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Press Release

Copa and Cogeca call on Commission to closely monitor Price Undertaking Agreement on imported Argentinian Biofuel and revoke it upon first infringement

Copa and Cogeca welcome EU Member States approval of Commission's package of definitive anti-subsidy measures against Argentinian biodiesel's imports, during Trade Defence Committee held on 30th January. Nevertheless, the approval of an import quota of 1.2 million tonnes in the same meeting in a Price Undertaking Agreement between EU and Argentina remains a cause for concern for Copa and Cogeca.

European farmer and cooperative organisations welcome the fact that the EU and the Member States consider Argentinian Differential Export Taxes (DETs) as a distortive subsidisation practice and voted for anti-subsidy countervailing duties to be imposed to restore a fair competitive situation.

However, Copa and Cogeca are seriously concerned about the quota import provided for by the Price Undertaking Agreement adopted in the package, which allows the Argentinian industry to export 1.2 million tonnes of biodiesel into the EU market under a minimum import price. The volumes of Argentinian biodiesel imported to the EU have skyrocketed from nothing to 1.2 million tonnes since September 2017. This is because the anti-dumping measures that applied since 2013 have been reduced by the Commission to a non-protective level in order to comply with a WTO ruling. This situation has been harming European rapeseed producers as well as the biodiesel industry.

As oilseed and crops-based biofuels are strictly capped under the EU Renewable Energy Directives, offering 10% of the EU biodiesel market to the Argentinian imports will potentially deprive EU rapeseed-based biodiesel of a significant outlet, which is crucial to European oilseed farmers.

According to Pekka Pesonen, Copa and Cogeca Secretary General, *"Fair competition between the Argentinian and European biodiesel sectors has to be restored as well as profit margin for the European oilseed farmers, especially at a time when the EU is discussing its strategy on plant proteins. We call on the Commission to closely monitor the implementation of the Price Undertaking Agreement. In the event that Argentinian breaks the deal, we ask for an immediate withdrawal of the agreement and the application of the agreed general countervailing duty rate of 30% to all biodiesel imports originating from the country."*

For further information, please contact:

Dominique Dejonckheere

Jean-Baptiste Boucher
Communications Director
Mobile: + 32 474 840 836

Senior Policy Advisor

Domnique.dejonckheere@copa-cogeca.eu

jean-baptiste.boucher@copa-cogeca.eu

CDP(19)762:1
