

Council's decision to suspend urea and ammonia tariffs at odds with Europe's push for strategic autonomy



Brussels, 21 December 2022: European Fertilizer industry regrets the EU Council's decision to temporarily suspend tariffs on urea and ammonia as Europe is already under record surge of imported products. This decision is at odds with the EU's policy to reinforce its strategic autonomy. It adds yet another blow for the European fertilizer industry whose competitiveness has already been weakened by the energy crisis and more favourable green investment climate in other regions.

On Friday, 16 December 2022 the Council adopted a regulation temporarily suspending tariffs on urea and ammonia.

"We regret the Council's decision to suspend tariffs on urea and ammonia while recognising that the suspension period has been shortened vis-a-vis the original proposal. Fertilizers Europe consistently advocates for a stable and predictable trade policy to avoid opening doors to new structural dependencies. The tariff suspension is at odds with the EU's policy to reinforce Europe's strategic autonomy on food and fertilizers" said Jacob Hansen, Director General of Fertilizers Europe.

"Due to record gas prices, domestic fertilizer production was down by 70% in August/September and is still curtailed at 30% at the moment. Lifting tariffs only adds further pressure on the industry, jeopardizing the European industry's ability to return to normal production levels" added Hansen.

Hansen stated *"Recent surge of fertilizers imports to Europe demonstrates that trade/competitive measures do not impede imports. Between August and October of 2022 imports of urea rose by 247% compared to the same period in 2021. In August 2022 alone, imports rose by over 300 thousand tons. As Europe is already a net importer of fertilizers, policy makers must refrain from actions that will further strain the competitiveness of the domestic fertilizer industry"*. He added *"Current import surge is a negative development for fertilizer producers, for farmers and the EU's environmental goals considering higher environmental footprint of imported fertilizers in comparison to fertilizers produced in Europe"*.

"50% of all food is produced thanks to the use of mineral fertilizer. The EU simply cannot afford to become fully dependent on fertilizers imports and replace dependency on Russian gas with

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dependency on imported and less climate friendly fertilizers. A robust European fertilizer industry is therefore crucial to fulfil Europe's strategic objectives" concluded Hansen.

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