

Promoting Ethanol in Bio Plastics: Reducing Carbon Emissions



The Ministry of Finance (MoF) in Thailand has introduced a strategic initiative to promote the widespread utilization of ethanol in the bio plastic industry. This announcement was made in the recent Ministry of Finance Update, Issue No. 97/2566, on June 13, 2023. The initiative, titled “Promoting Ethanol Use in the Bio Plastic Industry to Reduce Carbon Dioxide Emissions in Accordance with the Excise Tax Policy, Focusing on ESG (Environmental, Social, and Governance) Principles to Establish Global Standards and Advance Thailand towards Sustainability,” reflects the MoF’s commitment to aligning with the Excise Tax Policy, reducing carbon dioxide emissions, supporting sustainability objectives, and establishing global standards.



To facilitate the implementation of this initiative, the Ministry of Finance, in close collaboration with relevant departments, will introduce a range of measures aimed at incentivizing the production and adoption of ethanol in the bio plastic industry. These measures include the formulation of domestic production standards, providing support and assistance to farmers and ethanol producers, and exploring potential tax incentives. By implementing these actions, the MoF aims to achieve multiple outcomes, such as the reduction of carbon footprint, the promotion of a circular economy, and the creation of new economic opportunities within the bio plastic sector.

Key Takeaways

The MoF, through its recent update, outlines the government's commitment to promoting ethanol use in the bio plastic industry as part of Thailand's sustainable development goals. The initiative aims to reduce carbon dioxide emissions, establish global standards, and foster the growth of the bio plastic sector.

To achieve this, the Ministry of Finance has set forth several key points for implementing ethanol use in the bio plastic industry. These include:

- 1. Establishing domestic standards for ethanol production:** The National Science and Technology Development Agency will collaborate with experts, ethanol producers, and users to develop ethanol production standards. The objective is to ensure efficient evaluation of ethanol quality based on these established standards.
- 2. Assessing ethanol production volume:** A committee comprising public and private sector representatives will assess the volume of ethanol production each

year, aligning with mutually agreed-upon standards between producers and users. Import quantities may be considered if domestic producers are unable to meet the standards and demand for ethanol is insufficient.

3. Supporting farmers and ethanol producers: The government will provide support, incentives, and training programs to farmers and ethanol producers to ensure a sustainable supply of ethanol at competitive prices compared to imported alternatives.

4. Tax measures to support ethanol use: The Excise Department, in collaboration with the Customs Department, will explore tax measures, such as tax incentives or preferential import duties, to encourage the use of domestically produced ethanol in bio plastic production.

The Ministry of Finance anticipates an initial demand of approximately 450 million liters of ethanol per year, which will increase confidence among farmers and ethanol producers to invest in ethanol quality development. This promotion of bio plastic ethanol is expected to contribute to the reduction of carbon dioxide emissions and support Thailand's goal of becoming carbon-neutral by 2050 and achieving net-zero greenhouse gas emissions by 2065.

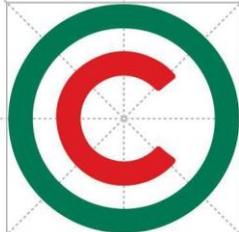
Moreover, the adoption of bio plastics will reduce reliance on fossil fuels, facilitate the development of a circular economy, and generate new job opportunities and economic growth.

The Ministry of Finance will actively monitor the implementation of the ethanol promotion policy, conducting regular assessments of ethanol production volume, adherence to standards, and overall effectiveness. Necessary adjustments and

improvements will be promptly made to ensure the program's success in furthering Thailand's sustainable development objectives. The promotion of ethanol use in the bio plastic industry not only highlights Thailand's unwavering commitment to environmental sustainability, renewable resources, and global standards but also signifies the government's resolute efforts to reduce carbon dioxide emissions, diminish reliance on fossil fuels, and forge a greener and more sustainable future for the country.

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