

EBB Press Release

European Biodiesel Industry extremely worried by lack of provisional anti-subsidy duties



During yesterday extraordinary Executive Board meeting EBB members expressed the strong worry of the EU biodiesel industry following the Commission decision not to adopt yet high enough provisional anti-subsidy duties on massive Indonesian and Argentinean dumped and unfair biodiesel exports to Europe.

During its yesterday meeting EBB Executive Board Members were rather taken aback by the European Commission's declaration that it would postpone its decision to a definitive stage. EBB is more than ever committed to assist Commission Trade services for demonstrating the damaging impacts of Argentinean and Indonesian aggressive market behaviour, generated by DETs and resulting dumped prices on the European market.

The unfair competitiveness provided by Differential Export Taxes (DET)s policies greatly hampers the viability of the European industry, regretted Raffaello Garofalo, EBB Secretary General. We strongly encourage European institutions to consider the adverse effects of DETs and the resulting dumped prices on European industry. Since 2010, biodiesel imports from Argentina and Indonesia have been skyrocketing, reaching up to 2.5 million tonnes in 2011 and 2012.

*"In order to tackle the distorting effects of these DET schemes, the European Commission has at its disposal two different and alternative mechanisms: the anti-dumping and the anti-subsidy instruments. **Since the future of the European biodiesel industry is at risk, we urge the Commission to adopt anyhow immediate and sufficiently high countervailing duties to counter unfair massive biodiesel imports from Indonesia and Argentina**" concluded Mr Garofalo.*

Every day the situation is worsening: the provisional anti-dumping duties imposed last May 27th, fell well below the level needed to stop unfair imports. Market reports that close to 60.000 tonnes of Argentine biodiesel entered the EU territory only at the very beginning of this summer 2013 and the situation is worsening, the same occurs for Indonesia where we are experiencing a new surge on imports. This confirms that the level of duties was not at all high enough to restrict unfair imports from Argentina and Indonesia and to remedy severe injury suffered by the EU biodiesel industry. Since 2010, Argentina and Indonesia account for more than 90% of European biodiesel imports. **EBB, representing the EU biodiesel industry would like to express its strong concerns that insufficient measures would not restore the industry level playing field. If no appropriate EU countervailing measures will be approved in the next months, the EU biodiesel industry will risk disappearing to the benefit of Indonesian and Argentinean producers.**

Definitive duties for anti-dumping and anti-subsidy complaints shall be set respectively by November 29th and December 10th 2013 at the latest. *"European institutions have the opportunity to propose the necessary measures to protect European industry and employment"*, insisted Raffaello Garofalo, EBB Secretary General.

Background information:

In response to increased unfair biodiesel imports from Argentina and Indonesia, the European Biodiesel Board (EBB) - representing approximately 2/3 of biofuels consumed in Europe - lodged anti-dumping and anti-subsidy complaints to counter-act export – driven policies in these countries. Both complaints lodged in 2012 intend to consider the unfair policy measures set and directly endangering the European biodiesel industry.

Export taxes are set at a different level along the supply chain: higher export taxes apply to raw materials than to final biodiesel products. This differential price is the core tool of a set of instruments that these two countries are using as a means to artificially promote exports of a finished product over the raw material. The differential export taxes (DETs) create hence an incentive to export biodiesel at an artificially lower price.

In its complaint, EBB demonstrated how DETs have a huge impact on dumped market prices and could be alleged as subsidies as they involve a financial contribution from the government of Argentina and Indonesia. In the notice of initiation of an anti-subsidy proceeding of November 10th, the Commission recognises that "*the prima facie evidence provided by the complainant shows that the volume and the prices of imported product under investigation have had, among other consequences, a negative impact on the level of prices charged and the market share held by the Union industry*".

The European Biodiesel Board also known as EBB, is a non-profit organisation established in January 1997. Today, EBB gathers nearly 72 members across 21 Member-States, which represents 75% of the European output. Biodiesel is the main European solution to reduce emissions from transport and dependence on imported oil. EBB aims to promote the use of biodiesel in the European Union and is committed to fulfil the International standards for sustainability in GHG emissions and sustainable feedstock. EBB is constantly working towards the development of improved and greener technologies