

## PRESS RELEASE: EU renewable ethanol producers inform Commission of market challenges during COVID-19

### Dramatic shift in demand and possibility of imports could threaten European industry

BRUSSELS, 10 April 2020 – European renewable ethanol producers have asked the European Commission to consider addressing challenges that have arisen from shifting market conditions as a result of the COVID-19 health crisis.

In a letter sent to several Commissioners, ePURE (the European renewable ethanol association) highlights the conditions facing the European industry as demand has shifted from fuel to industrial grade ethanol used in the manufacturing of hydro-alcoholic gel, sanitizers and other disinfectants.

Across the EU, renewable ethanol producers are [actively involved](#) in the effort to contain the coronavirus pandemic. Even as they continue to deliver the necessary volumes of fuel ethanol to meet the EU's renewable energy and climate ambitions, refineries have increased production of ethyl alcohol for use as a disinfectant and hand sanitizers, and producers are working with national governments and the EU to maintain supply chains.

But the increased demand in industrial grade does not come close to compensating for the drop in demand for fuel ethanol. Some plants have had to reduce their production.

“We are therefore concerned by certain industries’ unfounded requests to suspend tariff duties on ethanol imports, alleging shortages of ethanol and competition for end uses,” the letter reads. “If granted, these measures could put in jeopardy our industry which on the contrary needs to prepare for the post COVID-19 resumption of economic activities. More than ever the EU ought to protect our sector that has proved of strategic importance to combat this health crisis and contribute to Europe’s independence in food/feed, energy and other biomaterials.”

The industry asks the Commission to consider measures on the fuel ethanol market that will be required to ensure that the sector continues to be viable and is not exposed to more damage when economic activity resumes. Such measures should not affect the supply of industrial grade ethanol.

“The threat of injury is blatant,” the letter reads. “Prices in the European fuel ethanol market have dropped from EUR/cbm 600 to below EUR 400 in March. In the US and Brazil, the two major ethanol producers accounting for 55% and 30% of the world’s ethanol production respectively, the industry is faced with a similar situation, shut downs, ‘force majeure’ declarations and record high stocks which could flood at low prices an already depressed European market.”

To read the full letter, [click here](#).

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