EC launches anti-circumvention investigation
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The European Commission launched an investigation into imports of U.S.-based biodiesel to Europe as it seeks to find out if anti-dumping measures that were imposed on the U.S. in March 2009 are being circumvented. Specifically, the EC intends to probe into whether U.S.-based biodiesel containing B20 or higher blends entering European ports are honoring imposed duties. B19 blends are not covered by last year's tariffs, according to the European Biodiesel Board, whose members produce 80 percent of the region's fuel.

According to the EBB, new patterns in the transatlantic biodiesel trading regime emerged followed by an imposition of anti-dumping duties, with U.S.-based biodiesel being increasingly shipped to the EU through other countries, mainly Canada and Singapore, in order to conceal its origin. The EBB also asserts that substantial volumes of U.S.-based biodiesel continue to flood into European ports in the form of blends—typically B19--not covered by the EU duties and practices in which "are a mere attempt to evade the anti-dumping and countervailing duties," the EBB said in a statement.

Following an EBB legal action, the EU imposed five-year tariffs on U.S.-based biodiesel in March 2009 to help EU producers counter subsidized American biodiesel imports. The anti-circumvention investigation comes after the EBB lodged a complaint in June.

Initiated on August 12, the anti-circumvention action by the EU is backed by a parallel investigation by the EU Anti-Fraud Office (OLAF) "in order to put an end to these unacceptable trade practices which may represent more than 100 million Euros ($129 million) of unpaid import duties," the EBB said. In the event that fraudulent practices persist, unpaid duties would be collected by EU authorities retroactive three years and heavy financial penalties would be attached.

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