

# EU Imposes Anti-Dumping Duties on US Biodiesel – Int. Center for Trade and Sust. Dev.

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Bowing to pressure from the **European Biodiesel Board (EBB)**, the EU on 13 March imposed temporary anti-dumping and countervailing duties - ranging from -26 to -41 per

100 kilogrammes - on imports of US biodiesel. The temporary duties may be made permanent after six months, in which case they could stay in place for up to five years.

At issue is a US subsidy that offers domestic producers a tax credit of US\$1 per gallon of biodiesel produced, or blended with petrol. The EBB argues that this support has triggered a flood of under-priced US imports into the EU and caused European producers to lose market share. The US biodiesel industry disagrees. In a 147-page report issued in September, the country's National Biodiesel Board called the EBB's injury claims 'fatally deficient', and said that the imposition of retaliatory tariffs on US biodiesel would be at odds with the EU's stated goal of increasing the consumption of biofuels in its 27 member nations.

In 2008, the EU imported more than 1.5 million tonnes of US biodiesel, mostly the B99 blend, which contains less than 5 percent of biodiesel, but still qualifies for the US\$1/gallon subsidy.

Welcoming the countervailing/anti-dumping duty decision, EBB Secretary General Raffaello Garofalo said the move would re-establish a level playing field for EU producers. He also said that the case was well-grounded enough to withstand an eventual WTO challenge.

Subsidised/dumped US exports are not the only cause of European biodiesel suppliers' troubles, however. The emergence of environmental and food security concerns linked to biofuel production, as well as much cheaper oil, have led some EU member states to cut their own subsidies. For instance, Germany - Europe's largest biodiesel maker - has reversed its policy of promoting pure biodiesel with tax breaks on sales at petrol stations, causing the market for unblended biodiesel to collapse.