

EU urges US to 'make deal' in Airbus-Boeing row

September 16 2019



The Airbus-Boeing row has dragged on for 15 years, with the US and EU accusing each other of unfair subsidies for their respective aircraft companies

The EU on Monday urged the US to make a deal to end a 15-year long Airbus-Boeing row, just days before Washington is expected to

announce a raft of new tariffs in the epic tit-for-tat battle.

"We have enough tariffs in the world as it is, so imposing tariffs on each other, which strictly speaking we are allowed to do according to the WTO, would not be a good solution," said EU Trade Commissioner Cecilia Malmstrom.

"We have offered the US to try and make a deal in order to jointly find a negotiated solution and see what we can do to discipline ourselves (on subsidies) when it comes to aircraft," she told reporters.

The legal battle between Airbus and Boeing at the World Trade Organization began in 2004 when Washington accused Britain, France, Germany and Spain of providing illegal subsidies and grants to support the production of a range of Airbus products.

A year later, the EU alleged that Boeing had received \$19.1 billion worth of prohibited subsidies from 1989 to 2006 from various branches of the US government.

The two cases were then tangled up in a messy legal quagmire, with each side being given partial vindication after a long series of appeals and counter appeals.

Successive levies?

Under WTO rules, the EU and US each have the right to punish the other, with Washington given a first crack at imposing tariffs, probably the week of October 13, according to Malmstrom.

The EU side will then have their chance to slap similar duties on the US about six months later.

Washington has demanded the right to levy tariffs worth \$11.2 billion while Brussels is demanding \$12 billion as punishment. The WTO is likely to decide on a lower number in each case.

The Airbus-Boeing row is just one of several issues stoking transatlantic tensions that quickly descended into acrimony when US President Donald Trump took office in 2017.

Trump embraced a protectionist agenda, slapping import duties on steel and aluminium from the EU and other allies, while also threatening tariffs on European cars.

Earlier this month, US Secretary of State Mike Pompeo said he was seeking a "reset" in relations with a new team of EU top officials taking office later this year.

© 2019 AFP

Citation: EU urges US to 'make deal' in Airbus-Boeing row (2019, September 16) retrieved 19 April 2024 from <https://techxplore.com/news/2019-09-eu-urges-airbus-boeing-row.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.