

Executive Summary

Of the

**Request for the initiation of an anti-subsidy investigation
concerning imports of biodiesel originating in Argentina
under Regulation (EU) 2016/1037 of 8 June 2016**

submitted by Gide Loyrette Nouel on behalf of the European Biodiesel Board

1. BACKGROUND

Following the initiation of an anti-dumping investigation on 29 August 2012 concerning biodiesel from Argentina, the EU imposed definitive anti-dumping duties through Council Implementing Regulation (EU) No 1194/2013 of 19 November 2013 ranging from 8.8% to 25.7% on biodiesel from Argentina. In September 2017, the European Commission amended the anti-dumping duties in place in the context of the implementation of the WTO Panel and Appellate Body decisions that found the anti-dumping duties, as applied by the EU, to be inconsistent with WTO rules. The amended duties that are currently still in force were imposed through (EU) Regulation 2017/1578 of 18 September 2017 and range between 4% and 8%.

In light of the above and significantly increasing volumes of imports of unfairly subsidized biodiesel from Argentina, the European Biodiesel Board (“EBB”) lodged an anti-subsidy complaint in relation to biodiesel from Argentina based on a serious threat of material injury to the EU industry. Also relevant to take into account in this context is the fact that the United States of America (“USA”) initiated both an anti-dumping and anti-subsidy investigation concerning biodiesel from Argentina and recently imposed duties in this regard thereby creating a significant risk of trade diversion of large volumes of unfairly subsidized imports from the USA to the EU.

2. COMPLAINT

EBB, the Complainant, filed the present anti-subsidy complaint on behalf of 11 EU biodiesel producers which together represent considerably more than 25% of the total EU production as provided for in Article 5(4) of Regulation 2016/1036. Additionally, the complaint is supported by all EBB Members.

2.1 The product concerned

The product concerned by this complaint is the same as that covered by Regulation (EU) 1194/2013 imposing definitive anti-dumping duties on imports of biodiesel from Argentina and is defined by the Complainant as *"fatty-acid mono-alkyl esters and/or paraffinic gasoils obtained from synthesis and/or hydro-treatment, of non-fossil origin, commonly known as 'biodiesel', in pure form or as included in a blend, originating in Argentina"* (hereinafter referred to as "biodiesel"). It is clear to the Complainant that the only product concerned is biodiesel in pure form or the biodiesel content in a blend.

With regard to the customs classification, the following CN Codes are relevant for the classification of biodiesel:

- CN code ex 3826 0010 covers pure biodiesel and blend containing more than 30% of biodiesel;
- CN code ex 3826 00 90 covered the other products falling under the “other” category;
- CN code ex 2710 20 covers blends containing less than 30% biodiesel;
- CN code ex 3824 99 92
- CN code covering biodiesel from animal or vegetable fats and oils : ex 1516 20 98; CN code ex 1518 00 91; CN code ex 1518 00 95 and CN code 1518 00 99
- CN code covering BTL and HVOs : CN code ex 2710 19 43 ; CN code ex 2710 19 46 ; CN Code 2710 19 47

Biodiesel is a renewable fuel produced from a wide range of raw materials, *i.e.* vegetable oils, such as rape seed oil, palm oil, soybean oil, used cooking oils, animal fats or biomass depending on the resources available in each country. In Argentina, biodiesel is primarily made from soybean oil (“SME”). Biodiesel produced in Argentina and the EU is predominantly “Fatty Acid Methyl Ester” (“FAME”) which refers to the technique of transesterification, *i.e.* the mingling of vegetable and/or

animal oils or fat with alcohol, such as methanol to obtain biodiesel. Other techniques include the hydrogenation of vegetable oils (“HVOs”) and the Biomass to Liquid (“BTL”). From the perspective of the end-user of diesel fuel, it makes no difference whether the blend available at the pump has been produced using FAME, HVOs or BTL.

Biodiesel produced in the EU is considered as a like product with biodiesel produced in Argentina. As indicated above, different feedstock may serve for the production of biodiesel. In the EU, biodiesel is primarily made from rapeseed oil (“RME”). While there may be minor differences in the physical and chemical properties, these are unlikely to affect their similarities. Biodiesel from Argentina exported to the EU is interchangeable with biodiesel produced in the EU, and as such, both products directly compete with each other. This was confirmed by the European Commission during its 2012 anti-dumping investigation.

Biodiesel is used in the transport sector, mainly blended with mineral diesel (*i.e.* conventional diesel). Trials are ongoing to introduce and develop biodiesel for air transport, in order to reduce GHG emissions by the air transport industry and general dependency on fossil fuels.

2.2 Subsidy schemes

The Complainant identified 14 different subsidies at either national or provincial level in Argentina. They include: the provision of soybeans for less than adequate remuneration through soybean export restraints, government mandated purchase of biodiesel for more than adequate remuneration, preferential lending and export financing provided by the National Bank of Argentina, accelerated depreciation for biodiesel producers, exemption and deferral of provincial and national taxes.

2.3 Threat of injury

As also explained above, following the reduction of anti-dumping duties imposed on imports of biodiesel from Argentina in September 2017 and the simultaneous action of the USA to initiate and impose significant anti-dumping and anti-subsidy duties on biodiesel from Argentina, the EU biodiesel industry has been experiencing a sharp and massive increase of unfairly subsidized imports of biodiesel from Argentina. The reduction of anti-dumping duties imposed by the European Commission creates a situation in which the challenged subsidies would cause injury to the EU industry that is clearly foreseeable and imminent.

Since September 2017, Argentinian exporters have already shipped over 600 000 tons of biodiesel to the EU. Such massive flood of imports is the logical result of the drastic reduction of anti-dumping measures last September, combined with the structural overcapacities of the Argentinian biodiesel industry and the trade diversion resulting from the imposition of measures by the USA. Indeed, since the imposition of provisional measures in the USA, approximately 1.6 million tons of biodiesel from Argentina yearly exported to the USA will necessarily be diverted to and absorbed by the EU.

Based on an assessment of the exports of biodiesel from Argentina that have already entered the EU and the significant volumes already announced to be shipped to the EU, it is unquestionable that the estimated yearly volume of imports to the EU would exceed the volumes of imports during the previous 2012 anti-dumping investigation. As such, it is clear that the unfairly subsidized imports from Argentina have created an imminent and significant threat of material injury to the EU industry.

3. INTERESTED PARTIES

Argentinean Exporters
Aceitera General Deheza S.A.
Bio Nogoya S.A.
Bunge Argentina S.A.
Cargill S.A.C.I
Explora
GEFCO Argentina
LDC Argentina
Molinos Rio de la Plata
Noble Argentina
Oleaginosa Moreno
Hermanos S.A.C.I.F.I and A.
Patagonia Bioenergia
Renova
T6 Industrial SA (Ecofuel)
Unitec Bio S.A.
Vicentin S.A.I.C.
Viluco S.A
EU Producers
ADM HAMBOURG AG
ADM HAMBOURG AG – Werk Leer
ADM Mainz
AGROINVEST
AMBROSIA OILS LTD
ARGENT ENERGY
ASTRA BIOPANT

BIOAGRA-Oil
BIO-OILS ENERGY
BIOPETROL INDUSTRIES
BIORO
BUNGE Deutschland (Handelsgesellschaft)
BUNGE AUSTRIA
CARGILL GmbH
CENTRE OUEST CEREALES
DAKA ECOMOTION
DIELIX
ECOMOTION
ecoMOTION BIOFUELS Spain
ECO FOX S.r.l.
ELIN BIOFUELS S.A.
ENI
EXPUR Alimenta Group
GF ENERGY
GREEN BIOFUELS IRELAND LTD
INEOS ENTREPRISES
ITAL BI OIL
MASOL Iberia Biofuels
MERCURIA BIOFUELS BRUNSBÜTTEL
NESTE CORPORATION
NEW GmbH (BUNGE)
NORD ESTER (just resigned 08/2017)
NOVAOL Italy (Groupe Avril)
OIL B - Alpha Trading

OLLECO
OLEON
OXEM
PERSTORP Bioproduct
PFP Biofuels
PREOL
PRIO Biocombustiveis
RAPID OIL INDUSTRY
REG
SAIPOL (Groupe Avril)
SCA PÉTROLE ET DÉRIVÉS
TOTAL Refining & Chemicals
VERBIO Ag
ABC s.r.o.
Abid Biotreibstoffe AG (EOP Biodiesel AG)
ACOR
ACOR
ADW Bio
ADW Holding
ADW Holding
AGRIFOP a.s. Stakčín
AGRIFOP a.s. Stakčín
AGRIFOP a.s. Stakčín
AgroChem
AgroChem
AgroChem
AGROILS

AGRO-MAAS
AGROPODNIK a.s. Ex EBB MEM
Albabio SL
AMEX, spol. s r.o.
ATKO Grupp AS
BDK Biodiesel Kyritz
BDK Biodiesel Kyritz
Becco Biofuels
Becco Biofuels
BIO GORIVA d.o.o.
BIO GORIVA d.o.o.
BIO GORIVA d.o.o.
Bio Rafinéria SK
BIOARAG Biodiesel ARAGON SL (EX EBB MEM)
BIOARAG Biodiesel ARAGON SL (EX EBB MEM)
BIOARAG Biodiesel ARAGON SL (EX EBB MEM)
BIOARAG Biodiesel ARAGON SL (EX EBB MEM)
BIOBAS - Biocarburantes Bahia DE SANTANDER
BIOBAS - Biocarburantes Bahia DE SANTANDER
BIOBAS - Biocarburantes Bahia DE SANTANDER
BIOCARB sas
Biocarburantes CLM
BIOCARBURANTES DE CASTILLA, S.A.
BIOCARBURANTES DE CASTILLA, S.A.
BIOCARBURANTES DE CASTILLA, S.A.
BIOCARBURANTES DE CASTILLA, S.A.
BIOCARBURANTES DE CASTILLA, S.A.

Biocardel Luxembourg S.A.
Biocom Energia (EX EBB MEM)
Biocom Energia (EX EBB MEM)
Biocom Energia SL (EX EBB MEM)
Biocom Energia SL (EX EBB MEM)
Biocombustibles Vascos
Münzer Bioindustrie (*former Biodiesel Vienna GmbH)
BIODIESEL DE ANDALUCIA 2004 S.A
Biodiesel Kampen B.V.
Biodiesel Kärnten GmbH
Biodiesel Kärnten GmbH
Biodiesel Kärnten GmbH
Biodiesel Kärnten GmbH
Biodiesel Krems GmbH
BIODIESEL LTD
Biodiesel Ltd
Biodiesel Production Ireland Ltd
Biodiesel S.A.
Biodiesel S.A.
Biodiesel Vienna GmbH
Biodizel vukovar
BIODIZEL VUKOVAR d.o.o.
Biodizel Vukovar d.o.o.
Biodreams
Biodreams
Biodreams Bulgaria
Bioenergética Extremeña (Bioenergetica)
Bioenergia Papantoniou S.A.

Bioenergy Abengoa
Bioenergy Biofuels S.A. (NEOKEM)
Biofueling B.V.
Biofuels and Oils LTD
BioFuture Ltd
BioFuture Ltd
BiOil
BIO-OLWERK
BIO-OLWERK
BIO-OLWERK
Biopa
BIOPALIWA S.A.
Bioplus
Biovegeta
Biovegetal - Grupo SGCEnergia
Biovegetal - SGC Energia, SGPS SA
BIOWEK Sohland GmbH
Biowerk Sohland GmbH
BKN BioKraftstoff Nord AG
BV ENERGI
BV ENERGI
Cerealdocks
Chemission SRL
Chemission SRL
Chemission SRL
Chemtech SRL
Cityboard Media Services Poland

Clean-Fuels GmbH
Clean-Fuels GmbH Group
Clean-Fuels GmbH Group
COANSA Grupo SOS
Cognis GmbH
Combustibles Ecológicos Biotel S.L.
Combustibles Ecológicos Biotel S.L.
Combustibles Ecológicos Biotel S.L.
Comlube
Convert2Green Ltd
Cukrovary TTD a.s.
D.P. Lordos Ltd
DAIMYO (Biofuels and Milvenn AS)
DAIMYO (Biofuels and Milvenn AS)
DBD Deutsche Biodiesel GmbH
DBE Deutsche Bioenergie AG
Delitzscher Rapsöl GmbH & Co. KG
Desmet Ballestra
DosChem
DosChem
DosChem
DP Lubrificanti - EX EBB Member
DU PONT DE NEMOURS (DEUTSCHLAND) GMBH
Dutch BioDiesel B.V.
Ecanol
Ecanol
Ecanol Biotreibstoffe

Ecoil srl
Ecomaster
Egal Biodiesel
EKO Petroleum
EKOIL a.s.
EKORONA s.r.o.
Ekotips A.S.
Elstar Oils - ONT BIOPALIWA S.A.
ELVI Biodiesel
Energy Biodiesel
ENTABAN
EOP Biodiesel AG
EOP Biodiesel AG
EORC Group / Edible Oil Refining Co. Ltd
F. Leitner Mineralöle GmbH
Fabio Produkt
Fabio Produkt
Fabio Produkt
Fabrica Torrejana de Biocombustíveis SA (EX EBB)
Fabrica Torrejana de Biocombustíveis SA (EX-EBB)
Ferrero Ingegneria s.p.a.
Flanders Biofuels BVBA
GATE- Global Alternative Energy Holding AG
GBF - German Biofuels gmbh
GDR Biocarburanti
General de Biocarburantes, S.A.
GHP Biodiesel GmbH & Co. KG - Werk Oranienburg

GHP Biodiesel GmbH & Co. KG - Werk Oranienburg
Green Biodiesel Ltd
Green BioDiesel Ltd
Greencyber, SA
Greenmills
Greyhound Recycling & Recovery Ltd
Grupa LOTOS sa
Honeywell
Honeywell
Honeywell Specialty Materials
IBEROL - NUTASA (Ex EBB Members)
IBEROL (Ex EBB Members)
IBEROL/ BIOVEGETAL (Ex EBB Members)
IBEROL/ BIOVEGETAL (Ex EBB Members)
IndustrialExport
Inkemia Advanced BF
Irish Food Processors Ltd
JSC KURANA
JSC Rapsoila
KL Biodiesel GmbH 1 CO KG
Klas Oil
KL-OIL
KOSECP/ Euro Chemie Products Ltd
L'Usine nouvelle
Latraps Ltd.
Leitner Mineralöle GmbH
Loredan Gasparini

Lotos Biopaliwa
Lotos Grupa S.A
Lotos Grupa S.A
Lotos Grupa S.A.
LPV Bergholz
MAN Ferrostaal AG Büro Bukarest
MAN TAKRAF Büro Rumänien
Marina Biodiesel GmbH & CO. KG
MEROCO, a.s.
Mestilla
Mestilla UAB
Mestilla UAB
Mezrozite Biodiesel
Mil Oil Hellas SA
Mil Oil Hellas SA
DAIMYO (Biofuels and Milvenn AS)
Moravske Rafinerie a.s.
MÜNZER Bioindustrie GmbH
MÜNZER Bioindustrie GmbH
MÜNZER Bioindustrie GmbH
Nafta Lendava/ Nafta-Biodizel d.o.o.
Nafta Lendava/ Nafta-Biodizel d.o.o.
NEW ENERGY AE - Fytoenergia
Northern Greece Ginning plant S.A.
Papas Oilo
Papas Olio
Pavex

Pavlos N. Pettas S.A
Pavlos N. Pettas S.A
Petroestry Jarzabkowo
Petroestry Jarzabkowo
PetroSA
Phillips 66 Limited
PINUS TKI d.d.
PINUS TKI d.d.
PKN ORLEN/ Rafineria Trzebinia S.A.
PKN ORLEN/ Rafineria Trzebinia S.A.
PKN ORLEN/ Rafineria Trzebinia S.A.
PKN ORLEN/ Rafineria Trzebinia S.A.
PKN ORLEN/ Rafineria Trzebinia S.A.
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PKN ORLEN/ Rafineria Trzebinia S.A.
PKN ORLEN/ Rafineria Trzebinia S.A.
PKN ORLEN/ Rafineria Trzebinia S.A.
Akwawit-Polmos S.A.
Popilka Slovensko spol. s.r.o.
POPILKA spol. s.r.o.
PPM Energie aus nachw. Rohstoffen GmbH
PPM Energie aus nachwachsenden Rohstoffen GmbH
Primagra
Primagra
Primagra
Proviron Holding NV

Raffineria Trzebinia
Rapsoila
Recyoil Zona Centro S.L.(DIESOL)
Recyoil Zona Centro S.L.(DIESOL)
REDOIL ITALIA SpA
REPSOL S.A. (EX EBB MEM)
REPSOL S.A. (EX EBB MEM)
RME Alternativ Treib- und Heizstofferzeugung
Rompetrol
Rompetrol Downstream
RosendaalEnergy
ROSSI Biofuel Zrt.
RPN s.r.o.
S.C. DAFORA S.A. MEDIAS SUCURSALA FORAJ
SARAS Energia
Scanoil
Scheier Biodiesel ProduktionsgmbH
SEEG
Sekab Bioenergy Hungary Ltd.
SERICHIM Srl
SETA DIESEL, a.s.
Setuza a.s
Setuza a.s.
SGC Energia SgpS sa (SGC Group)
SICA Atlantique
Sime Darby CleanerG B.V/
SKOTAN

Slunchevi Luchi
SOVENA Oilseeds Portugal s.a. EX EBB MEM
SOVENA Oilseeds Portugal s.a. EX EBB MEM
SOVENA Oilseeds Portugal s.a. EX EBB MEM
SOVENA Oilseeds Portugal s.a. EX EBB MEM
SOVENA Oilseeds Portugal s.a. EX EBB MEM
SOVENA Oilseeds Portugal s.a.- Initium (Sovena)
SOYA MILLS S.A.
Spirytusowej Wroslavia Polmos (Brasco Group)
STAFF COLOUR
STAFF COLOUR
Sunoil Biodiesel
SYNTHOS (ex- Solvent Dwory)
SYNTHOS (ex- Solvent Dwory)
SYNTHOS (ex- Solvent Dwory)
Technologie Environnement Nièvre
TitBiodiesel ltd Bulgaria
Tovarna olja GEA d.d
Tovarna olja GEA d.d.
TTP Asukas
ULEROM/RACOVA
UPM Biorefining
UPM Biorefining
UPM Biorefining
Valagro
Vance Bioenergy
Vert Oil S.A.

Vía Operador Petrolífero, S.L.
VLS-Group Ghent NV
Werol
Worldwide Bio Refineries PLC
Wratlavia-bio Sp Z.o.o
Wratlavia-bio Sp Z.o.o
Wratlavia-bio Sp Z.o.o
Xenoil
ZS Kratonohy
EU traders
Ambrian Energy
BP Oil Trading
Cremer
Ed&f Man
Glencore
Greenergy
Harvest Energy
Nidera
Noble
Shell Europe
Vitol
Wilmar
Gunvor International B.v.
Pertoineos
STX Services B.v.
SCB Limited
End-Users

Biodiesel S.A.
BP Deutschland
BP Oil international Limited
Carfuel (Carrefour)
CEPSA
Chevron
Conoco Philips
DP Lubrificanti SRL
ENI
ETB Biofuels SA
ExxonMobil
Galp Energia, SGPS, S.A.
Hellenic Petroleum
Lotos Group
Lukoil
Mabanaft
MOL Group
OMV AG
PKN ORLEN (Rafineria Trzebinia)
Preem
Repsol
Rompetrol
SHELL Trading Rotterdam BV
Slovnaft (MOL Group)
Total