

Australia probes U.S. biodiesel dumping

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By Amy Pyett

SYDNEY (Reuters) - Australia is investigating complaints of U.S. dumping of biodiesel on the domestic market, the nation's customs agency said on Tuesday, a move that could see Canberra follow Europe in imposing anti-dumping duties.

U.S. subsidies of biodiesel, commonly made from food crops and sold as a green alternative to petroleum, have boosted cheap global supplies of the fuel, leading the European Union last year to slap importers with duties.

The Australian Customs and Border Protection Service said it was looking into a complaint by a local firm, Biodiesel Producers Ltd, that U.S. biodiesel was now being dumped onto the Australian market, undercutting domestic producers.

The customs agency said it could not make any immediate comment on the case, but Biodiesel Producers Ltd said the investigation would serve as a warning to importers to stop bringing in cheap U.S. biodiesel or face possible duties.

"Hopefully it will put a bit more life back into the Australian domestic industry," general manager Chris Attwood told Reuters, adding that U.S. imports were effectively being subsidized twice, once at home and a second time in Australia.

"We are hoping the Australian government will prevent imported biodiesel from, if you like, double dipping on subsidies since they are getting a subsidy in the U.S. and then they are arriving here in Australia and also getting a subsidy under the cleaner fuels grant," Attwood said.

Australia's cleaner-fuels grant is a tax break worth almost A\$0.40 (\$0.35) a liter which is available to makers and importers of biodiesel until end-June next year.

In March last year, the EU imposed anti-dumping and anti-subsidy duties on U.S. imports after an investigation revealed EU producers of biodiesel -- the main biofuel produced in Europe -- were being hammered by U.S. subsidies.

"Biodiesel that is exported from the U.S. is getting an income tax subsidy in the U.S. of \$1 per U.S. gallon, which relates to about 30 cents per liter and that's just not for biodiesel being used domestically but this is also supporting their export market," Attwood said.

A spokeswoman for Home Affairs Minister Brendan O'Connor said on Tuesday that the complaint was a "first step" in the process.

(Editing by [Mark Bendeich](#))

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