

GARCIA LOPEZ BERGES Victor (TRADE)

Subject: TTIP - Biodiesel - EBB - meeting 24/01/14 - tariff

Importance: High

From: MARKOVICOVA Vanda (TRADE)

Sent: Monday, January 27, 2014 6:19 PM

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24/01/14; European Biodiesel Board (EBB) – [ART. 4.1b], [ART. 4.1b], EC: Petros Sourmelis, Vanda Markovicova

[NOT RELEASABLE] EBB represents about 2/3 of the EU's biodiesel producers. Out of the biofuels consumed in the EU, roughly 2/3 is biodiesel and 1/3 is bioethanol. EU is the largest market for biodiesel worldwide (60-65% of world market) and the only one open for imports (insufficient domestic production). The 2nd largest market is the US market that is self-sufficient and heavily subsidised. **EBB wants the current tariff of 6.5% to be maintained** for the following reasons:

- Biodiesel is a sensitive product (de-carbonisation; industry's economic and social contribution); EC should consider it as such.
- US is competing unfairly (confirmed by the findings in AS/AD cases). The measures are to expiry this year and their renewal is uncertain.
- US market suffers from a **cyclical oversupply** caused by the fact that the legislative instruments supporting the domestic industry are renewed on a yearly basis. In periods of legislative uncertainty the extra capacity targets the EU market. These fluctuations cannot be corrected through AS/AD measures; therefore, the **maintenance of the existing tariff is important as it can act as 'a buffer'**. [NOT RELEASABLE]

[NOT RELEASABLE] In general terms, EU ambition is to seek the elimination of tariffs on industrial goods. Given the magnitude and importance of the TTIP to the EU economy the offer aims to be ambitious, yet carefully calibrated taking into account concerns of various stakeholders and MS. [NOT RELEASABLE]