

**AFP**

## **EU to weigh duties on US biodiesel imports: officials**

03/03/09

BRUSSELS (AFP) — EU nations are preparing to take a first step towards slapping import duties on US biodiesel producers with an initial decision on Wednesday, officials and diplomats said.

A panel of EU anti-dumping experts is to indicate whether member states are in favour of going ahead with proposals from the European Commission to impose provisional duties initially for four months.

While member states cannot prevent the commission from going ahead with provisional duties, more long-term duties would require their backing under EU trade rules.

"We're not expecting there to be a majority against" the proposals, one diplomat said on condition of anonymity. "The Americans are not going to be happy, but we think our case is solid."

The diplomat said that the anti-dumping and anti-subsidy duties ranged from 23 euros (29 dollars) to 41 euros per 100 kilos (160 pounds).

The commission launched an anti-dumping and anti-subsidy probe into US biofuels in June 2008 after industry lobby the European Biodiesel Board complained that 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 board claims that US biodiesel is being sold at below US producers' costs thanks to generous US 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.

One diplomat said that the measures also aimed to prevent Latin American producers in countries such as Brazil from shipping biofuel to the United States to be blended with subsidised US biofuels before being exported again to Europe.

A decision to slap duties on US exports could come amid tense US 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.

Copyright © 2009 AFP. All rights reserved.

<http://www.google.com/hostednews/afp/article/ALeqM5huMrKgJPoSjo57NI1y4rWJgc9HTg>