



## EU to open anti-dumping probe into US biodiesel imports

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13 hours ago

BRUSSELS (AFP) — The European Union will on Friday open anti-dumping and anti-subsidy investigations into imports of biofuel from the United States, European sources said.

The move came after the European Commission investigated industry complaints that the US action was hitting Europe's biodiesel industry.

The European Biodiesel Board called for the investigation in April, complaining that the European market was being flooded with US exports of a 99-percent biodiesel blend, which can receive a subsidy of 300 dollars (192 euros) per tonne.

On top of the US aid, exports of the so-called B99 blend are also eligible for a subsidy in Europe as well.

The lobby said the subsidies were squeezing European producers' profit margins, putting most of them out of business and leaving capacity idle.

The commission feels that the complaints fulfil the requirements of the EU's basic anti-subsidy and anti-dumping regulations in order to initiate further proceedings, one European source told AFP.

The commission will look at US federal excise and income tax credits as well as federal grants to finance increased production capacity.

State-level subsidy programmes will also be examined.

The commission will investigate the allegations and make provisional findings by March next year, which it will then present to the 27 EU member states, the sources said.

Biodiesel is produced from vegetable oils or fats -- including used cooking oils -- with properties similar to petrol-based diesel.

The use of biofuels has come under growing attack recently in both the United States and Europe, where they have been blamed for helping to drive food prices to record highs by using up farmland that could be used for food crops.

As a result, the European Union has faced growing pressure to reconsider a target for biofuels to make up 10 percent of all vehicle fuels in the 27-nation bloc by 2020.

For the European industry, the stakes are high, as biodiesel makes up 80 percent of the EU's total production of biofuels.

The large majority of biodiesel imports to Europe comes from the US; the amount has risen from 7,000 tonnes in 2005 to around a million tonnes last year.

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