

## Illegal biodiesel seized in Italy

April 6, 2010

### Biofuels International

Following an indication given by the European Biodiesel Board (EBB) Italian customs authorities seized a large quantity of illegal biodiesel at the end of March.

This operation, as carried out by the Custom authorities of the port of Venice was validated by an Italian judge. The 10,000 tonnes of biodiesel were imported in the ports of Venice and Trieste in mid-March. The load was declared as Canadian origin, but strong evidences indicate that it instead originates from the US where it benefited from the US illegal subsidies, the EBB says.

After the imposition of anti-dumping and anti-subsidy compensatory duties on biodiesel subsidised imports from the US, since March last year, the EBB has repeatedly raised the attention of EU authorities and EU Customs on the fact that these duties are being circumvented, either via triangular trade through various countries (including Canada), or via artificial blends such as B19 or lower biodiesel blends which are imported in Europe.

Recently the EBB has taken strong steps towards the European Anti-Fraud Office (OLAF), the EC Commission DG TRADE and EU national customs in order to put an end to these unacceptable traffics which may represent a global fraud of more than €100 million of unpaid import duties to EU customs.

Since late 2006, the European market had been affected by imports of highly subsidised and dumped biodiesel from the US. In July 2009, following a complaint lodged by EBB and an investigation conducted by the European Commission services, robust antidumping and countervailing duties were imposed on imports of biodiesel from the US.

In the US, each gallon of biodiesel blended with regular diesel is eligible to a subsidy of \$1 (€0.75). This applies without limitation in terms of biodiesel content.

The benefit of the subsidy is not limited to biodiesel produced in the US for domestic consumption but is also available upon export. As a result, before the imposition of EU anti-dumping and countervailing duties in July 2009, a B99 blend performed in the US could be exported to Europe where it was sold with a substantial price discount, therefore disrupting EU producers' margins.

[http://www.biofuels-news.com/industry\\_news.php?item\\_id=1937](http://www.biofuels-news.com/industry_news.php?item_id=1937)