

1 CAT 4.1b ]

## (TRADE)

**Subject:** Meeting with SEKAB and Cefic on bio-ethanol, 23 October 2014  
**Attachments:** Report of meeting with SEKAB and Cefic on bio-ethanol, 21 January 2014; SEKAB\_Import duties on bio-ethanol a barrier to Investment.pdf; 2011-06-30 Letter Cefic to Mr Zielinski DG Taxud re ethyl alcohol.pdf; 131125 Letter SEKAB to Calleja - import duties on bioethanol.pdf; 131031 Letter Perstorp to Calleja - bioethanol for chemical use.pdf; 131211 Message Cefic to IGB - bioethanol destined for chemical use.pdf; René\_van\_Sloten\_CEFIC\_Ethanol\_Summit.pdf; OECD report bio-based chemicals.pdf

**From:** [ Art. 4.1b ]

**Sent:** Thursday, October 30, 2014 4:11 PM

**To:** [ Art. 4.1b ] [ Art. 4.1b ] [ Art. 4.1b ] [ Art. 4.1b ] [ Art. 4.1b ] GARCIA BERCERO Ignacio (TRADE); [ Art. 4.1b ] [ Art. 4.1b ] [ Art. 4.1b ] [ Art. 4.1b ] [ Art. 4.1b ] [ Art. 4.1b ] [ Art. 4.1b ] [ Art. 4.1b ] [ Art. 4.1b ] [ Art. 4.1b ]

**Cc:** [ Art. 4.1b ] [ Art. 4.1b ] [ Art. 4.1b ]

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DG TRADE meeting with SEKAB and Cefic on bio-ethanol – 23 October 2014, 11.00-12.00

**Industry:** [ Art. 4.1b ], SEKAB; [ Art. 4.1b ], prime (Stockholm-based communications agency); [ Art. 4.1b ], Cefic

**DG TRADE:** [ Art. 4.1b ], D.3; [ Art. 4.1b ], [ Art. 4.1b ], G.3

- Industry re-iterated their long-standing request for an EU tariff suspension on imported bio-ethanol used for chemical production (not bio-fuels). See enclosed the report of our previous meeting with them (21 January 2014) which summarizes the issue. The attached documents we received from industry provide more details.
- [ **NOT RELEASABLE** ]. A dedicated meeting of industry representatives with DG AGR1 will take place soon and industry is also in regular contact with DG ENTR and DG TAXUD on this. Industry pointed to the recent COM Communication "For a European Industrial Renaissance" (COM(2014) 14) which would support their case, namely in the following para.:

*"In addition and based on preliminary assessments, the Commission will wherever necessary propose measures to eliminate price distortions that prevent EU firms to have access to key inputs for industry at international market prices. The Commission will ensure policy neutrality in access to biomass for different purposes to enable efficient application of the cascade principle in the use of the biomass to ensure an efficient and sustainable use of natural resources. Also if deemed necessary, it will consider measures to enable industry to have access at global market prices to key inputs such as bio-ethanol or starch for bio-based industrial activities emerging from traditional sectors such as chemicals, paper and other forest-based industries."*

- On our side, we thanked industry for the information provided and explained that a suspension still requires unanimity among MS, therefore industry efforts should be focused on making progress in this direction. DG TRADE will continue its efforts to improve access to imported bio-ethanol via bilateral trade agreements. For instance, the DCFTA with Ukraine (where the implementation of the trade part was anticipated by means of autonomous EU trade measures) includes a TRQ for bio-ethanol of 27.000 tons/year with a linear increase over 5 years up to an amount of 100.000 tons/year.
- Industry explained that it will be important not to miss the opportunity of building up a strong EU bio-based chemicals production. Already today, 9% of the chemicals production in the EU is based on renewable feedstock. This could grow up to a level of 15% in the near future, but only if security of supply allows for the necessary investment in the EU. Importing bio-ethanol under the PCC (Processing under Customs Control)

procedure provides temporary relieve, but not the stability needed to attract long-term investment. [ **NOT  
RELEASABLE** ].