

Europe sets provisional duties on Argentine, Indonesian biodiesel

www.biodieselmagazine.com, May 30th, 2013

The European Commission published [Regulation 490/2013](#) on May 28, imposing provisional duties on biodiesel imports from Argentina and Indonesia. The provisional dumping margins on various Argentine biodiesel exporters range from 6.8 to 10.6 percent. For Indonesian biodiesel exporters, the provisional dumping margins range from zero to 9.6 percent.

Last year, the EC launched antidumping and antisubsidy proceedings assessing the distortive effects of differential export taxes (DETs) for biodiesel exports. The European Biodiesel Board claims that by setting higher export taxes for the raw materials used to produce biodiesel than on biodiesel itself, DETs artificially discourage raw materials export in favor of biodiesel exports, resulting in a surge of imports that Europe claims has injured the EU biodiesel industry.

After its investigation, the EC set the provisional antidumping measures, which the Argentina Chamber of Biofuels (CARBIO) says are protectionist in nature. Argentina recently filed a complaint with the World Trade Organization on the matter.

"CARBIO strongly believes that certain regulations of EU member countries do not allow the free sale or direct import of biodiesel thus protecting any unfair advantage over producers in those countries and in violation of WTO rules," the organization stated prior to publication of the provisional duties. "CARBIO wishes to reiterate that the production of soybean biodiesel in Argentina since its inception meets all the requirements set by the EU, which is why the Argentine industry is the biggest supplier to Europe and is a strategic partner of the EU to promote increased use of renewable energies that favor the fight against climate change and allow European consumers to access fuel at competitive prices. Argentina's biodiesel industry is convinced that the best way to promote the use of renewable energy is free and open markets, without protectionist practices that benefit only a few companies, hurting all consumers and the environment. That is why we believe that the WTO concluded that regulations in these European countries are discriminatory, violate the multilateral rules and therefore must be eliminated."

On the provisional duties set forth in Regulation 490/2013, the EBB stated, "The EBB welcomes as a first positive step antidumping provisional duties against biodiesel imports from these countries, but insists that DETs will still hamper [the] European industry unless higher antisubsidy provisional duties are decided soon. The European biodiesel industry calls for appropriate measures ensuring accurate level playing field and an efficient defense of fair trade."

The EBB noted that Regulation 490/2013 additionally acknowledges the claims about distortive effects of DETs on the European market and recognizes member states' concerns on the matter: "The complainants have claimed that the differential export tax system in [Argentina and Indonesia] depresses the price of [soybean and palm] oil and therefore distorts the costs of biodiesel producers."

In its hardball stance, the EBB went on to say, "In this frame, EBB warmly encourages commission services and member states to ensure that DETs are considered in the calculation of forthcoming antisubsidy provisional measures and will be reflected in the definitive antidumping and antisubsidy measures expected at the end of 2013. The level of antidumping provisional duties defined so far is in fact insufficient to stop imports and unfair trade from these two countries...While the dumping margin has been identified between 10.6 percent and 9.6 percent, in fact, the level of damage [to] the EU industry (i.e., the actual difference between the European price and the local Argentinean and Indonesian prices in Europe) has been defined, respectively, at 31.8 percent and 27.1 percent for imports from these two countries."

Secretary General for the EBB, Raffaello Garofalo, said, "This decision represents a first step to counter unfair and uncompetitive biodiesel imports from these countries. Yet there is serious concern that the current differential export tax policies applying in both countries will keep fostering unfair

imports. The huge damage which has been suffered and will continue to be suffered by the EU industry—until further additional duty will be fixed—needs to be addressed urgently. On behalf of the whole EU biodiesel industry and of the hundreds of thousand European jobs and workers involved, EBB calls for higher additional antisubsidy duties to be defined in the next months as accurate and dissuasive measures to counter unfair biodiesel trade.”