

PRESS RELEASE

EU Ministers endorse definitive measures against US biodiesel – EBB praises critical decision for EU producers

The European Biodiesel Board (EBB), representing the major biofuels producing industry in the EU, applauds today's approval by the Council of Ministers of definitive anti-dumping and countervailing measures against unfair US biodiesel exports. This comes as the successful conclusion of the two legal complaints lodged by EBB in early 2008.

"Today's decision by the Council of Ministers confirms that the US claims were misleading and self-defeating. They could not break the strong causality link between unfair US biodiesel trade and the damage suffered here in Europe. It is our greatest satisfaction to see the positive conclusion of a process initiated by EBB more than two years ago, involving considerable time and resources, for the defence of our endangered industry" said EBB Secretary General Raffaello Garofalo.

The European Commission proposals for definitive remedies received the support of a majority of Member States. Definitive duties will range from €213/tonne to €409/tonne, confirming the Commission provisional findings of last March. The two Regulations imposing 5-year definitive measures are expected to be published in the Official Journal by July 12th.

By imposing dissuasive measures the EU is paving the way for a fair and sustainable EU biodiesel market, allowing operators to reap the benefits of their sustained investments in biodiesel production. For many years, EU biodiesel producers have committed significant efforts to build a modern and worldwide leading production capacity. But these efforts have been ruined by unfair US competition, preventing the EU from unleashing this major industrial potential. EBB is confident that the definitive EU measures will contribute to re-establishing the level-playing field EU producers have long hoped for.

For more than two years, US biodiesel has been sold in the European market at a substantial discount, at an even lower price than the vegetable oil raw materials purchased by the EU industry for producing biodiesel. Without the definitive measures adopted today, the unfair US exports would have jeopardised the viability of the EU biodiesel industry and its future investments.

The next priority for EBB is to ensure the full respect of the EU measures. EBB will remain particularly vigilant regarding any possible circumvention attempt, and is already liaising with EU authorities to track and report any shipment of US biodiesel that would enter fraudulently the EC market directly or indirectly via third countries.

Equally, EBB considers that the request for price undertakings formulated by US exports is not at all warranted and welcomes the Commission decision to reject these undertakings. Not only there is an important risk of circumvention and cross-compensation from the side of US exporters, but also the very nature of biodiesel as a fungible commodity, subject to raw material prices fluctuations, makes the definition of a fixed import price highly unrealistic. In the view of EBB, such undertakings would seriously undermine the remedial effect of the EU measures and should be rejected in the present case.

Finally, EBB would like to support the European Commission in refuting allegations of protectionism. EBB's complaints were motivated by the legitimate right to operate in a level playing field. In that sense, the robust measures ultimately adopted today by EU authorities will benefit fair international trade in biodiesel, also avoiding unnecessary transatlantic shipments that were largely undermining CO₂ reduction efforts.