

AD0058 investigation on biodiesel originating in the People's Republic of China

**Additional Comments of the Renewable Transport Fuel Association on the Statement of
Essential Facts**

OPEN VERSION

13 October 2025

1. Following the comments to the SEF filed by the Renewable Transport Fuel Association (“**the Applicant**” or “**the RTFA**”) on 22 September 2025, the Applicant would like to insist, one more time, on the alleged reliability of the sales prices of UCO or POME in Malaysia, which were provided on a confidential basis by a anonymous Malaysian company to the TRA.
2. Since UCO represents around 80% of total production costs, the Applicant considers it critical that TRA confirms that these UCO prices, selected at provisional stage for the purpose of the normal value calculation, are not affected by any distortions and are in line with international prices which are determined by market forces.

1. Are the UCO prices in Malaysia selected by the TRA not affected by any distortions?

3. The TRA “*established a UCO benchmark using verified data from the anonymous Malaysian TCP. The benchmark was calculated as a weighted average of a sample of the TCP’s Malaysian origin purchase invoices of UCO during the POI. The Zhuoyue Group’s UCO costs have been increased in line with the Malaysian benchmark to reasonably reflect the cost in the PRC market if such prices were substantially determined by market forces, in accordance with regulation 13(2) of the Regulations*”¹.
4. The Applicant notes that the TRA refused to disclose (i) the identity of the Malaysian cooperating company and (ii) any price ranges to would allow to strike a balance between the need to protect confidential information and the need to protect the rights of defence of the parties.
5. The Applicant expects the TRA to disclose the following information to ensure that rights of defence of interested parties are not violated:
 - Is this Malaysian company related - directly or indirectly - to a Chinese biodiesel producer? What is the reason why this anonymous Malaysian company provided some information to the TRA? Was it instructed by the Government of Malaysia to do so? Did the Government of Malaysia also provide UCO prices in Malaysia? As provided for in paragraph 52 of the SEF, the Government of Malaysia “*registered its interest in the investigation*”. Did the TRA request information from the Government of Malaysia to gather the necessary information? In this case, did the Government of Malaysia cooperate during the investigation? Can the TRA explain why it did not seek basic information about UCO market dynamics in Malaysia from the Government of Malaysia. If the latter did not cooperate during the investigation, did the TRA assess the impact of such absence of cooperation, while at the same time, a Malaysian company – whether linked directly or indirectly to the Malaysian State or to a Chinese producer – did cooperate?
 - Is this Malaysian company related – directly or indirectly – to the Malaysian Government? Did the TRA carefully assess the link between this Malaysian

¹ SEF, Recitals 366-367.

company with the Malaysian Government. Did the TRA also assess any potential cooperation agreement between the Government of Malaysia and any Chinese-related biodiesel producers for biodiesel (including SAF) investment on the Malaysian territory?

- Did the TRA verify the information provided by this Malaysian company on-the-spot? Was it able to verify that the UCO prices submitted to the TRA were not selective? Did TRA receive and verify the volume and value of UCO purchase from this company during the period analysed (including the IP) in its accounting system and check that this volume and value matched with the data submitted by this company to the TRA? Did TRA obtain all the necessary information about the organizational structure of this company, its potential link with others companies and internal organization?
 - Did TRA ask questions and receive appropriate information about any distortions on these UCO prices in Malaysia? Did the TRA verify – through the cooperation of the Government of Malaysia during the investigation – that it did not apply export licences that could depress UCO domestic prices, that there was no influence on the domestic prices of biodiesel and its main raw materials? Did TRA verify that the mechanism and process for UCO collection in Malaysia and whether it is not based on a monopoly from one State-owned company capable to fix prices on behalf of the Malaysian government? Did the TRA gather the necessary information on market dynamics for UCO and other main raw material for biodiesel in Malaysia in order to ensure that the price of UCO was free from distortions?
6. The above-mentioned questions are determinant to assess if the UCO prices in Malaysia are not subject to distortions. In this respect, an easy way to check the reliability of the prices communicated by an interested party is to verify that they are in line with international market prices which are determined by market forces. Did TRA proceed to such comparisons?

2. ***The Applicant provides prima facie evidence that UCO prices in Malaysia may be subject to heavy distortions***

7. The Applicant has provided *prima facie* evidence that the Malaysian biodiesel market and its upstream sector (CPO and now UCO) are heavily regulated:
- It has demonstrated that there is an **export tax on CPO** – the main raw material for the biodiesel production – which depressed the domestic prices in Malaysia to the benefit of the Malaysian biodiesel industry. The TRA has already demonstrated in previous anti-subsidy investigations – namely the anti-subsidy investigation on imports of biodiesel from Indonesia – that an export tax is a countervailing subsidy which depresses the prices of the raw materials to the benefit of the domestic biodiesel industry. The Applicant believes that the **similar export tax will soon be in place for UCO and POME**. In a press release dated 8 October 2025, Quantum Commodity Intelligence reported that “*the Malaysian Palm Oil Board has*

proposed imposing export duties of up to 20% on waste biofuel feedstocks, including used cooking oil and palm oil mill effluent, to secure domestic supply for renewable fuel production, according to local media reports² [...] and “MPOB is also seeking fiscal support for downstream products such as bioenergy and sustainable aviation fuel, alongside logistics incentives to reduce export costs³”.

- It has indicated that the price of biodiesel in Malaysia is influenced by an **Automatic Pricing Mechanism (APM)**, and has a significant component of government subsidies. Similar to the situation in Indonesia, the use of biodiesel does not meet the purchase’s power of the people. Malaysian people cannot afford more expensive diesel because it includes biodiesel. Accordingly, the Government of Malaysia has implemented a heavily regulated market to address this concern, while at the same time, subsidizing its Malaysian biodiesel industry through cheap and distorted raw materials.
 - The Applicant has provided *prima facie* evidence that the prices of UCO in Malaysia are mainly fixed by a state-owned company, PETRONAS, in charge of UCO collection at fixed and pre-determined purchase prices, not subject to market forces. In this respect, PETRONAS is instructed and plays governmental functions to ensure that the UCO domestic prices benefit to biodiesel producers (including SAF producers, such as EcoCeres Malaysia and PETRONAS itself). In addition to that, the Government of Malaysia have a licence system in place for UCO to determine which players can export and indirectly plays on the volume exported from Malaysia.
8. Given the interest of the Government of Malaysia in this investigation and the cooperation of one Malaysian company, the Applicant expects that the TRA has gathered all the necessary information to ensure that the prices used are not subject to distortions, as required by the UK anti-dumping legislation.
- 3. Do the Malaysian prices used by the TRA in its SEF align with non-distorted international prices?**
9. As already indicated by the Applicant in its previous submissions, the largest biodiesel market worldwide is just next to the UK, the EU-27 market. It is a market which triggers an enormous volume of UCO due to the incentives provided by the EU regulatory environment (the EU Renewable Energy Directive).
10. The Applicant expects TRA to compare the prices received from the Malaysian anonymous company with international prices, such as UCO import price into the EU (excluding Chinese UCO imports).

² Quantum Commodity Intelligence, Biofuel Feedstocks, “Malaysia's palm body proposes export duties on UCO, POME: reports”, 8 October, available upon subscription.

³ *Ibidem*

11. In its comments to the SEF, the Applicant has also shared the UCO purchased prices from *[Confidential: Information pertaining to the identity and details of a cooperating producer, the disclosure of which would have an adverse effect. It is inherently confidential and cannot be subject to a non-confidential summary.]*

UCO purchased prices	[Confidential]- in £/tonne	[Confidential]- in £/tonne
Q2 2023	[Confidential]	[Confidential]
Q3 2023	[Confidential]	[Confidential]
Q4 2023	[Confidential]	[Confidential]
Q1 2024	[Confidential]	[Confidential]
Average POI	[Confidential]	[Confidential]

Source: *[Confidential]*

12. *[Confidential: Information pertaining to the identity of a cooperating producer, the disclosure of which would have an adverse effect. It is inherently confidential and cannot be subject to a non-confidential summary.]*
13. The Applicant encourages the TRA to compare *[Confidential: Information pertaining to the identity of a cooperating producer, the disclosure of which would have an adverse effect. It is inherently confidential and cannot be subject to a non-confidential summary]* purchase prices of UCO in *[Confidential: Information pertaining to the location of UCO purchase of a cooperating producer, the disclosure of which would have an adverse effect. It is inherently confidential and cannot be subject to a non-confidential summary]* with the Malaysian domestic prices received from an anonymous party. The Applicant believes that *[Confidential: Information pertaining to the identity of a cooperating producer and the location its UCO purchase, the disclosure of which would have an adverse effect. It is inherently confidential and cannot be subject to a non-confidential summary]* will be fair to fully reflect the international prices worldwide.

4. TRA can replace a factor of production if it is subject to distortions

14. While the TRA used benchmarks from Malaysian sources for the purpose of the normal value calculation, it is however entitled to depart from the prices in this country, if one factor of production is affected by distortions.
15. As stated in Regulation 7(2)(b) and 8(1)(a) of the Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019 ('D&S Regulations), when a *particular market situation* exists - such as in the Chinese biodiesel sector - the TRA may disregard these prices and construct the normal value. In the present investigation, the TRA determined the normal value based on the cost of production, adding reasonable administrative, selling, general costs, and profit. The TRA chose Malaysia for an appropriate benchmark, as this country is suitably comparable to China on the basis of economic indicators.
16. Regulation 13 of the D&S Regulations provides guidance for the normal value construction:

- Regulation 13(2) states that *“to calculate what the overseas exporter's costs and profits would be in the market of the exporting country or territory if costs, prices and profits in that market were substantially determined by market forces”*.
 - The notion of *“substantially determined by market forces”* means prices which *“are substantially determined by free market forces and the costs or prices in the domestic market are not artificially low as a result of factors including substantial government intervention”*.⁴
 - Regulation 13(3) indicates that the goal is to construct a price that would reflect the overseas exporter's cost if *“those costs and profits were substantially determined by market forces”*.
 - Regulation 13(4) states that in making such adjustment, the TRA may have regard to *“international prices, costs or benchmarks”* as well as *“any other factor it considers relevant”*.
17. In view of the above, the purpose of constructing the normal value is to ensure that factors of production composing the normal value are determined by market forces.
18. This is in line with the Document Guidance issued by the TRA on dumping, subsidisation and safeguarding investigations guidance dated 26 April 2024 in which it indicated that
- *“In utilising information from alternative sources, the objective is to derive the cost of production and/or profits that would prevail in the exporting country or territory for the relevant exporter, were they substantially determined by market forces.”*⁵
 - *“The TRA should ensure that alternative data used reflects market conditions that are substantially determined by market forces.”*⁶
 - *“The TRA should justify its choice of alternative data, including reasons why it rejected alternatives (...)”*.⁷
 - *“In choosing information, the TRA should give preference to the following where reasonable: - independent data which is verifiable; (...)”*
19. The Applicant concludes that it is not unusual that certain factors of production in the selected benchmarking country may present distorted prices. However, it would be largely unjustified to refuse addressing these distorting prices to keep all factors of production in the same country.

⁴ Regulation 13(6) of the D&S Regulations.

⁵ Trade Remedies Authority (TRA) dumping, subsidisation and safeguarding investigations guidance, 26 April 2024 (updated), available at: [Trade Remedies Authority \(TRA\) dumping, subsidisation and safeguarding investigations guidance - Particular market situation and costs adjustments - Guidance - GOV.UK](https://www.gov.uk/guidance/trade-remedies-authority-TRA-dumping-subsidisation-and-safeguarding-investigations-guidance-particular-market-situation-and-costs-adjustments-guidance)

⁶ *Ibidem.*

⁷ *Ibidem.*

* * *

20. The Applicant reserves its rights to ensure that any normal value calculation in the present case relies on prices determined by market forces.