Statement on the publication of WTO's award in the Airbus dispute

Following the publication today of the World Trade Organization's (WTO) award regarding the amount of U.S. countermeasures in the WTO Airbus dispute, Commissioner for Trade Cecilia **Malmström** made the following statement:

"The European Union takes note of the decision of the World Trade Organization's (WTO) arbitration panel in the Airbus case, and the level of possible countermeasures.

We remain of the view that even if the United States obtains authorisation from the WTO Dispute Settlement Body, opting for applying countermeasures now would be short-sighted and counterproductive.

Both the EU and the U.S. have been found at fault by the WTO dispute settlement system for continuing to provide certain unlawful subsidies to their aircraft manufacturers.

In the parallel Boeing case, the EU will in some months equally be granted rights to impose countermeasures against the U.S. as a result of its continued failure to comply with WTO rules. A preliminary list of U.S. products to be considered for countermeasures was published last April.

The mutual imposition of countermeasures, however, would only inflict damage on businesses and citizens on both sides of the Atlantic, and harm global trade and the broader aviation industry at a sensitive time.

The European Commission has consistently communicated to the United States that the European Union is ready to work with them on a fair and balanced solution for our respective aircraft industries.

The aircraft sector is amongst the most complex industries in the world, from the development, production and financing point of view. The specificity of the sector calls for comprehensive subsidy disciplines so that all players compete on an equal footing.

The EU has, as recently as this July, shared concrete proposals with the U.S. for a new regime on aircraft subsidies, and a way forward on existing compliance obligations on both sides. So far the U.S. has not reacted.

Our readiness to find a fair settlement remains unchanged. But if the U.S. decides to impose WTO authorised countermeasures, it will be pushing the EU into a situation where we will have no other option than do the same."

For More Information

WTO decision authorising countermeasures

<u>History of the dispute</u>

Parallel WTO dispute on Boeing and potential EU countermeasures