

EU imposes duties on U.S. biodiesel imports

Thu Mar 12, 2009 6:08am EDT

By Darren Ennis

BRUSSELS (Reuters) - The European Union has imposed antidumping and anti-subsidy duties on imports of biodiesel from the United States, the latest in a series of trade frictions between the two trading giants.

From Friday, U.S. firms exporting biodiesel into the EU will have to pay additional antidumping tariffs of up to 29 percent, and anti-subsidy duties of between 29 and 41 percent for an initial six months, the EU said in its Official Journal.

"The level of the measures, which are applied together, is set at between 211.20 euros (\$269.9) and 237.00 euros per metric ton for the anti-subsidy duties and between 23.60 euros and 208.20 euros per metric ton for the anti-dumping measures," the European Commission said in a statement.

The EU executive, which oversees trade policy for the 27-nation bloc, must decide within the next six months whether to impose "definitive duties" for at least five years, which must then be approved by trade ministers.

Imports from the United States into Europe are larger than from any other country and increased to more than 1.5 million tons last year from about 7,000 tons in 2005.

TRADE SPATS

Thursday's announcement is the latest in a series of transatlantic trade spats dogging relations between Brussels and Washington ranging from an EU ban on imports of U.S. chlorinated chicken, hormone-treated beef to U.S. action against European gambling firms.

The EU has expressed dissatisfaction with the inclusion of a so-called "Buy American" clause in a U.S. stimulus plan as the Group of 20 industrial and emerging economies pledged to avoid protectionist measures to deal with the global economic crisis.

Washington and the U.S. biodiesel industry have described the European biodiesel complaint a "protectionist ploy."

But a Commission spokesman said the imposition of antidumping and anti-subsidy measures "are not about protectionism, they are about fighting unfair trade."

"This decision was taken on the basis of clear evidence that unfair subsidization and dumping of US biodiesel has taken place, and that this is harming otherwise competitive EU industry, with potentially dire long term effects," spokesman for trade Lutz Guellner said.

The Commission carried out an investigation into imports of U.S. biodiesel last year following a complaint from EU producers of biodiesel -- by far the main biofuel produced in Europe -- who said they were being hammered by U.S. subsidies.

Such subsidies distort the growing international trade in plant-based fuels, the EU producers said.

(Reporting by Darren Ennis; editing by James Jukwey)