



The voice of European Bioenergy

## Fossil Fuel Reliance Stalls EU Pellet Market Growth

Brussels, 20 June 2024 – Today, Bioenergy Europe released its [Statistical Report on Pellets](#) and its Policy Brief. The report analyses the development of the world's pellet market over the past year with a deep dive into the European market.

**“Despite significant progress, our industry's growth is being stunted by the EU's continued dependence on fossil fuels. It's imperative that we accelerate the transition to renewable energy sources to stabilize energy prices and combat climate change effectively,”** states Bioenergy Europe Secretary General, Jean-Marc Jossart.

After two remarkable years, marked by record consumption and production, as well as record sales of pellet-based appliances, the global pellet industry in 2023 has been facing significant challenges. **The production and consumption of pellets stagnated worldwide, breaking a 2 decade-long trend of uninterrupted growth.** Despite slight contractions in the market, the European Union remains the world's largest pellet producer and consumer. It produces 44% of the world's pellets and consumes 50%.

The challenges facing the European pellet industry are threefold: higher input prices, falling industrial demand, and a record warm winter. Electricity, a key cost for pellet production, remains more expensive following the energy crisis leading to elevated pellet prices. Higher pellet prices and a volatile energy market have caused power-only producers to significantly scale back on production. Finally, record high temperatures during the winter reduced the need for heating, decreasing the demand for pellets.

Despite the challenges **the use of pellets for heating in the residential market remained strong.** In 2023 the share of residential and commercial consumption of pellets reached 59%, the highest in a decade. Pellet heating is a good option for households, especially in rural areas rich in biomass with lower connections to the energy system. Biomass heating reduces heat-related electricity demand at the time of year when renewable electricity production is often lower and less efficient. By reducing the load on electricity grid, bioenergy can complement electrification, lower electricity needs, increase energy efficiency, and safeguard the EU's energy future.

To fight climate change and increase Europe's energy autonomy, the new EU leadership needs to ensure a wise implementation of the Green Deal while continuing to replace fossil fuel with renewables such as bioenergy from wood pellets. To that end, Bioenergy Europe has put together three proposals for the new EU leadership [“3 Steps Towards the Energy Transition”](#). The European bioenergy sector is ready to scale up and keep pushing forward for a more sustainable, affordable and innovative EU.

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All materials related to the Pellet Report 2024 (Policy Brief, Sample Report, Report, etc.) are available [here](#).

**Notes to editors:**

- [Bioenergy Europe](#) is the voice of the European bioenergy industry. It aims to develop a sustainable bioenergy market based on fair business conditions. Founded in 1990, Bioenergy Europe is a non-profit, Brussels-based international organisation bringing together more than 40 associations and 150 companies, as well as academia and research institutes from across Europe.
- Bioenergy Europe's [Annual Statistical Reports](#) provide insights on the development of the European bioenergy market in order to support industry leaders, decision-makers, investors and all bioenergy professionals to better understand the status of bioenergy in Europe. With more than 150 graphs and figures, readers can get an in-depth overview of the bioenergy sector in Europe.