

EBB

European Biodiesel Board

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PRESS RELEASE

EBB welcomes the Commission decision to initiate an investigation into subsidised US biodiesel

The European Biodiesel Board (EBB), representing the major industry producing biofuels in the EU, welcomes today's announcement by the European Commission to initiate a joint anti-subsidy and anti-dumping investigation on imports of subsidised "B99" biodiesel originating from the United States of America. This decision follows the lodging of two complaints by EBB last April 29th, where the EU biodiesel industry has provided comprehensive evidences of the injury caused by B99 imports to EU producers.

The Commission decision to proceed with an investigation on the "B99" case comes as an encouraging move for our industry. This is an important political signal from EU authorities in favour of a fair international trade of biofuels and it is crucial that this will lead to the timely imposition of countervailing measures against US biodiesel imports to the EU.

For more than one year, B99 blends have been sold in the European market as "pure biodiesel" and at a substantial discount (over €120-180/tonne), in some cases at a lower price than the raw materials purchased by the EU industry for producing biodiesel. This has created a price-setting competition, progressively disrupting the margins of European biodiesel producers. **Against this background, it will be essential that countervailing measures targeting B99 imports are imposed by the EU authorities in a reasonable timeframe. In the absence of such measures, the situation of the EU biodiesel industry would become even more critical than it is at present.**

"B99" subsidised exports is a trade practice clearly breaching WTO rules and threatening the concept of international trade in biodiesel. It will be therefore necessary to re-establish promptly a level playing field, ensuring the harmonious development of the EU and international biodiesel markets.

Background

In the framework of the US Federal measures adopted in 2004, biodiesel can be subsidised up to \$264 per m³ (300 USD/tonne, approximately €200/tonne) only by adding a "drop" of mineral diesel to biodiesel. US producers can therefore claim the maximum subsidy for a "B99,9" blend. Such a blend can then be exported to Europe where it is eligible to European subsidy schemes. Since the benefit of the blender credit is not restricted to biodiesel produced and consumed on the US territory, the 2004 support provisions resulted in a surge of B99 exports to the EU.

The European Biodiesel Board, also known as EBB, is a non-profit organisation established in January 1997. EBB represents the voice of the EU biodiesel industry. It gathers 66 companies and associations and aims to promote the use of biodiesel in the European Union. EBB member companies account for around 80% of EU biodiesel production.

For further information please contact the Secretary General of EBB, Mr. Raffaello Garofalo at secretariat@ebb-eu.org, tel +32 (0)2 763 24 77, or visit our website: www.ebb-eu.org