



Case AD0058

Biodiesel imported into the United Kingdom from the People's Republic of China

Note to Public File

Proposal to revise the scope of the investigation

14 August 2024

Overview - Scope of Investigation

On 13 June 2024, it was brought to the attention of the TRA that the goods description published in the [Notice of Initiation \(NoI\)](#) could be considered to include Sustainable Aviation Fuel (SAF). Subsequently, the TRA published a [Request for Information \(RFI\)](#) to the public file on 14 June 2024 inviting interested parties to provide views and supporting evidence on the scope of the investigation.

The TRA received submissions from 11 parties, which have been considered during this assessment and informed our proposed scope decision. The submissions can be viewed on the [public file](#). The TRA also held discussions with His Majesty's Revenue and Customs (HMRC), the British Standards Institute (BSI) and the Department for Transport (DfT) to gain further insight into the SAF and biodiesel industries, products and fuel mandates.

Proposal to revise scope

Under Regulation 41(3)(a) of the Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019 (the Regulations), the TRA may revise the scope of a dumping investigation so as to amend the description of the goods concerned where it has provided interested parties and contributors with reasons for the proposed revision and has given them an opportunity to comment.

The TRA proposes to revise the scope of AD0058 to remove SAF from the description of the goods concerned. As such, SAF would not be included as part of the goods description. The TRA proposes the following revised description of the goods:

“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.”



Trade Remedies Authority

There would be no change to the commodity codes as a result of the proposed revision of scope. These are listed below for information.

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

In reaching its proposal to revise the scope of this investigation, the TRA has considered the factors set out in Regulation 41(5) of the Regulations. The TRA's initial assessment is that:

- (i) It is likely the TRA would have initiated its investigation with this proposed revised scope had this information been available in the application.

Prior to initiation of this investigation, the TRA had no relevant information to suggest that SAF met the technical specification of the goods description. At initiation, the Applicant put forward the following two types of biodiesel as the goods concerned, and made no mention of SAF when describing the goods concerned or the like goods:

- a. Category 1 goods: fatty-acid mono-alkyl esters (FAME)
- b. Category 2 goods: hydro-treated vegetable oils (HVO)

If the TRA had been provided with the information we have now relating to SAF and the goods description prior to initiation, we consider that we would have altered the goods description to exclude SAF before initiation. The initiation of AD0058 was based on considerations of biodiesel imports, namely FAME and HVO from the PRC, and the TRA determined to initiate the investigation on this basis.



- (ii) The proposed revision would not cause any prejudice to the interests of any interested party or contributor.

The TRA does not consider that this proposed revision to scope would cause prejudice to the interests of any parties. There is currently no SAF produced in the UK that would fall within the description of the goods. The TRA considers that the proposed removal of SAF from scope is unlikely to create competition between the goods which remain within the proposed revised scope. Based on the information currently available and the factors considered in the assessment below, the proposed revision is also unlikely to create competition between SAF and the goods which remain within the proposed revised scope.

- (iii) The proposed revision would not prevent the TRA from proceeding with the investigation expeditiously.

The TRA is proposing to revise the scope to match its scope considerations at initiation. The only effect this scope revision would have on expected timeframes is from the process involved in completing the scope assessment itself, including the RFI to interested parties and associated research.

In addition, the TRA does not anticipate issues with implementation of any proposed measures as a consequence of the revision of scope as SAF has commodity codes that are not currently within the commodity codes listed as part of this investigation.

Scope Assessment Considerations

The following factors have contributed to the TRA's proposal to amend scope:

- 1) Different production processes for most SAF pathways as compared with HVO and FAME.
- 2) Different raw materials for most SAF pathways as compared with HVO and FAME.
- 3) Limited interchangeability:
 - a. FAME and HVO cannot be exchanged with SAF for use in an aviation turbine engine.
 - b. SAF is not intended for use in a road-transport diesel engine and can cause wear to the engine over time.
 - c. Uncertainty that SAF would meet relevant UK road transport standards.
 - d. 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.
- 4) Price difference: the TRA considers that SAF has a higher selling price than the goods which remain within the proposed revised scope, and as such there is



currently no economic incentive to sell SAF into road transport for less than it could be sold into the aviation industry.

- 5) 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 which remain within the proposed revised scope it is unlikely that companies would forgo this rebate to sell for less profit in the road transport market.
- 6) Different customer identities.

Next Steps

Should you have any questions or comments, please contact us at AD0058@traderemedies.gov.uk by **21 August 2024 at 17:30 hours GMT**. We may consider submissions made after this date, but we are not obliged to do so if we believe it would cause an unnecessary delay. Where we reject information for any reason, we will publish our reasons for rejection in our final recommendation.

Following the consideration of any comments received from interested parties and contributors after the publication of this notice, the TRA will make a final decision on the scope and will publish a note to the file with the decision, together with an amended NOI and updated external case timeline if appropriate.