

Monday 19th March 2018

Press Release

EU FARMERS USE FLAWED LOGIC IN ATTACKING PERFECTLY JUSTIFIED DUTIES ON FERTILIZERS

The logic of the recent press release from the European farmers in COPA-COGECA supporting removal of fertilizer tariffs is flawed.

Only Russia, the Gulf Arabs and the USA as major fertilizer exporters pay EU customs duty of typically 6,5 %. Full duty free access is readily available through the EU's duty free arrangements with North Africa, the African Caribbean and Pacific countries (notably Trinidad) and even Norway and Canada.

"It is hard to understand" states Jacob Hansen, Fertilizers Europe Director General, "why farmers are trying to help the fertilizer industries of Russia and the Gulf States who would be the main beneficiaries of this kind of argumentation. Up to 50% of all nitrogen imports into the EU are completely tariff free, and it comes from areas like North Africa where the EU is eager to promote trade".

As for the anti-dumping duty on ammonium nitrate, this has been imposed after thorough anti-dumping investigations where the main findings have been based on Russia's failure to reform its artificially low state fixed pricing regime for gas. "Farmers normally talk about a level playing field. So do we in the fertilizer industry. The playing field is not level when you are competing with distorted gas prices in Russia, and gas prices represent between 60 to 80% of production costs."

"I also want to emphasize that the European fertilizer industry has a proven record of competitive supplies to EU farmers of highly efficient fertilizer products", concludes Jacob Hansen.

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Note to Editors:

The following countries with imports into the EU did NOT pay the EU conventional tariff on nitrogen fertilizers over the agricultural season 2016/17: Algeria, Egypt, Georgia, Morocco, Norway, Serbia, Trinidad & Tobago, Tunisia.

The following countries with imports into the EU DID pay the EU conventional duty: Belarus, China, Libya, Russia, Turkmenistan, Ukraine, USA.

Subject: N CCT 16/17

| | 2016/17 | |
|------------------------|---------|-----|
| Russia | 576,6 | CCT |
| Egypt | 354,9 | |
| Algeria | 319,5 | |
| Belarus | 133,3 | CCT |
| Ukraine | 98,8 | CCT |
| USA | 117,4 | CCT |
| Norway | 80,2 | |
| Trinidad,Tob | 76,7 | |
| Morocco | 106,3 | |
| China | 13,1 | CCT |
| Georgia | 14,9 | |
| Tunisia | 23,7 | |
| Serbia | 9,3 | |
| Turkmenistan | 28,8 | CCT |
| Libyan Arab Jamahiriya | 12,8 | CCT |
| Bahrain | | |
| Others | 20,7 | |
| Total | 1987,0 | |
| CCT | 980,7 | |
| | 49% | |