

EBB Press Release

EU biodiesel industry set to launch an anti-subsidy case vs. Argentina: fast implementation of countervailing duties is needed



The European Biodiesel Board (EBB) is preparing to launch an anti-subsidy case against Argentinean biodiesel imports, following last week decision by the European Union (EU) to significantly lower the anti-dumping duties for the country. The EBB is highly concerned about the impact that Implementing Regulation 2017/1578 is having on the EU market. A fast-track imposition of high level countervailing duties will be necessary to prevent an influx of products from Argentina.

The revised anti-dumping duties on Argentinian biodiesel imports are now ranging from 43,18 to 79,56 euros/tonne – i.e. they are at a much lower level than those set previously. The move has led to a major increase in the volumes of subsidised biodiesel exports from Argentina into EU markets. The subsidies mean that Argentinian exporters are able to sell biodiesel at a price that is lower than the cost of the raw materials alone in the EU. This is resulting in severe damage to the EU biodiesel industry and related economic activities, which is expected to worsen over the next weeks and months.

Following feedback from the EU Commission itself, the EU biodiesel industry is responding quickly by making an anti-subsidy complaint against such unfair trade flows from Argentina. With damage occurring in the markets just a few days after the duties were lowered, **the EBB is raising the attention of the delegates of member states and the European Commission to raise awareness of the absolute necessity of shortening all possible delays to starting the registration of all future imports, as well as beginning an investigation and quickly adopting a provisional countervailing duty against Argentinean imports.** Such “fast-track” duty adoption against unfairly priced exports from Argentina was recently implemented by US trade defence authorities and the EU biodiesel industry is hoping for a similar approach in the EU, if possible.

“This is a legitimate fight to protect the EU biodiesel market - and the 120,000 jobs it supports - from a heavily subsidised export-oriented industry. We are prepared to do whatever it takes to limit the recurring Argentinian biodiesel imports. An EBB anti-subsidy complaint will be presented imminently. In our view, it is essential that the registration of all incoming imports from Argentina starts as soon as possible and that a provisional duty is urgently established by EU Trade Defence authorities,” said Raffaello Garofalo, EBB’s Secretary General.

Background:

Argentina and Indonesia apply a tax on exports of the raw materials (soybean and palm oil), which largely exceeds the tax on exports of final processed biodiesel. This discourages exports of raw materials in favour of exports of biodiesel and allows the domestic biodiesel industry to benefit from raw materials at significantly and artificially reduced prices, reducing its costs of production and conferring its domestic industries of biodiesel with a substantial - and unfair - advantage in relation to their competitors abroad.

Following a legal complaint lodged by EBB in 2012, the definitive anti-dumping measures against unfair biodiesel imports from Argentina and Indonesia have been imposed for a period of five years via EU Regulation 1194/2013, published on November 26th, 2013. Argentina lodged a complaint at the WTO in December 2013. Following the WTO Appellate Body's report that was published in October 2016, the European Commission had been given until August 10th, 2017 to ensure the EU duties conform with the WTO Appellate Body's report. The EU and Argentina mutually agreed to postpone the deadline to September 28th, 2017. In the meantime, and despite the EU industry's strong disagreement, the EU decided to lower substantially the anti-dumping duties against Argentina, in order to conform with the WTO appellate body decision. This decision by the EU Commission came into force last week. In June 2014, the Indonesian government lodged a similar complaint at WTO. The case is, however, still under litigation and the industry is awaiting the ruling of the Panel.

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*The **European Biodiesel Board (EBB)** is a non-profit organisation established in January 1997. Today, EBB gathers nearly 80 members across 21 Member-States, which represents 75% of the European output. Biodiesel is the main European solution to reduce emissions from transport and dependence on imported oil. EBB aims to promote the use of biodiesel in the European Union and is committed to fulfil International standards for sustainability in GHG emissions and sustainable feedstock. EBB is constantly working towards the development of improved and greener technologies.*