



**AGENZIA
DELLE
DOGANE**

Roma, 24 gennaio 2007

Risoluzione n. 1/D

Protocollo: 129

Rif.:

Allegati: 2

Alle Direzioni Regionali
dell'Agenzia delle Dogane
LORO SEDI

Alle Direzioni Circostrizionali
dell'Agenzia delle Dogane
LORO SEDI

Agli Uffici Tecnici di Finanza
LORO SEDI

Agli Uffici delle dogane
LORO SEDI

e, per conoscenza:

Al Ministero dello Sviluppo Industriale
Direz. Gen. Sviluppo Produttivo e
Competitività
ROMA

Al Ministero delle Politiche Agricole
Alimentari e Forestali
Dipartimento delle Filiere Agricole e
Agroalimentari
Direz. Generale delle Politiche Agricole
ROMA

Al Comando Generale della
Guardia di Finanza –
Ufficio Operazioni
Viale XXI Aprile, 51
00162 ROMA

Al Servizio Consultivo Ispettivo
Tributario – SE.C.I.T.
00100 ROMA

OGGETTO: Regime della trasformazione sotto controllo doganale – Trasformazione di alcool etilico in prodotti chimici– Esame delle condizioni economiche da parte del Comitato Codice Doganale – Sez. Regimi Doganali Economici ai sensi dell'art.552 par.2 del Reg.to CEE 2454/93 – Parere favorevole.

Si fa presente che nel corso della 98^a riunione del Comitato Codice Doganale – Sezione regimi doganali economici, che si è tenuta a Bruxelles il 15 dicembre 2006, sono stati presentati dai Servizi della Commissione Europea i documenti di lavoro uniti alla presente, concernenti due istanze di trasformazione sotto controllo doganale di alcool etilico per la produzione di prodotti chimici, presentate dalle delegazioni belga e francese, per essere sottoposte ad esame delle condizioni economiche, ai sensi dell'art.552 par.2 del Reg.to CEE 2454/93.

Al riguardo, tenuto conto del disposto dell'art.504, par. 4 del Reg.to CEE 2454/93, si comunica l'avviso favorevole espresso dal Comitato circa l'accogliibilità delle istanze sopra citate, in quanto per la fattispecie in oggetto sono state ritenute soddisfatte le condizioni economiche; si fa presente che, per i casi di specie, le conclusioni del Comitato non sono tuttavia pubblicate nella serie C della Gazzetta Ufficiale delle Comunità Europee.

Si evidenzia inoltre che, ai sensi della richiamata normativa comunitaria, le conclusioni del Comitato vengono prese in considerazione non soltanto dalle Autorità interessate alle singole fattispecie oggetto delle conclusioni, ma anche dalle altre Autorità doganali degli Stati membri. Pertanto, ove eventuali analoghe istanze – concernenti merci di importazione, attività di trasformazione e prodotti trasformati della stessa tipologia - siano presentate a questa Agenzia, le condizioni economiche dovranno intendersi del pari soddisfatte.

In particolare, nel caso di specie, il parere favorevole del Comitato riguarda per entrambe le istanze di cui sopra il seguente tipo di operazione:

- trasformazione di alcool etilico non denaturato CNC 2207 1000 10 proveniente dal Brasile e Pakistan, in prodotti chimici delle seguenti voci doganali: CNC 2916 1220 00 – 2921 1200 00 – 2921 1910 00 – 2921 1980 90 – 2928 0090 90. Le autorizzazioni potranno essere rilasciate per un quantitativo di alcool equivalente a quello importato dalla società istante nell'anno precedente e utilizzato per la produzione dello stesso prodotto finale. L'autorizzazione potrà essere rilasciata per un periodo massimo di anni 1; alla scadenza di tale termine dovrà essere effettuato un nuovo esame delle condizioni economiche.

Per le istanze di trasformazione sotto controllo doganale che verranno presentate da operatori italiani, in deroga a quanto previsto dalla seconda parte del punto C2) della Circolare n.30/D del 28 giugno 2001, le dogane territorialmente competenti in

relazione al luogo in cui saranno effettuate le operazioni di trasformazione, o la prima di tali operazioni (in caso di trasformazioni successive), saranno competenti al rilascio della relativa autorizzazione, secondo la procedura normale (per iscritto) con utilizzo del relativo modello (allegato 67), in maniera conforme alle indicazioni del Comitato (limiti quantitativi e temporali).

Inoltre per adempiere agli obblighi di cooperazione amministrativa (art.522 DAC), delle autorizzazioni rilasciate sarà data sollecita comunicazione alla scrivente, utilizzando per l'invio dei dati ivi previsti l'apposito formulario riprodotto in appendice all'allegato 70 del citato regolamento.

Si pregano gli Uffici e le Amministrazioni in indirizzo di provvedere alla necessaria informazione degli operatori economici del settore.

Il Direttore dell'Area Centrale
Dr.ssa Cinzia Bricca



EUROPEAN COMMISSION
DIRECTORATE-GENERAL
TAXATION AND CUSTOMS UNION
Customs Policy
Customs Procedures

Brussels, 20 November 2006

**TAXUD/1631/2006 REV 1 -
EN**

Working paper

CUSTOMS CODE COMMITTEE

Section for Customs Procedures with Economic Impact

Processing under Customs Control (PCC)

(Processing of ethyl alcohol into ethylamine / examination of the economic conditions in accordance with Article 552(2) CCIP)

This document will be examined at a forthcoming meeting of the Committee.

Rue de la Loi 200, B-1049 Brussels, Belgium – Office MO51 4/60
Telephone : (+32 2) direct line 299.09.07, switchboard 299.11.11 Fax : 29 92383
Matthias.Reimann@ec.europa.eu

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BACKGROUND INFORMATION

At the 96th meeting of the CUSTOMS CODE COMMITTEE Section: 'Customs procedures with economic impact' held on 3 July 2006 the applicants first application concerning processing of ethyl alcohol classified within TARIC Code 2207 10 00 10 into ethylamine was examined.

Some Member States said at this meeting the application should be rejected for the following reasons:

- A PCC authorisation would have negative consequences for the EU fermentation industry which needs the tariff protection.
- One Member State has an own production of ethyl alcohol obtained from agricultural products and it would be able to increase the production capacity in order to supply the requested quantity.
- Another Member State is building up its production capacity which needs to be protected for about 2 years.
- The EU market is not going through a shortage of supply. Sufficient quantity of ethanol is available on the EU market at attractive prices and this does not allow the import under PCC. Additional imports of ethanol might lead to lower prices of raw materials, for instance of sugar, and this could put pressure on EU sugar producers.
- The applicant is arguing on the basis of price. This is not convincing enough.
- Low-grade ethanol may also be produced in the EU at more attractive prices in comparison to prices of high quality ethanol.
- Unused production capacity does exist in the EU.

Member States were asked by the Commission to vote on whether they thought the economic conditions were fulfilled in the particular case. 8 Member States voted in favour. 9 Member States voted against for the reasons mentioned above and 7 Member States abstained (one MS was not represented). This means that the Committee concluded that the economic conditions are not fulfilled.

At the 97th meeting of the CUSTOMS CODE COMMITTEE Section: 'Customs procedures with economic impact' held on 29 September 2006 one Member State requested the re-examination of the economic conditions because it felt that in two similar cases the Committee concluded that the economic conditions were fulfilled. Thus the Committee should give also a favourable opinion in the ethylamine case. The chairman quoted the ECJ judgment in Case C-11/05 in which it was ruled that the economic situation of the market for the finished products (processed products) must be taken into account. In addition, the relevant administrative arrangement stipulates that an application is similar where at least, in the case of processing under customs

control, the import goods and the processed products share the same eight-digit CN code. The value, quantity and country of origin must also be the same if this was relevant for the Committee's conclusion. In all three cases the processed products were different. They did not share the same eight-digit CN code and therefore similar cases do not exist.

Nevertheless the relevant Member State suggested that the re-examination should take place at the forthcoming meeting in mid December 2006. The applicant intends to present his case in a different way and he should have this chance. The chairman agreed to this suggestion.

In the light of above the delegations are kindly requested to re-examine the revised application.

Appendix to the application for an authorisation for Processing under Customs Control (PCC): economic conditions

1. The authorisation: introduction and period of validity

The company, situated in the North of Belgium applies for PCC for the import of ethanol, in order to maintain a sustainable competitive position in the market of ethylamines (= the processed product). The company applies for the PCC for an extendable period of 1 year.

2. Products to be processed

Trade name: Ethyl alcohol with an alcohol content of at least 80% by volume
Tariff- number: 2207 10 00 10
Tariff rate: EUR 19,2/hl
Origin: Brazil
Estimated quantity: 16.000 tonnes per year
Estimated value: 8.333.000 EUR

3. Processed products

| Cn-number | Trade name | Tariff rate |
|-----------|----------------|-------------|
| 2921 1980 | Monoethylamine | 6,5% |
| 2921 1200 | Diethylamine | 5,7% |
| 2921 1910 | Triethylamine | 6,5% |

Specifications can be found in annexe 2 .

4. Description of the process

The company produces Ethylamines by a reaction of Ethanol and Ammonia.

Hereafter you will find the rate of consumption of ethanol for each kilo of processed product

Monoethylamine → 0,98
Diethylamine → 1,38
Triethylamine → 1,43

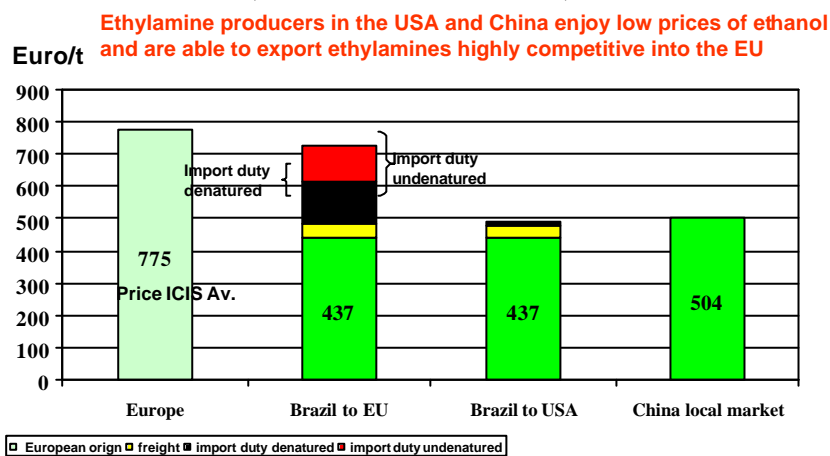
The dominating application sector for Ethylamines in total is Agro with a share of 39 %. With a share of 16 % Pharma is the next important application segment. Rubber chemicals with 8 % share follows. Foundry resins represent a share of 6 %. The productions of Diethylethanolamine (DEEOA) counts for 5 % of the market . With a lot of further applications like Diethylhydroxylamine, insect repellent or fly ash treatment and others, the Ethylamines can rely on a stable demand in the market.

5. Economic conditions

Ethanol accounts for 60% of production costs of ethylamines and the ethanol does not have to be very pure. Low-grade bio ethanol is good enough, the much more expensive synthetic ethanol is not needed.

The price of European manufactured bio ethanol is 775 €/t, whereas the price of local produced bio ethanol in China is only 504 €/t and the price of bio ethanol produced in Brazil (the largest producer) is only 437 €/t.

Ethanol Prices by Origin June 2006 (Euro/t free delivered)



The US imports most of its ethanol for industrial production from Brazil. In the US the customs duties on ethanol for industrial use are only 1,9 %, and the US government is even thinking about abolishing these. In Europe there are specific customs duties of 19,2 €/hl on undenaturated ethanol (HS 220710) and of 10,2 €/hl on denaturated ethanol (HS 220720). On the Brazilian price of 437 €/t and with 1,268 liter per kg, this means customs duties of 56% for undenaturated and 30% for denaturated ethanol. There are no countries with preferential customs duties where there is a sufficient production to supply our plants.

The end products, mono-ethylamine, di-ethylamine and tri-ethylamine have only customs duties of respectively 6,5 %, 5,7 % and 6,5%. This means that there is a negative effective protection of the ethylamine industry in Europe. If we take into account the production factors, the negative effective protection amounts to:

| | |
|-------------------------------|--|
| HS 2921.19-80 mono-ethylamine | $0,98 \times 30 \% = 29,4 \% - 6,5 \% = 22,9 \%$ |
| HS 2921.12-00 di-ethylamine | $1,38 \times 30 \% = 41,4 \% - 5,7 \% = 35,7 \%$ |
| HS 2921.19-10 tri-ethylamine | $1,43 \times 30 \% = 42,9 \% - 6,5 \% = 36,4 \%$ |

This means that it is 22,9% to 36,4 % less expensive to produce ethylamines outside of Europe and exporting them into Europe. Because of this customs anomaly, the European industry cannot compete and will be driven out of Europe. The purpose of customs duties is to protect the industry, not to create a competitive disadvantage. It achieves exactly the opposite of the Lissabon-goals: "to become the most competitive economic area in the world". Furthermore, 71 % of our production is sold in Europe, so the demand will remain in Europe and the added value will be realised abroad.

For ethanol there is no system in place like there is for starch (Regulation 1722/93) or like there used to be for sugar to erase the competitive disadvantage for industrial use of agricultural products caused by the European agricultural protection. The process of substitution of European production by imports is already taking place and can be illustrated by the fast growing imports on the European market from Asia and from the US, whilst capacity utilisation in Europe is falling.

When focussing more on the importation side of Ethylamines, one sees that the imports out of Asian countries into Europe, the company's main market, more than doubled in 2005 in comparison to the year 2002. Furthermore you can see that the imports out of the USA were already on a high level in 2002 and are still growing. Ethylamine producers in these countries have access to cheap ethanol from large bio fuel production units enjoying cost advantages or are able to import ethanol at global prices with low tariffs. E.g. in the USA the import tariff of ethanol for industrial application is only 1.9% in comparison to up to 56% in Europe.

The imports into the EU are shown in the next chart:

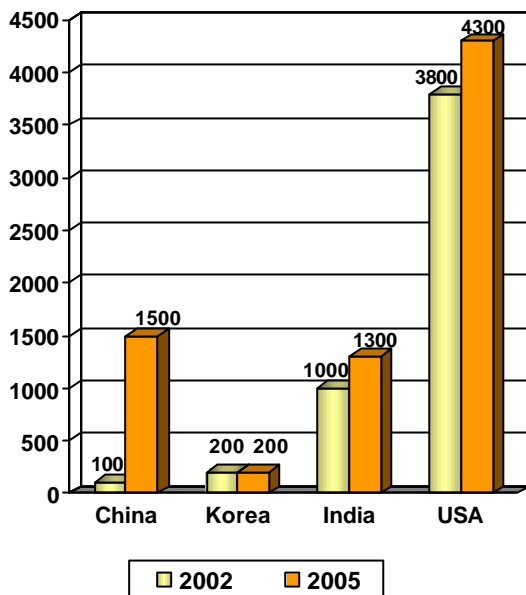


Chart: in MT – Imports of Ethylamines - comparison 2002 vs. 2005

This increase in imports within the EU of relatively cheap Ethylamines puts a strain on the EU producers. In order to be still competitive, it is important that production costs within the company are reduced to a minimum on a competitive world market basis.

Given the fact that the cost of the raw material stands for 60% of the production costs, it is important that the company can rely on ethanol at world market prices or at prices of their main competitors within the Ethylamine market.

The importation of ethanol under the system of processing under customs control, a system that was specially designed to counter such customs anomalies, is no competition to the local ethanol producers. The synthetic ethanol is too pure and too expensive. The European bio ethanol is not competitive, and for the moment only a smaller part (about one third) is being bought in Europe to ensure delivery reliability. Not granting the system of processing under customs control will not lead to more purchases of European-produced ethanol. Instead, the plant will close and the smaller part of European ethanol that is bought for the moment will disappear. The market for European ethanol producers would actually shrink. Please note that the company only asks for processing under customs control for two thirds of its ethanol demand, namely the quantities that are imported from overseas.

A secondary and subsidiary argument is that for the moment there is no balance on the ethanol market (see the official European ethanol balance: 2006/C158/04 and 2006/C158/05). There is more demand than local production, resulting in imports from outside of Europe (even the European union of ethanol producers confirms this). This situation will continue, the demand is increasing very fast due to the Bio fuels directive. The industrial

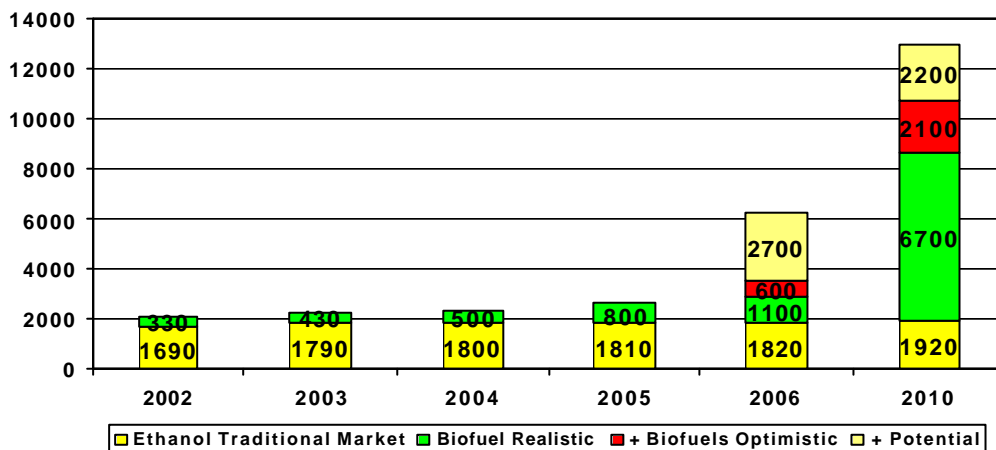
users will be the victim of this evolution and will not be able to compete with foreign companies.

In 2005, the European demand for Ethanol reached already 2,6 million tonnes. European companies, however, only produced up to 2,3 million tonnes (source: FO Licht, October 2005). In this, the European market was at an imbalance.

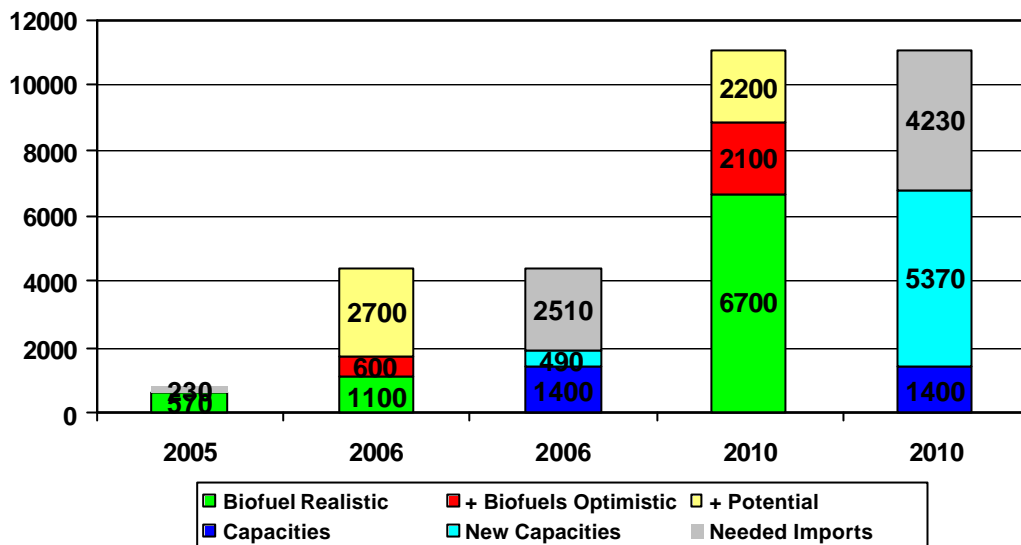
It can be noted that there was even a shortage of bio ethanol within the EU in order to comply with the Bio fuels Directive (Directive 2003/30/EC, approved in May 2003 with target: 2% share of renewable fuels in transport petrol by the end of 2005 and a 5,75 % share by the end of 2010). Indeed, as stated in the Commission document “An EU strategy for Biofuels”, the target share of 2 % for 2005 was not achieved. (Source: Communication from the Commission, Brussels 8.2.2006, COM (2006) 34 final).

The following charts also present that for the future, it is expected that demand will remain larger than supply (the demand for bio-fuel is calculated to increase with a factor 10 till 20 until 2010).

In KT



European development of Ethanol consumption – source: FO Licht May 2006



In kt

European development of Bio ethanol for Fuel consumption versus capacities incl. Projects

The European fermentation producers are concentrating on the strong increasing fuel ethanol market. For chemical applications, there is not enough fermented ethanol against competitive prices left. The synthetic ethanol producers offer only high quality product and are rather expensive. The company is able to use low-grade ethanol like their global competitors and this grade is sold at lower prices.

The fast-rising demand for bio ethanol within Europe has put an enormous strain on the European market resulting in hefty price increases on the European market. This gap between the prices European and non-European companies pay has become so large that the company cannot remain competitive when European ethanol is used.

As a result the company started to source ethanol globally. However, due to the high import duties on ethanol within the EU, the global competitors of ethylamines still have a decisive advantage in production costs.

To counter this the company needs in the short term the granting of processing under customs control (just for the industry to survive), and in the long run a durable solution to separate the market for industrial use of ethanol from the bio fuel market. A solution could be found in a customs duty free quota for industrial use or in the creation of production reimbursements (like the system that used to exist for sugar), which compensates the difference between the world market price and the local price for the quantities that are transformed in industrial processes.

The best solution, however, may be to have different tariff lines in the tariff code for different uses.

In the TAXUD-meeting of 7-4-2006, two requests for PCC of ethanol were approved, one Belgian request and one Swedish request. The Swedish request was for the use of ethanol in the production of ethyl acetate, acetaldehyde and acetic acid.

There is no clear difference between the situation of the Swedish producer and the applicant company. It is not clear why two similar cases are treated differently. In art. 34, 2. paragraph 2 EU¹, there is a clear prohibition of discrimination of consumers of agricultural raw materials (and ethanol is an agricultural product). This prohibition of discrimination between agricultural products consumers is according to the European Court of Justice an expression of a general prohibition of discrimination (Judgment of the Court of 19 October 1977, *Albert Ruckdeschel & Co. and Hansa-Lagerhaus Ströh & Co. against hauptzollamt hamburg-St. Annen*; *Diamalt AG against Hauptzollamt Itzehoe*; joined cases 117-76 and 16-77).

There is, however, a clear distinction between the use of ethanol for chemical production and the use of ethanol for the bio fuel market. The chemical end products made out of ethanol compete on a world-market. The buyers are large industrial consumers that have the choice to buy these products on the European market or to import them from third countries. It is therefore indispensable that there is a level playing field. The ethanol that is used in the bio-fuel market (whether processed or not) does not compete on a world market. The buyers here are the end-consumers who do not have any choice but to pay the gas price that is indicated at the pump when they fill up their cars. There is no international competition; in this case, the end-consumer has no alternatives.

The fundamental problem is that there is no market regulation for ethanol, which takes into account the different uses and users of ethanol (food, bio fuel, industry). For sugar for example there is a market regulation, which takes into account the use of sugar for the (chemical) industry: regulation 318/2006.

6. Employment

The company wants to keep the European plant running and therefore wants to maintain the employment of about 280 people within the EU.

It goes without saying that this can only be realised in case the company can maintain a competitive situation in comparison to the overseas competitors, who can import their ethylamines made out of low-taxed ethanol cheaply into the EU.

¹ The Treaty establishing the European Community is meant. (Remark made by TAXUD C4)

Therefore, the use of PCC is of the utmost importance. When the company cannot make use of PCC, it will have to close down the production in Europe. This will cause unemployment for 70 people directly linked to the production plant and for another 210 people for other companies involved.

7. Recommendation / Summary

The Belgian authorities strongly recommend the approval of this application based on the following :

- The application for this chemical company is a special case, not comparable with the sourcing for ethanol for bio fuel applications.
- Global competitors within the European ethylamines market have access to cheap ethanol produced locally or through imports ex Brazil with low import duties.
- The company cannot compete on the global market without access to ethanol at world market prices.
- Therefore the company has to import the Ethanol out of Brazil under the system of PCC.
- If the authorisation is not granted to the company, it will be forced to close down the production plant in Europe.
- This would result in unemployment of 70 people directly and 210 people in related companies.
- The EU would loose a producer of Ethylamine, with important market share within the EU market.
- This would result in a higher import of Ethylamines from outside the EU in order to compensate the lost production within the EU.
- This would also result in a smaller market for EU-produced ethanol; the significant quantities (up to one third) of EU-produced ethanol that are being used would fall away.

Annexe 1 :

Purchasing specification of the raw material - Ethanol

| Attribute | Specification limits | Units | Test method |
|------------------------------|----------------------|-------|-----------------------------|
| Water (vv) | Max. 7.0 | % | DIN 51777 (ASTM 1744-64) |
| Ethanol (vv) | Min 93.0 | % | GC |
| Methanol | Max 50 | mg/kg | GC |
| Higher Alcohols (Total) | Max 600 | mg/kg | GC |
| Higher Alcohols (C3 + C4) | Max 500 | mg/kg | GC |
| Aldehydes (acetaldehyde) | Max 100 | mg/kg | GC |
| Total sulphur | Max 1.8 | mg/kg | ASTM D3120 |
| Other organic compounds | Max 300 | mg/kg | GC |
| Esters (as ethylacetate) | Max 200 | mg/kg | GC |

Annexe 2 :

Sales specifications of Ethylamines :

1. Ethylamine 70 %

| Attribute | Specification limits | Units |
|-----------|----------------------|-------|
| Purity | Min 99.8 | % |
| NH3 | Max 0.02 | % |
| DEA | Max 0.15 | % |
| TEA | Max 0.01 | % |
| Conc | 69.0 – 71.5 | % |

2. Diethylamine

| Attribute | Specification limits | Units |
|-----------|----------------------|-------|
| Purity | Min 99.5 | % |
| EA | Max 0.20 | % |
| TEA | Max 0.01 | % |
| Water | Max 0.10 | % |

3. Triethylamine

| Attribute | Specification limits | Units |
|-----------|----------------------|-------|
| Purity | Min 99.7 | % |
| EA | Max 0.05 | % |
| DEA | Max 0.1 | % |
| Ethanol | Max 0.05 | % |
| Water | Max 0.06 | % |
| Colour | Max 15 | APHA |



EUROPEAN COMMISSION
DIRECTORATE-GENERAL
TAXATION AND CUSTOMS UNION
Customs Policy
Customs Procedures

Brussels, 29 November 2006

TAXUD/1672/2006 – EN FR

Working paper

CUSTOMS CODE COMMITTEE

Section for Customs Procedures with Economic Impact

Processing under Customs Control (PCC)

(Processing of ethyl alcohol into certain chemicals / examination of the economic conditions in accordance with Article 552(2) CCIP)

This document will be examined at a forthcoming meeting of the Committee.

Rue de la Loi 200, B-1049 Brussels, Belgium – Office MO51 4/60
Telephone : (+32 2) direct line 299.09.07, switchboard 299.11.11 Fax : 29 92383
Matthias.Reimann@ec.europa.eu

French version may be found on pages 5 to 7

IMPORTING OF ETHYL ALCOHOL UNDER THE PROCESSING UNDER CUSTOMS CONTROL PROCEDURE

Application presented by the French authorities concerning the importing of ethyl alcohol of CN code 2207.10.00.10.09

The company making the application wishes to process undenatured ethyl alcohol under the processing under customs control procedure into ethyl acrylate and various forms of ethylamine, for a period of three years.

1. Product to be imported

Trade description: undenatured agricultural ethyl alcohol (ethanol), with an alcoholic strength by volume of 80 vol. % or higher
CN Code: 2207.10.00.10.09P
Customs duty: 19.20 euros per hectolitre

Origin: Brazil, and optionally Pakistan
Estimated quantity: 255 000 hectolitres per year
Estimated value: 12 495 000 euros per year

2. Compensating products

| <i>CN code</i> | <i>Trade description</i> | <i>Yield (quantity of ethanol for 1 tonne of finished product)</i> | <i>Customs duty</i> |
|----------------|--------------------------|--|---------------------|
| 2916.12.20.00 | Ethyl acrylate | 0,49 tonne of ethanol | 6,50% |
| 2921.12.00.00 | Diethylamine | 1.31 tonnes of ethanol | 5,70% |
| 2921.19.10.00 | Triethylamine | 1,42 tonnes of ethanol | 6,50% |
| 2921.19.80.90 | Monoethylamine | 1,07 tonnes of ethanol | 6,50% |
| | Dimethylethylamine | 0,68 tonne of ethanol | 6,50% |
| | Diethylaminopropylamine | 0,86 tonne of ethanol | 6,50% |
| 2928.00.90.90 | Diethylhydroxylamine | 1,78 tonnes of ethanol | 6,50% |

3. Description of the manufacturing process

Ethyl acrylate results from esterification by a mixture of ethanol and acrylic acid. It is mainly used by the textile, paper, adhesives and elastomers industries.

The various forms of amines are produced from ethanol, by reaction with various chemicals such as ammonia or hydrogen peroxide. Their applications are extremely varied, notably in the agrochemical and pharmaceutical sectors.

4. Economic conditions of the application

4.1. State of the community market for ethanol and outlets for it.

The community market for ethanol production has been under considerable strain, leading to a considerable increase in its selling price and crowding out of certain requesters of ethanol, in particular producers in the chemical sector.

In fact, the chemical sector only represents 19% of the outlets for community ethanol, after the biofuel and spirits sectors.

Since 2004, demand for ethanol from the biofuels sector has increased considerably, with the implementation of the biofuel directive and measures promoting the production of biofuel in several Member States.

This increase in demand for ethanol should be maintained for several years, and the strain in the ethanol market should increase owing to the imminent creation of new capacities for biofuel production.

In this context, the demand of the other ethanol consumer sectors can no longer be satisfied, and imports of ethanol are becoming indispensable.

Some community suppliers of the French company have recently indicated to it that they can no longer guarantee full supply.

This difficulty is reinforced by the special needs of the chemicals sector for ethanol. Thus, the raw materials used must be of a high degree of purity, and the French company needs rectified ethanol, of strength 96% with critical limits for methanol (50 ppm), sulphur (20 ppm), acetaldehyde (10 ppm) and higher alcohols (300 ppm).

These requirements with respect to purity make it necessary for ethanol producers to carry out additional purification operations, making the demand from the chemicals sector even less attractive.

Finally, the degree of incorporation of ethanol in the chemicals sector is particularly high, to the extent that the purchase price of ethanol can represent up to 60% of the added value of the chemical product resulting from its processing.

4.2 Distortion of competition in the global chemicals market

The difficulties encountered by the chemicals producers in the community market reinforce a distortion of competition with their third-party competitors, who have much more favourable access to ethanol.

In fact, the amounts of ethanol available in the community market are no longer sufficient, and imports of agricultural ethanol are subject to customs duty of 19.20 euros per hectolitre.

In parallel, American, Chinese and Indian producers of chemicals benefit either from national production of ethanol with a price that is unrelated to the very high world price, or more advantageous taxation of imports.

As an example, the United States applies customs duty to Brazilian ethanol of 1.9% when it is intended for industrial use, and 2.5% in other cases.

5. Consequences for the company

The ethanol processing activities of the French company are carried out on two production sites and account for 205 direct jobs.

They also have an indirect impact on 200 jobs among subcontractors and suppliers of the French company, as well as on 150 jobs connected with the effect of the activities of the French company on the local economy, as the works are located in areas with little industry.

**IMPORTATION D'ALCOOL ETHYLIQUE
SOUS LE REGIME DE LA TRANSFORMATION SOUS DOUANE**

**Demande présentée par les autorités françaises portant sur l'importation d'alcool
éthylrique du code NC 2207.10.00.10.09**

La société à l'origine de cette demande souhaite transformer de l'alcool éthylique non dénaturé sous le régime de la transformation sous douane, en acrylate d'éthyle et en diverses formes d'éthylamine, pour une durée de trois ans.

1. Produit à importer

Désignation commerciale : alcool éthylique agricole non dénaturé, d'un titre alcoométrique volumique de 80% vol ou plus

Code NC : 2207.10.00.10.09P

Droits de douane : 19,20 euros par hecto litre

Origine : Brésil, et éventuellement Pakistan

Quantité estimée : 255 000 hectolitres par an

Valeur estimée : 12 495 000 euros par an

2. Produits compensateurs

| <i>Code NC</i> | <i>Désignation commerciale</i> | <i>Tx de rendement (quantité d'éthanol pour 1 tonne de produit fini)</i> | <i>Droit de douane</i> |
|----------------|--------------------------------|--|----------------------------|
| 2916.12.20.00 | Acrylate d'éthyle | 0,49 tonne d'éthanol | 6,5% |
| 2921.12.00.00 | Diéthylamine | 1,31 tonne d'éthanol | 5,7% |
| 2921.19.10.00 | Triéthylamine | 1,42 tonne d'éthanol | 6,5% |
| 2921.19.80.90 | Monoéthylamine, | 1,07 tonne d'éthanol | 6,5% |
| | Diméthyléthylamine, | 0,68 tonne d'éthanol | |
| | Diéthylaminopropylamine | 0,86 tonne d'éthanol | |
| 2928.00.90.90 | Diéthylhydroxylamine | 1,78 tonne d'éthanol | 6,5% |

3. Description du processus de fabrication

L'acrylate d'éthyle résulte d'une estérification par mélange d'éthanol et d'acide acrylique. Il est principalement utilisé par les industries du textile, du papier, d'adhésifs et d'élastomères.

Les différentes formes d'amines sont produites à partir d'éthanol, par réaction avec divers éléments chimiques comme l'ammoniac ou l'eau oxygénée. Leurs applications sont extrêmement variées, dans les domaines agrochimiques et pharmaceutiques notamment.

4 Conditions économiques de la demande

4.1. Etat du marché communautaire de l'éthanol et ses débouchés.

Le marché communautaire de production d'éthanol connaît de fortes tensions, qui ont entraîné une augmentation importante de son prix de vente et une éviction de certains demandeurs d'éthanol, en particulier les producteurs du secteur chimique.

En effet, le secteur de la chimie ne représente que 19% des débouchés de l'éthanol communautaire, après les secteurs du biocarburant et des boissons spiritueuses.

Depuis 2004, la demande d'éthanol par le secteur des biocarburants a fortement augmenté, en raison de l'entrée en vigueur de la directive biocarburant et des mesures d'encouragement à la production de biocarburant dans plusieurs Etats membres.

Cette augmentation des besoins en éthanol devrait se maintenir pendant plusieurs années, et les tensions sur le marché de l'éthanol devraient augmenter du fait de la création prochaine de nouvelles capacités de production de biocarburant.

Dans ce contexte, la demande des autres secteurs consommateurs d'éthanol ne peut plus être satisfaite, et les importations d'éthanol deviennent indispensables.

Certains fournisseurs communautaires de la société française lui ont récemment indiqué qu'ils ne pourront plus assurer l'intégralité de son approvisionnement.

Cette difficulté est renforcée par les besoins spécifiques du secteur chimique en éthanol. En effet, les matières premières utilisées doivent être d'un degré élevé de pureté, la société française ayant besoin d'un alcool éthylique rectifié, de titre 96% avec des limites critiques en méthanol (50 ppm), en soufre (20 ppm), en acétaldéhyde (10 ppm) et en alcools supérieurs (300 ppm).

Ces exigences en termes de pureté obligent les producteurs d'éthanol à effectuer des opérations de purification supplémentaires, ce qui rend la demande du secteur chimique d'autant moins attrayante.

Enfin, le taux d'incorporation de l'éthanol dans le secteur chimique est particulièrement élevé, dans la mesure où le prix d'achat de l'éthanol peut représenter jusqu'à 60% de la valeur ajoutée du produit chimique résultant de sa transformation.

1.2 L'installation d'une distorsion de concurrence sur le marché chimique mondial.

Les difficultés rencontrées par les producteurs chimiques sur le marché communautaire renforcent une distorsion de concurrence avec leurs concurrents tiers, qui disposent d'un accès à l'éthanol beaucoup plus favorable.

En effet, les quantités d'éthanol disponibles sur le marché communautaire ne sont plus suffisantes, et les importations d'éthanol agricole sont soumises à un droit de douane de 19,20 euros par hectolitre.

En parallèle, les producteurs américains, chinois et indiens de produits chimiques bénéficient soit d'une production nationale d'éthanol dont le prix est déconnecté du prix mondial très élevé, soit d'une taxation plus avantageuse à l'importation.

A titre d'exemple, les Etats Unis appliquent à l'éthanol brésilien un droit de douane de 1,9% lorsqu'il est destiné à un usage industriel, et de 2,5% dans les autres cas.

5 Conséquences pour la société

Les activités de transformation d'éthanol par la société française occupent deux sites de production et représentent 205 emplois directs.

Elles ont également un impact indirect sur 200 emplois parmi les sous-traitants et les prestataires de la société française, ainsi que sur 150 emplois liés à l'impact des activités de la société française sur l'économie locale, les usines étant implantées dans des zones peu industrielles.