

UPDATE: No US Biodiesel Imports To EU Since Tariff-Indus Grp

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LONDON (Dow Jones)--The European Union hasn't received any U.S. biodiesel imports since the introduction of an import tariff in March, although some unusual trade patterns have been noted, a project manager at industry lobby group European Biodiesel Board told Dow Jones Newswires Thursday.

"We have seen shipments coming from Canada which we have not seen before and if you take into consideration Canada's limited production capacity this is surprising," said Amandine Lacourt. "At the same time we see U.S. exports to Canada."

The European Commission's trade services division is monitoring for any attempts to circumnavigate the tariff and if large volumes of U.S. biodiesel are potentially being routed via other countries to the E.U. - to change the origin from the U.S. - it will be referred to the E.U.'s anti-fraud office, said Lacourt.

The U.S. provided around 20% of the E.U.'s biodiesel consumption, undercutting prices of local producers, prior to the introduction of the import tariffs in March, according to the EBB.

Complaints by European biodiesel producers, unable to compete with heavily subsidized U.S. imports, drove the imposition of tariffs.

However, there is still some U.S. product in the E.U., due to imports which were stored prior to the tariff. "While the imposition of tariffs is clearly a plus for the European biodiesel sector, we don't expect a rapid turnaround in the fortunes of European biofuels companies, due to the near-term headwinds of weak product demand, overcapacity and low margins," said a report published by Bernstein Research Thursday.

The E.U. requires 5.75% of road transport fuels to be derived from biofuels by 2010, growing to 10% by 2020.

In 2008, biodiesel accounted for 78% of the biofuels consumed in the E.U., said the EBB.