

Biomass Energy Market in Japan: Key Research Findings 2017

◆ Research Outline

Yano Research Institute has conducted a study on the domestic biomass energy market (volume of energy supplied and volume of facilities introduced) with the following conditions:

1. Research period: From April to November, 2017
2. Research target: Biomass resources suppliers, biofuel suppliers, biomass power generation businesses, biomass facility system makers, etc.
3. Research methodologies: Face-to-face research by the expert researchers, surveys via telephone/email, and literature search

<What are Biomass Energy and Biomass Energy Market? >

Biomass energy is renewable energy stemming from organic resources derived from living things. Factors of the biomass energy market are: Resources (i.e., unused wood, general wood, building waste, palm coconut shells, imported wood, sewage sludge, food waste, livestock excrement, etc.), power generation electricity, heat (steam), and biofuels (i.e., bioethanol, biodiesel, bio jet fuel, etc.)

The biomass energy market size in this research is total size of the biomass power generation market, the biomass heat (steam) supply market, and the biofuel supply market, all of which are calculated based on the volume of energy supplied, converted into monetary value. In addition, size of the biomass energy facility market is calculated based on the volume of facilities introduced, and converted into monetary value.

◆ Key Findings

■ Biomass Energy Market Size (Volume of Energy Supplied) Projected to Expand from 293.0 billion Yen in FY2016 to 986.4 Billion Yen by FY2030

In the past, the cost of resources and facilities was the problem for biomass energy to be widely accepted. However, when FIT started in 2012, the biomass power generation market has rapidly been on the increase, as electricity from biomass energy has become the object of 20-year PPA term, making the business of generating power from biomass energy to be profitable.

In addition, biomass power generation allows the form of cogeneration, which enables the biomass heat (steam) supply market to expand. Furthermore, the biofuel supply market can also be on the rise as technologies of new biomass resources are in progress of being developed. The biomass energy market size, which is total size of the biomass power generation market, the biomass heat (steam) supply market, and the biofuel supply market, is likely to be 293.0 billion yen in FY2016, expected to increase to 131.9% on Y-o-Y basis to attain 386.4 billion yen by FY2017, projected to achieve 657.6 billion yen by FY2020, and 986.4 billion yen by FY2030.

■ **Biomass Energy Facility Market Size (Volume of Facilities Introduced) Projected to Increase to 330.8 Billion Yen by FY2018**

Driven by growth of the biomass power generation market, the biomass energy facility market (volume of facilities introduced) is regarded to expand from what has been 225.3 billion yen in FY2016 to 249.2 billion yen by FY2017, 110.6% on Y-o-Y basis, and 330.8 billion yen by FY2018, 132.7% on Y-o-Y basis. However, in the long run, introduction of biomass power generation facilities for FIT is expected to saturate, after which the market is considered to slow down to the original size. Therefore, the market size is likely to be 234.3 billion yen by FY2020, and 115.9 billion yen by FY2030.

◆ **Report Format:**

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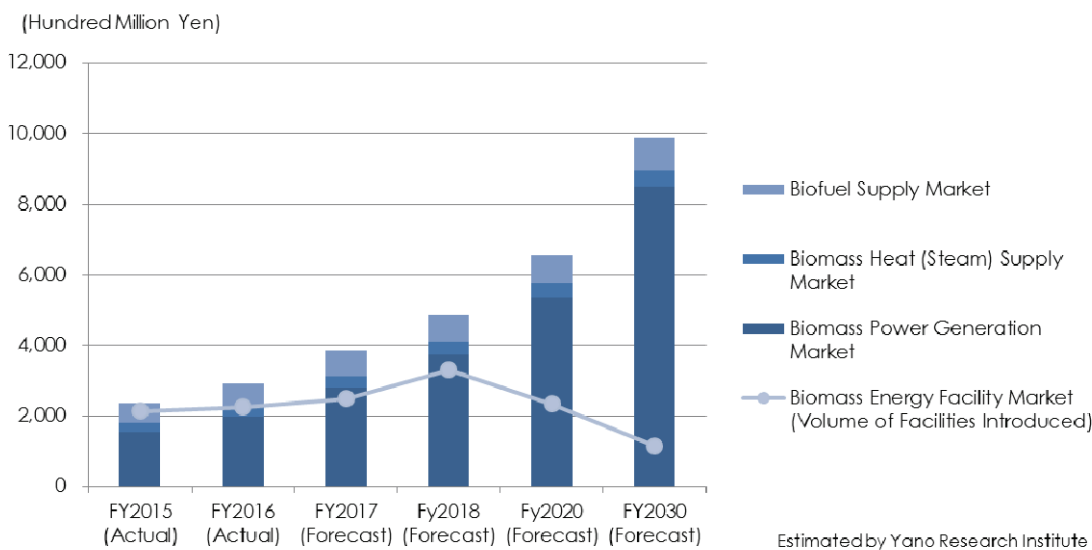
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■ **Figure 1: Transition and Forecast of Biomass Energy Market Size**



(Hundred Million Yen)

Fiscal Year	FY2015 (Actual)	FY2016 (Actual)	FY2017 (Forecast)	Fy2018 (Forecast)	Fy2020 (Forecast)	FY2030 (Forecast)
Biomass Power Generation Market	1,548	1,989	2,803	3,734	5,360	8,486
Biomass Heat (Steam) Supply Market	265	298	338	370	411	484
Biofuel Supply Market	552	643	723	764	805	894
Total Biomass Energy Market (Energy Supply Volume)	2,365	2,930	3,864	4,868	6,576	9,864
Biomass Energy Facility Market (Volume of Facilities Introduced)	2,141	2,253	2,492	3,308	2,343	1,159

Estimated by Yano Research Institute

Note:

1. The biomass energy market size in this research is total size of the biomass power generation market, the biomass heat (steam) supply market, and the biofuel supply market, all of which are calculated based on the volume of energy supplied, converted into monetary value. In addition, size of the biomass energy facility market is calculated based on the volume of facilities introduced, and converted into monetary value.