

# US imposes tariffs on EU goods, targeting Airbus, wine and whisky

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The epic legal battle between Airbus and Boeing at the World Trade Organization began in 2004

The United States imposed tariffs on a record \$7.5-billion worth of European Union goods on Friday, despite threats of retaliation, with

Airbus, French wine and Scottish whiskies among the high-profile targets.

The WTO-endorsed onslaught from US President Donald Trump also comes as Washington is mired in a trade war with China and could risk destabilizing the global economy further.

In Washington, French Economy Minister Bruno Le Maire lambasted the US move, calling it a "hostile act" from an ally that, failing a negotiated resolution, would invite retaliation which could further slow the world economy.

"This is a hostile act between allies," Le Maire told reporters on the sidelines of the annual meetings of the World Bank and International Monetary Fund.

"With a slowing global economy, it would be irresponsible to add tariffs to tariffs and a US-European trade war to the existing US-China trade war."

"We don't want to negotiate with a gun (to) our head. Because when you have a gun to your head, you don't have any other choice but to retaliate," he added.

The tariffs, which took effect just after midnight in Washington (0401 GMT), came after talks between European officials and US trade representatives failed to win a last-minute reprieve.



French wine and Scottish whiskies are among the high-profile targets

In the line of fire are civilian aircraft from Britain, France, Germany and Spain—the countries that formed Airbus—which will now cost 10 percent more when imported to the US.

But the tariffs also target consumer products such as French wine, which Trump had vowed to attack in recent months. Wine from France, Spain and Germany will now face 25 percent tariffs.

Le Maire was due to meet US Trade Representative Robert Lighthizer later on Friday.

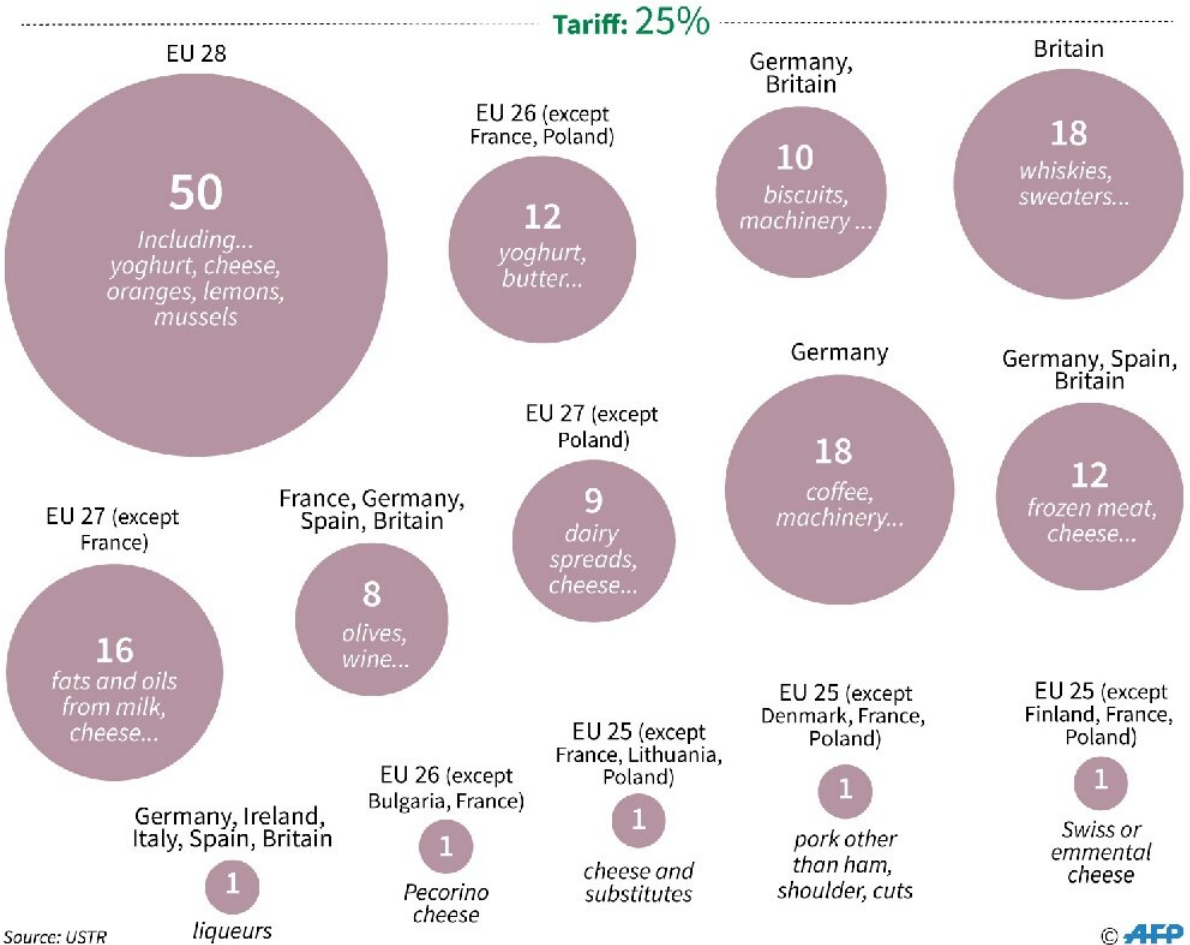
The Europeans advocate negotiation over conflict and expect the World Trade Organization next year will authorize Europe to retaliate against the United States for subsidizing Boeing.

But EU officials had already offered in July to call a truce on subsidies for plane makers, in which both sides would admit fault and agree to curtail state aid—to no avail. The two sides have been involved in a row over the subsidies for 15 years.

## US tariffs on European goods

The World Trade Organization has approved US tariffs worth **\$7.5 billion (6.8 billion euros)** in retaliation for EU's support of Airbus

**Tariff: 10%**  
 France, Germany, Spain, Britain ← **Products of country/ies**  
**1** ← **No. of product/s**  
*New airplanes and other aircraft (other than military planes)*



European goods covered by a \$7.5 billion tariffs that the US announced in retaliation against the EU over Airbus subsidies.

The tariffs kick in just days after the United States was given the formal go-ahead by the World Trade Organization.

As recently as Wednesday, Trump singled out the Europeans for being unfair with the United States on trade, but said his door was open to negotiate a settlement.

## **'Very hard'**

The Europeans fear above all that Trump will impose heavy duties on imports of European cars around mid-November.

This would be a serious blow for the German automotive sector in particular, even if giants such as Volkswagen or BMW also manufacture in the United States.

"Our products are very hard to bring in (to Europe)" when Europeans easily import their cars into the United States, Trump said.

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





Whisky producers in Scotland have kept a clamour of protest



French Economy Minister Bruno Le Maire said that Europe is ready to retaliate

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

Trade groups in Europe such as winemakers, German tool manufacturers and whisky producers in Scotland have kept a clamor of protest, demanding Washington reverse tack.

The US leader and European Commission President Jean-Claude



Juncker agreed in July 2018 to a ceasefire in the conflict to hold trade talks that have so far led nowhere.

The epic 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 legal quagmire, with each side being given partial vindication after a long series of appeals and counter appeals.

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