

WRITTEN QUESTION P-1629/09
by Marcello Vernola (PPE-DE)
to the Commission

Subject: US biodiesel subsidies and dumping

The market share accounted for by the biodiesel industry has increased in the last few years. This trend has, however, gone hand in hand with the emergence of improper trading practices in breach of WTO principles. Specifically, the European biodiesel industry has been severely harmed by exports of US B99 biodiesel and the subsidies and dumping that lie behind them. Bearing in mind that the same thing happens with the biodiesel blended with ordinary diesel fuel at plants outside the US, involving a total cost of \$1 a gallon, 80% of US production was channelled towards the EU market in 2007 and 2008.

The combination of subsidies and dumping has enabled US biodiesel sold on the market to benefit from a price difference ranging from \$120 to \$180 per metric tonne compared with biodiesel produced in the EU, and EU production has been hit accordingly. Many companies have folded or declared bankruptcy; others have temporarily stopped producing; and new entrants in the sector have decided not to start, even though they might already have invested in the corresponding projects. All this has damaged the industry in financial and employment terms, and the consequences are impossible to ignore.

Does not the Commission believe that steps need to be taken rapidly to discourage improper practices of this kind, in order to ensure that biodiesel produced within the EU will once again be competitive?