

EU Slaps Duties on Argentina, Indonesia Biodiesel

www.adr.com, May 28th, 2013

The European Union has decided to slap anti-dumping duties on biodiesel imported from Argentina and Indonesia following an investigation at the behest of European fuel producers.

The duties are "provisional and may be reconsidered for the purpose of any definitive measures," according to a filing published this week in the EU's Official Journal.

The EU launched an investigation into the alleged dumping after the **European Biodiesel Board**, which represents producers that account for 60% of EU biodiesel production, lodged a complaint in July 2012.

EU biodiesel makers have long complained that subsidies and incentives for biodiesel makers in Argentina and Indonesia give them an unfair advantage.

Argentina's Foreign Ministry denounced the duties as an attempt to shield EU companies from more competitive Argentine producers.

"This is a protectionist decision that lacks technical justification," the ministry said in a statement Tuesday.

Argentina frequently finds itself embroiled in trade disputes with its major trade partners.

The South American country has filed complaints with the World Trade Organization against U.S. barriers to Argentine beef and lemons.

Last year, the U.S., the EU, Japan and other countries filed WTO complaints against Argentina's trade policies. President Cristina Kirchner has resorted to controversial trade barriers since late 2011 to help domestic industry and to reduce her country's import bill.

Argentina is the world's top biodiesel exporter, but production and exports have dropped off sharply since September, when the government modified the industry's export tax incentives. Biodiesel exports fell 11% on the year to \$1.85 billion, according to Argentine data.

Earlier this month, Argentina filed a new WTO complaint against the EU's biodiesel import rules. Argentina has requested consultations with the EU. If those talks don't resolve the dispute in a 60 day period, Argentina can seek a WTO dispute settlement panel.

Argentina is challenging measures taken by the EU and several member nations that affect the importation and marketing of Argentine biodiesel. Argentina's complaint also takes aim at EU subsidies for its biodiesel sector.

"The Argentine government considers restrictions on the entry of Argentine biodiesel and other Argentine products in the European market as obstacles to a climate of constructive dialogue," the foreign ministry said May 15.