

**EBB****European Biodiesel Board**

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## PRESS RELEASE

### *Outcome of the 2007 EBB General Assembly meeting*

## The EU biodiesel industry unanimously agrees to initiate legal action against US "B99" unfair biodiesel exports

*After having repeatedly condemned the US subsidised exports of biodiesel ("B99"), the EU biodiesel industry representatives unanimously agreed on November 30<sup>th</sup> to initiate legal action against this unfair trade practice.*

In the framework of the US Federal measures adopted in 2004, biodiesel can be subsidised up to \$264 per m<sup>3</sup> (300 USD/tonne, approximately €200/tonne) only by adding a "drop" of mineral diesel to biodiesel. US producers can therefore claim the maximum subsidy for a "B99.9" blend. Such a blend can then be exported to Europe where it is also eligible to European subsidy schemes.

Since the benefit of the blender's credit is not restricted to biodiesel produced and consumed on the US territory, the 2004 support provisions resulted in a surge of "B99" exports to the EU during the year 2007, which is only explainable by unfair support measures. In most cases B99 blends are sold in the European market as "pure biodiesel" and at a substantial discount (over €120-180/tonne), in some cases at a lower price than the one of the raw materials purchased by the EU industry for producing biodiesel. In most EU countries biodiesel producers are experiencing dumping competition from B99 blends. This competition is price-setting and is progressively disrupting the margins of European biodiesel producers, putting out of business most EU producers. As a result the important biodiesel industrial capacity risks remaining largely unutilised and production may start stagnating if not already declining as from this year.

Against this background, the US Congress so far proved unable to provide a sustainable answer to the plight of B99 and there are evidences that the support scheme could even be extended beyond 2008. The attempts to close the so-called "splash and dash" loophole, whereby foreign producers are taking advantage of the US biodiesel credit before shipping their commodities to Europe, will not solve the REAL problem. Indeed, the most part of B99 is coming from US producers, using US agricultural raw material, which can only be explained by the strong support measures enjoyed by US farmers.

**Therefore, the EU biodiesel industry decided during its recent General Assembly to lodge a complaint to the European Commission against US B99 exports, which are jeopardising the concept of international trade in biodiesel. This comprehensive legal action will take the form of a joint anti-dumping and anti-subsidy complaint, possibly supported by WTO measures at a later stage.**

During its November 30<sup>th</sup> General Assembly, **the European Biodiesel Board designated Mr. Bernard Nicol, Director General of Diester Industrie, as new President.** He will be assisted in his task by the three new EBB Vice-Presidents, Mr. Moritz Gaede (Campa AG), Mr. Arnd von Wissel (ADM) and Mr. Stefan Schreiber (Cargill).

On the same occasion, three companies joined the EBB: BioCar (France), EuroBiofuels AG (Austria) and GreenFuel Corporación (Spain), together with the Spanish Association of Renewable Energy Producers (APPA). This has further broadened the scope of EBB, which today counts 60 member companies and associations located in 21 countries.

*The European Biodiesel Board, also known as EBB, is a non-profit organisation established in January 1997. EBB represents the voice of the EU biodiesel industry. It gathers 60 companies and associations and aims to promote the use of biodiesel in the European Union. EBB member companies account for around 80% of EU biodiesel production.*

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