

Europe Biodiesel Market to Hit \$29.7 Billion by 2034, Fueled by Renewable Energy Demand

Sustainability and Energy Security Drive Growth in the Europe Biodiesel Market

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According to a new report published by Allied Market Research, the [Europe biodiesel market](#) size was valued at \$21.2 billion in 2024 and is expected to reach \$29.7 billion by 2034, growing at a CAGR of 3.4% from 2025 to 2034.

This steady rise highlights the increasing importance of biodiesel as Europe transitions toward clean energy and reduced carbon emissions.

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Europe biodiesel market to hit \$29.7B by 2034, driven by renewable energy demand, government support, and clean fuel adoption. □□

Allied Market Research

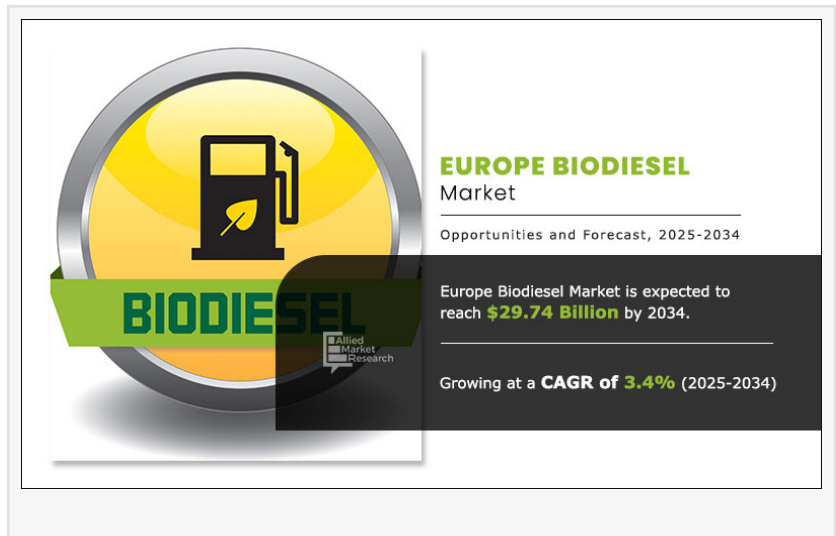
Introduction to Biodiesel

Biodiesel is a renewable, biodegradable fuel derived from vegetable oils and animal fats. Produced through a process called transesterification, it converts natural oils into Fatty Acid Methyl Esters (FAME), which can be blended seamlessly with petroleum diesel. Common sources include rapeseed, soybean, sunflower, and palm oil, along with waste cooking oils from restaurants and food

producers.

As a versatile fuel, biodiesel can be used in transportation, heating, aviation, and power generation. Its role in advancing sustainability has made it an increasingly vital alternative to conventional fossil fuels.

Key Findings of the Study



□ Feedstock – Rapeseed oil led the market in 2024 and will likely maintain dominance through 2034.

□ Application – Automotive sector accounted for the largest share in 2024, supported by increasing clean fuel use in transport.

□□ Country – Germany remained the leading consumer of biodiesel, contributing nearly half of the market share in 2024.

Market Dynamics

The growth of the Europe biodiesel market is fueled by multiple advantages:

□ Eco-Friendly Benefits – Biodiesel reduces carbon dioxide emissions by up to 80% compared to petroleum diesel, making it carbon-neutral.

□ Engine Performance – It enhances lubricity and raises cetane levels, extending diesel engine life.

□ Safety Advantage – With a higher flash point, biodiesel is safer to handle and store.

□ Compatibility – It can be used in almost all diesel engines without modification.

□ Energy Security – By reducing dependence on imported oil, biodiesel supports domestic energy production.

Biodiesel is already in use across Europe, powering vehicles, trains, and even heating systems, showcasing its adaptability and effectiveness.

Challenges in the Europe Biodiesel Market

Despite its benefits, biodiesel faces certain limitations:

□□ Cold Weather Issues – Biodiesel can gel in low temperatures, affecting vehicle performance.

□□ Engine Concerns – High blends (B20 and above) may cause fuel filter clogging and efficiency loss.

□ Higher Costs – Biodiesel is typically more expensive than fossil diesel, raising adoption challenges.

□ Resource Competition – Using food crops for fuel raises debates around food prices and land

use.

□ Infrastructure Maintenance – Some fuel pumps and injectors may need modification or extra care.

These factors could slow adoption if not addressed through technological innovation and policy support.

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Opportunities Driving Market Growth

The future of the Europe biodiesel market looks promising due to:

□ Global Demand for Clean Energy – Rising population and industrial growth are increasing the need for sustainable fuels.

□ Government Initiatives – Policies promoting [renewable fuels](#), such as subsidies and blending mandates, are accelerating adoption.

□ Technological Innovations – Development of cost-effective catalysts and efficient production processes are reducing costs.

□ Infrastructure Expansion – Use of biodiesel in construction, mining, and power generation sectors provides new growth avenues.

□ Energy Security Goals – Europe's focus on reducing fossil fuel dependency strengthens biodiesel's role.

As governments and industries align to meet net-zero carbon targets, biodiesel is set to play a pivotal role in the renewable energy mix.

Segment Overview

The Europe biodiesel market is segmented by feedstock, application, and country:

By Feedstock – Key categories include rapeseed oil, soybean oil, sunflower oil, palm oil, used cooking oil, animal fats, POME, and PFAD. Rapeseed oil led the market in 2024, accounting for over one-third of the share.

By Application – Segments include automotive, aviation, marine, power generation, and others. The automotive sector dominated in 2024, capturing over two-fifths of the share.

By Country – Germany leads [Europe's biodiesel Industry](#), accounting for nearly half of the market share in 2024, followed by France, the UK, Spain, and Italy.

Competitive Landscape

Key players in the Europe biodiesel market include:

Cargill Incorporated

Eni S.p.A.

Bunge

BP Oil International Ltd.

Italiana Petroli S.p.A.

Masol Continental Biofuel Srl

Saras S.P.A.

Notable developments:

□ 2025: Cargill Inc. acquired full ownership of SJC Bioenergia, strengthening its biofuel portfolio.

□ 2022: Esso Italiana S.r.l. launched Esso Supreme renewable diesel in the UK, offering 15% lower GHG emissions than regular diesel.

Such investments and innovations are expected to enhance production capacity and expand biodiesel adoption across Europe.

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Conclusion

The Europe biodiesel market is on a path of steady growth, backed by rising renewable energy demand, supportive government policies, and technological innovations. While challenges like cost and cold-weather performance exist, the market's long-term outlook remains positive as Europe accelerates its transition to low-carbon, sustainable fuels.

With a projected market size of \$29.7 billion by 2034, biodiesel will play a key role in Europe's

energy transition strategy, ensuring energy security, sustainability, and environmental responsibility.

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