

EBB

European Biodiesel Board

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PRESS RELEASE

Commission investigation into US B99 – EBB request for import registration examined today by the EU Anti-Dumping Committee

The EU Anti-Dumping Committee will make today a preliminary examination of the B99 file focussing on the request for US biodiesel imports registration lodged by the European Biodiesel Board (EBB) last October 16th in the framework of the European Commission investigation into US "B99".

EBB estimates that **in 2008 the surge of US B99 exports towards Europe will be well over 1,5 Million tonnes**, featuring an increase of more than 40% compared to the volumes exported to Europe in 2007 (1,05 Million tonnes).

To put a halt to this dramatic situation and in view of the **urgent need to stop the flooding of the EU market by heavily subsidised and dumped biodiesel**, EBB requested the European Commission to register all biodiesel imports, pursuant to article 24§5 of the basic EU anti-subsidy Regulation and article 14§5 of the basic EU anti-dumping Regulation. On the ground of a surge of US biodiesel imports during the investigation period, the European Commission may independently decide to apply retroactive countervailing measures against US B99 imports, as provided for under EU trade law.

Today's discussion within the EU Anti-Dumping Committee is a further step in the legal process that started last June 13th, when the European Commission decision to initiate a legal action into US subsidised biodiesel, following the anti-subsidy and anti-dumping complaints lodged by EBB. The EU biodiesel industry now hopes for the rapid conclusion of the proceedings with the final imposition of countervailing and anti-dumping duties against this unfair trade practice critically affecting the profitability of the EU biodiesel industry. **The European biodiesel industry is more and more hit by the catastrophic consequences of B99 unfair exports and it will be necessary to ensure a strong reaction in the short-term to ensure the future viability of the EU biodiesel industry.**

The volumes of US produced B99 are and will continue to increase if nothing is done to stop the real reason of the problem, i.e. the unfair tax credit granted to US produced biodiesel which is then exported to Europe at a dumped price.

Background Information

"B99" subsidised exports is a trade practice clearly breaching WTO rules and threatening the concept of international trade in biodiesel. EBB calls for the prompt re-establishment of a level playing field, ensuring the harmonious development of the EU and international biodiesel markets.

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. 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. B99 blends have been sold in the European market as "pure biodiesel" and at a substantial discount (over €120-180/tonne).

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