

Fertilizers Europe welcomes the Commission report on distortions in the Russian economy

Brussels, 28 October 2020: European Fertilizer industry welcomes the Commission report providing fact-based evidence on significant government-induced distortions in the economy of Russia. The industry, which for many years grapples with a threat of injurious dumping, welcomes the fact the EU is now equipped with an additional instrument in the toolbox to address unfair trade.

In an ever intense global and EU fertilizer market situation where the EU industry is regularly subjected to unfair dumping and subsidy campaigns on the EU Single Market, Fertilizers Europe welcomes the publication of the European Commission's report on "significant distortions in the economy of the Russian Federation for the purposes of trade defence investigations". The report provides precise references on the key Russian state legislations which in turn often lead to unfair non market advantages to the local Russian industry.

With regard to nitrogen fertilizers where natural gas represents typically 60 to 80% of production costs, the Russian state's regular annual artificially low fixing of gas costs to Russian industry is a profound distortion encouraging regular dumping campaigns to the EU – and indeed to world.

"The profound "structural dumping" arising from the Russian gas market situation is especially damaging and should be corrected with the EU's full armoury of trade and competition policies" proclaims Jacob Hansen, Director General of Fertilizers Europe.

He added *"We are pleased that the European Commission has already applied for fertilizers from Russia the new trade defence modernisation rules and the removal of the lesser duty rule in the case of UAN solutions from Russia. Now with this report comprehensively and precisely explaining the character and play of the state fixed gas prices we can expect even stronger EU corrective action"*.

The new EC report also covers macro-economic, sectoral, banking and finance state intervention factors which can be helpful when producing EU trade defence complaints. Indeed, the report succeeds to making clearer the real on the ground situation in Russia which is often opaque and full of grey measure arrangements.

The fertilizer sub-chapter in the report is rather limited especially when compared with the very meaningful natural gas chapter. Fertilizers Europe will nonetheless endeavour to improve upon the base provided.

Notes to editors:

1. EU report on markets distortions in Russia -
<https://trade.ec.europa.eu/doclib/press/index.cfm?id=2197>

Contact:

Łukasz Pasterski
Communications Manager
lukasz.pasterski@fertilizerseurope.com
T: +32 266 33 144
M: +32 472 055 606

Sean Mackle
Trade and Economic Policy Director
sean.mackle@fertilizersurope.com
T: +32 2 663 31 55
M : : +32 475 67 93 00

About Fertilizers Europe

Fertilizers Europe represents the majority of fertilizer producers in Europe and is recognized as the dedicated industry source of information on mineral fertilizers. The Association communicates with a wide variety of institutions, legislators, stakeholders and members of the public who seek information on fertilizer technology and topics relating to today's agricultural, environmental and economic challenges.

For more information visit www.fertilizersurope.com