

### PRESS RELEASE

## EBB welcomes outcome of anti-circumvention investigations undertaken by the European Anti-Fraud Office (OLAF)

The European Biodiesel Board (EBB) supports OLAF's fight against customs fraud in the field of biodiesel and keeps on promoting cooperation with the Office to fight circumvention of anti-dumping duties. EBB warmly welcomes the positive outcome of anti-circumvention investigation on Canadian, Indian and Norwegian illegal traffics of biodiesel products.

Since late 2006, the European market had been severely affected by imports of highly subsidised and dumped biodiesel from the United States of America. In July 2009, following a complaint lodged by the European Biodiesel Board and an investigation conducted by European Commission services, robust antidumping and countervailing duties were imposed on imports of biodiesel from the US.

Circumvention patterns, however, started materialising soon after the imposition of the EU duties. EBB has repeatedly raised the attention of EU authorities and Member States Customs to the fact that these duties were circumvented, either via triangular trade through various countries, or false declarations on the nature of the products which are imported in Europe. All of these practices are of illegal or fraudulent nature.

EBB extensively cooperated with OLAF in order to stop fraudulent trade practices and ensure the positive effects of duties for the European Union. Already in March 2010, following proactive work with the Italian Customs authorities and OLAF, an important quantity of biodiesel imported from Canada was seized in the harbour of Venice. The 10.000 tonne biodiesel load reached the port of Venice and Trieste and was declared as Canadian origin. Yet substantial evidences converged to indicate a trans-shipment traffic from the US. The product was offered with a \$150 to 180/tonne discount compared to EU biodiesel of similar quality. EBB strongly supported this investigation and the confirmation of the seizure by Italian judge.

In another geographical area, partnership among Indian authorities, OLAF and economic operators such as the European Biodiesel Board put an end to similar triangular trade through India. Evidence showed that US biodiesel imported products were not subject to any processing in India, and that Indian origin of such products was a mere custom fraud. Such investigation resulted in jailing the director of the Indian involved biodiesel firm and the recovery of evaded import duties of over € 32 millions by several EU Member-States such as Belgium and Spain.

Similar investigations were undertaken upon initial information provided by EBB in Norway by OLAF and local Norwegian authorities. On August 31<sup>st</sup> 2012, the *Central Authority of Norway for the Investigation and Prosecution of Economic and Environmental Crimes* accused and arrested the manager of a biodiesel producing facility in Fredrikstad. The Manager is charged with offences on custom codes, i.e. declaring the imported products as raw material rather than biodiesel, as well as fraudulent concealment of stolen goods, which appears to be defined as "money laundering". Investigations are still on-going and would represent up to € 40.7 millions (Krone 300 millions) of money laundering.

EBB also welcomes OLAF involvement in such investigations as emphasised in 2011 OLAF report of activities in the domain of international biodiesel trade (*see attached docs – 3 pages*)

*"The European biodiesel industry is particularly eager to promote fair and proportionate trade with our partners. We are committed to progress in a closer cooperation with OLAF and relevant authorities in order to ensure that EU Regulations are fully implemented. Our work against circumvention of EU countervailing duties is still on-going in many EU and non-EU countries such as Norway, Spain and Romania"* explained Secretary General Mr. Raffaello Garofalo.

In light of the anti-dumping complaint initiated against Argentina and Indonesia in August 2012, EBB is determined to track and oppose any attempts to undermine International trade of sustainable biodiesel to the EU. *"As the major market for biodiesel, Europe still represents an easy target for unfair trade and fraudulent behaviours. Such practices should be rejected as undermining the great value of our industry for fighting Climate Change and enhancing the EU security of supply"* concluded Mr. Garofalo.