

PRESS RELEASE

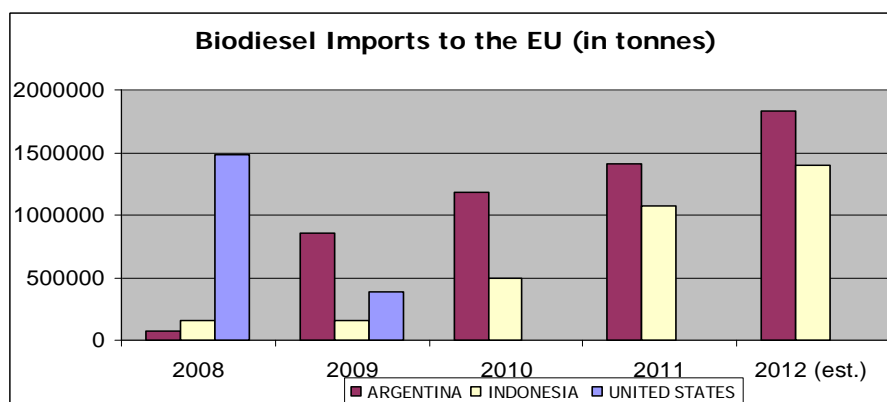
European Biodiesel Industry reacts against dumped imports from Argentina and Indonesia

The European Biodiesel Board represents nearly 80% of the biofuels output, gathering 75 producers across 21 Member-States. EBB welcomes the notice of initiation of an anti-dumping proceeding concerning imports from Argentina and Indonesia published on August, 29th by the European Commission.

"This decision represents a landmark for the European biodiesel industry, which was dramatically impacted by increasing imports originating from Argentina and Indonesia. The abnormality of biodiesel prices artificially set in Argentina and Indonesia results in distorting the international trade flow and greatly damages the growth and viability of the European industry." says EBB Secretary General Raffaello Garofalo.

European production faces increasing imports from Argentina and Indonesia

EBB vividly expressed its concerns on increasing volumes of biodiesel imports from Argentina and Indonesia as a result of distorting export policy. Indeed, the EU experienced a sharp increase of Argentine and Indonesia biodiesel imports, reducing EU producers' profitability and leading to several bankruptcies. In 2008, the European Commission initiated an anti-dumping and anti-subsidy investigation against unfair US imports of biodiesel, which led to the imposition of substantial anti-dumping duties. While the imposition of measures should have contributed to the European industry's recovery, in fact, massive imports from Argentina and Indonesia took over the US market share. In 2011, these two countries alone represented over 90% of the international market partners of the European territory, with 2.5 million tonnes entering the market. According to EBB estimates, this trend is very likely to have increased in 2012. To respond to this dramatic surge, the Board lodged an anti-dumping complaint in July 2012.



Source: Eurostat and EBB estimates

Distorted trade patterns due to Differential Export Taxes (DET)

Both countries maintain Differential Export Taxes regimes, whereby final products are sold at a much lower price than raw material. By having significantly higher export taxes for the raw materials used to produce biodiesel than on biodiesel itself, DET artificially discourages raw materials exports in favour of biodiesel exports. Such impressive market penetration of biodiesel, coupled with the distortive effects of Argentine and Indonesia dumped imports, resulted in lowering the European market price. This led to European producers selling their products below costs, while also reducing their annual production.

European biodiesel production under-utilised

As a consequence of such dramatic dumped imports from these countries, the EU production is estimated to have reduced dramatically since 2010, leading to reduce capacity utilization. *"Biodiesel is the major contributor to the mandatory use of 10% of renewable energy in the transport sector as stated in the Renewable Energy Directive. Europe has the capacity to respond to this challenge. While we welcome market dynamics and related trade patterns, as the voice of the industry, we cannot remain silent when a whole European industry is threatened by unfair policy measures"*, commented Mr. Garofalo.