# Greenergy suspends Immingham plant amid surge of subsidised US and Chinese biofuel imports



Greenergy, a prominent European producer of waste-based biodiesel, has temporarily suspended operations at its Immingham plant in Northeast England as of May 20. This pause is part of a broader review aimed at assessing the facility's commercial viability amid what the company describes as "significant challenges currently facing the UK biofuels industry." During this review, all staff members at the Immingham site will remain employed, indicating some degree of commitment to the future of the plant, despite the difficult circumstances.

The suspension highlights the precarious position of the UK’s renewable fuels sector, which is grappling with a complex and increasingly challenging market landscape. Greenergy's announcement follows substantial cost-cutting efforts that have proved insufficient in counteracting unfavourable market conditions. The company expressed that despite these measures, the prevailing market dynamics are "unsupportive," a sentiment echoed throughout the industry.

This turbulence is not isolated to Greenergy alone; it reflects broader trends affecting biofuel production across the UK and beyond. Recent data suggests that while the global biodiesel market, fuelled by environmental regulations and energy security concerns, is anticipated to grow robustly, the UK's situation distinctively diverges. The Renewable Transport Fuel Association (RTFA) has consistently raised alarms about a "catalogue of damaging decisions" that have severely undermined domestic biofuel manufacturing capability.

One of the most pressing issues contributing to these unsupportive conditions is the influx of low-cost, often subsidised, biofuel imports. The economic landscape was considerably altered when the UK removed trade defence measures against biodiesel imports from the US, leading to a surge of subsidies supporting American products, including hydrogenated vegetable oil (HVO). This influx is exacerbated by competition from Chinese biofuels, further complicating the landscape for local producers who struggle to compete with these cheaper alternatives, despite their own efforts to reduce costs.

In turn, the regulatory framework governing biofuels in the UK has also come under scrutiny. Industry stakeholders have pointed out that stagnant Renewable Transport Fuel Obligation (RTFO) targets, which incentivise the supply of renewable fuels, are inadequate for fostering growth in the domestic market. Additionally, recent policy discussions have raised concerns about certain co-products being allowed to "double count" towards RTFO targets, ultimately diluting their intended environmental impact and potentially raising costs for consumers. Furthermore, the eligibility criteria for feedstocks related to the UK’s Sustainable Aviation Fuel (SAF) mandate has come under fire, with calls for broader inclusivity in what sources can be considered.

These developments follow the closure of Argent Energy’s plant in Motherwell, which ceased operations last year due to "unprecedented competition" emerging from subsidised imports. The biofuels sector is thus experiencing severe retrenchment as domestic producers confront a hostile trade environment.

Turning to the future, the UK Trade Remedies Authority has launched investigations into imports of HVO from the US amidst concerns of unfair pricing practices. This investigation aims to assess whether these imports are being sold at abnormally low prices, harming the UK industry’s competitiveness. Should the findings confirm dumping practices, this could provide a crucial lifeline for domestic producers who are currently struggling against an avalanche of subsidised foreign competition.

Compounding these issues is the broader context of international trade agreements, such as the recent US-UK trade deal that has eliminated tariffs on U.S. ethanol imports. This agreement significantly increases the quota for tariff-free imports, posing further risks to the UK’s bioethanol plants, including those operated by Associated British Foods in Hull, as they face heightened competition from subsidised US ethanol.

As the UK navigates these choppy waters, the implications for local manufacturers, employees, and ultimately the sustainability agenda become increasingly stark. The challenges faced by Greenergy and others underscore a critical moment for the UK biofuels industry, one that will require prompt and effective policy responses to safeguard domestic production capacity and employment in this essential sector. The ongoing inquiry into HVO imports is a step towards addressing these pressing issues, but the outcome will determine the future viability of biofuels in the UK.

### Reference Map

1. Paragraphs 1, 2, 3, 4, 5
2. Paragraphs 1, 2, 3, 4
3. Paragraphs 5, 6
4. Paragraph 5
5. Paragraphs 6, 7
6. Paragraphs 6, 8
7. Paragraph 8

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.chemanalyst.com/NewsAndDeals/NewsDetails/greenergy-halts-operations-at-immingham-biodiesel-plant-amidst-uk-biofuels-industry-36828> - Please view link - unable to able to access data
2. <https://www.chemanalyst.com/NewsAndDeals/NewsDetails/greenergy-halts-operations-at-immingham-biodiesel-plant-amidst-uk-biofuels-industry-36828> - Greenergy, a leading European producer of waste-based biodiesel, announced the temporary suspension of operations at its Immingham plant in Northeast England on May 20. The decision comes as the company initiates a review to assess the commercial viability of the facility, citing 'significant challenges currently facing the UK biofuels industry.' All staff at the Immingham site will remain employed during the review period. Despite implementing substantial cost reduction measures, Greenergy stated that 'market conditions remain unsupportive.' This announcement sends ripples through the UK's renewable fuels sector, highlighting the precarious position of domestic biofuel production amidst a complex and increasingly challenging market landscape.
3. <https://www.reuters.com/business/energy/future-ab-foods-bioethanol-plant-imperilled-by-us-uk-trade-deal-2025-05-09/> - A new US-UK trade deal eliminating UK tariffs on U.S. ethanol imports threatens the future of Associated British Foods' (ABF) bioethanol plant in Hull. The agreement introduces a 1.4 billion-litre quota for tariff-free U.S. ethanol, significantly surpassing previous export levels. ABF CEO George Weston cited unfair competition from subsidized U.S. imports and existing UK regulations as challenges undermining the commercial viability of the Hull-based Vivergo plant. The plant, which produces bioethanol fuel and animal feed, employs around 150 people whose jobs are now at risk. ABF is urging the UK government to revise import regulations to support domestic producers. Industry bodies like the National Farmers' Union and the Renewable Energy Association cautioned that the deal could harm local arable farming and enable underpriced U.S. imports backed by tax credits. The move follows the closure of INEOS’s Grangemouth ethanol plant earlier this year amid similar import pressures. Britain made the ethanol concession in exchange for U.S. tariff relief on steel, aluminium, and cars. While the government claims the deal will protect manufacturing jobs, ABF warns of increased anxiety among employees and stakeholders in the UK bioethanol sector.
4. <https://www.ft.com/content/a9962875-54eb-4abb-be35-3afd582d4965> - Europe’s biofuels sector is facing significant distress due to the influx of cheap Chinese biofuel imports, which are undermining local producers. This situation mirrors previous challenges in the solar industry. Biofuels, which are cleaner alternatives to fossil fuels, have seen decreasing prices, forcing companies like Chevron and Shell to halt production or delay projects. The European Biodiesel Board (EBB) has called for urgent anti-dumping measures, leading the European Commission to impose tariffs on Chinese biofuel imports ranging from 12% to 36%. However, sustainable aviation fuels (SAFs) are exempt, which could lead to market circumvention. On a brighter note, wind and solar power have surpassed fossil fuels in the EU's electricity mix for the first time, accounting for 30% of the mix in the first half of 2024. This shift is a testament to the EU's efforts to transition away from fossil fuels, resulting in a 31% reduction in greenhouse gas emissions compared to the first half of 2022.
5. <https://www.spglobal.com/commodity-insights/en/news-research/latest-news/agriculture/031725-uk-launches-investigations-into-hvo-biodiesel-imports-from-the-us> - The UK Trade Remedies Authority has launched an antidumping and countervailing investigation into imports of hydrotreated vegetable oil (HVO) biodiesel from the US in response to concerns from UK biodiesel and renewable diesel producers about market changes since a 2022 review. The investigations aim to determine if HVO imports from the US are sold at unfairly low prices or are subsidized, potentially harming the UK industry. HVO biodiesel, also known as renewable or green diesel, is produced through the synthesis or hydrotreatment of non-fossil oils and fats. It can be used in pure form or blended with other fuels and is sourced from the US. The investigation period is from Jan. 1-Dec. 31, 2024, during which the TRA will evaluate market dynamics, including the narrowing price gap between imported HVO and UK-produced biodiesel.
6. <https://www.argusmedia.com/es/news-and-insights/latest-market-news/2668495-uk-launches-anti-dumping-probe-into-us-origin-hvo> - The UK today began an anti-dumping investigation into hydrotreated vegetable oil (HVO) from the US. An application for the investigation was lodged by the UK Renewable Transport Fuel Association (RTFA) and UK-based biofuels producers Greenergy, Argent Energy and Olleco. The goods subject to investigation are 'biodiesel obtained from synthesis or hydrotreatment of oils and fats of non-fossil origin, in pure form or as included in a blend'. The UK trade remedies authority (TRA) specified that sustainable aviation fuel (SAF) is excluded from this definition. The investigation period spans from 1 January 2024 to 31 December 2024. During this time, the applicants allege HVO was imported into the UK at prices below the 'normal value'. They say this alleged dumping led to an actual and potential decline in production, domestic sales, and profitability.
7. <https://www.ahdb.org.uk/news/what-could-happen-if-the-uk-lost-red-ii-recognition> - If UK-grown wheat could no longer be used as a biofuel feedstock to access the EU biofuels market under RED II, this will likely weigh on the domestic cereals balance. With such large demand centres taken offline for the domestic market, in typical production years, the UK market would have a larger surplus of grain to export or store. It is also important to note that the wheat supplied is typically of feed wheat quality. Therefore, demand from the UK biofuels sector helps to support the price of domestically produced feed wheat which can be more ample in supply than milling wheat. Biofuel production can be seen to have an impact on delivered prices into North Humberside, highlighting the strength of demand this sector has within the domestic market.