



## European Renewable Ethanol: Jobs & Growth

### Renewable ethanol: fuelling economic growth and jobs

Renewable ethanol is good news not only for the environment, but also for the European economy. The promising European industry is **creating thousands of jobs**, economic development, opportunities for technological innovation, regeneration of rural areas and support for the overall EU economy. This has a highly positive impact on the European gross domestic product (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 for Growth and Jobs.

### More than 1 million jobs in 2020

For every 100 million litres of domestically produced renewable ethanol, approximately 1,500 long-term jobs are created. In 2009 the EU ethanol industry provided employment to about 73,500 people. By 2020 if 10% of EU petrol consumption is replaced by European-produced ethanol, **more than 255,000 jobs** could be created by the renewable ethanol industry. In addition to the jobs created directly in the industry, a growing renewable ethanol sector will lead to the creation of many more indirect jobs in other sectors, including the agricultural sector.

Taking into account the massive **potential** of next-generation renewable ethanol, up to **one million jobs** could actually be created in Europe between 2010 and 2020, provided the right policy framework is put in place.<sup>1</sup>

Skilled jobs are also created in the fields of scientific research, technology development and engineering, as well as throughout the whole value chain of renewable ethanol production. The continuous technological quest to improve production processes requires a great deal of skilled human resources and offers many opportunities for highly qualified workers.

### Securing employment in rural areas

The production of renewable ethanol in Europe creates much-needed jobs and economic development in rural areas.

This is an important contribution towards rural development in Europe as traditionally rural areas suffer from higher-than-average rates of unemployment and under-employment, and typically rural incomes are significantly below average.



European biofuels = more jobs and increased prosperity in rural areas of Europe.

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<sup>1</sup> Bloomberg New Energy Finance (2010), Next-generation ethanol and biochemicals: what's in it for Europe?, Executive Summary.

## Boosting the EU GDP

According to a EU research project on the impact of renewable energy policy on economic growth and employment in the European Union the liquid biofuels industry - together with wind and solar technologies - is the most promising renewable technology that will be contributing to additional employment in Europe.<sup>2</sup> These positive employment effects and the overall potential capacity of an ever-growing European biofuels industry are forecast to lead to an increase in the EU GDP of at least 0.17% (= some €25 billion) by 2020.<sup>3</sup> Thousands of high-skilled green jobs can also help put Europe on the road to economic recovery after the recent financial crisis.

## In practice

The production of renewable ethanol has positive social impacts on rural areas. The BioWanze ethanol installation operating in the Belgium Walloon Region, an area of economic need, is a particular example:

- Creation of 120 new jobs in a rural area, creating and sustaining indirect jobs.
- Agreement with regional authorities to create job opportunities among local communities.
- Workforce coming mainly from local population.
- Wide range of skills and jobs: engineers, technicians, as well as unqualified workers.
- Specialised training and development of workers.
- General support of local population due to the creation of many jobs.
- Average age of employees: 35 years.

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<sup>2</sup> EmployRES - The impact of renewable energy policy on economic growth and employment in the European Union, final report, page 133 and 140.

<sup>3</sup> SEC(2006)1719, p.27.