

ABSTRACT

Biofuels industry in Peru: strategic perspective

Carlo Franchini^{1*}

¹ *IEEP Programme, Master's Candidate, Seoul National University, Seoul, Korea*

** corresponding author (carlo@temep.snu.ac.kr)*

Biofuel (if cultivated, then also called agrofuel or agrifuel) can be broadly defined as solid, liquid, or gas fuel consisting of, or derived from recently dead biological material, most commonly plants. (*Theodoropoulos, 2011*) Peru has achieved outstanding economic growth during the last decade; it has been among Latin America's top economic performers. (*OECD, 2011*). Peruvian economic upturn has led to an increase in the demand of secondary energy; in transportation, gasoline and diesel are the most important fuels. In order to diversify the fuel market, among the other objectives, the Peruvian government published the Law N° 28054 the year 2003, establishing the legal framework for the promotion of biofuels, basically by the use of blending mandates. This paper aims to examine Peru's biofuels industry in a strategic perspective, analyzing the extent to which Peru should be committed to its policy of promoting biofuels, in a Latin American context. Based on the analysis, policy recommendations for improvement of Peru's biofuels industry will be proposed.

Keywords: Renewable Energy, Biofuels, Blending Mandates, Policy Recommendations.