

FEDIOL response to European Commission's consultation on State aid Guidelines

FEDIOL welcomes the opportunity to respond to the proposal by the European Commission to extend the validity of State aid Guidelines reformed under the State aid modernisation package until 31 December 2022.

We endorse the foreseen two-year continuation of the Guidelines on State Aid for Environmental Protection and Energy. However, we regret noticing the foreseen exclusion of crop-based biofuels from the time extension for operating aid which would practically entail the end of any support to the conventional biofuel sector after 2020.

The consequences of this measure would be manifold:

- The recently approved 2030 Renewable Energy Directive (RED II) merely capped the contribution of crop-based biofuels towards the renewable energy transport target, but did not end their eligibility. As many studies confirmed, the sector is still expected to provide a significant contribution to the reduction of GHG emissions in transport in the short to medium term.
- Granting the prolongation of operating aid would ensure legal certainty and stability for the sector and would prevent national support schemes – for instance in the form of excise duty reductions for biofuel blends – from losing validity after 2020 in the absence of revised and updated Guidelines.
- The elimination of the aid would trigger uncertainty among sector's operators, which would consequently have a disruptive impact on the market for sustainable biofuels, thus limiting feasible alternatives for low carbon options in the transport sector.
- For these reasons, FEDIOL asks for the extension of the validity of the State aid Guidelines, in all their terms, including an extension of the support for food-based biofuels (paragraphs 113 and 121), at least until 31 December 2022.

We remain at your disposal for any further information.

Thanks in advance for your time and consideration.

FEDIOL, the EU vegetable oil and protein meal industry association, represents the interests of the European seed and bean crushers, meal producers, vegetable oils producers and refiners. With about 180 facilities in Europe, the sector provides 20.000 direct employments. FEDIOL's members process approximately 55 million tonnes of basic products a year, both of EU origin and imported from third country markets. The sector processes notably rapeseed, sunflower seed, soybeans and linseed into oils and meals for food, feed, technical and energy uses essentially on the European market. It also imports crude oils, like palm oil and sun oil, for further refining.