



## PRESS RELEASE

8 April 2008

### **EU Must Stop Sacrificing Industrial Ethanol Industry**

Presenting on Monday at the Platts 'Ethanol in Europe' conference in Berlin, the Industrial Ethanol Association (IEA) repeated its call for the European Commission to close customs loopholes which give heavily-subsidised ethanol producers in countries like Brazil, Pakistan and Ukraine carte blanche to import their product into the EU without paying customs duties.

Two customs loopholes make a level playing field between European and third party ethanol producers absolutely impossible. The misclassification of ethanol as 'general chemicals' under Chapter 38 of the customs code and the recurrent use of Processing under Customs Control (PCC) distort the domestic market but also remove market opportunities put in place for developing countries under the EU's ACP and GSP Plus schemes.

IEA represents producers of synthetic ethanol, derived from petrochemicals. Unlike plant-based ethanol, this product does not go onto the drinks or biofuels markets but is used for high-value products like pharmaceuticals, cosmetics and inks. In order to meet its own goals on biofuels and greenhouse gas reductions, the European Commission is turning a blind eye to customs irregularities which jeopardise both the European industrial ethanol and biofuels industries.

Ian Kersey, IEA Chairman said "The EU's biofuels targets are a valid tool but in practice clash with other policy objectives such as security and independence of energy supply, trade and development, competitiveness and health. Targets should not be used at the expense of all other sectors. The Commission must intervene to close these loopholes and achieve a level playing field for the European ethanol industry".

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*IEA represents oil-derived synthetic ethanol producers, an important sector of the European ethanol market. IEA member companies make industrial ethanol which is used in high-end products like pharmaceuticals, cosmetics, inks and industrial chemical products such as screen wash, paint thinners, detergents etc. For more information: [www.industrial-ethanol.org](http://www.industrial-ethanol.org).*