

# [UK Trade Remedies Authority proposes trade measures for biodiesel](#)

In its initial findings, the UK's [Trade Remedies Authority \(TRA\)](#) has today (15 December 2021) proposed that existing measures on imports of FAME biodiesel are kept, but that measures on imports of HVO biodiesel are removed. The TRA's provisional findings, contained in the Statements of Essential Facts, would mean that the UK's FAME production industry continued to be protected from dumped and subsidised biodiesel from the USA, including where consigned through Canada, but that HVO from these countries could be imported to the benefit of the UK's agricultural and transport industries, as well as users of oil fired heating. A 30 day period for comments is now open.

Following transition reviews, the TRA has proposed that [anti-dumping](#) and [countervailing measures](#) on fatty-acid mono-alkyl esters (FAME) biodiesel be maintained at their current levels for five years from 30 January 2021. It has also proposed that the same measures on renewable diesel produced from paraffinic gasoil obtained from synthesis or hydro-treatment, of non-fossil origin (HVO) be revoked.

The UK has an established FAME production industry but no UK HVO production industry exists.

FAME is created using a wide variety of oils and animal fats. The most commonly used oils and fats include: Used cooking oils, animal fats/tallow, soya oil, rapeseed oil and sunflower oil. It is added to diesel from crude oil and gas oil to produce a blended road fuel, sold to consumers at fuelling stations. Current pump diesel can contain up to 7% FAME.

HVO, also known as renewable biodiesel, is made by hydrotreating used vegetable oils. As a paraffinic, renewable fuel, HVO can be used as a "drop-in" alternative to traditional diesel, and significantly reduces carbon dioxide, nitrogen oxide, particulate matter and carbon monoxide emissions from vehicles.

The TRA's investigations found that government-subsidised producers in the US would be likely to dump FAME biodiesel in the UK in the future and cause harm to UK industry if the measures no longer applied. Although the TRA found that dumping of subsidised HVO would also be likely to occur if the duty were no longer applied, there would be no damage to domestic manufacturers/businesses as there is no HVO industry in the UK and the higher prices for HVO would mean that it did not displace UK produced FAME. The TRA also established that there is demand for HVO in the UK for use in heating buildings as it offers a cost-effective and more environmentally friendly alternative to existing heating fuels.

TRA Chief Executive Oliver Griffiths said:

The TRA's findings on biofuels shows how we can tailor existing measures to better suit the UK economy. Our proposals would ensure that British biodiesel producers continue to be protected from unfair international competition from subsidised US products, while helping to drive down prices for users of a type of biodiesel that is not made in the UK.

Following today's publications, there will be a 30-day period in which interested parties can comment on the reports. Comments can be submitted to the TRA via the [Trade Remedies Service website](#).

The TRA will then consider and produce Final Recommendations, which will be sent to the Secretary of State for International Trade who will make the final decision on whether to uphold the TRA's recommendations.

## Notes to editors

- The [Trade Remedies Authority \(TRA\)](#) is the independent UK body, established in June 2021, as the first non-departmental public body of the Department for International Trade, that investigates whether trade remedy measures are needed to counter unfair import practices and unforeseen surges of imports.
- Read more about the TRA's mission in its [Business Plan](#).
- Read the [full Statement of Essential Facts in the anti-dumping transition review](#). Read the [full Statement of Essential Facts in the countervailing transition review](#).
- HVO and FAME biodiesel have different production processes.
  - HVO biodiesel is produced through hydrotreatment, whereas traditional FAME biodiesel is produced through esterification (the reaction of an alcohol with acid).
  - FAME biodiesel production requires other reagents such as methanol and produces glycerol as a by-product. FAME is seen as a transitional alternative to fossil fuels as, while it does offer some environmental benefits, it is not without its drawbacks. Some of the problems of high fame content include: Relatively short shelf life, water contamination due to higher water content, encourages diesel bug growth, increased chance of injector fouling, higher fuel consumption rate due to the fuel being less powerful, gradual degradation of fuel due to oxidation and hydrolysis, which can damage machinery.
  - HVO Biodiesel is considered a type of "drop-in fuel" which, theoretically, can be added pure to diesel-powered fuel tanks without any modification to engines.
- Anti-dumping duties allow a country or union to take action against goods sold at less than their normal value, which is defined as the

price for 'like goods' sold in the exporter's home market. Countervailing, or subsidy, duties counteract imports being subsidised by their place of origin that cause material injury to a domestic industry.

- Anti-dumping and countervailing measures are two of the three types of trade remedies – along with safeguard measures that address sudden, unforeseen floods of imports – that are allowed by the World Trade Organisation (WTO).
- Trade remedy investigations were carried out by the EU Commission on the UK's behalf until the UK left the EU. [Forty-three EU trade remedy measures of interest to UK producers](#) were carried across into UK law when the UK left the EU and the TRA is currently conducting a programme of reviews of each measure to assess whether it is suitable for UK needs.