Trade Remedies Authority

Final Determination

Review No. TS0065

Subsidy transition review into biodiesel originating from Indonesia imported into the United Kingdom

2 July 2026

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Section A: Introduction

A1. Review

1. This review relates to biodiesel imported into the United Kingdom (UK) originating from Indonesia. A full description of the goods that this investigation relates to can be found in Section D: The goods subject to review and the like goods.

2. This section briefly summarises the legal framework for this final determination and the Trade Remedies Authority (TRA)'s main findings. The background to and details of the review are explained fully in the subsequent sections.

3. It should be read in conjunction with other public documents available for this case, which are available on the public file.

4. This final determination also informs parties who have supplied information about how the TRA has considered and used information provided. The final determination provides details of the analysis forming the basis of the determination and responses to submissions made by parties.

5. For further guidance and information regarding transition reviews please see our public guidance.

A2. Legal framework

6. This recommendation for a variation is made pursuant to regulations 100(1), 100(2)(a)(i) and 100A of the Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019 (the Regulations)[1]. In accordance with regulation 100(2)(b) of the Regulations, it includes:

    - a description of the goods to which the recommendation relates;

[1] The Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019

- the names of overseas exporters;
- a summary of the review; and
- the reasons for the recommendation

7. Pursuant to regulation 100(1E) of the Regulations, we must advise the Secretary of State whether and why we consider that a variation would meet the economic interest test. For the reasons set out in Section H.10 (Conclusions on Economic Interest Test), we advise the Secretary of State that we consider that the variation of the countervailing measure in accordance with our recommendation meets the Economic Interest Test.

8. In addition, in accordance with regulation 100A(2) of the Regulations, when making a recommendation to vary the measure we:

    - have had regard to the current and prospective impact of the countervailing amount (Section G);
    - have specified the following information:
        - the countervailing amount (Annex B);
        - the goods or the description of the goods to which the countervailing amount applies (Section D); and
        - the period for which the countervailing amount is to apply (Section J).

A3. Period of investigation and injury period

9. The period of investigation (POI) is 1 October 2023 to 30 September 2024.

10. To assess injury, the TRA has chosen to examine the period from 1 October 2020 to 30 September 2024 as the injury period (IP).

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Section B: Summary and findings

B1. Recommendation to the Secretary of State

11. In accordance with regulation 100(1) of the Regulations, the TRA must make a recommendation following a transition review to vary or revoke the application of the countervailing amount to the relevant goods.

12. Our recommendation is to vary the application of the countervailing amounts pursuant to regulations 100(1), 100(2)(a)(i) and 100A of the Regulations, so that it applies to the relevant goods imported from Indonesia into the UK until 10 December 2029 – that is, five years subsequent to the date when the measure would have otherwise expired (10 December 2024) had no transition review been initiated.

13. Pursuant to regulation 100A(4)(b) of the Regulations, we recommend maintaining the countervailing amounts applicable to the relevant goods as set out in Taxation Notice 2020/36.

14. We found no evidence suggesting that a form of measure other than the variation we propose would be more appropriate.

15. We make this recommendation on the grounds that we have assessed that it is likely that the importation of the subsidised relevant goods would recur if the measure were no longer applied to those goods; that injury is likely to recur to the UK industry in the like goods if the measure were no longer applied to the goods subject to review; and that we consider that the variation of the measure in accordance with our recommendation meets the EIT.

16. In reaching this recommendation, we also considered the current and prospective impact of the countervailing measure, pursuant to Regulation 100A(2)(b) of the Regulations.

B1.1 Subsidy

17. In accordance with regulation 99A(1)(a) of the Regulations, we assessed whether importation of the subsidised goods subject to review would be likely to continue or recur if the countervailing amounts were no longer applied to those goods (see Section G: Subsidy). We determined that it is likely, on the balance of probabilities, that importation of the subsidised goods subject to review from Indonesia would recur if the measure were no longer applied to those goods.

B1.2 Injury

18. In accordance with regulations 99A(1)(b) of the Regulations, we considered whether injury to the UK industry in the like goods would be likely to continue or recur if the measure were no longer applied to the goods subject to review (see Section H: Injury). We determined that it is likely, on the balance of probabilities, that injury to UK industry in the like goods would recur if the measure were no longer applied to the goods subject to review.

B1.3 Economic interest test (EIT)

19. In accordance with regulation 100(1E) of the Regulations, the TRA has considered the evidence before it and the following factors set out under paragraph 25(4) of the Schedule to the Taxation (Cross-Border Trade) Act 2018 (the Act):

- the injury caused by the importation of the subsidised goods to a UK industry in the like goods and the benefits to that UK industry in removing that injury;
- the economic significance of affected industries and consumers in the UK;
- the likely impact on affected industries and consumers in the UK;

- the likely impact on particular geographic areas, or particular groups, in the UK;
- the likely consequences for the competitive environment, and for the structure of markets for like goods, in the UK; and
- such other matters as we considered relevant.

20. We have concluded that varying the measure as proposed is unlikely to cause any disproportionate negative effects as compared to the benefits of removing injury (see Section I: EIT). Therefore, we advise the Secretary of State that we consider that the proposed variation of the measure in accordance with our final recommendation would meet the Economic Interest Test, in accordance with regulation 100(1E) of the Regulations.

B1.4 Variation of description of the goods

21. The TRA recommends to the Secretary of State that the description of the goods subject to the countervailing measure under review is varied, pursuant to regulation 99A(2)(a)(ii) of the Regulations. This variation will be to explicitly exclude sustainable aviation fuel (SAF) for this review, as the TRA does not consider SAF to be the like goods. The goods description that the TRA recommends is as follows:

"Fatty-acid mono-alkylesters or paraffinic gasoils obtained from synthesis or hydrotreatment of non-fossil origin in pure form or as included in a blend, excluding sustainable aviation fuel, in pure form or as included in a blend."

22. The decision underpinning this recommendation is outlined in further detail in Section D2.1.

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Section C: Background

C1. Initiation

23. The UK chose to maintain some trade remedy measures once it was outside the EU's Common External Tariff. The Department for International Trade (DIT) identified which measures were of interest to the UK following a call for evidence.

24. For each of these measures, the Secretary of State for International Trade published a Notice of Determination, under regulation 96(1) of the Regulations, setting out the decision to transition the corresponding EU trade remedies measure and a Taxation Notice on replacement of the EU trade duty. The TRA has conducted transition reviews to determine if the measure should be varied or revoked in the UK.

25. On 31 December 2020, the Secretary of State published Notice of Determination 2020/36 regarding the countervailing duty on biodiesel originating in Indonesia, setting out the decision to transition the countervailing duty on biodiesel originating in Indonesia imposed in Commission Implementing Regulation (EU) 2019/2092, so it continued to apply in the UK once the UK ceased to apply the EU's Common External Tariff. Taxation Notice 2020/36 gave effect to this transition of this measure. As a result, this measure became a UK trade remedies measure in accordance with regulation 94A of the Regulations.

26. On 6 December 2024, the TRA published a Notice of Initiation to initiate a transition review of the UK countervailing measure relating to biodiesel originating in Indonesia.

27. The Secretary of State, the foreign government of the Indonesia and other interested parties and contributors were notified accordingly and invited to register on the Trade Remedies Service to participate in this review.

C2. Participation in the investigation

28. Further to regulation 99C, the TRA applied Part 6 of the regulations to the extent it considered relevant. In accordance with regulation 54(1), the TRA set a period during which interested parties and any other person may make themselves known to the TRA and the TRA invited interested parties and contributors to register in order to participate in the review during this period. The TRA requested that completed registration forms be submitted to the TRA by no later than 23 December 2024. The TRA published questionnaires for completion by interested parties on 17 February 2025, with the deadline for submission on 19 March 2025.

29. The relevant non-confidential submissions made to this review by each of the parties are available on the public file. Annex A: Interested parties and contributors contains a summary of information received from all interested parties and contributors.

30. The following interested parties and contributors registered to this investigation:

UK Producers:

- Argent Energy (UK) Limited (Argent);
- Olleco;
- Greenergy Fuels Limited (Greenergy);

Trade Bodies:

- Renewable Transport Fuel Association (RTFA) (the applicant);
- UK Oil Industry Tax Committee (UKOITC);

Foreign Governments

- Directorate of Trade Defence, Ministry of Trade of Indonesia (GOI);

Contributors:

- Foodchain & Biomass Renewables Association (FABRA UK).

C2.1. UK producers

31. In total, three UK producers registered for this transition review. The TRA received a request from Olleco for an extension of time to submit a Pre-Sampling Questionnaire (PSQ) in order to register to this transition review. The TRA published a Notice of Extension on 27 December 2024 to grant Olleco an extension until 6 January 2025.

32. In accordance with regulation 57(2)(d) the TRA sampled two UK producers. In accordance with regulation 57(3) the TRA may use any reasonable method to determine the sample. The sample was based upon selection of the two UK producers with the largest production volume of biodiesel (metric tonnes) during the POI. The UK producers selected are as follows:

    - Greenergy
    - Argent

33. The TRA published a Notification of Final Sample on 10 February 2025 outlining this sampling decision. Where we refer to the sampled UK producers in this final determination, we refer specifically to these two sampled UK producers.

34. Both UK producers submitted full questionnaire responses. The TRA received requests from both Greenergy and Argent for an extension of time to submit their questionnaire responses. The TRA granted Greenergy an extension until 24 March 2025 and Argent an extension until 26 March 2025.

C2.2. Exporters/Producers from Indonesia

35. No exporters or overseas producers from Indonesia registered interest in this review.

C2.3. Importers

36. No importers registered interest in this review.

C2.4. Trade Bodies

37. The RTFA and the UKOITC registered an interest in this review. The RTFA and the UKOITC did not provide questionnaire responses in the period.

C2.5. Foreign government

38. The GOI, through its Trade Defence Directorate as the Ministry of Trade of Indonesia, registered an interest in this review. The TRA received a request from the GOI for an extension of time to submit a registration form in order to register to this transition review. The TRA published a Notice of Extension on 19 December 2024 to grant an extension until 6 January 2025.

39. The GOI did not submit a questionnaire response to the TRA by the deadline. The TRA contacted the GOI on 29 April 2025 to invite it to reconsider its participation in this review and to provide a completed questionnaire.

40. The GOI confirmed that it would not submit a questionnaire response and submitted two letters to the TRA, one letter on 2 May 2025 and the other letter on 21 May 2025. In these letters, the GOI submitted evidence that there were no biodiesel exports from Indonesia to the UK during the investigation period. The GOI also stated that its focus was on the litigation process between Indonesia and the European Union at the WTO Dispute Settlement Body (DSB) with respect to the European Commission's (EC's) definitive countervailing duty on imports of biodiesel from Indonesia. The Panel's decision on this dispute has been published and the European Union has subsequently appealed to the WTO's Appellate Body.

C2.6. Contributors

41. FABRA UK registered an interest in this review.

C3. Data used in this review

42. Data on the goods subject to review available to us was limited as a result of no participation from overseas producers.

43. The commodity codes relevant to this review likely include blends of mineral diesel. This impacts the value and volume of HMRC import data for this review and any mineral diesel represented in the HMRC data is likely to significantly distort the data. It is not possible to remove any mineral diesel component as the goods subject to review can be blended at different ratios for different purposes. Consequently, HMRC data has been used for the purpose of assessing imports, and otherwise only with circumspection.

44. We have used data from the Renewable Transport Fuel Obligation (RTFO), published by the Department for Transport (DfT). DfT records and publishes the supply of renewable road and non-road mobile machinery fuels under the RTFO in the UK. The TRA has used data from Renewable fuel statistics 2023: Final report published on 21 November 2024 and Renewable fuel statistics 2024: Final report published on 13 November 2025. DfT's data is in an annual format so does not align with the POI for this review. Consequently, we have taken care to align the data to the POI using the 2023 and 2024 Final Reports for the purposes of our analysis.

45. Within this final determination, there are instances where Argus Media (Argus) is identified as a source of the data which the TRA has aggregated and republished under licence from Argus. This data has not been prepared specifically for the TRA nor with any knowledge of any of the materials into which the TRA is incorporating it. Argus makes no warranties, express or implied, as to the accuracy, adequacy, timeliness, or completeness of its data or the TRA's presentation of that data, or its fitness for any particular purpose. Argus shall not be liable for any loss or damage arising from any party's reliance or use of such data and disclaims any and all liability related to or arising out of use of the data to the fullest extent permissible by law.

C4. Verification of data

46. The TRA undertook verification activities in relation to the information provided by the cooperating interested parties, during which the completeness, relevance, and accuracy of that information was assessed. The TRA has had regard to the information supplied by interested parties and contributors, provided that this:

    - complied with the TRA's statutory obligations and public guidance;
    - was verifiable;
    - could be used without undue difficulty; and
    - was supplied within an applicable time limit and in a form that the TRA requested.

47. The TRA conducted virtual verification activities with Argent on 23-25 April 2025. A verification report was produced for this party and a non-confidential version of this report can be viewed on the public file.

48. The TRA conducted onsite verification activities with Greenergy on 19-21 May 2025. A verification report was produced for this party and a non-confidential version of this report can be viewed on the public file.

49. Secondary source information was used in accordance with the Regulations. This secondary information was treated with special circumspection and, where practicable, verified using independent sources. This included, but was not limited to, official import statistics and data pertaining to relevant markets.

50. As a result of our verification activities, we were unable to gain the assurance we considered necessary for some of the data submitted by Greenergy with respect to employment figures and median wage data, and Greenergy and Argent with respect to cash flow data. Our findings are detailed in the verification reports (see links provided in Annex A). We have excluded this data in considering our findings.

C5. World Trade Organization (WTO) panel report DS618

51. In August 2023, Indonesia requested the establishment of a panel at the WTO DSB to challenge the EU's imposition of countervailing duties at the WTO. On 22 August 2025, the WTO published its dispute settlement panel report (DS618) considering the dispute between the European Union and the GOI on the EC's findings concerning biodiesel from Indonesia. This relates to the EU measure which was transitioned to the UK as referenced in paragraph 25.

52. There were three subsidies mentioned in DS618. The key finding highlights of the panel are set out below:

    a. For the first of these subsidies – the provision of Crude Palm Oil (CPO) for less than adequate remuneration (LTAR) – the Panel primarily found that the Commission acted inconsistently with the Agreement on Subsidies and Countervailing Measures (SCM) by determining that the GOI induced the domestic CPO producers to sell CPO locally and thereby entrusted or directed private CPO suppliers to provide CPO to biodiesel. The Panel also found that the Commission did not make it apparent how the Oil Palm Plantation Fund (OPPF) scheme subsidy contributed to lower costs of obtaining CPO. The WTO stated that nothing within the Commission's reasoning showed how OPPF payments contributed to negative trade effects injuring the EU.
    b. For the second of these subsidies, the Panel also found that the Commission did not make it apparent how the bonded zone scheme subsidy contributed to lower costs of obtaining CPO. The WTO stated that nothing within the Commission's reasoning showed how the bonded zones scheme contributed to negative trade effects injuring the EU. Overall, the Panel did not make a determination specifically more broadly on the countervailability of government support to the biodiesel industry through the exemption of import duties on imported machinery into bonded zones.

c. For the third of these subsidies, the Panel found that Indonesia had not established that the Commission acted inconsistently with the SCM Agreement by determining that the disbursements from the Indonesian government management agency known as the Oil Palm Plantation Fund (OPPF) to the biodiesel producers constituted a grant.
d. The Panel considered that the European Commission's findings concerning price depression, the state of the EU biodiesel industry, and a threat of material injury were not consistent with the WTO's requirements.

53. The UK measure against biodiesel from Indonesia assessed under this review includes Crude Palm Oil (CPO) for less than adequate remuneration (LTAR) and bonded zones in Indonesia as two of three subsidies being countervailed.

54. The subsidy concerning the provision of crude palm oil for LTAR is outlined under Section G3.2., and the TRA has approached this subsidy in line with its determinations below around appropriateness. The TRA's assessment of support provided by the bonded zone scheme is outlined in Section G3.3. The government support through OPPF payments is outlined in Section G3.1.

55. On 26 September 2025, the European Commission (EC) appealed DS618. As it is inquorate, the WTO Appellate Body is presently unable to carry out appeals. No date is set for when the Appellate Body might become quorate and any appeal might be heard. Furthermore, as a result of this appeal, the decision outlined in DS618 has yet to be adopted by the DSB. The Panel report does not fall within the definition of an "international dispute decision" as set out in paragraph 22(6) of Schedule 4 to the Act.

56. This transition review is being conducted on a UK trade remedies measure (as per regulation 94A(2) of the Regulations) with Part 12 of the Regulations.

57. In accordance with regulation 99A(2), the TRA has exercised its discretion to consider whether it is appropriate to recalculate the countervailing amount.

58. The TRA considered WTO Panel Report DS618 when deliberating on the appropriateness of recalculating the countervailing amount under regulation 99A(2)(a)(i). The TRA does not consider it appropriate, in light of the European Union's appeal of the Panel decision in DS618. The Panel Report has yet to be adopted by the DSB and there is therefore uncertainty over the outcome of this dispute.

59. The TRA also notes that in this transition review there were no or negligible imports of the relevant goods from Indonesia to the UK during the POI, according to HMRC 10-digit raw declarations data, and there was a lack of participation from overseas producers from Indonesia. Regulation 23(4) requires that the TRA express the amount of subsidy as an ad valorem rate of the value of the subsidised imports into the UK. In the absence of subsidised imports, it is not possible to express the amount of subsidy as a percentage of subsidised imports. As a result, it is not possible to calculate an amount of subsidy in accordance with 99A(2)(b) that meets TRA requirements as set out in the Regulations.

60. The TRA determined positive findings in both likelihood assessments, as described in Section G and Section H. As such the TRA will not recommend that the Secretary of State revoke this measure.

61. The TRA may recommend varying or revoking the measure in accordance with regulation 100(1), and therefore in accordance with these regulations the TRA recommends that the measure be varied by maintaining the measure.

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Section D: The goods subject to review and the like goods

D1. Description of the goods

62. The goods subject to review is biodiesel originating in Indonesia and exported to the UK, described in the NOI as:

> *"Fatty-acid mono-alkyl esters or paraffinic gasoils obtained from synthesis or hydro-treatment, of non-fossil origin, in pure form or as included in a blend."*

63. The UK Global Tariff commodity codes under which these goods are categorised in the NOI are as follows:

1516 20 98 21	1518 00 99 32	2710 19 47 39	3824 99 92 15
1516 20 98 22	1518 00 99 39	2710 20 11 21	3824 99 92 16
1516 20 98 23	2710 19 43 21	2710 20 11 22	3824 99 92 19
1516 20 98 29	2710 19 43 22	2710 20 11 23	3826 00 10 20
1516 20 98 31	2710 19 43 23	2710 20 11 29	3826 00 10 21
1516 20 98 32	2710 19 43 29	2710 20 11 31	2816 00 10 22
1516 20 98 39	2710 19 43 31	2710 20 11 32	3826 00 10 29
1518 00 91 21	2710 19 43 32	2710 20 11 39	3826 00 10 50
1518 00 91 22	2710 19 43 39	2710 20 16 21	3826 00 10 51
1518 00 91 23	2710 19 46 21	2710 20 16 22	3826 00 10 52
1518 00 91 29	2710 19 46 22	2710 20 16 23	3826 00 10 59
1518 00 91 31	2710 19 46 23	2710 20 16 29	3826 00 10 89
1518 00 91 32	2710 19 46 29	2710 20 16 31	3826 00 10 90
1518 00 91 39	2710 19 46 31	2710 20 16 32	3826 00 10 91
1518 00 95 10	2710 19 46 32	2710 20 16 39	3826 00 10 99
1518 00 95 11	2710 19 46 39	2710 20 16 91	3826 00 90 11
1518 00 95 19	2710 19 47 21	2710 20 16 92	3826 00 90 12
1518 00 99 21	2710 19 47 22	2710 20 16 99	3826 00 90 13
1518 00 99 22	2710 19 47 23	3824 99 92 10	3826 00 90 19
1518 00 99 23	2710 19 47 29	3824 99 92 11	3826 00 90 31
1518 00 99 29	2710 19 47 31	3824 99 92 13	3826 00 90 32
1518 00 99 31	2710 19 47 32	3824 99 92 14	3826 00 90 39

64. The commodity codes under which the goods subject to review may be imported into the UK have been updated since the publication of the NOI on 6 December 2024. Below is an updated list under which the goods subject to review are imported into the UK:

1516 20 98 21	2710 19 44 33	2710 20 16 93
1516 20 98 29	2710 19 46 21	2710 20 19 10
1516 20 98 33	2710 19 46 29	2710 20 19 90
1518 00 91 21	2710 19 46 33	3824 99 92 10
1518 00 91 29	2710 19 47 21	3824 99 92 14
1518 00 91 33	2710 19 47 29	3824 99 92 17
1518 00 95 21	2710 19 47 33	3826 00 10 20
1518 00 99 21	2710 19 48 10	3826 00 10 29
1518 00 99 29	2710 19 48 90	3826 00 10 50
1518 00 99 33	2710 20 11 21	3826 00 10 59
2710 19 42 21	2710 20 11 29	3826 00 10 89
2710 19 42 29	2710 20 11 33	3826 00 10 99
2710 19 42 90	2710 20 16 21	3826 00 90 11
2710 19 44 21	2710 20 16 29	3826 00 90 19
2710 19 44 29	2710 20 16 33	3826 00 90 33

D2. Assessment of the like goods

65. Like goods are defined for the purposes of this transition review as goods which are like the goods subject to review in all respects or, if there are no such goods, goods which, although not alike in all respects, have characteristics closely resembling the goods subject to review (see paragraph 7(1) of Schedule 4 to the Act).

66. In identifying like goods, the TRA has considered:

- Physical likeness, such as physical characteristics;
- Commercial likeness, including competition and distribution channels;
- Functional likeness, such as end-use or interchangeability;
- Similarities in production, such as method and inputs; and

- Other relevant characteristics.

D2.1. Sustainable Aviation Fuel

67. Regulation 99A(2)(a)(ii) of the Regulations makes provision for the TRA to consider, within the conduct of a transition review, whether the goods or the description of the goods to which a countervailing amount is applicable should be varied.

68. The TRA considered whether it should vary the description of the goods in this transition review. In particular, it considered how to approach sustainable aviation fuel (SAF) in light of the TRA's previous determinations on measures on imports of similar goods to the goods subject to review from a number of countries, i.e. Argentina, China, USA.

69. As part of these previous determinations, the TRA published a note to the public file for the AD0058 case – Biodiesel from the PRC, published on 14 August 2024, entering into consultation with interested parties on the proposed revision.

70. The TRA conducted a scope assessment in AD0058 which determined that SAF should be excluded from scope. On 23 August 2024, the TRA published a note to the public file informing of a scope revision for AD0058: Biodiesel imported into the UK from the PRC, together with an updated Notice of Initiation amending the goods description for that case, to explicitly exclude SAF from the scope of the anti-dumping investigation.

71. As the goods description for TS0065 is identical to the goods description as published in AD0058's 5 June 2024 original Notice of Initiation, the TRA considered it reasonable to assess whether SAF should be excluded from the goods description for this review.

72. According to the updated Notice of Initiation, the scope revision in anti-dumping investigation AD0058 amended the goods description to:

"Fatty-acid mono-alkylesters or paraffinic gasoils obtained from synthesis or hydrotreatment of non-fossil origin in pure form or as included in a blend, excluding sustainable aviation fuel, in pure form or as included in a blend."

73. As noted within the note to file to investigation AD0058 of 14 August 2024, the following factors contributed to the TRA's proposal to amend the scope in anti-dumping investigation AD0058:

- Different production processes for most SAF pathways as compared with HVO and FAME;
- Different raw materials for most SAF pathways as compared with HVO and FAME;
- Limited interchangeability: FAME and HVO cannot be exchanged with SAF for use in an aviation turbine engine;
- SAF is not intended for use in a road-transport diesel engine and can cause wear to the engine over time;
- Uncertainty that SAF would meet relevant UK road transport standards;
- The introduction of the UK SAF mandate in January 2025 means that SAF will operate within its own framework, and it will be unlikely to compete under the Renewable Transport Fuel Obligation;
- Price difference: the TRA considers that SAF has a higher selling price than the goods which remain within the revised scope, and as such there is currently no economic incentive to sell SAF for road transport for less than it could be sold to the aviation industry;
- Aviation turbine fuel, including SAF, benefits from a full excise rebate under tax code 601. HMRC requires that authorisation is granted before SAF is used for purposes other than aviation, and HMRC will only grant authorisation in exceptional circumstances. The TRA considers that given the price difference between SAF and the goods

within the revised scope it is unlikely that companies would forgo this rebate to sell for less profit in the road transport market;

- Different customer identities.

74. On 20 December 2024, the TRA published a request for information from all parties on the potential inclusion of SAF within the current description of the goods subject to review for TS0065. The TRA invited parties to provide their submissions and supporting evidence to the TRA no later than 10 January 2025. The TRA did not receive any submissions on this topic. As such, the TRA has relied on facts available, including similar findings from AD0058.

75. AD0058's scope assessment determined that SAF should be excluded from the scope of that investigation on the basis of likeness. The products in scope for this review are identical to the products which were in scope for AD0058. Given this, the notes to the public file proposing and confirming the scope revision in anti-dumping investigation AD0058 provide support for the proposition that SAF should not be considered the goods subject to this review. As such, the goods description in this transition review should also make clear that SAF is excluded from the application of the countervailing measure currently under review.

76. Based on the above, we recommend an equivalent revision of the description of the goods subject to the countervailing measure in this transition review. For ease of reference, we recommend to the Secretary of State that the goods subject to the countervailing measure under review are described as follows:

"Fatty-acid mono-alkylesters or paraffinic gasoils obtained from synthesis or hydrotreatment of non-fossil origin in pure form or as included in a blend, excluding sustainable aviation fuel, in pure form or as included in a blend."

77. We invited comments from interested parties on the proposed revision of the description of the goods to which the countervailing amounts apply to exclude SAF. We did not receive any comments on this proposed revision.

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Section E: SEF publication and comments

E1. Overview

78. On 11 December 2025, the TRA published the Statement of Essential Facts (SEF) for TS0065. The SEF was published in accordance with regulation 62 of the Regulations.

79. Following publication of the SEF, we invited interested parties and contributors to make submissions in response. The deadline for submission of comments was 23:59 hours (GMT) on 8 January 2026 in accordance with regulation 62(2) of the Regulations.

80. The TRA received comments from:

- the Government of Indonesia; and
- the Construction Plant-hire Association

E2. SEF comments

E2.1. Government of Indonesia

81. The Government of Indonesia submitted comments on the SEF on 8 January 2026. The submission was published on the public file on 5 February 2026.

E2.1.1. The absence of subsidised biodiesel imports from Indonesia

82. The GOI contended that the wording in the SEF (paragraph 94) where it states that the absence of imports is "due to the effectiveness of the measure" is not legally permissible. The GOI argued that any determination must be based on positive evidence rather than hypothetical assumptions when there are no imports.

83. The GOI noted that trade statistics from HMRC, Statistics Indonesia (BPS) export data and Trademap all indicate that there were zero biodiesel exports from Indonesia to the UK during the relevant period.

84. The GOI stated that Article 11.2 of the SCM agreement requires the existence of sufficient evidence demonstrating subsidised imports, injury and a causal link between them.

85. In addition, the GOI argued that Article 15.2 requires that the TRA assesses whether there has been a significant increase in the volume of subsidised imports.

86. Finally, the GOI maintained that, according to Article 19.1, countervailing duties may only be imposed when a subsidy exists that causes injury.

87. The GOI concludes on this point by stating that an investigating authority cannot legally make determinations of injury or causation when there are no imports capable of causing injury through the effects of the subsidy.

88. The TRA notes that TS0065 is a transition review conducted further to regulation made under Sections 13, 51 and 56 of the Act which provides the Secretary of State with powers to transition EU trade remedy measures into UK law.

89. The TRA further notes that TS0065 is a review rather than an original investigation. A review therefore requires an examination of whether subsidisation and injury would be *likely* to continue or *recur* (recur meaning to occur or appear again).

90. The absence of imports of biodiesel from Indonesia to the UK during the review period therefore does not prevent the TRA from making a recommendation maintaining the measure, as it may assess the likelihood of recurrence, not just continuation. This is further emphasised by the Secretary of State's Statutory Guidance on Transition Reviews which the TRA must follow unless it has good reason to depart from it. The Statutory Guidance states: *A finding that there*

are no subsidised imports is not sufficient to terminate measures, until the TRA has assessed the likelihood of future subsidised imports[2].

91. Therefore, when the TRA conducts transition reviews, we must establish whether imports to the UK of subsidised goods would be likely to recur if the measure were to no longer apply.

92. The TRA confirms that it does not have evidence that the absence of imports is a direct result of the measure currently in place. The TRA does not infer the likelihood of recurrence of subsidised imports from the existence of the measure. The assessment is based on a forward-looking analysis that considers whether the expiry of the duty would be likely to lead to recurrence of subsidisation and injury.

E2.1.2. Defective likelihood analysis

93. The GOI argued that there are deficiencies in the TRA's likelihood analysis which flow from the lack of imports. The GOI argued that the SEF relies on historical findings made by the European Commission in 2019 and on a descriptive account of Indonesian legislation governing biodiesel measures.

94. The GOI stated that Articles 21.3 and 21.4 require a genuine and forward-looking assessment based on current evidence. The GOI stated that this assessment must not replicate the findings of the initial investigation, but must instead demonstrate that the continuation of the countervailing duties is justified to eliminate injury to the domestic injury.

95. The GOI argued that the SEF did not analyse current export behaviour, current pricing to the UK market or commercial incentives that would make the UK an attractive market, and that the SEF instead informs us that there were no

[2] https://www.gov.uk/guidance/trade-remedies-investigations-directorate-trid-dumping-and-subsidisation-investigations-guidance/transition-reviews-anti-dumping-and-countervailing-measures

exports to the UK during the period and that the blending mandate has been absorbed domestically.

96. The GOI concluded by stating that the TRA's determination of probability is legally speculative and inconsistent with Articles 21.3 and 21.4 of the SCM agreement.

97. The TRA's analysis does not flow solely from the absence of imports, nor does it seek to replicate the findings of the European Commission. Consistent with Articles 21.3 and 21.4 of the SCM agreement, we have undertaken a genuine and forward-looking assessment of whether the removal of measures would be likely to lead to the recurrence of injury.

98. The SEF examines current evidence including the continued provision of subsidies, current UK pricing and the attractiveness of the UK market. Indonesian biodiesel exporters respond to market opportunities. As explained in the SEF, when duties are eliminated, exporters rapidly adjust their sales patterns and change their target markets to maximise revenue opportunities. With the duties removed, Indonesian biodiesel could enter the UK at lower, subsidised prices, capturing higher margins than might be available via sales within the domestic market.

99. The TRA notes that the absence of imports to the UK during the review is likely a direct consequence of the measures as Indonesian biodiesel could now operate in the UK market on a level playing field as a result of the measure.

100. The SEF does not indicate that the blending mandate being absorbed domestically removes the possibility of exports. The mandate does not fully absorb all production or prevent exports, as biodiesel is exported from Indonesia. Domestic mandates operate alongside commercial incentives, meaning producers maintain the capacity to export and are continuing to do so.

101. The GOI did not submit a questionnaire and confirmed that there were no exports of the goods to the UK during the POI. As such, it is not possible to

base a likelihood assessment on the continuation of imports. The TRA defaults to the recurrence of subsidised imports. Based on a holistic assessment of all relevant factors, the TRA found a likelihood that subsidised imports would recur.

102. The analysis also involves an assessment of future conduct based on positive evidence of Indonesian biodiesel exports and the UK as a potential market. The TRA has noted that the sharp increase in Indonesian biodiesel exports to the EU following the removal of duties in Q2 2018 demonstrates that Indonesian exporters are able to redirect volumes in response to trade defence measures. The TRA considers it reasonable to conclude that the absence of exports during the POI might reflect the deterrent effect of existing measures rather than a lack of interest in export by Indonesian biodiesel producers. It further demonstrates that Indonesian biodiesel exporters seek to export and are not constrained by blending mandates.

103. In the absence of exporter participation and Indonesian biodiesel exports to the UK, the TRA has assessed pricing incentives by reference to relative market access rather than export prices. Indonesian biodiesel producers benefit from access to subsidies that reduce cost. This enables producers to price at less than value in export markets where measures are not in place, as evidenced by past export behaviour to the EU following removal of duties.

E2.1.3. The lack of economic plausibility supporting recurrence

104. The GOI noted that Indonesian biodiesel producers operate in a market with strong domestic consumption and mandatory blending requirements (B35, B40), and that there are other export markets with lower regulatory and compliance checks.

105. The GOI added that the UK by contrast is governed by sustainability certification requirements, crop caps and regulatory constraints under the

RTFO. They claim this makes the UK an unattractive market for Indonesian biodiesel exporters.

106. The GOI argued that the TRA has failed to identify any objective economic basis for concluding that exports would be likely to resume. The GOI stated that without current trade flows, commercial incentives or other market indicators, the TRA's case relies on conjecture rather than WTO law.

107. The TRA does not dispute that Indonesian biodiesel producers currently operate in a market characterised by domestic blending requirements. This is acknowledged in the SEF. However, this does not prevent the TRA from finding that exports to the UK would be likely to resume if the measures were removed.

108. The SEF acknowledges that the UK's regulatory framework is not a direct replication of the EU framework. It details how feedstock restrictions under the RTFO for PME are less restrictive than under EU rules.

109. Indonesia's biodiesel production remains predominantly PME-based. While PME faces some limitations in the UK, the EU regulatory framework under RED III is more restrictive. RED III caps biodiesel derived from high ILUC-risk feedstocks including palm oil. The UK's RTFO applies a crop cap but does not impose an equivalent ILUC-based phase-out.

110. Without this additional restriction that would apply to Indonesia's predominately PME-based feedstock, barriers for Indonesian biodiesel producers are lower for the UK market relative to the EU market and supports the TRA's conclusion that the UK is attractive as a potential export destination.

111. Indonesian producers retain the capacity and capability to export biodiesel to the UK, and the subsidies support their ability to penetrate the UK market. The existence of alternative export markets does not make the UK an implausible destination for Indonesian biodiesel exports, and the UK market has historically been supplied by Indonesian biodiesel. Regulatory and certification requirements under the RTFO apply to all suppliers and do not preclude market

entry. Although Indonesian domestic blending mandates have increased internal consumption of biodiesel, this does not eliminate the likelihood of exports. Mandates establish a minimum level of demand but do not discourage exports to foreign markets, particularly where higher net returns are possible.

E2.1.4. Failure to establish the existence of a benefit

112. The GOI alleged that the SEF asserts that payments made through the OPPF constitute a countervailable subsidy. They state the TRA did not lawfully establish the existence of a benefit within the meaning of the SCM agreement.

113. The GOI states that Article 1.1b of the SCM agreement indicates that a financial contribution only constitutes a countervailable subsidy if it conveys a benefit.

114. The GOI noted that Article 14.d of the Agreement requires that any benefit be assessed by reference to prevailing market conditions. This article states:

> *"The provision of goods or services or purchase of goods by a government shall not be considered as conferring a benefit unless the provision is made for less than adequate remuneration, or the purchase is made for more than adequate remuneration. The adequacy of remuneration shall be determined in relation to prevailing market conditions for the good or service in question in the country of provision or purchase (including price, quality, availability, marketability, transportation and other conditions of purchase or sale)."*

115. The GOI added that WTO jurisprudence indicates that a benefit only exists when the recipient is in a more advantageous position than they would be without the subsidy under market conditions.

116. The GOI concluded that the SEF describes the mechanics and the aggregate amounts of the OPPF payments, but it does not identify the market benchmark, conduct a counterfactual analysis or demonstrate that Indonesian biodiesel producers are better off with it in place than they would be without it, and that it is therefore legally insufficient.

117. TS0065 is a transition review conducted under Part 12 of the Regulations. The TRA is therefore not required to re-litigate or re-establish the countervailability of the subsidies that were found to exist in the EC investigation. The TRA review must instead assess whether the subsidisation and injury would be likely to recur if the measures were revoked.

118. The SEF describes the operation and continued existence of payments made through the OPPF as identified in the EC investigation. The TRA has not reassessed whether the OPPF payments confers a benefit to biodiesel producers.

119. As written in the SEF, the TRA considered whether it was appropriate to recalculate the countervailing amount. The TRA determined that although WTO DS618 found that some determinations in the EC's investigation were inconsistent with the SCM Agreement, this panel report has not been adopted and as such, it is not appropriate to recalculate the countervailing amount.

E2.1.5. Alleged provision of CPO for less than adequate remuneration (LTAR): inconsistency with the DS618 panel findings

120. The GOI noted that the TRA maintains that Indonesia provides CPO for LTAR through export taxes and influences over domestic CPO prices.

121. The GOI stated that these allegations were rejected by WTO panel report DS618. They noted that the panel found that the EU failed to demonstrate that Indonesia entrusted or directed private CPO suppliers and failed to establish any limitation on access to CPO, whether in law or in fact. The GOI added that the panel found that in the absence of entrustment or direction and any limitation of access, the evidentiary bias required to sustain a finding of less than adequate remuneration was not established under Articles 1.1 and 14 of the SCM agreement.

122. The GOI also argued that while the panel report has not been adopted due to a pending appeal, its legal reasoning constitutes persuasive authority within the

WTO system. The GOI commented that an investigating authority cannot reproduce legal theories that have been previously examined and rejected without remedying the deficiencies identified, and that consistency and predictability in the WTO system require that panel reasoning not be disregarded without a cogent explanation.

123. The GOI concluded by stating that the TRA has failed to distinguish its analysis from the defects identified in the panel report. The GOI argued that the TRA has not provided a benchmark analysis consistent with Article 14 of the SCM agreement, and that the TRA's LTAR findings are therefore inconsistent with Article 1.1 and Article 14 of the SCM agreement.

124. The TRA has expressly considered the WTO panel report and has summarised its key findings and procedural status. We recognise that the Panel found aspects of the EC's analysis concerning the provision of CPO for LTAR to be inconsistent with the SCM agreement.

125. However, the EC has lodged an appeal against the panel report and it has not been adopted. It would therefore be inappropriate for the TRA to consider recalculating the countervailing amount, per Regulation 99A(2).

126. We do not attempt to replicate the EC's original subsidy calculations as TS0065 is a transition review. Our task is limited to assessing the likelihood of recurrence of subsidisation and injury if the measure were revoked, and to determine whether it is appropriate to revoke the measure.

127. As TS0065 is a transition review, the TRA has not sought to construct a new LTAR benchmark under Article 14 of the SCM agreement. The TRA have examined whether continuation or recurrence of subsidised imports of biodiesel from Indonesia would be likely to cause injury to the UK industry, and have concluded that recurrence would be likely.

E2.1.6. Bonded Zones scheme: absence of a countervailable subsidy

128. The GOI noted that consistent with Article 1.1(a)(1)(ii) of the SCM agreement, the SEF identifies that the bonded zones scheme involves the foregoing of government revenue otherwise due. However, the GOI argued that this is legally unfounded.

129. The GOI argued that under this Article, the existence of foregone revenue does not, by itself, establish a subsidy. The GOI added that the measure must also satisfy Article 2.1 of the SCM Agreement, which requires that a subsidy be specific, in legal or in fact, and that measures governed by objective and neutral criteria cannot meet this requirement.

130. The GOI commented that Indonesia's bonded zones are not specific because it is not limited to certain enterprises or industries, and eligibility is governed by objective and neutral criteria set out in law and regulations. The GOI added that bonded facilities in Indonesia are available across sectors and are not limited, either de jure or de facto, to biodiesel producers.

131. The GOI noted that the DS618 Panel Report examined the bonded zones scheme and found that the EC failed to demonstrate how the scheme contributed to any price advantage or trade effects, noting that the analysis focused exclusively on the alleged provision of CPO for LTAR. The GOI commented that the Panel further recorded Indonesia's explanation that the bonded zones scheme does not incentivise exports and that any benefit under the scheme was negligible, amounting to a maximum margin of 0.16%. The GOI noted that the Panel rejected the notion that bonded zones could have adverse trade effects.

132. The GOI argued that the SEF does not demonstrate that access to bonded zones is limited to biodiesel producers, nor does it establish preferential treatment, and that finding bonded zones to be a countervailable subsidy is inconsistent with Articles 1.1 and 2.1 of the Agreement.

133. The TRA has updated its summary of the key finding of the WTO Panel Report (DS618) at paragraph 53(a) in Section C5 on the key findings of the WTO DS618 panel report to reflect the Panel's stance on the EU's reasoning of the OPPF payments and bonded zone schemes affecting negative trade effects and the price for biodiesel producers to obtain CPO.

134. We do not attempt to replicate the EC's original subsidy calculations as TS0065 is a transition review. Our task is limited to assessing the likelihood of recurrence of subsidisation and injury if the measure were revoked, and to determine whether it is appropriate to revoke the measure.

135. As TS0065 is a transition review, the TRA has not sought to construct a new bonded zone scheme benchmark under Article 14 of the SCM agreement. The TRA have examined whether continuation or recurrence of subsidised imports of biodiesel from Indonesia would be likely to cause injury to the UK industry, and have concluded that this would be likely.

E2.1.7. Injury, causation and non-attribution

136. The GOI commented that Article 15.5 of the SCM Agreement requires a genuine link between subsidised imports and injury. The GOI noted that the TRA must demonstrate injury by assessing all relevant evidence, including a non-attribution analysis of other injury factors, and that injuries caused by other factors may not be attributable to subsidised imports.

137. The GOI commented that the SEF recognises that domestic feedstock, policy changes and market conditions unrelated to imports from Indonesia have influenced the performance of the UK biodiesel industry.

138. The GOI argued that in the absence of subsidised imports during the review period, the TRA is legally precluded from reaching an affirmative finding regarding likelihood, injury or causation.

139. The GOI concluded by stating that due to the points made above, the imposition of countervailing duties by the European Commission is irrelevant to

the UK as there were no biodiesel imports to the UK. The GOI argued therefore that there is no causal relationship between the loss of the domestic biodiesel market and imports from Indonesia.

140. Injury factors relating to non-attribution have been analysed in the SEF. It assesses the effects of feedstock shortages, high-energy prices, the Russian invasion of Ukraine, COVID-19, inflation and third country imports. However, the presence of other adverse factors does not preclude a finding that subsidised imports would cause injury if the measures were revoked. These factors increase the cost base of UK producers and reduce their resilience to price-based competition. They do not, however, negate the injurious factors that would result from the re-entry of subsidised Indonesian biodiesel. It indicates that UK industry is operating in an already distorted and highly competitive market, in which the addition of further subsidised supply from Indonesia would cause further material injury.

141. Article 15.5 requires an investigating authority to demonstrate a causal relationship between subsidised imports and injury, and to ensure that injury caused by other factors is not attributed to subsidised imports. In a transition review, this inquiry is necessarily prospective and must be conducted in the context of Article 21.3, which requires an assessment of whether injury would be likely to recur if the measures were removed.

142. The SEF recognises that subsidised imports from Indonesia have been absent, likely as a result of the measures under review.

143. The SEF does not attribute all injury to subsidised imports and it does not disregard other causes. The TRA has conducted the analysis required by distinguishing the effects of unrelated factors from the subsidised imports that have injured UK producers.

144. The contention that the EU's imposition of countervailing measures is irrelevant to the UK is a misunderstanding of what a transition review entails. The EU measures are relevant as they established the existence of subsidies and injury

in the original investigation. The TRA's task is to assess whether the removal of those measures would likely lead to the recurrence of subsidisation and injury in the UK.

E2.2. Construction Plant-hire Association

145. The Construction Plant-hire Association submitted comments on the SEF on 7 January 2026. The submission was published on the public file on 9 February 2026.

E2.2.1. Distinctions between HVO and biodiesel

146. The Construction Plant-hire Association noted that there are differences in HVO's and FAME's usages in non-road mobile machinery (NRMM).

147. The Association added that HVO meets EN 15940 paraffinic diesel specification, which is used as fuel for NRMM engines. The Association noted that it is used to decarbonise construction machinery, but uptake is relatively low at around 1% of total fuel used in the UK per RTFO data. The Association added that HVO is used as a short-term option to decarbonise construction equipment, but it will have a long-term role to play in this sector.

148. The Association noted that biodiesel does not meet EN 15940 standards and is instead covered by EN 14214 quality specifications due to differences in chemical, physical and performance quality. Most manufacturers restrict the use of biodiesel blends above B7 in off-road engines. Although machinery and fuel systems can be modified to accommodate higher blends, they stated these modifications are expensive and may compromise manufacture warranties.

149. The Association commented that only a limited number of manufacturers support engine models that can operate on B20, and B100 is extremely rare.

150. The Association further added that there is no domestic production of HVO and FAME is produced domestically.

151. The TRA accepts that, at higher blend rates, the interchangeability between FAME and HVO decreases. However, as non-road use is not the main end use for either fuel, and we believe the majority of sales happen at the level of fuel forecourts for road use where the products are directly interchangeable, the TRA considers the finding of FAME and HVO to be like goods is appropriate.

Section F: The UK industry and UK market

F1. Overview

152. The UK industry is composed primarily of three biodiesel producers. During the POI, these companies produced between 300,000 and 600,000 metric tonnes of the like goods.

153. We are aware of some very small UK producers. The TRA understands that their market share comprises less than 3% of the UK market share and their UK production volume is unknown but understood to be very small. None of these producers registered interest or provided a questionnaire response for this review.

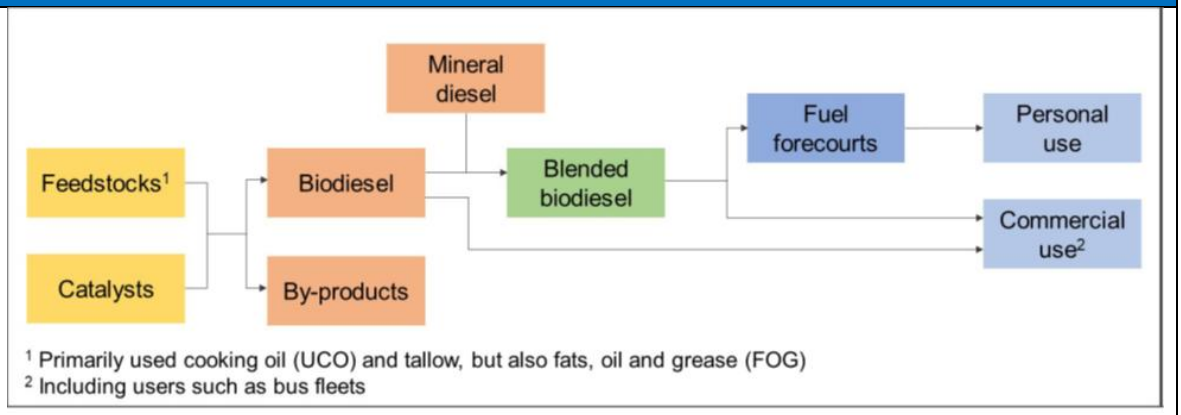
154. The purchase of biodiesel is subject to UK government incentives through the RTFO framework. Most biodiesel is blended at specific blend rates with mineral diesel and used in road transport.

F2. Production process

155. Fatty-acid mono-alkyl ester (FAME) is produced via transesterification, whereby fatty acids react with alcohol, often methanol, in the presence of a catalyst to produce biodiesel. The UK industry only produces biodiesel through transesterification at present, using waste-origin feedstock as the main raw material and fatty acid component. The main waste-origin feedstock used in the UK is used cooking oil (UCO), but the UK also uses tallow category 1 and 2, acid oils contaminated with sulphur, mill-effluent residue, fats and greases from wastewater systems among others. Some feedstock that is considered more polluted requires a pre-treatment process.

156. The following diagram provides an overview of the UK's biodiesel industry from upstream businesses (feedstock suppliers) to consumers (final end-users):

Image 1: UK's biodiesel industry supply chain overview



Source: TRA own image – Information from UK producer data.

F3. Market size and structure

157. The Department for Transport (DfT) publishes data around total UK consumption of biodiesel that is gathered as part of its RTFO scheme. According to this data, total UK consumption of biodiesel during the POI was 1.3m metric tonnes (mt).

158. Greenergy is the largest of the three UK producers, followed by Argent and then Olleco. Greenergy is both a third-country importer and a producer of the like goods. It is our understanding that Greenergy exports the majority of what it produces.

159. Biodiesel is often sold via traders, who either sell it domestically or export it. It is possible to claim Renewable Transport Fuel Certificates (RTFC) from the UK government once biodiesel is sold to the end user and the RTFCs themselves have commercial value.

F4. Trends

Table 1: UK biodiesel trends (mt) over the injury period and POI				
	Year one	Year two	Year three	POI
UK consumption	1,274,549	1,346,883	1,664,665	1,323,576
UK production volume (indexed)	100	93	89	87
UK domestic sales volume (indexed)	100	67	17	60
HMRC 10-digit total worldwide import volume (indexed)	100	340	496	311
Source: RTFO 2023 and 2024 Final Reports, Sampled UK industry questionnaire responses, and HMRC 10-digit raw customs declaration data				

160. Total UK consumption of biodiesel increased year on year for the first three years of the injury period, with the highest level of consumption seen in year 3. UK consumption figures decrease from year 3 into the POI, with figures during the POI similar in quantity to figures reported during year 2.

F5. Competition in the market

161. Biodiesel produced in the UK competes directly with biodiesel imported from other countries. HMRC data indicates that there were no or minimal imports from Indonesia during the IP and POI, however the biodiesel produced in Indonesia would compete with biodiesel domestically produced in the UK.

Section G: Likelihood of subsidy assessment

G1. Introduction

162. In accordance with regulation 99A(1)(a) of the Regulations, we have considered whether the importation of the subsidised goods subject to review would be likely to continue or recur if the countervailing amount were no longer applied to those goods.

163. Our subsidy likelihood assessment considered the following factors:

    a. Continued importation of subsidised goods (subsidised imports);

    b. Subsidy programmes in the exporting country;

    c. Exports to third countries;

    d. Attractiveness of the UK market to exports;

    e. Whether exporters have previously or habitually circumvented trade remedy measures; and

    f. Any other relevant factors.

164. To determine whether subsidised imports of the goods subject to review would be likely to continue or recur if the countervailing measure no longer applied, we have conducted a holistic assessment on the above relevant factors.

165. We have considered the likelihood assessment on a countrywide basis rather than an exporter-by-exporter basis because of the lack of co-operating exporters from Indonesia in this transition review.

G2. Continuation of subsidised imports whilst measures have been in place

166. We assessed if the import of the goods subject to review had continued or recurred during the injury period.

167. HMRC 10-digit raw customs declaration data indicates that there have been no or minimal imports of the goods subject to review since imposition of the measure, indicating that subsidised imports have not continued in any significant quantity. There was a very small volume of imports into the UK from Indonesia in year 3 of the injury period. We have therefore focused our analysis in this paper on whether subsidised imports of the goods subject to review would be likely to recur if the measures no longer applied.

168. Although subsidised imports of the goods subject to review have not continued at any significant volume since imposition of the current measure, it is reasonable to conclude that this may be due to the effectiveness of the measure and does not indicate that subsidised imports of the goods subject to review would not recur if the measure was no longer applied.

G3. Subsidy programmes still in place in Indonesia

169. The EU Commission (EC) stated in Commission Implementing Regulation (EU) 2019/2092 that it found three countervailing subsidy schemes in place for the biodiesel industry in Indonesia, which are set out in the table below.

Table 2: The subsidy schemes used to calculate the countervailing amount in 2019.

No.	Subsidy type	Programme name
1	Direct transfer of funds	Government support to the biodiesel industry through direct transfer of funds via the Oil Palm Plantation Fund
2	Provision of goods at LTAR	Government support to the biodiesel industry through the provision of crude palm oil (CPO) for LTAR
3	Exemption of import duties	Government support to the biodiesel industry through the exemption of import duties on imported machinery into bonded zones

Source: Commission Implementing Regulation (EU) 2019/2092

170. We assessed whether the subsidy schemes outlined in the above table are still in place or likely to be in place in Indonesia.

G3.1 Government support to the biodiesel industry through direct transfer of funds via the Oil Palm Plantation Fund

171. The GOI supports the domestic biodiesel industry through the direct transfer of funds via the OPPF.

172. The OPPF and the OPPF Management Agency were established in 2015 with the publication of Presidential Regulation 61/2015. Presidential Regulation 61/2015 and Finance Regulation No. 133/PMK.05/2015 together entrust the OPPF Management Agency to collect export levies on exports of CPO and CPO-derived products. Palm oil methyl ester (PME) is a CPO-derived biodiesel and falls under this export levy.[3] These collected funds become part of the state budget.

173. Presidential Regulation 61/2015 permits the OPPF to use the funds that the OPPF Management Agency collected from the export levies to finance development projects for the palm oil industry and for the biodiesel industry, which can use palm oil as its primary raw material in production.

174. The OECD reported on this in its Agricultural Policy Monitoring and Evaluation Report 2025, which stated that "*Since 2015, the government collects an additional export levy for crude palm oil on top of the variable export tax to finance subsidies to biodiesel, infrastructure, research and development projects on palm oil, replanting in small farms, market promotion and human resource development. Variable export taxes are also in place for cocoa*."[4]

175. The OPPF uses funds from OPPF Management Agency's export levy collection to provide support to the Indonesian biodiesel industry.

176. Presidential Regulation No. 61/2015, issued on 18 May 2015 and Ministry of Energy and Mineral Resources (MEMR) Regulation 26/2016, issued on 10 October 2016, were established to regulate the procurement and use of

[3] Finance Regulation No. 133/PMK.05/2015
[4] OECD, Agricultural Policy Monitoring and Evaluation 2025

biodiesel in Indonesia as part of the finance programme funded by the OPPF Management Agency.[5] These regulations govern the framework which entrusts the Directorate General of New, Renewable Energy and Energy Conservation (EBTKE) to appoint fuel blending companies in Indonesia to purchase and blend biodiesel with mineral diesel according to a blend ratio determined by the MEMR. The European Commission confirmed during their investigation that the GOI had appointed two fuel companies in this capacity: PT Pertamina (Pertamina), a state-owned gas and oil company, and PT AKR Corporindo Tbk (AKR), a private oil and gas company.

177. These regulations also permit the Directorate General of EBTKE to appoint Indonesian biodiesel producers to sign a contract with an appointed fuel company to supply this fuel company with biodiesel. The Directorate General of EBTKE is entrusted to allocate the biodiesel volumes and Presidential Regulation No. 61/2015 outlines that biodiesel producers are required to provide a designated monthly volume of biodiesel.[6]

178. In accordance with Presidential Regulation No. 61/2015, the appointed fuel companies purchase biodiesel from the participating biodiesel producers at a diesel reference price. This diesel reference price is established using the Mean of Platts Singapore (MOPS) as a pricing benchmark, and then added to this benchmark is the domestic diesel production cost in Indonesia.

179. A biodiesel reference price is then determined. This price is derived from the domestic crude palm oil (CPO) price, to which a specified amount representing transformation costs are added. According to information provided by the GOI during the EC's verification visit, this transformation cost is subject to an annual review. The transformation cost may not necessarily change following the review.

[5] MEMR Regulation 26/2016
[6] Presidential Regulation No. 61/2015, para. 9; Home | PT Pertamina (Persero); Overview | PT AKR Corporindo Tbk

180. The OPPF then provides compensation to participating biodiesel producers, which is equivalent to the difference between the diesel and biodiesel reference price.

181. Article 18(1) of Presidential Regulation No. 61/2015 states "*The use of funds for the provision and utilization of biodiesel fuel as referred to in Article 17 paragraph (1), is intended to cover the difference between the market index price of diesel fuel and the market index price of biodiesel fuel for certain types of fuel*."

182. The biodiesel producer issues an invoice to the relevant fuel company for the volume of biodiesel that they are required to use. The fuel company then settles the invoice by paying the producer the applicable diesel reference price.

183. Following this, a further invoice is then sent by the biodiesel producer to the OPPF Management Agency in order to obtain the difference between the diesel reference price and the biodiesel reference price. After receiving the invoice and completing document verification, payment is made by the Agency to the biodiesel producer through the OPPF.

184. Indonesia has in place a blending obligation. This is a regulation issued by the GOI that obliges fuel producers to blend biodiesel into diesel fuel at a specified ratio. This law was first outlined under Ministry of Energy and Mineral Resources (MEMR) Regulation 12/2015 which introduced an initial 15% biodiesel blend (B15).The blending obligation demonstrates the incentive the GOI has in encouraging the biodiesel industry through the subsidy.

G3.1.1. Amendments to the subsidy since the European Commission implemented Regulation (EU) 2019/32

185. On 28 November 2019, the EC concluded that the GOI supported its biodiesel industry through the direct transfer of funds via the OPPF. Indonesia's regulations have been amended since then.

186. The latest iteration of Presidential Regulation 61/2015 is Presidential Regulation 132/2024. This expanded the Management Agency's scope to include funding for cocoa and coconut alongside palm oil. The decision has introduced uncertainty regarding its implementation, with the Indonesian Palm Oil Association (GAPKI), expressing concerns over how the inclusion of cocoa and coconut will be applied in practice.[7]

187. Cocoa and coconut will not be taxed via the export levy. Indonesia's Trade Minister Zulkifi Hasan said "*Initially we planned for separate agencies for cocoa and coconut, but it has been decided to merge them with BPDP … It will be a cross subsidy, for cocoa and coconut development, nursery and seedings (from the crude palm oil levy).*"[8]

188. Based on this, the Oil Palm Plantation Fund Management Agency has been renamed the Plantation Fund Management Agency (BPDP, *Badan Pengelola Dana Perkebunan*) to better reflect its expanded responsibilities. The Agency listed in Presidential Regulation 61/2015 and remains in place in Presidential Regulation 132/2024 following this name change and responsibility expansion that the BPDP has been given explicit authority by the GOI to make payments to biodiesel producers via the OPPF. The BPDP's website states that that the organisation exists in order to contribute to biodiesel production.[9] Presidential Regulation 132/2024 states that the OPPF was created by the GOI to advance this purpose and remains specific to designated industries, including the biodiesel sector.

189. Article 11 of Presidential Regulation 132/2024 states "*…the use of funds collected for the interests as referred to in paragraph (1), including in the context of fulfilling Plantation yields for the needs of food, biofuel, and downstreaming of Plantation industries…"* and "*The use of funds for the*

[7] GAPKI Welcomes BPDP, But Demands Palm Fund Well-Kept - Gabungan Pengusaha Kelapa Sawit Indonesia (GAPKI)
[8] Indonesia plans to develop cocoa, coconut sectors using palm oil fund | Reuters
[9] Sekilas BPDPKS - Beranda

provision and utilisation of biofuels as referred to in Article 11 paragraph (21) derived from palm oil, is intended to cover the difference between the market index price of diesel fuel and the market index price of biodiesel fuel."

190. MEMR Regulation 26/2016, which established the provision for fuel blending companies to be appointed to purchase biodiesel, was replaced by MEMR Regulation 24/2021 on 6 August 2021. This was part of a wider move by the GOI to consolidate issues of legislation around biodiesel blending mandates, financing by the OPPF, and sanctions in the form of administrative fines for non-compliant biodiesel producers.[10]

191. Ministry of Finance Regulation 30/2025, effective from 17 May 2025, set updated figures that determine both the contributions made by CPO exporters through the levy and the payment received by biodiesel producers through the OPPF. Ministry of Finance Regulation 30/2025 was superseded by Ministry of Finance Regulation 69/2025 as of 15 October 2025, which included an additional export levy on cocoa beans at 7.5%.

192. Despite these changes, the mechanism remains the same: funds will continue to be collected by the BPDP through palm oil export levies and distributed to biodiesel producers via the OPPF to make up the difference between the diesel reference price paid by the appointed fuel companies and the biodiesel reference price. In its 2024 annual report, the Management Agency reported that the mineral diesel reference price remains lower than the biodiesel reference price, with the mineral diesel price 5,667.39 rupiah per litre lower in December 2024 (equivalent to $0.35 on 23 October 2025).[11]

193. In 2019, the OPPF payments were applied in graduated amounts, increasing in $50 per tonne increments. However, with the introduction of the new regulation, this system has been replaced with a flat 10% export levy for CPO, as shown in

[10] MEMR Regulation 24/2021
[11] Annual Report BPDPKS Tahun 2024 - Beranda (Section 4.6, page 88)

the table below. This payment is then made to biodiesel producers via the OPPF.[12]

Table 3: New set of export levies for select palm oil products				
Products	**Tariff**		**Calculated levy ($/mt)**	
	Old	**New**	**Old**	**New**
Crude Palm Oil (CPO)	7.5%	10%	69	92
Palm Oil Mill Effluent (POME)	7.5%	10%	69	92
Used Cooking Oil (UCO)	6%	9.5%	55	88
Palm Fatty Acid Distillate (PFAD)	6%	9.5%	55	88
Refined, Bleached and Deodorized (RBD) Palm Olein	4.5%	7.5%	42	69
Biodiesel	3%	4.5%	28	42
Source: Indonesia raises palm export levy - USDA[13]				

194. Presidential Regulation 30/2025 thereby provided further support to biodiesel producers through increasing the export levy collected and paid to the OPPF by CPO exporters. This therefore increases the OPPF's available funds for making payments to biodiesel producers.

195. As shown in the above table, there is now a 5.5% difference between the export levy on CPO and on biodiesel. This is larger than under the previous iteration of the Regulation. The difference has increased in order to provide support to biodiesel producers to support Indonesia's B40 program with the intention of increasing this to B50 from 2026.[14] This provides an incentive in production capacity in anticipation that domestic markets will use more in due course.

196. As a result of the Regulation update and the structure of the OPPF subsidy, the benefit to biodiesel producers has increased. Mr Hartarto noted that the export

[12] Regulation PMK 30/2025 Issued: Government Raises Export Levy on Palm Oil Products Managed by BPDP
[13] Indonesia: Biofuels Annual | USDA Foreign Agricultural Service
[14] Ministry of Energy and Mineral Resources of the Republic of Indonesia - Media Center - News Archives - Realizing Energy Security and Reducing Imports, Minister of Energy and Mineral Resources: Mandatory B40 Takes Effect January 1, 2025; Ministry of Energy and Mineral Resources of the Republic of Indonesia - Media Center - News Archives - Stop Diesel Imports, Government Immediately Implements Mandatory B50 in 2026

levy is the funding source for the OPPF[15], suggesting that biodiesel producers have consequently gained from the enhanced subsidy.

197. Kabul Wijayanto, director of the BPDP, reported that they expected to distribute 35.47 trillion rupiah (equivalent to $2.14 billion on 23 October 2025) through the biodiesel subsidy in 2025.[16] The USDA estimated that $2.1 billion would be distributed.[17]

198. In its annual report for 2024, the BPDP reported that it distributed 28.81 trillion Rupiah (equivalent to $1.73 billion on 23 October 2025) to biodiesel producers through the OPPF in 2024.[18] The subsidy remains in place.

G3.2 Government support to the biodiesel industry through the provision of crude palm oil (CPO) for less than adequate remuneration ("LTAR")

199. CPO is a feedstock that represents the principal raw material used in the production of the biodiesel palm oil methyl ester. For the sample UK industry, feedstock represents around 80% of biodiesel production costs. The most common feedstock in the UK is used cooking oil (UCO).[19] The BPDP has reported that in Indonesia feedstock accounts for 75%-90% of biodiesel production costs.[20]

200. During the original EC investigation, it was found that there are two main mechanisms through which the GOI provides CPO for less than adequate renumeration: export taxes on CPO and through GOI control of domestic CPO prices through a 100% State Owned Enterprise (SOE).

201. The applicable rate of export tax on CPO during the EC's investigation period is outlined in the table below.

[15] Palm Oil Magazine - Indonesia to Raise CPO Export Levy to 10% to Fund B40 Biodiesel Program - Palmoilmagazine.com
[16] Indonesia to raise palm oil export levy to 4.5% to 10%, official says | Reuters
[17] USDA Biofuels Annual Indonesia (page 4)
[18] Annual Report 2024.pdf (Section 4.6, page 88)
[19] Renewable fuel statistics 2023: final report - GOV.UK
[20] BPDP Research Summary 2024.pdf, page 17

Table 4: Export tax on CPO during IP of EC investigation	
Price range USD	**New system, USD/ton**
< 750	0
750-800	3
800-850	18
850-900	33
900-950	52
950-1,000	74
1,000 -1,050	93
1,050 -1,100	116
1,100 -1,150	144
1,150 -1,200	166
1,200 -1,250	183
> 1,250	200
Source: Table 1, paragraph 116.[21]	

202. By taxing the export of CPO through these policies, the GOI artificially reduces the domestic value of CPO for domestic biodiesel producers by disincentivising export and creating an oversupply within the country. As a result, the prices of CPO within Indonesia are not based on international market value.

203. During the EC's investigation it was also found that CPO is provided for LTAR through GOI control of domestic CPO prices through PT Perkebunan Nusantara (PTPN). PTPN is a wholly state-owned group that produces CPO.

204. The GOI exercises direct control of the company. The GOI appoints PTPN's Board of Directors, and this board is supervised by a Board of Commissioners which is also appointed by the GOI. Both these bodies and therefore PTPN ultimately report to the GOI.

[21] Commission Implementing Regulation (EU) 2019/1344 of 12 August 2019 imposing a provisional countervailing duty on imports of biodiesel originating in Indonesia

205. In this way, PTPN acts in the capacity of a government entity as its GOI-appointed Board of Directors controls and directs the group's companies to sell CPO domestically to biodiesel producers. This includes setting prices for CPO and then auctioning the feedstock via an online auctioning system. The EC found that the average price of CPO in Indonesia is $540/mt compared to $599/mt in Malaysia, which was used as a representative benchmark. The audited accounts submitted by PTPN to the EC during its verification show that PTPN operated at a loss in the years 2016 and 2017.[22]

206. PTPN acts as a de facto price setter of CPO in the market as CPO suppliers needed to compete against the maximum CPO price set by the GOI via PTPN. In previous verification, it was indicated that the unit price paid by exporting producers to non-state-owned CPO producers during the IP was always the same or lower than the PTPN price on that day, and that any difference in price was based on logistical costs. The fact that all independent CPO suppliers followed PTPN's prices demonstrates the correlation between CPO producers' behaviour and the GOI's measures.[23]

G3.2.1. Amendments to the subsidy since the European Commission implemented Regulation (EU) 2019/32

207. The TRA holds that the GOI continues to support the biodiesel industry by providing CPO for less than adequate remuneration at the time of the current assessment.

208. The latest iteration of the Regulation pertaining to the export tax is 123/PMK.010/2022.The export tax figures for CPO outlined in this legislation are in Table 5 below. The biodiesel export tax has been added for reference.

[22] L_2019317EN.01004201.xml Para 125
[23] Implementing regulation - 2019/1344 - EN - EUR-Lex Paragraph 142

Table 5: 2025 export tax figures for CPO and biodiesel per mt	
CPO tariff in USD/mt	**Biodiesel tariff in USD/mt**
0	0
3	0
18	0
33	0
52	0
74	0
124	32
148	35
178	37
201	71
220	73
240	77
250	82
260	88
270	93
280	98
288	105
Source: 123/PMK.010.2022	

209. The TRA therefore holds that export restraints are currently in place.

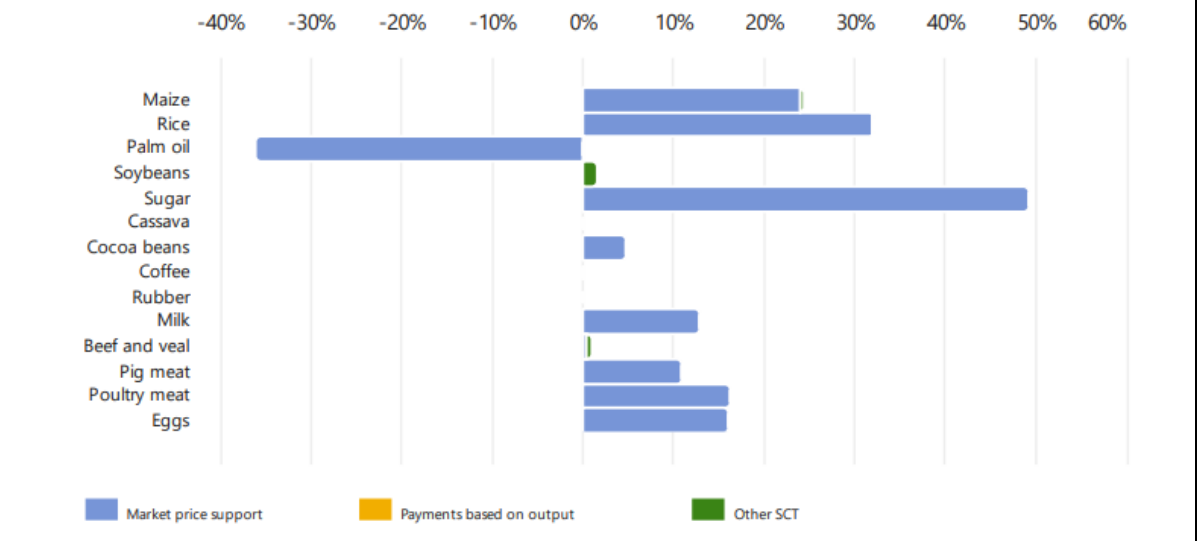
210. The updated export tax figures are the only significant changes to legislation made concerning the provision of CPO for less than adequate remuneration. The export restraints remain in place. PTPN still controls the price of CPO to the degree explained in the previous section. The TRA is not aware of any evidence that this has changed significantly. The reference price of CPO within Indonesia has changed, but this is still in line with GOI control of CPO prices.

211. No evidence has been presented to the TRA to indicate any material changes to the provision of CPO that is provided for LTAR through GOI control of domestic CPO prices through PTPN. The provision of CPO for LTAR allows biodiesel producers to gain higher profits when selling biodiesel, mainly as exports to third markets. Therefore, the measures adopted by the GOI have been implemented with the direct objective of increasing the profitability of biodiesel producers. There has been a corresponding increase in production capacity of Indonesian biodiesel, as shown in the table below.

Table 6: Indonesian biodiesel production in millions of litres										
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Biodiesel production	1,200	3,500	2,800	5,600	7,700	8,500	9,550	10,900	12,600	13,000
Source: Table courtesy of USDA.[24]										

212. In 2024, the OECD published its Agricultural Policy and Monitoring Evaluation.[25] It reported a low-market price support (MPS) for CPO, recorded at -35%. This indicates that CPO producers are selling CPO at prices significantly below international market levels. The negative MPS reflects the impact of high export taxes, levies on CPO exports, and domestic price controls that make domestic palm oil prices lower than global benchmarks. The graph below highlights the substantial level of policy support provided to CPO producers through these GOI interventions compared to other agricultural sectors in Indonesia.

Image 2: Indonesia – Commodity-specific transfers as a percentage of commodity gross farm receipts, 2021 to 2023



Source: Agricultural Policy Monitoring and Evaluation 2024 | OECD
Note: MPS refers to Market Price Support. Other SCT refers to Single Commodity Transfers.

[24] Biofuels Annual – USDA Indonesia
[25] Agricultural Policy Monitoring and Evaluation 2024 | OECD

213. Through the two mechanisms outlined in this section, the GOI provided CPO to biodiesel producers for less than adequate remuneration. The TRA has found no material change in these mechanisms as of this assessment.

214. This qualifies as a countervailable subsidy under Regulation 20(1)(c) of the Regulations as a foreign authority has provided goods or services other than general infrastructure.

G3.3 Government support to the biodiesel industry through the exemption of import duties on imported machinery into bonded zones

215. Bonded zones were introduced by Indonesian Ministry of Finance Regulation 147/PMK.04/2011. Bonded zones are areas where import duty is suspended and VAT on imported goods is exempted. This scheme allows companies to bring in capital goods, raw materials and supporting materials without paying import duty or VAT. Bonded zones are not fixed geographic areas but are instead established following company applications.

216. Import duty on goods brought into a bonded zone is suspended and becomes payable only if the goods enter the Indonesian domestic market. Consequently, goods that remain within the bonded zone or are exported never incur import duty. The same mechanism applies to VAT on imported goods. VAT is only due if the goods are released for domestic sale, and no VAT is payable if they stay in the bonded zone or are exported. As a result, import duties are not collected and VAT is waived, generating foregone government revenue. The exporting producers have therefore benefitted from this scheme.

217. The EC established that exporting biodiesel producers in Indonesia were able to use their bonded zone approval to import machinery and spare parts to their biodiesel factories without paying import duty and VAT on these products. The machinery is imported for the purpose of supporting biodiesel production and remains in the bonded zone permanently.

218. During the EC's verification visit, the GOI also explained that only companies which export are eligible to become bonded zones. This is defined as companies deriving at least 50% of their turnover from exports. It was explained at the time that this export requirement can be waived under certain circumstances. These exemptions were understood to be designed to protect domestic industry. It was also established by the GOI that most biodiesel companies are granted this exemption to ensure that there is sufficient biodiesel production to meet domestic demand created by government blending mandates.

G3.3.1. Amendments to the subsidy since the European Commission implemented Regulation (EU) 2019/32

219. The regulations surrounding bonded zones have been updated multiple times, through Ministry of Finance Regulation 131/PMK.04/2018, which aimed to simplify and consolidate legislation around bonded zones,[26] and most recently through 65/PMK.04/2021.[27]

220. Ministry of Finance Regulation 65/PMK.04/2021 nonetheless maintains that "*Goods that are entered into the Bonded Zone from outside the customs area are given import duty suspension facilities, excise exemption, and are not collected by PDRI and VAT/PPnBM under certain conditions.*"[28]

221. The primary updates established with the issuance of Ministry of Finance Regulation 65/PMK.04/2021 were real-time CCTV access and recordings for the GOI, a stock-taking submission deadline of 2 months, and various other updates clarifying language and updating the mechanisms of the process.[29] The mechanism through which the bonded zones operate in Indonesia has not materially changed and the TRA maintains that the GOI continues to provide a

[26] Ministry of Finance Regulation 131/PMK.04/2018
[27] Ministry of Finance Regulation 65/PMK.04/2021
[28] PDRI refers to 'Pay the import duty and tax relating to importation' (PDRI); PPnBM refers to 'Luxury Goods Tax' (Pajak Penjualan atas Barang Mewah or PPnBM)
[29] *International Tax Review*, "Indonesia updates law on the digital implementation of tax rights"

subsidy to the biodiesel industry through foregone revenue relating to bonded zones.

222. The TRA asked the GOI and exporters to provide information relating to this subsidy. However, no Indonesian exporters have registered or participated in this review and no evidence has been submitted.

G4. International trade restrictions and exports to third countries

223. China continues to be the leading destination for Indonesian biodiesel, receiving 53% of the exports in 2022. In the first half of 2023, shipments to China accounted for 63% of the total projected exports for the year. Significant export volumes are also directed to the Netherlands, Peru, and the Philippines. The Netherlands amongst other countries as part of the EU already has countervailing measures in place against Indonesian biodiesel.[30] The Netherlands is a major trading hub, and it is possible that biodiesel shipments to the Netherlands will have an onward destination.

224. In 2013, the EC imposed definitive anti-dumping duties on biodiesel imports originating in Indonesia and Argentina through Council Implementing Regulation No 1194/2013. The Government of Indonesia requested WTO consultations and the formation of a WTO panel to consider potential violations of the Anti-Dumping Agreement with respect to Council Implementing Regulation No 1194/2013. WTO Panel Report DS480 was published on 25 January 2018 and concluded that the European Union acted inconsistently with the Anti-Dumping Agreement in various ways.[31] As a result of this, the European Union terminated the proceedings concerning imports of biodiesel originating in Argentina and Indonesia and repealed Implementing Regulation (EU) No 1194/2013.[32] On 28 November 2019 the next year, the EC

[30] Indonesia Palm Oil, "*Fact Sheet: Indonesian Biodiesel and Palm Oil*"
[31] DS480: European Union — Anti-Dumping Measures on Biodiesel from Indonesia
[32] European Union — Anti-Dumping Measures on Biodiesel from Indonesia, "Status report regarding implementation of the DSB recommendations and rulings by the European Union"

implemented definitive countervailing duties on imports of biodiesel originating in Indonesia through Commission Implementing Regulation (EU) 2019/2092. This measure is currently in place in the European Union.

225. When WTO Panel Report DS618 was published on 22 August 2025 as discussed in Section C5, Indonesian Coordinating Minister for Economic Affairs, Airlangga Hartarto commented that the Panel ruling largely in favour or Indonesia was *"…good news for the advancement of Indonesia's key export commodity [biodiesel]*."[33] As of 2025, Indonesia's biodiesel export to Europe is relatively small. GAPKI Secretary General M. Hadi Sugeng Wahyudiono stated that the WTO decision opened a new opportunity for Indonesian palm oil-based biodiesel to re-enter the European market. This was noted to be dependent on whether EU appealed the decision, which it did on 26 September 2025. The EU's countervailing duties against biodiesel from Indonesia remain in place.

226. The US has imposed anti-dumping and countervailing duties on Indonesian biodiesel since 2017 following investigations by the US Department of Commerce. Following the investigation, PT Wilmar Nabati Indonesia and PT Wilmar Bioenergi Indonesia (Wilmar) received a countervailing rate of 34.45% and PT Intibenua Perkasatama and PT Musim Mas (Musim Mas) received a countervailing rate of 64.73%. Other producers received a rate of 38.95%.[34] Since the measure was introduced, no Indonesian biodiesel has entered the US market.[35]

227. Similarly to the above countries, since the imposition of countervailing duties in 2019, a negligible volume of biodiesel from Indonesia has entered the UK market. Comments made by the GOI state that biodiesel is a key export commodity and that Indonesia is looking for new market opportunities for its palm oil-based biodiesel. If the UK were to revoke its current measures, there is

[33] Gapki, "*WTO Favors RI In Biodiesel Trade Dispute With EU*"
[34] Federal Register :: Biodiesel from the Republic of Indonesia: Final Affirmative Countervailing Duty Determination
[35] U.S. International Trade Commission, "*Biodiesel from Argentina and Indonesia*"

a likelihood of biodiesel imports from Indonesia to the UK, especially if the EU maintains its current measures.

G5. Attractiveness of the UK market to exporters

228. In assessing the likelihood that subsidised imports would continue or recur if the measures were removed, we have considered whether the UK market would be an attractive export destination for exporters from Indonesia if the measures no longer applied.

G5.1 Environment and trends in the industry

229. Demand for biodiesel in the UK stems from the RTFO, set by the Department for Transport (DfT). The RTFO came into force in 2008 and aims to reduce greenhouse gas emissions from vehicles, ultimately supporting the government's target of net zero by 2050. The RTFO scheme places an obligation on owners or suppliers of road transport fuel who supply 450,000 litres or more for use in a relevant transport mode to demonstrate that a proportion of the fuel they supply for use in the UK each calendar year comes from renewable sources (blending obligation). Suppliers may meet their obligation by redeeming Renewable Transport Fuel Certificates (RTFCs) or by paying a fixed sum for each litre of fuel for which they wish to 'buy-out' of their obligation.

230. The blending obligation is calculated as a percentage of fossil and sustainable renewable fuel supplied. These blending targets over time are shown in Table 7. The blending obligation under the RTFO increased over the POI and injury period from 9.75% in 2020 to 13.56% in 2024. The blending target is set to increase further to 17.68% by 2032.

Table 7: RTFO biodiesel blending targets	
Obligation Year (Calendar year)	Specified amount, as share of total fuel, by volume
2019	8.50%
2020	9.75%
2021	10.10%
2022	12.60%
2023	13.08%
2024	13.56%
2025	14.05%
2026	14.55%
2027	15.06%
2028	15.57%
2029	16.08%
2030	16.61%
2031	17.14%
2032 onwards	17.68%
Source: 2025 Renewable Transport Fuel Obligation: Compliance Guidance[36]	

231. An amended RTFO order in 2012 introduced a maximum limit, by volume, on the contribution that crop-derived biofuels can make towards a supplier's obligation (referred to as the 'crop cap'). The limit will decrease year-on-year to reach 3% by 2026 and 2% by 2032. Relevant crop RTFCs that are carried over count towards the following year's crop cap. Suppliers cannot claim RTFCs for supply of crop-derived biodiesel exceeding its crop cap value in a given obligation year.

[36] RTFO compliance guidance 2025

Table 8: RTFO Crop cap	
Obligation Year (Calendar year)	Crop cap value
2023	3.50%
2024	3.33%
2025	3.17%
2026	3.00%
2027	2.83%
2028	2.67%
2029	2.50%
2030	2.33%
2031	2.17%
2032 onwards	2.00%
Source: 2025 Renewable Transport Fuel Obligation: Compliance Guidance[37]	

232. As outlined in Section G3.2, palm oil is the primary feedstock used to supply biodiesel production in Indonesia.[38] Palm-oil based biodiesel is subject to the crop cap, the requirements for which are outlined in the table above. Whilst under the crop cap there is still a minimum amount that is allowed, it reduces the attractiveness of the UK market for Indonesian biodiesel exporters, as they almost exclusively use palm oil to produce biodiesel.

233. Under the RTFO, development fuels are awarded development fuel certificates, which are double counted under the Order. Development fuel is a fuel made from certain (double rewarded) sustainable wastes or residues, excluding segregated oils and fats such as used cooking oil and tallow, or a non-biological renewable fuel (RFNBO), that is also of a specified fuel type.

234. The development fuel target acts to incentivise those fuel pathways which need greater support and fit the UK's long-term strategic needs. It takes into account fuel type, production pathway and feedstock. Palm-oil based biodiesel is not

[37] RTFO compliance guidance 2025
[38] Biodiesel implementation in Indonesia: Experiences and future perspectives - ScienceDirect

classed as development fuel, meaning there would be less of an incentive to export to the UK under the development fuel target.

235. The IEA 2023 report on transport fuels outlined that biofuel growth is most seen from emerging economies, especially Brazil, Indonesia and India, whereas advanced economies are moving towards electric vehicles in the long term.[39] The UK is publicly shifting towards electric vehicles as seen with its zero-emission vehicle (ZEV) transition plan, whereby "No new petrol or diesel cars will be sold after 2030".[40]

236. Nonetheless, the IEA forecasts that biofuels will continue to be the dominant option for reducing oil demand at least through to the end of its forecast period in 2028 and so will likely continue to play a major role in transport for some time. This policy to maintain demand in the UK is demonstrated by the increase in the UK blending obligation for biodiesel, which then increases demand in the UK as a net-importing country. Even with the crop cap, this creates a growing import market in the UK, which may make the UK market attractive for exporters.

237. The Indonesian authorities have stated that the support provided to the domestic biodiesel industry by the OPPF is in place in order to meet domestic demand and B35/B40 mandates. In a public briefing on 31 January 2023, Airlangga Hartarto stated: "The B35 policy… would not disrupt the supply of CPO for consumption as the producers guaranteed the supply in the country."[41] This means in effect that producers are incentivised by the OPPF to prioritise domestic blending mandates over exports. Policymakers have framed the mandates as a measure to deliver internal economic gains and environmental benefits. Indonesia's trade ministry informed the TRA in the 21 May 2025 letter

[39] Transport biofuels – Renewables 2023 – Analysis - IEA
[40] Phasing out the sale of new petrol and diesel cars from 203 0 and support for zero emission vehicle (ZEV) transition - GOV.UK
[41] Minister Airlangga Claims B35 Biodiesel Saves US$10.75bn in Foreign Exchange - News En.tempo.co

that Indonesia does not anticipate exporting biodiesel to the UK in the future due to increased domestic demand.

238. In the 21 May 2025 letter, the GOI states that the GOI and Indonesian biofuel producers have chosen not to participate in this review, in part because they prefer to focus on the litigation process initiated by the GOI at WTO Dispute Settlement Body. Indonesia's trade ministry also expressed the strong preference that the TRA terminate transition review TS0065 in light of this dispute, with the implication that the TRA should revoke the current countervailing measures against Indonesian biodiesel.

239. We found that while only 25,275 tonnes of biodiesel entered the EU from Indonesia in Q1 2018 under the prevailing duties, in Q2, following their removal, this volume surged to 227,114 tonnes. The magnitude of this increase in imports provides strong evidence that the measures in force were the principal constraint on Indonesian biodiesel exports to the EU. Given that this review has found little fundamental change in the subsidies determined to be countervailable in Commission Implementing Regulation (EU) 2019/2092, the TRA finds it likely that were the measure to be removed, the subsidised Indonesian biodiesel imports would likely recur.

240. The US and EU both currently have countervailing duties against biodiesel originating in Indonesia. The largest markets with demand for biodiesel imports globally as of January 2024 were the EU, the US, the UK and Canada.[42] If countervailing measures were removed in the UK but maintained in the US and EU market, this may create a risk of diversion from larger markets with measures in place and increase the likelihood of subsidised imports to the UK recurring.

[42] The World's Best Import Markets for Biodiesel - Global Trade Magazine

G5.2 UK market size and consumption

Table 9: UK consumption of biodiesel over IP (mt)				
	Year one	Year two	Year three	POI
UK consumption (indexed)	100	106	131	104
UK domestic production (indexed)	100	93	89	87
UK domestic sales volume (indexed)	100	67	17	60
Sales value (GBP) (indexed)	100	114	31	101
Average sales price (GBP) (indexed)	100	171	181	169
Source: questionnaire responses, RTFO statistics.				

241. Renewable fuel made up 7.5% of total road and non-road mobile machinery in 2023.[43] Biodiesel made up 39% of verified renewable fuel. The UK has a commitment to reducing carbon emissions, with policies such as the RTFO creating consistent demand for biodiesel. The UK transport and energy sectors are significant consumers of biodiesel, and the push for greener fuels continues to expand market opportunities.

242. DEFRA Official Statistics show that UK production of biodiesel was 421 million litres in 2020, which decreased by 27% between 2019 and 2020[44]. This volume was around 76% of the estimated UK production capacity at the time for biodiesel (557 million litres in 2020). As of 2023, the UK produced 537 million litres of biodiesel.[45] This falls short of meeting demand, at 30% of the total consumption in the UK in 2023 (1,733 million litres). The UK is a net consumer of biodiesel, as UK production cannot currently meet demand. The UK biodiesel market is therefore open to imports.

243. UK domestic and export biodiesel sales for sampled UK producers totalled 250,000mt to 450,000mt for the POI. Even if the UK industry were to pivot to

[43] Renewable fuel statistics 2023: final report - GOV.UK
[44] Section 1: Biofuels - GOV.UK
[45] Bioenergy Crops in England and the UK: 2008-2023 - GOV.UK

selling all biodiesel production domestically, this would remain almost 1 million metric tonnes short of total consumption in the UK for the POI.

244. With approximately 95% of current consumption in the UK met by imports, the UK is considered an attractive market for exporters.

G5.3 Production

Table 10: Production, capacity and capacity utilisation

	Year one	Year two	Year three	POI
Total production (indexed)	100	93	89	87
Total production capacity (indexed)	100	100	100	100
Total production capacity utilisation (%) (indexed)	100	93	89	87

Source: questionnaire responses

245. The TRA calculated the sampled UK industry's production of biodiesel during the injury period and POI.

246. Argent confirmed during verification that it closed its biodiesel plant in Motherwell in May 2024, leading to a capacity loss per year. In addition, Greenergy entered into consultation for the shutdown of production at its biodiesel plant in Immingham in July 2025, citing unsupportive market conditions.[46]

247. These two closures outline the difficulties that the UK industry is currently facing. These closures also indicate that the sampled UK industry capacity stated for this review will decrease following the POI. This further limits the sampled UK industry's capacity to meet increasing UK biodiesel demand; therefore imports must meet this demand.

[46] Greenergy proposes to end production at its Immingham plant

G5.4 Pricing (current and trends)

248. With limited domestic production, the UK market offers pricing conditions, where competitive and subsidised Indonesian biodiesel can be attractive. Shipping routes between Indonesia and the UK are well established, with $1.52 billion worth of Indonesian goods being sold to the UK in 2023 according to Trading Economics.[47]

249. As we do not have exporter participation, and there are negligible imports according to HMRC 10-digit data, we cannot calculate a per unit price for biodiesel exports from Indonesia for the POI or for most years of the injury period. HMRC recorded a figure for imports during year 3 from which we were able to calculate a unit price. We found this unit price to be much higher than would be expected. It is likely that this unit price is distorted by the extremely small cargo size delivered to the UK, which is much lower than would be expected for shipping biodiesel. We have excluded the import unit price from year 3 as an outlier for this reason.

250. As a result, we do not have access to historic or current import data with which we might compare to the UK industry sales price to consider trends.

G5.5 Opportunity to differentiate products or services

251. According to the OECD and Food and Agriculture Organisation (FAO) approximately 70% of biodiesel in the world is produced by vegetable oils, including palm oil.[48] Feedstock for a particular country's biodiesel industry depends on local market conditions (domestic supply and national policy). As discussed above, the majority of biodiesel produced in Indonesia is manufactured using palm oil as the feedstock.

252. A study conducted by the ICCT in 2021 found that Indonesia has the feedstock availability to produce biodiesel from the following feedstocks: inedible animal

[47] Indonesia Exports by Country, Section 3.1
[48] OECD-FAO Agricultural Outlook 2025-2034, Section 8.1

fats, waste fish oil, sludge palm oil (SPO), and tall oil. UCO had the greatest availability as a raw material alternative to palm oil.[49] As of 2024, Indonesia still relies on palm oil as the majority feedstock used for biodiesel production.[50] Nonetheless, in the long-term Indonesia may have the feedstock availability to shift the feedstock used in FAME production in the face of market changes.

253. At present, palm oil methyl ester (PME) only generates a single count RTFC as a crop feedstock in the UK, which slightly reduces its desirability as UK import. PME also has a high cold filter plugging point (CFPP) which is less desirable for cold climate use.[51] However, these factors can be offset to some extent for customers if the import price of Indonesian PME is low enough. PME's high CFPP also poses less of an issue in the UK in warmer months and can be adjusted for by blending with lower CFPP FAME like rapeseed methyl ester (RME) and mineral diesel.

254. The Renewable Energy Directive (RED) serves as the legal framework governing the advancement of renewable energy in the EU. The third iteration of the directive known as RED III sets limits on biodiesel produced using food or feed crops. RED III is also strict with regard to feedstocks determined to have high indirect land-use change (ILUC), defined as feedstocks for which increased demand leads to agricultural expansion and the conversion of natural lands.[52] RED III policy caps biodiesel produced using high ILUC feedstocks to 2019 consumption levels, with the limit decreasing to zero by 2030.

255. While there is some debate on whether PME from Indonesia qualifies as a low or high ILUC feedstock, there is strong evidence that palm oil falls under the high ILUC category, as cultivating palm trees in Indonesia often displaces rainforest.

[49] Opportunities for waste fats and oils as feedstocks for biodiesel and renewable diesel in Indonesia - International Council on Clean Transportation
[50] Biodiesel implementation in Indonesia: Experiences and future perspectives - ScienceDirect
[51] The Association Quality Management Biodiesel, "Cold Properties of Biodiesel"
[52] International Council on Clean Transportation, "Defining low and high indirect land-use change biofuels in European Union policy"; European Commission: Biofuels

256. This cap limiting the mandate for PME reduces demand in the EU for Indonesian biodiesel.

257. While the UK does have a crop cap, the UK has no equivalent to the ILUC directive that targets palm oil so directly. Moreover, the UK's crop cap is not so strict as to limit single-counted biodiesel to zero by 2030. Given this and Indonesia's continued reliance on palm oil as a raw material, the UK remains a more open market for biodiesel imported from Indonesia as compared to the EU, its closest comparable market.

G5.6 Historic openness to imports

258. We considered whether the UK imported biodiesel from Indonesia historically. We do not have HMRC 10-digit data from before countervailing measures were implemented and so we cannot compare specifically the UK's openness to Indonesian biodiesel imports from before or after the measure.

259. An article from Argus dated February 2023 states that the main export destinations for Indonesian biodiesel are Singapore, Spain and Malaysia in order of highest volume.[53] The EU is currently Indonesia's second largest market and is highly regulated. The EU is closest geographically to the UK, and if the UK were to remove countervailing measures while the EU maintained them, established supply chains to Spain might be used to divert biodiesel from Indonesia to the UK. Indonesian exporters are familiar with UK import regulations, supported by existing compliance experience, established logistics, and recognised shipping lanes for biodiesel transport already established to Europe.

260. Indonesia and the UK have a long-standing and growing trade relationship. In 2024, total UK imports from Indonesia reached £1.8 billion – an increase of

[53] Indonesia's biodiesel exports up, UCO down in 2022 | Latest Market News

5.8%, or £99 million, compared to 2023. This demonstrates that the UK and Indonesia already have a stable and functional trade infrastructure.

G6. Whether exporters have previously or habitually circumvented trade remedy measures

261. HMRC data shows no significant imports of biodiesel over the POI or injury period and there is no confirmed evidence that the overseas exporters may have circumvented the measure. UK producers of biodiesel have not reported an influx of palm-oil based FAME from Indonesia, or indeed any significant volumes.

262. On 17 August 2023, the EC initiated an investigation concerning the possible circumvention of countervailing measures imposed on Indonesia at the request of the European Biodiesel Board (EBB). This investigation concerned allegations that biodiesel originating in Indonesia was being consigned through the People's Republic of China and the United Kingdom.[54] This investigation was ultimately terminated on 7 May 2024 on the grounds that the applicant alleged fraudulent practices as the basis of the circumventions. The EC stated that the purpose of the legal framework under which the investigation was carried out is "*to investigate the possible circumvention of countervailing duties, not the fight against fraud.*"

263. The US also has ongoing countervailing duties against biodiesel originating in Indonesia that have been in place since 4 January 2018. These duties were extended following the US' sunset reviews in May 2023. There has been no investigation into circumvention of the measures concerning subsidised biodiesel imports originating in Indonesia.[55]

[54] Commission Implementing Decision (EU) 2024/1273
[55] Federal Register:: Biodiesel from Argentina and Indonesia: Final Results of Expedited First Sunset Reviews of the Countervailing Duty Orders

264. Overall, there is no evidence that the case team is aware of that suggests that exporters have previously or habitually circumvented trade remedy measures.

G7. Any other relevant factors

265. Indonesia produced 13 billion litres of biodiesel in 2024, 3 per cent higher than in 2023.[56] Following countervailing duties imposed by the EU and the US, exports have risen in response to increased demand from China specifically.

266. In 2024, Indonesia produced 13 billion litres of biodiesel, however, it has capacity to produce 18.5 billion litres. The production gap indicates untapped export potential, suggesting that the UK would be a viable target for biodiesel exports were the countervailing duties lifted. This excess capacity of 5.5 billion litres represents 337% of UK consumption.

267. Indonesia's biodiesel industry is primarily supplied with CPO by large, vertically integrated companies that control the plantations. These companies distribute CPO directly to major biodiesel producers, many of which have the capacity to export to foreign markets such as the UK.

G8. Conclusion

268. The TRA has assessed whether subsidised imports of biodiesel from Indonesia would likely resume if the countervailing measures were lifted. This assessment considered all relevant factors in a holistic manner. Based on our analysis, we conclude that subsidised imports are likely to recur in the absence of those measures.

269. Our findings confirm that the GOI continues to provide substantial support to the biodiesel industry. This includes the findings with respect to the following subsidies.

[56] *USDA*, "Indonesia: Biofuels Annual"

270. The TRA assessed the direct transfer of funds to Indonesian biodiesel producers through the OPPF, which itself is funded by export levies on CPO and CPO-derived goods. Since 2019, the Management Agency's scope has expanded to include funding for cocoa and coconut alongside palm oil, and the graduated export levy has been replaced with a flat 10% export levy. Despite these changes, the TRA considers that a countervailable subsidy remains in place.

271. The TRA assessed the provision of crude palm oil to biodiesel producers for less than adequate remuneration, with the implementation of an export tax on CPO. Since 2019, export tax rates have been updated. Despite this change, the TRA considers that a countervailable subsidy remains in place.

272. The TRA assessed the exemption of VAT alongside the suspension of import duties on machinery imported into bonded zones. Since 2019, legislative changes relating to bonded zones have enacted updates with respect to real-time CCTV access and recordings for the GOI, a stock-taking submission deadline of 2 months for registered parties, and various other updates clarifying language and updating the mechanisms of the process. Despite these changes, the TRA considers that a countervailable subsidy remains in place.

273. Given this, the TRA considers that there is no evidence to indicate that the subsidies in place have been or will be removed.

274. The UK is an attractive market for biodiesel exporters due to mandatory blending obligations of biodiesel for road use, under the RTFO. The UK industry does not have capacity to meet UK domestic demand, so the UK is therefore a net importer of biodiesel. The TRA considers that the UK remains an attractive market, despite a single count of RTFCs claimable for PME.

275. Indonesia's export market is constrained by anti-dumping and countervailing duties imposed by entities such as the EU and the US. However, as noted in Section G7, there is a 5.5 billion litre potential surplus given the biodiesel

capacity in Indonesia as of 2024. This equips Indonesia with a substantial export capacity.

276. The TRA concludes that in accordance with regulation 99A(1)(a), it considers it likely that the importation of subsidised goods subject to review would recur if the countervailing amount were no longer applied to those goods.

Section H: Likelihood of injury assessment

H1. Introduction

277. We are required under regulation 99A(1)(b) of the Regulations to consider whether injury to a UK industry in the like goods would be likely to continue or recur if the countervailing measure were no longer applied to the goods subject to review.

278. Where primary data was not available, information obtained from secondary sources was used in accordance with the Regulations.

279. To conduct the injury likelihood assessment, we considered:

- the current state of the UK industry;
- price undercutting of the UK industry;
- factors affecting domestic prices
- domestic and international market conditions;
- historic injury data;
- other causes of injury (non-attribution); and
- any other relevant factors.

280. We conducted this assessment to inform our determination as to whether the measure should be varied or revoked.

281. It is important to note that there were no or minimal imports of the goods subject to review during the injury period. We will therefore conduct the following analysis in the context of a UK industry being protected by the measures across the period. We will analyse what has happened with the injury factors during this time and consider what would happen if the current measure were to be revoked.

282. Not all of the above factors have to show negative trends for the TRA to conclude that injury would be likely to continue or recur if the existing countervailable measure were no longer applied. In determining whether injury is likely we have conducted a holistic assessment of all relevant factors and reached a conclusion on the balance of probabilities whether such factors indicate that injury is likely to continue or recur.

H2. Current state of the UK industry

283. In assessing the current state of the UK industry, we consider the following injury indicators:

a. Actual and potential decline in:

i. Sales;
ii. Profits;
iii. Output;
iv. Market share;
v. Productivity;
vi. Return on investment (ROI);
vii. Utilisation of capacity;

b. Factors affecting domestic prices

c. Actual and potential negative effects on:

i. Cash flow
ii. Inventories;
iii. Employment;
iv. Wages;
v. Growth;
vi. Ability to raise capital or investments.

284. We have considered each factor individually to get an understanding of the current UK industry, but our overall conclusion is based on a holistic assessment of all relevant economic factors.

285. We considered that the UK industry is currently in a vulnerable state, and that as a consequence any subsidised imports would be likely to cause injury should they recur. We found evidence of vulnerability in the UK industry observed through the following factors: sales, profits, market share, production output and production capacity utilisation, investments and ROI, employment, and growth.

286. These factors taken collectively indicate that the UK biodiesel industry is currently in a vulnerable position, and that as a result of this vulnerability, the UK industry is likely to have a reduced ability to respond to further challenges, such as the recurrence of subsidised imports of goods subject to review.

H2.1. Sales

H2.1.1. Sampled UK industry sales

287. In the UK, the sampled UK producers sold their FAME production either as a blend with diesel or as pure biodiesel during the IP and POI.

288. Sales of biodiesel constitute Argent's primary operations, with the production of by-products for sale contingent on production of biodiesel. As such, companies which sell only biodiesel are particularly vulnerable to negative effects on their biodiesel sales.

289. Sales of biodiesel are not Greenergy's only operations, as Greenergy is also a fuel supplier. While this diversification of operations may make Greenergy more resilient as a company overall, Greenergy's biodiesel production operations are also vulnerable to market shifts that have a negative impact on its biodiesel sales, as Greenergy suggests that subsidised imports entering the UK could lead to UK plant closures.

290. The following sales volume and values were provided in the sampled UK producers' questionnaire responses.

Table 11: UK Industry Domestic Sales

	Year one	Year two	Year three	POI
Sales volume (mt) (indexed)	100	67	17	60
Sales value (GBP) (indexed)	100	114	31	101
Average sales price (GBP) (indexed)	100	171	181	169

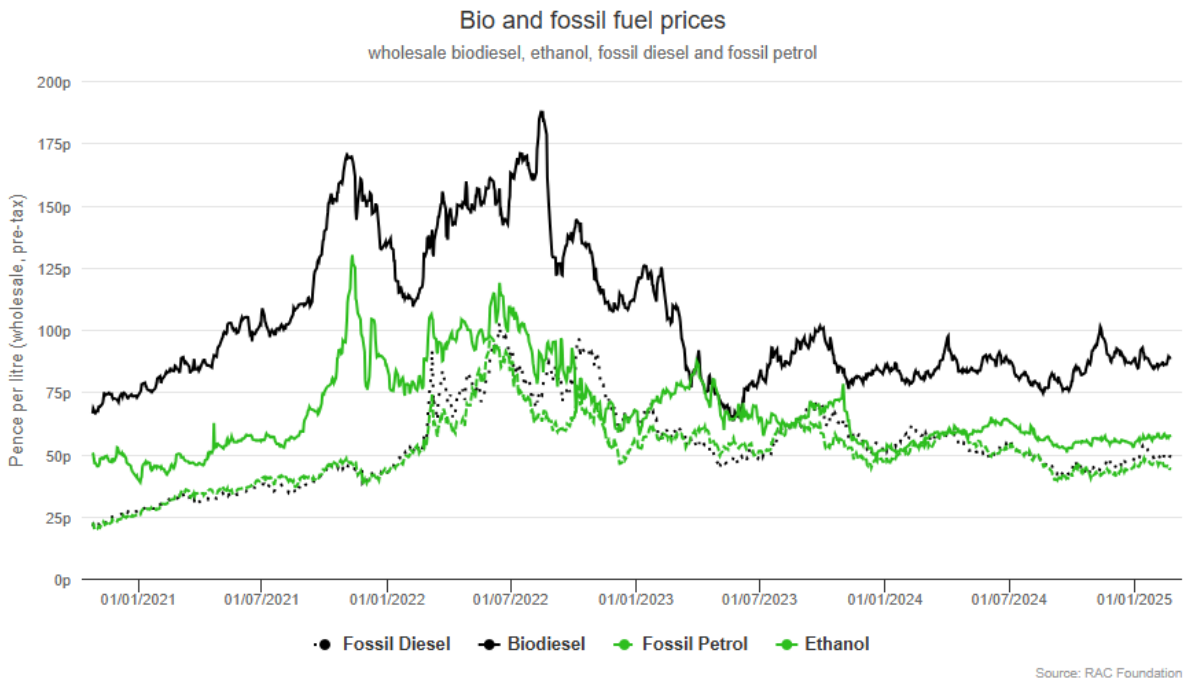
Source: questionnaire responses

291. Figures submitted by the sampled UK producers show that their domestic sales volume fluctuated over the POI and injury period, with an overall decrease from year 1 to the POI. Domestic sales volume showed a 33% decrease between year 1 and year 2. The sales volume fell by 83% from Year 1 to Year 3 and then increased into the POI but nonetheless showed that the sampled UK producers sold 40% less biodiesel in the UK during the POI than they did in year 1 of the injury period. This may be attributable to the impact of Inward Processing Relief (IPR), which is discussed in further detail in Section H5.4.

292. The sales value increased by 1% from year 1 to the POI. This is reflected in the increase of the average sales price of the sampled UK producers per metric tonne of 69% from year 1 to the POI.

293. The RAC Foundation biodiesel prices show that UK biodiesel prices were increasing in 2021 through to a peak in July 2022, followed by a drop before levelling out with some fluctuation. The sampled UK producers have a market share of less than 10% across the IP and POI when looking at biodiesel only, and as such have a limited impact on the UK biodiesel sales price.

Image 3: UK Bio and fossil fuel prices 2021 – 2025



Source: [Price of biofuels v fossil fuels (racfoundation.org)]

294. The average sales price is impacted by the imports from other countries, creating strong competition within pricing. This average sales price can be assessed against the cost of production.

295. The sampled UK producers reported that they sold abroad if the UK biodiesel sales price was too low to turn a profit against production costs.

H2.1.2. Domestic vs export sales

296. As the UK is a net importer of biodiesel, we would expect domestic sales volume to increase in line with consumption, but sales made by the sampled UK producers declined during the POI as demonstrated in Table 12. The TRA assessed the significance of export sales of biodiesel by the sampled UK producers. The following table shows the volumes and values of export sales of biodiesel throughout the injury period.

Table 12: Sampled UK industry sales				
	Year one	Year two	Year three	POI
Domestic sales volume (MT) (indexed)	100	67	17	60
Domestic sales value (GBP) (indexed)	100	114	31	101
Export Sales volume (MT) (indexed)	100	103	101	83
Export Sales value (GBP) (indexed)	100	147	109	73
Total Sales volume (MT) (indexed)	100	76	39	66
Total Sales value (GBP) (indexed)	100	126	59	91
Average domestic sales price (GBP) (indexed)	100	171	181	169
Average export sales price (GBP) (indexed)	100	142	108	89
Average Total sales price (GBP) (indexed)	100	165	150	139
Source: questionnaire responses				

297. The sampled UK producers' volume of export sales has remained relatively constant for years 1 to year 3 of the injury period and dropped by 18% into the POI. While this might seem to indicate a reduction in export sales in favour of domestic sales, in reality this reflects that the volume of total sales has decreased by 34% over the injury period, with domestic sales seeing a higher percentage decrease (40%) than export sales (17%).

298. As no sampled UK producer exports blended product, we have compared sampled UK producer domestic and export sales of the biodiesel element as a percentage of total sampled sales. As Table 13 shows, the sampled UK producers export more than they sell domestically, and there has been a 5% increase in export sales as compared with domestic sales over the injury period. TRA investigation AD0058: Biodiesel from the People's Republic of China (PRC) into dumped imports from the PRC found that those dumped goods were suppressing prices and driving the sampled UK producers out of the UK market and to export of UK biodiesel production.

299. Questionnaire responses from the sampled UK producers for this review indicate that the sampled UK producers consider that they would have to shift

their business operations entirely to export or risk closure if subsidised imports were to resume from Indonesia.

300. The figures represented in Table 13 exclude the diesel element in biodiesel sales. This is because the sampled UK producers do not export blended product, and so this comparison would be distorted by including the diesel.

Table 13: Domestic vs export sales

	Year one	Year two	Year three	POI
Domestic sales as a % of total sales (volume mt) (indexed)	23	16	12	18
Export sales as a % of total sales (volume mt) (indexed)	77	84	88	82

Source: questionnaire responses

H2.1.3. Production vs domestic sales

301. We have compared sampled UK producer production costs against sales revenue to assess vulnerability. During the POI, the sampled UK producers were loss making. Biodiesel manufacturing margins in the UK did not break even.

302. The sampled UK producers provided reasons for the high cost of production in the UK at verification. They cited rising energy costs as a result of the war in Ukraine as one reason for the high cost of production.

303. The sampled UK producers also cited increasing feedstock costs in combination with a UK biodiesel sales price that is not correspondingly increasing. Feedstock is the main raw material used in biodiesel production. The sampled UK producers explained that once they had accounted for various other costs, the main measure of their profit margin is the difference between the cost of feedstock and the UK sales price of biodiesel.

H2.1.4. Indonesian sales

304. To identify what impact Indonesian imports of the goods subject to review may have had on sampled UK producers' domestic sales, we looked at imports over the injury period. We observed that there were minimal or no imports of goods subject to review, indicating that imports from Indonesia are unlikely to have had an impact on sampled UK producer domestic sales figures during the injury period.

305. The minimal imports during the POI and injury period may reflect a reduction in the level of imports as a result of the countervailing measure currently in place against Indonesia.

306. In conducting our subsidy likelihood assessment, we concluded that it is likely that imports of the subsidised goods subject to review would recur if the measure no longer applied. As such, the UK biodiesel industry is in a vulnerable position should subsidised imports recur.

H2.1.5. Third-country sales

307. The sampled UK producers have also alleged that injury would be felt to a greater extent in the downward pressure on pricing if the measure were revoked and subsidised biodiesel entered into the UK from Indonesia, exacerbating biodiesel market conditions in the UK that are already unfavourable to the sampled UK producers.

308. In the absence of import volumes of the goods subject to review, we examined the import unit price of HMRC 10-digit data from third countries. This import data contains all in-scope commodity codes. As the TRA is unable to separate the diesel component under the in-scope commodity codes, this may have distorted the data trends. The TRA has therefore also conducted the import volume and value analysis only for goods under commodity code 3826 (pure biodiesel) for comparison.

309. This analysis found that the average UK sales price of biodiesel imported from third countries under all in-scope commodity codes undercut the sampled UK producer sales price by 33% during the POI. When analysis was carried out only for pure biodiesel imported from third countries under 3826 commodity codes, third country imports undercut the sampled UK producers' sales price by 12%.

H2.2. Profit

Table 14: Sampled UK industry net profit after tax for like goods

	Year one	Year two	Year three	POI
Net profit margin (indexed)	100	-31	-105	-189
Source: questionnaire responses				

310. The data shows that the sampled UK producers as a whole were operating at a loss in every year of the injury period and POI. Profit figures show a sharp increase in losses over the injury period and into the POI, with a 289% decrease in profit from year 1 to the POI.

311. The UK producers have explained during verification that this is due to the impact of imported biodiesel selling at a price below the cost of manufacture within the UK. Biodiesel is a commodity good. To maintain customers in an unfavourable market, the sampled UK producers have been forced to either sell at a loss or export to a more favourable market and pay additional shipping costs.

H2.3. Production output and production capacity utilisation

312. The TRA assessed the changes in the production output, capacity and capacity utilisation of the sampled UK producers during the injury period and the POI. Table 15 below demonstrates the data.

Table 15: Production, capacity and capacity utilisation				
	Year one	Year two	Year three	POI
Total production (indexed)	100	93	89	87
Total production capacity (indexed)	100	100	100	100
Total production capacity utilisation (%) (indexed)	100	93	89	87
Source: questionnaire responses				

313. The capacity data used in this review is nameplate capacity for the biodiesel production plants of the sampled UK producers.

314. Argent states in its questionnaire response and during verification that biodiesel plants are run at capacity to be most cost effective. It is possible to run a biodiesel facility in the UK at a slower rate of production, but this is not financially viable because of the fixed costs associated with production. The main limiting factor for reaching a facility's maximum capacity is usually feedstock budget constraint, feedstock quality, or maintenance shutdowns. We therefore would expect that UK producers are continuously running their biodiesel facilities at close to maximum capacity and would only halt production for planned annual shutdowns as mentioned at verification, unplanned reasons or significantly unfavourable market conditions. This was confirmed by Argent during verification.

315. Both Argent and Greenergy asserted that increasing production in the short term is complex without significant investment.

316. Data from the sampled UK producers shows that UK production output fell 13% from year 1 to the POI. Utilisation of capacity trends have correspondingly decreased over the injury period and POI. This decrease in capacity utilisation is likely due to private commercial decisions to shutdown plants as mentioned by UK producers during verification, which the TRA understands can occur when it is not commercially viable to produce biodiesel.

317. Such shutdowns have been seen in practice, as Argent confirmed during verification that it closed its biodiesel plant in Motherwell in May 2024, leading to a biodiesel capacity loss. The table above includes the total nameplate capacity for Argent's Motherwell plant while it was in operation, which covered the majority of the POI. However, by the end of the POI, capacity had reduced with this closure.

318. In addition, Greenergy in July 2025 confirmed it would begin consultation on a proposal to cease production at its biodiesel plant in Immingham, citing unsupportive market conditions.[57]

H2.4. Market share

319. The TRA assessed the changes in the market share by volume of the sampled UK producers during the injury period.

Table 16: Market Share

	Year one	Year two	Year three	POI
UK Consumption (mt)	100	106	131	104
Market share of UK Industry (%) (indexed)	100	65	35	59
Source: questionnaire responses, RTFO statistics				

320. Using RTFO total UK consumption data for this calculation, we saw that the sampled UK producers lost market share in the UK overall across the injury period by 41%.

321. Total UK consumption of biodiesel saw a modest increase across the injury period, other than a spike in consumption in year 3. As such, this drop in market share cannot be accorded to a drop in UK biodiesel consumption.

[57] Greenergy proposes to end production at its Immingham plant

H2.5. Investments, return on investment and cashflow

322. The TRA assessed the changes in the level of investments and the return on these investments.

Table 17: Investments and Return on Investments				
	Year one	Year two	Year three	POI
Investments (£) on like goods (indexed)	100	90	77	51
Return on investments (%) (indexed)	100	4	-91	-437
Source: questionnaire responses				

323. Investments declined in every year of the injury period, ultimately by 49% from year 1 to the POI. The sampled UK producers have informed us that investments over the injury period have been in relation to the maintenance of existing infrastructure, and that there have been no new major investments in relation to expansion.

324. ROI saw a sharp decrease from year 1 to the POI. Responses from the sampled UK producers have stated that periods of reduced or negative margins have delayed the ROI on the investments made in its plants and contributed to such a sharp decline.

325. Greenergy did not provide cash flow data for the POI or IP. Argent was not able to provide accurate figures for the correct time frame. As such, the TRA was not able to verify the sampled UK producers' cash flow for the domestically sold like goods during the injury period, and so this factor has not been assessed in this likelihood assessment.

H2.6. Employment and Productivity

326. The TRA assessed the changes in the employment and productivity of the sampled UK producers during the injury period.

327. Employment trends were assessed by analysing how the number of employees for the like goods has changed throughout the injury period. Productivity is

measured by establishing the output (the number of like goods produced) per employee during the injury period. The number of employees for like goods refers to all personnel directly involved in the production of biodiesel.

328. Greenergy did not provide the TRA with sufficient and appropriate evidence to conduct verification activities with respect to number of employees. As such, we have excluded this data for the purposes of analysing the employment trends for the sampled UK producers.

329. The following table shows Argent's employment and productivity throughout the injury period:

Table 18: Employment and Productivity

	Year one	Year two	Year three	POI
Number of employees for the like goods (indexed)	100	106	106	66
Output (mt) (indexed)	100	101	108	96
Productivity (output/number of employees) (indexed)	100	95	101	146

Source: Argent questionnaire response

330. Employment figures show an overall decreasing trend over the IP and POI, with employment at its lowest in the POI, seeing a 34% reduction from year 1 to the POI.

331. The closure of Argent's Motherwell plant in May 2024 (see B2.4.) has had a direct negative impact on its number of employees involved with the like goods, as seen in the indexed figures in the table above. Greenergy's shutdown announcement at its Immingham plant suggests that employment at the Immingham plant may be similarly affected. Greenergy highlights this vulnerability in its questionnaire response.[58]

332. Productivity per worker showed a downwards trend across the first two years of the injury period before rising in year three and the POI. We see a reduction in the number of employees employed by the UK industry during the POI, and a

[58] Greenergy proposes to end production at its Immingham plant

small reduction in output. This shows that productivity increased in the POI to similar levels seen in year 1, despite fewer staff. Verification evidence suggests that this may be due to increased production efficiencies.

H2.7. Wages

333. The TRA assessed the changes in the level of wages paid by the sampled UK producers during the injury period.

334. Greenergy did not provide the TRA with sufficient and appropriate evidence to conduct verification activities with respect to median wage. As such, we have excluded this data for the purposes of analysing the wage trends for the sampled UK producers.

Table 19: Wages

	Year one	Year two	Year three	POI
Number of employees for the like goods (indexed)	100	106	106	66
Wages (£) (indexed)	100	102	113	128

Source: Argent questionnaire response

335. The sampled UK producers have informed us that they use chemical-industry related benchmarking to set wages, as they have to compete against a number of similar roles.

336. Wages have increased throughout the injury period. During year 3, the UK saw high levels of inflation which peaked at 11.1 percent in October 2022. This could explain the largest increase seen between year 3 and the POI.

337. What the data on wages does not show us is several factors mentioned during verification which could be indicative of injury including:

- High turnover of staff, and difficulty recruiting reflecting that wages may not be competitive;
- Either the inability to provide bonuses or that bonuses have reduced significantly;

- Internal restructuring to limit headcount.

H2.8. Inventories

338. The TRA has assessed changes to stock volumes over the injury period.

Table 20: Inventory				
	Year one	Year two	Year three	POI
Closing stock (mt) (indexed)	100	74	63	60
Source: questionnaire responses				

339. The volume of closing stock across the industry fell across the IP and POI, the lowest year being in the POI a 40% fall in closing stock compared to the start of the IP. A decrease in stocks in the POI cannot be interpreted as an increase in product sales, as output fell by 15% from year 1 to the POI and total sales volume fell by 34% from year 1 to the POI.

340. The TRA has found the trends seen for inventory over the IP to be inconclusive as the reduction in stock coincides with a reduction in output.

H2.9. Growth

341. The TRA assessed the extent that the sampled UK producers grew in the domestic market during the injury period.

Table 21: Growth of the sampled UK producers				
	Year one	Year two	Year three	POI
UK consumption (metric tonnes) (indexed)	100	106	131	104
UK domestic production (indexed)	100	93	89	87
Employment for like goods (indexed)	100	101	102	82
Source: questionnaire responses, RTFO statistics				

342. UK consumption spiked in year 3 before reducing into the POI but remained higher than figures seen in year 1. Domestic production and employment associated with the like goods decreased 13% and 18% respectively over the

injury period. This shows that production decreased despite a UK increase in demand for biodiesel – the UK sampled producers did not see a trend of growth across the IP and POI.

H3. Price undercutting of UK industry

343. Price undercutting occurs when the exporters' goods subject to review are consistently priced lower than like goods produced in the UK. In the event of undercutting, the UK industry may be forced to reduce its prices to compete against the lower-priced imports, or risk losing market share. This may also prevent prices of like goods produced in the UK from rising to a level that the UK industry would otherwise achieve. To calculate the undercutting amounts, we compare the average landed price of the goods subject to review with the average domestic sales price of the UK like goods.

344. HMRC data was used to assess imports of biodiesel from Indonesia during the injury period and POI. The data showed minimal imports (a low number of consignments or a volume that is considered negligible) from Indonesia during the POI and IP. The limitation with the use of HMRC data explained in Section C3. was not relevant in this instance because the minimal/no imports meant that there was no distinction to be made between the blends.

345. Given that there is currently a countervailing measure in place, no or negligible imports are not unexpected.

346. In the absence of empirically meaningful imports of the goods subject to review from Indonesia to the UK, TRA guidance allows us to replace the landed import price with an average import price of the like goods imported into third countries and compare this with a UK domestic selling price. However, we have not been able to calculate a reasonably reliable landed price for the goods subject to review as there has been no participation from overseas producers in Indonesia, and information from secondary sources has shortcomings and

limitations that would render any figure calculated unrepresentative of a landed price for exports from Indonesia to the UK.

347. As a result, it has not been possible to calculate undercutting in this review.

H4. Factors affecting domestic prices

348. Biodiesel is a commodity, with the price set by market conditions.

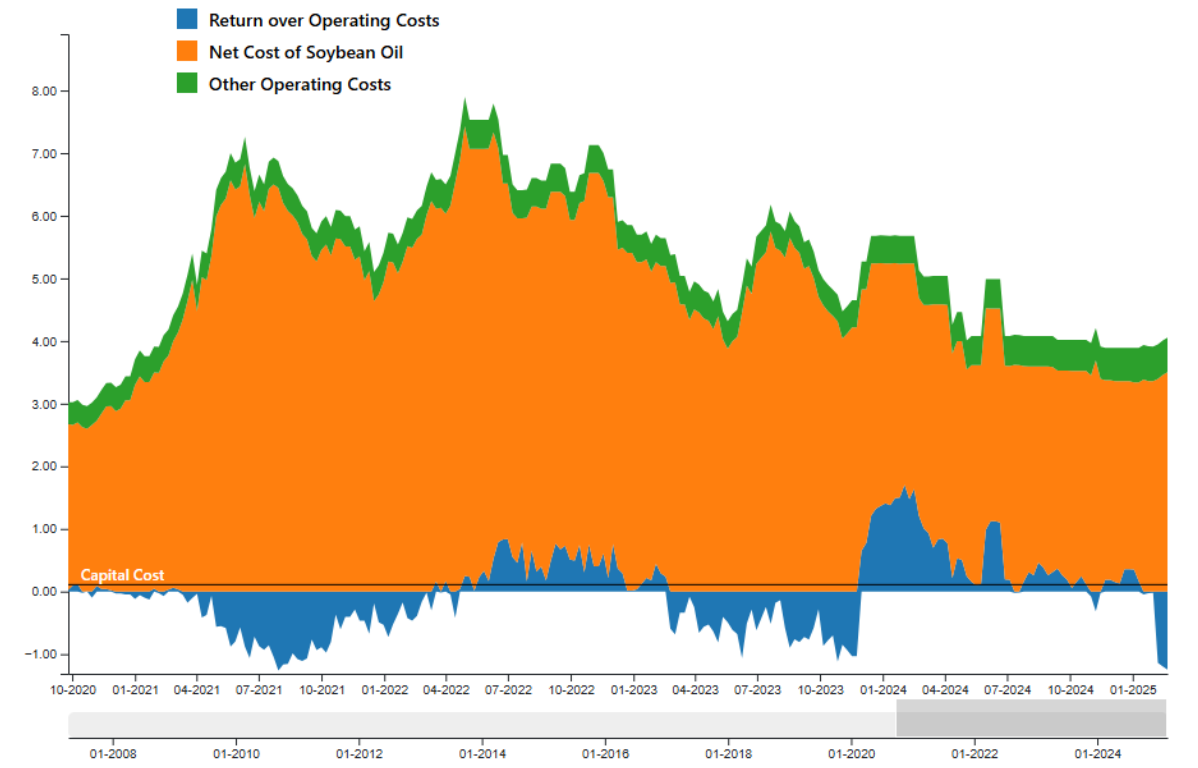
349. One of the main drivers in price is the cost of the raw material: feedstock. Feedstock costs accounted for on average 80% of the cost of production for the sampled UK producers during the POI. Any factors that impact the cost of feedstock available in the UK will impact the UK cost of production and the UK industry's sales price setting decisions. For overseas biodiesel production, the cost of feedstock used in the production process will be 85% of the cost of production and will therefore have a fundamental impact on the sales price set by exporters.[59]

350. The second most significant raw material is methanol in most biodiesel production, which contributed to on average 6% of the cost of production for the sampled UK producers during the POI.

351. Feedstock cost is the biggest driver affecting domestic price. This is further illustrated in the image below from the Center for Agricultural and Rural Development (CARD) based in the US, which shows that feedstock cost (here soybean oil) constitutes the largest cost associated with biodiesel production.[60] Furthermore, CARD's data demonstrates that return over operating costs is directly impacted by the cost of the feedstock, and less impacted by the cost of methanol.

[59] Commission Implementing Regulation (EU) 2019/1344 of 12 August 2019 imposing a provisional countervailing duty on imports of biodiesel originating in Indonesia, paragraph 83
[60] Center for Agricultural and Rural Development

Image 4: Biodiesel operating margins



Source: Center for Agricultural and Rural Development (CARD) (methanol is included in other operating costs)

352. Feedstock can be divided into 2 categories - waste feedstock and non-waste feedstock. Examples of waste feedstock include used cooking oil (UCO), animal fats (tallow) and food waste. Examples of non-waste feedstock include virgin vegetable oils such as rapeseed oil or soybean oil.

353. Waste feedstocks represented 72% of verified renewable fuel in 2023.[61] Waste feedstocks used in the production of biodiesel are in high demand as they offer lower greenhouse gas emissions as compared to non-waste feedstocks. The RTFO framework incentivises the use of waste-based feedstock. Waste-based feedstocks are eligible to receive double the number of Renewable Transport Fuel Certificates (RTFC) for every litre or kilogram of biodiesel under the RTFO framework at present.[62] The UK industry currently produces biodiesel mainly

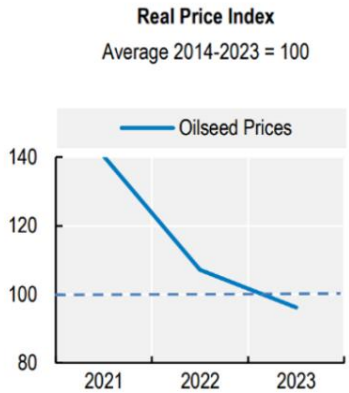
[61] Renewable fuel statistics 2023: final report - GOV.UK (www.gov.uk)
[62] RTFO list of feedstocks including wastes and residues - GOV.UK (www.gov.uk)

with waste-based feedstock.[63] Waste feedstocks do not compete with food crops, but waste feedstocks are in short supply partly due to limited collection potential in the UK. This limited waste-feedstock supply can also be attributed to the use of UCO and animal fats – both types of waste feedstock – exhausting almost 100% of estimated supplies in forecasts up to 2027.[64]

354. Crop feedstock has a fundamental place in food production, and therefore biodiesel producers must compete with the food industry for the supply of crop feedstock. This is another limitation on raw material supply.

355. The price of UCO can also be linked to oils used in cooking such as vegetable oil, and other feeds (rapeseed oil, soybean oil etc.). The OECD and FAO analyse the price of oils and cereals in the Agricultural Outlook 2024-2033.[65] Vegetable oil prices fell sharply from record highs to reach multi-month lows in mid-2023. The report states that global vegetable oil prices have stabilised since late 2023 and there was below-potential palm-oil output. The report forecasts that while soybean and palm oil production are expected to increase, adverse climatic conditions, changes in policies, and the evolution of ongoing conflicts leave major uncertainties in the oilseed market.

Image 5: Cereal and Oilseed Prices 2021 to 2023



Source: *OECD-FAO Agricultural Outlook 2024-2033 | (oecd-ilibrary.org)*

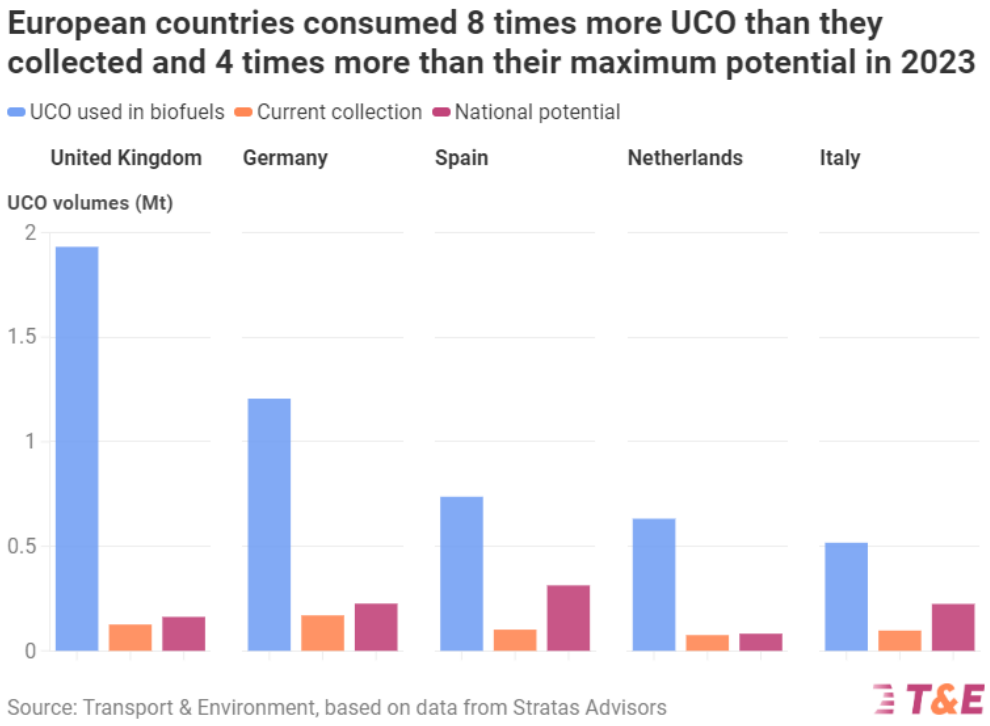
[63] Renewable fuel statistics 2022: Second provisional report - GOV.UK
[64] Is the biofuel industry approaching a feedstock crunch? – Analysis - IEA
[65] OECD-FAO Agricultural Outlook 2024-2033 | OECD-FAO Agricultural Outlook | OECD iLibrary (oecd-ilibrary.org)

356. As both crop and waste feedstock are in limited supply, new technologies for biodiesel production (e.g. biomass-based Fischer-Tropsch) need to begin at scale commercial use in order to expand the range of waste feedstocks that can be used in biodiesel production. This would increase the availability of the main raw material for biodiesel production. Such a shift in production process or usable feedstock would require significant investment.[66] For the UK industry, this would require foundational production facility alterations as this would entail a different production process and main input. Without this investment, the UK industry must rely on imports from the heavily competitive and changeable waste-feedstock market for its main raw material.

357. Transport & Environment (the European federation of green transport non-government organisations) reports that in 2023 the UK consumed 14.85 times more UCO than it collected in the UK. The UK also consumed 12.06 times more UCO than the UK's national potential for UCO collection in 2023. This shows that demand in the UK is growing much faster than domestic supply.

[66] Biofuels - Energy System - IEA

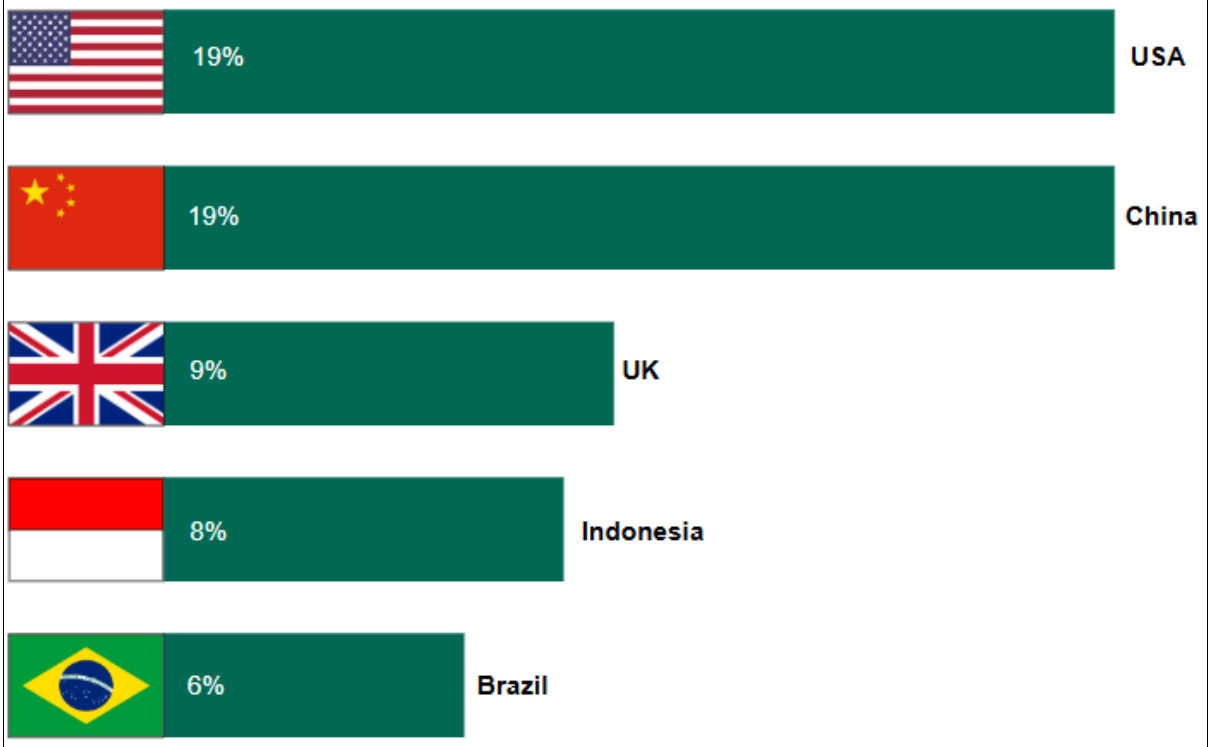
Image 6: UCO used in biofuels, current collection and national potential 2023



Source: *UCO (Unknown Cooking Oil): High hopes on… | Transport & Environment (transportenvironment.org)*

358. In 2023, only 9% of the feedstock used for renewable fuel production in the UK was of UK origin. The image below shows the top five countries of origin for feedstocks which were used in UK renewable fuels in 2023. Since 91% of waste feedstock used in the UK is imported, and feedstock is the most significant component in determining price, the price of biodiesel in the UK is heavily dependent on the international prices of waste feedstock.

Image 7: Country of origin for feedstock used in UK renewable fuel production (2023)



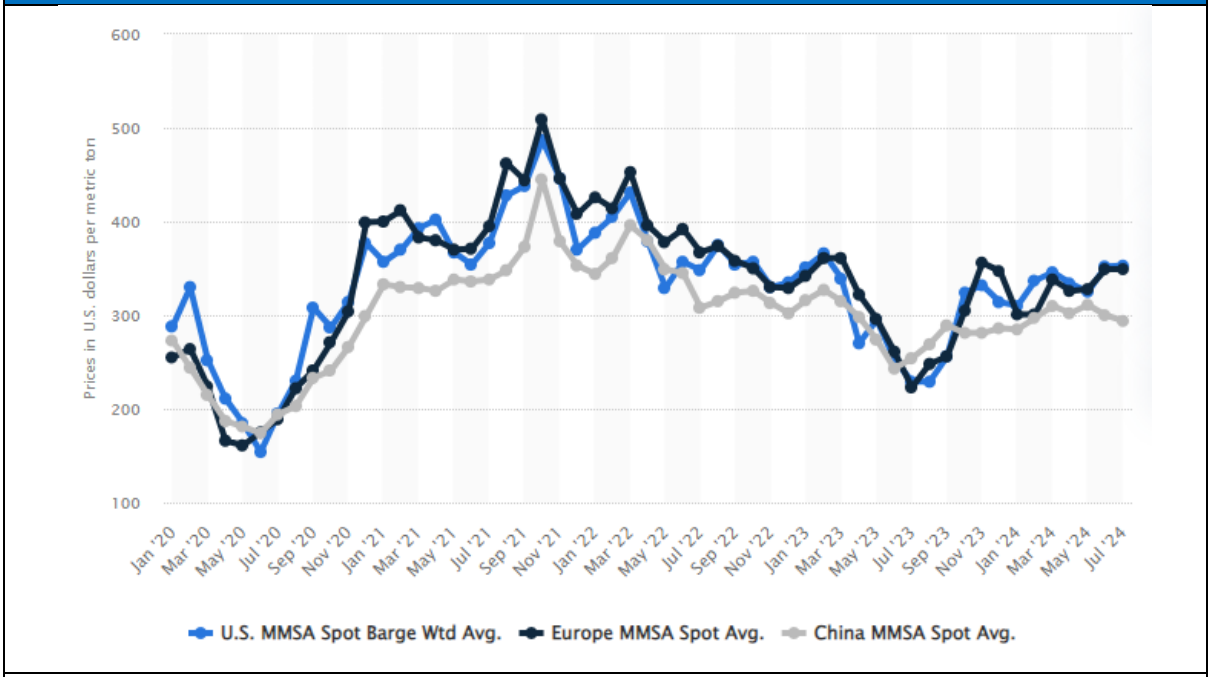
Source: *Renewable fuel statistics 2023: final report - GOV.UK (www.gov.uk)*

359. An assessment by Transport and Environment shows that collecting UCO in Asia is approximately a third cheaper than in Europe but that import costs and excise duties can lead to a higher final UCO cost for European buyers.[67] Feedstock supply in the UK is generally sourced via European routes, and will see similar imported prices plus additional transport fees from Europe to the UK. If feedstock prices are low enough overseas to offset biodiesel shipping costs to the UK, then imported biodiesel can be sold in the UK for less than the UK industry can afford to produce its own biodiesel.

[67] UCO (Used Cooking Oil) for biofuels: how much is fraudulently imported virgin vegetable oil? - Energy Post; UCO (Unknown Cooking Oil): High hopes on limited and suspicious… | T&E

360. The chemicals used in the transesterification process also have an effect on the domestic price of biodiesel. Methanol is the most commonly used catalyst in the process. While bio-methanol has begun production, almost all methanol sold commercially at present is produced by fossil fuels (coal or natural gas) and demand for methanol is increasing, with a large part of this demand being met by methanol production from coal in the PRC.[68] The cost of methanol fluctuated over the IP and POI, with the cost at its highest in the autumn of 2021.

Image 8: Monthly methanol spot prices by region



Source: Monthly methanol spot prices by region | Statista

361. Publicly available Methanex figures for the Methanex European Posted Contract Price which track the price of methanol over time show that methanol prices have seen an overall increase over the injury period and into the POI, with the average methanol prices over October 2024 to July 2025 (the most recent data possible) showing a 67% increase in methanol sales price in Europe.

[68] Innovation Outlook: Renewable Methanol

Table 22: Methanol price (per mt)					
	Year one	Year two	Year three	POI	October 2024 to July 2025
Average sales price per mt (EUR)	371	530	468	490	622
Source: Methanex[69]					

362. As seen in Image 3 in Section H2.1, RAC Foundation figures show that biodiesel increased in price from 2021 to 2022. This can be explained by disruptions to supply chains post Covid-19. There was limited availability of UCO from the PRC following easing of pandemic-related curbs and delays around the Port of Shanghai. High container and trucking costs further supported increases in prices.[70]

363. The RAC Foundation biodiesel price figures suggest an overall decrease in the UK biodiesel sales price from the end of 2022 before plateauing into 2025, which could be attributed in part to lower feedstock prices internationally. However, as noted above in Transport and Environment's assessment, biodiesel production in the UK relies on feedstock imports and often cannot benefit from this price reduction because of import costs and excise duties for UCO.

364. The UK biodiesel industry has informed us that it has thin profit margins based around the difference between the domestic biodiesel price and the price of feedstock, which is largely imported. Large fluctuations in feedstock price would leave the UK industry vulnerable to impact of subsidised imports from Indonesia at the domestic biodiesel sales price.

365. The UK industry has also alleged that dumped imports from the PRC and subsidised imports from the US have contributed to the downward trend in the UK biodiesel sales price. A downward trend in the UK biodiesel sales price in

[69] Pricing - Methanex | Methanex
[70] UCOME-FAME 0 spread reaches record high as used cooking oil prices soar | S&P Global Commodity Insights (spglobal.com)

tandem with an increase in cost of raw materials would reduce UK industry profit margins.

366. Another major factor affecting domestic prices is energy costs for biodiesel production. This will be addressed below in H5.3.

H5. Domestic and international market conditions

367. The TRA has considered market conditions in the UK and in international markets for the goods subject to review and the like goods.

H5.1. Supply and demand

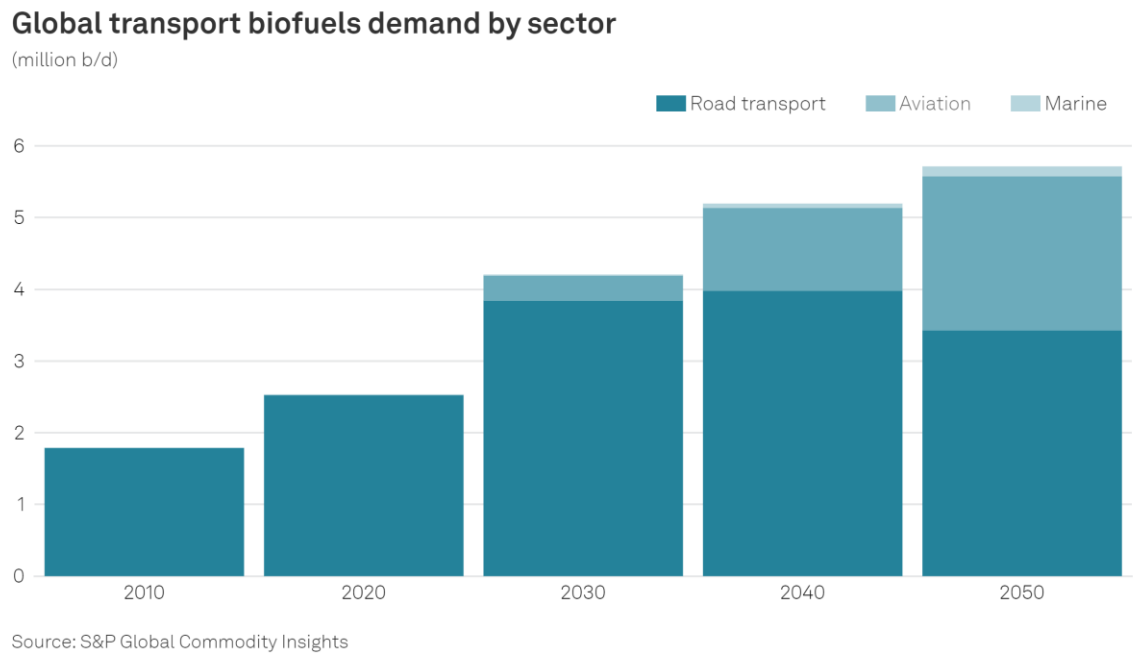
368. Demand for biofuel (such as ethanol and biodiesel) depends on two factors - government mandates and transport fuel demand.

369. Overall, biofuels are expected to remain important renewable alternatives to fossil fuels within the transportation sector. The growth rate is expected to continue to increase over the coming decade.[71]

370. S&P Global Commodities predicts that post 2040, shrinking road fuel demand will act as a drag on biofuel demand, which will start to decline.

[71] OECD-FAO Agricultural Outlook 2024-2033 | OECD-FAO Agricultural Outlook | OECD iLibrary (oecd-ilibrary.org)

Image 9: Global transport biofuels demand by sector



Source: *Fueling the Future: Biofuels powering progress on net zero (spglobal.com)*

371. Emerging economies, notably Brazil, Indonesia, and India, are anticipated to drive most of the new biofuel demand, as biofuels continue to serve as the primary decarbonisation option in these regions. All three countries have mandated biofuel shares, rising transport fuel demand, and abundant feedstock potential.

372. Demand for biodiesel in the UK stems from the RTFO set by the DfT and from demand for diesel. The RTFO is one of the government's main policies for reducing greenhouse gas emissions from road transport in the UK. Under the RTFO, suppliers of relevant transport fuel in the UK must be able to show that a percentage of the fuel they supply comes from renewable and sustainable sources. In 2023, because of the RTFO, 3,700 million litres of renewable fuel were supplied for use in UK transport. This constitutes 7.5% of

total transport fuel supplied. This is an increase from 6.8% in 2022 and 5.4% in 2021.[72]

373. Indonesia's 2024 biodiesel production is estimated to reach a total of 13 billion litres.[73] This ranks Indonesia, as of 2023, as the third largest biodiesel producer behind the US and the European Union.[74] The OECD-FAO Agricultural Outlook 2024-2033 found Indonesia to be the third largest producer of biodiesel between 2021 and 2023 at 18.9% of global production, and forecasted biodiesel production growth in Indonesia in the coming years.[75]

374. As discussed, biodiesel demand is driven by government mandates and policies. The map in Image 10 shows that there are limited markets with significant demand for biodiesel. In addition to this, biodiesel originating in Indonesia is also subject to anti-dumping measures in the United States and countervailing duties in the United States, the European Union, and the UK.[76] Shipments to discretionary markets seldom take place – and only when biodiesel made from palm oil is cheaper than fossil diesel. Furthermore, a number of markets with demand have substantial biodiesel production of their own which would reduce the demand for imports. Biodiesel production in some of these countries is also benefitting from subsidies, such as Argentina, whose exports are subject to countervailing duties in the European Union, Peru, the UK, and the United States.

[72] Renewable fuel statistics 2023: final report - GOV.UK (www.gov.uk)
[73] Indonesia: Biofuels Annual | USDA Foreign Agricultural Service
[74] EBB Statistical Report 2023
[75] Biofuels | OECD
[76] Home - Trade Remedies Data Portal (wto.org)

Image 10: List of biodiesel mandates and consumption by country

Source: IATA: Examples of ground transport biofuel mandates around the world

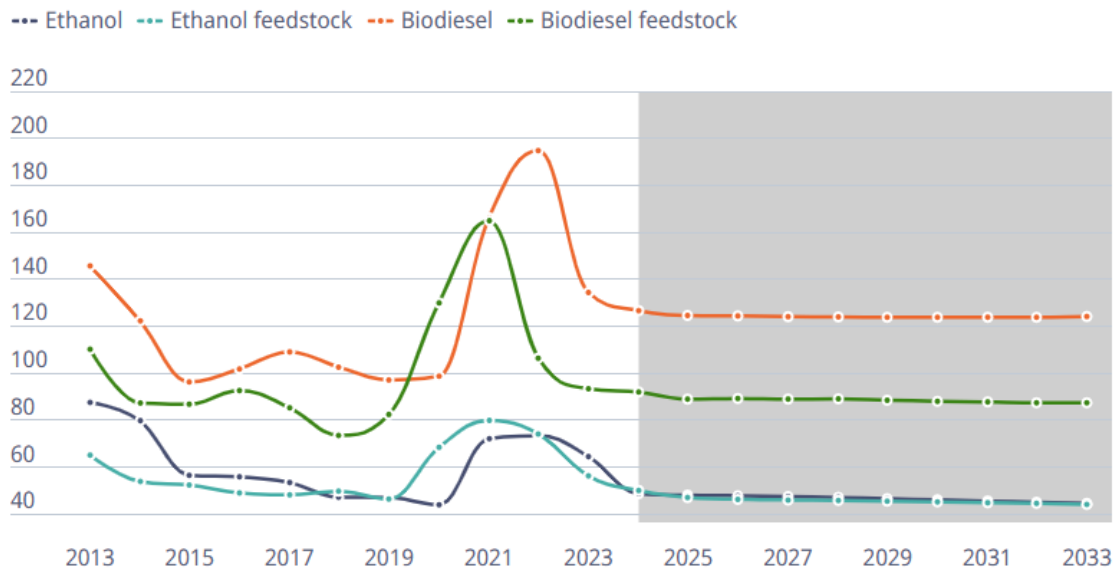
375. Price is the biggest driver of customer's biodiesel purchasing. Downstream customers of biodiesel buy the cheapest biodiesel that enables them to fulfil their obligations. Another category for purchase consideration is that biodiesel has a cold filter plugging point (CFPP), temperatures below which biodiesel will struggle to operate in an engine. Customers must therefore take into consideration consumers' cold climate requirements.

376. If the measures that are currently in place in the UK are revoked, then the UK is likely to be vulnerable to exports of the goods subject to review from Indonesia, which benefit from subsidies. Given this benefit from the subsidies in place in Indonesia, Indonesia could import biodiesel to the UK with a selling price that is lower than its competitors, and lower than would be possible in a level playing field. The UK biodiesel sales price is currently low, with allegations of dumping from the PRC and HVO subsidy allegations from the US. Therefore, subsidised imports from Indonesia are likely to suppress UK domestic sales price, which for the UK industry means selling at a loss or losing customers to cheaper prices.

H5.2. Prices

377. The OECD Agricultural Outlook 2024-2033 reports that in real terms, global biodiesel prices are anticipated to decrease over the next decade.[77] This outlook also outlines that Indonesian producer prices are expected to remain "*above the current reference, thus allowing replenishment of the CPO fund which will continue to subsidize domestic biodiesel production*."

Image 11: The evolution of biofuel prices and biofuel feedstock prices



Source: OECD FAO Agricultural Outlook 2024-2033, Figure 9.5.A.

378. The decrease in global biodiesel prices may have a longer-term bearing on the resilience and vulnerability of the UK industry in the future if the UK industry has to compete with subsidised biodiesel, or biodiesel that can be produced at a lower cost due to feedstock availability and price overseas. Where the biodiesel sales price is reducing, this may be especially harmful to the UK industry given that the cost of feedstock in the UK is not expected to decrease in parallel and so the cost of production for UK producers is not expected to

[77] OECD-FAO Agricultural Outlook 2024-2033 | OECD-FAO Agricultural Outlook | OECD iLibrary (oecd-ilibrary.org)

decrease. This may compress potential profit margins for UK producers, as discussed in Section H2.2.

H5.3. Increased operational costs from manufacturers

Images 12 and 13: Average non-domestic quarterly gas prices in the UK

Chart 3.2: Average Non-Domestic Gas Prices Including CCL

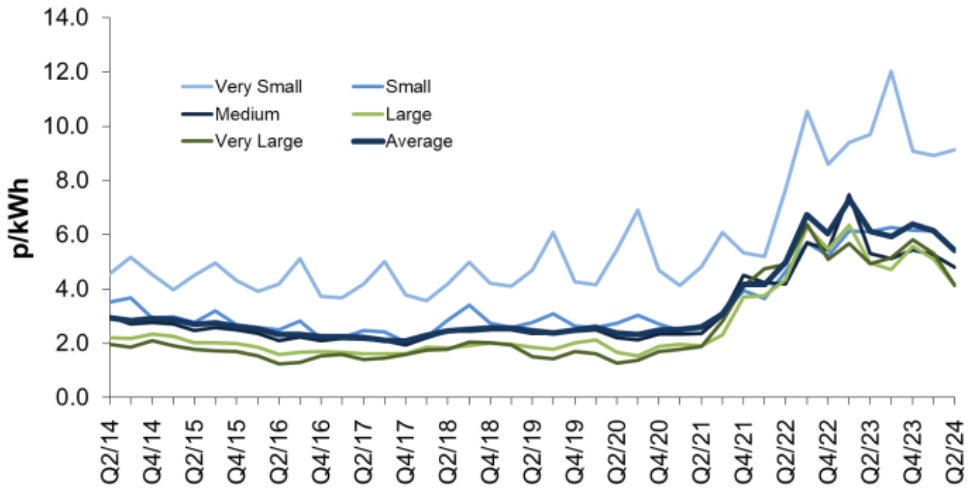
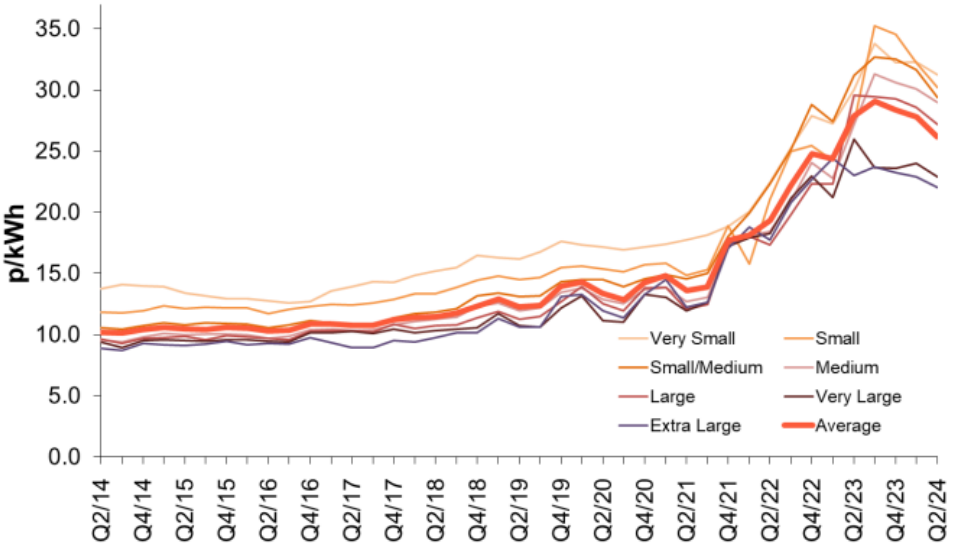


Chart 3.1: Average Non-Domestic Electricity Prices Including CCL



Source: Department for Energy Security and Net Zero Non-Domestic Energy Prices[78]

[78] Non-domestic prices refer to prices paid by any user of energy that is not a household. Specifically, prices paid for fuels in the industrial sector.

379. In 2022, Russia's invasion of Ukraine led to an unprecedented surge in energy prices which triggered a global energy crisis. Data from the Department for Energy Security and Net Zero shows a clear increase in both electricity and natural gas prices over year 3 and the POI in the UK. The UK industry confirmed during verification that rising energy costs have had a large impact on its biodiesel cost of production.

380. The Russia-Ukraine war also caused major disruptions in agricultural production and exports. It particularly impacted Ukraine's agricultural sector, as Ukraine is a significant global exporter of grains and sunflower oil.

381. These factors have led to cost increases for electricity, raw material in Europe and the UK, and transportation, along with elevated interest rates and persistent supply chain disruptions.[79] The Euro area energy markets in particular have been affected, given their heavy reliance on Russian supplies before the invasion.

382. Trade patterns for oil and natural gas have shifted dramatically since Russia's invasion of Ukraine as governments look to strengthen their energy security. The sampled UK producers rely on electricity and gas to power factories. While supply chains are adapting, the prolonged nature of the war raises uncertainty into the future around how the war may continue to impact costs of production for the UK biodiesel industry.[80]

H5.4. Shifting domestic and international legislation

383. In an industry where demand is driven by legislation, changes in domestic and international legislation can shift supply/demand patterns in both domestic and global markets, affecting production and competition between producers located in different countries.

[79] World Energy Outlook 2024 – IEA
[80] Russia's War on Ukraine – Topics - IEA

384. In the UK, IPR previously applied, whereby qualifying biodiesel could be imported to the UK without being subject to standard import duty. Without the requirement to pay standard import duty, it was cheaper to import biodiesel into the UK, and these cheaper biodiesel imports were in direct competition with biodiesel manufactured in the UK during the IP and POI. It was announced in April 2024 that this exemption would be halted, from 1 May 2024. This means that imports no longer benefit from duty relief from blending and may increase price setting negotiated by importers for biodiesel purchases. As obligation requirements remain in place however, demand for biodiesel in the UK will continue and this change will have no impact on imports of b100.

H6. Historic injury data

385. The TRA has considered whether the UK industry suffered injury in the past as a result of subsidised imports of biodiesel from Indonesia. No historic data outside of the IP has been submitted, therefore we consider this to be a neutral factor in our assessment.

H7. Other factors that could cause injury

386. The TRA has considered whether any other factors have caused, or are likely to cause injury to UK industry, such that the subsidised imports of biodiesel from Indonesia may not be the cause of injury if the measures no longer applied.

H7.1. Imports of biodiesel from third countries

387. The TRA examined volumes and prices of imports from third countries to determine whether imports from those countries had caused injury to the UK industry.

388. Argent alleged in its questionnaire response that biodiesel originating in the PRC is being dumped into the UK, which is a concern for the UK biodiesel

industry, and that the large-scale volume of imports have artificially lowered prices in the UK causing a degree of injury.

389. On the 5 June 2024, the UK initiated an investigation into dumping of biodiesel from the PRC following an application made by the RTFA. The application alleged that biodiesel had been imported into the UK from the PRC and that the export price was less than the normal value. The applicant claimed that the alleged dumping has caused injury in the UK. The investigation concluded that the UK industry was being injured by imports from the PRC and measures were put in place in November 2025.

390. On 17 March 2025, the UK initiated a dual investigation into alleged dumping and subsidisation of HVO from the US following an application made by the RTFA, and three UK producers. The dumping investigation was subsequently terminated on 28 November 2025, while the subsidies investigation continued.

391. Subject to the outcome of these investigations, these investigations are an indication that the UK industry may be exposed to multiple sources of vulnerability as a result of imports from third countries. This is emphasised by UK industry questionnaire responses, which view UK industry vulnerability as compounded by potentially dumped or subsidised imports from third countries.

H7.2. COVID-19 restrictions

392. The injury period includes periods of COVID-19 -related restrictions. The COVID-19 pandemic in 2020 caused global disruptions and significant economic damage across the world. Restrictions on international travel and regional and local movement prevented people and goods from circulating freely.

393. COVID-19 restrictions also impacted the supply of UCO. Restaurant bookings reached a standstill following the government's closure of a large number of UK food-service establishments in March 2020. These restrictions were in place for most of the year. However, UCO supply from food manufacturers was less

sensitive to economic fluctuations than restaurants, as food production was considered a necessity.

394. The UK industry noted during verification that the cost of purchasing chemical raw materials increased in 2020 during COVID-19 restrictions and have not since returned to pre-COVID-19 prices. This increase in biodiesel cost of production is corroborated by Methanex figures for the Methanex European Posted Contract Price which track the price of methanol over time.

Table 23: Methanol price (per mt)

	Year one	Year two	Year three	POI	October 2024 to July 2025
Average sales price per mt (EUR)	371	530	468	490	622

Source: Methanex[81]

395. Whilst COVID-19 restrictions had a significant effect on the transport sector in 2020, the lifting of mobility restrictions saw the biofuel market recover.

396. In the first year of the injury period the UK industry was able to make a profit despite the knock-on effect of COVID-19 restrictions on mobility.[82] This is because as a fuel supplier, the biodiesel industry was classed as a key industry and continued production. While import limitations impacted feedstock availability, these limitations also reduced competition from biodiesel imports, which benefitted the UK industry. Nonetheless, cost increases following COVID-19 have had a negative impact on the current state of the UK industry, particularly with regard to increased feedstock and methanol costs.

H7.3. Inflation

397. Between September 2022 and March 2023, the UK experienced seven months of double-digit inflation, which peaked at 11.1 percent in October 2022.[83] This

[81] Pricing - Methanex | Methanex
[82] Timeline of UK government coronavirus lockdowns and restrictions | Institute for Government
[83] UK inflation rate 2024 | Statista

inflation has not returned to pre-COVID-19 levels and ONS data shows that inflation is increasing again from its September 2024 low.[84]

398. High inflation in the UK and worldwide has been caused by a number of economic factors, such as:

- a shortage of products and services during the COVID-19 pandemic, followed by a sudden increase in demand as restrictions eased;
- Russia's invasion of Ukraine;
- work shortages following the pandemic, driving up wages.[85] These work shortages are particularly present in manufacturing in advanced economies such as the UK.

399. The effects of COVID-19 and Russia's invasion of Ukraine impacted raw material and operational costs, as previously discussed.

400. High levels of inflation impact the affordability of consumer goods. The higher the rate of inflation, the higher the costs of car ownership, particularly in relation to fuel consumption. While biodiesel demand stems primarily from government mandates, the mandate is proportional to the supply of fossil diesel, which may reduce where car ownership does.

401. Nonetheless, the need for road-transport diesel has not significantly reduced as a result of inflation, with demand for diesel increasing 1.5% in June 2024 as compared to the same time the year before.[86] Therefore, the result for the UK industry is a relatively stable demand but a rising cost of production.

[84] CPIH ANNUAL RATE 00: ALL ITEMS 2015=100 - Office for National Statistics
[85] The post-COVID-19 rise in labour shortages | OECD
[86] DESNZ, "Energy Trends" page 6

H8. Conclusion

402. To determine whether injury would be likely to continue or recur if the countervailing measures no longer applied, we have conducted a holistic assessment of all the above relevant factors.

403. We found that the UK industry has been performing negatively overall during the injury period, and this suggests that the UK biodiesel industry is in a vulnerable position. This would indicate that injury to the UK industry is likely to recur if the measures no longer applied to the goods subject to review.

404. When assessing factors affecting domestic price and domestic and international market conditions, our findings did not negate the likelihood of a recurrence of injury to the UK industry in the event the current countervailing measures were removed.

405. Having assessed the evidence currently available to us, we have determined that, on the balance of probabilities (more likely than not), injury to the UK industry in the like goods would be likely to recur if the countervailing measure were no longer applied to the goods subject to review.

Section I: Economic interest test

I.1. Introduction

406. The aim of the Economic Interest Test (EIT) is to determine whether extending the existing measure's application to the goods subject to review imported from Indonesia is in the economic interest of the United Kingdom. Further to regulation 100(1E) where the TRA makes a recommendation to vary a measure, it must advise the Secretary of State whether and why it considers that the variation would meet the economic interest test.

407. In accordance with paragraph 25 of Schedule 4 to the Act, the EIT is met in relation to the application of an anti-subsidy remedy if the application of the remedy is in the economic interest of the UK. The test is presumed to be met unless we are satisfied that the application of measure is not in the economic interest of the UK.

408. In line with paragraph 25 of Schedule 4 to the Act, the TRA has taken account of the following in conducting the EIT:

- the injury caused by subsidised imports to the UK industry of the goods and the benefits to that UK industry in removing that injury;
- the economic significance of affected industries and consumers in the UK;
- the likely impact on affected industries and consumers in the UK;
- the likely impact on particular geographic areas, or particular groups, in the UK;
- the likely consequences for the competitive environment, and for the structure of markets for like goods, in the UK; and
- such other matters as the TRA considers relevant.

I.2. Evidence Base

409. Our primary evidence sources were questionnaire responses from interested parties. This is set out in Section C.

410. We have supplemented the above evidence with our own background research and collated additional information from other data sources. These included reputable market data providers such as Dun & Bradstreet and Argus. In addition, we used UK government data such as DfT's RTFO publications on fuel statistics and HMRC trade statistics.

I.3. Injury caused by subsidised imports and benefits to the UK industry in removing injury

411. In Section G, the injury likelihood assessment concluded that injury to the UK industry in the like goods would be likely to recur if the countervailing measures were no longer applied to the goods subject to review.

I4. Economic significance of affected industries and consumers in the UK

412. We have identified the following groups across the UK biodiesel supply chain as potentially being affected by the measure. We have attributed all known businesses to one of these groups based on their principal activity to avoid double counting.

- **UK upstream businesses:** waste disposal businesses or suppliers of input material in the form of used cooking oil, tallow or other food waste such as fats, oils and greases;
- **UK producers:** of biodiesel;
- **UK importers:** of biodiesel purchased pure or blended with mineral diesel;

- **UK downstream businesses:** like fleet operators who purchase biodiesel, for use in compatible vehicles/generators, often in blended form; or retailers who blend biodiesel with mineral diesel for sale at fuel forecourts; and
- **UK consumers:** final end-users of biodiesel products.

I4.1. Upstream businesses

413. Whilst we received no direct engagement from UK upstream businesses, by using UK producer questionnaires and existing industry knowledge, we were able to identify 26 businesses who engage with the UK producer sector, selecting five for further investigation.

414. We found these five businesses to have medium vulnerability to economic shocks, with positive but declining weighted average profit margins over the years analysed.

415. Sales to biodiesel producers were proportionally on average 12% of total annual turnover for these businesses. We therefore concluded that demand from biodiesel production in the UK is important to them.

416. The economic data for this group suggests that it has a lower significance to the UK economy than some other parts of the biodiesel supply chain, with total employment of 492 for these five businesses, GVA of £27m and turnover of £240m.

I4.2. UK Producers

417. Through research and submitted evidence, we have identified three large UK producers of biodiesel. We have received questionnaires from two producers – Argent and Greenergy. Olleco, the third producer, provided a PSQ, but it was not required to complete a questionnaire, and so we did not receive further data from it, to allow it to be investigated further.

418. We concluded the product to be very important for these producers, due to a high reliance on the product.

419. We assessed UK producers to be highly vulnerable to economic shocks. This is because of negative profit margins, which have worsened over recent years.

420. The economic data for this group suggests that it has a lower significance to the UK economy than some other parts of the biodiesel supply chain, with total employment of 358 for these two businesses, Gross Value Added (GVA) of £26m and turnover of £109m.

I4.3. UK Importers

421. We received no direct engagement from UK importers. We believe this is due to negligible imports from Indonesia, potentially as a result of the existing measure, which likely limited interest in this case.

422. Using HMRC Overseas Trade in Goods Statistics (OTS), we were able to identify over 1,000 importers of biodiesel or importers of goods which contain biodiesel over the POI. It was not possible to accurately analyse this group, however. This is because we suspect a lot of these businesses are out of scope of our investigation. The 8-digit HMRC commodity codes used by OTS, whilst covering the goods in scope, are not specific enough to allow us to exclude the large amount of goods that are out of scope, e.g. large quantities of mineral diesel.

I4.4. Downstream Businesses

423. We received no direct engagement from downstream businesses, though we were able to identify 62 from UK producer questionnaires. Through desk research, we believe there are likely to be over 900. We selected eight for further investigation to help us to understand the downstream biodiesel market.

424. We consider this segment to have low vulnerability to economic shocks, given average profits of 7%, however recent years show a trend of weakening profitability.

425. Our analysis shows that biodiesel purchases are important to this segment, given they are on average proportionally equivalent to 10% of their turnover.

426. The economic data for this group suggests that it has a higher significance to the UK economy than some other parts of the biodiesel supply chain, with total employment of 10,723 for these eight businesses, GVA of £574m and turnover of £1,541m.

I4.5. UK Consumers

427. Desk research indicates biodiesel is ordinarily not an end-consumer product. Biodiesel is typically sold to downstream businesses which blend it with mineral diesel or use it in their operations such as in their transport fleets. While a consumer may purchase blends containing biodiesel, it is a minority component.

428. We have received limited evidence from parties registered to the case to help us understand the significance of biodiesel to consumers. None of the evidence submitted conflicts with our understanding of the UK consumer market detailed in the paragraph above.

I4.6. Summary

429. Table 24 summarises our analysis for segments of the biodiesel supply chain.

Table 24: Economic significance of affected industries			
Supply-chain part	**UK producers**	**UK upstream**	**UK downstream**
Total known businesses	3	26	Over 900
Businesses selected for investigation[1]	2	5	8
Importance of Biodiesel[2]	**Very Important**	**Important**	**Important**
Total employment of selected businesses	358	492[3]	10,723
Total GVA of selected businesses	£26m	£27m	£574m
Total turnover of selected businesses	£109m	£240m	£1,541m
EBITDA margin, 5-year weighted average of selected businesses	-6.9%	4.6%	7.1%
Vulnerability to economic shocks	**High** Negative and worsening profit margins	**Medium** Reasonable but declining profit margins.	**Low** Good profit margins.
Source: UK importer and producer Questionnaires, and Dun & Bradstreet			

Methodology: GVA was estimated by summing operating profits, employment costs, depreciation and amortisation. Average EBITDA (Earnings before interest, taxes, depreciation and amortization) margin was estimated by dividing the sum of operating profit, depreciation and amortisation by turnover. The assessment of vulnerability to negative economic impacts was made, in part, by looking at financial data.

[1] Reasons for 'known' businesses to be excluded include: (i) where data was unavailable; and/or (ii) where the business was judged to be to be less relevant for the sector. It was not feasible to fully investigate all known businesses in each of the three groups, given case resource and time constraints, a proportionate approach was therefore taken.

[2] Domestic biodiesel sales as a % of total turnover.

[3] One business selected for further investigation did not publish their number of employees.

I5. Likely impact on affected industries and consumers

430. This section qualitatively assesses how prices and quantities throughout the supply chain might change in ‘measure’ and ‘no measure’ scenarios. We then assess the likely impact of any changes on industries and consumers.

I5.1. Prices and quantities in the event the measure is varied

431. This scenario assumes the current ‘measure’ is extended. In this scenario, we expect the price and quantity of biodiesel in the UK market to be unchanged.

I5.2. Prices and quantities in the event the measure is revoked

432. UK imports of Indonesian biodiesel are currently negligible. Given this, it is difficult for us to estimate current prices. However, in a ‘no measure’ scenario we would expect the cost of importing biodiesel from Indonesia to fall by ‘up to’ the value of the removed measure[87].

433. We believe the quantity of biodiesel used in the UK to be unlikely to change significantly. This is because demand is largely driven by legislation (RTFO).

434. We foresee two ‘no measure’ outline scenarios for the UK biodiesel market:

- Scenario 1: UK producers maintain prices but lose market share to cheaper imports of biodiesel from Indonesia; or
- Scenario 2: UK producers maintain their market shares by lowering prices, potentially by as much as the value of the measure, to match the new Indonesian biodiesel import price.

435. Should the measure not be extended, we estimate ‘real world’ impacts to be between these two scenarios. However, given we believe UK producers have limited capacity to reduce their prices to protect their market share, we expect the outcome of ‘no measure’ to be closer to scenario 1. In both scenarios, biodiesel prices in the UK are likely to fall.

[87] Current duties are 8% to 18%, as set out in Taxation notice 2020/36.

436. In scenario 1, the number of downstream businesses switching to cheaper Indonesian biodiesel may be limited by RTFO credits (RTFCs). This is because the RTFO issues credits at a 2:1 ratio for waste-based (recycled) biodiesel relative to crop-based production methods. Indonesian biodiesel is mainly crop-based, whereas UK producer biodiesel is mainly waste-based. RTFO credits help businesses to address their net zero obligations, and RTFCs have their own market value, so biodiesel from sources which result in more RTFCs will be more attractive to downstream businesses.

I5.3. Likely impact on affected industries

I5.3.1. UK Producers

437. In our 'measure' scenario – where the existing measure is extended – we expect UK producers to benefit through continued protection against the potential injury identified as a result of subsidised Indonesian biodiesel imports.

438. Should the measure not be extended – our 'no measure' scenarios – we would expect losses for UK producers as they seek to compete with cheaper Indonesian biodiesel imports either through losing market share or reducing prices (scenarios 1 and 2 respectively). Evidence suggests UK producers are highly vulnerable to subsidised imports. This could, as a worst-case scenario, result in UK producers leaving the domestic market altogether.

I5.3.2. UK upstream businesses

439. We expect UK upstream businesses, which supply UK producers, to also benefit in our 'measure' scenario. This is due to UK producers, protected from injury, being more likely to remain in the market and continue to demand raw materials from UK upstream businesses.

440. In our 'no measure' scenarios, upstream businesses are likely to suffer losses. This will be most significant where UK producers reduce their market share (scenario 1), given the likely impact on demand for raw materials. The impact will be more limited should producers instead retain market share by lowering prices (scenario 2), although they may seek to renegotiate the price they pay for raw materials or demand cheaper alternatives, impacting upstream suppliers.

I5.3.3 UK importers

441. We have had no engagement and received no evidence on UK importers. We believe importers lose out, in a 'measure' scenario. This is because the current trade remedy appears to restrict all but negligible Indonesian biodiesel imports. We expect importers to benefit, in our 'no measure' scenarios, as a result of increased trade driven by the lower cost of importing biodiesel from Indonesia.

I5.3.4 UK downstream businesses & consumers

442. In our 'measure' scenario, downstream businesses experience losses through not being able to access cheaper Indonesian biodiesel imports.

443. In our 'no measure' scenarios, downstream industries are likely to experience benefits. This will be both in scenario 1, where UK producers lose market share to cheaper Indonesian imports; and in scenario 2, where UK producers reduce prices to maintain market share, as a result of the potential alternative of cheaper Indonesian imports. In both cases downstream businesses will have access to cheaper biodiesel purchases.

444. We have received limited evidence to analyse the impact of the biodiesel price on the costs of consumer fuels. DfT provide an estimate[88] for the total cost of the RTFO (including biofuels beyond biodiesel). This was £2.2bn in 2023. They calculate this cost as the difference between the cost of the renewable fuels supplied and the fossil fuels they replaced. When divided by the volume of fuel consumed in the UK over the same period,[89] this is 4.4 pence per litre.

445. In our 'no measure' scenarios, we estimate that UK domestic biodiesel prices may fall by 'up to' the value of the measure (8% to 18%), as a result of cheaper imports from Indonesia. This is because we assume imports of biodiesel from Indonesia will lead to some downstream businesses switching to cheaper alternatives, therefore reducing UK average biodiesel prices. By reducing the cost of UK biodiesel, the cost of the RTFO, as calculated by DfT, will also fall.

446. DfT assume that downstream businesses are likely to pass some of the change to the final consumer. If this was 100% of the benefit, and there are no other mitigating

[88] https://assets.publishing.service.gov.uk/media/68075f164dd7e0f8897a6150/rtfo-annual-report-2023-web.pdf, section 4
[89] https://www.gov.uk/government/collections/renewable-transport-fuel-obligation-rtfo-statistics

effects, we can assume in 'no measure', prices may fall by 8% to 18% of 4.4p per litre, or 0.4 to 0.8 pence per litre of diesel in the UK. This will be lower if downstream businesses pass on a smaller proportion of the benefit.

447. DfT data[90] suggests there were 15.9m registered diesel vehicles on UK roads at the end of Q4 2024, and diesel consumption[91] (including biodiesel) was around 28.5bn litres in the year up to this. This suggests roughly 1,800 litres per vehicle. Taking these together, the benefit to consumers of 'no measure' may be up to £14.23 per diesel vehicle, per year.

I6. Likely impact on particular geographic areas, or particular groups, in the UK

I6.1. Likely impact on particular geographic areas

448. This section considers those companies for which the evidence suggests that biodiesel is a significant product. The sectors covered are, UK producers, the UK upstream sector and the UK downstream sector.

449. The TRA used three sources of evidence for its employment analysis:

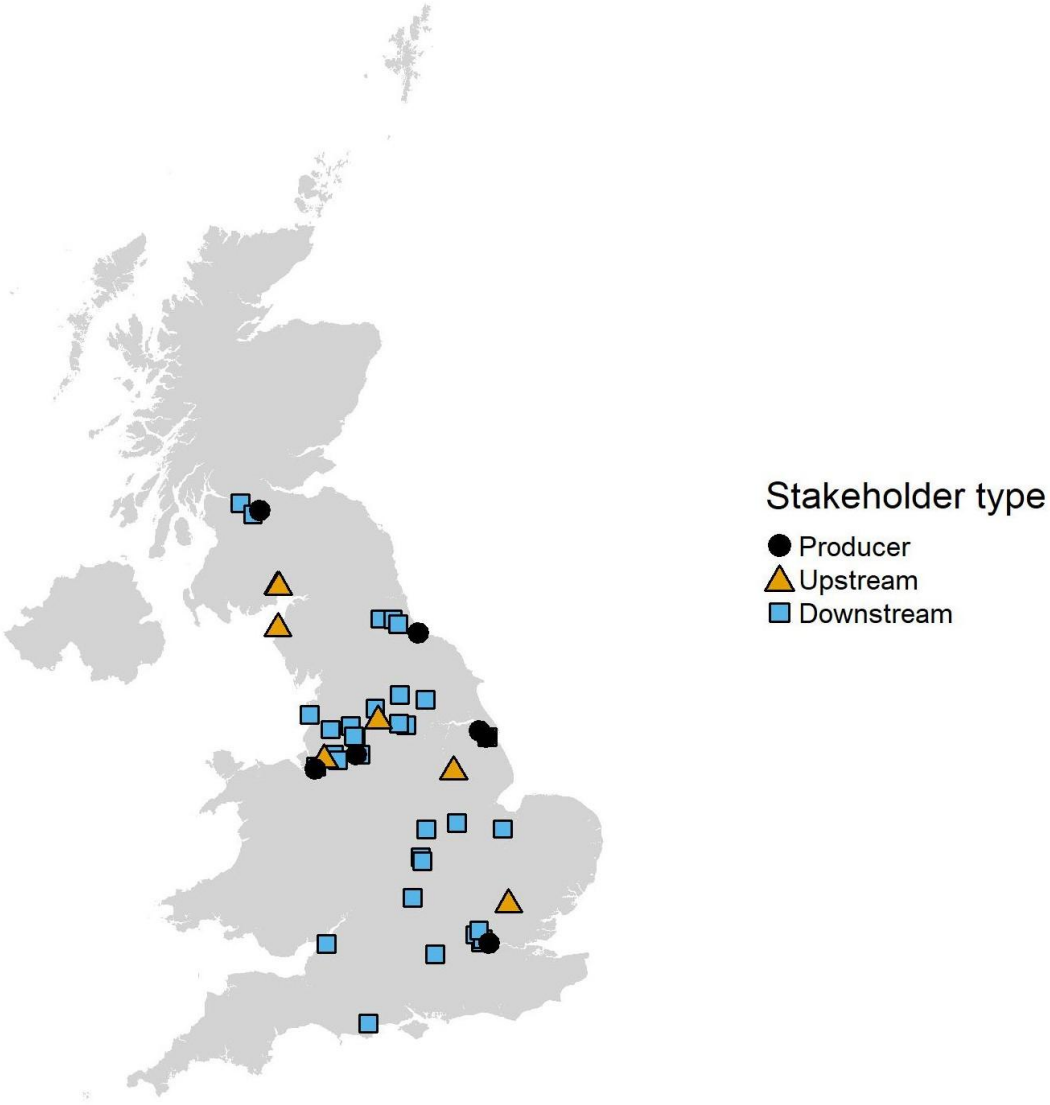
- Questionnaire responses: employment by site and total employment;
- Dun & Bradstreet business directory: this provides the location of known sites and estimates of employment by site; and
- ONS working age population estimates by Travel To Work Area (TTWA).

450. To estimate employment by site, the TRA identified all known immediate subsidiaries of the companies selected in its analysis alongside their registered office address and known employment. Where sites were listed without employment figures, we assumed that unallocated employees were distributed equally between sites. In our analysis the TRA has considered the socioeconomic factors of income, job density, unemployment and education.

[90] https://www.gov.uk/government/statistical-data-sets/vehicle-licensing-statistics-data-tables#all-vehicles, Excel named VEH1103, tab VEH1103a_RoadUsing, cell F2874.
[91] https://www.gov.uk/government/statistics/renewable-transport-fuel-obligation-rtfo-statistics-2024-fifth-provisional-release

451. Image 14 shows the geographic distribution of business locations which are part of the biodiesel supply chain in the UK.

Image 14: Locations of selected businesses that are part of UK biodiesel supply chain



I6.1.1 UK Producers and upstream industries

452. The TRA did not find any areas where the estimated employment from UK producers or the upstream sector constituted a significant proportion of the working age population of any TTWA. Companies analysed are selected through a combination of information provided by interested parties and desk research conducted by the TRA.

I6.1.2 UK downstream industries

453. One TTWA (Harrogate) has been identified as having a significant proportion of the working age population impacted by the biodiesel supply chain.

454. The estimated employment in Harrogate comes from companies in the public transport sector. Companies affected have largely enjoyed strong profit margins between 2019 and 2023 with the measure in effect, although there has been significant variation between some years.

455. Harrogate is not very deprived and is well above average in all socioeconomic factors considered.

456. Because of the positive socioeconomic indicators present in Harrogate, alongside strong profit margins present in the industries affected with the measure in effect, the TRA does not expect there to be significant economic impacts on the area as a result of maintaining the measure.

Table 25: TTWA Geodata for Harrogate

Factor	Income[92]	Job Density[93]	Unemployment[94]	Education[95]
Value	£29,630	1.08	3.38	39.3
Decile[96]	7	10	10	8

Source: Office for National Statistics (ONS), Regional labour market: Local indicators for travel-to-work areas

[92] Income (mean earnings) 2022
[93] Jobs densities are calculated as the number of jobs per resident aged 16 to 64 of the year 2019.
[94] Unemployment rates calculated as percentage of 16+ economically active in the year 2020.
[95] Qualifications - % aged 16-64, January to December 2015
[96] Deciles (10 = least deprived)

I6.2. Likely impact on particular groups

457. The TRA considered the likely impact on particular groups including those with protected characteristics as defined by the Equality Act 2010.

458. No evidence was identified regarding potential impacts on any particular groups, either as workers, consumers or on those with protected characteristics. We do not therefore believe that the impacts of ‘no measure’ or ‘measure’ scenarios will be disproportionate.

I7. Likely consequences for the competitive environment, and for the structure of the market, in the UK

459. The assessment of the likely consequences for the competitive environment and structure of the UK market considers the impact on the: (i) number or range of suppliers; (ii) ability of suppliers to compete; (iii) incentives to compete vigorously; and (iv) choices and information available to consumers.

460. Our significance analysis suggests UK producers are the most vulnerable to injury. In a ‘measure’ scenario this group will benefit the most, at the expense of downstream (low vulnerability), importers (vulnerability not assessed), and consumers (vulnerability not assessed).

461. In our ‘no measure’ scenarios we would expect an increase in the number of Indonesian suppliers which could lead to a reduction in the number of UK producers as Indonesian imports would become more competitive.

462. We found no evidence to suggest that the measure has a disproportionate impact on the ability of suppliers to compete, beyond making their goods more or less price competitive; or on the on incentives for foreign and domestic producers to compete vigorously.

463. We found no evidence to suggest that the choices and information available to consumers would be affected in ‘measure’ or ‘no measure’ scenarios, beyond limiting end-consumer access to cheaper biodiesel imports from Indonesia.

I8. Other matters as the TRA considers relevant

464. We found no evidence of any other factors to assess.

I9. Form of measure

465. The current measure is a countervailing duty on biodiesel from Indonesia and covers all the goods under commodity codes imported from Indonesia as set out in Section D. Rates are currently set at between 8% and 18%. We found no evidence suggesting that a different form would be more appropriate.

I10. Conclusions

466. In accordance with paragraph 25 of Schedule 4 to the Act, the EIT is met in relation to this investigation if the application of the anti-subsidy amount is in the economic interest of the UK. This test is presumed to be met unless the TRA is satisfied that the application of the amount is not in the UK's economic interest.

467. The likelihood of injury section found that, on the balance of probabilities (more likely than not), injury would be likely to recur if the measure was not extended.

468. The economic significance section demonstrates that biodiesel is very important to UK producers; and important to UK upstream businesses and UK downstream businesses. We found UK producers to be highly vulnerable to economic shocks, UK upstream businesses to have medium vulnerability, and UK downstream businesses to have low vulnerability. Data suggests that the producer and upstream parts of the biodiesel supply chain are of lower significance to the UK economy, than the downstream.

469. In the impacts section we found that the measure benefits UK producers and UK upstream businesses, who would experience losses if the measure was not extended. Alternatively, we expect UK importers and UK downstream businesses to lose out if the measure was extended, as they would receive the expected benefits if it was not. We estimate the cost to consumers of the measure to be 'up to' 0.4 to 0.8 pence per litre of diesel. This figure is very rough and has a number of caveats attached to it.

470. In assessing the likely impacts on particular areas and groups we found no evidence of disproportionate impacts as the result the measure.

471. Additionally, we didn't find evidence of substantial impacts on the competitive environment; and we found no evidence of other relevant factors to consider.

472. Based on the evidence submitted by interested parties and all the factors listed in the legislation, we believe that extending the measure is unlikely to cause disproportionate negative effects on the UK economy, as compared to the benefits of removing injury. We conclude that the EIT is met for the proposed extension of the measure.

Section J: Findings and proposed recommendation

473. The TRA's final determination is set out below.

474. The TRA recommends a final determination on imports of the goods subject to review originating from Indonesia that fall under the following commodity codes:

1516209821	2710194433	2710201693
1516209829	2710194621	2710201910
1516209833	2710194629	2710201990
1518009121	2710194633	3824999210
1518009129	2710194721	3824999214
1518009133	2710194729	3824999217
1518009521	2710194733	3826001020
1518009921	2710194810	3826001029
1518009929	2710194890	3826001050
1518009933	2710201121	3826001059
2710194221	2710201129	3826001089
2710194229	2710201133	3826001099
2710194290	2710201621	3826009011
2710194421	2710201629	3826009019
2710194429	2710201633	3826009033

475. Our final recommendation to the Secretary of State is to vary the application of the countervailing amounts pursuant to regulations 100(1), 100(2)(a)(i) and 100A of the Regulations. We recommend maintaining the amounts under regulation 100A(4)(b) of the Regulations for a period of five years from 10 December 2024, that is, the date when the measure would have otherwise expired had no transition review been initiated (see Taxation Notice 2020/36; see also regulation 97C of the Regulations).

476. We also recommend to the Secretary of State that the description of goods subject to the countervailing measure under review is varied, pursuant to regulation 99A(2)(a)(ii) of the Regulations. We recommend that those goods are described as follows:

"Fatty-acid mono-alkylesters or paraffinic gasoils obtained from synthesis or hydrotreatment of non-fossil origin in pure form or as included in a blend, excluding sustainable aviation fuel, in pure form or as included in a blend."

477. We found no evidence suggesting that a form of measure, other than the variation we propose, would be more appropriate.

478. We make this final recommendation on the grounds that we have assessed that it is likely that the importation of the subsidised goods subject to review would recur if the measure were no longer applied to those goods; that injury is likely to recur to the UK industry in the like goods if the measure were no longer applied to the goods subject to review; and that we consider that the variation of the measure in accordance with our final recommendation would meet the EIT.

479. Annex B specifies the countervailing duties to be maintained and applied to the goods described or imported under the UK customs codes detailed therein. We have maintained the form and levels of the transitioned UK measure.

Trade Remedies Authority

Annex A: Interested parties and contributors

Summary of information received from interested parties and contributors

Party Name	Submission
Argent Energy UK Limited	Registration of interest Questionnaire Verification report
Olleco	Registration of interest
Greenergy Fuels Limited	Registration of interest Questionnaire Verification report
Foodchain and Biomass Renewables Association (UK) Limited (FABRA)	Registration of interest
Directorate of Trade Defence, Ministry of Trade of Indonesia	Registration of interest Letter Letter Comments
UK Oil Industry Tax Committee	Registration of interest
Renewable Transport Fuel Association	Registration of interest
Construction Plant Hire Association	Registration of interest

Annex B: UK countervailing duties

Foreign country	Overseas exporter	Duty amount	Additional TAP code
Indonesia	PT Ciliandra Perkasa	8.0 %	B786
Indonesia	PT Intibenua Perkasatama and PT Musim Mas (Musim Mas Group)	16.3%	B787
Indonesia	PT Pelita Agung Agrindustri and PT Permata Hijau Palm Oleo (Permata Group)	18.0%	B788
Indonesia	PT Wilmar Nabati Indonesia and PT Wilmar Bioenergi Indonesia (Wilmar Group)	15.7%	B789
Indonesia	All other overseas exporters (residual amount)	18.0%	C999