

EU Biodiesel Output to Grow in 2009 With Tax on U.S., EBB Says

By Jonathan Stearns

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European Union biodiesel production will increase in 2009 as manufacturers take advantage of EU tariffs on U.S. competitors, an industry group said.

EU output of biodiesel, a type of biofuel made from vegetable oils and animal fats for use in diesel engines, will exceed the 2008 total of 7.76 million metric tons also because of capacity increases, said the [European Biodiesel Board](#).

Production "will be certainly higher" in 2009, [Raffaello Garofalo](#), secretary general of the organization, said today in an interview in Brussels. "But we can't say by how much."

The projection follows an EU decision this month to impose five-year duties on U.S. biodiesel to counter American subsidies and price undercutting. The companies targeted include [Archer Daniels Midland Co.](#), the world's largest grain processor, and Cargill Inc., the biggest U.S. agricultural company.

The levies aim to stem EU imports that were worth 700 million euros (\$993 million) and accounted for 17.2 percent of the European market in the 12 months through March 2008. The duty rates are as high as 237 euros a metric ton (2,205 pounds), depending on the U.S. company.

The EU biodiesel industry faces overcapacity. Last year, when production was 36 percent higher than in 2007, EU biodiesel [capacity](#) was 16 million tons, according to the European lobby group.

This year, EU biodiesel capacity will be 20.9 million tons, according to the organization, which represents about 60 companies including Biopetrol Industries AG in Germany and Diester Industrie in France.

The European biodiesel group says "substantial" production capacity in Europe will help the industry meet the EU's goal of expanding the use of cleaner transport fuels.

The bloc decided last year to require at least 10 percent of land-transport energy in each member country to come from renewable sources led by biofuels beginning in 2020. This is part of a broader goal of more than doubling the overall share of renewable energy in the 27-nation EU to an average 20 percent.

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