

China Bioenergy Industry Report, 2007-2008



In 2007, China's fuel ethanol output reached 1.6 million tons, of which 80% used corn as raw materials. Based on the proportion 1:3.3, more than four million tons of corn was consumed.

In 2008, China's fuel ethanol production capacity will increase rapidly, thanks to several fuel ethanol projects to be put into operation successively in the year. It is estimated that China's annual fuel ethanol output will reach five million tons in 2010 and utilization rate of ethanol gasoline will be more than 50%. Moreover, corn-based ethanol has stopped expanding production capacity, as government policies have clearly restricted the development of grain-based ethanol. Therefore, developing non-grain ethanol has become an inevitable trend.

China Key Producers of Fuel Ethanol, 2007

Enterprises	Production capacity (10,000t/y)	Supply regions	Raw materials
Jilin Ethanol Fuel Co.	60	Jilin and Liaoning provinces	corn
China Resources Alcohol (Heilongjiang) Co.	10	Heilongjiang provinces	corn
Henan Tianguan Group Co.	30	Henan, Hubei and Hebei provinces and another ten cities	mainly wheat
Anhui BBKA Biochemical Co.	44	Anhui, Shandong, Jiangsu and Hebei provinces and another ten cities	corn
Total	144		

Source: ResearchInChina

China's domestic enterprises have accelerated biodiesel development. China's some conglomerates have completed their trial production of biodiesel, including China National Petroleum Corp., China's largest natural gas and crude oil producer, COFCO, the largest importer and exporter of grains, and China National Off-shore Oil Corp., China's largest off-shore oil producer. It is forecasted that China's biodiesel output will increase rapidly in 2008 and 2009 and will reach two million tons in 2010.

Biodiesel Projects under Construction or in the Pipeline in China

Province	Scale (10,000t/y)	Company	Construction period
Inner Mongolia	25	Tianhong (Tongliao) Biological Science & Technology Co.	2007-2008
Guangxi	20	Guangxi Liuzhou Minghui Biofuels Co.	2008-2009
Henan	10	Luoyang Tianchang Bio-engineering Co.	2006-2008
Shanghai	15	Shanghai, Sino Bio-chemical Science Technology Co.	2007-2008
Hebei	10	Hebei Zhongtianming Bio-fuel-oil Co.	2006-2007
Henan	10	Jiyuan Zhongyi Petrol Industry Co.	2006-2008
Henan	10	Luoshan Jinding Chemical Industry Co.	2006-2010

Source: ResearchInChina

China's biological energy power generation has developed rapidly and the total installed capacity has reached 2.2 million kW, of which 1.7 million KW was from Bagasse co-generation and 500,000 KW was powered by agriculture and forestry wastes, methane, direct-burning of rubbish and landfill gas. Generally speaking, efforts made to develop biological energy are still limited, therefore, China's bioenergy has a huge potential for future development.

China has sufficient raw materials resources for production of biomass. Only the agricultural wastes can be converted into energy, which is equivalent to 500 million tons of standard coal and 350 million tons of crude oil (about 2.5 billion barrels).

Chinese government has strongly supported the development of bioenergy and has launched preferential policies for biomass energy producers, including tax breaks and direct subsidies to some products.

Based on abundant information from the National Bureau of Statistics and listed companies, this report makes an in depth study on the current situation, main categories, policy, development potential and key enterprises of bioenergy industry, makes an analysis of development characteristics of fuel ethanol, biodiesel, biomass power generation and makes a comparison between profitability of fuel ethanol by different raw materials. Additionally, this report also forecasts the development trend of China bioenergy industry.

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