

## BIOTECHNOLOGY

Consensus reached on revising  
GMO legislation **Pages 9-10**

## WASTE

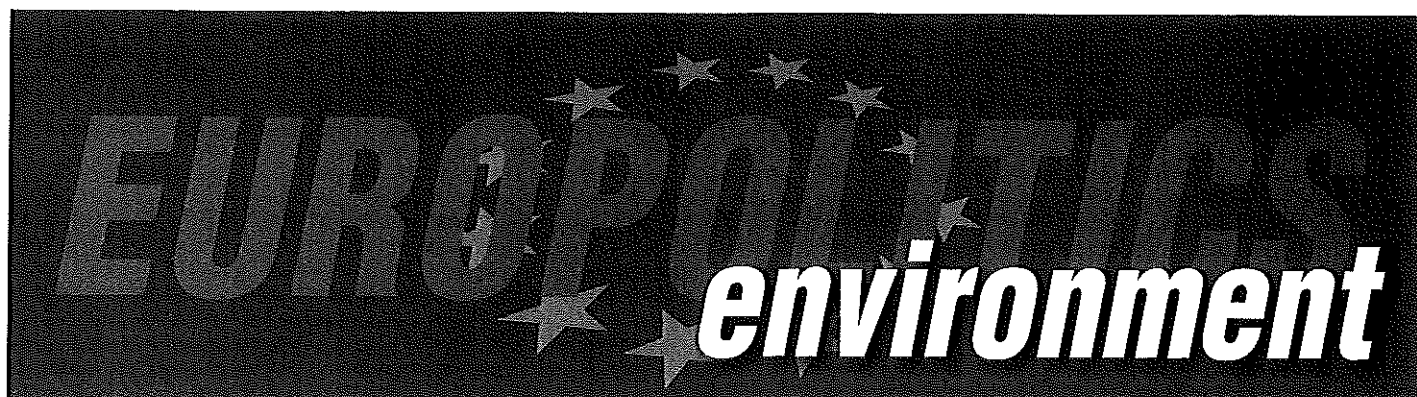
Parliament adopts directive on  
waste management **Page 19**



## FRENCH EU PRESIDENCY

- DOSSIER

**Pages 21-24**



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### FISHERIES

## Borg: Tuna ban “irrevocable”

By Anne Eckstein

Fisheries Commissioner Joe Borg remains unyielding. During a discussion with French and Italian fishermen, on 23 June in Brussels, he confirmed that the European Commission's decision of 13 June regarding the prohibition of tuna fishing in the Mediterranean and the Atlantic is “irrevocable”. To the fishermen, who were presenting individual data to him, the commissioner confirmed that the figures on which the Commission based its decision are multiple, reliable sources.

According to these data, in mid-June, eight French seine fishermen who had spent 21 days at sea had not declared any catches. At the same time, half of the French fleet had not officially declared any catches while the other half had declared having fished more than 90% of individual quotas, whereas all of these vessels declared a similar rate of activity. Likewise, the Commission had noted that, according to official data, eight Italian seine tuna fishermen had already exceeded their quotas by about 100% to 240%. The Commission had also noted that observation planes had helped - and are continuing to help - vessels flying the EU flag to locate schools of bluefin tuna, a practice which is illegal.

## EU/US

# EU to investigate US biodiesel subsidies

By Dafydd ab Iago

The European biofuels industry welcomed the European Commission's announcement, on 13 June, that it will initiate a joint anti-subsidy and anti-dumping investigation into US biofuels imports. The investigation concerns subsidised B99 biodiesel and follows a complaint made, on 29 April, by the European Biodiesel Board (EBB). The latter complained of US subsidies that have allowed US-based biodiesel suppliers to sell B99 blends in the EU as ‘pure biodiesel’ at a discount of over €120 to €180 per tonne. According to the EBB, representing the major biofuels companies in the EU<sup>(1)</sup>, US companies have been dumping their product in some cases at a lower price than the raw materials purchased by the EU industry for producing biodiesel.

The US government adopted measures in 2004 that subsidise biodiesel up to US\$264 per cubic metre or some US\$300 per tonne. By only adding a minimum amount of mineral diesel to biodiesel, US producers can claim the maximum subsidy for the B99 blend. The B99 subsidy is not limited to biodiesel produced and consumed on US territory. This means that US B99 fuels can subsequently be exported to Europe and also become eligible for European subsidy schemes. Since 2004, US support provisions have seen a surge in US biodiesel exports to the EU, up from a mere 7,000 tonnes in 2005 to around one million tonnes in 2007. According to the EBB, the US scheme has progressively disrupted the profit margins of European biodiesel producers.

The EBB spoke of the Commission decision to proceed with an investigation as an “encouraging” sign for the industry. Biofuels in general have suffered continued criticism as to their allegedly negative effects on the environment and food prices. The EBB, in a statement, thus referred to the Commission's import investigation as an “important political signal” from EU authorities in favour of the fair international trade of biofuels. “It is crucial that this will lead to the timely imposition of countervailing measures against US biodiesel imports to the EU,” noted the association.

There is, however, little likelihood of a timely settlement of the dispute. The Commission has until 13 March 2009 to present its provisional findings to EU member states. If the EU agreed on ‘justified’ measures, these would take the form of specific duties on biodiesel, so-called ‘countervailing duties’ for the subsidies and ‘anti-dumping duties’ for the allegedly dumped product. “It will be essential that countervailing measures targeting B99 imports are imposed by the EU authorities in a reasonable time-frame,” noted the EBB. “In the absence of such measures, the situation of the EU biodiesel industry would become even more critical than it is at present.”

Interested parties have 15 days to request a questionnaire from the Commission and 40 days to present their views and submit questionnaire replies or other information. ■

(1) The EBB's 66 member companies and associations account for some 80% of EU biodiesel production.