

EU nations to impose duties on US biodiesel: diplomat

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(*BRUSSELS*) - The European Union is to impose temporary anti-dumping and anti-subsidy duties on US biodiesel imports after member states backed proposals from the European Commission, a diplomat said Tuesday.

"The European Commission got support for their measures," the diplomat said on condition of anonymity after EU trade experts voted on the proposals at a meeting in Brussels.

The temporary duties range from 23 euros (29 dollars) to 41 euros per 100 kilogrammes (160 pounds) and would last for up to four months. More longer-term measures would require another vote.

The commission launched an anti-dumping and anti-subsidy probe into US biofuels in June 2008 after industry lobby the European Biodiesel Board complained the EU market was being flooded with heavily subsidised US imports.

While both the United States and the European Union support the use of biofuels, the group claims that US biodiesel is being sold at below US producers' costs thanks to generous subsidies.

It estimated in January that US exports of a particular biodiesel blend known as B99 had surged by 40 percent in 2008 compared to 2007, which it said was threatening the viability of European producers.

"When your industry is simply dying you have to do something," said Amandine Lacourt, a spokeswoman for the industry group, after the vote on Tuesday.

She said that 80 percent of all US biodiesel production is exported to Europe, where it benefits from tax exemption on top of US subsidies.

A decision to slap duties on US exports comes amid tense transatlantic trade relations which have been frayed in recent months by disputes ranging from restrictions on US poultry to a European ban on US hormone-treated beef.

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