

## EU biodiesel import probe blasts US subsidies

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HOUSTON (ICIS news)--Subsidised US biodiesel suppliers hurt their European

competitors by undercutting EU material by up to 33%, the [European Commission](#) said on Thursday following its months-long trade investigation.

"The pressure exercised by the surge of low-priced subsidised imports ... did not allow the [EU] industry to set its sales prices in line with market conditions and cost increases. The [EU] industry was only able to pass to its customers a price increase limited to 4% while its full costs increased by 20% over the same period," the commission stated in its findings.

The investigation's findings led the EU to impose temporary anti-dumping and countervailing [duties](#) on all US biodiesel. Anti-dumping duties ranged from €24/tonne (\$31/tonne) for US producer Archer Daniels Midland ([ADM](#)) to €208/tonne for distributor [Peter Cremer](#).

Anti-dumping duties ran from €211/tonne for distributors Peter Cremer, [Vinmar](#) and [World Energy Alternatives](#) to €237/tonne for ADM. The duties are in place for six months, after which the EU is scheduled to vote whether to extend them for another five years.

Only blends higher than B20 (80% mineral diesel, 20% biodiesel) were included in the investigation, leaving some traders ideas for [ways to avoid](#) the new fees.

The duties come after the commission investigated complaints the European Biodiesel Board ([EBB](#)) filed in June. EBB Secretary General Raffaello Garofalo celebrated the decision, saying "it will re-establish the level playing field that our producers have long hoped for."

The commission avoided the issue of "splash-and-dash," saying US export statistics did not differentiate between domestic suppliers and those from outside countries who brought material to the US to claim the \$1/gal blending credit before re-exporting it to Europe.

But the investigation found that subsidised US suppliers undercut their European producers' prices by 19-33% during the investigation period. US suppliers grew their market share in Europe to 17% from 0.4% in 2005, according to commission statistics.

Although EU suppliers saw their sales volumes increase to 2m tonnes during the investigation from 1.2m tonnes in 2006 and their average sales price grow by 23%, discounted US imports kept them from passing increased feedstock costs through to customers, the commission said.

US producers, who [expected](#) the temporary duties, still called the decision "protectionist". The lack of US biodiesel would make it more difficult for the EU to meet its renewable fuel mandates, they said.

The [new import duties](#) will not be good for European biodiesel buyers, said Gene Gebolys, president and CEO of World Energy Alternatives, one of the US companies investigated. "As prices rise in Europe, Europeans will be paying more for less biodiesel, putting even more pressure on their already dwindling diesel stocks.

"I am confident that the Europeans will soon have all the evidence they need to conclude that their protectionist impulse must give way to more enlightened policies," he added.

(\$1 = €0.78)

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