

U.S. Ships Biodiesel to Europe, Bypassing Tariffs (Update2)

By Rachel Graham

Nov. 26 (Bloomberg) -- U.S. biodiesel producers are shipping fuel to the European Union through countries including Canada, circumventing tariffs introduced by the EU earlier this year, a lobby group said.

The [European Biodiesel Board](#), whose members produce 80 percent of the region's fuel, plans to complain to the EU, Amandine Lacourt, project manager at the Brussels-based lobby group, said by phone. "We want to make sure that measures now in place are not being undermined," she said.

The EU imposed five-year tariffs on U.S. biodiesel earlier this year to help EU producers counter American subsidies. About 10,000 tons of biodiesel a month is arriving in Europe from Canada, Lacourt said. Canada didn't export any fuel before the tariffs were introduced, she said.

"If they close off the Canadian route they'll bring it in from somewhere else," Robert Outram, program manager for transportation chemicals at consultant [Frost and Sullivan Inc.](#), said by phone. "The bulk of U.S. biodiesel is exported."

The European Commission will investigate if it has sufficient proof to suggest circumvention is taking place, a commission official said by phone, declining to be named in line with policy.

The U.S. National Biodiesel Board could not be reached when Bloomberg News tried office and mobile numbers yesterday.

In October, the Biodiesel Board expressed concern that U.S. producers were shipping a new blend not covered by the tariffs to Europe.

Argentina Action

Separately, the European Biodiesel Board may consider action to stem rising imports of biodiesel from Argentina, which the group says uses the tax system to support exports.

Argentina shipped 800,000 tons of biodiesel to the EU between January and November, compared with 70,000 tons a year earlier, Lacourt said. "We are studying all possible legal options, with a view to take action if deemed warranted," she wrote in a later e-mail.

Biodiesel made from soybeans attracts export tax of less than 15 percent in Argentina, while soybean oil exports are taxed at 32 percent, Lacourt said. Biodiesel exports are taxed at 20 percent, Argentine lobby group [Carbio](#) wrote in an e-mail late yesterday.

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