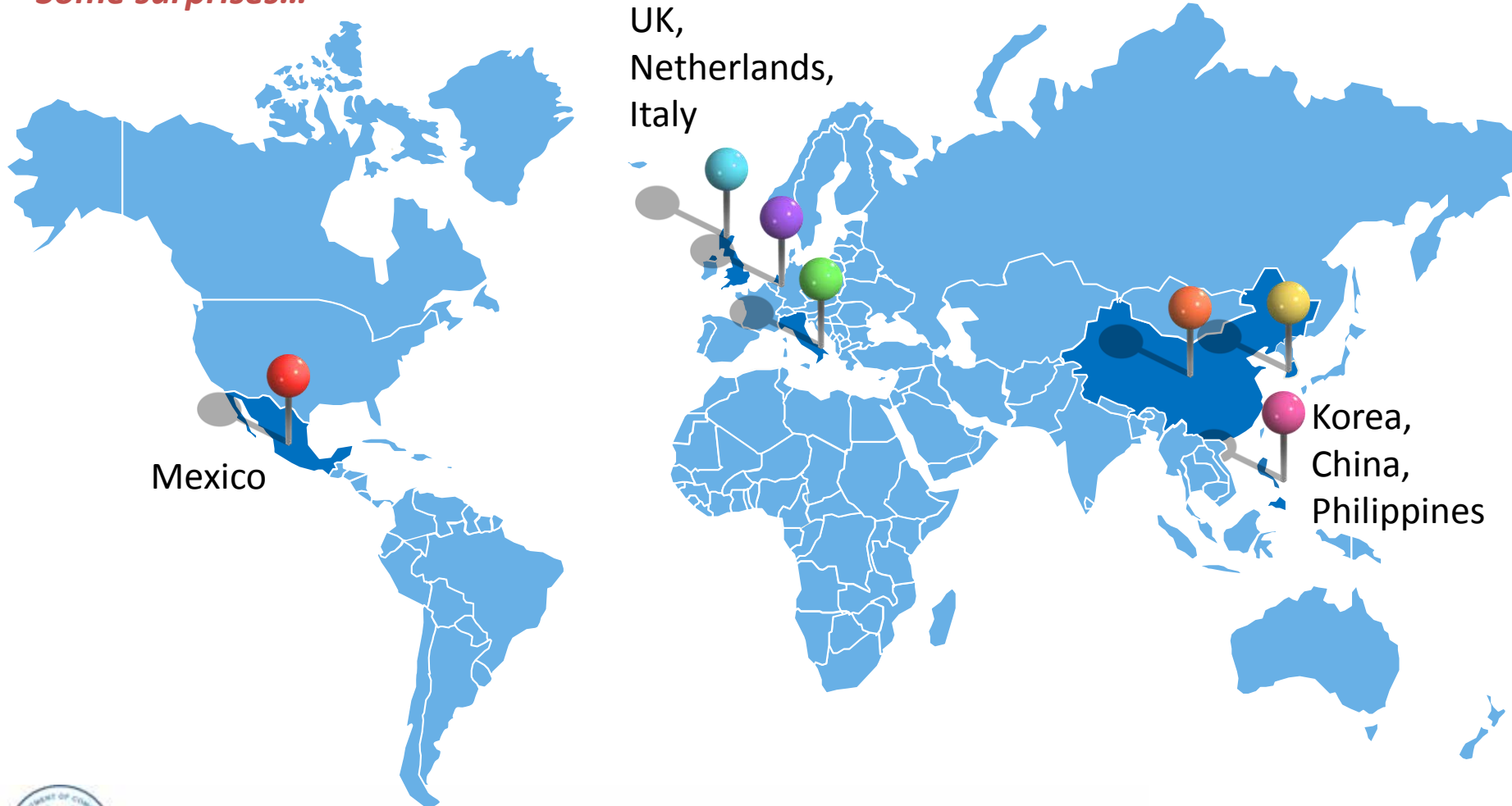


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August 2016



2016 Renewable Fuels Report: What's New?

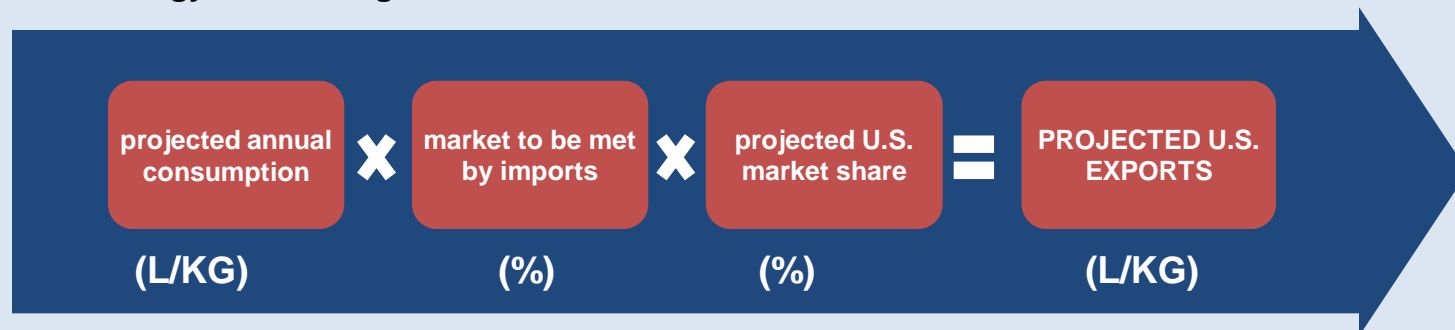
Some surprises...



Renewable Fuels – Methodology

- **US exports/market share 2012-2015:** US Census trade data
 - HS codes 2207106010 and 2207200010 – Undenatured and Denatured Ethanol for Fuel Use; HS code 440131 – wood pellets
- **2016-2017 forecasts of imports/exports, consumption and production for other countries:** various industry sources
- **Ultimately comparing the projected volume (liters/KG) of shipments to each country regardless of the unit price**

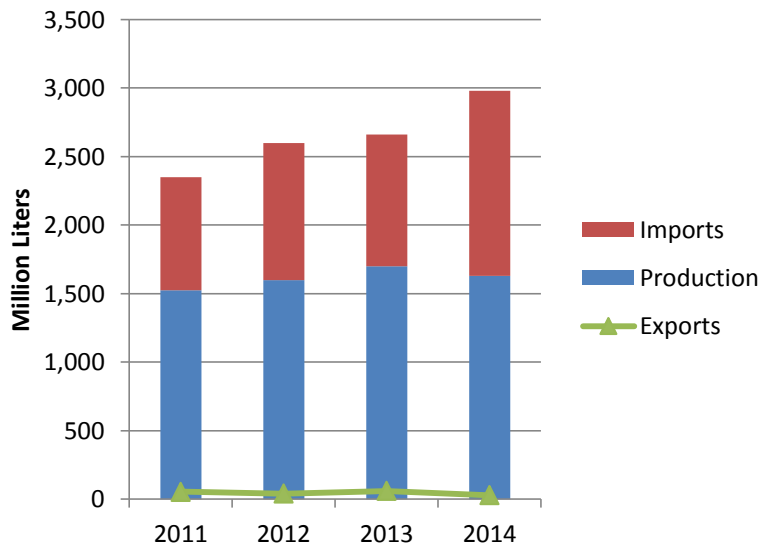
2016 Methodology for Ranking Fuel Ethanol and Biomass Wood Pellet Markets



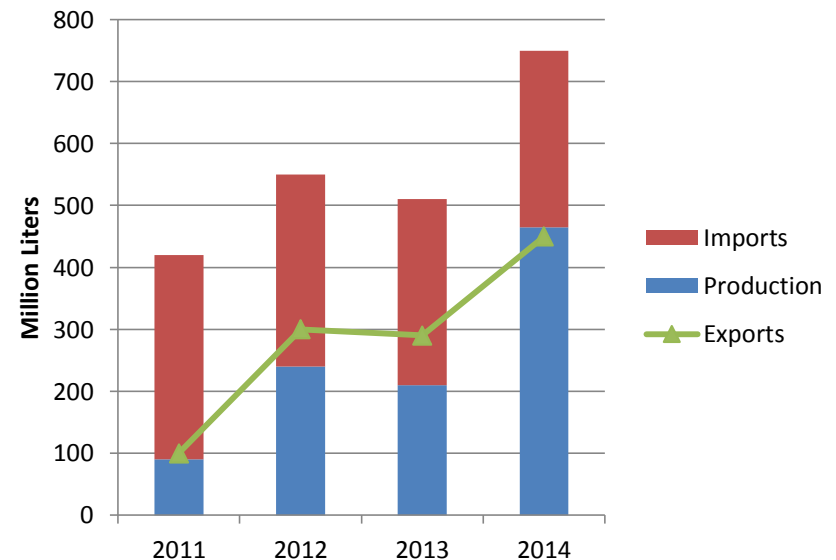
Calculating Import Demand

Consumption is usually met by domestic production and imports... but some countries also export. The formula for import demand attempts to capture this dynamic.

Ethanol:
Canada



Ethanol:
Netherlands



U.S. Renewable Fuel Exports 2016-2017

Preliminary Rankings

Fuel Ethanol

	RANK	COUNTRY
Strong Prospects	1	Canada
	2	Mexico
	3	China
	4	India
	5	Brazil
Less Certain Export Growth	6	South Korea
	7	Philippines
	8	Netherlands
	9	Peru
	10	Jamaica
Significant Obstacles	11	United Kingdom
	12	Colombia

Biomass Wood Pellets

	RANK	COUNTRY
Strong Prospects	1	UK
	2	Belgium
	3	France
	4	Denmark
Less Certain Export Growth	5	Netherlands
	6	Canada
	7	Sweden
Significant Obstacles	8	Japan
	9	Germany
	10	Italy
	11	South Korea



2016 Fuel Ethanol Exports (Jan-May)

How are we doing so far? – Volume in Liters

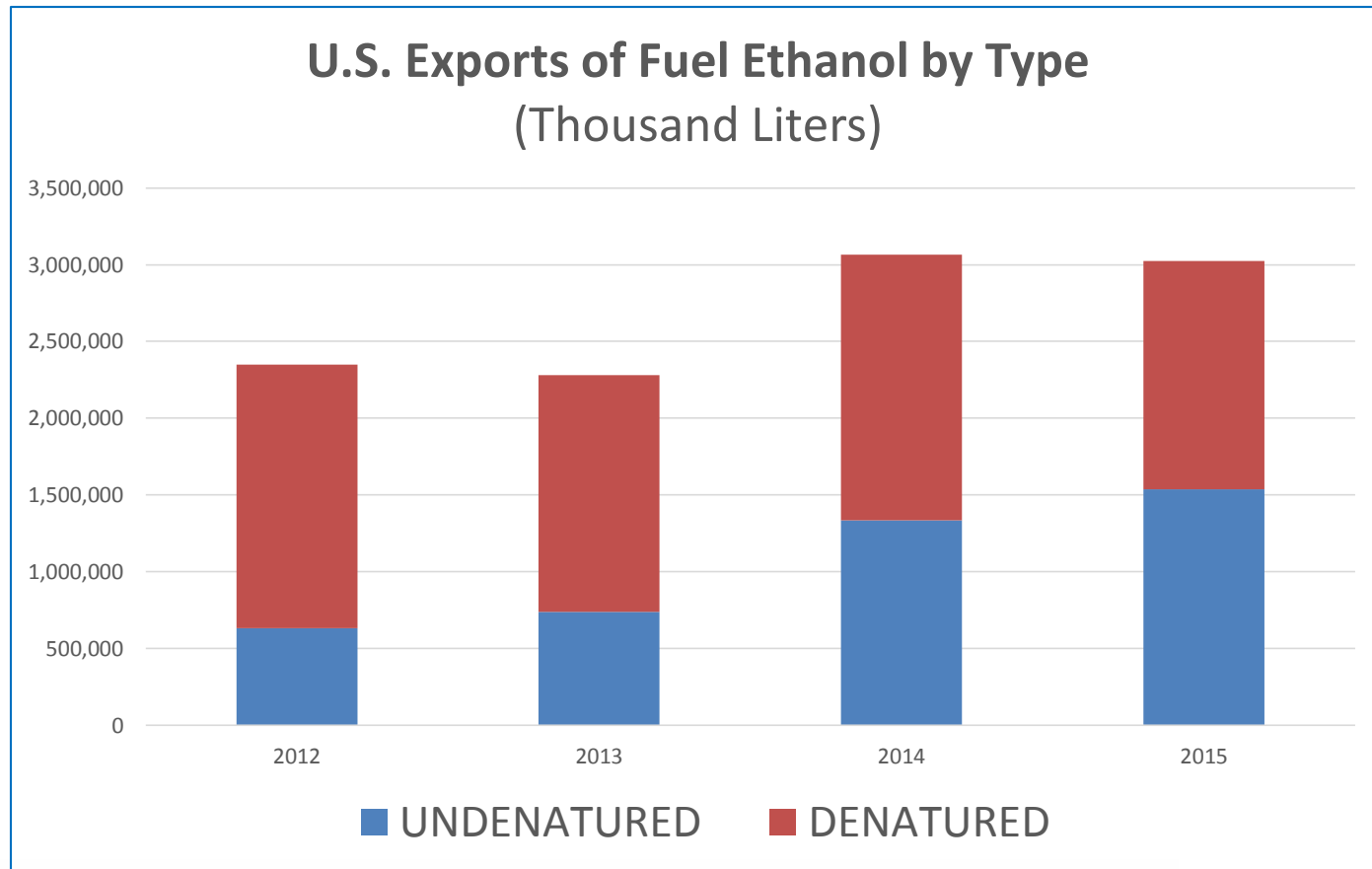
PARTNER	2015 (L)	Jan-May 2016 (L)
WORLD	2,975,140,170	1,452,641,152
China	279,493,877	489,699,918
Canada	844,459,218	270,099,755
Brazil	426,105,871	236,395,998
India	139,977,577	102,417,078
Korea	201,284,429	77,837,211
Philippines	275,968,412	58,366,461
Peru	104,026,876	49,556,688
UAE	108,171,311	41,361,522
Mexico	116,193,416	40,640,525
Jamaica	48,874,785	31,097,692
Nigeria	25,546,647	13,499,670
Netherlands	127,520,877	13,357,741
Singapore	37,198,107	12,255,734
Oman	124,164,584	4,769,343
Norway	4,252,818	4,726,342
Colombia	7,903,163	3,819,509
United Kingdom	404,578	1,344,618

Source: US Census Data



Export Trends, 2012-2015

Gradual shift towards undenatured exports



2016 Biomass Wood Pellet Exports (Jan-May)

How are we doing so far? – Volume in kilograms

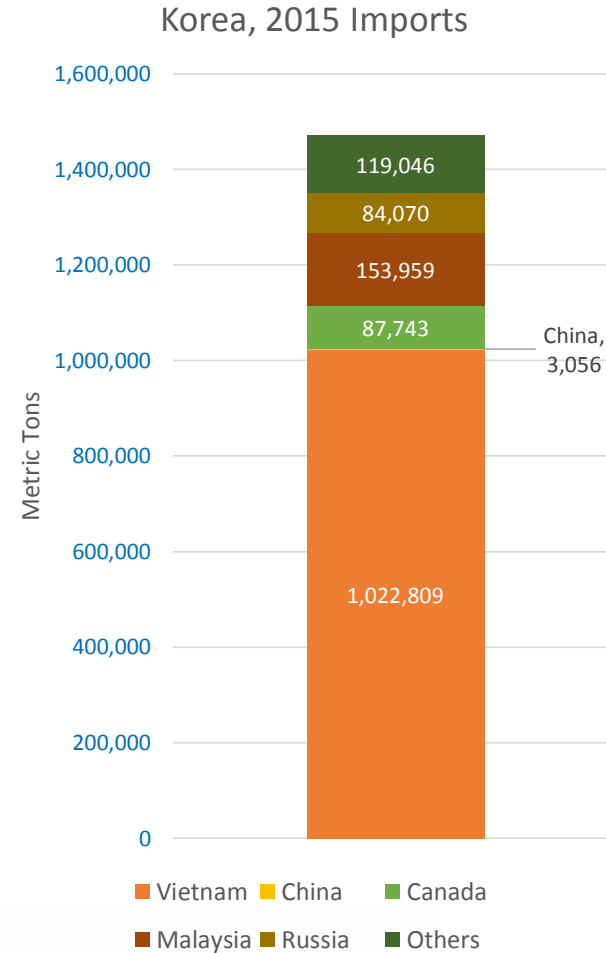
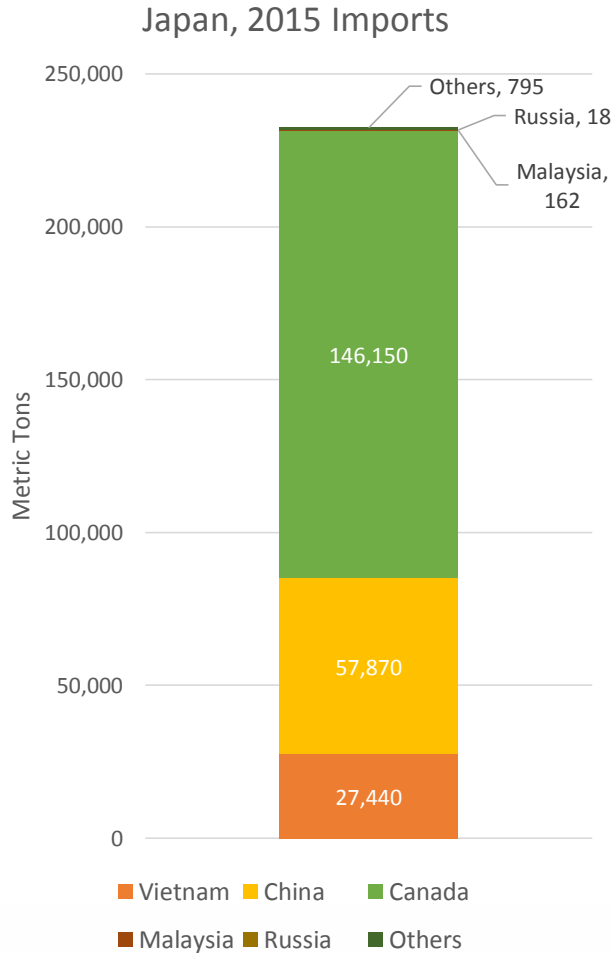
PARTNER	2015 (KG)	Jan-May 2016 (KG)
WORLD	4,668,551,699	1,890,644,038
United Kingdom	3,914,784,762	1,688,824,859
Belgium	610,044,439	176,137,079
France	48,821,252	14,364,352
Denmark	1,342,868	6,302,704
Canada	22,352,085	4,299,781
Japan	234,698	200,561
Pakistan	0	156,840
Germany	71,697	60,647
Panama	3,114	57,947
Australia	205,940	53,306
Jamaica	89,119	22,250
Norway	0	21,920
Italy	1,791,969	20,968
Sweden	0	1,077
Netherlands	63,617,222	0
Korea	3,797,249	0

Source: US Census Data



Asian Wood Pellet Markets

Growing Consumption but Negligible U.S. Market Share



Discussion Points for Exporters

Short term Challenges

- **Fuel ethanol**
 - **How to stabilize exports to China, India and Korea**
 - **Mexico's market poised to grow dramatically and US exporters are cost competitive. Are we ready?**
- **Biomass wood pellets**
 - **EU: How to expand market share beyond the UK**
 - **Asian region – difficult to be cost competitive**

Long Term Challenges

How can USG and industry work together to address:

- **Protectionism**
- **Trade barriers**
- **Sustainability concerns**



Strategic Partnership

International Trade Administration and S&P Global (Platts)

- In February 2016, ITA and Platts signed an agreement for a strategic partnership
- Platts role:
 - Provide key market data and insights for the Top Markets Report (fuel ethanol)
 - Cooperate with ITA to disseminate this analysis to U.S. exporters



S&P Global



Upcoming Opportunities for U.S. Exporters

Renewable Energy & Energy Efficiency Advisory Committee

Deadline to apply/nominate: August 15

<http://export.gov/reee/reeeac>

International Buyer's Program

National Ethanol Conference - February 2017 in San Diego

Details coming soon!



Thank you

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