

Brussels, 13 June 2008

EU launches investigation into US biodiesel imports

The EU has today initiated anti-subsidy and anti-dumping investigations into imports of biodiesel from the United States. Examination by the European Commission of complaints lodged by European industry found that an investigation was warranted – sufficient evidence was provided of subsidies to the US biodiesel sector, as well as dumping of biodiesel in the European market. The complainant has argued that this has had an adverse effect on the European biodiesel industry. A detailed investigation by the Commission will now determine whether measures are justified under EU trade rules.

EU Spokesperson for Trade Peter Power said: "We have always said that the EU will not tolerate unfair trade practices, and will pursue vigorously any well founded complaint. The Commission will leave no stone unturned in these investigations and will act in accordance with the findings."

Anti-subsidy and anti-dumping complaints concerning imports of biodiesel from the USA were lodged with the Commission on 29 April 2008. The complaints were lodged by the European Biodiesel Board, which represents the interests of a major proportion of EU producers of biodiesel. Having examined the complaints, the Commission is satisfied that they fulfil the requirements of the EU's basic anti-subsidy and anti-dumping regulations in order to initiate further proceedings.

With regard to the anti-subsidy complaint, the complainant has provided sufficient evidence of subsidies to the biodiesel sector in the USA. These subsidies would include federal excise and income tax credits as well as a federal programme of grants to finance increased production capacity. Various subsidy programmes would also exist at state level. In regard to the anti-dumping complaint, the complainant has provided sufficient evidence of dumping of biodiesel on the EU market.

The effect of the subsidisation and dumping is, according to the complainant, a deterioration in the prices charged and market share held by the Community industry, which has led to substantial adverse effects on the overall performance and the financial situation of the industry.

The Commission will now investigate the allegations in the complaints. The Commission will make its provisional findings by 13 March 2009 at the latest which it will then present to EU member states. If measures are considered justified these would be in the form of specific duties on the product in question, called 'countervailing duties' in the case of subsidies, and 'anti-dumping duties' in the case of dumping of the product in question.

The initiation of the current proceedings is not linked to the EU's broader environmental policies in the area of biofuels.

Background

Imports of biodiesel into the EU market come mainly from the United States, with other imports accounting for a minor share of the market. Imports of biodiesel from the US have increased from about 7000 tonnes in 2005 to about 1 million tonnes in 2007.

Anti-subsidy and anti-dumping proceedings are a normal part of trade policy to ensure free and fair trade. For more information on the rules and procedures in anti-dumping and anti-subsidy investigations, please see: http://ec.europa.eu/trade/issues/respectrules/index_en.htm

For more information on EU Trade policy see: <http://ec.europa.eu/trade/>