

USDA Foreign Agricultural Service

GAIN Report

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EU to implement WTO ruling and to cut Anti-Dumping Duties on Argentinian Biodiesel

Report Categories:

Biofuels

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Report Highlights:

On September 7th, 2017 the European Commission received the green light from the Members States to lower anti-dumping duties on Argentine biodiesel from the current 22 – 25.7% to 4.5- 8.1%. The decision addresses a World Trade Organization Dispute Settlement finding that largely supported the claims of Argentina in this matter.

General Information:

On September 7th, the EU Trade Defense Committee— composed of EU Members States (MS) representatives— voted to lower anti-dumping (AD) duties on biodiesel from Argentina to rates ranging from 4.5 to 8.1 percent. The EU had set the original antidumping duties at 22 - 25.7 percent in 2013 in an AD regulation targeting both Argentinian and Indonesian biofuel imports. The Committee's vote paves the way for the European Commission to take an official decision to cut the AD duties rate for Argentinian biodiesel, implementing a World Trade Organization (WTO) ruling on this matter by September 28, 2017.

In November 2013 the [EC introduced AD duty rates](#) ranging from 22 - 25.7 percent on Argentine biodiesel. At that time, Argentina was the top biodiesel supplier to the EU market. Argentina brought a complaint against this measure in the WTO in 2013 and the WTO dispute panel largely supported Argentina's position in March 2016. The EU appealed and then Argentina cross-appealed, and in October 2016 [a final report](#) adopted by the WTO's dispute settlements body found that EU measures imposed on biodiesel from Argentina were inconsistent with several provisions of the organization's Anti-Dumping Agreement.

Initially, the EC indicated that it would bring its anti-dumping measures in line with the rulings and recommendations from the WTO panel by August 10, 2017. That deadline had to be extended until late September as EU countries failed to agree on lowering the duties. When the European Commission introduces a proposal to the EU Trade Defense Committee, in the absence of a majority against the European Commission's proposal, the EC has to adopt the Commission's proposal. At the September 7th session of the EU Trade Defense Committee, 10 MS voted against a cut in the duties, 12 abstained and 6 voted in favor of cutting the duties. Thus, the Commission's proposal to reduce the AD duties must be adopted.

Not surprisingly, Argentina welcomed the decision of the EU to reduce duties and the EU biodiesel industry strongly criticized the EC decision fearing massive imports of Argentinian biodiesel and the disappearance of the European biodiesel producing sector. In addition to this development, the European biodiesel producers also fear increased competition from Indonesian imports. Although the FAS U.S. Mission to the EU does not have more precise information at this stage, it is most likely that the EC will cut AD duties rates also for Indonesian biodiesel. In a [notice](#) published in the EU Official Journal on December 20, 2016, the Commission considered it appropriate that the anti-dumping measures imposed on imports of biodiesel from Indonesia are examined in the same review, given that this is subject to a pending WTO dispute where similar issues are covered.