



## EuropaBio Press Release

### **EU Heads of State commit to biofuels and to SMEs**

#### **Brussels, 24 March 2006:**

EuropaBio welcomes the commitment made by the Heads of State at the EU Spring Summit in Brussels on 23/24 March 2006 to address Europe's energy challenges and respond to the dependency on oil and gas from fossil fuels as well as improving access to finance for SMEs.

Biotechnology led innovations can greatly help Europe sustainably meet its energy challenges, Kyoto targets and generate new farm incomes. EuropaBio advocates the use of biomass as a renewable energy source (1). Thanks to the use of biotech enzymes to break down biomass, the under-used resources of agricultural and forestry waste can be unlocked. As a fuel source, Biofuels such as bioethanol and biodiesel are attractive because the CO<sub>2</sub> they produce is offset by the CO<sub>2</sub> absorbed by the plants that go into making it as they grow.

Additionally, creating an EU market for biofuels offers an opportunity to develop alternative farm incomes. Local EU production of biofuel will also contribute to securing the self-sufficiency of Europe's energy supply.

“This example of industrial biotechnology or white biotech is an important building block of a bio-based economy (2) where biomass is used to create a wide range of energy efficient bioproducts,” says Johan Vanhemelrijck, Secretary General of EuropaBio. “Plants will increasingly be an important source of renewable resources for the bio-based economy. These developments represent an opportunity for the white (3) and green biotech sectors (4) and enabling rules for both sectors are important for the overall growth in the economic contribution of agriculture and biotechnology which will be a major factor in the development of a sustainable industrial base.”

The biotech industry however warns that there is a competitiveness gap between US and European biotech companies, which will widen unless the re-launched Lisbon strategy is pursued whole-heartedly. A recent study (5) by Critical I for EuropaBio revealed that while Europe and US have the same number of companies, the US biotechnology industry employs twice as many people, spends almost three times as much on research and development, raises three or four times as much venture capital, and has access to

four times as much debt finance. In Europe, however, more new companies are established.

EuropaBio therefore also welcomes the European Council's commitment to improving regulation, both at national and European level to reduce unnecessary administrative red tape which impacts adversely on an innovative economy and the Council's commitment to introduce both special measures to help SMEs and increase their access to finance. EuropaBio hopes to see the Young Innovative Company definition (6) introduced across Europe – such a definition has already been introduced in France and Belgium - which confers special tax exemptions and benefits to young research based companies meeting that definition, which increases their attractiveness to investors.

“An EU wide Young Innovative Company definition will trigger more funding into bioscience companies that are heavily investing in the research needed to produce the new enabling technologies which can help reduce environmental burdens and increase the competitiveness of our economies,” says Johan Vanhemelrijck.

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**Notes for Editors**

EuropaBio, the European Association for Bioindustries, has 60 corporate and associate members operating worldwide and 25 national biotechnology associations representing some 1500 small and medium sized enterprises involved in research and development, testing, manufacturing and distribution of biotechnology products.  
<http://www.europabio.org>

**Useful links**

(1) Sustainable biofuels – EuropaBio fact sheet -  
<http://www.europabio.org/documents/biofuel.pdf>

(2) About the bioeconomy – [www.bio-economy.net](http://www.bio-economy.net)

(3) Technology Platform on Sustainable Chemistry (SusChem)  
- <http://www.suschem.org>

(4) Plants for the future Technology Platform - [http://www.epsoweb.org/catalog/tp/tpcom\\_home.htm](http://www.epsoweb.org/catalog/tp/tpcom_home.htm)

(5) Critical I study for EuropaBio - [http://www.europabio.org/ne\\_criticalI.htm](http://www.europabio.org/ne_criticalI.htm)

(6) Young Innovative Company status - [http://www.europabio.org/bi\\_infokit\\_emerging.htm](http://www.europabio.org/bi_infokit_emerging.htm)