Anti-Dumping/Countervailing Duties Questionnaire for interested parties/contributors Case TD0004 and TS0005: Biodiesel originating in the United States of America and consigned from Canada

Period of Investigation (POI):	1 July 2019 to 30 June 2020
Injury period:	1 July 2016 to 30 June 2020
Deadline for response:	As soon as possible
Contact details:	Anti-dumping: <u>TD0004@traderemedies.gov.uk</u> Countervailing duties: TS0005@traderemedies.gov.uk
Completed on behalf of:	United Kingdom & Ireland Fuel Distributors Association

When you have completed this form, indicate the **confidentiality** of this document by placing an X in the relevant box below:

Confidential X Non-confidential – will be made publicly available

Please note that you should provide **two copies of your response** – a **Confidential** and a **Non-confidential version.** Both copies should be returned to TRID using the Trade Remedies Service (<u>www.trade-remedies.service.gov.uk</u>) by 8th November 2020.

Please remember to upload this dumping and countervailing duties questionnaire to **both cases** on the Trade Remedies Service (www.trade-remedies.service.gov.uk). The Trade Remedies Investigations Directorate is investigating each case separately and you will not be able to participate in both if only one is uploaded.



Table of Contents

The scope of this review	3
Goods subject to review	3
Instructions	4
Introduction	4
How to complete this questionnaire	4
Preparing confidential and non-confidential copies of your information	
What happens next	5
SECTION A: About these cases	7
A1 General information	7
A2 Information about these reviews	8
SECTION B: Next steps and declaration	11
Next steps	
Declaration	

The scope of this review

Goods subject to review

This review covers biodiesel originating in the United States of America and consigned from Canada, described as:

Fatty-acid mono-alkyl esters (FAME) and/or paraffinic gasoil obtained from synthesis and/or hydro-treatment, of non-fossil origin, commonly known as biodiesel. In a pure form or in a blend containing by weight more than 20%, fatty-acid mono-alkyl esters and/or paraffinic gasoil obtained from synthesis and/or hydro-treatment, of non-fossil origin, originating in the United States of America and consigned from Canada.

These goods are currently classifiable within the following CN codes:

- 1516 20 98 (TARIC 1516 20 98 21, 1516 20 98 29, 1516 20 98 30)
- 1518 00 91 (TARIC 1518 00 91 21, 1518 00 91 29, 1518 00 91 30)
- 1518 00 99 (TARIC 1518 00 99 21, 1518 00 99 29, 1518 00 99 30)
- 2710 19 43 (TARIC 2710 19 43 21, 2710 19 43 29, 2710 19 43 30)
- 2710 19 46 (TARIC 2710 19 46 21, 2710 19 46 29, 2710 19 46 30)
- 2710 19 47 (TARIC 2710 19 47 21, 2710 19 47 29, 2710 19 47 30)
- 2710 20 11 (TARIC 2710 20 11 21, 2710 20 11 29, 2710 20 11 30)
- 2710 20 16 (TARIC 2710 20 16 21, 2710 20 16 29, 2710 20 16 30)
- 3824 99 92 (TARIC 3824 99 92 10, 3824 99 92 12, 3824 99 92 20)
- 3826 00 10 (TARIC 3826 00 10 20, 3826 00 10 29, 3826 00 10 50, 3826 00 10 59, 3826 00 10 89, 3826 00 10 99)
- 3826 00 90 (TARIC 3826 00 90 11, 3826 00 90 19, and 3826 00 90 30)

The CN codes are only given for information.

In this questionnaire, these goods will be referred to as the goods subject to review. Any reference to goods subject to review in this questionnaire refers to the goods description above, regardless of the CN code under which they are exported.



Instructions

Introduction

The Trade Remedies Investigations Directorate (TRID) of the UK's Department for International Trade will carry out a transition review of each trade remedy measure active under the EU system that the UK has decided to maintain after EU exit. Transition reviews TD004 and TS005 will consider whether the current anti-dumping and countervailing duties measures are necessary or sufficient to offset dumping/subsidisation of biodiesel originating in the United States of America and consigned from Canada and whether there would be injury to the UK industry if the measures were removed.

TRID is seeking your cooperation as a contributor to inform our investigation into whether the current anti-dumping/countervailing measures should be maintained, varied, or discontinued. The information you provide will help us to determine a fair and appropriate response.

For further information please refer to our guidance on <u>How we carry out transition</u> reviews into EU measures.

Please refer to our online guidance on the differences between interested parties and contributors: <u>https://www.gov.uk/government/publications/the-uk-trade-</u> <u>remedies-investigations-process/an-introduction-to-our-investigations-</u> <u>process#interested-parties-and-contributors</u>

Please provide all the information requested. We may send a notice asking for clarification or supplementary information where necessary. Make sure you provide the sources for any information or data you don't own and clearly state any restrictions on sharing it.

If you don't provide the confidential information and a non-confidential summary (or a statement of reasons why you cannot provide this), we may disregard the information you give us. See below for further information about how to provide confidential and non-confidential versions.

Contact the Case Team if you have any questions about your response or if you have any difficulties in completing the questionnaire. General information about UK trade remedies processes is available at: www.gov.uk/government/publications/the-uk-trade-remedies-investigations-process

How to complete this questionnaire

All statements should be substantiated with relevant data, information, and the sources of these. You may be asked to attach supporting documents in appendices to supplement your responses. To help us verify your information, please retain all

your supporting documents, including any calculations made when developing your responses.

Please note the following points:

- If the answer to a question is 'zero', 'no', 'none' or 'not applicable', write this rather than leaving the answer blank.
- If there is not enough space in any part of the questionnaire to provide the details requested, please attach appendices. Make sure any attachments are given a corresponding appendix reference in the title of the document and that these are referenced in the boxes provided.
- Any documents not in English should be accompanied by an English translation.
- Please provide all dates in the format DD/MM/YYYY (e.g. 23/05/2019).
- For all numerical figures, where appropriate express every third digit with a comma (e.g. '1,300' for one-thousand three hundred, '1,300,000' for one million and three hundred thousand).
- Limit all sales/currency/income figures to two decimal places and use the appropriate currency symbol (e.g. £1,300.00).
- Provide all costing figures as actual amounts. Where actual amounts cannot be provided and you have reported standard costing instead, indicate this in the relevant answer and explain the variance from actual costs, if any.
- All financial figures should be reported net of tax unless otherwise stated.

Preparing confidential and non-confidential copies of your information

You will need to submit one confidential version and one non-confidential version of your questionnaire by the deadline (as soon as possible). **Please ensure that each page of information you provide is clearly marked either "Confidential" or "Non-Confidential" in the header.** It is your responsibility to ensure that the non-confidential version does not contain any confidential information.

Further information on what can be considered confidential and how to prepare a non-confidential version of this questionnaire is available at: <u>https://www.gov.uk/government/publications/the-uk-trade-remedies-investigations-process/an-introduction-to-our-investigations-process#how-we-handle-confidential-information</u>

All information provided to TRID in confidence will be treated accordingly and only used for this investigation (except in limited circumstance as permitted by regulation 46 of the *Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019)* and will be stored in protected systems. The non-confidential version of your submission will be placed on the public file, which is available on <u>www.trade-remedies.service.gov.uk/public/cases</u>.

What happens next



Upload your completed questionnaire responses and non-confidential versions of documents to our Trade Remedies Service at <u>www.trade-remedies.service.gov.uk</u>. You will receive an email confirming the documents have been uploaded successfully. Non-confidential responses will be placed on the public file and the Case Team will contact you if further information is required. We may contact you to arrange a visit to verify the information contained in your responses.

Once we have assessed whether measures are needed, in some cases we will submit a provisional affirmative determination. This will contain our recommendation to the Secretary of State about whether to request a guarantee from importers to cover the duty amount they would incur if measures were finalised.

Before publishing a final determination, we will publish a Statement of Essential Facts setting out the detailed reasoning of how we came to our decision. Interested parties will have the opportunity to provide comments and submissions on this. After considering these we will publish a final determination that sets out our final recommendation of measures to the Secretary of State.

Further information on this process is available at:

www.gov.uk/government/publications/the-uk-trade-remedies-investigationsprocess/an-introduction-to-our-investigations-process#determinations-andconclusion-of-investigations



SECTION A: About these cases

A1 General information

1. Please complete the table below. Make sure the point of contact you name has the authority to provide this information.

Name (point of contact):	
Address:	Wellington House Starley Way, Birmingham
	International Park, Solihull, England, B37 7HB
Telephone No:	
Email:	
Website:	www.ukifda.org

If you are representing a company, please also fill in the information below:

Company registration number:	03439922
Place of registration:	UK
5 5	UK & IRELAND FUEL DISTRIBUTORS ASSOCIATION LIMITED
5	Private company limited by guarantee without share capital
Position in the organisation:	
Year of establishment:	1997
Other operating names:	

2. Please explain your interest in transition reviews TD004 and TS005.

UKIFDA represents the majority of the fuel distributors in the UK. Currently the industry employs c8000 people directly with an annual turnover of £12bn. On an annual basis we deliver over 3bn litres of heating oil (kerosene) to over 1.5m homes in the UK often rurally based.

We are currently conducting a field trail in the UK alongside partners investigating the replacement of kerosene with HVO one of the goods potentially caught by the current countervailing measures.

A2 Information about these reviews

For each question, please give any information you feel is relevant to the reviews. If you have no information, please say so in your answer. These transition reviews will consider whether the current anti-dumping/countervailing measures are necessary or sufficient to offset dumping/subsidisation and whether there would be injury to the UK industry if the measures were removed.

1. Please provide any information about the goods subject to review that you consider relevant.

Many oil products, such as crude and diesel, are already zero-rated for customs duties regardless of origin. The UK has a huge deficit in middle distillate oil products such as kerosene with our six refineries producing far less than we need domestically and therefore is required to import from a number of different countries including the US. (Source BEIS Duke Statistics)

Both the Climate Change Committee (CCC) and the National Grid Future Energy Scenarios (FES) predictc900,000 of our customers will require some form of renewable fuel ("biofuel") to provide home heating by 2050 to help meet the UK's net zero commitment.

Using our own resources, we have been working with industry partners on a renewable liquid heating fuel field trial that started in December 2020. This has involved the replacement of kerosene in a number of homes with a new liquid fuel with the principle aim to ascertain whether the fuel could be used long term across our customer base.

We are using Hydrotreated Vegetable Oil (HVO) as the renewable fuel. This fuel has been independently¹ verified and certified to be sustainable and derived from waste streams and the Building Research Establishment (BRE) has established on a CO2e per kWh basis a near 90% reduction in carbon emissions compared to traditional heating oil.

We have been extremely pleased with the results to date. From a technical view we have used the fuel in several different appliances with no issues.

As an industry we are keen to make the next step which is to widen the trial and move to a position where we can offer HVO commercially to our customers. While the upfront cost of change to the consumer is small (£500) compared to a heat pump (c£24,000 depending on retrofit costs) there is one very important aspect we have to ensure is addressed before we can commercialise the offering and that is the security of supply of HVO itself.

Currently the UK has limited indigenous production of HVO and most of the supply comes from Europe with raw materials such as the waste streams coming from further afield. In discussions with Valero one of the refinery owners in the UK and already a significant contributor to the UK economy it has become clear that there is a significant supply of HVO that could come to the UK from the US but is currently being economically blocked as part of the countervailing measures introduced by Europe.

¹ https://www.iscc-system.org/



Given the potential carbon reduction we could create in the UK it seems to make little sense to be creating an economic block on the very fuel that can make it happen. The arguments put forward for introducing the measures in the first place either no longer apply or are not relevant to the UK outside of Europe.

As far as the UK is concerned there seems to be significant symmetry in terms of HVO and kerosene – both can be used for heating fuel, both need to imported as we have a shortfall indigenously and both have important economic benefits it therefore makes little sense to treat them differently.

What does make sense however is to encourage an already important employer in the UK, the second largest producer of HVO globally to provide a fuel that can make significant reduction in decarbonising our off-grid homes.

2. Provide any information which you think could help us assess the likelihood of dumping occurring if the existing anti-dumping/countervailing measures for the goods subject to review no longer applied.

No information

3. Do you think there would be injury to the UK industry if the existing antidumping/countervailing measures for the goods subject to review no longer applied? Provide any information supporting your conclusions including what the cause of this injury would be. You can refer to our <u>guidance on how we</u> <u>assess injury</u> for a definition of injury.

Given the low level of indigenous production of HVO in the UK (6% in 2019 of total volume supplied) (<u>https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attac hment_data/file/943264/nonfood-statsnotice2019-10dec20v3.pdf</u>) we do not believe there to be any impact on UK industry given the requirement for HVO will substantially increase

4. Please provide any information about the possible economic effects on the UK if the existing anti-dumping/countervailing measures on the goods subject to review were no longer applied.

No information



5. If you have any other information which may help us with this review, please provide it below.

No information



SECTION B: Next steps and declaration

Next steps

Once you have completed all parts of the questionnaire, the declaration below should be signed.

Please upload this questionnaire to both cases (TD004 and TS005) through the Trade Remedies Service (<u>www.trade-remedies.service.gov.uk</u>) by **8**th **November 2020.**

A confidential and non-confidential version of the questionnaire must be submitted. You can find guidance on how to complete confidential and non-confidential versions at <u>www.gov.uk/government/publications/the-uk-trade-remedies-investigations-process/an-introduction-to-our-investigations-process#handling-confidentialinformation</u>.

Declaration

By signing this declaration, you agree that all information supplied in this questionnaire is complete and correct to the best of your knowledge and belief and that you understand that the information you submit may be subject to verification by TRID.

Company name: UK and Ireland Fuel Distributors Association Company registration number (if applicable): 03439922

8th April 2021

Date

Signature of authorised official

Name and title of authorised official