

Voluntary Report – Voluntary - Public Distribution

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Report Name: Colombia Continues to Impose Duty on US Ethanol After CVD Expiry Review

Country: Colombia

Post: Bogota

Report Category: Agricultural Situation, Biofuels, Policy and Program Announcements

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Report Highlights:

On March 15, 2023, the Colombian Ministry of Trade, Industry and Tourism (MINCIT) ignored its own Essential Facts report and issued a final ruling in its countervailing duty (CVD) expiry review investigation of U.S. ethanol, extending the original investigation's \$0.066/kg (\$0.20 per gallon) duty on imported U.S. ethanol for the next five years. This report summarizes the CVD case against U.S. ethanol and includes an English translation of Colombian Resolution 044, which establishes the CVD expiry review's final determination.

Ethanol Production in Colombia

Colombia's ethanol production, which uses sugarcane as the feedstock, is supplied by seven ethanol distilleries with a production capacity of 660 million liters. However, per historical production figures from the last ten years, sugarcane-based ethanol production is on average 415 million liters per year. Of the 14 sugar mills in Colombia, 6 are co-located with ethanol refineries, all in the Cauca River Valley near the city of Cali in Colombia's southwest. One additional ethanol refinery, independent of any sugar mill, is in the eastern plains of the country. For more information in the Colombian biofuels industry and market see FAS GAIN Report: [Biofuels Annual Bogota Colombia CO2022-0012](#).

Original CVD Investigation

On January 28, 2019, MINCIT formally announced acceptance of a petition by the Colombian Biofuels Association (Fedebiocombustibles) to investigate alleged subsidies of U.S. fuel ethanol imports. On February 3, 2020, MINCIT issued its Essential Facts report that concluded U.S. ethanol production is subsidized, to the detriment of Colombian industry, but not to the extent that the Colombian industry alleged. While the report did not recommend a specific tariff, it contemplated two scenarios depending on how much subsidy passed-through from corn to ethanol. Depending on the scenario, Colombia would apply a CVD rate between 11 and 16 percent. Finally, on May 7, 2020, MINCIT issued a final ruling that reconfirmed the findings of the Essential Facts report and placed a \$0.066/kg duty (or \$0.20 per gallon) on imports of ethanol from the United States for the next two years as compensation.

Expiry Review

On May 4, 2022, MINCIT accepted another petition from the domestic industry to review the existing CVD against U.S. ethanol imports, resulting in a formal review of the CVD that was set to expire on May 7, 2022. While the CVD expiry review was conducted, the \$0.066/kg duty on imports of U.S. ethanol continued.

On January 13, 2023, MINCIT issued its Essential Facts report of the expiry review, which argued that there is evidence of continued subsidies for U.S. ethanol, but no clear evidence that the current CVD improved the local ethanol industry's economic performance. The report calculated a recommended CVD of \$0.035/kg, reduced from \$0.066/kg.

On March 15, 2023, MINCIT ignored its own report and issued a [final ruling](#) in the CVD expiry review, extending the original investigation duty of \$0.066/kg on imported U.S. ethanol for the next five years. Attached, in Spanish and English, is Colombian Resolution 044, which establishes the CVD expiry review's final determination.

Attachments:

[Resolución 044 del 13 de marzo de 2023-Determinación Final.pdf](#)

[Resolution 044 of 2023 Final Determination CVD on U.S. Ethanol.pdf](#)