

EU to probe circumvention of antidumping duties on US biodiesel
August 12, 2010
Platts

London (Platts)--12Aug2010/733 am EDT/1133 GMT

The European Commission launched Thursday an investigation to determine whether antidumping duties imposed on US subsidized biodiesel, known as B99 (a mixture of 99% biodiesel and 1% gasoil), are being circumvented, the European Biodiesel Board said in a statement.

The investigation follows a request by the lobby group, which claims that the US biodiesel is reaching Europe without paying antidumping duty, either through triangular trading with countries like Canada, or through the import of B19, a mixture of 19% biodiesel and 81% gasoil which does not incur antidumping duties.

"Over the past months, EBB has been providing evidences to Commission Directorate-General for Trade and the European Anti-Fraud Office (OLAF) in order to put an end to these unacceptable trade practices which may represent more than Eur100 million of unpaid import duties," the EBB said in a statement.

The Commission's probe is being backed up by a parallel investigation of the EU Anti-Fraud Office, the EBB said.

According to the lobby group, if fraudulent practices are confirmed, heavy financial penalties will be imposed, as well as the duty collected. The EBB said that EU authorities can collect the duty up to three years back.

The lobby group, which represents the interest of the European biodiesel producers, classified the EU's move as crucial to ensure that the effect of the EU duties on US B99 is maintained.

"EBB is strongly committed to ensure that the EU duties are not undermined by unfair and artificial trade practices," EBB Secretary-General Raffaello Garofalo said in a statement.

"We are urging EU authorities to extend the scope of the established trade measures in order to remove the injury caused to European biodiesel producers by circumvented US biodiesel," he added.

In March, Italian customs authorities seized 10,000 mt of potentially illegal US biodiesel imported into the ports of Venice and Trieste. The product was declared as being from Canadian origin, but there was strong evidence pointing to the fact that the material was originally from the US. US biodiesel receives a subsidy of \$1/gal (\$300/mt) if blended with diesel, which the European Union says represents unfair competition.

This led the European Commission to slap provisional anti-subsidy and antidumping duties on imports of US biodiesel in March 2009. The measure was extended for five years last July, with definitive antidumping duties on US biodiesel of Eur200-400/mt (\$274-\$548/mt).

<http://www.platts.com/RSSFeedDetailedNews.aspx?xmlpath=RSSFeed/HeadlineNews/Oil/6297834.xml>